

# McKINLEYVILLE



## COMMUNITY SERVICES DISTRICT



### **BUDGET**

**For the Fiscal Year Ending June 30, 2011**

Adoption Date: June 16, 2010

#### MCSD BOARD OF DIRECTORS

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

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

**For the Fiscal Year Ending June 30, 2011**

**INTRODUCTION AND BUDGET GUIDE**

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

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

## **SECTION 1: Information about McKinleyville and MCSD**

### **DESCRIPTION OF THE COMMUNITY**

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

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

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

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

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

## DESCRIPTION OF THE DISTRICT

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

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

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

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

Additional information and photographs of MCSD facilities are available on MCSD's website ([www.mckinleyvillecsd.com](http://www.mckinleyvillecsd.com)). District staff and Directors can be reached by e-mail at [mcsd@mckinleyvillecsd.com](mailto:mcsd@mckinleyvillecsd.com).

## Mission Statement

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

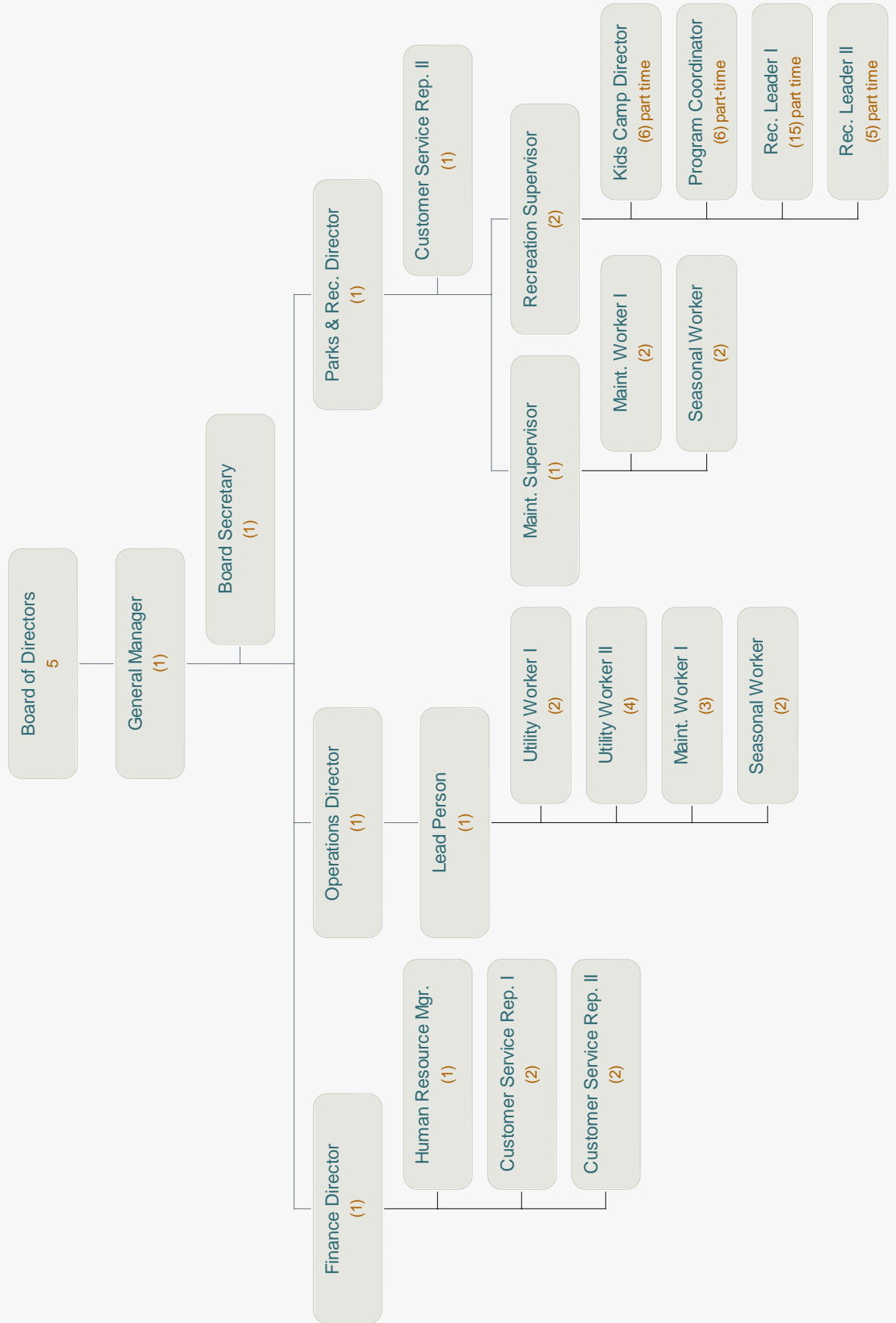
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***It is the mission of the McKinleyville Community Services District to provide McKinleyville residents with safe, adequate and reliable utility, lighting, open space, parks and recreation, and library services in an environmentally sensitive and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

## GOALS AND OBJECTIVES

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

# McKinleyville Community Services District Organizational Chart 2010/2011



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

	<b>Full-Time Benefitted</b>	<b>Part-Time &amp; Seasonal</b>	<b>Total FTEs</b>
<b>General Manager</b>	<b>1</b>		<b>1</b>
<b>Support Services</b>	<b>6</b>		<b>6</b>
<b>Operations</b>	<b>11</b>	<b>2</b>	<b>11.95</b>
<b>Parks &amp; Recreation</b>	<b>7</b>	<b>34</b>	<b>14.95</b>
<b>Total</b>	<b>25</b>	<b>36</b>	<b>33.9</b>

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

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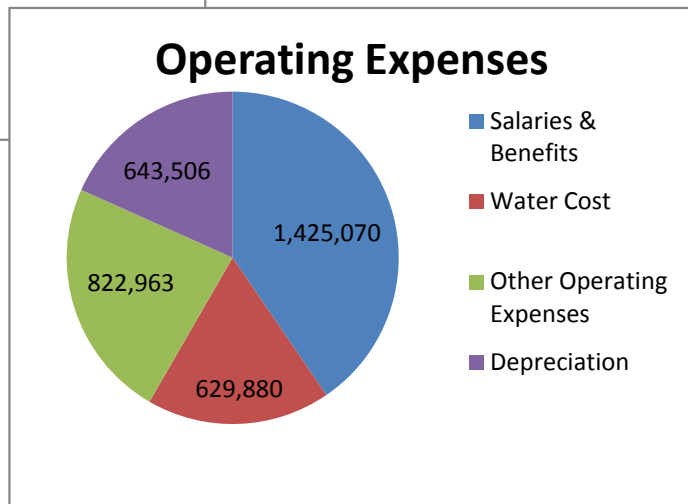
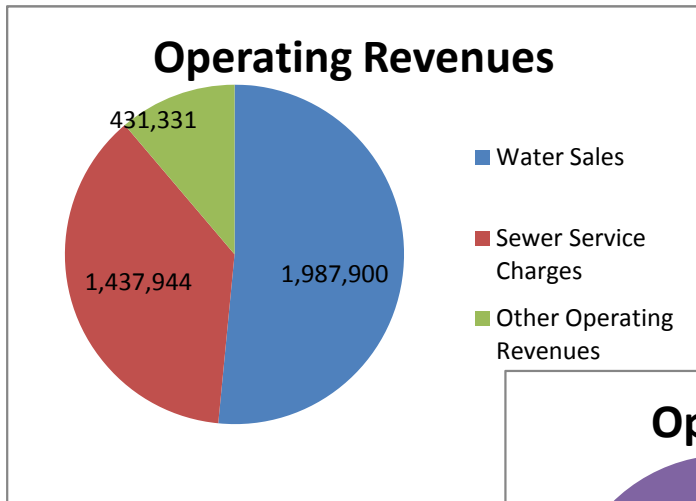


**McKinleyville Community Services District**  
**Fund Budget Summary and Projected Undesignated Fund Balance**  
**for the fiscal year ending June 30, 2011**

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

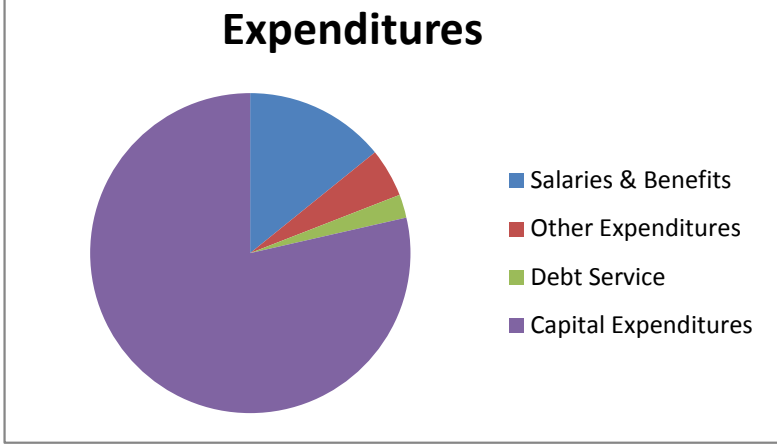
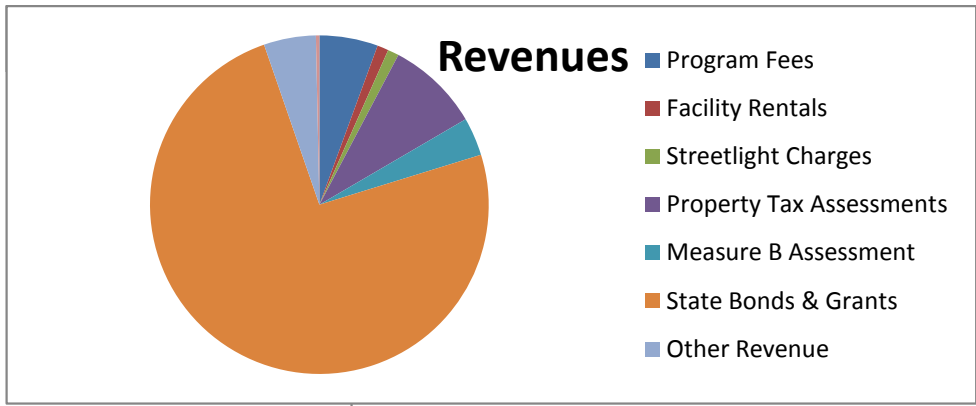
**McKinleyville Community Services District**  
**Enterprise Funds Summary Budget**  
**for the fiscal year ending June 30, 2011**

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



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

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



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

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

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

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

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

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

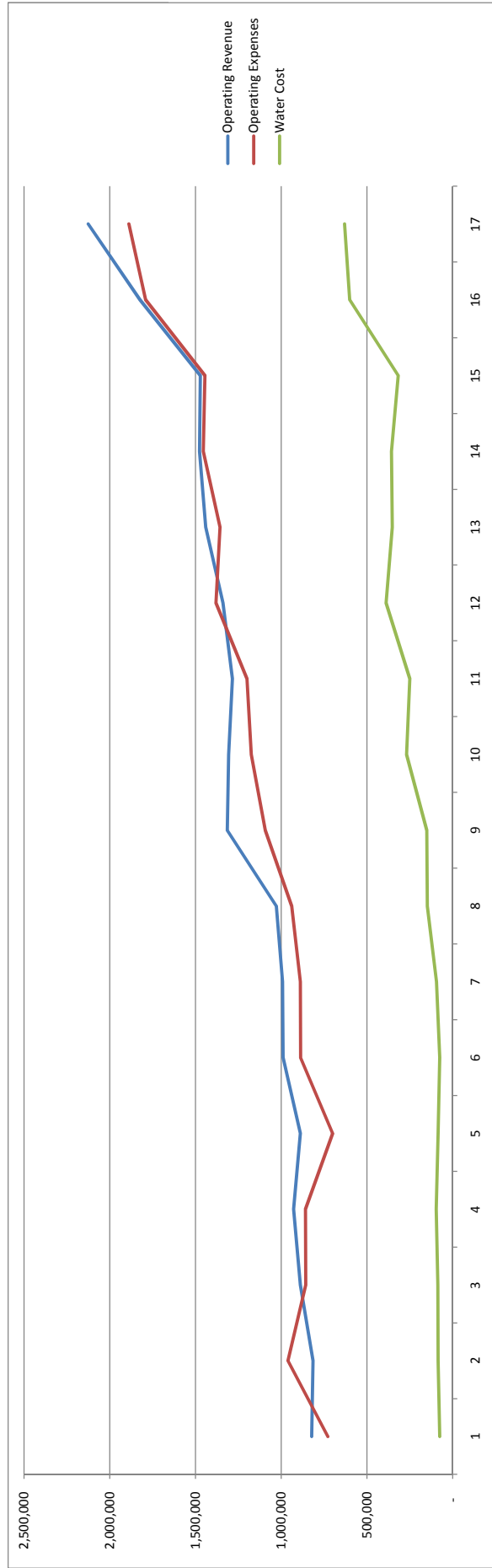
**McKinleyville Community Services District**  
**Governmental Funds Line-Item Budget**  
**for the fiscal year ending June 30, 2011**

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

**McKinleyville Community Services District**  
 Water Enterprise Fund  
 Historical Analysis

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

	Fiscal Year Ended (Ending) June 30,																
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Operating Revenues</b>																	
Water Sales	695,258	704,263	758,863	734,942	794,032	897,094	898,161	924,184	1,085,000	1,121,436	1,152,396	1,224,279	1,305,455	1,337,042	1,360,169	1,700,000	1,987,900
Other Water Revenues	127,787	110,559	129,784	193,238	94,679	91,351	94,710	104,592	229,237	184,979	132,194	115,568	135,596	139,331	111,300	123,802	138,686
<b>Total Operating Revenue</b>	<b>823,045</b>	<b>814,822</b>	<b>888,646</b>	<b>928,180</b>	<b>888,711</b>	<b>988,445</b>	<b>992,871</b>	<b>1,028,775</b>	<b>1,314,236</b>	<b>1,306,414</b>	<b>1,284,590</b>	<b>1,339,847</b>	<b>1,441,051</b>	<b>1,476,373</b>	<b>1,471,469</b>	<b>1,823,802</b>	<b>2,126,586</b>
<b>Operating Expenses</b>																	
Salaries & Benefits	277,399	414,470	361,766	375,348	395,770	392,206	383,619	392,061	472,929	459,541	499,303	529,427	560,844	594,924	661,031	653,614	712,535
Water Cost	74,897	84,374	86,526	96,007	84,431	74,880	93,698	147,114	151,583	269,049	250,212	387,780	352,935	356,842	318,159	600,000	629,880
Other Expenses	196,665	279,167	237,038	214,583	215,178	220,947	206,006	208,710	260,953	229,621	235,081	243,424	222,740	282,010	243,853	312,973	318,693
Depreciation	179,585	182,498	171,337	172,000	3,975	198,813	204,560	190,917	207,140	215,714	214,546	220,709	219,925	220,727	221,484	225,000	228,000
<b>Total Operating Expenses</b>	<b>728,546</b>	<b>960,509</b>	<b>856,667</b>	<b>857,938</b>	<b>699,354</b>	<b>886,946</b>	<b>887,983</b>	<b>938,802</b>	<b>1,092,605</b>	<b>1,173,925</b>	<b>1,199,143</b>	<b>1,381,340</b>	<b>1,356,444</b>	<b>1,454,502</b>	<b>1,444,527</b>	<b>1,791,587</b>	<b>1,889,108</b>
<b>Net Operating Income (Loss)</b>	<b>94,499</b>	<b>(145,687)</b>	<b>31,979</b>	<b>70,242</b>	<b>189,357</b>	<b>101,599</b>	<b>104,988</b>	<b>89,974</b>	<b>221,631</b>	<b>132,489</b>	<b>85,447</b>	<b>(41,492)</b>	<b>84,607</b>	<b>21,870</b>	<b>26,942</b>	<b>32,215</b>	<b>237,478</b>
Interest Income	46,842	6,585	72,477	62,671	63,042	75,077	84,361	79,066	67,786	42,801	46,501	63,422	97,279	114,973	76,662	98,000	49,000
Interest Expense	(80,309)	(87,045)	(72,418)	(72,531)	(71,251)	(66,464)	(63,625)	(75,463)	(65,739)	(64,364)	(62,690)	(61,241)	(59,666)	(58,130)	(56,318)	(54,701)	(87,078)
<b>Net Income (Loss)</b>	<b>61,032</b>	<b>(226,147)</b>	<b>32,037</b>	<b>60,382</b>	<b>181,148</b>	<b>110,212</b>	<b>125,724</b>	<b>93,576</b>	<b>223,678</b>	<b>110,926</b>	<b>69,258</b>	<b>(39,311)</b>	<b>122,220</b>	<b>78,713</b>	<b>47,286</b>	<b>75,514</b>	<b>199,400</b>

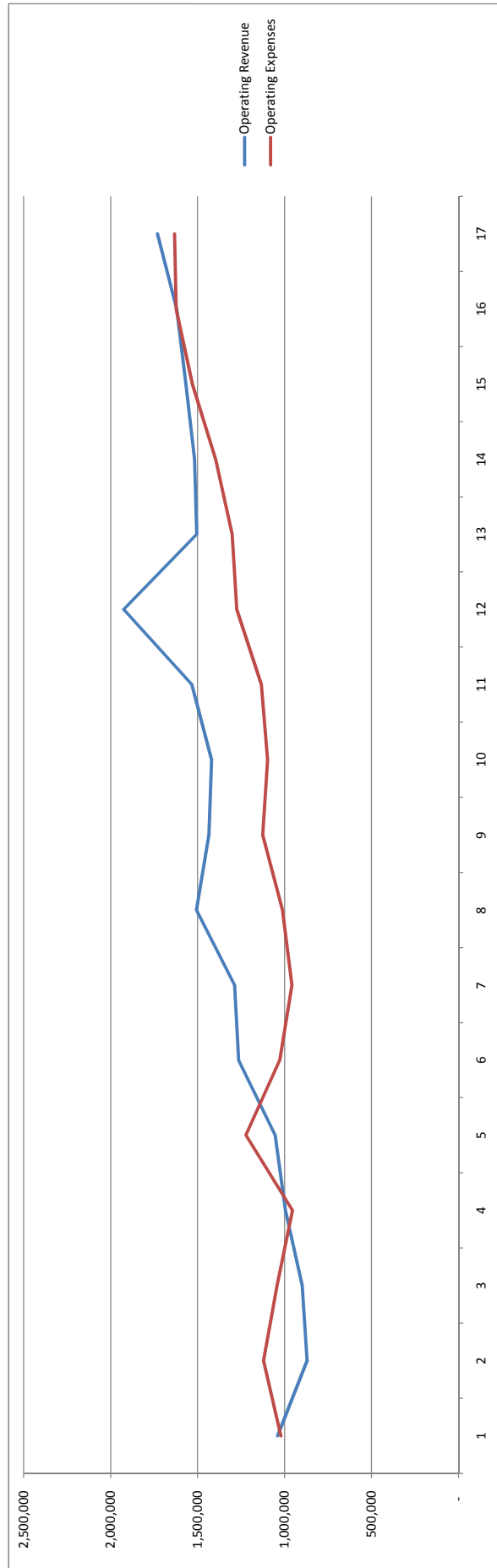




**McKinleyville Community Services District**  
**Sewer Enterprise Fund**  
**Historical Analysis**

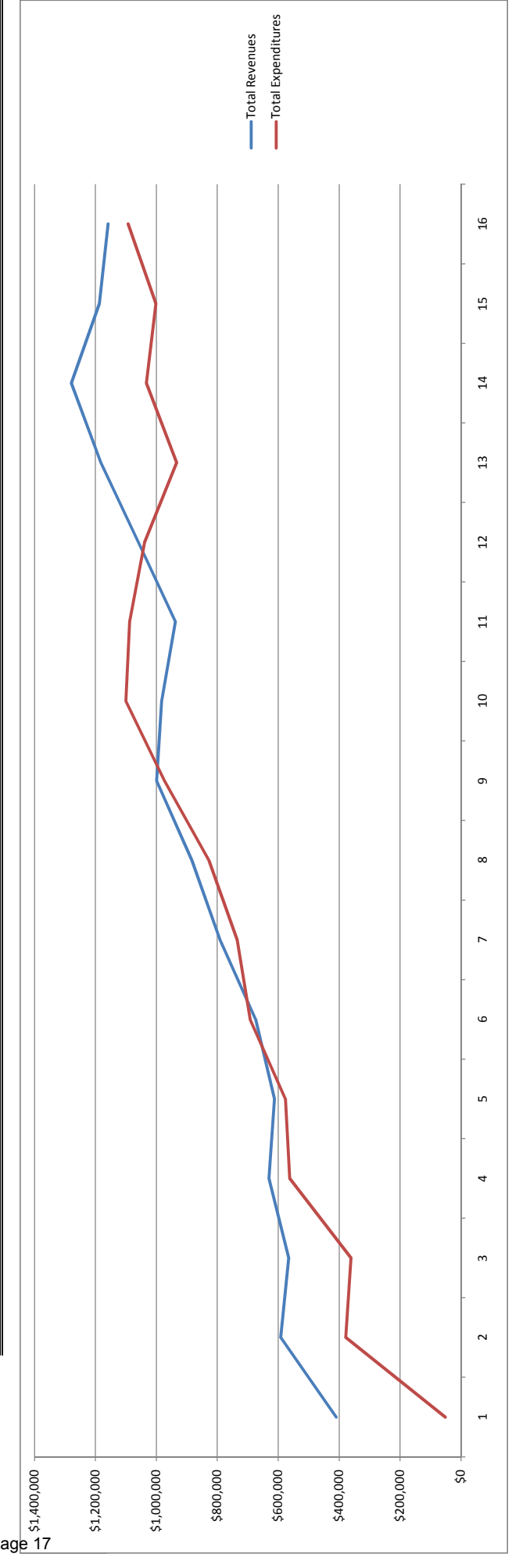
Fiscal Years Ended (Ending) June 30, 1995-2011

	Fiscal Year Ended (Ending) June 30,																
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget
<b>Operating Revenues</b>																	
Sewer Service Charges	628,705	733,459	767,373	788,770	862,154	980,402	994,682	1,015,604	1,038,351	1,053,676	1,074,665	1,134,167	1,161,794	1,216,130	1,298,515	1,400,000	1,437,944
Other Sewer Revenues	410,920	136,511	131,320	206,790	192,264	283,146	293,277	490,711	397,380	365,082	458,496	791,360	343,314	301,106	267,940	219,596	292,645
<b>Total Operating Revenue</b>	<b>1,039,625</b>	<b>869,971</b>	<b>898,693</b>	<b>995,560</b>	<b>1,054,418</b>	<b>1,263,548</b>	<b>1,287,959</b>	<b>1,506,314</b>	<b>1,435,732</b>	<b>1,418,758</b>	<b>1,533,161</b>	<b>1,925,527</b>	<b>1,505,108</b>	<b>1,517,235</b>	<b>1,566,455</b>	<b>1,619,596</b>	<b>1,730,589</b>
<b>Operating Expenses</b>																	
Salaries & Benefits	321,600	400,140	390,174	363,843	387,420	382,080	376,081	416,737	471,740	456,552	505,750	565,167	605,798	628,773	702,632	761,672	712,535
Other Expenses	418,589	433,166	364,406	295,880	323,102	312,930	242,514	259,446	293,872	273,674	259,537	310,379	293,624	367,013	419,936	436,244	504,270
Depreciation	281,100	287,810	288,887	295,000	511,513	332,163	339,240	335,976	359,592	367,808	367,795	399,033	401,102	400,055	407,597	425,000	415,506
<b>Total Operating Expenses</b>	<b>1,021,289</b>	<b>1,121,115</b>	<b>1,043,466</b>	<b>954,723</b>	<b>1,222,035</b>	<b>1,027,173</b>	<b>957,836</b>	<b>1,012,159</b>	<b>1,125,204</b>	<b>1,098,034</b>	<b>1,133,082</b>	<b>1,274,579</b>	<b>1,300,524</b>	<b>1,395,841</b>	<b>1,530,164</b>	<b>1,622,916</b>	<b>1,632,311</b>
<b>Net Operating Income (Loss)</b>	<b>18,336</b>	<b>(251,144)</b>	<b>(144,773)</b>	<b>40,837</b>	<b>(167,617)</b>	<b>236,375</b>	<b>330,123</b>	<b>494,155</b>	<b>310,528</b>	<b>320,723</b>	<b>400,079</b>	<b>650,948</b>	<b>204,584</b>	<b>121,394</b>	<b>36,290</b>	<b>(3,320)</b>	<b>98,278</b>
Interest Income	72,041	75,114	32,346	28,208	28,921	21,956	38,253	44,270	42,050	32,903	55,004	58,701	112,998	138,349	89,781	124,000	55,000
Interest Expense	(114,034)	(89,628)	(68,931)	(132,444)	(170,013)	(204,735)	(151,295)	(148,101)	(144,100)	(141,234)	(138,373)	(133,494)	(129,345)	(79,895)	(71,686)	(113,302)	(84,526)
<b>Net Income (Loss)</b>	<b>(23,657)</b>	<b>(265,658)</b>	<b>(181,358)</b>	<b>(63,399)</b>	<b>(308,709)</b>	<b>53,596</b>	<b>217,082</b>	<b>390,325</b>	<b>208,478</b>	<b>212,392</b>	<b>316,709</b>	<b>576,154</b>	<b>188,236</b>	<b>179,848</b>	<b>54,386</b>	<b>7,378</b>	<b>88,752</b>



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

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



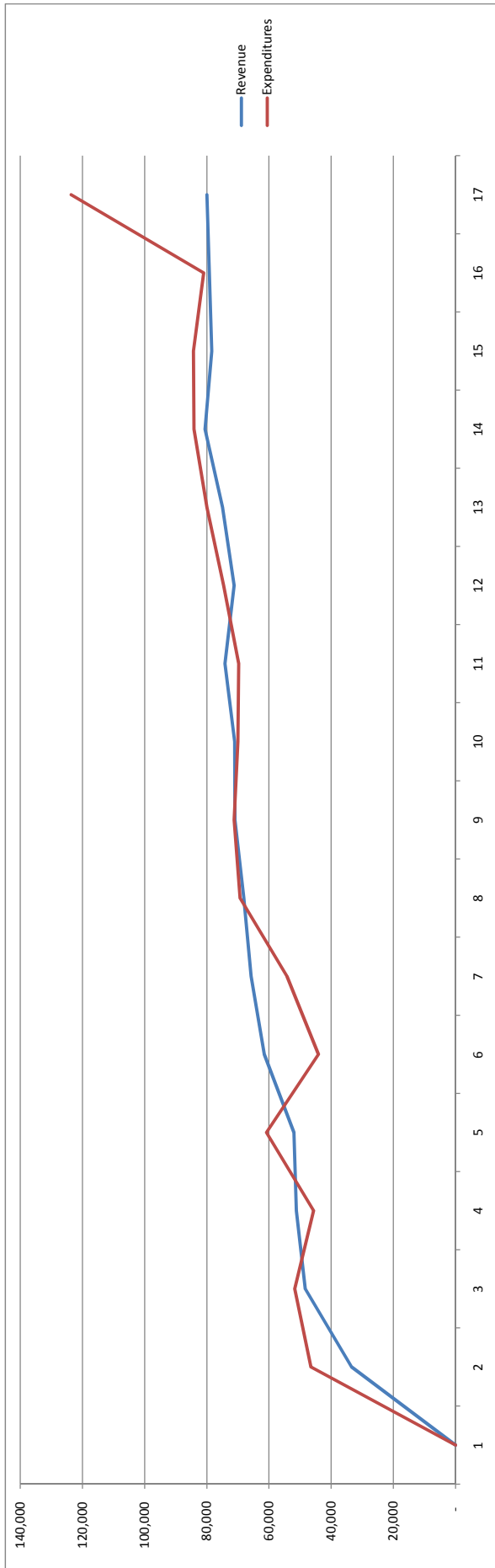
**McKinleyville Community Services District**

Streetlight Fund

Historical Analysis

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

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



## **McKINLEYVILLE COMMUNITY SERVICES DISTRICT CAPITAL IMPROVEMENT PROGRAM (CIP)**

### **Description and Goals of the CIP**

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

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

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

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

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

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

### **Capital Improvement Program Project Discussion**

#### **HEAVY EQUIPMENT**

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

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

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

## **UTILITY VEHICLES**

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

## **WATER SYSTEM**

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

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

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

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

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

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

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

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

#### **4. SEWER SYSTEM**

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

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

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

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

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

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

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

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

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



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

## 5. BUILDING PROJECTS

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

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

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

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

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

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

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

## 6. PARKS AND TRAILS PROJECTS

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

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

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

## **7. COMPUTERS AND SOFTWARE**

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

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

## **8. SMALL EQUIPMENT, CONTINGENCY AND OTHER**

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

### **Appendices to Capital Improvement Program**

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

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

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

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

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

<b>Total Planned Expenditures</b>	<b>2,021</b>	<b>1,253</b>	<b>4,677</b>	<b>6,155</b>	<b>961</b>	<b>515</b>	<b>923</b>	<b>504</b>	<b>246</b>	<b>2,235</b>
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**Departmental Allocations:**

Water Fund	1,629	670	3,478	842	471	120	441	309	72	1,080
Sewer Fund	392	583	1,199	5,314	491	395	483	195	175	1,156
<b>Total</b>	<b>2,021</b>	<b>1,253</b>	<b>4,677</b>	<b>6,155</b>	<b>961</b>	<b>515</b>	<b>923</b>	<b>504</b>	<b>246</b>	<b>2,235</b>

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

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

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

Fiscal Year Ending (in thousands - \$000,)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
<b>1. Heavy Equipment</b>										
Lift		60								
<b>2. Poles</b>										
Replacement	7	7	7	7	7	7	7	7	7	7
<b>Total Planned Expenditures</b>	<b>7</b>	<b>67</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>