

**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, August 18, 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.

NONE

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 July 21, 2010

D.2 Consider approval of July 2010 Treasurer's Report

- D.3 DCV Violations
- D.4 Approve conveyance for facilities at the School Ridge Subdivision, AP 508-351-040
- D.5 Approve conveyance for facilities at the Valadeo Subdivision, AP# 510-341-013
- D.6 Consider renewal of caretaker contract at Hiller Park
- D.7 Consider Memorandum of Understanding (MOU) between the MCSD and McKinleyville Union School District regarding provision of after school program
- D.8 Consider Approval to declare 2000 Chevy Utility Truck Surplus
- D.9 Consider Approval of a Facilities Extension Agreement for Santos Subdivision.

E. CONTINUED AND NEW BUSINESS

- E.1 Present "Community Builder Award" to: Kiwanis Club
- E.2 Field trip to observe results of Community Garden, Bocce Ball Court, and Library construction progress regarding various "recreation activities" improvements
- E.3 Biennial review of Conflict of Interest Code and suggested Non-Substantive Changes
- E.4 Consider proposal to provide assessment engineering Proposition 218 services
- E.5 Consider approval of Memorandum of Understanding (MOU) between MCSD and McKinleyville Land Trust
- E.6. Consider adjustment of Appropriations limit and recalculation of FY 07-08 and 08-09 Appropriations Subject to limit

F. REPORTS

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

F.1. ACTIVE COMMITTEE REPORTS

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

- i. AdHoc Committee-Review Goals, Objectives & Mission Statement (Edwards, Corbett)
- j. AdHoc Financial Reserve Committee (Edwards, Corbett)

F.2. STAFF REPORTS

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

F.3. BOARD PRESIDENT'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.

H1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9. One potential case: Written correspondence/threats of potential litigation received from Mr. David Elsebusch, dated July 30, 2010. A copy of the written statement is available for inspection pursuant to Government Code § 54957.5.

I. ADJOURNMENT

Posted 5:00 pm on Friday August 13, 2010

EXHIBIT D.1

MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, JULY 21, 2010 AT 7:00PM AT AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE

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

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

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

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

At 7:00pm President Edwards called the meeting to order with Directors Couch, Mayo and Wennerholm present and Director Corbett absent. Director Wennerholm led the pledge of allegiance. There were no additions to the agenda.

AGENDA ITEM B-APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda. Motion by Wennerholm; second by Couch.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

AGENDA ITEM C-PUBLIC HEARINGS: none

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Board of Directors' Regular Meeting of June 16, 2010
2. Consider approval of June 2010 Treasurer's Report
3. DCV Violations
4. Consider approval of a Facilities Extension Agreement for Sun Road.

The Directors had no questions or comments. David Elsebusch requested item D.2 be pulled for further discussion.

MOTION: It was moved to approve Consent Calendar items D.1, D.3, & D.4. Motion by Wennerholm; second by Mayo.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

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

Consent Calendar Item D.2-Consider Approval of June 2010 Treasurer's Report: As the Directors had no questions or comments President Edwards opened public input and David Elsebusch expressed concern with some of the expenditures listed in the cash disbursement report. President Edwards closed public input.

MOTION: It was moved to approve consent calendar item D.2. Motion by Wennerholm; second by Mayo.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

AGENDA ITEM E.1-PRESENT "COMMUNITY BUILDER AWARD" TO COAST CENTRAL CREDIT UNION:

Manager Shopay explained that staff planned to revive this award to recognize people in the community for their outstanding service to the District and the community. Park & Recreation Director Sehon reported that Coast Central Credit Union was being honored this month for their contribution of a matching grant in the amount of \$12,000 for the purchase and installation of a new tot-lot playground at Hiller Park. He gave a brief power point presentation to show the new structures installed. President Edwards then presented an engraved plaque to Bob Boyd from CCCU and thanked him for the generous donation.

AGENDA ITEM E.2-CONSIDER ACTION TO APPROVE FOUR INITIAL ALTERNATIVES TO BE CARRIED FORWARD FOR CONTINUED EVALUATION IN THE WASTEWATER MANAGEMENT FACILITY FEASIBILITY STUDY:

General Manager Shopay presented this item and briefly reviewed staff recommendations. Operations Director Orsini introduced Lisa Stromme from SHN who gave a presentation to cover the progress made at the public scoping meetings and outline the goals and objectives and project alternatives identified for further study to include the most favorable and the second alternative in the 20-year Facilities Plan. There was a brief Board discussion, with Ms. Stromme answering Board questions and five people from the public addressed the Board with their comments and questions.

MOTION: It was moved to approve the four alternatives to be carried forward in the 20-year Facilities Plan for additional study and evaluation related to Ocean outfall, River Discharge and Reclamation.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

AGENDA ITEM E.3-CONSIDER ACTION TO PREPARE RFP FOR LEASE AT FISCHER RANCH: Operations Director Orsini reviewed the history of the lease and staff recommendations. As the Board had no comments President Edwards opened public input and David and Penny Elsebusch both supported the 1-year extension and expressed concern with the RFP costs. Mr. Gomes expressed his interest in extending the lease. President Edwards closed public input.

MOTION: It was moved to approve the preparation and circulation of a Request for Proposal to be brought back to the Board and preparation of a draft lease for Board approval. Motion by Mayo; second by Wennerholm.

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

MOTION SUMMARY: Motion Passed-4 AYES; 0 NAYS

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AGENDA ITEM E4-ITEM REMOVED FROM THE AGENDA

AGENDA ITEM E5-CONSIDER REVISED RESOLUTION TO DRINK LOCAL WATER: General Manager Shopay explained that the Resolution was revised and brought back to the Board to provide clarification and flexibility to use limited water bottle use in certain instances.

MOTION: It was moved to approve Resolution 2010-10 to encourage the public to drink local water. Motion by Wennerholm; second by Mayo.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

AGENDA ITEM E6-DISCUSSION OF LETTER TO HBMWD REGARDING PROPOSED COST SHARE FOR EMERGENCY WATER PIPELINE CROSSING THE MAD RIVER: General Manager Shopay reported that staff had sent a letter to HBMWD requested their participation in proportional funding for the emergency water line crossing over the Mad River. He added that included in the packet was a response letter from HBMWD that explained why they could not participate at this time, but recommending MCSD continue discussion through the Task Force or the Municipal Advisory Committee. Director Mayo praised Manager Shopay for pursuit of this and President Edwards expressed support of bringing this to the Task Force or MAC for their consideration.

MOTION E7-DISCUSSION OF MCKINLEYVILLE WATER AND SEWER RATE COMPARISONS WITH OTHER NEARBY DISTRICTS: General Manager Shopay explained that staff had completed a rate comparison study of residential water and sewer rates with other Districts in the area. He briefly reviewed the findings that confirmed that MCSD's combined water and sewer rates are lower than all other agencies surveyed. After a brief discussion President Edwards thanked staff for this information that will help with future discussion and decisions regarding potential rate increases.

MOTION E8-DISCUSSION OF LETTER REQUEST TO RWQCB FOR CEASE AND DESIST ORDER (CDO) AT THE WASTE WATER MANAGEMENT FACILITY: General Manager Shopay explained that the urgency of the request for the cease and desist order from the RWQCB was due to the changes to the MCSD National Discharge Elimination System permit that took effect 5-18-2010. He explained that new effluent limitations were established for select priority pollutants and the District. He added that this could amount to a potential large fine each month during the time of discharge to the Mad River, but that this CDO would give the District time to address the discharge non-compliance without assessment of mandatory minimum penalties. There was a brief Board discussion with one person addressing the Board to suggest analyzing the sludge from the bottom of the treatment ponds. Director Mayo thanked General Manager Shopay for taking this initiative. Operations Department Director Orsini reported that staff had conducted a source study, but that the results were inconclusive in pinpointing a source of the problem. He explained that staff would be implementing a pre-treatment program for industrial users and will be issuing permits for them which will include monitoring both Lindane and DDT. General Manager Shopay advised the Board that the CDO will be on a future RWQCB agenda for consideration and he would keep the Board updated on the results.

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AGENDA ITEM F-REPORTS:

F1a-RAC: There was nothing to report.

F1b-McK Area Fund: No report was made.

F1c-RREDC: President Edwards gave a brief update to the Board from the last RREDC meeting which included approval of a contract with the Humboldt Headwaters Fund, letter of support for SB 1040, update on the placement of redundant communication lines down highway 36 & 299 and a report on Humboldt Bay Redevelopment given by Mike Wilson.

F1d-McK Senior Center: Director Wennerholm gave a brief report from the last meeting and added they will not meet in August.

F1e-Audit: There was nothing to report.

F1f-Negotiations: There was nothing to report.

F1g-Water Task Force: Director Mayo reported that the task force was working on the first draft of potential proposals with the results to go to HBMWD and the public process will begin again.

F1h-Adhoc No Drugs & Toxics Down the Drain: Director Mayo reported that the cleanup day at Pierson Park went very well, that Joyce Cain wrote a good article in the McKinleyville Press on that and complemented Gregory Cain at Humboldt Sanitation for his help in keeping toxics out of the drains.

F1i-AdHoc-Review Goals, Objectives and Mission Statement: President Edwards that the committee met with staff for the first time to review goals and objectives and planned to meet again on August 2, 2010.

F1j-AdHoc Financial Reserve Committee: President Edwards reported the committee had not met yet.

F2a-Support Services Department: Finance Director Edmiston reported that at the next meeting he will report on:

1. A resolution of the appropriations limit issue cited in the audit findings.
2. The results of the actuary evaluation done for retiree medical costs.

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

F2c-Park & Recreation Department: Park & Recreation Director Sehon reported:

1. Staff was working with the Lew Edwards Group on the survey to support measure B and they began telephone calls on July 5th.
2. The contract for the Library expansion was executed yesterday and DCI Builders planned to begin construction next Tuesday with the completion date sometime in September.
3. The next chamber mixer will be held tomorrow night from 5:30-7:30pm at Azalea hall and was a fund raiser and raffle to benefit the Friends of the Library.
4. A portion of the proceeds from the annual Mad River Rotary dinner this year will be donated to the Friends of the Library for the Library expansion project.

F2d-General Manager: General Manager Shopay reported that a Web Site public meeting was held prior to tonight's meeting and staff will be looking into improvements as suggested to make the site more useful for the public.

F3-Board President's Report: President Edwards reported that she and General Manager Shopay have been meeting with the both the fire chief and the coast guard, that the meetings were very productive and they planned to continue to do that.

F4-Board Members' comments, Announcements and Reports: Director Mayo reported that Director Corbett attended the controversial Marine Life Protection Act meeting held in Ft. Bragg today and that

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the meeting was well attended by protestors who peacefully took control. He added that Director Corbett gave an eloquent presentation at the meeting.

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

G.1 Elsebusch Request: David Elsebusch expressed concern that Manager Shopay had not responded to his demand and asked if the community garden was exclusively for McK residents.

G.2 Penny Elsebusch asked for clarification of the rules for the community garden.
President Edwards closed public comment.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: no closed session

AGENDA ITEM I-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 8:35pm. Motion by Wennerholm; second by Mayo.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

Respectfully Submitted,

Sharon L. Denison,
Board Secretary

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McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

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

PRESENTED BY: Steven Edmiston, Finance Director

TYPE OF ACTION: Voice Vote – Consent Calendar

Recommendation:

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

Discussion:

The July, 2010 Treasurer's Report is attached.

Alternatives:

Take no action.

Fiscal Analysis:

See attached July, 2010 Treasurer's Report.

Environmental Requirements:

Not applicable

Exhibits/Attachments

July, 2010 Treasurer's Report.

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

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McKinleyville Community Services District
Investments and Cash Flow Report
July 2010

General Disbursement and Money Market Account:

Beginning Balance		163,922.07	
Utility Billing (inc. \$41,648.95 in CC, EFT, web pay)	219,203.15		
New Services & Capacity Fees: Water	330.92		
New Services & Capacity Fees: Sewer	3,707.41		
Money Market Account Interest	91.73		
Other Cash Receipts	80,742.63		
Transfer from Humboldt Co. #2560	<u>500,000.00</u>		
Total Cash Receipts		804,075.84	
Cash Expenditures:			
Payroll, Taxes, etc.	(141,453.51)		
Capital Expenditures	(86,291.25)		
Debt Service	(169,581.84)		
Other Expenditures	<u>(196,638.63)</u>		
Total Cash Expenditures		<u>(593,965.23)</u>	Estimated Annual Interest Rate
Total Cash in Umpqua Bank		374,032.68	0.64%
Investment Funds:			
LAIF	126,442.31		
Interest Income	<u>175.30</u>		
Balance in LAIF		126,617.61	0.55%
Humboldt Co. #2560 - Beginning Balance	1,415,226.18		
Interest Income	2,122.84		
Secured Property Tax & Measure B Assessment	0.00		
Transfer to Operating Account	<u>(500,000.00)</u>		
Balance in Humboldt Co. #2560		917,349.02	1.80%
Humboldt Co. #4240 - Beginning Balance	5,161,100.45		
Interest Income	7,741.65		
Transfer from Fund #2560	<u>0.00</u>		
Balance in Humboldt Co. #4240		5,168,842.10	1.80%
Balance in Humboldt Co. #9390		110,584.48	
USDA Bond Reserve Fund	159,230.20		
Bond Reserve Payment	7,500.00		
Interest Income	25.58		
Debt Service Payment	<u>0.00</u>		
Balance in USDA Reserve Funds		<u>166,755.78</u>	0.61%
Total Investments		6,490,148.99	
Total Cash and Investments		6,864,181.67	
Total Cash and Investments Last Month		<u>7,136,505.69</u>	
Net Change to Cash and Investments This Month		<u>(272,324.02)</u>	

McKinleyville Community Services District
Capital Expenditure Report
July 2010

	July	YTD Total	FY 11 Budget	Remaining Budget	Budget %
Water Department					
Ramey Pump Upgrades	72,156	72,156	1,100,000	1,027,844	93%
Emergency Water Line River Crossing	-	-	200,000	200,000	100%
Murray Road Tank	-	-	80,000	80,000	100%
Meter Replacements	-	-	65,000	65,000	100%
Emergency Water Supply	-	-	45,000	45,000	100%
Radio Telemetry Upgrades	-	-	20,000	20,000	100%
Misc. Replacements	1,660	1,660	9,000	7,340	82%
Subtotal	73,816	73,816	1,519,000	1,445,184	95%
Sewer Department					
WWMF Upgrade and Capital Maintenance	4,159	4,159	113,000	108,841	96%
NPDES Permit	3,200	3,200	80,000	76,800	96%
Industrial Discharge Permit	-	-	25,000	25,000	100%
Radio Telemetry Upgrades	-	-	20,000	20,000	100%
Meter Replacements	-	-	20,000	20,000	100%
Misc. Replacements	-	-	24,000	24,000	100%
Subtotal	7,359	7,359	282,000	274,641	97%
Water and Sewer Operations					
Dump Truck	-	-	50,000	50,000	100%
Air Compressor	-	-	17,000	17,000	100%
3/4 or 1 Ton Pickup	-	-	29,000	29,000	100%
Emergency Response Equipment and Supplies	-	-	6,000	6,000	100%
Office, Corperation Yard and Shops	616	616	36,000	35,384	98%
Computer Replacement and Upgrades	4,500	4,500	41,000	36,500	89%
Small Equipment & Other	-	-	41,000	41,000	100%
Streetlight Pole Replacements	-	-	7,000	7,000	100%
Subtotal	5,116	5,116	227,000	221,884	98%
Enterprise Fund Total	86,291	86,291	2,028,000	1,941,709	96%
Parks and Recreation Department					
Projects contingent upon grant funding	-	-	4,379,000	4,379,000	100%
Projects funded by Quimby/Other Funds	-	-	185,000	185,000	100%
Other Parks Projects & Equipment	-	-	65,000	65,000	100%
General Fund Total	-	-	4,629,000	4,629,000	100%
All Funds Total	86,291	86,291	6,657,000	6,570,709	99%

McKinleyville Community Services District
Activity Summary by Fund
July 2010

Department Summaries

Water:

Water Sales
Other Water Revenues

Total Operating Revenue

Salaries & Benefits
Water Cost
Other Expenses
Depreciation

Total Operating Expenses

Net Operating Income
Interest Income
Interest Expense

Net Income

Sewer:

Sewer Service Charges
Other Sewer Revenues

Total Operating Revenue

Salaries & Benefits
Other Expenses
Depreciation

Total Operating Expenses

Net Operating Income
Interest Income
Interest Expense

Net Income

Enterprise Funds Net Income

July	FY10 YTD	YTD Budget	YTD Variance	YTD Budget	YTD Variance	%	% Year Remaining:		Notes
							FY10 Budget	Remaining Budget	
177,086	177,086	165,658	11,428	11,428	6.90%		1,987,900	(1,810,814)	-91.09%
15,933	15,933	11,557	4,376	4,376	37.86%		138,686	(122,753)	-88.51%
193,019	193,019	177,215	15,804	15,804	8.92%		2,126,586	(1,933,567)	-90.92%
60,316	60,316	59,378	(938)	(938)	-1.58%		712,535	652,219	91.54%
52,189	52,189	52,490	301	301	0.57%		629,880	577,691	91.71%
18,394	18,394	26,558	8,164	8,164	30.74%		318,693	300,299	94.23%
19,000	19,000	19,000	-	-	0.00%		228,000	209,000	91.67%
149,899	149,899	157,426	7,527	7,527	4.78%		1,889,108	1,739,209	92.07%
43,120	43,120	19,789	23,331	23,331			237,478	(194,358)	
3,657	3,657	4,083	426	426	10.43%		49,000	45,343	92.54%
(5,906)	(5,906)	(7,257)	1,351	1,351	-18.62%		(87,078)	(81,172)	93.22%
40,871	40,871	16,615					199,400		
118,761	118,761	119,829	(1,068)	(1,068)	-0.89%		1,437,944	(1,319,183)	-91.74%
9,148	9,148	24,387	(15,239)	(15,239)	-62.49%		292,645	(283,497)	-96.87%
127,909	127,909	144,216	(16,307)	(16,307)	-11.31%		1,730,589	(1,602,680)	-92.61%
59,520	59,520	59,378	(142)	(142)	-0.24%		712,535	653,015	91.65%
33,905	33,905	42,648	8,743	8,743	20.50%		511,776	477,871	93.38%
34,000	34,000	34,000	-	-	0.00%		408,000	374,000	91.67%
127,425	127,425	136,026	8,601	8,601	6.32%		1,632,311	1,504,886	92.19%
484	484	8,190	(7,706)	(7,706)			98,278	(97,794)	
4,234	4,234	4,583	349	349	7.62%		55,000	50,766	92.30%
(7,064)	(7,064)	(5,377)	(1,687)	(1,687)	31.37%		(64,526)	(57,462)	89.05%
(2,346)	(2,346)	7,396					88,752		
38,525	38,525	24,011					288,152		

McKinleyville Community Services District
Activity Summary by Fund
July 2010

Department Summaries

Parks & Recreation:

Programs

Rentals

Property Tax Assessments

Measure B Assessment

State Bonds & Grants

Other Revenue

Interest Revenue

Total Revenue

Salaries & Benefits

Other Expenditures

Debt Service

Capital Expenditures

Total Expenditures

Excess (Deficit)

Street Lights:

Total Revenue

Salaries & Benefits

Other Expenditures

Debt Service

Total Expenditures

Excess (Deficit)

Governmental Funds Excess (Deficit)

	July	FY10				YTD				% Variance	% Remaining				Notes
		YTD	YTD Budget	YTD Variance	YTD Budget	YTD Variance	YTD Budget	YTD Variance	YTD Budget		FY10 Budget	FY10 Budget	FY10 Budget	FY10 Budget	
	30,012	30,012	27,442	2,570	2,570	9.37%	329,306	(299,294)	-90.89%						
	5,589	5,589	5,200	389	389	7.48%	62,400	(56,811)	-91.04%						
	-	-	43,333	(43,333)	(43,333)	-100.00%	520,000	(520,000)	-100.00%						
	-	-	17,833	(17,833)	(17,833)	-100.00%	214,000	(214,000)	-100.00%						
	-	-	364,917	(364,917)	(364,917)	-100.00%	4,379,000	(4,379,000)	-100.00%						
	5,705	5,705	23,015	(17,310)	(17,310)	-75.21%	276,176	(270,471)	-97.93%						
	2,088	2,088	1,667	421	421	25.25%	20,000	(17,912)	-89.56%						
	43,394	43,394	483,407	(440,013)	(440,013)	-91.02%	5,800,882	(5,757,488)	-99.25%						
	65,533	65,533	66,732	1,199	1,199	1.80%	800,787	735,254	91.82%						
	38,639	38,639	18,262	(20,377)	(20,377)	-111.58%	219,141	180,502	82.37%						
	125,682	125,682	10,656	(115,026)	(115,026)	-1079.45%	127,877	2,195	1.72%						
	-	-	385,750	385,750	385,750	100.00%	4,629,000	4,629,000	100.00%						
	229,854	229,854	481,400	251,546	251,546	52.25%	5,776,805	5,546,951	96.02%						
	(186,460)	(186,460)	2,007				24,077								
	6,797	6,797	6,667	130	130	1.95%	80,000	(73,203)	-91.50%						
	2,558	2,558	2,987	429	429	14.36%	35,841	33,283	92.86%						
	2,854	2,854	6,353	3,499	3,499	55.08%	76,231	73,377	96.26%						
	11,348	11,348	962	(10,386)	(10,386)	-1079.63%	11,549	201	1.74%						
	16,760	16,760	10,302	(6,458)	(6,458)	-62.69%	123,621	106,861	86.44%						
	(9,963)	(9,963)	(3,635)				(43,621)								
	(196,423)	(196,423)	(1,628)				(19,544)								

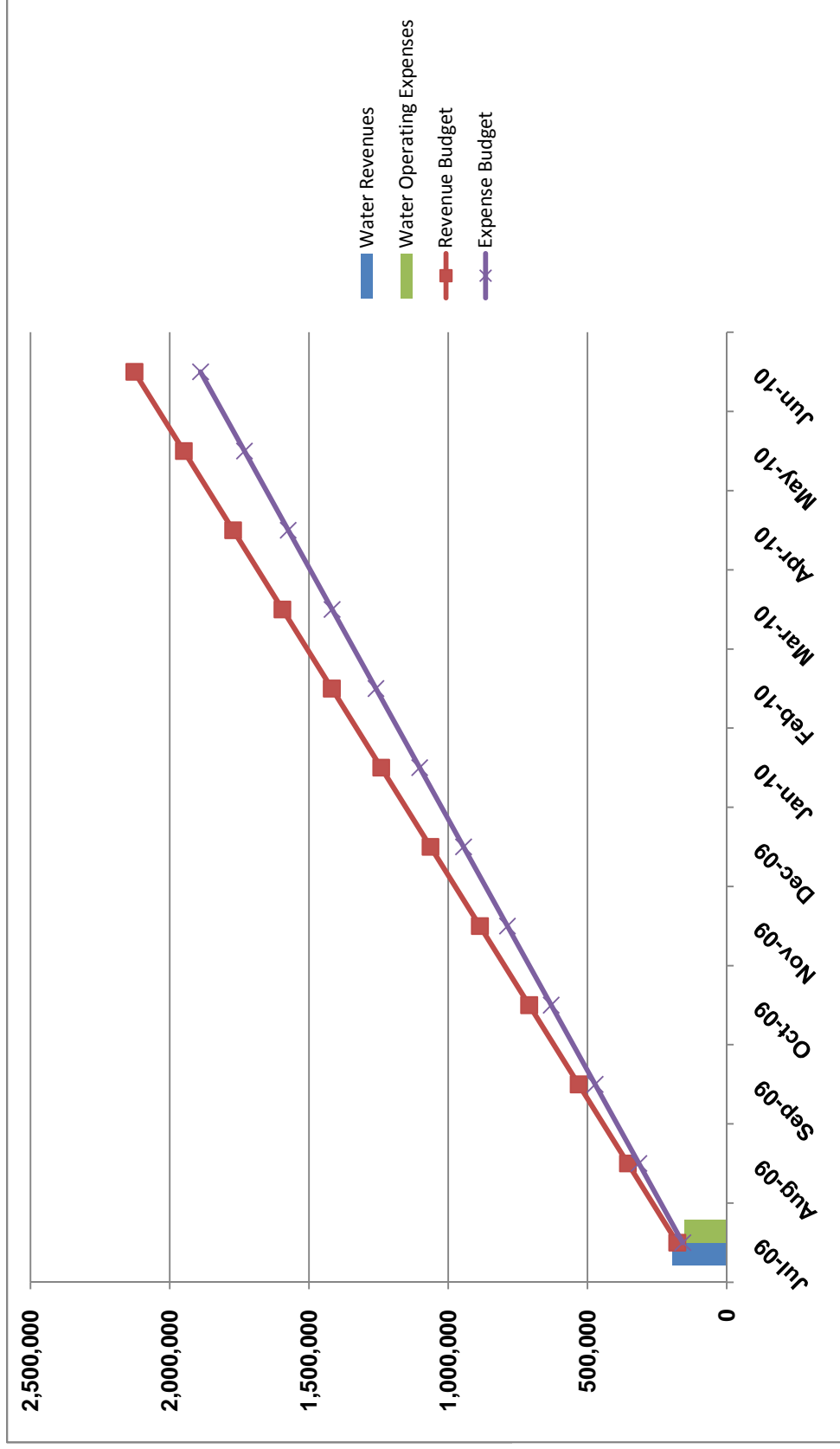
Collection of property tax and measure B assessments occur in December and April.

Principal and interest payment on outstanding debt is made in August.

Principal and interest payment on outstanding debt is made in August.

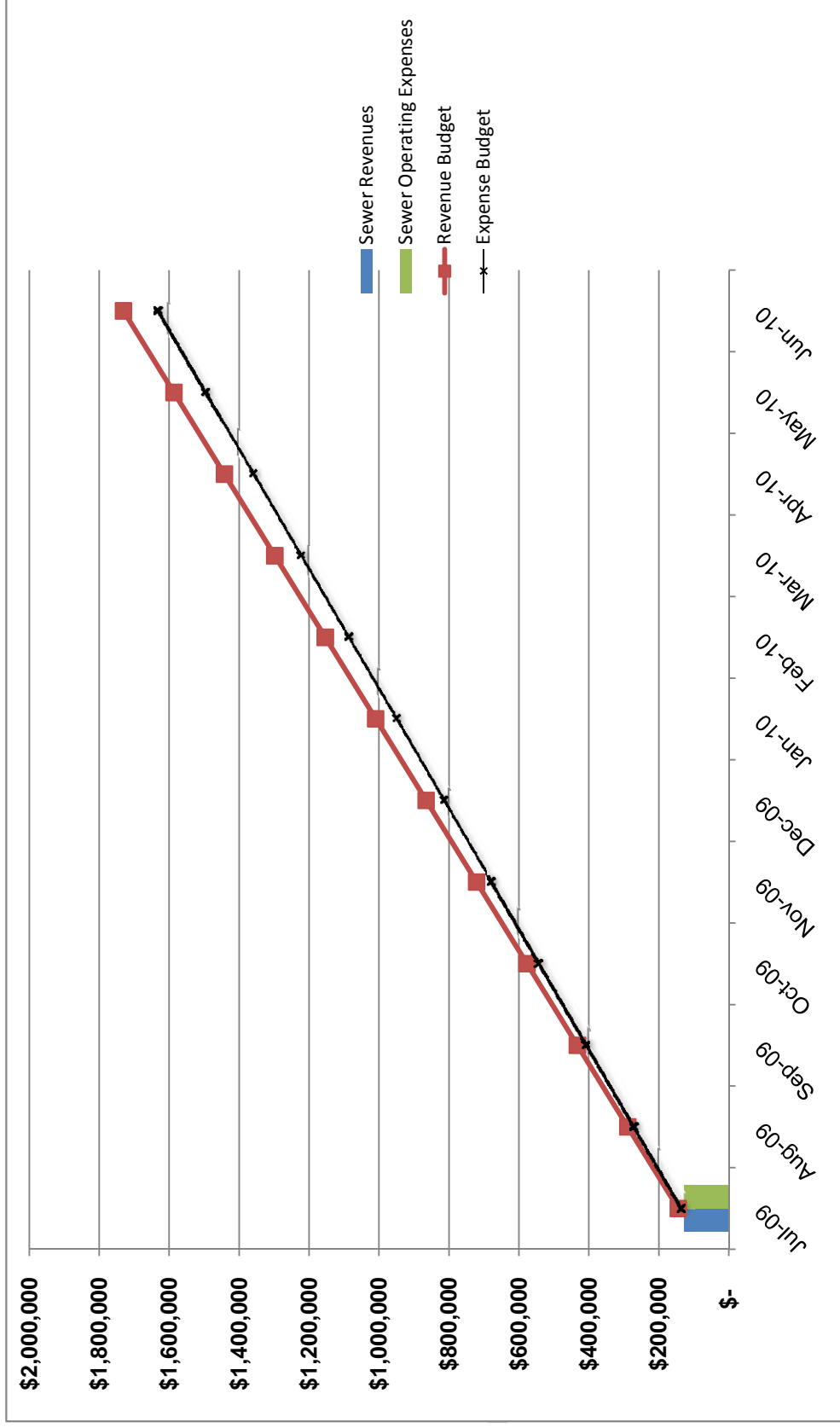
McKinleyville Community Services District July 2010

Comparison of Water Fund Operating Revenues and Expenses to Budget



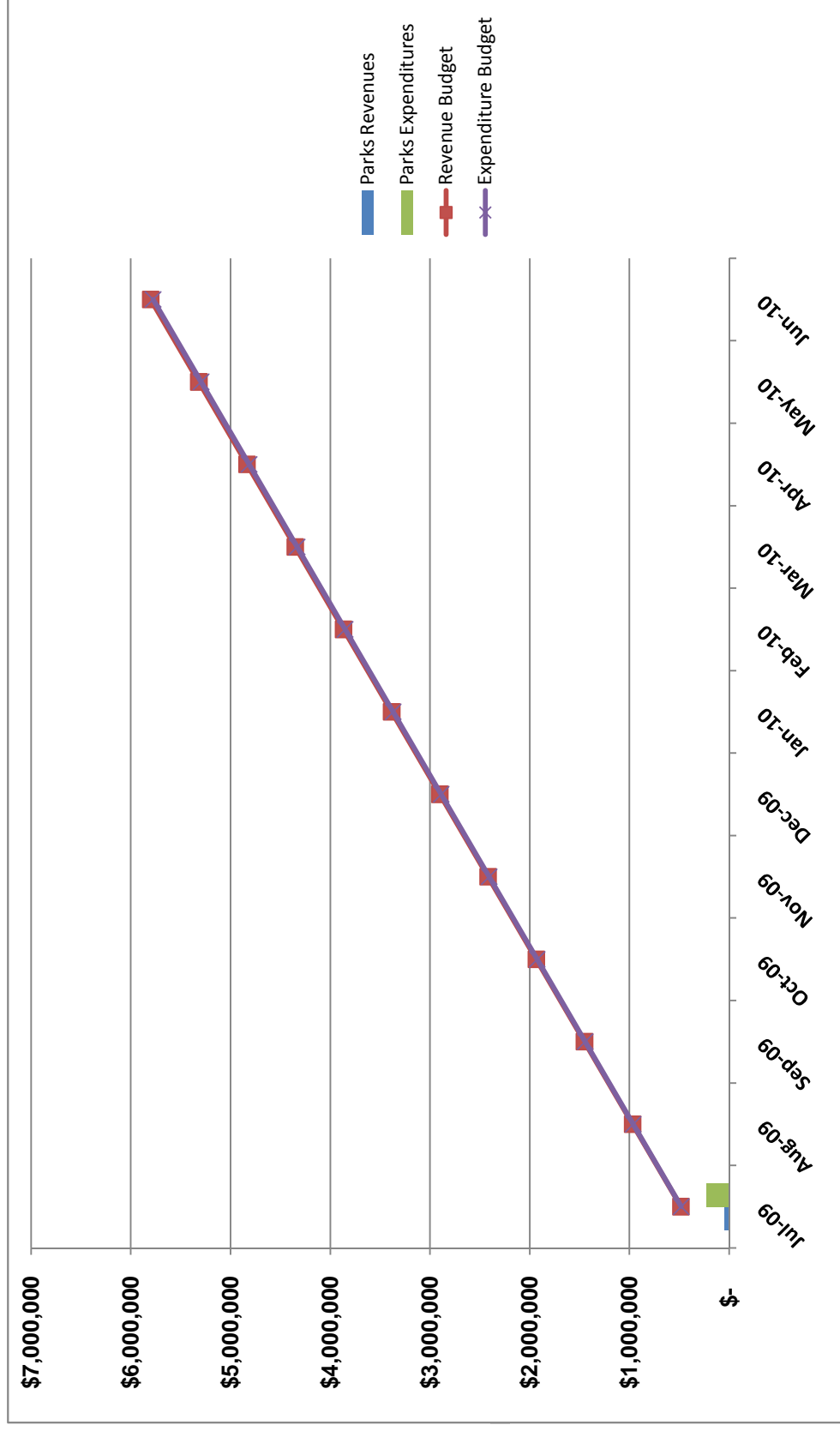
McKinleyville Community Services District July 2010

Comparison of Sewer Fund Operating Revenues and Expenses to Budget



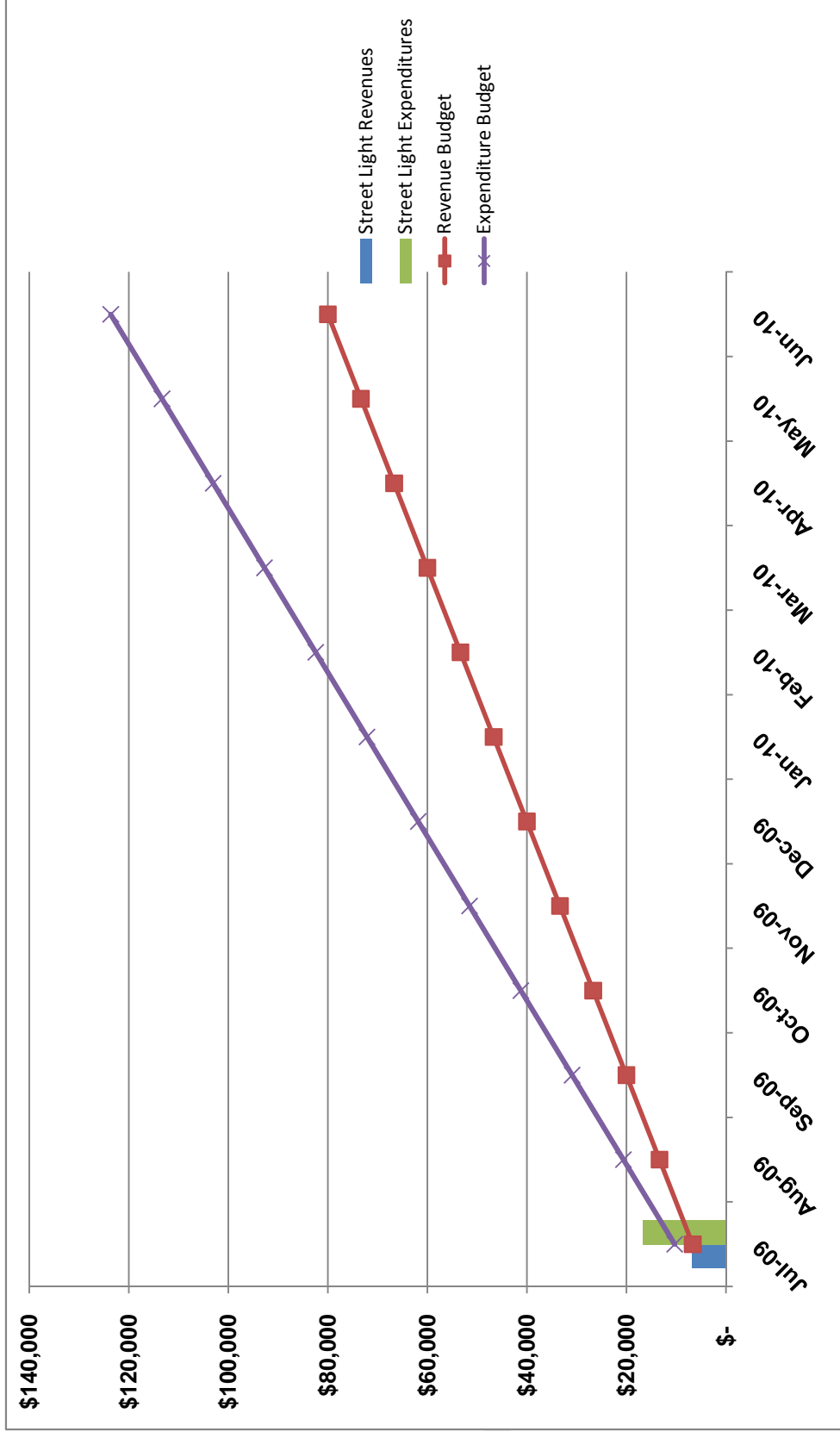
McKinleyville Community Services District July 2010

Comparison of Parks Operating Revenues and Expenditures to Budget



McKinleyville Community Services District July 2010

Comparison of Street Light Fund Revenues to Budget



REPORT.: Aug 12 10 Thursday
 RUN....: Aug 12 10 Time: 19:33
 Run By.: STEVEN EDMISTON

McKinleyville C.S.D.
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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
021899	07/08/10	A&L02	A & L FEED	28.13	.00	28.13	391675	ROSS NET, DEER NETTING
021900	07/08/10	BAY02	BAY WEST SUPPLY, INC.	1643.47	.00	1643.47	B00702	JANITORIAL SUPPLIES FOR J
021901	07/08/10	BLA08	ERIC BLAKE	137.31	.00	137.31	B00708	INSTRUCTOR PAYMENT FOR BL
021902	07/08/10	CAL06	CA RURAL WATER ASSOC	525.00	.00	525.00	B00707	MANAGING YOUR PUBLIC WATE
021903	07/08/10	CAM01	CAMPTON ELECTRIC SUPPLY	42.09	.00	42.09	S1048126	MSDS SHEET
021904	07/08/10	CDW01	CDW GOVERNMENT, INC.	610.53	.00	610.53	SZD3781	BACK UP POWER SUPPLY
021905	07/08/10	COA02	COASTAL BUSINESS SYSTEMS	3327.84	.00	3327.84	66927	PHOTOCOPIER ANNUAL MAINTEN
021906	07/08/10	COS03	COSTCO WHOLESALE	239.93	.00	239.93	B00706	SNACKS FOR PLAYGROUP AND
021907	07/08/10	COU02	HUMBOLDT COUNTY ASSESSOR	352.72	.00	352.72	B00707	MEASURE B DATA
021908	07/08/10	CSK01	CSK AUTO, INC. (KRAGEN)	66.94	.00	66.94	12274	INV 17061 BRAKE LIGHT, OI
021909	07/08/10	DIS03	DISCOUNT SCHOOL SUPPLY	779.48	.00	779.48	P24241910	CARPET (MT ST HELENS) TEAC
021910	07/08/10	EUR05	Eureka Oxygen Co	326.27	.00	326.27	420779	INV 60262 60344 60371 STE
021911	07/08/10	EUR06	EUREKA READY MIX	3202.07	.00	3202.07	7663	INVS 104071 56481 56477 5
021912	07/08/10	FNW01	FERGUSON ENTERPRISES, INC.	332.89	.00	332.89	2662 7139	CC DBL STRP, IP DBL STRP
021913	07/08/10	FRO02	FRONTIER ANALYTICAL LABOR	485.00	.00	485.00	14776	LAB SAMPLE TESTING
021914	07/08/10	GRS01	G R SUNDBERG, INC.	380.00	.00	380.00	368	EQUIPMENT RENTAL
021915	07/08/10	HAC01	HACH COMPANY	81.40	.00	81.40	674846	NITRATE STRIPS AMMONIA RE
021916	07/08/10	HAR03	HARVEY M. HARPER CO.	627.87	.00	627.87	692503 73	REPLACED BRAKE PADS, ROTO
021917	07/08/10	HUB02	HUB INTERNATIONAL INSURAN	146.64	.00	146.64	B00630	JUNE INSURANCE FOR FACILI
021918	07/08/10	HUM01	HUMBOLDT BAY MUNICIPAL WA	43212.66	.00	43212.66	B00702	WTR PURCHASED FOR JUNE 20
021919	07/08/10	HUM08	HUMBOLDT SANITATION	832.50	.00	832.50	B00707	TRASH SERVICE FOR JUNE 20
021920	07/08/10	ISE01	I-SECURE INC.	45.00	.00	45.00	10268	SHREDDING SERVICE
021921	07/08/10	KER01	KERNEN CONSTRUCTION	1560.43	.00	1560.43	34849	INV 34874 34909 ASPHALT T
021922	07/08/10	LES01	LES SCHWAB TIRE CENTER	627.17	.00	627.17	310134	WHEEL SPIN, TUBELESS VALV
021923	07/08/10	MCK03	MCKINLEYVILLE OFFICE SUPP	319.63	.00	319.63	42186	INV 42212 FED EX AND LARG
021924	07/08/10	MCK04	MCK ACE HARDWARE	633.09	.00	633.09	B00706	RUST-EX, SPRAY PRIMER BOLT
021925	07/08/10	MCK12	MCKINLEYVILLE UNION SCHOO	951.56	.00	951.56	B00708	SNACKS PROVIDED FOR KIDS
021926	07/08/10	MIL01	Miller Farms Nursery	2006.82	.00	2006.82	B00707	BEACH SAND, WASHER, HEDGE
021927	07/08/10	NAT06	NATIONAL METER & AUTOMATI	1521.99	.00	1521.99	S1027751	12 BADGER METERS
021928	07/08/10	NEC01	NEC FINANCIAL SERVICES, LL	376.53	.00	376.53	1365429	MONTHLY RENTAL FEE FOR JU
021929	07/08/10	NOR01	NORTH COAST LABORATORIES	2693.00	.00	2693.00	B00707	LAB TESTING FOR JUNE
021930	07/08/10	NOR03	NO. COAST VETERINARY HOSP	230.00	.00	230.00	2714	GOATS WORMING INJECTABLE
021931	07/08/10	NOR35	NORTHERN HUMBOLDT	288.77	.00	288.77	ES11-0007	JULY LANDSCAPING ON CENTR
021932	07/08/10	NOR36	NORTH COAST PARTS & SUPPL	15.89	.00	15.89	390302	BULBS
021933	07/08/10	NYL01	NYLEX.NET	315.00	.00	315.00	68509	INV 68366 NMSG SETUP HELP
021934	07/08/10	ONT01	ON-THE-SPOT SPORTSWEAR	51.96	.00	51.96	100229	VOLUNTEER T-SHIRTS
021935	07/08/10	PGE01	PG & E (Office & Field)	15915.56	.00	15915.56	B00707	GAS & ELECTRIC FOR JUNE 2
021936	07/08/10	PRE08	PRECISION INTERMEDIA	263.75	.00	263.75	12316	INV 12360
021937	07/08/10	REN01	RENNER PETROLEUM	3331.43	.00	3331.43	B00707	FLEET FUEL FOR JUNE
021938	07/08/10	SCH01	Schir Parts, Inc.	33.68	.00	33.68	049828	OIL FILTER
021939	07/08/10	SDR01	SDRMA	61849.39	.00	61849.39	33010	PROPERTY AND LIABILITY IN
021940	07/08/10	SEC03	SECURITY LOCK & ALARM	81.87	.00	81.87	67584	ALARM SET OFF AT AZALEA H
021941	07/08/10	SIE02	SIERRA CHEMICAL CO.	1915.34	.00	1915.34	200714	INV 201178 1 TON CL2
021942	07/08/10	STA11	STAPLES CREDIT PLAN	545.26	.00	545.26	B00708	LABELS, SHARPIES, POST-IT
021943	07/08/10	STO06	P. KYLE STONE	105.00	.00	105.00	B00630	PASSED WATER TREATMENT OP
021944	07/08/10	STR04	STRICKLAND TERMITE CONTRO	800.00	.00	800.00	10340	INSPECTION AND REPORT

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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice # Description
021945	07/08/10	SUP01	Superior Alarm Sys., Inc.	325.50	.00	325.50	90259 INV 92058,57,56 SECURITY
021946	07/08/10	THO02	Thomas Home Center	208.33	.00	208.33	B00707 FITTING FOR SEAL WATER PI
021947	07/08/10	THR01	THRIFTY SUPPLY COMPANY	3584.46	.00	3584.46	128265501 INV 128278401 FIRE HYDRAN
021948	07/08/10	UMP03	UMPQUA BANK--VISA	1270.80	.00	1270.80	B00707 HELMETS CANDY FRED PRYOR,
021949	07/08/10	UPS01	UPS	25.83	.00	25.83	Y6R493270 LAB SHIPPING
021950	07/08/10	USC01	U.S. COAST GUARD	22715.34	.00	22715.34	B00702 REFUND OF CREDIT BAL METE
021951	07/08/10	VER01	VERISON WIRELESS	490.34	.00	490.34	B00702 DO. CELL PHONES AND EMERG
021952	07/09/10	*0001	LAINA HARLAN	48.00	.00	48.00	B00709 KIDS CLUB DEPOSIT REFUND
021953	07/09/10	*0002	LENA ANDERSON	100.00	.00	100.00	B00709 AZALEA HALL DEPOSIT REFUN
021954	07/09/10	*0003	REBECCA DEJA	50.00	.00	50.00	B00709 REFUND GUITAR CLASS-NOT A
021955	07/09/10	ACW01	ACWA HEALTH BENEFITS AUTH	36234.15	.00	36234.15	B00709 HEALTH INSURANCE FOR JULY
021956	07/09/10	GUA01	THE GUARDIAN	4061.23	.00	4061.23	B00709 JULY DENTAL INSURANCE
021957	07/09/10	HAR13	The Hartford - Priority A	593.49	.00	593.49	B00709 LIFE INSURANCE FOR JULY
021958	07/09/10	KEY01	KEY EQUIPMENT FINANCE	314.57	.00	314.57	1008 COPIER LEASE FOR JULY
021959	07/09/10	NOR13	NORTHERN CALIFORNIA SAFET	80.00	.00	80.00	17087 MONTHLY SUBSCRIPTION FOR
021960	07/09/10	SUD01	SUDDENLINK	173.95	.00	173.95	B00709 JULY MONTHLY PAYMENT FOR
021961	07/09/10	THE06	THE LEW EDWARDS GROUP	23000.00	.00	23000.00	8081 CONTRACT FOR MEASURE B
021962	07/09/10	USB01	U.S. BANK TRUST N.A.	7500.00	.00	7500.00	B00709 SEWER BOND PAYMENT FOR JU
021963	07/09/10	\D005	DAW, MARLA	49.58	.00	49.58	000B00701 MQ CUSTOMER REFUND FOR DA
021964	07/09/10	\G008	GOMES, JORDAN	61.04	.00	61.04	000B00701 MQ CUSTOMER REFUND FOR GO
021965	07/09/10	\M008	MIRACLE, KENNETH	43.42	.00	43.42	000B00701 MQ CUSTOMER REFUND FOR MI
021966	07/09/10	\R001	ROBISON, ANDREW	52.76	.00	52.76	000B00701 MQ CUSTOMER REFUND FOR RO
021967	07/09/10	\R006	ROBINSON, JOSHUA	29.45	.00	29.45	000B00701 MQ CUSTOMER REFUND FOR RO
021968	07/15/10	CRO03	CROWN TROPHY PETALUMA	203.83	.00	203.83	12704 3 EXECUTIVE PLAQUES
021969	07/15/10	FRE07	FRESHWATER ENVIRONMENTAL	8050.00	.00	8050.00	367 PLAN PREP, DATA PREP, DOC
021970	07/15/10	FRO02	FRONTIER ANALYTICAL LABOR	1455.00	.00	1455.00	14760 INV 14761, 14762 LAB TES
021971	07/15/10	MCK28	MCKINLEYVILLE LITTLE LEAG	292.68	.00	292.68	243906 HAULED INFIELD DIRT FROM
021972	07/15/10	MIT01	Mitchell, Brisso, Delaney	537.50	.00	537.50	27083 DISTRICT LEGAL COUNSEL
021973	07/15/10	POW04	POWER PAGE	72.00	.00	72.00	10334046 6MTH PAID PAGER SERVICE
021974	07/15/10	RES05	RESERVE ACCOUNT	1500.00	.00	1500.00	B00713 REPLENISH POSTAGE METER
021975	07/15/10	THR02	THREE G'S HAY & GRAIN	83.03	.00	83.03	88499 GOAT MINERAL BLOCK
021976	07/15/10	TIM01	TIMES-STANDARD	195.00	.00	195.00	3506795 ADVERTISEMENT IN VOWS FOR
021977	07/15/10	TOT02	TOTAL COMPENSATION SYSTEM	2300.00	.00	2300.00	3150 RETIREE HEALTH VALUATION
021978	07/15/10	USP02	USPS: ARCATA BMEU	1500.00	.00	1500.00	B00713 REFILL PERMIT 202
021979	07/15/10	*0004	ANNA KELSOE	73.00	.00	73.00	B00714 REFUND BALANCE OF DEPOSIT
021980	07/15/10	CAS02	CASH	67.46	.00	67.46	B00714 MINI PIZZAS MILK FORKS PL
021981	07/15/10	DEP02	CAL. DEPT. OF PUBLIC HEAL	60.00	.00	60.00	B00714 BILL MCBROOMES GRADED2 CE
021982	07/15/10	E&O01	E & O BOWL	225.00	.00	225.00	653924 BOWLING FOR SUMMER REC. K
021983	07/15/10	GFO01	GOVERNMENT FINANCE OFFICE	150.00	.00	150.00	0179026 MEMBERSHIP RENEWAL-FINANC
021984	07/15/10	SEM01	SEMS TECHNOLOGIES	10400.00	.00	10400.00	454 SEMS SOFTWARE
021985	07/28/10	*0005	MAD RIVER ROTARY	100.00	.00	100.00	B00726 REFUND AZALEA HALL R6123
021986	07/28/10	*0006	REDWOOD PARK ASSOCIATION	100.00	.00	100.00	B00726 REFUND AZALEA HALL R21140
021987	07/28/10	*0007	ALLISON GARFIELD	75.00 -75.00	.00 .00	75.00 -75.00	B00726 REFUND DOG OBEDIENCE R10 B00726u Ck# 021987 Reversed
Check Total.....:				.00	.00	.00	
021988	07/28/10	*0008	EZEQUIEL SANDOVAL	20.00	.00	20.00	B00728 AZALEA HALL REFUND, FEE F

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Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information-----	
							Invoice #	Description
021989	07/28/10	*0009	HOPE MCNEIL	100.00	.00	100.00	B00728	AZALEA HALL DEPOSIT REFUN
021990	07/28/10	ATT01	AT&T	1400.89	.00	1400.89	B00728	PHONE BILLS JULY
021991	07/28/10	COR01	CORBIN WILLITS SYSTEMS	833.42	.00	833.42	B007151	MONTLY PAYMENT FOR MOM SO
021992	07/28/10	COU09	DAVID R. COUCH	100.00	.00	100.00	B00726	BOARD MEMBER
021993	07/28/10	EDW01	HELEN L. EDWARDS	100.00	.00	100.00	B00726	BOARD MEETING
021994	07/28/10	IND01	INDEPENDENT BUS. FORMS	303.98	.00	303.98	19635	INV 19636 A/P AND PAYROLL
021995	07/28/10	KER01	KERNEN CONSTRUCTION	1519.83	.00	1519.83	35262	INV 35360 ASPHALT TYPE A
021996	07/28/10	MAY02	DENNIS MAYO	100.00	.00	100.00	B00726	DIRECTORS FEES
021997	07/28/10	NEC01	NEC FINANCIAL SERVICES,LL	376.53	.00	376.53	1372409	PHONE SYSTEM
021998	07/28/10	NOR27	NORTH CENTRAL LABS	45.73	.00	45.73	272649	SNAP ON OVERCAPS FOR BOD
021999	07/28/10	NOR36	NORTH COAST PARTS & SUPPL	224.47	.00	224.47	391643	INV 391662 392401 392736
022000	07/28/10	NYL01	NYLEX.NET	90.00	.00	90.00	68585	CREATE NEW EMAIL AND REVI
				90.00	.00	90.00	68668	SET UP LOG ON TO COMPUTER
			Check Total.....:	180.00	.00	180.00		
022001	07/28/10	PGE02	PACIFIC GAS & ELECTRIC	2330.20	.00	2330.20	B00728	GAS & ELECTRIC JULY STREE
022002	07/28/10	PRE08	PRECISION INTERMEDIA	746.46	.00	746.46	12387	LETTERHEAD
022003	07/28/10	STA11	STAPLES CREDIT PLAN	1479.53	.00	1479.53	B00728	BINDERS, CLIPBOARDS, INK,
022004	07/28/10	VWR01	VWR INTERNATIONAL, INC.	277.75	.00	277.75	42485217	GLASS FUNNEL STOPPER AND
022005	07/28/10	WEN01	WILLIAM WENNERHOLM, DC	100.00	.00	100.00	B00726	DIRECTORS FEES
022006	07/28/10	WES12	WESTAMERICA BANK	164937.36	.00	164937.36	B00728	DEBT SERVICES
			Cash Account Total.....:	457411.75	.00	457411.75		
			Total Disbursements.....:	457411.75	.00	457411.75		

**McKinleyville Community Services District
Board Agenda Background**

AGENDA ITEM: D.3.

AGENDA TITLE: Compliance with State Double Check Valve Law

MEETING DATE: August 18, 2010

PRESENTED BY: Greg Orsini, Operations Director

TYPE OF ITEM: Consent Calendar

BACKGROUND: Customers listed below are not now in compliance with State law regarding cross-connection control for water customers with alternate water supply. These customers have been notified of their respective violations as noted and have been provided notification of this meeting.

1st Notice	June 21, 2010
10 Day Notice	August 4, 2010
Board Meeting	August 18, 2010
Lock	September 20, 2010
ROUTES 12 & 13	

Account	Address	Brand	S/O Out
13-065-000	2395 Central Ave	Febco	
13-650-000	1300 Murray Rd	Wilkins	

UPDATED: 08/10/10

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

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.4. Approve conveyance for facilities at the School Ridge Subdivision, AP 508-351-040

PRESENTED BY: Greg Orsini

TYPE OF ACTION: Voice Vote

Recommendation:

Adopt Acceptance of these facilities as recommended by staff. All facilities are the property of the District and will be maintain by District personnel.

Discussion:

All subdivisions that install facilities such as water mains and services, sewer mains and laterals, and street light zones when required are eventually completed and dedicated to the District. These projects are brought to the Board during the application phase for approval prior to start of the project. All facilities are constructed to District Specifications, tested and inspected prior to a letter being sent to the County Public Works for approval at the recordation of the final map.

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

Exhibits/Attachments

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF
SCHOOL RIDGE SUBDIVISION SYSTEM

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF SCHOOL RIDGE SUBDIVISION SYSTEM

This Agreement is made by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, hereinafter referred to as "McKinleyville", and JLF Construction, hereinafter referred to as "Developer", this 18th day of August, 2010.

1. Developer hereby grants and conveys to McKinleyville that certain School Ridge Subdivision system constructed and owned by Developer which system is described as follows:

Water System:

1130'	6" Water main
8	6" Gate Valves
2	Fire Hydrant Assemblies
3	2" Blow off assemblies
3	Single Water Services
8	Double Water Services

Sewer System:

502'	6" Sewer Main
2	Sewer Manholes
19	Sewer Laterals
2	Sewer Laterals C.O.

and all related appurtenances.

The facilities are located on AP# 508-351-040 and are more specifically described in the service application dated June 5, 2009

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

2. McKinleyville accepts the grant and conveyance from Developer of said Water and Sewer system and agrees to maintain and operate it as part of its MCSD Distribution and Collection system.

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

Developer

McKinleyville Community Services District

President

Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.5. Approve conveyance for facilities at the Valadao Subdivision, AP# 510-341-013

PRESENTED BY: Greg Orsini

TYPE OF ACTION: Voice Vote

Recommendation:

Adopt Acceptance of these facilities as recommended by staff. All facilities are the property of the District and will be maintained by District personnel.

Discussion:

All subdivisions that install facilities such as water mains and services, sewer mains and laterals, and street light zones when required are eventually completed and dedicated to the District. These projects are brought to the Board during the application phase for approval prior to start of the project. All facilities are constructed to District Specifications, tested and inspected prior to a letter being sent to the County Public Works for approval at the recordation of the final map.

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

Exhibits/Attachments

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF
VALADAO SUBDIVISION SYSTEM

**AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF
VALADAO SUBDIVISION SYSTEM**

This Agreement is made by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, hereinafter referred to as "McKinleyville", and Luis Valadao, hereinafter referred to as "Developer", this 18th day of August, 2010.

1. Developer hereby grants and conveys to McKinleyville that certain Valadao Subdivision system constructed and owned by Developer which system is described as follows:

Water System:

230'	8" Water main
163'	6" Water main
1	8" Gate Valves
1	6" Gate Valves
1	Fire Hydrant Assembly
1	2" Blow off assembly
1	Single Water Services
11	Dual Water Services

Sewer System:

375'	6" Sewer Main
1	Sewer Manhole
1	Mainline C.O.
7	Sewer Laterals
7	Sewer Laterals C.O

and all related appurtenances.

The facilities are located on AP# 510-341-013 and are more specifically described in the service application dated August 3, 2009.

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

2. McKinleyville accepts the grant and conveyance from Developer of said Water and Sewer system and agrees to maintain and operate it as part of its MCSD Distribution and Collection system.

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

Developer

McKinleyville Community Services District

President

Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.6

Consider renewal of caretaker contract at Hiller Park

PRESENTED BY:

Jason Sehon, Parks & Recreation Director

TYPE OF ACTION:

Voice Vote

Recommendation:

Staff recommends the Board consider approving the 2010 Hiller Park caretaker agreement as submitted.

Discussion:

The caretaker contract at Hiller Park with Mike and Cheryl Malin terminated on June 30, 2010. This contract was last considered in 2004. Enclosed is a proposed contract for your consideration. Staff met with Cheryl Malin and both parties are in agreement to extend the contract as written for a period of two years.

Alternatives:

- Take no action

Fiscal Analysis:

- Not applicable

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- 2010 Hiller Park Caretaker Agreement

INDEPENDENT CONTRACTOR AGREEMENT
Contract for Caretaking Services: Hiller Park

This AGREEMENT is entered into on August 18, 2010, by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, herein referred to as "DISTRICT", and Michael E. Malin and Cheryl C. Malin herein referred to as "CONTRACTOR".

1. CONTRACTOR agrees to perform services within the area outlined as follows:
 - A. Provide services ensuring and assisting in site safety and site access, including opening and closing the public restroom doors and the access gates to the facility at sunrise and sunset. Facilities and gates to be opened at sunrise and closed ½ hours after sunset.
 - B. Report promptly to the proper authority any misuse of DISTRICT property or facilities at the facility.
 - C. File reports as determined by situational need.
 - D. Notify DISTRICT's Director of Parks and Recreation when CONTRACTOR will be away from the site for more than twenty-four (24) hours.
 1. It is the CONTRACTOR'S sole responsibility to perform these functions, or have a substitute, acceptable to the DISTRICT, to perform these duties in the CONTRACTOR'S absence.

2. The term of this AGREEMENT shall commence on the above date and shall terminate on July 31, 2012 unless either party exercises their rights under section 8.

DISTRICT and CONTRACTOR acknowledge and agree that CONTRACTOR is an independent contractor and not an employee of the DISTRICT in regard to this AGREEMENT. Worker's compensation or other insurance coverage or benefits will not be provided to the CONTRACTOR other than specific contractual payments described in this AGREEMENT.

3. DISTRICT and CONTRACTOR agree to mutually hold harmless, indemnify and defend the other party from and against any and all claims for personal injuries or property damages which arise out of the indemnifying party's performance of the terms of this agreement. CONTRACTOR agrees to provide proof to the DISTRICT of property and liability insurance coverage.

4. CONTRACTOR shall be paid, as full compensation for the services provided herein, the following:

- A. So long as CONTRACTOR fully and faithfully performs all terms and conditions of this agreement, CONTRACTOR may occupy the mobile home pad at the facility provided by DISTRICT, with no rental charges by the DISTRICT.

5. In addition to the duties described herein, CONTRACTOR shall be required to provide a suitable trailer or mobile home for residential purposes on the DISTRICT's property at a location selected by the DISTRICT. All monthly utility costs will be

provided by the CONTRACTOR. The CONTRACTOR shall not violate any laws, codes, or regulations while on DISTRICT property throughout the terms of this AGREEMENT.

6. CONTRACTOR shall be solely responsible for payment of taxes resulting from the value of this AGREEMENT.

7. The CONTRACTOR shall not change, alter, place, or erect any permanent or temporary structure or object on the site without prior written approval by the DISTRICT. The CONTRACTOR shall keep the area of residence including yard area clean and neat at all times.

8. Personal Property Taxes, CONTRACTOR shall pay before they become delinquent all taxes, fees, assessments, or other charges levied or imposed by any governmental entity on any personal property placed by CONTRACTOR in, or about said premises, without limiting the generality of the other terms used in this agreement.

9. Either Party may terminate this agreement by providing written notice to the other party at least ninety (90) days prior to the effective date of termination. Where such notice is given, the two parties may agree to each prepare an appraisal of the Contractor's home and DISTRICT shall have the first right of refusal to purchase CONTRACTOR's home at a value equal to the mathematical average of the two appraisals. Should DISTRICT decide not to purchase CONTRACTOR's home or at the normal termination of this agreement, CONTRACTOR shall remove the place of residence and all personal property from the property of the DISTRICT within ninety (90) days of a written notice.

10. In the event of default by the CONTRACTOR, the DISTRICT will, by written notice, allow thirty (30) days to correct the defect. If not corrected within the thirty (30) day period, the AGREEMENT may be terminated.

11. In the event of any dispute arising out of the performance of this AGREEMENT, the prevailing party shall be entitled to reasonable attorney's fees and it's cost of suit.

12. This AGREEMENT may not be assigned all or in part by either party, without prior written consent of the other party.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
Norman Shopay, General Manager

By: _____
Michael E. Malin, Contractor

By: _____
Cheryl C. Malin, Contractor

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.7. **Approve Memorandum of Understanding with MUSD regarding KidsClub Afterschool Programs**

PRESENTED BY: Jason Sehon, Parks & Recreation Director

TYPE OF ACTION: **Consent Calendar**

Recommendation:

Staff recommends the Board approve the MOU as submitted and direct staff to continue working closely with McKinleyville Union School District (MUSD) to ensure the success of the programs.

Discussion:

Over the course of the past several years, MUSD and the District have negotiated a collaboration whereby afterschool programs would be provided to the community of McKinleyville. In the past, KidsClub Afterschool program was offered at Morris Elementary School, and Dows Prairie Elementary School.

This upcoming school year, the program will be offered at Morris Elementary School only. MUSD will provide bus transportation for students at Dows Prairie Elementary School who would like to participate in the program.

Exhibits/Attachments:

Attached, as Exhibit A, is a draft Memorandum of Understanding solidifying said collaboration.

Memorandum of Understanding

McKinleyville Community Services District, Parks and Recreation Department and McKinleyville Union School District Regarding Provision of After School Program

This is a Memorandum of Understanding between the McKinleyville Community Services District (the DISTRICT) and the McKinleyville Union School District (MUSD).

It is expressly understood and agreed by both the DISTRICT and MUSD as follows:

- I. **Purpose:** The purpose of this Memorandum of Understanding is to establish and maintain an effective working relationship between parties.
- II. **Term:** The term of the Memorandum of Understanding shall commence on August 30, 2010 and shall extend through June 17, 2011. The term shall renew on an annual basis concurrent with each fiscal year (July-June) unless one party gives notice of termination as provided herein. No party shall make changes to the agreement during the term without the consent of the other.
- III. **Philosophy:** The parties agree that there is a need to provide youth with safe, fun, and healthy recreation opportunities that build self-esteem and teach social harmony, conflict resolution, wellness, and an appreciation of education. The parties agree that in order to provide necessary services a cooperative use agreement is in the best interest of the community.

IV. DISTRICT Description of services:

McKinleyville Community Services District will:

- A. Provide organizational structure for management of said programs; and
- B. Provide opportunities for MUSD to evaluate the viability of the Memorandum of Understanding and its appreciation.

V. MUSD Description of Services:

McKinleyville Union Elementary School District will:

- A. Provide for and coordinate use of requested MUSD facilities during those programs, days, dates, and times outlined in Attachment 1 at no charge to the DISTRICT; and
- B. Attempt to accommodate, at no charge, all additional DISTRICT use requests for said programs at MUSD facilities provided those requests do not interrupt regularly scheduled school programs. School programs are defined as those

programs offered at all MUSD school sites, which are sponsored by the school or school district.

- C. Provide DISTRICT with a cleaning policy and procedure packet for staff to utilize in maintaining facilities.
 - D. Provide the DISTRICT with a secure storage area for equipment. Specifically, one closet with space for recreation and arts equipment. Said storage must be locked and secured at all times.
 - E. Provide opportunities for the DISTRICT to evaluate the viability of the Memorandum of Understanding and it's application.
- VI. **Facility Orientation Policy:** Both parties agree that all employees or representatives who shall be supervising, leading, or offering programs described in Attachment 1 shall attend a facility orientation seminar arranged by MUSD.
- VII. **Facility Cleaning Policy:** Both parties agree that all employees or representatives who shall be supervising, leading, or offering programs described in Attachment 1, shall leave said facility in a clean, safe manner and in the same condition in which it was found.
- VIII. **Facility and Equipment Repairs/Damages Policy:** Both parties agree to share equally the costs incurred to either party for facility and equipment repairs or damages regardless of fault during DISTRICT sponsored program. Payment for repair or replacement shall be due thirty (30) days after presentation of bill by the party sustaining such damages to the other party.
- IX. **Termination:** The Memorandum of Understanding may be terminated by the failure of any party to comply with the terms of this agreement of standards set fourth in the facility orientation policy, cleaning policy, and facility equipment repairs/damages policy by a thirty (30) day written notice of cancellation by any party, or at the end of the term. This agreement may not be assigned in whole or in part by any without the express written consent of the others.
- X. **Contingencies:** It is expressly understood and agreed to by all parties that the DISTRICT, while carrying out and complying with any terms and conditions of this Memorandum of Understanding, is not an employee of MUSD; further that MUSD is not an employee of the DISTRICT. Therefore;
- A. The DISTRICT agrees to indemnify, defend and hold harmless MUSD, it's officers, agents, employees, and volunteers, from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, material men, laborers, and any other person, firm, or cooperation furnishing or supplying work, services, materials, or supplies in connection with the performance of this agreement, and from any and all claims or losses accruing or resulting to any person, firm or cooperation who may be injured or damaged by the DISTRICT in the performance of this agreement.

MUSD agrees to indemnify, defend and hold harmless the DISTRICT, it's officers, agents, employees, and volunteers, from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, material men, laborers, and any other person, firm, or cooperation furnishing or supplying work, services, materials, or supplies in connection with the performance of this agreement, and from any and all claims or losses accruing or resulting to any person, firm or cooperation who may be injured or damaged by MUSD in the performance of this agreement.

- B.** The DISTRICT shall maintain throughout the period of this agreement, comprehensive General Liability insurance with a minimum coverage of \$1,000,000 combined single limit. The DISTRICT shall provide for thirty (30) days written notice of cancellation. Said coverage shall include MUSD as additional insured.

MUSD shall maintain throughout the period of this agreement, comprehensive General Liability insurance with a minimum coverage of \$1,000,000 combined single limit. MUSD shall provide for thirty (30) days written notice of cancellation. Said coverage shall include DISTRICT as additional insured.

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

McKinleyville Community Services District

McKinleyville Union School District

President, Board of Directors

Name: _____
Title: _____

Attest:

Sharon Denison
Secretary to the Board of Directors

Name: _____
Title: _____

Attachment I

KidsClub After School Program

Kids' Club offers a safe environment that provides peace of mind for late working parents, giving children a fun place to spend their time productively at the end of the school day.

Children attending Kids' Club, offered daily after school until 6:00 p.m., participate in a variety of activities designed to develop socialization and leadership skills while increasing self-esteem and self-confidence. Each day includes a scheduled homework period where participants receive assistance with their school projects. A nutritious snack is also provided.

At Kids' Club, we recognize that many parents have different scheduling needs, so we have several enrollment options available. Spaces can be reserved for as little as one day per week or up to as many as five days per week. Fees are reasonable and vary based on the grade of the participant and attendance option chosen.

Who: Any child who is in the K through 5th grades

Where: Morris Elementary Rooms 33, 34 & 36

When: Monday through Friday August 30, 2010 – June 17, 2011
After school until 6:00 p.m.

Fees: \$12.00/day for K- 3rd graders and \$10.00/day for 4th-5th graders

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.8

**Consider Approval to declare 2000 Chevy
Utility Truck Surplus**

PRESENTED BY:

Greg Orsini

TYPE OF ACTION:

Voice Vote

Recommendation:

Staff recommends the Board declare model year 2000 Chevy Utility Truck surplus and allow Parks and Rec. Department first choice on purchase. If Parks and Rec. Department declines, authorize staff advertise for a closed minimum bid of \$6,500 and award the purchase of the 2000 Chevy 2500 utility truck to the highest bidder.

Discussion:

Due to the District Vehicle Replacement Program the Operations Department has a 2000 Chevy 2500 utility truck that will sit idle due to being replaced with a new truck last fiscal year. The vehicle has 52,000 miles but is still a reliable piece of equipment and is in good running condition. The Parks and Rec. Department has shown interest in the vehicle and a lower price would be negotiated if an interdepartmental transfer was accomplished.

Alternatives:

- Take no action

Fiscal Analysis:

- If and interdepartmental transfer occurs the Operations Department will not have to incur the costs of advertising to sell the vehicle.
- Parks and Rec. Department will acquire a good Utility Truck at a reasonable price.

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: D.9. **Consider Approval of a Facilities Extension Agreement for Santos Subdivision.**

PRESENTED BY: **Greg Orsini**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Approve the Facilities Extension Agreement for the Santos Subdivision. All water, sewer and streetlight facilities in the Subdivision will be dedicated to the District when constructed and they pass inspection in accordance with the District Rules and Regulations.

Discussion:

Mr. Santos has obtained permits and is starting construction of the 88-unit Santos Subdivision. This is located west of Washington Ave and north of School Rd. as an extension of McKinleyville Ave and Chelsea Way. The sewer mains will be tied in off Salmon Avenue and extended to the North. The Water Mains will be looped between School Rd. and McKinleyville Ave. The applicant will need to extend these mains to serve the proposed lots. The Applicant has completed the application that requires Board approval. All deposits and fees have been paid as required. This subdivision will extend 4,095 feet of 6 and 8- inch water main and 3,375 feet of 6-inch sewer main.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The Applicant will plan and construct facilities and dedicate these to the District when completed and approved by the District. Additionally, the applicant will pay the customary water/sewer fees for the 88 lots as a condition of service. The Application fees for plan check and inspections total \$30,000. The connection fees will be paid prior to building permits being granted.

Exhibits/Attachments

- Mainline Extension Agreement

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
APPLICATION FOR EXTENSION OF WATER/SEWER/STREET LIGHTING
AND/OR OPEN SPACE MAINTENANCE SERVICE
FOR SANTOS SUBDIVISION

DATE: June 2, 2010

#1 **Purpose of Proposed Extension:** Water and sewer main extensions for the 88-lot subdivision; a Street Light Zone with five streetlights and Open Space Zone

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

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

Assessors Parcel No. 508-232-003 and 508-351-039

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

Signature of Owner: _____
Print Name: Domingo Santos

Address: 2580 Vassaide Rd., Arcata, CA 95521

Phone: _____
(Home) _____ (Work) _____

Name of Agent: (Please Print) _____

Address: _____

Phone: _____

#2 **Report:**

Length of Extension Required:

Water: 4,095' of eight inch and six inch PVC water mains

Sewer: 3,375' of six inch sewer main

No. of Street Lights Required: Five lights (three 100 watt light, two 70 watt street lights)

Open Space: To Be Determined

Wetland Parcel None

Remarks: None

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

Date: August, 18, 2010 Granted:_____ **Denied:**_____

Amount to be paid by Applicant \$ _____

Is refund agreement part of this application? Yes _____ No _____

District Manager: Norman Shopay _____

#4 Date Deposit is
Received: _____

#5 Date Main Extension is
started: _____

#6 Date Main Extension is
completed: _____

Remarks: _____

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.1. Present "Community Builder Award" to Kiwanis Club of McKinleyville

PRESENTED BY: Norman Shopay and Jason Sehon

TYPE OF ACTION: None

Recommendation:

Staff Requests the Board listen to a presentation of the "Community Builder Award" to representatives of the Kiwanis Club of McKinleyville.

Discussion:

The "Community Builder Award" is an award the District presents monthly to local individuals, businesses, and organizations for their volunteer service, sponsorship, promotion of programs and events, outstanding service in the interest of the District, and for other contributions significant to McKinleyville's quality of life.

District staff has selected the Kiwanis Club of McKinleyville to receive the award for August 2010. For many years, the Kiwanis Club has supported a variety of District programs and events. Most recently, the Kiwanis Club has supported "Youth Driven", which is a FREE drop in program on Saturday evenings for youth in 6 through 12th grades. Teens who attend this program can play basketball, board games, cards Wii games or just hang out with their friends.

In addition, the Kiwanis Club of McKinleyville has supported the District in other ways, such as sponsoring our Hoop @ Night teen basketball program, Purchasing park playground elements, and planting trees at Hiller Park.

Alternatives:

Not Applicable

Fiscal Analysis:

Not applicable

Exhibits/Attachments

- Interview with Kiwanis Club of McKinleyville President

Overview of the Community Builder Award:

McKinleyville Community Services District will present the award monthly to local individuals, businesses and organizations for their volunteer service, sponsorship, promotion of programs and events, outstanding service in the interest of the District, and for other contributions significant to McKinleyville's quality of life.

The Community Builder Award for the month of August 2010 goes to the Kiwanis Club of McKinleyville.

Interview with Maryrose Arimoto, President of the Kiwanis Club of McKinleyville:

When I asked Maryrose how long the Kiwanis Club of McKinleyville has been involved with the McKinleyville Community, she answered, "The Kiwanis Club of McKinleyville has been supporting the community for ten (10) years. We celebrated our 10th anniversary on July 18, 2010!"

Maryrose says it's the small town feel, yet we have everything we need, good schools, sports facilities, stores and restaurants that she likes best about McKinleyville.

When asked what she likes about the McKinleyville Community Services District, she says it's the parks, sports facilities, Azalea Hall and the variety of classes MCSD offers.

Maryrose says that recreation opportunities and park facilities are important to our community in order to make our community appealing to young families.

Maryrose says that her future vision for McKinleyville Community Services District is to keep supporting the McKinleyville Senior Center. She added, "Lots of us are going to need it soon."

When I asked Maryrose if there are any other contributions the Kiwanis Club of McKinleyville has made to the community that she feels are significant to McKinleyville's Quality of life, she answered, "Our club supports scouting, the music program in the schools, the connection café, Pony Express Days (we put on the parade), school supplies for needy children – to name just a few."

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.2. **Field Trip to Pierson Park to visit the Library Expansion Project, Bocce Ball Courts, and the Community Garden**

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

TYPE OF ACTION: **None**

Recommendation:

Recommend the board and members of the audience take a brief tour of the McKinleyville Library Expansion Project, the bocce ball courts and the community garden at Pierson Park.

Discussion:

Progress is underway on the McKinleyville Library Expansion Project. The Community garden seems to be going very well and all plots have been planted. The bocce ball courts are completed and are being used by many community groups. Each of these projects provide enhanced recreational activities to the community.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.3. Review and Adopt MCSD Conflict of Interest Code and suggested Non-Substantive Changes

PRESENTED BY: Sharon Denison

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends the Board adopt Resolution 2010-12 to accept the MCSD Conflict of Interest Code with the minor revisions as recommended by Legal Counsel.

Discussion:

The Political Reform Act requires local government agencies to review their Conflict of Interest Code biennially to determine whether it is accurate or needs to be amended. MCSD conflict of Interest Code was last reviewed July 16, 2008 and was last amended in 2004. Staff forwarded the current MCSD conflict of interest code to legal counsel for review and you will find attached the recommended revisions. The District's revised Conflict of Interest Code needs to be submitted to the County Elections office by September 15, 2010.

Alternatives:

- Take no action

Fiscal Analysis:

- Not applicable

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- MCSD Conflict of Interest Code-Exhibit 1
- Conflict of Interest Code with recommended revisions-Exhibit 2
- Resolution 2010-12-Exhibit 3

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

CONFLICT OF INTEREST CODE

Section 1. INTRODUCTION.

In compliance with the Political Reform Act of 1974, California Government Code Section 81000, et seq., and specifically with Section 87300, et seq., the McKinleyville Community Services District hereby adopts this Conflict of Interest Code, which shall be applicable to all designated employees of the agency. The requirements of this Code are in addition to other requirements of the Act such as the general prohibition against conflicts of interest contained in Government Code Section 87100, and to any other state or local laws pertaining to conflicts of interest.

Section 2. DEFINITION OF TERMS.

The definitions contained in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission (2 Cal. Adm. Code Sections 18100 et seq.) and any amendments of the Act or regulations, are incorporated by reference into this Conflict of Interest Code.

Section 3. DESIGNATED EMPLOYEES.

The persons holding positions listed in Section 11 are designated employees. It has been determined that these officers and employees make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

Section 4. DISCLOSURE STATEMENTS.

A designated employee shall report income and investments within the disclosure categories set forth in Section 12. It has been determined that the financial interests set forth in the disclosure categories are the types of financial interest which he or she foreseeably can effect materially through the conduct of his or her office. Each designated employee shall file statements of economic interests disclosing his or her financial interests as required by the applicable disclosure category.

Section 5. PLACE OF FILING.

As designated employees required to submit a statement of economic interests shall file the original with the general manager who shall be the filing officer for all designated employees other than the members of the Board of Directors.

Upon receipt of the statement of economic interests of the members of the Board of Directors, the agency shall make and retain a copy and forward the originals of these statements to the Humboldt County Board of Supervisors, through the County Elections Office, who shall be the filing officer, within five days after the filing deadline, or five days after receipt in the case of statements filed late.

Section 6. TIME OF FILING.

- (a) Initial Statements. All designated employees employed by the agency on the effective date of this code shall file initial statements within thirty days after the effective date of this code.
- (b) Assuming Office Statements. All persons appointed, promoted or transferred to designated positions after the effective date of the Code, shall file initial statements within ten days after assuming office.
- (c) Annual Statements. Effective in 1981, all designated employees shall file annual statements no later than April 1 of each year.

- (d) Leaving Office Statements. All persons who leave designated positions shall file leaving office statements within thirty days after leaving office.
- (e) Candidate Statements. All candidates for election to office shall file statements within 5 days after the final date for filing nomination petitions. This subsection shall not apply to candidates who have filed a disclosure statement with the agency within the previous 12 months. All candidates who have filed nomination papers prior to the effective date of this Code shall file candidate statements within 30 days after the effective date of this code.

Section 7. CONTENTS OF STATEMENTS

- (a) Contents of Initial Statements. Initial statements shall disclose any reportable investments and interests in real property held on the effective date of the Code.
- (b) Assuming Office Statements. Assuming office statements shall disclose any reportable investments and interests in real property held on the date of assuming office.
- (c) Contents of Annual Statements. Annual Statements shall disclose any reportable investments, interests in real property, and income held or received during the previous calendar year provided; however, that the period covered by an employee's first annual statement shall begin on the effective date of the Code or the date of assuming office, whichever is later.
- (d) Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, and income held or received during the period between the closing date of the last statement filed and the date of leaving office.
- (e) Contents of Candidate Statements. Candidate statements shall disclose any reportable investments and interests in real property held on the date of filing the nomination petitions.

Section 8. MANNER OF REPORTING

Disclosure statements shall be made on forms supplied by the McKinleyville Community Services District, and shall contain the following information:

- (a) Contents of Investments and Real Property Reports.

When an investment or interest in real property is required to be reported, the statement shall contain the following:¹

- (1) A statement of the nature of the investment or interest;
 - (2) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
 - (3) The address or other precise location of the real property;
 - (4) A statement whether the fair market value of the investment or interest in real property exceeds one thousand dollars (\$1,000), exceeds ten thousand dollars (\$10,000), or exceeds one hundred thousand dollars (\$100,000).
- (b) Contents of Personal Income Reports. When personal income is required to be reported the statement shall contain:
 - (1) The name and address of each source of income aggregating fifty dollars (\$50) or more in value per year, or twenty-five dollars (\$25) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
 - (2) A statement whether the aggregate value of income from each source was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), or greater than ten thousand dollars (\$10,000);

¹ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

- (3) A description of the consideration, if any, for which the income was received;
- (4) In the case of a gift, the name and address of the donor, a description of the gift, the amount or value of the gift, and the date on which the gift was received.
- (c) Contents of Business Entity Income Reports. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:
 - (1) The name, address, and a general description of the business activity of the business entity;
 - (2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).
- (d) Acquisition or Disposal During Reporting Period. In the case of an annual or Leaving office statement, if an investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

Section 9. DISQUALIFICATION.

Designated employees must disqualify themselves from making, participating in the making or using their official positions to influence the making of any governmental decision which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on:

- (a) Any business entity in which the designated employee has a direct or indirect investment worth more than one thousand dollars (\$1,000);
- (b) Any real property in which the designated employee has a direct or indirect interest worth more than one thousand dollars (\$1,000);
- (c) Any source of income, other than loans by a commercial lending institution in the regular course of business, aggregating two hundred fifty dollars (\$250) or more in value received by or promised to the designated employee within twelve months prior to the time when the decision is made; or
- (d) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management.

No designated employee shall be prevented from making or participating in the making of any decisions to the extent his or her participation is legally required for the decision to be made. The fact that a director's vote is needed to break a tie does not make his or her participation legally required for purposes of this section.

Section 10. MANNER OF DISQUALIFICATION.

A designated employee, other than a member of the Board of Directors, required to disqualify himself or herself shall do so in writing to the general manager, who shall record the employee's disqualification. Upon receipt of such statement, the supervisor shall reassign the matter to another employee.

In the case of a designated employee who is a member of the Board of Directors, notice of disqualification shall be given at the meeting during which consideration of the decision takes place and shall be made part of the official record of the board or commission.

Section 11. WHO MUST FILE

Those persons required to file the statements under this Code are members of the Board of Directors, the Treasurer, the General Manager for the District, the District's Legal Consultant, the District's Consulting Engineer, members of the Recreation Advisory Committee and members of standing committees.

Section 12. DISCLOSURE REQUIREMENTS

Those persons listed in Section 11 must disclose investments in business entities and sources of income from business entities or persons who manufacture, distribute, sell or supply the following goods or services: Motor vehicles and specialty vehicles and parts therefore; construction and building materials; office equipment and supplies; petroleum products; electrical or electrical generating equipment and supplies; irrigation equipment and supplies—pipes, valves, fittings, tanks, pumps, meters, etc.; agricultural equipment and supplies; well drilling equipment and supplies; safety equipment, facilities, and instructional material; real property; farming; real estate firms and appraisals; engineering services; printing or reproduction services; publications, and distribution; educational and medical services and materials; preparation of actions leading to taking in eminent domain; soil test, compaction and other agreements on grading requirements; banks and lending institutions; EPA agreements and research; insurance companies; public utilities; and audit agreements and contracts.

Section 13. CHALLENGES TO DISCLOSURE SUFFICIENCY

No person shall commence any suit, challenging the sufficiency of any designated employees disclosure statement without first furnishing the District and the employee whose statement is challenged a written notice stating as follows:

- (a) The specific item or items alleged to be insufficiently described in the employees disclosure statement on file;
- (b) That unless the statement on file is amended so as to provide the information requested in subparagraph (a) hereof within the time limit specified herein, suit will be commenced to compel compliance with the disclosure law.

The designated employee whose disclosure statement is questioned as described herein shall have 20 days from the date notice is furnished, as set forth above, to amend the disclosure statement so as to comply with the requirements of this Code. No action shall be commenced until the expiration of said 20-day period.

All notices, including the notice to the designated employee, shall be delivered or mailed to the District office in McKinleyville, California:

1656 Sutter Road
P. O. Box 2037
McKinleyville, CA 95519

APPENDIX A

CONFLICT OF INTEREST CODE FOR THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

The Political Reform Act, Government Code Section 81000, et seq. requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation 2 California Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the amendments to the Political Reform Act. Therefore, the terms of 2 California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix in which the Board members and employees are designated and disclosure categories are set forth, constitute the conflict of interest code of the McKinleyville Community Services District.

Designated employees shall file statements of economic interest with the agency who will make the statements available for public inspection and reproduction (Government Code Section 81008). Upon receipt of statements of the designated employees, the agency shall make and retain a copy and forward the original of these statements to the Humboldt County Elections Division, County Clerk's Office. Statements of all other designated employees will be retained by the agency.

APPENDIX B

DESIGNATED POSITIONS

DISCLOSURE CATEGORIES

Board of Directors Members	All
Manager	All
Parks & Recreation Dept. Director	All
Business Manager	All
Operations Dept. Director	All
Legal Counsel	All
Engineer (contract)*	All
Consultant*	All
Recreation Advisory Committee Members	All
Standing Committee Members	All

* The Board may determine in writing that a particular consultant is hired to perform a range of duties that is limited in scope and thus is not required to comply with the disclosure requirements described in these categories. Where such a determination is adopted it shall be forwarded to the Humboldt County Board of Supervisors. Nothing herein excuses any such consultant from any other provision of the Conflict of Interest Code.

General Provisions

When a designated employee is required to disclose investments, sources of income and business positions, he/she need only disclose investments and positions in business entities and sources of income (other than gifts) which do business in the jurisdiction, plan to do business in the jurisdiction or have done business in the jurisdiction within the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction. Gifts must be disclosed without regard to location of the donor. When a designated employee is required to disclose interests in real property, he/she need only disclose real property that is located in whole or in part within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the McKinleyville Community Services District.

Designated employees shall disclose their financial interests pursuant to the appropriate disclosure categories indicated in Appendix A.

Disclosure Categories

Category 1: Investments and sources of income (including loans and gifts)

Category 2: All interests in real property

Category 3: All Business positions

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

CONFLICT OF INTEREST CODE

Section 1. INTRODUCTION.

In compliance with the Political Reform Act of 1974, California Government Code Section 81000, et seq., and specifically with Section 87300, et seq., the McKinleyville Community Services District hereby adopts this Conflict of Interest Code, which shall be applicable to all designated employees of the agency. The requirements of this Code are in addition to other requirements of the Act such as the general prohibition against conflicts of interest contained in Government Code Section 87100, and to any other state or local laws pertaining to conflicts of interest.

Section 2. DEFINITION OF TERMS.

The definitions contained in the Political Reform Act of 1974, the regulations of the Fair Political Practices Commission (2 Cal. Adm. Code Sections 18100 et seq.) and any amendments of the Act or regulations, are incorporated by reference into this Conflict of Interest Code.

Section 3. DESIGNATED EMPLOYEES.

The persons holding positions listed in Section 11 are designated employees. It has been determined that these officers and employees make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

Section 4. DISCLOSURE STATEMENTS.

A designated employee shall report income and investments within the disclosure categories set forth in Section 12. It has been determined that the financial interests set forth in the disclosure categories are the types of financial interest which he or she foreseeably can effect materially through the conduct of his or her office. Each designated employee shall file statements of economic interests disclosing his or her financial interests as required by the applicable disclosure category.

Section 5. PLACE OF FILING.

~~As All~~ designated employees required to submit a statement of economic interests shall file the original with the general manager who shall be the filing officer for all designated employees other than the members of the Board of Directors.

Upon receipt of the statement of economic interests of the members of the Board of Directors, the agency shall make and retain a copy and forward the originals of these statements to the Humboldt County Board of Supervisors, through the County Elections Office, who shall be the filing officer, within five days after the filing deadline, or five days after receipt in the case of statements filed late.

Section 6. TIME OF FILING.

- (a) Initial Statements. All designated employees employed by the agency on the effective date of this ~~code~~Code shall file initial statements within thirty days after the effective date of this ~~code~~Code.
- (b) Assuming Office Statements. All persons appointed, promoted or transferred to designated positions after the effective date of the Code, shall file initial statements within ~~ten-thirty~~ (30) days after assuming office.
- (c) Annual Statements. Effective in 1981, all designated employees shall file annual statements no later than April 1 of each year.

- (d) Leaving Office Statements. All persons who leave designated positions shall file leaving office statements within thirty days after leaving office.
- (e) Candidate Statements. All candidates for election to office shall file statements within 5 days after the final date for filing nomination petitions. This subsection shall not apply to candidates who have filed a disclosure statement with the agency within ~~the previous 12 months~~ sixty (60) days of filing a nomination petition for candidacy. All candidates who have filed nomination papers prior to the effective date of this Code shall file candidate statements within 30 days after the effective date of this ~~code~~ Code.

Section 7. CONTENTS OF STATEMENTS

- (a) Contents of Initial Statements. Initial statements shall disclose any reportable investments and interests in real property held on the effective date of the Code.
- (b) Assuming Office Statements. Assuming office statements shall disclose any reportable investments and interests in real property held on the date of assuming office.
- (c) Contents of Annual Statements. Annual Statements shall disclose any reportable investments, interests in real property, and income held or received during the previous calendar year provided; however, that the period covered by an employee's first annual statement shall begin on the effective date of the Code or the date of assuming office, whichever is later.
- (d) Contents of Leaving Office Statements. Leaving office statements shall disclose reportable investments, interests in real property, and income held or received during the period between the closing date of the last statement filed and the date of leaving office.
- (e) Contents of Candidate Statements. Candidate statements shall disclose any reportable investments and interests in real property held on the date of filing the nomination petitions.

Section 8. MANNER OF REPORTING

Disclosure statements ~~s~~ shall be made on forms supplied by the McKinleyville Community Services District, and shall contain the following information:

- (a) Contents of Investments and Real Property Reports.

When an investment or interest in real property is required to be reported, the statement shall contain the following:¹

- (1) A statement of the nature of the investment or interest;
 - (2) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
 - (3) The address or other precise location of the real property;
 - (4) A statement whether the fair market value of the investment or interest in real property exceeds one thousand dollars (\$1,000), exceeds ten thousand dollars (\$10,000), or exceeds one hundred thousand dollars (\$100,000).
- (b) Contents of Personal Income Reports. When personal income is required to be reported the statement shall contain:
 - (1) The name and address of each source of income aggregating fifty dollars (\$50) or more in value per year, or twenty-five dollars (\$25) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

¹ For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

- (2) A statement whether the aggregate value of income from each source was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), or greater than ten thousand dollars (\$10,000);
 - (3) A description of the consideration, if any, for which the income was received;
 - (4) In the case of a gift, the name and address of the donor, a description of the gift, the amount or value of the gift, and the date on which the gift was received.
- (c) Contents of Business Entity Income Reports. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:
 - (1) The name, address, and a general description of the business activity of the business entity;
 - (2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).
- (d) Acquisition or Disposal During Reporting Period. In the case of an annual or Leaving office statement, if an investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

Section 9. DISQUALIFICATION.

Designated employees must disqualify themselves from making, participating in the making or using their official positions to influence the making of any governmental decision which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on:

- (a) Any business entity in which the designated employee has a direct or indirect investment worth more than one thousand dollars (\$1,000);
- (b) Any real property in which the designated employee has a direct or indirect interest worth more than one thousand dollars (\$1,000);
- (c) Any source of income, other than loans by a commercial lending institution in the regular course of business, aggregating two hundred fifty dollars (\$250) or more in value received by or promised to the designated employee within twelve months prior to the time when the decision is made; or
- (d) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management.

No designated employee shall be prevented from making or participating in the making of any decisions to the extent his or her participation is legally required for the decision to be made. The fact that a director's vote is needed to break a tie does not make his or her participation legally required for purposes of this section.

Section 10. MANNER OF DISQUALIFICATION.

A designated employee, other than a member of the Board of Directors, required to disqualify himself or herself shall do so in writing to the general manager, who shall record the employee's disqualification. Upon receipt of such statement, the supervisor shall reassign the matter to another employee.

In the case of a designated employee who is a member of the Board of Directors, notice of disqualification shall be given at the meeting during which consideration of the decision takes place and shall be made part of the official record of the board or commission.

Section 11. WHO MUST FILE

Those persons required to file the statements under this Code are members of the Board of Directors, the Treasurer, the General Manager for the District, the District's Legal Consultant, the District's

Consulting Engineer, members of the Recreation Advisory Committee and members of standing committees.

Section 12. DISCLOSURE REQUIREMENTS

Those persons listed in Section 11 must disclose investments in business entities and sources of income from business entities or persons who manufacture, distribute, sell or supply the following goods or services: Motor vehicles and specialty vehicles and parts therefore; construction and building materials; office equipment and supplies; petroleum products; electrical or electrical generating equipment and supplies; irrigation equipment and supplies—pipes, valves, fittings, tanks, pumps, meters, etc.; agricultural equipment and supplies; well drilling equipment and supplies; safety equipment, facilities, and instructional material; real property; farming; real estate firms and appraisals; engineering services; printing or reproduction services; publications, and distribution; educational and medical services and materials; preparation of actions leading to taking in eminent domain; soil test, compaction and other agreements on grading requirements; banks and lending institutions; EPA agreements and research; insurance companies; public utilities; and audit agreements and contracts.

Section 13. CHALLENGES TO DISCLOSURE SUFFICIENCY

No person shall commence any suit, challenging the sufficiency of any designated employees disclosure statement without first furnishing the District and the employee whose statement is challenged a written notice stating as follows:

- (a) The specific item or items alleged to be insufficiently described in the employees disclosure statement on file;
- (b) That unless the statement on file is amended so as to provide the information requested in subparagraph (a) hereof within the time limit specified herein, suit will be commenced to compel compliance with the disclosure law.

The designated employee whose disclosure statement is questioned as described herein shall have 20 days from the date notice is furnished, as set forth above, to amend the disclosure statement so as to comply with the requirements of this Code. No action shall be commenced until the expiration of said 20-day period.

All notices, including the notice to the designated employee, shall be delivered or mailed to the District office in McKinleyville, California:

1656 Sutter Road
P. O. Box 2037
McKinleyville, CA 95519

CONFLICT OF INTEREST CODE FOR THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

The Political Reform Act, Government Code Section 81000, et seq. requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation 2 California Code of Regulations, Section 18730, which contains the terms of a standard conflict of interest code. It can be incorporated by reference and may be amended by the amendments to the Political Reform Act. Therefore, the terms of 2 California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with the attached Appendix B in which the Board members and employees are designated and disclosure categories are set forth, constitute the ~~conflict~~ Conflict of ~~interest~~ Interest ~~code~~ Code of the McKinleyville Community Services District.

Designated employees shall file statements of economic interest with the agency who will make the statements available for public inspection and reproduction (Government Code Section 81008). Upon receipt of statements of the designated employees, the agency shall make and retain a copy and forward the original of these statements to the Humboldt County Elections Division, County Clerk's Office. Statements of all other designated employees will be retained by the agency.

APPENDIX B

DESIGNATED POSITIONSDISCLOSURE CATEGORIES

Board of Directors Members	All
Manager	All
Parks & Recreation Dept. Director	All
Business Manager	All
Operations Dept. Director	All
Legal Counsel	All
Engineer (contract)*	All
Consultant*	All
Recreation Advisory Committee Members	All
Standing Committee Members	All

* The Board may determine in writing that a particular consultant is hired to perform a range of duties that is limited in scope and thus is not required to comply with the disclosure requirements described in these categories. Where such a determination is adopted it shall be forwarded to the Humboldt County Board of Supervisors. Nothing herein excuses any such consultant from any other provision of the Conflict of Interest Code.

General Provisions

When a designated employee is required to disclose investments, sources of income and business positions, he/she need only disclose investments and positions in business entities and sources of income (other than gifts) which do business in the jurisdiction, plan to do business in the jurisdiction or have done business in the jurisdiction within the past two years. In addition to other activities, a business entity is doing business within the jurisdiction if it owns real property within the jurisdiction. Gifts must be disclosed without regard to location of the donor. When a designated employee is required to disclose interests in real property, he/she need only disclose real property that is located in whole or in part within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the McKinleyville Community Services District.

Designated employees shall disclose their financial interests pursuant to the appropriate disclosure categories indicated in Appendix A.

Disclosure Categories

Category 1: Investments and sources of income (including loans and gifts)

Category 2: All interests in real property

Category 3: All Business positions

RESOLUTION 2010-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT ADOPTING THE MCSD CONFLICT OF INTEREST CODE

WHEREAS, The Political Reform Act, Government Code Section 81,000 et seq. requires that each governmental agency keep current a local Conflict of Interest Code; and

WHEREAS, the MCSD Board of Directors on February 11, 1999 (Resolution 1999-02) adopted a code applicable to MCSD and subsequently voted on amendments on April 13, 2000 and again on August 4, 2004; and

WHEREAS, the MCSD Conflict of Interest Code has been reviewed by the Board and District Legal Counsel who have recommended several non-substantive changes;

NOW, THEREFORE, BE IT RESOLVED; that the Board of Directors of the McKinleyville Community Services District accepts all provisions of the Conflict of Interest Code as presented with the recommended non-substantive changes;

PASSED, APPROVED AND ADOPTED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 18th day of August 2010, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Helen Edwards, President of the Board
Of Directors of the McKinleyville
Community Services District

Attest: _____
Sharon L. Denison, Secretary to the Board

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.4. Consider Proposal to Provide Assessment Engineering and Proposition 218 Balloting Services to the McKinleyville Community Services District.

PRESENTED BY: Jason Sehon, Parks & Recreation Director

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends that the Board approve proceeding to execute an agreement with Willdan Financial Services at a cost not to exceed \$36,000 to provide assessment engineering and balloting services related to the proposed re-establishment of the existing Measure B assessment district.

Discussion:

RFP's were submitted to various firms to provide these services. Willdan Financial Services was the only firm who responded with a proposal. The proposal has been reviewed by staff and previously distributed to the MCSD Board of Directors.

After reviewing the initial proposal, staff discovered several tasks that could be completed in-house. Therefore, we asked Willdan Financial Services to limit and eliminate several work components, and combine two other tasks into one, and also revise the overall price accordingly.

These services would be provided in accordance with the requirements of the Landscaping and Lighting Act of 1972 and Article XIII of the California Constitution, and the Proposition 218 Omnibus Act (Prop 218).

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

According to the proposal, all costs associated with these services are not to exceed \$36,000.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **ACTION**

ITEM: E.5

Consider approval of Memorandum of Understanding between MCSD and the McKinleyville Land Trust

PRESENTED BY:

Jason Sehon, Parks & Recreation Director

TYPE OF ACTION:

Voice Vote

Recommendation:

Staff recommends the Board Consider approval of Memorandum of Understanding (MOU) between MCSD and the McKinleyville Land Trust (MLT).

Discussion:

The MLT is working with Redwood Community Action Agency (RCAA) on a grant to make trail improvements on the MLT property located west of Hiller Park.

Staff has met with representatives from MLT and each party agrees that the ongoing maintenance of a trash receptacle located north end of the meadow is in the best interest of both organizations.

The MLT has agreed to provide MCSD with \$1,750.00 worth of doggi pot bags for use at Hiller Park in exchange for MCSD emptying the trash receptacle on MLT property located at the north end of the meadow adjacent to Hiller Park Loop Trails. The trash receptacle will be emptied once per week.

In anticipation of this project, staff budgeted \$2,000.00 for trail improvements at Hiller Park. Our goal is to finish a few trail sections that connect with the MLT property. Ultimately, there will be a connecting trail system between each of the property's.

Alternatives:

- Take no action

Fiscal Analysis:

- Staff took into consideration the annual cost to empty trash receptacle and trash bags annually, which is estimated to be \$1,750.00.

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- MOU between MCSD and MLT.

Memorandum of Understanding

McKinleyville Community Services District, Parks and Recreation Department and McKinleyville Land Trust Regarding Ongoing Maintenance of Trash Receptacle at Hiller Park Loop Trails

The McKinleyville Community Services District (MCSD) and the McKinleyville Land Trust (MLT) do agree to the following Memorandum of Understanding (MOU) for the ongoing maintenance of a trash receptacle at Hiller Park, 660 Columbus Road, McKinleyville, California. This MOU is subject to the following terms, conditions and requirements:

1. MCSD and MLT agree that the ongoing maintenance of a trash receptacle located north end of the meadow is in the best interest of both organizations. The staff of each organization will do all possible to provide for the suitable, harmonious and cooperative operation of both sites and agree to work with respect and cooperative understanding of each organization's goals and objectives.
2. Each organization shall inform the other of the name and title of each supervisor and will advise each other of any changes. Any issues that arise will be handled by the MCSD General Manager and MLT Supervisor. The MCSD Board President and the MLT Board of Directors are the final levels of review for unsolved areas of conflict.
3. MCSD and MLT agree to mutually indemnify and hold harmless the other, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this MOU, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by MCSD and/or MLT in the performance of this MOU.
4. MLT shall allow reasonable access by MCSD vehicles across Mad River Bluffs land for necessary maintenance that may be required.
5. MCSD shall provide MLT access across the Mad River Bluffs on MCSD property at Hiller Park.
6. MLT will provide MCSD with \$1,750.00 worth of doggi pot bags for use at Hiller Park.

7. MCSD will empty the trash receptacle on the MLT property (located at the north end of the meadow adjacent to Hiller Park Loop Trails) once per week. The trash receptacle shall be designed to resist vandalism by ravens and most other wildlife. MCSD will also provide trash bags.
8. Each organization will have the responsibility for compliance with all applicable Federal, State or local rules, ordinances, codes and laws in their designated areas. CCC will enforce the Corpsmember Discipline Policy.
9. No administrative charges will be incurred as a result of this MOU.
10. No funding or transfer of funds is intended except as noted elsewhere in this MOU.
11. This MOU will take effect on the first business day after it is signed by all parties and will expire on August 31, 2015 unless amended or extended in writing and mutually agreed to by all parties.
12. This MOU stands independent of any other agreement or MOU between the MLT and MCSD in force now or in the future.
13. Either party may cancel this MOU with at least three (3) months written notice to the other.

The undersigned have the authority to represent their organizations and by signing set this Memorandum of Understanding in force:

McKinleyville Community Services District

California Conservation Corps

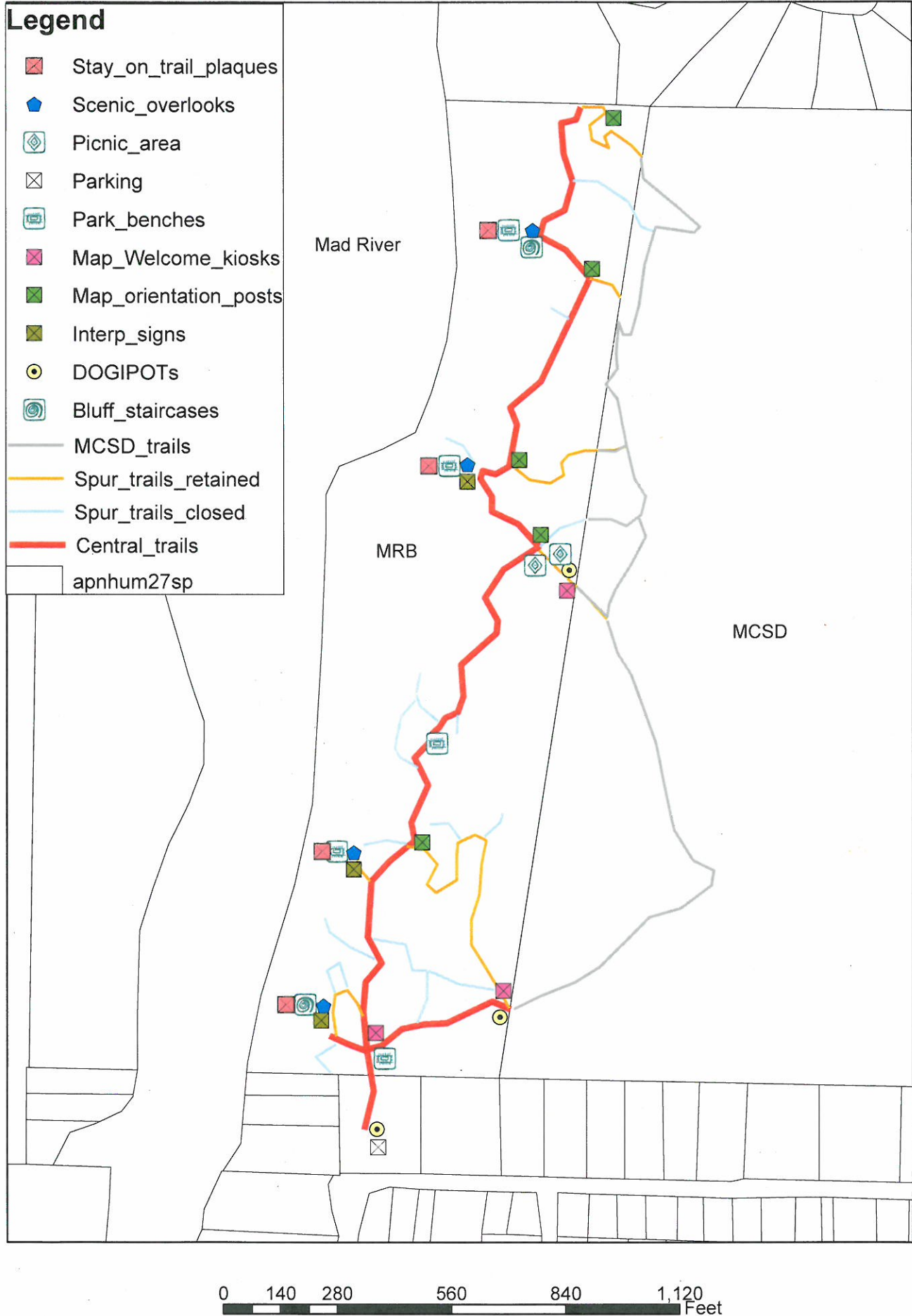
Helen Edwards
President, Board of Directors

Darci Short
McKinleyville Land Trust

Attest:

Sharon Denison
Secretary to the Board of Directors

Draft MRB Site Map



McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: ACTION

ITEM: E.6. **Consider adoption of Resolution 2010-13, revising the appropriations limit for the fiscal years 07-08 & 08-09; and Resolution 2010-14, adopting the appropriations limit for fiscal year 09-10.**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends adoption of Resolution 2010-13 and Resolution 2010-14 (separately)

Discussion:

SUMMARY:

State law requires the District to set an appropriation limit for each fiscal year. Only certain annual District budget appropriations from proceeds of taxes, as defined by the law and accepted statewide guidelines, are subject to the limit.

The annual audits for financial activity ending June 30, 2008 and 2009 included a compliance condition that concluded the District's actual expenses exceeded the appropriations limit. The audits recommended that the District review the appropriations limit calculations and appropriations subject to the limit to determine if the District has exceeded the limit and, if so, should comply with State law.

The District conducted a review of the calculation of the appropriations limits for the last ten years from FY 00-01 to FY 09-10 and the appropriations subject to the limit for three years from FY 07-08 to FY 09-10. In both reviews, it was found that previous District management had not done the calculations in compliance with State law or used the long standing statewide methodology. This has resulted in calculation of a higher appropriations limit and lower appropriations subject to the limit.

By using the allowed appropriation limit growth factors and statewide methodology for calculations of appropriations subject to the limit, it has been determined that the District has not exceeded the revised appropriations limits for FY 07-08 or FY 08-09.

In recalculating the appropriations limit using the allowed and available growth factors from FY 03-04, the limit applicable to FY 08-09 Final appropriation is \$540,411 or 46% higher than the limit stated in the June 30, 2009 audit. In recalculating the FY 08-09 final appropriations (the actual expenses for the year) and identifying exclusions, the appropriations subject to the limit is \$292,859 or 46% below the revised appropriations limit. The FY 07-08 final appropriations are 23% below the recalculated limit for that year.

BACKGROUND:

Previously, the District miscalculated the formula to adjust the appropriations limit each year. The appropriations limit amount was increased each year by a formula that used the higher combination of percent changes in Consumer Price Index (CPI), Statewide Per Capita Income (PCI), District (unincorporated county) or Countywide Population. In 1990, the CPI was replaced by a calculation of the percent change in Non-residential assessed valuation.

In November 1979, the people of California added Article XIII-B to the State Constitution, which placed limitations on the appropriations of State and local governments. The Article was implemented by State Legislation that defined the process to calculate the appropriations limit and require that cities adopted a resolution setting an annual appropriations limit. The base year was set as FY 78-79 and the first appropriations limit was applied to the FY 80-81 Budget.

In June 1990, the people approved Proposition 111, which, among other things, amended the Article XIII-B. The amendment made significant changes to how the limits were calculated what appropriations were subject to the limit and added District Council resolution and independent audit requirements. Guidelines were developed by the League of California Cities to define and implement the changes and establish the annual audit requirements. These Guidelines have been accepted statewide for the implementation of Article XIII-B. The changes included:

- Adjusted the appropriations limit of back to FY 86-87 based on the new criteria
- Eliminated use of the Consumer Price Index and allowed annual increases based on State Per Capita Income or assessed valuation growth of non-residential property
- Provided for the use of either the annual District or County population growth, whichever was higher
- Added exclusion of appropriations for certain capital expenditures over \$100,000 or the related debt payments

- Required annual adoption of the appropriations limit and other criteria for the adopted budget by District Council resolution, and
- Required an annual independent auditor review of the calculations

Adoption of the appropriations limit has been determined to be a legislative act of the District Council and the limit can be adjusted or updated to correct previous errors in calculations or reflect new appropriations. Generally the required resolution is adopted with or just after the annual budget resolution and reflects the amounts from the adopted budget. In addition, it is common practice for to update the resolution with the actual final appropriations of the prior year to insure that the District did not exceed the appropriations limit.

There are no penalties under Article XIII-B for failure to adopt a limit. Compliance with the law is intended to be locally enforced by citizens. The State Government Code limits challenges in civil court to the appropriations limit calculation to a 45-day period after adoption.

If the portion of the District Budget that is subject to the appropriations limit exceeds the limit, the District can carry over the excess amount one year. If, after the second year, the District still exceeds the limit, the voters can approve a temporary override or the District would need to refund the excess amount to the people by lowering taxes or fees.

DISCUSSION:

Current Status

The District has calculated the appropriations limit over the years, but has not accurately determined the annual budget appropriations subject to the limit according to the statewide guidelines. The allowed annual percent increases to the limit have been generally applied with only the PCI and District population (unincorporated) changes. In addition, the determination of appropriations subject to limit has not been calculated correctly to include all appropriations from proceeds of taxes revenue and allowed exclusions of certain expenses to the limit.

Updated Appropriations Limit

The appropriations limit has been recalculated from FY 03-04 using the statewide guidelines and the higher percentage of PCI or Non-residential assessed valuation growth and the higher percentage of population change in the District or Countywide. See Attachment A for the factors and changes in the appropriation limit.

The District has received assessed valuation data by parcel from the County Assessor's Office since Measure B was implemented. This data can be sorted by land use code to separate residential from non-residential parcels.

The annual change in valuations can then be calculated and the percentage used in the calculation of the appropriation growth factor.

In the future, the change in the appropriations limit will be calculated from the annual information provided by the State Department of Finance in a worksheet that will use consistent formulas for an accurate calculation. This worksheet is developed from the statewide guidelines and shows the appropriations limit for each year from FY 78-79 and the allowed growth factors for each year (see *Worksheet #5 of accompanying schedules*).

Proceeds of Taxes and Appropriations Subject to Limit

After the annual appropriations limit calculated, the portion of the annual budget appropriations that are subject to the limit need to be determined. The appropriations limit only applies to appropriations that are funded from proceeds of taxes. Proceeds of taxes are fairly well defined in the statewide guidelines, however, the method to determine which appropriations are from proceeds of taxes can be complicated. In general, all of the general property tax and a portion of the interest earnings are considered proceeds of taxes.

The proceeds of taxes are adjusted if user charges exceed the reasonable costs of providing the services. The services can be grouped by type, such as street lighting or enterprise related. The excess user charges are counted in the proceeds of taxes. In all of the fiscal years there are no excess user charges to be added to the proceeds of taxes amount.

The guidelines also provide for certain exclusions to appropriations subject to limit. The District is required to pay for Federal mandates of Social Security, Medicare and unemployment. If the District purchases equipment or makes improvements (including land) that is greater than \$100,000 and has an useful life greater than 10 years, those costs, including annual debt payments, can be excluded.

FY 03-04 to 06-07 Appropriation Limit Adjustment

The Fiscal Year 06-07 appropriations limit for the District is recalculated at \$418,429 or 20% above the previous limit amount. The limit was adjusted from FY 03-04 by applying the appropriate growth factors.

FY 07-08 Appropriations Limit and Appropriations Subject to Limit

The Fiscal Year 07-08 appropriations limit for the District is recalculated at \$438,846 or 20% above the previous limit amount. The limit was adjusted by the growth in PCI of 4.42% and Countywide population of .44%.

The FY 07-08 appropriations that are subject to the limit, less exclusions, is \$336,975. This amount is \$101,871 or 23% under the appropriation limit.

FY 08-09 Appropriations Limit and Appropriations Subject to Limit

The Fiscal Year 08-09 appropriations limit for the District is recalculated at \$540,411 or 46% above the previous limit amount. The limit was adjusted by the growth in Non-residential value of 22.13% and District population of .83%.

The FY 08-09 appropriations that are subject to the limit, less exclusions, is \$292,859. This amount is \$247,553 or 46% under the appropriation limit.

PUBLIC NOTICE:

As required by State Law, detailed worksheets supporting the appropriation limit calculations are available for review by the public at the District Office.

The appropriation limit resolution is required to be adopted by the District Board at a regularly scheduled meeting.

Attached are summary schedules of the FY 07-08 and 08-09 calculations and the detail worksheets.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

None, since the Appropriations Limit is higher than the Appropriations subject to Limit.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- See accompanying summary and detail schedules.

RESOLUTION 2010-13

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT REVISING THE APPROPRIATION LIMIT FOR FISCAL YEARS 07-08 AND 08-09

WHEREAS, the people of California on November 6, 1979, added Article XIII-B to the State Constitution and amended said Article on June 5, 1990; and

WHEREAS, the State Legislature adopted Chapters 1205/80 and 60/90 which implemented Article XIII-B and amendments; and

WHEREAS, Article XIII-B placed various limitations on the appropriations of the State and local governments, including Community Services Districts; and

WHEREAS, guidelines have been issued by a coalition of statewide organizations and Section 7902 and 7910 of the Government Code provides the process in which to calculate the appropriations limit and requires agencies adopt a resolution setting the annual appropriation limit; and

WHEREAS, in reviewing the District's appropriations limit, the independent auditor commented that the past appropriations limits may not have used the correct annual growth factors and other procedures, provided for in State law, to compare the annual appropriations that are subject to the limit; and

WHEREAS, a comprehensive review of the appropriations limit calculation was done from FY 00-01 and determined that the most favorable allowed growth factors were not used for the appropriation calculations; and

WHEREAS, appropriations limits were recalculated and the McKinleyville Community Services District has complied with the provisions of Article XIII-B in determining the appropriations limits for Fiscal Years 07-08 and 08-09 as revised and restated; and

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

1. The appropriations limits from Fiscal Year 03-04 to 06-07 have been adjusted to use the most favorable allowed growth factors and/or correct mathematical errors and the Fiscal Year 06-07 appropriations limit is recalculated as \$418,429.
2. The Fiscal Year 07-08 appropriations limit and appropriations subject to limit is recalculated as follows:
 - a. The adjusted prior appropriations limit is \$418,429.
 - b. The annual factors used to adjust the appropriations limit shall be the change in Per Capita Personal Income (4.420%) and January 2007 Countywide population (.44%).
 - c. The appropriation limit shall be \$438,846.

- d. The final appropriations subject to the appropriation limit is restated as \$336,975.
 - e. See Attached Exhibit A for summary of Fiscal Year 07-08 appropriations limit and appropriations subject to limit.
- 3. The Fiscal Year 08-09 appropriations limit and appropriations subject to limit is recalculated as follows:
 - a. The adjusted prior appropriations limit is \$438,846.
 - b. The annual adjustment factors used to calculate the appropriations limit shall be the change in Non-Residential Assessed Valuation (22.130 %) and January 2008 Unincorporated County population (.83%).
 - c. The appropriation limit shall be \$540,411.
 - d. The final appropriations subject to the appropriation limit is restated as \$292,859.
 - e. See Attached Exhibit A for summary of Fiscal Year 07-08 appropriations limit and appropriations subject to limit.
- 4. Attached Exhibit C shows the detail to the annual allowed growth factors from Fiscal Year 03-04 to 08-09.

PASSED AND ADOPTED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 18th day of August 2010 by the following polled vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Helen Edwards, Board President

ATTEST:

Sharon L. Denison, Board Secretary

RESOLUTION 2010-14

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT ADOPTING THE APPROPRIATION LIMIT FOR FISCAL YEAR 09-10

WHEREAS, the people of California on November 6, 1979, added Article XIII-B to the State Constitution and amended said Article on June 5, 1990; and

WHEREAS, the State Legislature adopted Chapters 1205/80 and 60/90 which implemented Article XIII-B and amendments; and

WHEREAS, Article XIII-B placed various limitations on the appropriations of the State and local governments, including Community Services Districts; and

WHEREAS, guidelines have been issued by a coalition of statewide organizations and Section 7902 and 7910 of the Government Code provides the process in which to calculate the appropriations limit and requires agencies adopt a resolution setting the annual appropriation limit; and

WHEREAS, the McKinleyville Community Services District has complied with the provisions of Article XIII-B in determining the appropriations limits for Fiscal Year 09-10; and

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

1. The Fiscal Year 09-10 appropriations limit and appropriations subject to limit is calculated as follows:
 - a. The prior year appropriations limit was adopted at \$540,411.
 - b. The annual factors used to adjust the appropriations limit shall be the change in Non-Residential Assessed Valuation (12.020 %) and January 2009 Unincorporated County population (.57%).
 - c. The appropriation limit shall be \$608,820.
 - d. The budget appropriations subject to the appropriation limit is \$230,821.
 - e. See Attached Exhibit A for summary of Fiscal Year 09-10 appropriations limit and appropriations subject to limit.

PASSED AND ADOPTED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 18TH day of August 2010 by the following polled vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Helen Edwards, Board President

Attest:

Sharon L. Denison, Board Secretary

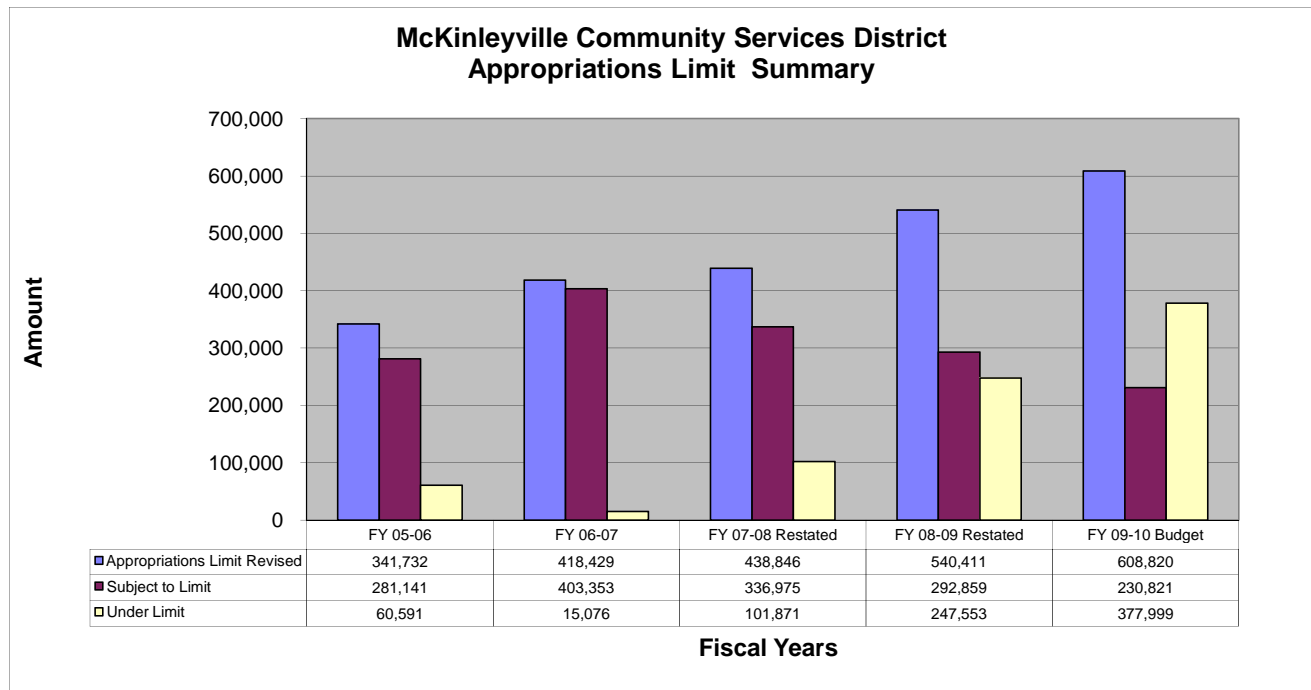
McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 09-10 Budget

Exhibit A

Prior Year Final Appropriation Limit	\$ 540,411
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾	
Non-Residential Assessed Valuation Percent Change	12.020%
MCSD Unincorporated County Population Percent Change	0.570%
Compounded Percentage as an Adjustment Factor	12.659%
Annual Adjustment Amount to Appropriation Limit	68,408
Current Year Appropriation Limit	608,820
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾	
Proceeds of Taxes From Adopted Budget ⁽³⁾	437,600
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	(206,779)
Current Year Appropriations Subject to Appropriation Limit	230,821
Current Year Appropriations Under the Appropriation Limit ⁽³⁾	\$ (377,999)
Percentage Under the Limit	-62%



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIII B Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From	Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund		720,391	437,600	1,157,991
Street Lighting Fund		79,207	-	79,207
Water Fund		1,913,562	-	1,913,562
Wastewater Fund		1,741,536	-	1,741,536
Total Proceeds and Non Proceeds of Taxes		4,454,696	437,600	4,892,296
Summary of Exclusions				
Court Order Costs		-		
Federal Mandates		42,300		
Qualified Capital Equipment		-		
Qualified Debt Service		164,479		
Total Exclusions to Appropriations Subject to Limit		206,779		

Summary of Appropriations History and Regulations

State law requires the agencies to set an appropriation limit for each fiscal year. Only certain annual District budget appropriations from proceeds of taxes, as defined by the law and accepted statewide guidelines, are subject to the limit.

In November 1979, the people of California added Article XIII-B to the State Constitution, which placed limitations on the appropriations of State and local governments. The Article was implemented by State Legislation that defined the process to calculate the appropriations limit, provided for annual growth in the limit, determine appropriations subject to the limit and require that agencies adopt a resolution setting an annual appropriations limit. The base year was set as FY 78-79 and the first appropriations limit was applied to the FY 80-81 Budget.

In June 1990, the people approved Proposition 111, which, among other things, amended the Article XIII-B. The amendment made significant changes to how the limits were calculated what appropriations were subject to the limit and added City Council resolution and independent audit requirements. Guidelines were developed by the League of California Cities to define and implement the changes and establish the annual audit requirements. These Guidelines have been accepted statewide for the implementation of Article XIII-B. The 1990 changes included:

- Adjusted the appropriations limit of back to FY 86-87 based on the new criteria
- Eliminated use of the Consumer Price Index and allowed annual increases based on State Per Capita Income or assessed valuation growth of non-residential property
- Provided for the use of either the annual City or County population growth, whichever was higher
- Added exclusion of appropriations for certain capital expenditures over \$100,000 or the related debt payments
- Required annual adoption of the appropriations limit and other criteria for the adopted budget by City Council resolution, and
- Required an annual independent auditor review of the calculations

Adoption of the appropriations limit has been determined to be a legislative act of the District and the limit can be adjusted or updated to correct previous errors in calculations or reflect new appropriations. Generally, the required resolution is adopted with or just after the annual budget resolution and reflects the amounts from the adopted budget. Current practice is to provide an update to the appropriations limit of prior years with the actual final appropriations to insure that the District did not exceed the appropriations limit.

There are no penalties under Article XIII-B for failure to adopt a limit. Compliance with the law is intended to be locally enforced by citizens. The State Government Code limits challenges in civil court to the appropriations limit calculation to a 45-day period after adoption.

Under State law, if the portion of the District Budget that is subject to the appropriations limit exceeds the limit, the District can carry over the excess amount one year. If, after the second year, the District still exceeds the limit, including the prior year carryover, the voters can approve a temporary override or the District would need to refund the excess amount to the people by lowering taxes or fees within two years.

McKinleyville Community Services District
Assessed Valuation Summaries
For Use in Appropriations Limit Annual Growth Calculation

Tax Roll Year & Land Use Class	County Assessor Valuations and Classifications					Totals	% Change from Prior Year	Amount Change	Less 2% Inflation Adjustment	Net Non-Res % of Total Change
	Land	Structure	Fixtures	PPBusiness	PPMH					
FY 01-02 Residential Properties [1] Non-Residential Properties Total	188,888,046 26,158,866 215,046,912	346,853,842 47,898,160 394,752,002	293,428 1,497,685 1,791,113	3,449,300 3,297,123 6,746,423	16,142,266 54,000 16,196,266	555,626,882 78,905,834 634,532,716				
FY 02-03 Residential Properties [1] Non-Residential Properties Total	202,422,166 27,235,899 229,658,065	373,355,268 50,638,633 423,993,901	199,442 1,455,244 1,654,686	19,468,728 3,184,072 22,652,800		595,445,604 82,513,848 677,959,452	7.166% 4.573% 6.844%	39,818,722 3,608,014 43,426,736		8.14%
FY 03-04 Residential Properties [1] Non-Residential Properties Total	224,744,873 29,135,414 253,880,287	412,192,733 49,006,089 461,198,822	238,502 1,427,371 1,665,873	3,030,416 2,812,099 5,842,515	16,218,037 69,018 16,287,055	656,424,561 82,449,991 738,874,552	10.241% -0.077% 8.965%	60,978,957 (63,857) 60,915,100	(1,277)	(62,580) -0.10%
FY 04-05 Residential Properties [1] Non-Residential Properties Total	222,701,197 27,650,733 250,351,930	411,076,318 48,204,038 459,280,356	238,502 1,427,371 1,665,873	3,030,416 2,812,099 5,842,515	16,387,573 69,018 16,456,591	653,434,006 80,163,259 733,597,265	-0.456% -2.773% -0.714%	(2,990,555) (2,286,732) (5,277,287)		(2,240,997) -42.46%
FY 05-06 Residential Properties [1] Non-Residential Properties Total	246,299,519 34,362,816 280,662,335	448,185,672 58,795,189 506,980,861	201,899 2,180,910 2,382,809	3,767,688 2,589,918 6,357,606	16,679,690 69,018 16,748,708	715,134,468 97,997,851 813,132,319	9.442% 22.248% 10.842%	61,700,462 17,834,592 79,535,054		17,477,900 21.98%
FY 06-07 Residential Properties [1] Non-Residential Properties Total	318,591,177 25,037,371 343,628,548	565,140,374 46,402,753 611,543,127	199,915 1,146,351 1,346,266	4,370,765 921,936 5,292,701	17,399,436 54,000 17,453,436	905,701,667 73,562,411 979,264,078	26.648% -24.935% 20.431%	190,567,199 (24,435,440) 166,131,759		(23,946,731) -14.41%
FY 07-08 Residential Properties [1] Non-Residential Properties Total	352,924,288 29,476,100 382,400,388	618,060,925 66,334,708 684,395,633	191,420 1,333,415 1,524,835	4,542,115 2,102,169 6,644,284	18,233,398 54,000 18,287,398	993,952,146 99,300,392 1,093,252,538	9.744% 34.988% 11.640%	88,250,479 25,737,981 113,988,460		25,223,221 22.13%
FY 08-09 Residential Properties [1] Non-Residential Properties Total	380,682,915 31,919,580 412,602,495	660,175,720 72,830,489 733,006,209	193,643 1,815,253 2,008,896	4,649,748 2,557,820 7,207,568	18,913,930 54,000 18,967,930	1,064,615,956 109,177,142 1,173,793,098	7.109% 9.946% 7.367%	70,663,810 9,876,750 80,540,560		9,679,215 12.02%
FY 09-10 Residential Properties [1] Non-Residential Properties Total	398,069,218 42,590,516 440,659,734	681,676,226 85,314,159 766,990,385	155,600 1,390,296 1,545,896	2,722,514 2,797,338 5,519,852	18,645,823 69,018 18,714,841	1,101,269,381 132,161,327 1,233,430,708	3.443% 21.052% 5.081%	36,653,425 22,984,185 59,637,610		22,524,501 37.77%

[1] Residential Assessed Values from Humboldt County Assessor's Office. Gross assessment value prior to property taxation exemptions to reflect development/improvement related growth. Parcels with Land Use Codes 0090 to 3105 and 9900 to 9931 are determined to be residential parcels for Appropriations Limit calculations.

Assessed valuation data unavailable in yellow highlight years. Until data is available, use the average of years between FY 05-06 and FY 09-10 to determine annual average annual change in Non-Commercial AV for 07-08, 08-09, 09-10 and 10-11

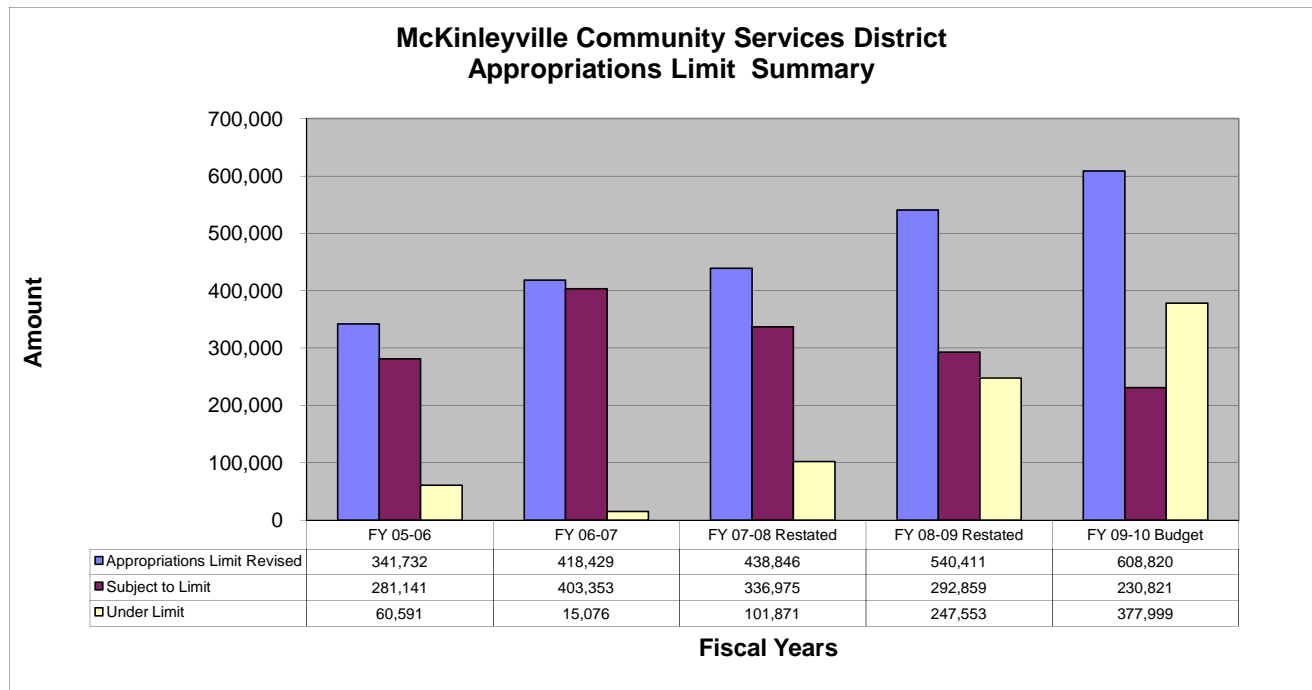
50,589,900	77,830,185	(15,433)	(348,391)	655,378	128,711,638
2,742,567	8,839,657	(263,538)	69,140	-	11,387,825
53,332,466	86,669,841	(278,971)	(279,251)	655,378	140,099,463
					227,757
					11,160,069
					7.97%

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 09-10 Budget

Prior Year Final Appropriation Limit	\$ 540,411
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾	
Non-Residential Assessed Valuation Percent Change	12.020%
MCSD Unincorporated County Population Percent Change	0.570%
Compounded Percentage as an Adjustment Factor	12.659%
Annual Adjustment Amount to Appropriation Limit	68,408
Current Year Appropriation Limit	608,820
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾	
Proceeds of Taxes From Adopted Budget ⁽³⁾	437,600
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	(206,779)
Current Year Appropriations Subject to Appropriation Limit	230,821
Current Year Appropriations Under the Appropriation Limit ⁽³⁾	\$ (377,999)
Percentage Under the Limit	-62%



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIIIIB Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

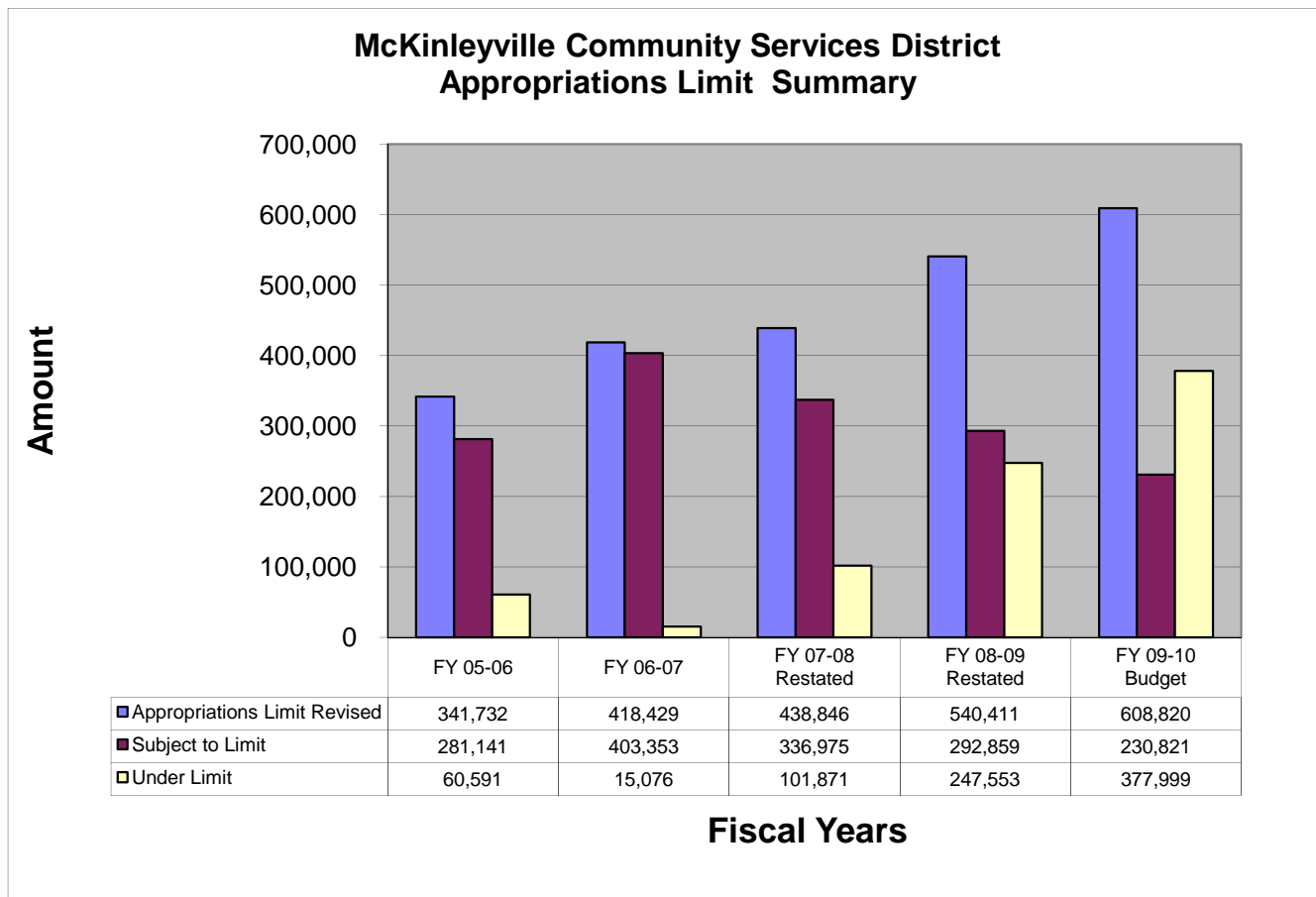
(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From	Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund		720,391	437,600	1,157,991
Street Lighting Fund		79,207	-	79,207
Water Fund		1,913,562	-	1,913,562
Wastewater Fund		1,741,536	-	1,741,536
Total Proceeds and Non Proceeds of Taxes		4,454,696	437,600	4,892,296
Summary of Exclusions				
Court Order Costs		-		
Federal Mandates		42,300		
Qualified Capital Equipment		-		
Qualified Debt Service		164,479		
Total Exclusions to Appropriations Subject to Limit		206,779		

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under Limit
FY 00-01	262,852	256,052	6,800
FY 01-02	284,654	272,089	12,565
FY 02-03	282,163	281,973	190
FY 03-04	308,121	291,306	16,815
FY 04-05	321,919	217,475	104,444
FY 05-06	341,732	281,141	60,591
FY 06-07	418,429	403,353	15,076
FY 07-08 Restated	438,846	336,975	101,871
FY 08-09 Restated	540,411	292,859	247,553
FY 09-10 Budget	608,820	230,821	377,999



McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Budget

User Fees in Excess of Costs Analysis
(Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	357,591	357,591			
Miscellaneous Fees & Reimbursements	14,900	14,900			
Total General Fund	372,491	372,491	-	-	-
Street Lighting Fund	79,207		79,207		
Water Operations Fund	1,913,562			1,913,562	
Wastewater Operations Fund	1,741,536				1,741,536
Total Estimate of User Fees	4,106,796	372,491	79,207	1,913,562	1,741,536
Current Year Adopted Budget					
Operations & Equipment	4,381,072	907,055	81,025	1,778,242	1,614,750
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	(274,276)	(534,564)	(1,818)	135,320	126,786

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Budget

Calculation of Proceeds of Taxes and Interest
Allocation (Worksheets #2 & #3 of Guidelines)

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	430,000				430,000	-	430,000
Special Assessment	195,000				195,000	195,000	-
Charges for Services	357,591				357,591	357,591	-
Grants	20,000				20,000	20,000	-
Development Fees	120,500				120,500	120,500	-
Interest (4)	20,000				20,000	12,400	-
Miscellaneous Fees & Reimbursements	14,900				14,900	14,900	7,600
Other Financing Sources					-	-	-
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	1,157,991	0	0	0	1,157,991	720,391	437,600
Street Lighting Fund							
Water Fund	79,207					79,207	
Wastewater Fund	1,913,562					1,913,562	
Debt Service Fund	1,741,536					1,741,536	
	-					-	
Total All Funds	4,892,296	-	-	-	1,157,991	4,454,696	437,600

(1) See Worksheet 2.1 for Detail to all Funds

(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be reflected in the final budget appropriations.

(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.

(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 09-10 Budget

**Proceeds Detail (Worksheet 2.1
of Guidelines)**

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	4,800	4,800		Reimbursement for Services
42020	PROC. FEES	1,591	1,591		User Fees for Services
42030	BAD CHECK FEES	100	100		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	-	-		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	-	-		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,000	2,000		Use of Property fees
44000	OPEN SPACE FEES	52,000	52,000		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	20,000	20,000		User Fees for Services
48000	COMM. EVENTS	4,200	4,200		User Fees for Services
48001	VENDOR CONTRACT	35,000	35,000		User Fees for Services
48002	EVENT SERVICES	4,800	4,800		User Fees for Services
48010	INSURANCE FEES	1,300	1,300		User Fees for Services
48020	AD INCOME	-	-		User Fees for Services
48040	COMMISSIONS VND	700	700		User Fees for Services
48050	REC. PROGRAMS	290,000	290,000		User Fees for Services
48051	FRF DISCOUNT	-	-		User Fees for Services
48055	PROGRAM GRANTS	-	-		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	20,000	12,400	7,600	Allocated
51001	SECURED TAXES	430,000		430,000	
51060	MEASURE B ASSMT	195,000	195,000		Special Assessment Restricted Specific Use
53001	CONTRIBUTIONS	8,000	8,000		Donations
53002	QUIMBY FEES	68,500	68,500		Development fees
54001	STATE GRANTS	20,000	20,000		Related to Restricted Grants

Total General Fund	1,157,991	720,391	437,600
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Street Lighting

41050	ADMIN FEE	13,390	13,390	
42020	PROC. FEES	4,532	4,532	
47001	ST. LIGHT CHGS	60,770	60,770	
47001	ST. LIGHT CHGS	-	-	
50001	INT. REVENUE	515	515	

Total Street Lighting	79,207	79,207	-	User Fees for Services
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Water Fund

40000	WATER BASE CHG	1,691,760	1,691,760	
40001	MTR. WATER SALE		-	
41001	NEW SVC. FEES	19,570	19,570	
41020	PL. CK. FEE DEP	3,090	3,090	
42001	PERMIT FEES		-	
42010	CONN. FEES	18,540	18,540	
42020	PROC. FEES	26,780	26,780	
42030	BAD CHECK FEES	515	515	
42040	RECONN. FEES	6,592	6,592	
42050	DCV INSPECTION	22,192	22,192	
43010	REC. BAD DEBTS	773	773	

McKinleyville Community Services District
Revenue Estimates Detail
FY 09-10 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43190	CELL TOWER REV.		-		
43195	OTHER OP. REV.	12,360	12,360		
43198	PAVING FEES		-		
43199	SERVICE UPGRADE		-		
46000	AFTER HRS CHGS		-		
48070	SALE OF SCRAP		-		
50001	INT. REVENUE	98,000	98,000		
50005	LATE CHARGES	13,390	13,390		
Total Water		1,913,562	1,913,562	0	User Fees for Services

Wastewater Fund

40002	SWR SVC CHGS.	1,397,940	1,397,940		
40010	STORM WATER FEE	.	.		
41001	NEW SVC. FEES	30,900	30,900		
41020	PL. CK. FEE DEP	.	.		
41040	SWR CONST PRMT	12,360	12,360		
42010	CONN. FEES	103,000	103,000		
42020	PROC. FEES	8,240	8,240		
42030	BAD CHECK FEES	515	515		
42040	RECONN. FEES	2,266	2,266		
42050	DCV INSPECTION	.	.		
43010	REC. BAD DEBTS	515	515		
43190	CELL TOWER REV.	.	.		
43195	OTHER OP. REV.	.	.		
43197	LEASE REVENUE	49,440	49,440		
43198	PAVING FEES	.	.		
46000	AFTER HRS CHGS	.	.		
50001	INT. REVENUE	124,000	124,000		
50005	LATE CHARGES	12,360	12,360		
Total Wastewater		1,741,536	1,741,536	0	User Fees for Services

Debt Service

Total Debt Service	-	-	-	Debt Related
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Total All Funds	4,892,296	4,454,696	437,600
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Budget

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)
--

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 437,600
Less Allowed Exclusions (From Worksheet #7)	(206,779)
Current Year Appropriations Subject to Limit	<u>\$ 230,821</u>
Current Year Appropriations Limit (From Worksheet #6)	608,820
Current Year Appropriations Over or (Under) Limit	<u>\$ (377,999)</u>
Percentage Over or (Under) Limit	<u>-62%</u>

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Budget

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indices		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non- Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unincorporated County)	Humbolt County Total		
FY 00-01	4.91	N/A	1.64	1.35	106.63052%	262,852
FY 01-02	7.82	N/A	0.44	0.34	108.29441%	284,654
FY 02-03	-1.27	N/A	0.40	0.33	99.12492%	282,163
FY 03-04	2.31	8.14	0.98	0.77	109.19977%	308,121
FY 04-05	3.28	-0.10	1.16	0.94	104.47805%	321,919
FY 05-06	5.26	-42.46	0.85	0.70	106.15471%	341,732
FY 06-07	3.96	21.98	0.10	0.38	122.44352%	418,429
FY 07-08	4.42	-14.41	0.17	0.44	104.87945%	438,846
FY 08-09	4.29	22.13	0.83	0.64	123.14368%	540,411
FY 09-10	0.62	12.02	0.57	0.45	112.65851%	608,820

[1] From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSD may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The **Bold type** indicate Factor used in calculation for the individual Fiscal Year.

[2] Appropriations Limit calculation have been revised to correct factors and mathematical calculations. Previous Appropriations limits and combined percentage growth from June 20, 2007 Board Agenda report.

[3] PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance.

[4] Percent of annual growth in non-residential assessed valuation is from information provided by the Humbolt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
--

Prior Year Appropriations Limit (From Worksheet #5)	\$	540,411
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		12.02%
MCSD Unincorporated County Population Percent Change		0.57%
Compounded Total Percentage Adjustment Factor		12.659%
Current Year Annual Adjustment Amount	\$	68,408
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibility of Services		0
Total Adjustments to Limit	\$	-
Current Year Appropriations Limit	\$	608,820

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)
--

	Exclusions
Court Orders	
	-
Federal Mandates	
FICA and Medicare Payments	37,900
Unemployment Payments	4,400
Total Federal Mandates	42,300
Qualified Capital Outlays (Assets of over \$100,000)	
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	164,479
Total Exclusions	206,779

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 08-09 Final Restated

Prior Year Final Appropriation Limit **\$ 438,846**

Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾

Non-Residential Assessed Valuation Percent Change	22.130%
MCSD Unincorporated County Population Percent Change	0.830%
Compounded Percentage as an Adjustment Factor	23.144%
Annual Adjustment Amount to Appropriation Limit	101,565

Current Year Appropriation Limit **540,411**

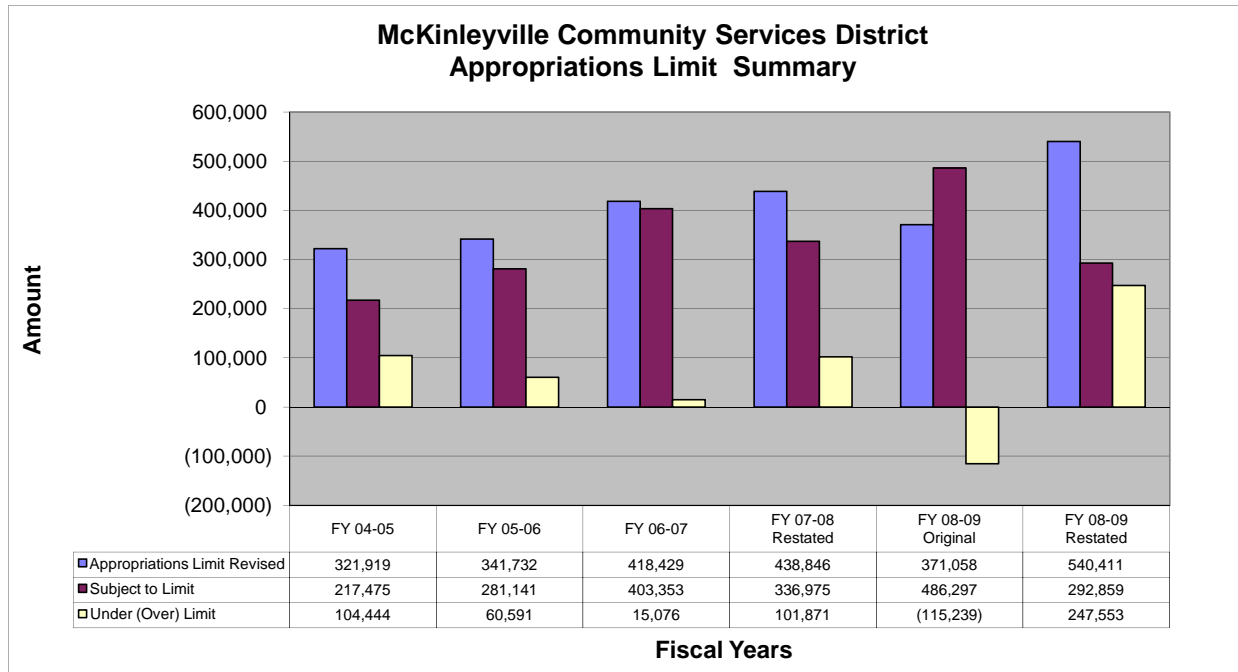
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾

Proceeds of Taxes From Adopted Budget ⁽³⁾	499,026
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	(206,167)

Current Year Appropriations Subject to Appropriation Limit **292,859**

Current Year Appropriations Under the Appropriation Limit ⁽³⁾ **\$ (247,553)**

Percentage Under the Limit **-46%**



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIII B Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

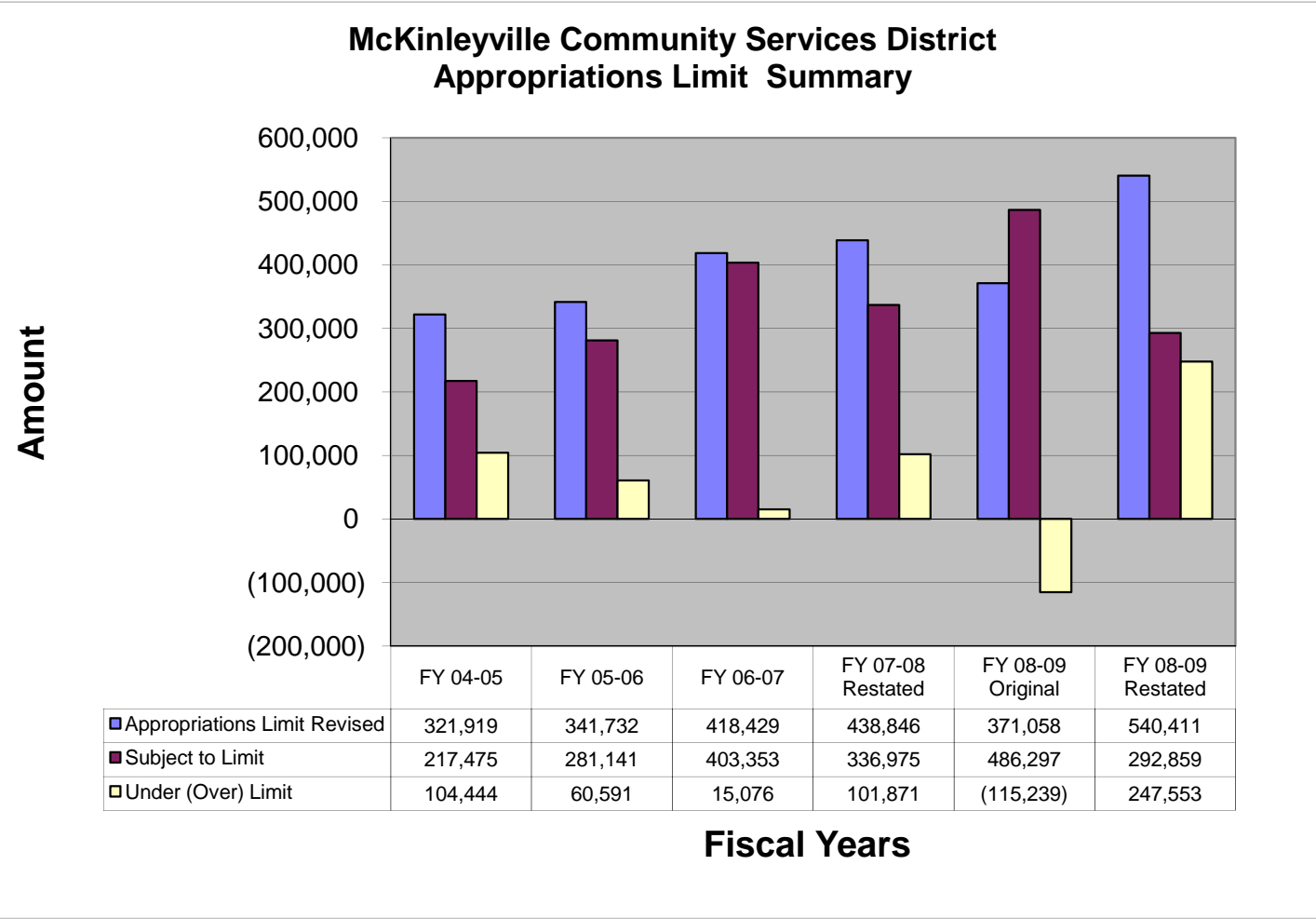
Summary of Appropriations From Proceeds of Taxes		From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund		688,006	499,026	1,187,032
Street Lighting Fund		78,413	-	78,413
Water Fund		1,548,131	-	1,548,131
Wastewater Fund		1,656,236	-	1,656,236
Total Proceeds and Non Proceeds of Taxes		3,970,786	499,026	4,469,812
Summary of Exclusions				
Court Order Costs		-		
Federal Mandates		41,684		
Qualified Capital Equipment		-		
Qualified Debt Service		164,483		
Total Exclusions to Appropriations Subject to Limit		206,167		

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under (Over) Limit
FY 00-01	262,852	256,052	6,800
FY 01-02	284,654	272,089	12,565
FY 02-03	282,163	281,973	190
FY 03-04	308,121	291,306	16,815
FY 04-05	321,919	217,475	104,444
FY 05-06	341,732	281,141	60,591
FY 06-07	418,429	403,353	15,076
FY 07-08 Restated	438,846	336,975	101,871
FY 08-09 Original	371,058	486,297	(115,239)
FY 08-09 Restated	540,411	292,859	247,553



McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 08-09 Final Restated

User Fees in Excess of Costs Analysis
(Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	324,504	324,504			
Miscellaneous Fees & Reimbursements	22,718	22,718			
Total General Fund	347,221	347,221	-	-	-
Street Lighting Fund	78,413		78,413		
Water Operations Fund	1,548,131			1,548,131	
Wastewater Operations Fund	1,656,236				1,656,236
Total Estimate of User Fees	3,630,001	347,221	78,413	1,548,131	1,656,236
Current Year Adopted Budget					
Operations & Equipment	3,809,034	809,939	66,958	1,444,527	1,487,610
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	(179,033)	(462,718)	11,455	103,604	168,626

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 08-09 Final Restated

Calculation of Proceeds of Taxes and Interest Allocation (Worksheets #2 & #3 of Guidelines)

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	486,297				486,297	-	486,297
Special Assessment	193,724				193,724	193,724	-
Charges for Services	324,504				324,504	324,504	-
Grants	65,300				65,300	65,300	-
Development Fees	64,182				64,182	64,182	-
Interest (4)	30,308				30,308	17,579	-
Miscellaneous Fees & Reimbursements	22,718				22,718	22,718	12,729
Other Financing Sources	-				-	-	-
Other Sources	-				-	-	-
TOTAL GENERAL FUND REVENUES	1,187,032	0	0	0	1,187,032	688,006	499,026
Street Lighting Fund							
Water Fund	78,413					78,413	
Wastewater Fund	1,548,131					1,548,131	
Debt Service Fund	1,656,236					1,656,236	
	-					-	
Total All Funds	4,469,812	-	-	-	1,187,032	3,970,786	499,026

(1) See Worksheet 2.1 for Detail to all Funds
(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be reflected in the final budget appropriations.
(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.
(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 08-09 Final Restated

Proceeds Detail (Worksheet 2.1 to Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	3,821	3,821		Reimbursement for Services
42020	PROC. FEES	924	924		User Fees for Services
42030	BAD CHECK FEES	80	80		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	8	8		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	112	112		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,076	2,076		Use of Property fees
44000	OPEN SPACE FEES	50,031	50,031		Development Fees
47050	MSC PAYROLL REM	4,200	4,200		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	18,181	18,181		User Fees for Services
48000	COMM. EVENTS	15	15		User Fees for Services
48001	VENDOR CONTRACT	31,494	31,494		User Fees for Services
48002	EVENT SERVICES	5,526	5,526		User Fees for Services
48010	INSURANCE FEES	1,101	1,101		User Fees for Services
48020	AD INCOME	970	970		User Fees for Services
48040	COMMISSIONS VND	634	634		User Fees for Services
48050	REC. PROGRAMS	269,132	269,132		User Fees for Services
48051	FRF DISCOUNT	(3,474)	(3,474)		User Fees for Services
48055	PROGRAM GRANTS	18,203	18,203		Related to Restricted Grants
48070	SALE OF SCRAP	3,617	3,617		Use of Property fees
50001	INT. REVENUE	30,308	17,579	12,729	Allocated
51001	SECURED TAXES	486,297		486,297	
51060	MEASURE B ASSMT	193,724	193,724		Special Assessment Restricted Specific Use
53001	CONTRIBUTIONS	8,804	8,804		Donations
53002	QUIMBY FEES	14,151	14,151		Development fees
54001	STATE GRANTS	47,097	47,097		Related to Restricted Grants
Total General Fund		1,187,032	688,006	499,026	

Street Lighting

41050	ADMIN FEE	13,138	13,138		
42020	PROC. FEES	3,526	3,526		
47001	ST. LIGHT CHGS	56,721	56,721		
47001	ST. LIGHT CHGS	4,872	4,872		
50001	INT. REVENUE	156	156		
Total Street Lighting		78,413	78,413	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	544,360	544,360		
40001	MTR. WATER SALE	815,809	815,809		
41001	NEW SVC. FEES	7,134	7,134		
41020	PL. CK. FEE DEP	3,157	3,157		
42001	PERMIT FEES	2,797	2,797		
42010	CONN. FEES	15,478	15,478		
42020	PROC. FEES	21,531	21,531		
42030	BAD CHECK FEES	340	340		
42040	RECONN. FEES	8,730	8,730		
42050	DCV INSPECTION	20,225	20,225		
43010	REC. BAD DEBTS	713	713		
43190	CELL TOWER REV.	7,060	7,060		
43195	OTHER OP. REV.	9,076	9,076		
43198	PAVING FEES	801	801		
43199	SERVICE UPGRADE	150	150		
46000	AFTER HRS CHGS	400	400		
48070	SALE OF SCRAP	120	120		

McKinleyville Community Services District
Revenue Estimates Detail
FY 08-09 Final Restated

Proceeds Detail (Worksheet 2.1 to Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
50001	INT. REVENUE	76,662	76,662		
50005	LATE CHARGES	13,589	13,589		
Total Water		1,548,131	1,548,131	0	User Fees for Services
Wastewater Fund					
40002	SWR SVC CHGS.	1,298,515	1,298,515		
40010	STORM WATER FEE	174	174		
41001	NEW SVC. FEES	29,928	29,928		
41020	PL. CK. FEE DEP	1,467	1,467		
41040	SWR CONST PRMT	3,909	3,909		
42010	CONN. FEES	174,054	174,054		
42020	PROC. FEES	6,870	6,870		
42030	BAD CHECK FEES	295	295		
42040	RECONN. FEES	2,928	2,928		
42050	DCV INSPECTION	35	35		
43010	REC. BAD DEBTS	670	670		
43190	CELL TOWER REV.	7,060	7,060		
43195	OTHER OP. REV.	3,158	3,158		
43197	LEASE REVENUE	22,818	22,818		
43198	PAVING FEES	801	801		
46000	AFTER HRS CHGS	1,627	1,627		
50001	INT. REVENUE	89,781	89,781		
50005	LATE CHARGES	12,145	12,145		
Total Wastewater		1,656,236	1,656,236	0	User Fees for Services
Debt Service					
Total Debt Service		-	-	-	Debt Related
Total All Funds		4,469,812	3,970,786	499,026	

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 08-09 Final Restated

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)
--

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 499,026
Less Allowed Exclusions (From Worksheet #7)	(206,167)
Current Year Appropriations Subject to Limit	<u>\$ 292,859</u>
Current Year Appropriations Limit (From Worksheet #6)	540,411
Current Year Appropriations Over or (Under) Limit	<u>\$ (247,553)</u>
Percentage Over or (Under) Limit	<u>-46%</u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 08-09 Final Restated

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indices		Percent Change in Population (1)		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit (2)
	Percent Change in Per Capita Personal Income (3)	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth (4)	MCSO (Unincorporated County)	Humboldt County Total		
FY 00-01	4.91	N/A	1.64	1.35	106.63052%	262,852
FY 01-02	7.82	N/A	0.44	0.34	108.29441%	284,654
FY 02-03	-1.27	N/A	0.40	0.33	99.12492%	282,163
FY 03-04	2.31	8.14	0.98	0.77	109.19977%	308,121
FY 04-05	3.28	-0.10	1.16	0.94	104.47805%	321,919
FY 05-06	5.26	-42.46	0.85	0.70	106.15471%	341,732
FY 06-07	3.96	21.98	0.10	0.38	122.44352%	418,429
FY 07-08	4.42	-14.41	0.17	0.44	104.87945%	438,846
FY 08-09	4.29	22.13	0.83	0.64	123.14368%	540,411

(1) From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSO may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The **Bold type** indicate Factor used in calculation for the individual Fiscal Year.

(2) Appropriations Limit calculation have been revised to correct factors and mathematical calculations.

(3) PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance

(4) Percent of annual growth in non-residential assessed valuation is from information provided by the Humboldt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 08-09 Final Restated

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
--

Prior Year Appropriations Limit (From Worksheet #5)	\$	438,846
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		22.13%
MCSD Unincorporated County Population Percent Change		0.83%
Compounded Total Percentage Adjustment Factor		<u>23.144%</u>
Current Year Annual Adjustment Amount	\$	101,565
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibility of Services		0
Total Adjustments to Limit	\$	<u>-</u>
Current Year Appropriations Limit	\$	<u><u>540,411</u></u>

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 08-09 Final Restated

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)
--

	Exclusions
Court Orders	
	-
Federal Mandates	
FICA and Medicare Payments	37,316
Unemployment Payments	4,368
Total Federal Mandates	41,684
Qualified Capital Outlays (Assets of over \$100,000)	
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	164,483
Total Exclusions	206,167

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 07-08 Final Restated

Prior Year Final Appropriation Limit **\$ 418,429**

Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾

Per Capital Income Percent Change	4.420%
Humbolt County Population Percent Change	0.440%
Compounded Percentage as an Adjustment Factor	4.879%
Annual Adjustment Amount to Appropriation Limit	20,417

Current Year Appropriation Limit **438,846**

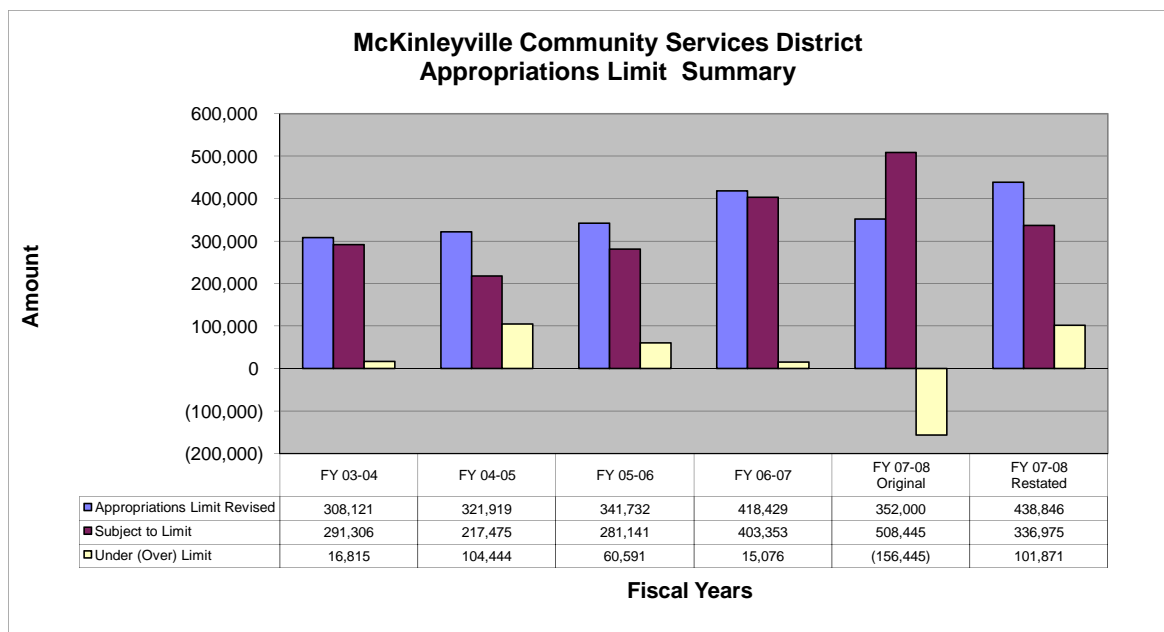
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾

Proceeds of Taxes From Adopted Budget ⁽³⁾	523,121
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	(186,146)

Current Year Appropriations Subject to Appropriation Limit **336,975**

Current Year Appropriations Under the Appropriation Limit ⁽³⁾ **\$ (101,871)**

Percentage Under the Limit **-23%**



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIIIIB Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

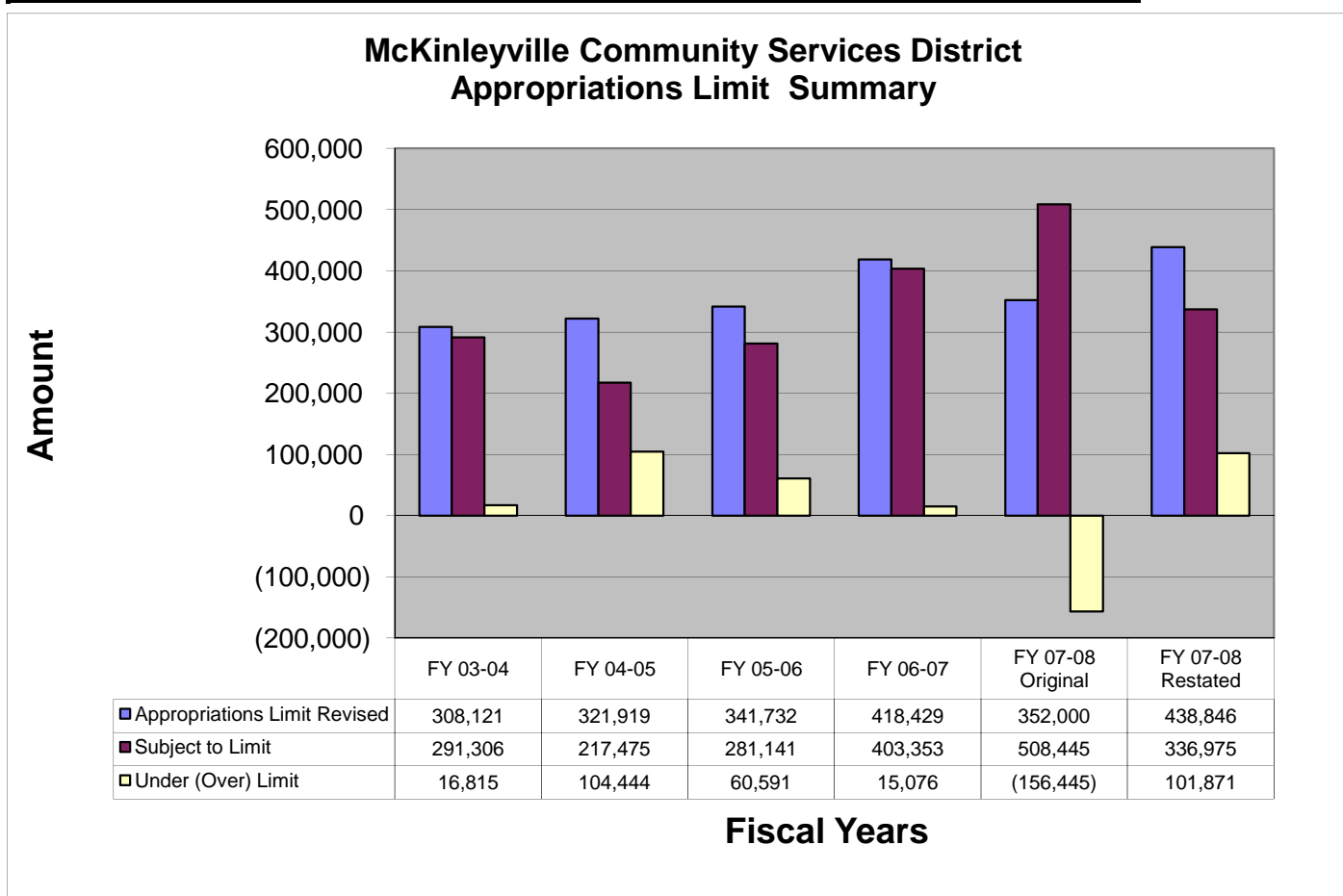
Summary of Appropriations From Proceeds of Taxes		From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund		730,508	523,121	1,253,629
Street Lighting Fund		76,561	-	76,561
Water Fund		1,435,283	-	1,435,283
Wastewater Fund		1,332,602	-	1,332,602
Total Proceeds and Non Proceeds of Taxes		3,574,954	523,121	4,098,075
Summary of Exclusions				
Court Order Costs		-		
Federal Mandates		5,029		
Qualified Capital Equipment		-		
Qualified Debt Service		181,117		
Total Exclusions to Appropriations Subject to Limit		186,146		

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under (Over) Limit
FY 00-01	262,852	256,052	6,800
FY 01-02	284,654	272,089	12,565
FY 02-03	282,163	281,973	190
FY 03-04	308,121	291,306	16,815
FY 04-05	321,919	217,475	104,444
FY 05-06	341,732	281,141	60,591
FY 06-07	418,429	403,353	15,076
FY 07-08 Original	352,000	508,445	(156,445)
FY 07-08 Restated	438,846	336,975	101,871



McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 07-08 Final Restated

User Fees in Excess of Costs Analysis
(Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	444,876	444,876			
Miscellaneous Fees & Reimbursements	3,339	3,339			
Total General Fund	448,215	448,215	-	-	-
Street Lighting Fund	76,561		76,561		
Water Operations Fund	1,435,283			1,435,283	
Wastewater Operations Fund	1,332,602				1,332,602
Total Estimate of User Fees	3,292,661	448,215	76,561	1,435,283	1,332,602
Current Year Adopted Budget					
Operations & Equipment	3,770,831	742,483	80,082	1,512,628	1,435,638
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	(478,170)	(294,268)	(3,521)	(77,345)	(103,036)

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 07-08 Final Restated

Calculation of Proceeds of Taxes and Interest Allocation (Worksheets #2 & #3 of Guidelines)

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	508,445				508,445	-	508,445
Special Assessment	194,044				194,044	194,044	-
Charges for Services	444,876				444,876	444,876	-
Grants	67,982				67,982	67,982	-
Development Fees	-				-	-	-
Interest (4)	34,943				34,943	20,267	-
Miscellaneous Fees & Reimbursements	3,339				3,339	3,339	14,676
Other Financing Sources	-				-	-	-
Other Sources	-				-	-	-
TOTAL GENERAL FUND REVENUES	1,253,629	0	0	0	1,253,629	730,508	523,121
Street Lighting Fund							
Water Fund	76,561					76,561	
Wastewater Fund	1,435,283					1,435,283	
Debt Service Fund	1,332,602					1,332,602	
	-					-	
Total All Funds	4,098,075	-	-	-	1,253,629	3,574,954	523,121

(1) See Worksheet 2.1 for Detail to all Funds

(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be reflected in the final budget appropriations.

(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.

(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 07-08 Final Restated

Proceeds Detail (Worksheet 2.1 to Guidelines)

Fnd	Acct	Final Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE		-		Reimbursement for Services
42020	PROC. FEES		-		User Fees for Services
42030	BAD CHECK FEES		-		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES		-		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	3,339	3,339		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE		-		Use of Property fees
44000	OPEN SPACE FEES		-		Development Fees
47050	MSC PAYROLL REM		-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS		-		User Fees for Services
48000	COMM. EVENTS		-		User Fees for Services
48001	VENDOR CONTRACT		-		User Fees for Services
48002	EVENT SERVICES		-		User Fees for Services
48010	INSURANCE FEES		-		User Fees for Services
48020	AD INCOME		-		User Fees for Services
48040	COMMISSIONS VND		-		User Fees for Services
48050	REC. PROGRAMS	444,876	444,876		User Fees for Services
48051	FRF DISCOUNT		-		User Fees for Services
48055	PROGRAM GRANTS	67,982	67,982		Related to Restricted Grants
48070	SALE OF SCRAP		-		Use of Property fees
50001	INT. REVENUE	34,943	20,267	14,676	Allocated
51001	SECURED TAXES	508,445		508,445	
51060	MEASURE B ASSMT	194,044	194,044		Special Assessment Restricted Specific Use
53001	CONTRIBUTIONS		-		Donations
53002	QUIMBY FEES		-		Development fees
54001	STATE GRANTS		-		Related to Restricted Grants
Total General Fund		1,253,629	730,508	523,121	
Street Lighting					
41050	ADMIN FEE		-		
42020	PROC. FEES		-		
47001	ST. LIGHT CHGS	75,867	75,867		
50001	INT. REVENUE	694	694		
Total Street Lighting		76,561	76,561	-	User Fees for Services
Water Fund					
40000	WATER BASE CHG	1,337,042	1,337,042		
40001	MTR. WATER SALE		-		
41001	NEW SVC. FEES		-		
41020	PL. CK. FEE DEP		-		
42001	PERMIT FEES		-		
42010	CONN. FEES		-		
42020	PROC. FEES		-		
42030	BAD CHECK FEES		-		
42040	RECONN. FEES		-		
42050	DCV INSPECTION		-		
43010	REC. BAD DEBTS		-		

McKinleyville Community Services District
Revenue Estimates Detail
FY 07-08 Final Restated

Proceeds Detail (Worksheet 2.1 to Guidelines)

Fnd	Acct	Final Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43190	CELL TOWER REV.		-		
43195	OTHER OP. REV.	98,241	98,241		
43198	PAVING FEES		-		
43199	SERVICE UPGRADE		-		
46000	AFTER HRS CHGS		-		
48070	SALE OF SCRAP		-		
50001	INT. REVENUE		-		
50005	LATE CHARGES		-		
Total Water		1,435,283	1,435,283	0	User Fees for Services

Wastewater Fund

40002	SWR SVC CHGS.	1,216,130	1,216,130		
40010	STORM WATER FEE		-		
41001	NEW SVC. FEES		-		
41020	PL. CK. FEE DEP		-		
41040	SWR CONST PRMT		-		
42010	CONN. FEES		-		
42020	PROC. FEES		-		
42030	BAD CHECK FEES		-		
42040	RECONN. FEES		-		
42050	DCV INSPECTION		-		
43010	REC. BAD DEBTS		-		
43190	CELL TOWER REV.		-		
43195	OTHER OP. REV.	116,472	116,472		
43197	LEASE REVENUE		-		
43198	PAVING FEES		-		
46000	AFTER HRS CHGS		-		
50001	INT. REVENUE		-		
50005	LATE CHARGES		-		
Total Wastewater		1,332,602	1,332,602	0	User Fees for Services

Debt Service

Total Debt Service	-	-	-	Debt Related
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Total All Funds	4,098,075	3,574,954	523,121
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 07-08 Final Restated

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)
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	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 523,121
Less Allowed Exclusions (From Worksheet #7)	(186,146)
Current Year Appropriations Subject to Limit	<u>\$ 336,975</u>
Current Year Appropriations Limit (From Worksheet #	438,846
Current Year Appropriations Over or (Under) Limit	<u>\$ (101,871)</u>
Percentage Over or (Under) Limit	<u>-23%</u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 07-08 Final Restated

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indices		Percent Change in Population (1)		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit (2)
	Percent Change in Per Capita Personal Income (3)	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth (4)	MCSO (Unincorporated County)	Humboldt County Total		
FY 00-01	4.91	N/A	1.64	1.35	106.63052%	262,852
FY 01-02	7.82	N/A	0.44	0.34	108.29441%	284,654
FY 02-03	-1.27	N/A	0.40	0.33	99.12492%	282,163
FY 03-04	2.31	8.14	0.98	0.77	109.19977%	308,121
FY 04-05	3.28	-0.10	1.16	0.94	104.47805%	321,919
FY 05-06	5.26	-42.46	0.85	0.70	106.15471%	341,732
FY 06-07	3.96	21.98	0.10	0.38	122.44352%	418,429
FY 07-08	4.42	-14.41	0.17	0.44	104.87945%	438,846

(1) From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSO may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The **Bold type** indicate Factor used in calculation for the individual Fiscal Year.

(2) Appropriations Limit calculation have been revised to correct factors and mathematical calculations.

(3) PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance

[4] Percent of annual growth in non-residential assessed valuation is from information provided by the Humboldt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 07-08 Final Restated

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
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Prior Year Appropriations Limit (From Worksheet #5)	\$	418,429
Current Year Growth Factors (From Worksheet #5)		
Per Capital Income Percent Change		4.42%
Humbolt County Population Percent Change		0.44%
Compounded Total Percentage Adjustment Factor		<u>4.879%</u>
Current Year Annual Adjustment Amount	\$	20,417
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibility of Services		0
Total Adjustments to Limit	\$	<u>-</u>
Current Year Appropriations Limit	\$	<u><u>438,846</u></u>

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 07-08 Final Restated

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)
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	Exclusions
Court Orders	
	-
Federal Mandates	
FICA and Medicare Payments	
Unemployment Payments	5,029
Total Federal Mandates	5,029
Qualified Capital Outlays (Assets of over \$100,000)	
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	181,117
Total Exclusions	186,146

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Monthly Report

August 18, 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 6.9% ahead the budgeted amount for the fiscal year to date as expected for the summer months. Revenues for sewer service are within 1% of budget however other sewer revenues (connection/capacity fees, etc.) are below expectations for the first month of the fiscal year.

Water and Sewer expenses are below the fiscal year to date budgeted amounts by due the seasonal nature of testing and treatment costs for the summer months.

PARKS AND RECREATION BUDGET

Secured property tax and Measure B assessments are collected by the County Treasurer-Tax Collector in December and April of each year and deposited to the District's Trust account. The District anticipates that approximately \$520,000 in secured property taxes, and \$210,000 in measure B assessments will be collected during the current fiscal year.

The District has submitted grant applications for funds totaling \$4,379,000. Such funds will be recorded as revenue upon receipt of an award letter from the grantor agency.

The annual interest and principal debt service payment for the General Fund was disbursed in advance of the August 1 due date in order to avoid delinquent payment penalties. An interest payment on this obligation will be due on February 1, 2011.

COST OF PUBLIC INFORMATION REQUESTS AND CORRESPONDENCE

The District received several correspondences from the public during July, 2010. The cost to the District for this is \$696.88 for July, 2010. The District began tracking these costs in October, 2009. The cost to the District from October, 2009, through June 30, 2010, was \$4,143.19. Since February, 2007, all requests for public information from the District have been made by the same individual.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Board Agenda Background: Department Report

August 12, 2010

To: MCSD Board

From: Gregory P Orsini, Operations Director

Subject: Agenda Item: F.2.B. –August 18, 2010 Board Meeting
Operations Department - July 2010 Report

Progress in achieving the Board's adopted FY10-11 Goals are summarized in the following narrative:

Water Department:

◇ Water Statistics:

The district pumped 66 million gallons of water in July.

Seven water quality complaints were investigated and rectified in July.

One service line leak was reported and repaired in July.

No water service installations were completed in July.

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

◇ Average and Maximum Water Usage:

During the summer months, the District's water consumption typically increases dramatically we will report throughout the summer months on the average and maximum usage day. The maximum water usage day was 2.8 million gallons and the average usage per day was 2.2 million gallons for the month of July.

◇ Double Check Valve Testing:

Route 14 testing was completed in July accounting for 42 devices.

◇ Annual Valve Exercising:

Staff continued valve exercising in July. This requires the operation of every valve in the district. Two personnel will require several weeks to complete and is done to keep valves in operating condition and easy to locate. During this annual exercise, valve discrepancies can be noted, work orders generated and repaired in a timely manner.

◇ Water Site Clearing:

Members of the staff trimmed the grass at the Norton Tank Site in July.

◇ New Construction Inspections:

Airport Ramp Project, waiting on completion of punch list; Central Terrace, punch list complete and a completion letter will be drafted when the as- builds are delivered; Landis, paving complete and punch list coming soon; Santos Subdivision, pre construction meeting complete, mainline extension agreement and inspection fees pending; Valadao Subdivision, complete; Van Eaton Subdivision, pending as- builds and completion letter.

Waste Water Statistics:

28.8 million gallons of wastewater were collected and pumped to the W.W.M.F in July.

27.0 million gallons of waste water were treated and discharged to land disposal in July.

No sewer services were completed in July.

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

◇ Sewer Station and Right of Way Maintenance:

Members of the staff completed the trimming at B Street, Fischer Lift Station, Hiller Package Station, C Street, Babbler and Goldfinch Sewer Right of Ways in July. Staff degreased and washed down the drywell, pumps, and piping, the DCV vault lid was sand blasted and painted at the Fischer Lift Station. Work orders were generated from the monthly inspections for the majority of this work. The sewer right of ways are cleared annually so staff can access off site manholes

◇ **Shoring Safety Equipment:**

One of the Districts aluminum shoring boxes and several aluminum shoring jacks were sent to Sacramento to be inspected and repaired by the factory. Staff maintained half our shoring on hand to use in case of emergency. They will be shipped out when the first set returns. When this project is completed all the District underground safety equipment will have been remanufactured and certified to original specifications. Staff was able to save the District half the cost of this process through coordination with United Rental in shipping the shoring with their equipment.

◇ **Wastewater Management Facility Maintenance:**

Staff members conducted string trimming, repaired the the outside light over the Chlorine Contact Basin, the Head works, and the light in the breezeway. Staff conducted the annual maintenance on the CL2 and SO2 vacuum regulators at the in July The regulators are taken apart, cleaned and new parts are installed to replace worn parts. This is done make sure the regulators work smoothly and to prevent CL2 and SO2 leaks.

◇ **Wet Well Wash Down:**

Hiller Sewer Lift Station wet well had its quarterly wash down. These wash downs are conducted on a regular basis to prevent build up of grease, grit and prevent damage that would be caused by hydrogen sulfide gas accumulation.

◇ **Office Maintenance:**

Staff pressure washed the field office, front and back porch. The porches and wheel chair ramp were stained and non-skid recoated.

◇ **Street Light Department:**

Staff inspected the streetlights at Pierson Park and Cypress Hills. This is done quarterly. Any repairs are made at that time, in the field. No streetlight problems were reported or repaired in July.

Promote Staff Training and Advancement:

Weekly safety meetings were conducted.

Special Notes:

Grant Ramey Pump upgrade project broke in July the general contractor exposed the suction and discharge main at the location of the interties to allow for surveying of those locations. From that survey a layout will be made to fabricate the piping to connect the new pumps to the existing system. District staff was present to inspect and observe the results of the excavations. While the contractor was exposing the pipelines a large concrete thrust block was discovered. Thrust blocks are used to prevent the movement of pipelines that are buried in the ground. The contractor was hesitant to work near this trust block and wanted to move the tie in downstream of this area. The design engineer recommended moving the valve and wye location to avoid this area. This would have generated a Change Order which would have cost the District up to \$10,000. Upon recommendation by District staff two district personnel spent 2 hours carefully chipping away at the concrete and exposed the flanges to get the measurement and identify the fittings that the contractor was surveying. A conclusion was made by staff, the design engineer and the contractor as to continue with the original plan.

Staff is still in the process of initiating a pretreatment program for the District's Industrial Sewer Customers. This includes updates to District Rules and Regulations and the drafting and issuance of discharge permits for customers that qualify under the new rules. The local limits sited in the Rules and Regulation are also in the process of being updated and when complete the Rules will be brought to the board for acceptance.

Staff received a report from Arcata F.P.D. that a fire hydrant at the end of Sand Point was leaking from the ground and appeared to have been hit by a car. The Hydrant was out of commission for a couple of days. During the process staff notified USA and made repairing it a high priority. Since that hydrant has been damaged twice staff also installed bollards to protect it from traffic during the repair process.

During a power outage one of the District Portable Generators was utilized to as back up for Kelley Lift Station. After several hours of operation the generator voltage dropped below an acceptable level and caused an alarm. The Duty Pager Person responded in a timely manner and was going to replace the generator when the power returned. Upon investigation by staff it was discovered that a wire that connects the charging system of the engine to the generator set had broken. When repaired the generator returned to normal operation. The repairs to this piece of equipment were all completed in house for a savings to the District.

An attempt to break into Letz Sewer Lift Station was discovered during regular station inspection. The exterior of the station was vandalized but no entry to the control building was made. There was damage to the door, fuel tank lock, and vent screen. A section of the fence was removed to gain entry but was easily reinstalled. Staff members repaired all damage and noted that nothing was taken. A report was made to the Humboldt County Sheriff's Department and a deputy met with District Personnel on site. If any more information comes available I will forward it on.

Staff met with members of Humboldt County responsible for the design and construction of the upgrades to School Road east of Salmon. A phased project is being planned that will decrease the hump, widen, add sidewalks, and install storm drains to School Road. This work is being accomplished using grant funding and did not take into consideration the necessity of lowering the 12" water main that is within the road modification area. It was not until late May that the county consulted District staff about District facilities and was made aware that a water main would be exposed when the road was lowered. At that time it was made clear to county staff we could not afford nor wanted to participate in the project and another funding avenue would have to be pursued. At the meeting in July county staff again implied the District would have to finance the water main lowering portion of the project. When questioned by District staff the county admitted to the water main oversight and that it could have been covered by the grant funding if it would have been included. Staff has set up another meeting with county staff in August to further discuss this matter.

An agreement between Arcata Fire and Police, Humboldt Bay MWD and MCSD was struck up to partner in emergency generator back up for our repeater radio site on McKluski Hill. District staff took the lead in researching the ideal generator for the location. Output size and fuel choice were the major deciding factors and staff narrowed the choice down to an ideal generator. Staff presented the findings to the group and we are in agreement on the equipment. The generator will be ordered, installed and the costs split amongst the agencies involved.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
August 18, 2010

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

McKINLEYVILLE SKATE PARK:

Staff met with two representatives from the McKinleyville Skate Park Organization. The Organization has reviewed the Board approved Right of Entry Agreement but has yet to sign it.

MEASURE B:

Staff continues to work on the Measure B renewal.

McKINLEYVILLE LIBRARY EXPANSION PROJECT:

Construction is progressing well. The foundation and sidewalks are complete and they are in the process of framing the structure. Staff will ask the Board to join them on a brief tour of the construction progress at the Board meeting.

OPEN SPACE MAINTENANCE ZONES:

Staff is in the process of evaluating and updating each Open Space Maintenance Zone managed by the District.

BIKE RODEO:

Staff has been working with the McKinleyville Family Resource Center to host a Bike Rodeo in McKinleyville for all ages. The event will be held Saturday, August 28, 2010 at Pierson Park in the upper parking lot. The event is free, and participants can get their bikes and helmets checked for safety and participate in a variety of bike rodeo activities.

COMMUNITY SERVICE WORKERS:

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

WORK EXPERIENCE (Cal Works PROGRAM)

We now have two positions through the Cal Works program that are working with the Parks & Recreation Department. This is a great program for the workers and for the MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the Counties umbrella. If MCSD hires an employee from this program, the County will pay for half their wages for the first year of employment.

GRAFFITI UPDATE:

None to report for this month.

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **INFORMATION**

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

PRESENTED BY: Norman Shopay

TYPE OF ACTION: None

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

- Repair pump in-house \$500
- Replace CL2 sensor \$900
- Remove concrete thrust that was encased in 18" pipe at North Bank Station \$10,000
- Kohler generator repair \$1,200
- Currently assigned four (4) Cal Works employees for a cost savings of approximately \$16,000 per month
- Board approved \$80 deposit for new customers. Historically at this time of the year we would have written off \$1,000. Under the current program there were no write offs this month.

2. Library Expansion Project: Construction has commenced on the Library, foundation completed and framing started.

3. Emergency Response Planning: proceeding on updates to the emergency response plan. We are planning to have an emergency response table top exercise in September.

4. Web Site Update: Workshop held prior to the last Board meeting to get additional community input. Comments were received and some additional changes were made on the Web Site.

5. NPDES Permit Compliance and 20-Year Facility Plan – We will be proceeding to evaluate the Board approved treatment alternatives and will be moving forward on the 20-year plan.

6. Hazardous Waste Collection Day - Humboldt Waste Management
Authority completed a successful their Hazardous Waste Collection day on July 17, 2010 at Pierson Park.

450 vehicles total (our best attended event to date)
264 (59%) were MCSD customers within 95519
46 were elsewhere in 95519, not CSD served
Arcata 57, Blue Lake 25, Eureka/Cutten 34

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

8. NPDES Permit Changes – Staff has completed and mailed the letter to the RWQCB requesting MCSD be issued a Cease and Desist Order (CDO). The purpose in doing this is that once a CDO is issued then it will include a process to address this issue and mandatory minimum penalties will not be accessed. It is anticipated that the CDO will be scheduled for the December 9, 2010 RWQCB meeting. Initial results in the evaluation related to concentration of “copper” in the receiving waters look encouraging and suggest that we may be able to raise our copper compliance limit in the NPPDES permit.

9 Emergency Water Line Crossing over the Mad River – Staff will be preparing an RFP to obtain bids for the emergency water line over the Mad River.

McKinleyville Community Services District

BOARD OF DIRECTORS

August 18, 2010

TYPE OF ITEM: **INFORMATIONAL**

ITEM: H.1. **Written correspondence/threats of potential litigation from Mr. David Elsebusch**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **None**

Recommendation:

Adjourn to closed session to discuss anticipated litigation, preparation for same.

Discussion:

Written communication dated July 30, 2010 was received from Mr. David Elsebusch threatening potential litigation.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Cost to the District is approximately \$1,500 to date.

Environmental Requirements:

N/A

Exhibits/Attachments

Email dated July 30, 2010.

From: [Penny Elsebusch](#)
To: [MCSD](#)
Subject: Measure B
Date: Friday, July 30, 2010 12:59:39 PM

I haven't received any response from you or Mr. Shopay regarding my allegations and demands regarding use of Measure B funds for anything other than debt payment.

I presume you prefer to litigate the matter, which will be a financial boon for lawyers and a loss to taxpayers.

David Elsebusch