



Mission statement of McKinleyville Community Services District:
"Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner."

**NOTICE IS HEREBY GIVEN THAT A REGULAR MEETING OF THE
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS
WILL BE HELD
WEDNESDAY, JUNE 3, 2015 AT 7:00pm
Azalea Hall, 1620 Pickett Road
McKinleyville, California**

AGENDA

A. CALL TO ORDER

- A.1 Roll Call
- A.2 Pledge of Allegiance
- A.3 Additions to the Agenda
- A.4 Approval of the Agenda

B. PUBLIC HEARINGS

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

- B.1 Conduct Public Protest Hearing and Approve Resolution 2015-17 for Sewer Rate Adjustment
 - Attachment 1 – Resolution 2015-17 **Pg. 4**
 - Attachment 2 – MCSD Sewer Notice 5-27-15 **Pg. 9**
 - Attachment 3 – MCSD Sewer Rate Analysis **Pg. 12**

C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

*Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the McKinleyville Community Services District; however, any matter that requires action will be referred to staff for a report of action at a subsequent Committee or Board meeting. As to matters on the Agenda, an opportunity will be given to address the Board when the matter is considered. **Comments are limited to 3 minutes.** Letters should be used for complex issues.*

D. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

- | | | |
|-----|--|---------------|
| D.1 | Consider approval of the Minutes of the Board of Directors Regular Meeting of May 13, 2015 | Pg. 34 |
| | Attachment 1 – Draft Minutes from May 13, 2015 | Pg. 35 |
| D.2 | Consider approval of April Treasurer's Report | Pg. 42 |
| | Attachment D.2 – Treasurer's Report April 2015 | |
| D.3 | Double Check Valve (DCV) Violations this month | Pg. 64 |
| D.4 | Approved Consumer Confidence Report | Pg. 65 |
| | Attachment 1 – Consumer Confidence Report | Pg. 67 |
| D.5 | Approval of Intertie Transfer for Humboldt Bay Municipal Water District | Pg. 75 |
| | Attachment – Intertie Transfer HBMWD Resolution | Pg. 77 |

E. CONTINUED AND NEW BUSINESS

- | | | |
|-----|--|----------------|
| E.1 | Consider Adoption of Resolution 2015-16 Recognizing, Honoring and Commending Jens Andersen for ten (10) years of service | Pg. 84 |
| | Attachment 1 – Resolution 2015-16 | Pg. 85 |
| E.2 | Adopt Resolution 2015-14 amending the Rules and Regulations Rule 43.03.b Facility Use Fees and 43.03c Event Service Fees | Pg. 86 |
| | Attachment 1 – Resolution 2015-14 | Pg. 88 |
| E.3 | Consider nomination of Director Dennis Mayo to the Association of California Water Agencies (ACWA) Region One (1) Committee Vice Chair Position and Approve Resolution 2015-13 | Pg. 92 |
| | Attachment 1 – ACWA Region 1 Call for Candidates Nomination Packet | Pg. 94 |
| | Attachment 2 – Nomination Form for Dennis Mayo | Pg. 104 |
| | Attachment 3 – Resolution 2015-13 | Pg. 105 |
| E.4 | Consider Approval of FY2015-16 Proposed Budget and Appropriations Limit | Pg. 106 |
| | Attachment 1 - FY2015-16 Budget | Pg. 108 |
| | Attachment 2 - Resolution 2015-18 | Pg. 151 |
| E.5 | Adopt Resolution 2015-15 amending the Rules and Regulations Rule 42 Operation of Pierson Park | Pg. 152 |
| | Attachment 1 – Resolution 2015-15 | Pg. 154 |

F. REPORTS

F.1 ACTIVE COMMITTEE REPORTS

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

F.2 STAFF REPORTS

- a. Support Services Department (Colleen M.R. Trask) **Pg. 156**
- b. Operations Department (James Henry) **Pg. 157**
- c. Parks & Recreation Department (Lesley Frisbee) **Pg. 161**
Attachment 1 – 2015 Summer/Fall Newsletter & Activity Guide **Pg. 164**
- d. General Manager (Greg Orsini) **Pg. 180**
Attachment 1 – WWMF Monthly Self Monitoring Report **Pg. 183**
Attachment 2 – Habitat Conservation Fund Grant **Pg. 186**

F.3 PRESIDENT’S REPORT

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

G. ADJOURNMENT

Posted 5:00 pm on May 29, 2015

McKinleyville Community Services District will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 839-3251. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements for accommodations.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: B.1 **Conduct Public Protest Hearing and Approve Resolution 2015-17 for Sewer Rate Adjustment**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

1. Staff recommends that Board review pertinent information;
2. Open the public hearing process accept public comment and any additional protests related to the rate adjustment process;
3. Accept the final tally report on total protest letters received from the Board Secretary and
4. Adopt Resolution 2015-17 to accept adjustment of sewer rates for FY 15-16 through FY 19-20.

Discussion:

Consideration for revision of the sewer rates to adequately fund operations, maintenance, present and future capital costs and to provide adequate debt ratio coverage to allow financing of the Wastewater Management Facility (WWMF) Improvement Project are necessary.

In 2012 a financial rate study was completed by an independent consultant. The assumptions for future capital and O&M expenditures were referenced from the 20 Year Facility Plan and utilized to set sewer rates at that time.

Since design of the WWMF Improvement Project is complete, financial, operational, and reserve requirements have changed. The Sewer Fund is facing significant future capital expenditures, increased costs related to operations, and a need to repair and replace aging infrastructure.

Following the April 1, 2015 Board of Directors Meeting to initiate the Proposition 218 process, Public Hearing Notices (Attachment 2) were mailed to approximately 8000 property owners and sewer customers noticing them, consistent with Proposition 218.

Proposition 218 establishes certain procedural requirements for adopting rate adjustments. These requirements include:

- **Noticing Requirements:** The District must mail a notice of proposed rate adjustments to all affected property owners. The notice must specify the basis of the fee, the reason for the fee, and the date/time/location of the

public rate hearing at which the proposed rates will be considered for adoption.

- Public Hearing: the District must hold a public hearing prior to adopting the proposed rate adjustments. The public hearing must be held not less than 45 days after the required notices are mailed.
- Rate Adjustments Subject to Majority Protest: At the public hearing, the proposed rate adjustments are subject to a majority protest, if more than 50% of affected property owners submit written protests against the proposed rate adjustments, the increase cannot be adopted by the Board.

Proposition 218 also established a number of substantive requirements that are generally deemed to apply to utility service charges, including:

- Cost of Service – Revenues derived from the fee or charge cannot exceed the funds required to provide the service.
- Intended Purpose – Revenues derived from the fee or charge can only be used for the purpose for which the fee was imposed.
- Proportional Cost Recovery – The amount of the fee or charge levied on any customer shall not exceed the proportional cost of service attributable to that customer

Proposition 218 requires that the District ensure that its water and sewer rates reasonably reflect the cost of providing service to each customer “price equals cost”. Consistent with this law, it is appropriate for rates to recover costs for operations, capital needs, debt service, administration, as well as costs related to prudent long-term operational or financial management of the utilities, such as maintaining adequate fund reserves and planning for contingencies.

The MCSD Sewer Rate Analysis (Attachment 3), developed by Willdan Financial Services, has analyzed and reviewed the District’s operations, reserves, and CIP and provided five-years of cost of service rate to appropriately finance the ongoing investment in capital projects, specifically the State Revolving Fund 2% loan for the WWMF Improvement Project, as well as existing and future O&M expenditures associated with the sewer services.

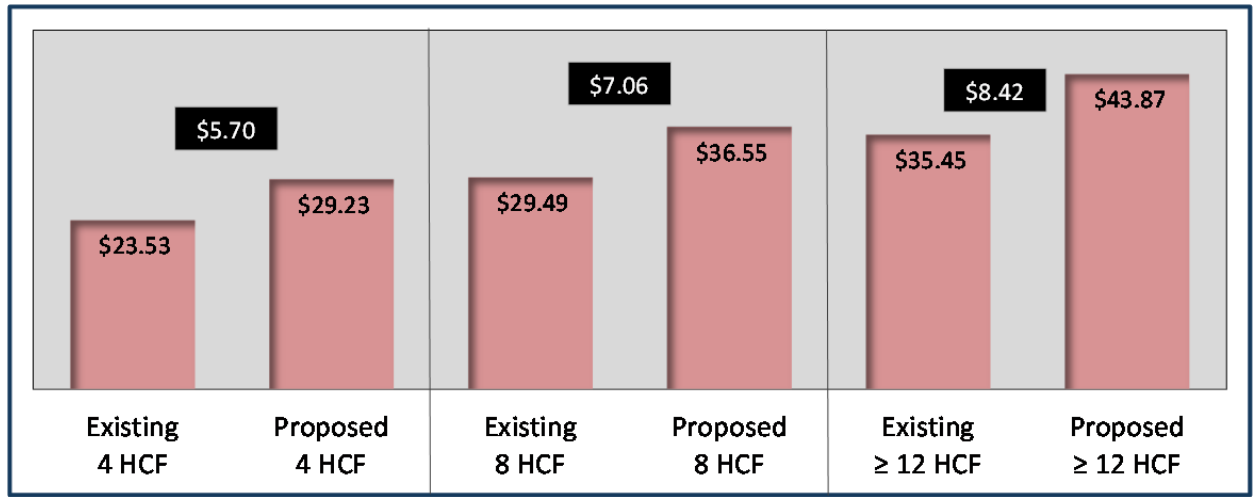
Customer Impacts

Based on the data analyzed for this study and the resulting projections and financial plan that were developed, the recommended rates will provide MCSD with the necessary revenue to provide continued quality sewer service, while mitigating impact on the average ratepayer to the best extent possible.

The table below depicts the estimated impact to sewer rate payers for a variety of single-family consumption levels as wastewater is billed using water consumption. The figure provides the current and proposed sewer bills at different levels of single-family water consumption. The black boxes represent

the bill difference between the existing (fiscal year 2015) and proposed July 1, 2015 (fiscal year 2016) rates.

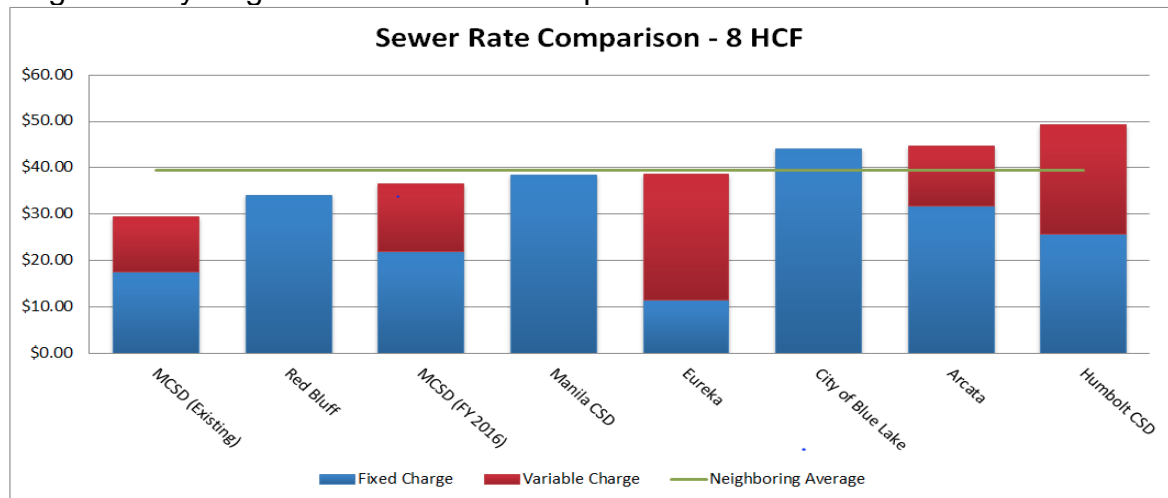
Single-Family Monthly Bill Comparison



Rate Comparison

The table below provides the estimated monthly bill for typical single family household's consumption (8 HCF). MCSD, Eureka, Arcata, and Humboldt are the only local agencies that charge a variable charge (represented in Red), which provides users greater control over their monthly bill.

Single-Family Regional Sewer Rate Comparison



Public Outreach and Transparency

During the course of the rate analysis and Proposition 218 process MCSD made every effort to keep the public informed. Various forms of media including print and local TV news and MCSD's website were utilized to facilitate the flow of

information to maintain transparency. The bullets below illustrate a few of the efforts in this process.

- 3-13-15 Willdan Sewer Rate Analysis Draft published to website;
- 3-13-15 PSA sent to media outlets announcing the Public Scoping Meeting;
- 3-17-15 Mad River Union **“MCSD to hold scoping session on sewer plans”**;
- 3-24-15 Public Scoping Meeting;
- 4-1-15 Mad River Union **“MCSD to consider sewer rate hike tonight”**;
- 4-1-15 Board Meeting Agenda Sewer Rate Evaluation and Prop 218 Process
- 4-8-15 Mad River Union **“Sewer rates to go way up in McKinleyville”**;
- Week of 4/20-25/15 Proposition 218 mailings sent out to property owners and sewer customers;
- 3-21-15 Times Standard **“Public scoping session on McKinleyville’s sewer rates”** and
- 5-7-15 Sewer Calculator published to website as discussed during previous Board of Directors Meeting;
- 6-3-2015 Board Meeting/Protest Hearing and final tally of protest ballots.

The procedural requirements of Prop 218 include noticing requirements (Attachment 2) and a public hearing with the rate increase subject to Majority Protest. Staff has followed all procedural requirements for adopting the rate adjustment per Prop 218, with the final hearing date and time of June 3, 2015 7:00PM Azalea Hall. Notices were mailed to property owners and current customers as required.

All notices, information, resolutions, methods and procedures were reviewed by District Legal Council and determined to be in compliance with Prop 218 requirements.

This is a Public Protest Hearing.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Noted in Attachment 3 – MCSD Sewer Rate Analysis- Final Report

Figure 2-2: Sewer - Baseline Financial Scenario

Figure 2-3: Sewer - Recommended Financial Scenario

The Wastewater Facility Improvement project will have to be completed to remain in compliance with state and federal regulations. Without the sewer rate adjustment MCSD Wastewater Department will be insolvent by FY 2019 and be \$9 million in debt by FY 2024 with the trend continuing.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Resolution 2015-17
- Attachment 2 – Proposition 218 Notice
- Attachment 3 – MCSD Sewer Rate Analysis

RESOLUTION 2015-17

**A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING
RULE 17 OF THE MCSD RULES AND REGULATIONS TO INCREASE THE RATES OF THE
DISTRICT'S SEWER SERVICE CHARGE**

WHEREAS, Pursuant to Government Code Sections 61115 and 61123, the District imposes a service charge for water service; and

WHEREAS, the District engaged Willdan Financial Services to study the rates necessary to support the water operations of the District and to ensure that each customer is charged no more than the cost of providing service to that customer; and

WHEREAS, Willdan has filed with the District a report proposing a revised rate structure, which report is on file in the District offices and available for public inspection; and

WHEREAS, On March 5, 2014, the Board of Directors held a full and fair public hearing on the water rates recommended by Willdan; and

WHEREAS, Notice of the public hearing was given pursuant to Government Code Section 61123(b) and Article XIII D, Section 6(a)(1) of the Constitution; and

WHEREAS, A majority protest, as defined by Article XIII D, Section 6(a)(2) of the Constitution, does not exist with respect to the proposed rates; and

WHEREAS, The Board desires to increase the water service charge.

NOW, THEREFORE, BE IT RESOLVED that the McKinleyville Community Services District does hereby resolve as follows:

Section 1 Rule 27.04 of the MCSD Rules and Regulations is amended to read as follows:

Rule 27.04. SEWER CHARGES. The monthly charge for sewer service shall be calculated by adding a fixed charge per bill (or per dwelling unit for residential customers) to a variable charge per hcf of water consumed. No residential customer shall be charged for in excess of 12 hcf of water consumption in a month, regardless of the actual amount of water consumed. The rates shall be as follows:

Customer Type	Existing (FY 2015)		July 1, 2015		July 1, 2016		July 1, 2017		July 1, 2018		July 1, 2019	
	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²
01 - Single Family Residence	\$ 17.57	\$ 1.49	\$ 21.91	\$ 1.83	\$ 26.09	\$ 2.18	\$ 28.48	\$ 2.38	\$ 31.09	\$ 2.60	\$ 33.94	\$ 2.84
02 - Apartment/multi unit (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
03 - Mobile Homes (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
04 - Barber/Beauty Shop	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
05 - Office Building/Post Office	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
07 - Churches	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
08 - Rectory	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
10 - Restaurant/Taverns	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
11 - Motels/Hotels	17.57	4.14	21.91	5.03	26.09	6.04	28.48	6.64	31.09	7.31	33.94	8.04
12 - Gas Stations (No Market)	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
13 - Laundromats	17.57	1.41	21.91	1.70	26.09	2.04	28.48	2.25	31.09	2.47	33.94	2.72
14 - Retail/Banks/Theater/Other	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
15 - Bakery	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
16 - Market	17.57	5.77	21.91	7.00	26.09	8.40	28.48	9.24	31.09	10.17	33.94	11.18
17 - Fire Station/School	17.57	1.31	21.91	1.58	26.09	1.90	28.48	2.09	31.09	2.30	33.94	2.53
18 - Coast Guard Station/Airport	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
19 - Car Wash	17.57	1.12	21.91	1.36	26.09	1.63	28.48	1.79	31.09	1.97	33.94	2.17
20 - Church & Residence	17.57	2.82	21.91	3.42	26.09	4.10	28.48	4.51	31.09	4.96	33.94	5.46
21 - Round Table/Market	17.57	4.96	21.91	6.01	26.09	7.22	28.48	7.94	31.09	8.73	33.94	9.60
22 - Two sewer units/business	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
23 - Metered septage vault	17.57	2.86	21.91	3.47	26.09	4.16	28.48	4.58	31.09	5.04	33.94	5.54
24 - Two sewer units/daycare	17.57	1.81	21.91	2.22	26.09	2.65	28.48	2.89	31.09	3.15	33.94	3.44
25 - Sewer Units - Commercial	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
26 - Sewer Only Accounts ³	17.57	NA	21.91	NA	26.09	NA	28.48	NA	31.09	NA	33.94	NA
27 - 2 sewer units/commercial	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
76 - Dialysis Clinic	17.57	1.69	21.91	2.05	26.09	2.46	28.48	2.70	31.09	2.97	33.94	3.27
MT - Minor Theater	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97

¹ If multiple units per account, the Fixed Charge is applied to each unit

² Per HCF (hundred Cubic Feet) based on water consumption. Due to irrigation, Residential units are limited to a maximum of 12 HCF monthly (per unit)

³ Sewer Only Accounts are charged only the Fixed amount as water consumption data is not available for these accounts.

Section 2. The rates set forth herein shall be effective on beginning July 1, 2015. The District's existing rates shall remain in effect until that date.

Section 3. The Board finds and determines as follows:

- (a) Revenues derived from the sewer service charge will not exceed the funds required, respectively, to provide sewer service.
- (b) Revenues derived from the sewer service charge will not be used for any purpose other than, providing sewer service.
- (c) The amount of the charges imposed by this Resolution upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.
- (d) No charge will be imposed under this Resolution for a service unless that service is actually used by, or immediately available to, the owner of the property in question.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the Third Day of June, 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary



NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING

REGARDING PROPOSED SEWER RATES

Hearing Date & Time: June 3rd, 2015 7:00 PM

Hearing Location: Azalea Hall

1620 Pickett Road, McKinleyville

Why are you receiving this notice?

The McKinleyville Community Services District (MCS D) is mailing this notice to you because you are a sewer customer or are the owner of record of a property that receives sewer service. This notice describes proposed changes to the sewer rates and gives information about a public hearing to be held on June 3, 2015 at the Azalea Hall, 1620 Pickett Road, McKinleyville, CA, 95519 regarding these proposed changes.

What do sewer rates fund?

MCS D provides sewer service to over 5,800 residential and commercial customers. Monthly sewer rates charged to system users (customers) are the primary source of revenue to operate the sewer system, and are used solely for this purpose. Sewer rate revenue provides funding for costs related to system operations, capital projects, debt service, administration, as well as costs related to prudent long-term operational or financial management of the utility, such as maintaining adequate fund reserves and planning for contingencies.

The proposed rates are based on a comprehensive rate study and financial plan. MCS D will annually review revenues and expenditures for the sewer fund to ensure that sufficient and appropriate revenues are collected to effectively provide for the short and long-term sewer service needs of the community.

Why are rate increases needed?

In 2012 a financial rate study was completed by an independent consultant. Since that study concluded, financial, operational, and growth assumptions have changed. The Sewer Fund is facing significant future capital expenditures, increased costs related to operations, and a need to repair and replace aging infrastructure. The most significant project facing the Sewer Fund is the planned construction of the new Wastewater Management Facility (WWMF), which is anticipated to begin in the summer of 2015. This new facility is necessary in order to meet increased regulatory and environmental requirements, and is anticipated to cost approximately \$17,000,000. The cost of the WWMF will be funded through a low interest loan from the California State Water Resource Control Board. The anticipated costs of this facility will nearly double the fixed assets of MCS D's Sewer Fund, and will also have an impact on required levels of reserves and future operating costs. In addition to the WWMF, there is approximately \$11,800,000 in additional sewer related capital projects that are planned over the next 10 years, in order to address rehabilitation and replacement (R&R) of aging infrastructure. These R&R projects are planned to be funded through a combination of revenues generated by the Sewer Fund, sewer capacity fees, as well as future debt.

The proposed rates have been calculated based on MCS D's cost to provide sewer service to users. Required revenue is based on projected expenses for operations, maintenance, and required repairs and/or replacement for capital facilities and equipment. Projected expenses are allocated between monthly Base (fixed) Charges and Volume Charges. The monthly Base Charge is the same for all sewer customers, with costs allocated based on number of accounts. The Volume Charge differs by customer type and recovers the variable costs of providing sewer service and costs associated with the strength of sewer discharge by each customer type. The rate structure was designed so that each system user will be charged an amount that is proportional to the cost of serving that user.

New sewer rates

In order to provide necessary funding for the sewer system, MCSD is proposing to implement new sewer rates as a series of annual sewer revenue adjustments ranging from 20% on each July 1, 2015 and July 1, 2016, and 10% on each July 1, 2017, 2018, and 2019. The following table summarizes the proposed sewer rates.

Customer Type	Existing (FY 2015)		July 1, 2015		July 1, 2016		July 1, 2017		July 1, 2018		July 1, 2019	
	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²
01 - Single Family Residence	\$ 17.57	\$ 1.49	\$ 21.91	\$ 1.83	\$ 26.09	\$ 2.18	\$ 28.48	\$ 2.38	\$ 31.09	\$ 2.60	\$ 33.94	\$ 2.84
02 - Apartment/multi unit (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
03 - Mobile Homes (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
04 - Barber/Beauty Shop	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
05 - Office Building/Post Office	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
07 - Churches	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
08 - Rectory	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
10 - Restaurant/Taverns	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
11 - Motels/Hotels	17.57	4.14	21.91	5.03	26.09	6.04	28.48	6.64	31.09	7.31	33.94	8.04
12 - Gas Stations (No Market)	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
13 - Laundromats	17.57	1.41	21.91	1.70	26.09	2.04	28.48	2.25	31.09	2.47	33.94	2.72
14 - Retail/Banks/Theater/Other	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
15 - Bakery	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
16 - Market	17.57	5.77	21.91	7.00	26.09	8.40	28.48	9.24	31.09	10.17	33.94	11.18
17 - Fire Station/School	17.57	1.31	21.91	1.58	26.09	1.90	28.48	2.09	31.09	2.30	33.94	2.53
18 - Coast Guard Station/Airport	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
19 - Car Wash	17.57	1.12	21.91	1.36	26.09	1.63	28.48	1.79	31.09	1.97	33.94	2.17
20 - Church & Residence	17.57	2.82	21.91	3.42	26.09	4.10	28.48	4.51	31.09	4.96	33.94	5.46
21 - Round Table/Market	17.57	4.96	21.91	6.01	26.09	7.22	28.48	7.94	31.09	8.73	33.94	9.60
22 - Two sewer units/business	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
23 - Metered septage vault	17.57	2.86	21.91	3.47	26.09	4.16	28.48	4.58	31.09	5.04	33.94	5.54
24 - Two sewer units/daycare	17.57	1.81	21.91	2.22	26.09	2.65	28.48	2.89	31.09	3.15	33.94	3.44
25 - Sewer Units - Commercial	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
26 - Sewer Only Accounts ³	17.57	NA	21.91	NA	26.09	NA	28.48	NA	31.09	NA	33.94	NA
27 - 2 sewer units/commercial	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
76 - Dialysis Clinic	17.57	1.69	21.91	2.05	26.09	2.46	28.48	2.70	31.09	2.97	33.94	3.27
MT - Minor Theater	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97

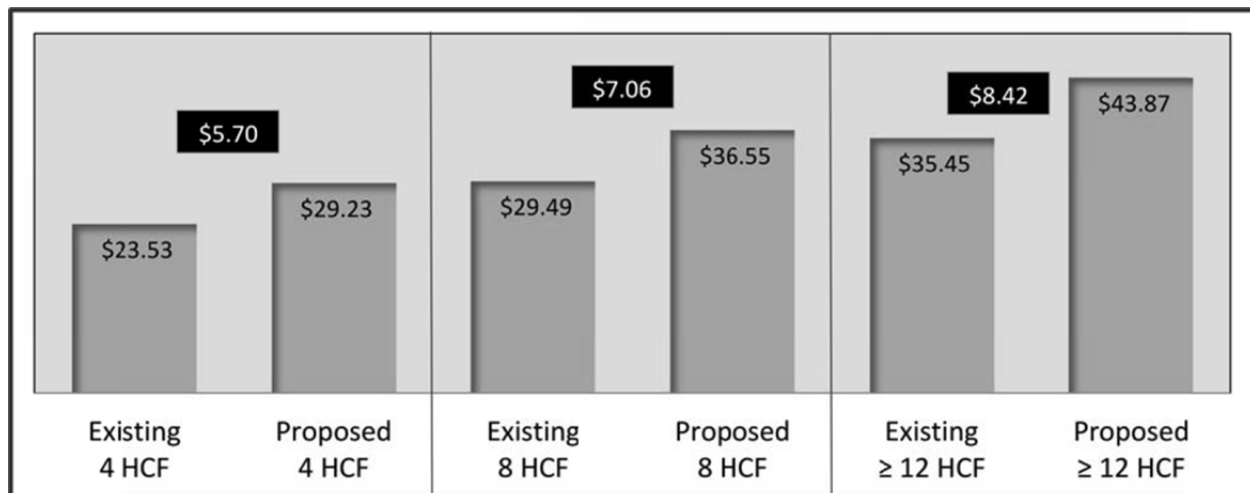
¹ If multiple units per account, the Fixed Charge is applied to each unit

² Per HCF (hundred Cubic Feet) based on water consumption. Due to irrigation, Residential units are limited to a maximum of 12 HCF monthly (per unit)

³ Sewer Only Accounts are charged only the Fixed amount as water consumption data is not available for these accounts.

Impact on your bill

Per the proposed rates, effective July 1, 2015, for a typical single family home that uses 8 HCF (hundred cubic feet) of water per month, the sewer portion of your bill would increase from \$29.49 per month currently to \$36.55 per month. The accompanying graph provides a summary of existing and proposed sewer rates under three usage scenarios. The black boxes represent the total increases by usage level.



How do you file a protest or participate in the public hearing?

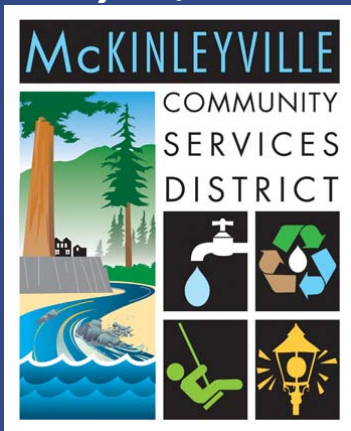
MCSD will consider the new rate structure and proposed revenue increase at a public hearing on Wednesday, June 3, 2015 at 7:00 p.m. at the Azalea Hall, 1620 Pickett Road, in McKinleyville. You are invited to present oral or written testimony at the public hearing.

Any owner or customer of record of a parcel subject to the proposed rates may submit a written protest against the proposed rate revisions. If written protests are filed with respect to a majority of the affected property parcels, the proposed rate revisions will not be adopted.

A written protest must contain the street address or Assessor's Parcel Number (APN) for the parcel(s) with respect to which the protest is made. The protest must also be signed by the owner or customer. Protests may be mailed or hand delivered to the District's offices at 1656 Sutter Road, McKinleyville, California 95519. Protests may also be delivered to the District Secretary at the public hearing. To be valid, a signed written protest must be received by the Board Secretary at or before the time of the protest hearing.

McKinleyville Community Services District

May 27, 2015



Sewer Rate Analysis

Final Report



Temecula Office:

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

Corporate Office:
Anaheim, California

Other Offices:
Oakland, California
Washington, DC
Orlando, Florida
Phoenix, Arizona

May 27, 2015

Greg Orsini
General Manager
McKinleyville Community Services District
1656 Sutter Road (Post Office Box 2037)
McKinleyville, California 95519-2037

Mr. Orsini,

Willdan Financial Services (Willdan) is pleased to present this report on the Sewer Rate Analysis conducted for the McKinleyville Community Services District (MCSD).

This analysis was undertaken as part of MCSD's continued financial policy and fiscal review. The purpose of the analysis is to update and provide revenue and rate recommendations related to MCSD's sewer operations, specifically given currently available costs associated with the planned Wastewater Management Facility (WWMF). Since the last rate analyses was completed in June 2012, financial, operational, and growth assumptions have changed. The focus of this study is to ensure MCSD will have sufficient sewer revenues to meet its short and long-term operational, capital, and debt service obligations, and that sewer rates are set proportionate to the costs of providing service to each customer class. This report provides a summary of our findings.

This analysis has been prepared using generally accepted rate setting techniques. MCSD's accounting, budgeting, billing records, and capital improvement lists were the primary sources of data used in the study. The conclusions enclosed within this report provide MCSD with a set of recommendations to provide funding for continued operations. The rates developed are based on cost of service analysis and result in fair and equitable rates to MCSD customers.

It was a pleasure working with you and other staff members at MCSD. Thank you for the support and cooperation extended throughout the study.

Sincerely,

Willdan Financial Services



Robert P. Ryall
Principal Consultant



Chris Fisher
Group Manager

Table of Contents

Introduction	1
Overview of the Rate Setting Process.....	2
Rate Setting Principles	3
Financial Management, Policies, and Rates.....	3
Overview of Rate Setting Environment, Objectives, Process	4
Considerations in Setting Revenue Requirements	4
Capital Budgeting and Financing.....	4
Capital Funding: Debt vs. PAYGO	4
Revenue Requirements.....	5
Financial Planning	5
Rate Setting Principles Summary	6
Rate Design	6
Sewer Rate Analysis	7
Sewer Discharge and User Characteristics.....	8
Customer Statistics	8
Revenue Requirements Analysis.....	8
Existing Sewer Revenues.....	8
Existing Sewer Expenditures	8
Revenue Requirement Summary	10
Cost of Service Analysis.....	11
Cost Allocation by Function	12
Rate Recommendations.....	13
Rate Comparison.....	14
Customer Impacts	15

Table of Figures

Introduction	1
Rate Setting Principles	3
Figure 1-1: Overview of the “Cash Basis” Design.....	5
Sewer Rate Analysis	7
Figure 2-1: Sewer Fund - Cost Distribution by Expenditure Classification.....	9
Figure 2-2: Sewer - Baseline Financial Scenario.....	10
Figure 2-3: Sewer - Recommended Financial Scenario.....	11
Figure 2-4: Distribution of Expenditure by Function	12
Rate Recommendations.....	13
Figure 3-1: Recommended Sewer Charges.....	13
Figure 3-2: Single-Family Regional Sewer Rate Comparison	14
Figure 3-3: Single-Family Monthly Bill Comparison	15

Introduction

In 2014, McKinleyville Community Services District (“MCSD” or “District”) requested that Willdan Financial Services perform an updated Sewer Rate Analysis. This request was made largely due to the need to ensure sufficient funding for the planned Wastewater Management Facility (WWMF); both to repay debt that is anticipated to finance its construction, and the projected increased costs of ongoing operation. Construction of this facility is anticipated to start in the summer of 2015. In order to secure a low interest loan from the California State Water Resource Control Board (CSWRCB), an updated Sewer Rate Analysis was needed. Building on the previously completed Water and Sewer Rate Study, Connection Fee Analysis and Designated Reserve Policy review and update, this analysis continues to provide financial recommendations that focus on two key objectives: short and long-run financial health and stability for MCSD wastewater operations; and, equitable cost-of-service rates that reflect the benefit provided.

The initial review of the District’s existing sewer funding levels suggested that existing sewer revenue levels would not be sufficient to provide for the planned capital, operating and reserve funding of the sewer system, largely due to the need to construct and operate the WWMF. However, the sewer rate structure does provide equitable rates that reasonably reflect the proportionate cost of providing sewer services to MCSD customers. The existing rate structure and methodology is maintained as part of this analysis.

All sewage for MCSD’s customers is treated at the Wastewater Management Facility at Hiller Park. MCSD maintains approximately 65 miles of sewer mains, and 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.

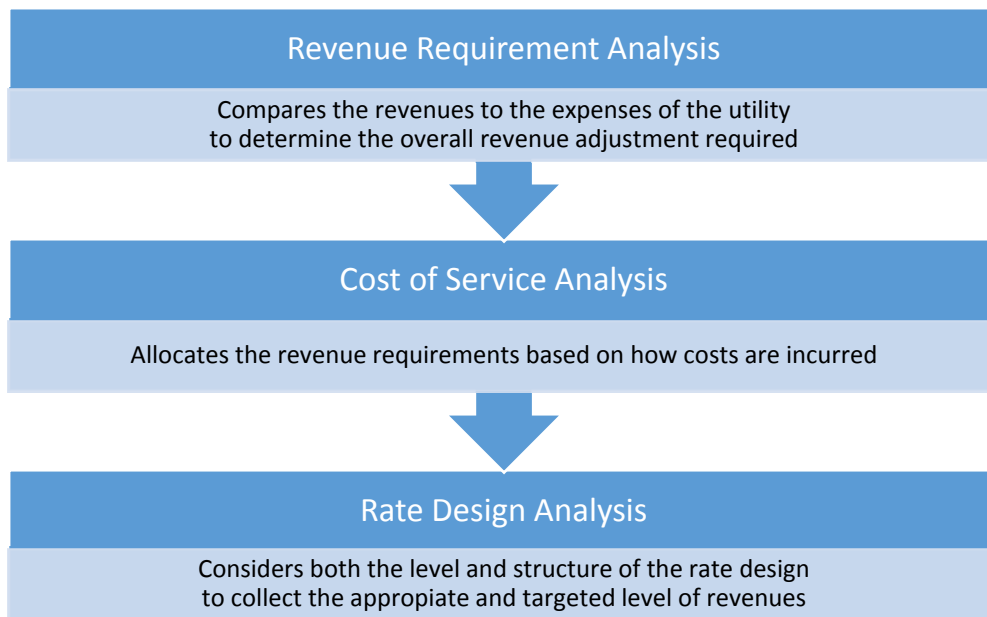
This report details the methodology, approach, and results of this analysis. Based on discussion with MCSD staff, guidance and direction from the District Board throughout the process, this report presents the recommended sewer revenue adjustments and the corresponding sewer rate impacts.

In the preparation of this analysis, Willdan Financial Services relied upon financial, statistical, and operating data regarding MCSD’s sewer system which was taken from the books of record and accounts prepared by or for MCSD, information provided by the management and staff of MCSD and others, and certified statements of the independent auditors for MCSD. While Willdan believes such sources to be reliable, it does not verify the accuracy of any of the information furnished by and obtained from such sources as part of this engagement.

Overview of the Rate Setting Process

The scope of this study included the development of cost-based sewer user charges through a comprehensive cost of service and rate design analysis. Utility rates must be set at a level where a utility's operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level could lead to a situation where insufficient funds are available to adequately maintain the system. A comprehensive rate study typically consists of following three interrelated analyses:

- I. *Financial Planning/Revenue Requirements Analysis*: Creation of a multi-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of any outstanding debt. In addition, the long-term plan should fund and maintain reserve balances to adequate levels based on industry standards and MCSD fiscal policies.
- II. *Cost of Service Analysis*: Identifies and apportions annual revenue requirements to customers based on their demand on the utility system.
- III. *Rate Design*: Develops an equitable and proportionate fixed/variable schedule of rates to recover the costs of the utility. This is also where other policy objectives can be achieved, such as encouraging conservation. The policy objectives are harmonized with cost of service objectives to achieve the delicate balance of equity, financial stability and resource conservation goals.



Rate Setting Principles

The primary objective when conducting this comprehensive rate and financial analysis was to determine the adequacy of the existing rates (pricing, structure, and revenue sufficiency) and provide the basis for any necessary adjustments to meet the MCSD’s sewer operating and capital needs and fiscal policy objectives. MCSD desires a rate structure that fully funds operations, maintenance, and capital costs while providing long term funding of reserves. Absent an adjustment in sewer service rates, the planned addition of the \$17,000,000 WWMF would present a significant challenge to maintaining the financial health of MCSD sewer system.

Financial Management, Policies, and Rates

A financial plan revolves around the development of a proper long and short-term balance of revenues and expenditures. The following provides an outline of MCSD’s financial targets and policies, and the financial foundation of the cost of service and rate analysis. Over the past years, many generally accepted principles or guidelines have been established to assist in developing utility rates. The purpose of this section of the report is to provide a general background of the methodology and guidelines used for setting cost based utility rates, in order to provide a higher-level understanding of the rate setting approach detailed later in this report.

As a practical matter, there should be a general set of principles used to guide the development of sewer rates. For sewer rate setting, the Water Environment Federation (WEF) establishes sewer rate setting guidelines in their Manual of Practice No. 27 – *Financing and Charges for Wastewater Systems*. These guiding principles help to ensure there is a consistent global approach that is employed by all utilities in the development of their sewer rates. Below is a summary listing the established guidelines, which public utilities should consider when setting their rates. These closely reflect MCSD’s specified objectives.

Rates should be cost-based, equitable, and set at a level such that they provide revenue sufficiency			
Rates and process of allocating costs should conform to generally accepted rate setting techniques	Rates should provide reliable, stable and adequate revenue to meet the utility’s financial, operational, and regulatory requirements	Rate levels should be stable from year to year - no “rate shocks” -	Rates should be easy to understand and administer

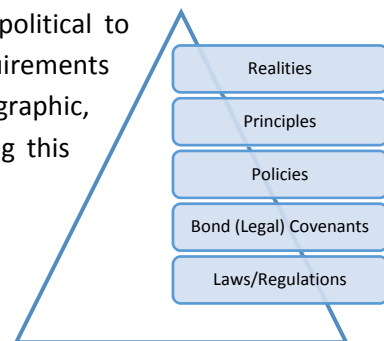
These guidelines, along with the District’s objectives, have been utilized within this study as a framework to help develop sewer rates that are cost-based and equitable.

Overview of Rate Setting Environment, Objectives, Process

Rate analyses are typically performed every few years to ensure that revenues from rates are adequately funding utility operations, maintenance, and future capital needs. In California, rate analyses also require compliance with the cost-of-service principles imposed by Proposition 218 to ensure that rates correlate to how costs are incurred. This rate analysis utilized generally accepted rate-making principles which resulted in the development of rates and charges which are projected to: 1) generate sufficient revenue to meet the financial requirements of the sewer utility, 2) address the need to recover sewer costs from users in a manner which is fair and equitable relative to service provided, and 3) meet the rate design goals of the utility.

Considerations in Setting Revenue Requirements

There are a multitude of considerations, ranging from financial to political to legal, which must be analyzed or discussed during the revenue requirements process of a rate analysis. This section, along with the accompanying graphic, provides an overview of the considerations that are reviewed during this process.



Capital Budgeting and Financing

Capital needs are defined by MCSD's Capital Improvement Plan. As part of its budget and planning process, MCSD identifies capital improvements that are necessary for the continued treatment of wastewater in accordance with increasingly stringent wastewater standards. The Capital Improvement Plan is funded by a variety of sources including, sewer rate revenue, connection (impact) fees, debt, and capital reserves. Recent economic realities, including slower than anticipated growth and usage, have reduced funding and/or delayed funding of critical system improvements.

Capital Funding: Debt vs. PAYGO

The selection of the most appropriate funding strategy for capital projects is primarily a policy decision between use of cash ("Pay-as-you-go financing" or PAYGO), the issuance of debt (bonding), or a combination. PAYGO is the use or build-up of cash to fund capital improvements. With debt financing, capital improvements are paid for with borrowed funds (usually through the issuance of bonds) with the obligation of repayment, typically with interest, in future years. Development of an optimal capital financial plan depends on the definition of optimal. Each funding mechanism has a different impact on rates in the short and long run, different net present values, risks, and legal obligations. Due to the borrowing costs associated with debt, cash funding can be cheaper in the end; however, debt typically ensures greater generational equity for larger and longer lasting capital projects and can prevent larger near-term rate increases that can be needed to cash fund projects.

Our review of the District's historical and planned sewer Capital Improvement Plan revealed that the District does not have sufficient funding on hand to meet its planned capital investments without increases to sewer rates. As such, to limit the immediate impact on ratepayers, MCSD plans to issue

debt to fund the WWMF. The District has worked with the CSWRCB to secure a low interest loan to finance this long-term project. In addition to the CSWRCB loan, additional debt funding of approximately \$1.5 million is forecasted to meet other sewer capital needs of the system.

Our recommendation is consistent with the observed funding policy of MCSD, and is that the District continues to balance the use all financing options, by using debt in the near-term to mitigate the impact on rates, and cash funding in the long-term for annual replacement projects.

Revenue Requirements

The method used by most public utilities to establish their revenue requirements is called the “cash basis” approach of setting rates. As the name implies, a public utility combines its cash expenditures over a time period to determine their required revenues from rates and other forms of income. The figure below presents the “cash basis” methodology.

Figure 1-1: Overview of the “Cash Basis” Design

+ Operation and Maintenance Expenses
+ Transfers
+ Capital Additions Financed with Rate Revenue
+ Debt Service (Principal and Interest)
= Total Revenue Requirements

To ensure that existing ratepayers are not paying for growth-related capital projects, Willdan, as part of a previously completed *Water and Sewer Connection Fee Analysis*, reviewed existing, approved/pending, and proposed Capital Improvement Projects (CIPs) with District staff in order to allocate projects between new (growth) and existing customers (operations and maintenance or “O&M”). Additionally, capital replacement expense (depreciation) is sometimes included in the cash basis approach to stabilize annual required revenue by spreading the replacement costs of a depreciated asset over the expected life of the asset, or through the term of a bond issue.

Based on the revenue requirement analysis, the utility can determine the overall level of rate adjustments needed in order for the utility to meet its overall expenditures.

Financial Planning

In the development of the revenue requirements, certain parameters are utilized to project future expenditures, growth in customers and consumption, and necessary revenue adjustments. MCSD’s budget documents are used as the baseline, which are then projected over a ten-year planning horizon to account for fluctuations in costs from year to year as well as adjustments to debt service payments.

Conservative growth assumptions and prudent financial planning are fundamental in ensuring adequate rate revenue to promote financial stability. The developed financial model considers the District’s existing debt service coverage ratio, the CSWRCB debt service coverage requirements, and operating

cash balances (cash on hand). In addition, as part of the financial planning, additional bond/loan financing is incorporated into the model to fund necessary capital improvements, including repair and replacement.

Rate Setting Principles Summary

In meeting the overall objectives of MCSD, the rate design must also conform to the State Constitution and the State's Water Code. More specifically, Proposition 218 requires that property related fees and charges, such as water and sewer rates (as affirmed in *Bighorn-Desert View Water Agency v. Verjil*), not exceed the reasonable cost of providing the service associated with the fee or charge, and shall also not exceed the proportional cost of the service attributable to the parcel that is subject to the fee or charge. The cost of service analysis completed as part of this study takes into consideration these requirements and allocates costs to customer classes based on demand placed on the sewer system.

Rate Design

The final element, the rate design process, applies the results from the revenue requirements to develop rates that achieve the general guidelines, policies and objectives of MCSD, and compliance with the provisions of law. These objectives are achieved through the development of cost-based rates, but may also account for adjustments to expenditures or the level of cash reserves to balance rate shock, continuity of past rate philosophy, conservation objectives, ease of administration, and legal requirements. This section of the report incorporates the general principles, techniques, and economic theory used to set utility rates. These principles, techniques, and economic theory were the starting point for this rate study and the groundwork used to meet MCSD's key objectives in analyzing and redesigning their utility rates.

This utility rate study was performed to allocate the costs of providing service to users in order to ensure that the resulting rates are equitable and in compliance with Proposition 218 requirements. The total cost of serving MCSD sewer customers is determined by distributing each of the utility cost components based upon the sewer service demands placed on the District by its customers. Therefore, a cost of service rate study enables a utility to adopt rates based on the costs incurred to serve its customers and corresponding accounts. The purposes of this cost of service study include defining the proportional allocation of the costs of service to users and deriving unit costs to support the development of sewer rates.

Sewer Rate Analysis

MCSD engaged Willdan Financial Services (Willdan) to perform a Sewer Rate Analysis focused on two main principles. First, develop rates that provide sufficient revenues to fund expenditures related to operations, maintenance, capital, and funding of reserves, specifically with the planned addition of the Wastewater Management Facility (WWMF). And second, within the cost of service principles of Proposition 218, design sewer rates that reflect the varying costs of serving sewer customers within the service area of the District. This section of the report outlines the details of the analysis and the approach to developing the recommendations.

The Sewer Fund is facing significant future capital expenditures and increased costs related to operations and a need to repair and replace aging infrastructure. The most significant project facing the Sewer Fund is the construction of the new WWMF anticipated to begin in the summer of 2015. The anticipated cost of this facility is \$17,000,000, which is to be funded through a low interest loan from the California State Water Resource Control Board. The anticipated costs of this facility will nearly double the fixed assets of MCSD's Sewer Fund, and will also have an impact on reserves and future operating costs. For the purpose of this analysis, the following assumptions have been made with respect to the planned WWMF:

- Issuance of \$17,000,000 loan with the California State Water Resource Control Board (CSWRCB); 30-year term and 2.0% interest. The loan is anticipated to be issued July 1, 2015, the beginning of fiscal year 2016. Per discussions with the CSWRCB, loan payments begin one year after project completion. A one year construction period is assumed with the first loan payment due July 1, 2017, the beginning of fiscal year 2018.
- In addition to loan payments, the CSWRCB requires a loan reserve equal to at least one annual payment, anticipated to be \$759,000. This reserve fund cannot be included in the loan and as such, for the purposes of our analysis, is generated through sewer rate revenue of the system.
- The CSWRCB loan will require a pledge of Sewer Fund revenues and debt service coverage requirement of 120%.
- The WWMF will generate additional operation expenses of approximately \$455,000 per year beginning fiscal year 2017.

In addition to the WWMF, there is approximately \$11,800,000 in additional sewer related capital projects planned over the next 10 years. These projects are planned to be funded through a combination of revenues generated by the Sewer Fund, sewer capacity fees, as well as future debt.

Sewer Discharge and User Characteristics

As sewer usage (discharge) is not metered, an examination of seasonal water consumption plays a critical role in ensuring equitable and revenue sufficient rates. Willdan examined the previous three years of billing data provided by the District. Multiple years of data were analyzed to ensure short-term anomalies were accounted for, and long-term trends were captured. Furthermore, billing data was analyzed to determine seasonal demand patterns and overall consumption characteristics. These discharge assumptions were cross-analyzed against treatment plant information (gallons treated) to confirm the appropriateness of the user discharge analysis.

It is important to note that multi-family complexes are charged and analyzed on a per unit basis, rather than by meter size. This is due to the lack of correlation between the meter size for water service and the amount of wastewater discharged into the system.

Customer Statistics

During the Fiscal Year 2014, an analysis of the sewer data, provided by MCSD, revealed service to an estimated 5,885 units across 52 different customer classifications, and discharge estimated at 446 thousand HCF of wastewater. A projection of units, discharge, and loading strengths is necessary in the evaluation of the revenue requirements, and the eventual development of rates. This projection is critical for the determination of revenues from rates (more specifically the allocation of required revenue to different classes and types of customers), escalation of treatment-related costs, and design of the rates.

Revenue Requirements Analysis

The first step in a sewer rate analysis is the review of required revenues. The result of this analysis is a snapshot of the utility's existing financial health, which is necessary to determine current and future revenue needs. To ensure that both short and long-term financial health were reviewed, Willdan developed a 10-year financial outlook; however, for the purposes of this study, rates and financial projections will be limited to 5 years. Willdan reviewed expenditures (operation and maintenance (O&M), capital, and reserve requirements) against revenues (rate revenue, capacity fee revenues, etc). Willdan also analyzed and reviewed the sewer fund's historical and current financial statements, three years of water consumption records, capital improvement programs and plans, reserve policies, and conferred with staff to forecast future expenditures.

Existing Sewer Revenues

The Sewer Fund receives a majority of its revenues from rates. In Fiscal Year 2014, the Sewer Fund yielded \$1.76 million in operating rate revenue. The Fiscal Year 2015 budget identifies approximately \$75,000 in Other Operating Revenue and approximately \$120,000 in Sewer Capacity Fee Revenue.

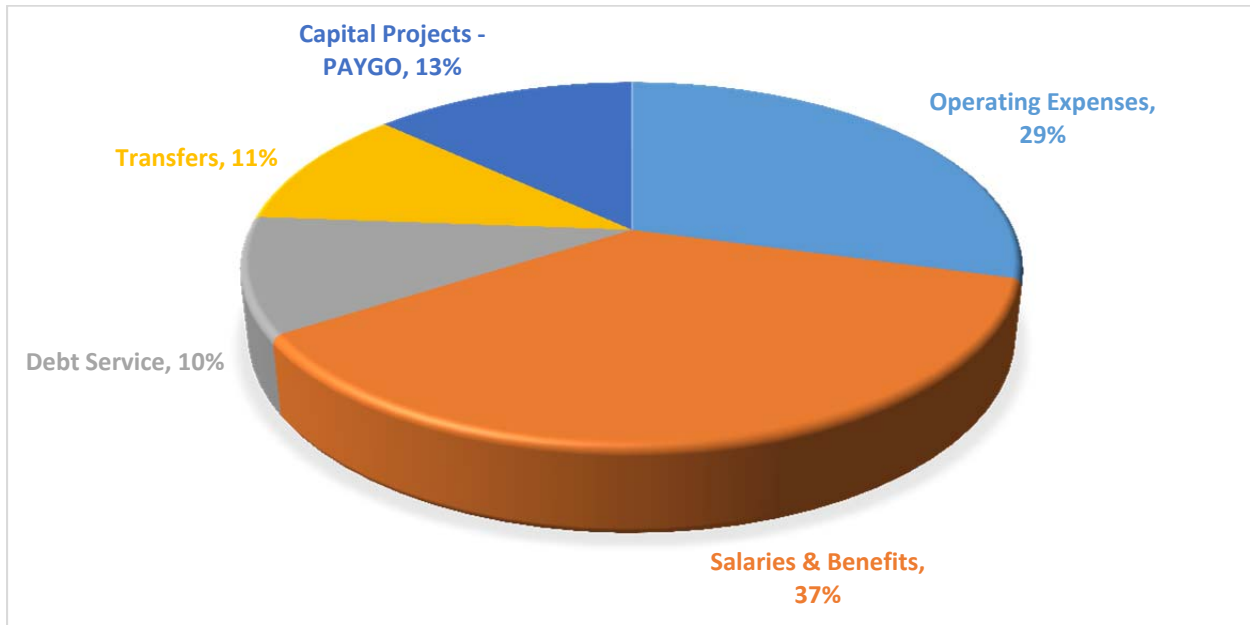
Existing Sewer Expenditures

To achieve long-term financial health, a utility's revenues must be sufficient to meet total expenditures or cash obligations. This "required revenue" includes all incurred costs related to operation and

maintenance, capital improvement programs, and principal and interest payments on existing or proposed debt.

As demonstrated by Figure 2-1, Sewer Fund expenditures were categorized into one of five classifications: (1) Operating Expenses; (2) Salaries & Benefits; (3) Debt Service; (4) Fund Transfers; and (5) Capital Projects. The pie chart below demonstrates the relative proportionate size of the various expense categories over the study period.

Figure 2-1: Sewer Fund - Cost Distribution by Expenditure Classification



The District prepares an annual list of sewer related capital improvements that are necessary to address current and future sewer system needs. Sewer related capital improvements between fiscal years 2015 and 2024 are planned to total approximately \$27.7 million. Approximately \$17.0 million of this is related to the WWMF.

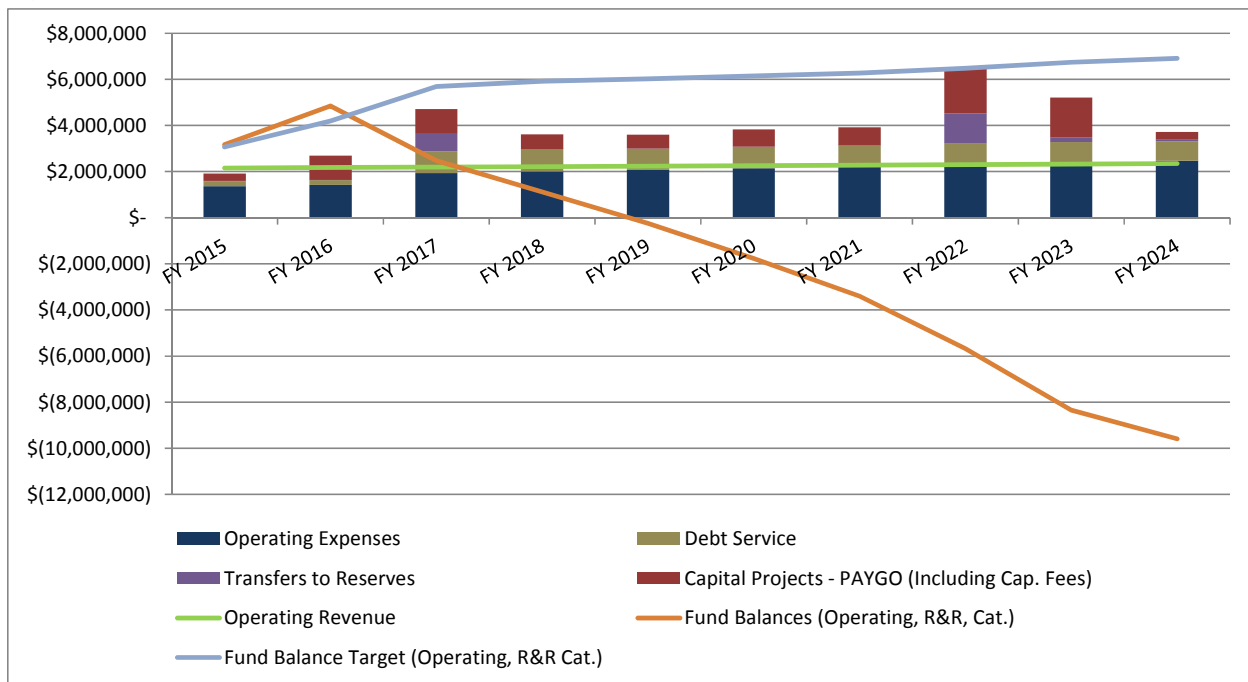
During the early years of the study period debt service costs, related to principal and interest on the existing debt service, account for a roughly thirteen percent (10%) of the sewer fund's expenditures. As previously mentioned, due to continued effort to mitigate rate shock and smooth increases, MCSO is planning on issuing new debt to smooth the cash-flow needs of each fund, while maintaining moderate reserve levels. A typical condition associated with existing debt, or that would be required upon the issuance of any new debt, is a covenant to maintain of a certain level of debt service coverage (net revenue as a percentage of required debt service commitments). Revenues must be targeted to ensure MCSO meets these debt service coverage requirements, of 1.20, on any existing and proposed debt service.

In addition, to maintain financial flexibility, the sewer fund has a target to maintain an operating reserve of 6 months of operation & maintenance expenses (including salaries) on hand (180 days of operating expense) as part of its reserve policy. At the end of June (FY 2014), the sewer fund maintained a cash

balance of nearly \$3.7 million through a variety of funds including the Operating Fund, Renewal & Replacement Fund, Catastrophe Fund, and Capacity Fee Fund. Although in excess of the reserves target, the immediate need for cash funded capital projects will significantly burden the current reserve levels. As such, this reserve will be utilized to offset the short-term revenue shortfall associated with pay-as-you-go funded capital.

Figures 2-2 demonstrates the Baseline Scenario for the Sewer Fund. This represents current and projected financial conditions of the water utility absent any revenue adjustment (increases) over the forecast period. As the figure illustrates, existing revenue levels are unsustainable and the sewer fund is forecasted to run at a loss.

Figure 2-2: Sewer - Baseline Financial Scenario



The declining orange line (lower line) shows the fund's projected ending cash balance. While short-term drops or dips of reserve levels are acceptable, given the beginning cash balance, the continued downward trend must be addressed with revenue adjustments, as the illustrated baseline scenario is unsustainable.

Revenue Requirement Summary

Given the existing financial condition of the utility, without near term revenue adjustments, MCSD's sewer fund will not be able to meet its targeted objectives without rate increases in the future. As such, Willdan worked with MCSD staff to seek input for the development of a financial plan and rate structure that provides gradual adjustments to provide continued financial stability throughout the study period. Numerous financial scenarios were analyzed and presented over the course of the study. The results and recommendations provided in the analysis were presented in April 2015 and stakeholders were subsequently mailed a Proposition 218 Noticed, also in April 2015. The recommended financial scenario

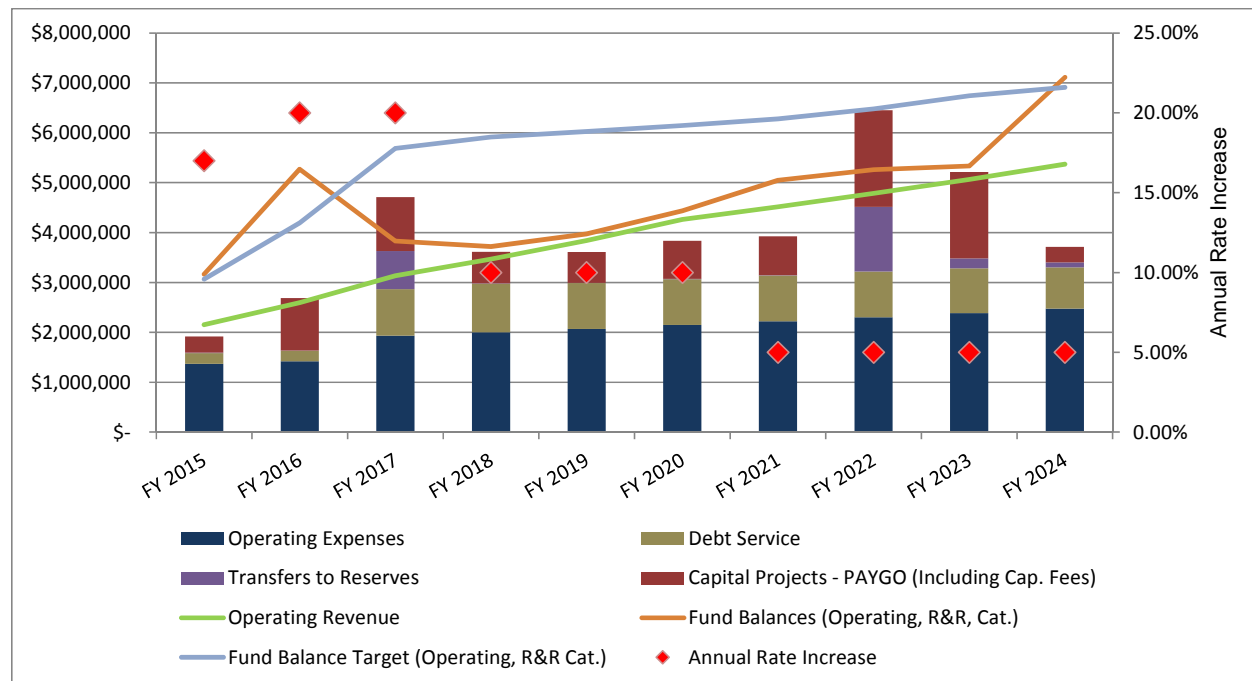
was structured and analyzed to maintain a positive net income and fully fund MCSO reserve targets within the study period and to be in compliance with the MCSO’s Debt Coverage Ratio.

Appendix A details the existing and projected expenditures of the sewer fund and the corresponding impact of the revenue adjustments on the fund’s financial health.

Similar to the Sewer - Baseline Scenario Figure 2-2, Figure 2-3 forecasts the financial health of the sewer fund, with the inclusion of adjusted revenue. As opposed to the baseline scenario, the revenue adjustments provide a more positive outlook and allow for the funding of reserves.

The results of the Revenue Requirements analysis indicate that future sewer revenue increases will be necessary in order to fund the sewer capital plan (including the WWMF), provide for future operational expenses, meet debt service requirements and debt service coverage requirements, and MCSO fund balance requirements. It should be noted that the plan and revenue increases presented herein do not result in fully funded Operating, Renewal and Replacement, and Catastrophe Fund reserves until fiscal year 2024. Annual revenue increases range from 20% to 5% over the forecast period.

Figure 2-3: Sewer - Recommended Financial Scenario



Cost of Service Analysis

Following the discharge and revenue requirement analysis, the next stage is to distribute costs (revenue requirements) to functional components, and ultimately, to each customer class. The cost of service analysis is a systematic process by which revenue requirements are allocated by wastewater system functions to generate a classification of fair and equitable costs in proportion to the service received for each user class. In a general sense, costs are separated into categories associated with customer service

and general administration, collection of wastewater (flow), and treatment (BOD and SS), and so on. Then these costs are allocated to different classes of customers based upon their proportionate demand on these system functions.

This section of the report discusses the allocation of operating and capital costs to the Flow, Suspended Solids (SS) and Biochemical Oxygen Demand (BOD) parameters, the determination of unit rates, and the calculation of user class cost responsibility.

Cost Allocation by Function

The cost of service allocation conducted in this study is established using the flow and strength characteristics method, which is endorsed by the Water Environmental Federation (WEF). Under this method, revenue requirements are allocated to the different user classes proportionate to their use of the wastewater system. Allocations are based on flow volume, SS, BOD, customer accounts, and wastewater monitoring. Use of this methodology results in a generally accepted cost distribution among customer classes and a means of calculating and designing rates to proportionately recover those costs.

Figure 2-4 presents the distribution of expenditures by function. This analysis is important in order to determine an appropriate and reasonable means of allocating expenditures to customers based on their unique characteristics and functional demand.

Figure 2-4: Distribution of Expenditure by Function

	Rate Revenue Requirement	Flow Volume	BOD	SS	Customer Accounts
Percent Allocation	100.0%	12.1%	12.1%	12.1%	63.6%
Fiscal Year Ending					
FY 2015	\$ 2,078,532	\$ 252,332	\$ 252,332	\$ 252,332	\$ 1,321,537
FY 2016	2,519,181	305,826	305,826	305,826	1,601,703
FY 2017	3,053,247	370,661	370,661	370,661	1,941,263
FY 2018	3,392,157	411,805	411,805	411,805	2,156,743
FY 2019	3,768,686	457,515	457,515	457,515	2,396,141
FY 2020	4,187,010	508,299	508,299	508,299	2,662,113
FY 2021	4,440,324	539,051	539,051	539,051	2,823,171
FY 2022	4,708,964	571,664	571,664	571,664	2,993,973
FY 2023	4,993,856	606,249	606,249	606,249	3,175,108
FY 2024	5,295,984	642,927	642,927	642,927	3,367,202

Rate Recommendations

The proposed sewer rates follow the same structure as existing rates which include two components; a fixed charge and a variable charge. The monthly fixed charge is the same for all sewer customer accounts and represents approximately 64% of sewer revenue. The variable charge differs by customer class based on cost of service principles related to the strength of sewer discharged by varying types of customers (i.e. higher strength discharge has a higher variable rate). This supports the cost of service concept that customers who are responsible for a greater proportion of the overall costs of treating wastewater should pay a higher proportionate rate. The variable rates account for approximately 36% of sewer revenue. Figure 3-1 provides the recommended fixed and variable charges for each of the customer classes over the next 5-years.

Figure 3-1: Recommended Sewer Charges

Customer Type	Existing (FY 2015)		July 1, 2015		July 1, 2016		July 1, 2017		July 1, 2018		July 1, 2019	
	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²
01 - Single Family Residence	\$ 17.57	\$ 1.49	\$ 21.91	\$ 1.83	\$ 26.09	\$ 2.18	\$ 28.48	\$ 2.38	\$ 31.09	\$ 2.60	\$ 33.94	\$ 2.84
02 - Apartment/multi unit (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
03 - Mobile Homes (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
04 - Barber/Beauty Shop	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
05 - Office Building/Post Office	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
07 - Churches	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
08 - Rectory	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
10 - Restaurant/Taverns	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
11 - Motels/Hotels	17.57	4.14	21.91	5.03	26.09	6.04	28.48	6.64	31.09	7.31	33.94	8.04
12 - Gas Stations (No Market)	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
13 - Laundromats	17.57	1.41	21.91	1.70	26.09	2.04	28.48	2.25	31.09	2.47	33.94	2.72
14 - Retail/Banks/Theater/Other	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
15 - Bakery	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
16 - Market	17.57	5.77	21.91	7.00	26.09	8.40	28.48	9.24	31.09	10.17	33.94	11.18
17 - Fire Station/School	17.57	1.31	21.91	1.58	26.09	1.90	28.48	2.09	31.09	2.30	33.94	2.53
18 - Coast Guard Station/Airport	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
19 - Car Wash	17.57	1.12	21.91	1.36	26.09	1.63	28.48	1.79	31.09	1.97	33.94	2.17
20 - Church & Residence	17.57	2.82	21.91	3.42	26.09	4.10	28.48	4.51	31.09	4.96	33.94	5.46
21 - Round Table/Market	17.57	4.96	21.91	6.01	26.09	7.22	28.48	7.94	31.09	8.73	33.94	9.60
22 - Two sewer units/business	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
23 - Metered septage vault	17.57	2.86	21.91	3.47	26.09	4.16	28.48	4.58	31.09	5.04	33.94	5.54
24 - Two sewer units/daycare	17.57	1.81	21.91	2.22	26.09	2.65	28.48	2.89	31.09	3.15	33.94	3.44
25 - Sewer Units - Commercial	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
26 - Sewer Only Accounts ³	17.57	NA	21.91	NA	26.09	NA	28.48	NA	31.09	NA	33.94	NA
27 - 2 sewer units/commercial	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
76 - Dialysis Clinic	17.57	1.69	21.91	2.05	26.09	2.46	28.48	2.70	31.09	2.97	33.94	3.27
MT - Minor Theater	17.57		21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97

¹ If multiple units per account, the Fixed Charge is applied to each unit

² Per HCF (hundred Cubic Feet) based on water consumption. Due to irrigation, Residential units are limited to a maximum of 12 HCF monthly (per unit)

³ Sewer Only Accounts are charged only the Fixed amount as water consumption data is not available for these accounts.

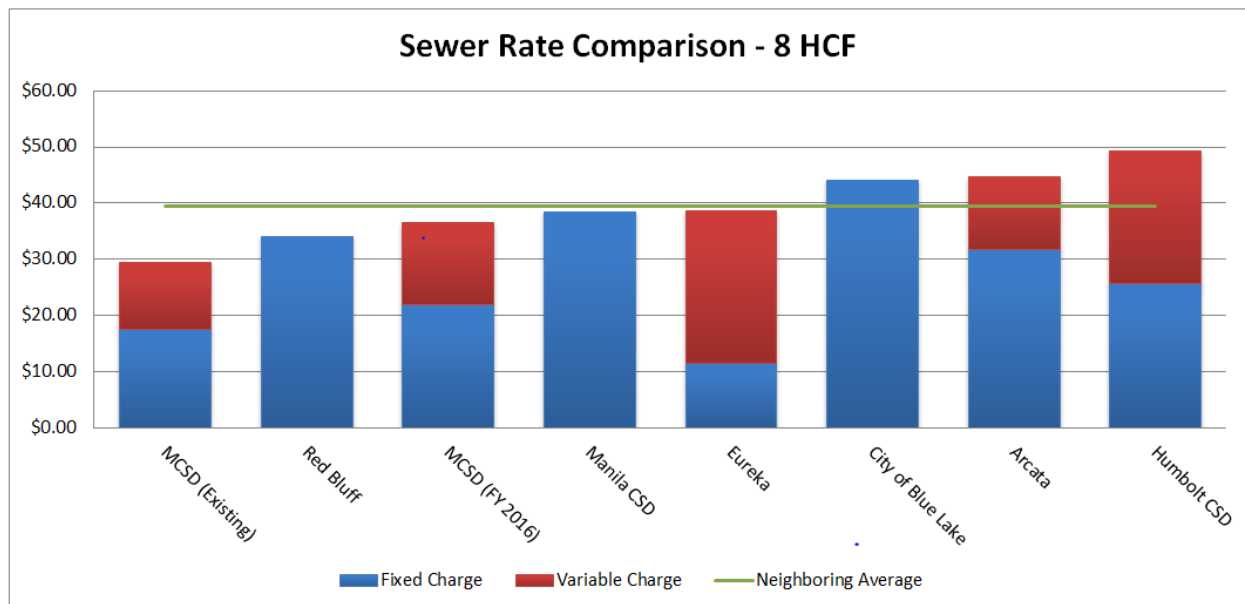
As discussed previously in this report, the results of the revenue requirements analysis indicated that future sewer revenue increases are necessary in order to fund the sewer capital plan (including the WWMF), provide for future operational expenses, meet debt service (and debt service coverage) requirements and MCSD fund requirements. In addition, as also previously noted, the plan and revenue increases presented herein do not result in fully funded Operating, Renewal and Replacement, and Catastrophe Fund reserves until fiscal year 2024. The delayed funding of these reserves is used to offset

higher near-term rate increases. Annual revenue increases range from 20% to 10% over the FY 2016 to FY 2020 forecast period.

Rate Comparison

While operational structures and facilities vary greatly between sewer utilities, as do financial dynamics and policies such as levels of funding associated with routine rehabilitation and replacement of aging system components, levels of borrowing, and funding of reserves, rate comparisons provide stakeholders a nominal barometer of the MCSD rates in relation to surrounding or similar communities. Figure 3-2 below provides the estimated monthly bill for typical single family household's consumption (8 HCF). MCSD, Eureka, Arcata, and Humboldt are the only local agencies that charge a variable charge (represented in Red), which provides users greater control over their monthly bill.

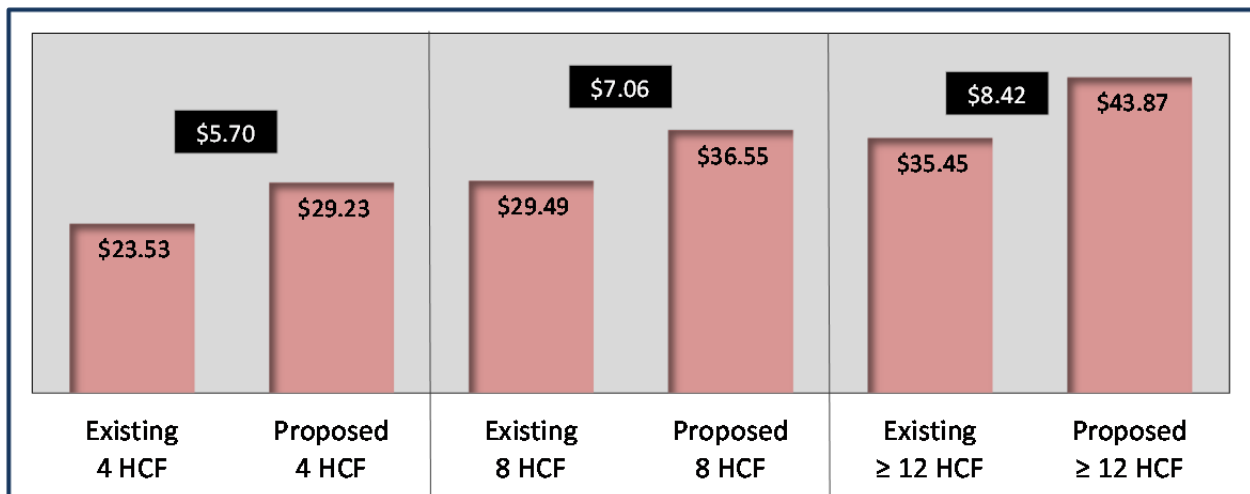
Figure 3-2: Single-Family Regional Sewer Rate Comparison



Customer Impacts

Based on the data analyzed for this study and the resulting projections and financial plan that were developed, the recommended rates will provide MCSD with the necessary revenue to provide continued quality sewer service, while mitigating impact on the average ratepayer to the best extent possible. Figure 3-3 below depicts the estimated impact to sewer rate payers for a variety of single-family consumption levels as wastewater is billed using water consumption. The figure provides the current and proposed sewer bills at different levels of single-family water consumption. The black boxes represent the bill difference between the existing (fiscal year 2015) and proposed July 1, 2015 (fiscal year 2016) rates.

Figure 3-3: Single-Family Monthly Bill Comparison



McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of Minutes from the Board of Directors' May 13, 2015 Special Meeting**

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

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

Recommendation:

Staff recommends that the Board review the draft minutes from the May 13, 2015 Special Board Meeting, recommend edits and adopt.

Discussion:

The Draft Minutes are attached for the above listed meeting.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Minutes from May 13, 2015 Board Meeting

**MINUTES OF THE SPECIAL MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, MAY 13, 2015 AT 6:30PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA**

AGENDA ITEM A CALL TO ORDER

A.1 Roll Call: The special meeting of the Board of Directors of McKinleyville Community Services District convened at 6:33 pm with President Corbett, Directors Couch, Edwards, Mayo and Wheeler present.

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

Gregory Orsini, General Manager
Becky Schuette, Board Secretary

A.2 Closed Session Discussion: PUBLIC EMPLOYEE PERFORMANCE EVALUATION (California Government Code § 54954.5 and 54957) Title: General Manager—Gregory Orsini. There was no public comment.

The meeting was adjourned to closed session at 6:35 pm.

A.3 Report out of Closed Session: There was no report.

A.1 CALL TO ORDER and ROLL CALL: The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:00 pm with President Corbett, Directors Couch, Edwards, Mayo and Wheeler in attendance.

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

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

A.2 Pledge of Allegiance: The Pledge of Allegiance was led by President Corbett.

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

A.4 Approval of Agenda:

MOTION: It was moved to approve the agenda.

Motion: Helen Edwards; Second: Dennis Mayo

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

MOTION SUMMARY: Motion Passed

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

AGENDA ITEM C PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Corbett opened public comment and the following members of the public commented:

Katrina Ehrnman, Branch Manager of the McKinleyville Public Library, requesting the Board to waive the facility fee of the Hewitt Room for the Humboldt Folk Dancers workshops. President Corbett asked if the staff has discretion to waive this without a proposal to the Board. General Manager Orsini advised he did have discretion; however it was several events and ongoing, he believed it should be presented to the Board. Corbett referred the matter back to staff and they would come back with a recommendation or it will be placed on the Board agenda. These events begin June 19. Director Dennis Mayo offered to pay for the first event, \$99, so that the first event could proceed. The rest of the costs would need to be worked out. Director Edwards inquired of staff that this may be setting an unwarranted precedent for waiver of fees. General Manager Orsini advised that historically, waiver of fee requests went before the Board.

Diana Fraga, 3117 E Street, Eureka. She spoke with the Board regarding the removal of an MCSD deed restriction on a home that is outside the jurisdiction and annexation by Arcata in the Boyd Road area. President Corbett Directed the General Manager to speak with LAFCo and the City of Arcata regarding the matter.

There was no further public comment.

AGENDA ITEM D CONSENT CALENDAR:

D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of April 1, 2015

D.2 Consider approval of March 2015 Treasurer's Report

D.3 No DCV Violations this month

D.4 Consider Approval of a Facilities Extension Agreement for Ocean West Mobile Home Park Sewer Mainline Realignment

MOTION: It was moved to accept the consent calendar item D.1 – D.4.

There were no objections and no comments by the public.

Motion: Helen Edwards; Second: David Couch

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

MOTION SUMMARY: Motion Passed

AGENDA ITEM E CONTINUED AND NEW BUSINESS:

E.1 Approve Resolution 2015-11 to Grant Access Easement to increase width for access to Arcata Fire Protection District Property: General Manager Greg Orsini presented the report regarding the improvements to the McKinleyville Fire Station. The easement on the property causes a jog in the property line on the west side of the station. The future improvement plans will allow the fire apparatus to enter their station from the west side; however, it is currently not wide enough. Chief Desmond Cowan spoke to the Board regarding the modernization improvements to the station and the importance of the improvements to the McKinleyville Community. There were no questions from the Board and no public comment.

MOTION: It was moved to approve Resolution 2015-11 to Grant Access Easement to increase width for access to Arcata Fire Protection District Property.

Motion: Helen Edwards; Second: Dennis Mayo

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

MOTION SUMMARY: Motion Passed

E.2 Humboldt State University Engineering Department Capstone Project: Operations Director James Henry introduced the item regarding the Capstone Group which is a part of the Environmental Resources Engineering (ERE) program from the Humboldt State University Engineering Department. The group was interested in working on some of the Districts upcoming projects. Three groups were provided separate tasks which are all significant to and in the planning process by the District. PowerPoint presentations were presented by each of the groups.

Renewable Energy Consultants (REC) consisted of students Matthew Bruder, Peter Seidel, Rachel Barry and Ryan Kaplan and they presented on the topic of the McKinleyville Wastewater Treatment Facility Renewable Energy Project.

A Brief recess was called at 8:00 pm

At 8:12 pm the session was returned to order and Professor Andrea Achilli, Assistant Professor and the groups' advisor, spoke briefly about the Capstone Project.

Blue Heron Consulting, consisting of students Lauren Adabie, Steve Hemstreet, Nicholas Reny and Michael Collins, presented on the Constructed Wetland Rehabilitation and Coho Rearing Habitat Design.

Group three, WaterWorks Industries was made up of students Logan Baumgartner, Nicholas Campbell, Austin Corbett and Jacob Lodeen. This group presented on the MCSD Capital Improvement Plan Infrastructure Upgrades.

Each of the presentations had questions and answer periods for the Board to query the students if needed.

All of the students in this semester's Capstone design class are graduating this spring from the ERE program, which means that they have completed all of their coursework and are eligible to work as engineers.

The following members of the public spoke:

Meighan O'Brien inquired about the holding tank size.

Ken Miller had a question about the solar project and net metering.

Staff and the Board praised the presentations and provided a great deal of verbal appreciation. This was an informational item only.

E.3 Consider Approval to Authorize the Board President to Execute the Design and Consulting Contract with Villara Corporation and Approve Resolution 2015-12: General Manager Orsini introduced the topic and advised the Board that Beutler Solar had changed its name to Villara Corporation and that it was a name change only. He referred the Board to Attachment 1 for further explanation. He then explained that after speaking with counsel he was requesting that the Board hold off on the second bullet point in his recommendation. President Corbett reiterated that second bullet,

approve Resolution 2015-12, is being stricken if they say “per staff” in the Motion. The General Manager then introduced Curt Wylie of Villara Corporation who spoke briefly.

MOTION: It was moved to authorize the Board President to execute the Design and Consulting Contract subject to Board approval and public comments.

Motion: Dennis Mayo; Second: George Wheeler

At this time, Director Edwards pointed out several errors and typos throughout the contract and stated her disappointment in the contract and lacking or contradictory recommendations. A lengthy discussion continued among the Board and staff.

The following members of the public commented:

Meighan O'Brien inquired if any other companies had been considered during the process.

Jeff Dunk commented and advised that he liked staff's recommendation.

Discussion continued after the public comment and Director Mayo requested his motion be amended to include some minor corrections.

MOTION: It was moved to authorize the Board President to execute the Design and Consulting Contract with the correction in Article 8, section 8.3 to read “...satisfaction of the Owner” rather than Contractor and that article 11.3 have the correction to the end of the paragraph changing 12.2 to 11.2.

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

MOTION SUMMARY: Motion Passed

Another brief discussion occurred before moving on.

E.4 Consider Adoption of a Policy to Guide Staff in the Drafting of an Integrated Pest

Management Plan (IPMP): General Manager Orsini presented the agenda item and read aloud the proposed IPMP policy. Director Wheeler requested that “reduced” be removed from the policy and added that he would like the policy to be reviewed annually and wanted that included in the policy language.

The following members of the public made comments:

Colin Fiske had a concern about “reduced risk chemical controls.”

Ken Miller advised he was expecting the workshop format again and also wants further discussion about “reduced risk”.

There was further discussion among the Board and staff regarding the specificity of certain language in the policy. No further comment by the public.

MOTION: It was moved to adopt the Policy as amended by removing “or reduced” and adding “and public health” to the first sentence of the second paragraph.

The original policy read:

McKinleyville Community Services District will utilize the most environmentally sound approaches to pest management, eliminate or reduce where feasible the use of pesticides to minimize environmental and health impacts of pest and vegetation management in all cases. To accomplish this, staff will utilize physical, mechanical, cultural, biological, and educational tactics as primary controls.

Pests will be controlled to preserve the integrity of facilities, and infrastructure. Reduced risk chemical controls will be used when necessary after primary control solutions have been exhausted. In the event reduced-risk chemical controls are not effective Board action will be required before further treatment. Pesticides will not be used to control pests for aesthetic reasons alone.

Motion: Helen Edwards; Second: Dennis Mayo

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

MOTION SUMMARY: Motion Passed

The adopted motion amended the policy to read:

McKinleyville Community Services District will utilize the most environmentally sound approaches to pest management, eliminate ~~or reduce~~ where feasible the use of pesticides to minimize environmental and health impacts of pest and vegetation management in all cases. To accomplish this, staff will utilize physical, mechanical, cultural, biological, and educational tactics as primary controls.

Pests will be controlled to preserve the integrity of facilities, ~~and~~ infrastructure, and public health. Reduced risk chemical controls will be used when necessary after primary control solutions have been exhausted. In the event reduced-risk chemical controls are not effective Board action will be required before further treatment. Pesticides will not be used to control pests for aesthetic reasons alone.

E.5 Review Operations Draft Budget for Water, Wastewater, and Streetlights Funds FY2015-16:

Finance Director Colleen Trask advised the Board that this was a similar presentation to the other department budgets presented in previous months. Director Edwards asked about the reserves portion of the budget. President Corbett queried if the replacement pipe policy would be added to the budget for financial planning purposes. It was also proposed that we write a thank you letter to the Capstone students for their presentations.

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

This item was informational only.

E.6 Approve Resolution 2015-10 for Public Utility Easement Deed – APN 510-171-040 Ocean

West Mobile Home Park: General Manager Orsini reported on the requested new easement necessary for the completion of the Ocean West Sewer Mainline Realignment project. This would allow for the repair and realignment of portions of the sewer main. There was no public comment and no Board comments.

MOTION: It was moved adopt staff recommendation to approve Resolution 2015-10.

Motion: Helen Edwards; Second: Dennis Mayo

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

MOTION SUMMARY: Motion Passed

E.7 Review and set Parameters for the November 2015 General Election for the McKinleyville Community Services District Board of Directors expiring positions:

Board Secretary, Becky Schuette reviewed the information for this item and explained that historically, election candidates paid their own publishing costs and that the length of the statements was limited to 200 words. There was also a brief discussion about the cost of a contested versus uncontested election for the District to incur. An approximate cost for a contested election is \$23,000; whereas there is no cost to the District

if the election is uncontested. The last election, which had four candidates for three positions, cost the District \$43,000.

MOTION: It was moved adopt staff recommendation to have the candidates pay all publishing costs for the candidate's statements and that statements be limited to 200 words.

Motion: Dennis Mayo; Second: Helen Edwards

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

MOTION SUMMARY: Motion Passed

AGENDA ITEM F REPORTS:

F1. Active Committee Reports

a. Recreation Advisory Committee (Wheeler/Couch (alternate))

Director Wheeler reported that the General Manager had come to the last meeting and spoke with the committee about the Teen Center. He added all of the members were present, they had a discussion about rules and that Recreation Supervisor Lesley Frisbee had done a great job; it was a very well run meeting.

b. Area Fund (John Kulstad)

Director Edwards reported that the committee had met and given out the annual awards.

c. Redwood Region Economic Development Commission (Mayo/Edwards (alternate))

Director Mayo reported that the last meeting was primarily informational. The Open door Clinic, being run by Herman Spitzer is opening in Fortuna. He also added that Spitzer was in negotiations to get the nursing program back at HSU. Mayo advised there was a solid real money offer for the ranch at the end of Baird Road and that it is in escrow.

d. McKinleyville Senior Center Advisory Committee (Edwards)

Director Edwards had nothing to report; did not meet. However, the General Manager and Recreation Supervisor Lesley Frisbee did sit in on their last Board meeting. It was indicated by the Seniors that they have no need for the Advisory Committee to meet, therefore, they have not called a meeting. Director Edwards will be seeking a list of all of the Advisory Committee members.

e. Audit (Corbett/Edwards)

Nothing to report; did not meet

f. Employee Negotiations (Couch/Edwards)

Nothing to report; did not meet.

g. Water Task Force (Wheeler/Corbett (alternate))

Nothing to report; did not meet.

h. AdHoc No Drugs & Toxics Down the Drain (Wheeler/Couch (alternate))

Nothing to report; did not meet.

i. McKinleyville Municipal Advisory Committee (Edwards/Corbett (alternate))

Director Edwards reported on an update from HCSO and there are eight new deputies. County Public works was present to discuss the Central Avenue upgrades; however, they failed to bring

the requested alternatives so they have been asked to return to the next meeting with alternatives. There was a lengthy discussion regarding zoning and the county compliance with the lawsuit. President Corbett requested the rezoning topic be an agenda item sometime in the future. .

j. Cornerstone Committee (Couch)

Nothing to report; have not yet met.

F.2 Staff Reports:

- a. Support Services Department:** Finance Director Colleen Trask reported that the draft budget did include revenue adjustment related to the water consumption reduction numbers. It appears that it will be 4% and that she is hoping for a final number before the final budget. She also discussed the completion of the Mad River Intertie project funded through Humboldt Bay Municipal Water District by a Prop 50 grant.
- b. Operations Department:** Operations Director James Henry had nothing further to add at this time.
- c. Parks and Recreation Department:** Recreation Supervisor Lesley Frisbee had nothing further to add at this time.
- d. General Manager:** General Manager Orsini reminded the Board members attending CSDA Legislative Days that the Governance Awards and District of Distinction would be awarded during lunch on Wednesday. He briefly talked about the water reduction and that McKinleyville is averaging 12% already. Central Avenue tree replacement and the contract with County public works were also discussed. He indicated that the SWAP crews being provided to MCSD would be locked into the new contract. The final topic was regarding the transportation arrangements for the Legislative Days attendees.

F.3 President's Report: President Corbett had nothing to report.

F.4 Board comments, announcements, reports and agenda item requests: Director Mayo provided the General Manager with flyers for the annual "Save our Water" publication campaign. He asked that an item be placed on the next agenda as an informational discussion item. Director Wheeler reported that he had listened to a speech by Felicia Marcus that was delivered on May 7, 2015 to MIT Club of Northern California regarding urban water usage and where the state is going and encouraged everyone else to see it as well. Director Corbett added that the Governor stated that he wanted to have water for commerce, rather than for lawns.

AGENDA ITEM G ADJOURNMENT:

President Corbett adjourned the meeting at 11:04 PM

Becky Schuette, Board Secretary

**McKinleyville Community Services District
Treasurer's Report
April 2015**

Table of Contents

Page 2	Investments & Cash Flow Report
Page 3	Consolidated Balance Sheet by Fund
Page 4	Activity Summary by Fund
Page 6	Selected Graphic Comparisons
Page 11	Capital Expenditure Report
Page 12	Summary of Long-Term Debt Report
Page 13	Reserves Graph
Page 14	Cash Disbursement Report

**McKinleyville Community Services District
Investments & Cash Flow Report
As of April 30, 2015**

Petty Cash & Change Funds		940.00
<u>Cash</u>		
Operating & Money Market - Beginning Balance		376,942.98
Cash Receipts:		
Utility Billings	362,124.74	
Money Market Account Interest	39.98	
Transfers from County Funds #2560, #4240	-	
Other Cash Receipts	65,629.49	
Total Cash Receipts		427,794.21
Cash Disbursements:		
Payroll Related Expenditures	(220,424.43)	
Debt Service	(79,473.66)	
Capital & Other Expenditures	(143,080.46)	
Total Cash Disbursements		(442,978.55)
Operating & Money Market - Ending Balance		361,758.64
Total Cash		362,698.64
<u>Investments</u>	<i>(Interest and Market Valuation will be re-calculated as part of the year-end close, if material)</i>	
LAIF - Beginning Balance	128,567.99	
Interest Income	82.45	
LAIF - Ending Balance		128,650.44
Humboldt Co. #2560 - Beginning Balance	1,374,587.96	
Property Taxes and Assessments	298,172.75	
Transfer to/from Operating Cash	-	
Interest Income	790.39	
Humboldt Co. #2560 - Ending Balance		1,673,551.10
Humboldt Co. #4240 - Beginning Balance	3,868,686.68	
Property Taxes	-	
Transfer to/from Operating Cash	-	
Interest Income	80.95	
Humboldt Co. #4240 - Ending Balance		3,868,767.63
Humboldt Co. #9390 - Beginning Balance	394,929.88	
Reserves Recovery Deposits	23,722.29	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		418,652.17
USDA Bond Reserve Fund - Beginning Balance	137,904.91	
Bond Reserve Payment	7,396.56	
Debt Service Payment	-	
Interest Adjustment	1.57	
USDA Bond Reserve Fund - Ending Balance		145,303.04
Market Valuation Account		(180.00)
Umpqua Bank Meas.B Loan Proceeds - Beginning Balance	1,402,675.82	
Net Transfer to/from Loan Cash Holding Acct	-	
Debt Service Payment	-	
Interest Income	164.37	
Umpqua Bank Meas.B Loan Proceeds - Ending Balance		1,402,840.19
Total Investments		7,637,584.57
Total Cash & Investments - Current Month		8,000,283.21
Total Cash & Investments - Prior Month		7,685,056.22
Net Change to Cash & Investments This Month		315,226.99
<u>Cash & Investment Summary</u>		
Cash & Cash Equivalents		7,097,198.04
Davis-Grunsky Loan Reserve		598,178.19
Waste Water Capital Reserve		99,603.94
USDA Bond Reserve		145,303.04
I-Bank Loan Reserve		60,000.00
Total Cash & Investments		8,000,283.21

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
As of April 30, 2015

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Wastewater	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 866,034.03	\$ 222,592.30	\$ (38,535.74)	\$ 1,926,933.46	\$ 2,704,948.37	\$ 5,681,972.42
Accounts receivable	3,773.05	-	5,078.66	324,891.18	210,400.22	544,143.11
Prepaid expenses & other current assets	10,941.34	-	427.97	72,357.42	30,964.28	114,691.01
Total Current Assets	880,748.42	222,592.30	(33,029.11)	2,324,182.06	2,946,312.87	6,340,806.54
Noncurrent Assets						
Restricted cash & cash equivalents	176,826.92	-	-	658,178.19	244,906.98	1,079,912.09
Other noncurrent assets	3,076.00	-	-	-	-	3,076.00
Capital assets (net)	-	-	-	6,763,036.43	12,933,408.92	19,696,445.35
Total Noncurrent Assets	179,902.92	-	-	7,421,214.62	13,178,315.90	20,779,433.44
TOTAL ASSETS	\$ 1,060,651.34	\$ 222,592.30	\$ (33,029.11)	\$ 9,745,396.68	\$ 16,124,628.77	\$ 27,120,239.98
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 65,806.97	\$ 296.69	\$ 3,451.03	\$ 220,573.78	\$ 40,675.89	\$ 330,804.36
Accrued payroll & related liabilities	77,380.44	-	-	35,172.27	35,172.27	147,724.98
Total Current Liabilities	143,187.41	296.69	3,451.03	255,746.05	75,848.16	478,529.34
Noncurrent Liabilities						
Long-term debt	-	-	-	3,072,475.63	833,021.52	3,905,497.15
Other noncurrent liabilities	3,076.00	1,400,000.00	-	279,671.03	281,819.18	1,964,566.21
Total Noncurrent Liabilities	3,076.00	1,400,000.00	-	3,352,146.66	1,114,840.70	5,870,063.36
TOTAL LIABILITIES	146,263.41	1,400,296.69	3,451.03	3,607,892.71	1,190,688.86	6,348,592.70
Fund Balance/Net Assets						
Fund balance	172,028.78	(1,177,704.39)	(36,480.14)	-	-	(1,042,155.75)
Net assets	742,359.15	-	-	2,446,943.17	2,833,552.51	6,022,854.83
Investment in capital assets, net of related debt	-	-	-	3,690,560.80	12,100,387.40	15,790,948.20
Total Fund Balance/Net Assets	914,387.93	(1,177,704.39)	(36,480.14)	6,137,503.97	14,933,939.91	20,771,647.28
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,060,651.34	\$ 222,592.30	\$ (33,029.11)	\$ 9,745,396.68	\$ 16,124,628.77	\$ 27,120,239.98
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	\$ 3,287,938.62					
General Long-term Liabilities						
PG&E Streetlights Loan	92,702.15					
Meas. B Loan: Teen/Community Center	1,432,701.00					
OPEB Liability	206,637.23					
Accrued Compensated Absences	40,783.04					
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 1,772,823.42					

McKinleyville Community Services District
Activity Summary by Fund, Original Budget
April 2015

Department Summaries	April	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	241,639	2,338,777	2,444,520	(105,743)	-4.33%	
Other Revenues	18,468	318,534	206,785	111,749	54.04%	Includes YTD Capacity Fees of \$153,974
Total Operating Revenues	260,107	2,657,311	2,651,305	6,006	0.23%	
Salaries & Benefits	65,527	632,036	668,425	(36,389)	-5.44%	
Water Purchased	64,401	664,648	719,807	(55,159)	-7.66%	
Other Expenses	17,195	247,481	325,459	(77,978)	-23.96%	Other variable expenses curtailed with lower customer demand
Depreciation	25,300	252,950	275,000	(22,050)	-8.02%	
Total Operating Expenses	172,424	1,797,115	1,988,691	(191,576)	-9.63%	
Net Operating Income	87,683	860,196	662,614	(185,570)		
Interest Income	(790)	9,614	4,089	5,525	135.12%	Interest rate higher than originally estimated
Interest Expense	(6,166)	(63,150)	(70,833)	(7,683)	-10.85%	
Net Income (Loss)	80,727	806,660	595,870	210,790		
<u>Sewer</u>						
Sewer Service Charges	173,775	1,696,998	1,583,333	113,665	7.18%	
Other Revenues	20,294	307,244	245,808	61,436	24.99%	Includes YTD Capacity Fees \$229,942
Total Operating Revenues	194,069	2,004,242	1,829,141	175,101	9.57%	
Salaries & Benefits	68,164	669,287	666,399	2,888	0.43%	
Other Expenses	29,468	347,654	457,958	(110,304)	-24.09%	Other variable expenses curtailed with lower customer demand
Depreciation	38,560	385,590	400,000	(14,410)	-3.60%	
Total Operating Expenses	136,192	1,402,531	1,524,357	(121,826)	-7.99%	
Net Operating Income	57,876	601,712	304,784	296,928		
Interest Income	(910)	15,053	16,667	(1,614)	-9.68%	
Interest Expense	(3,192)	(33,330)	(34,599)	(1,269)	-3.67%	
Net Income (Loss)	53,774	583,435	286,852	296,583		
Enterprise Funds Net Income (Loss)	134,501	1,390,095	882,722	507,373		

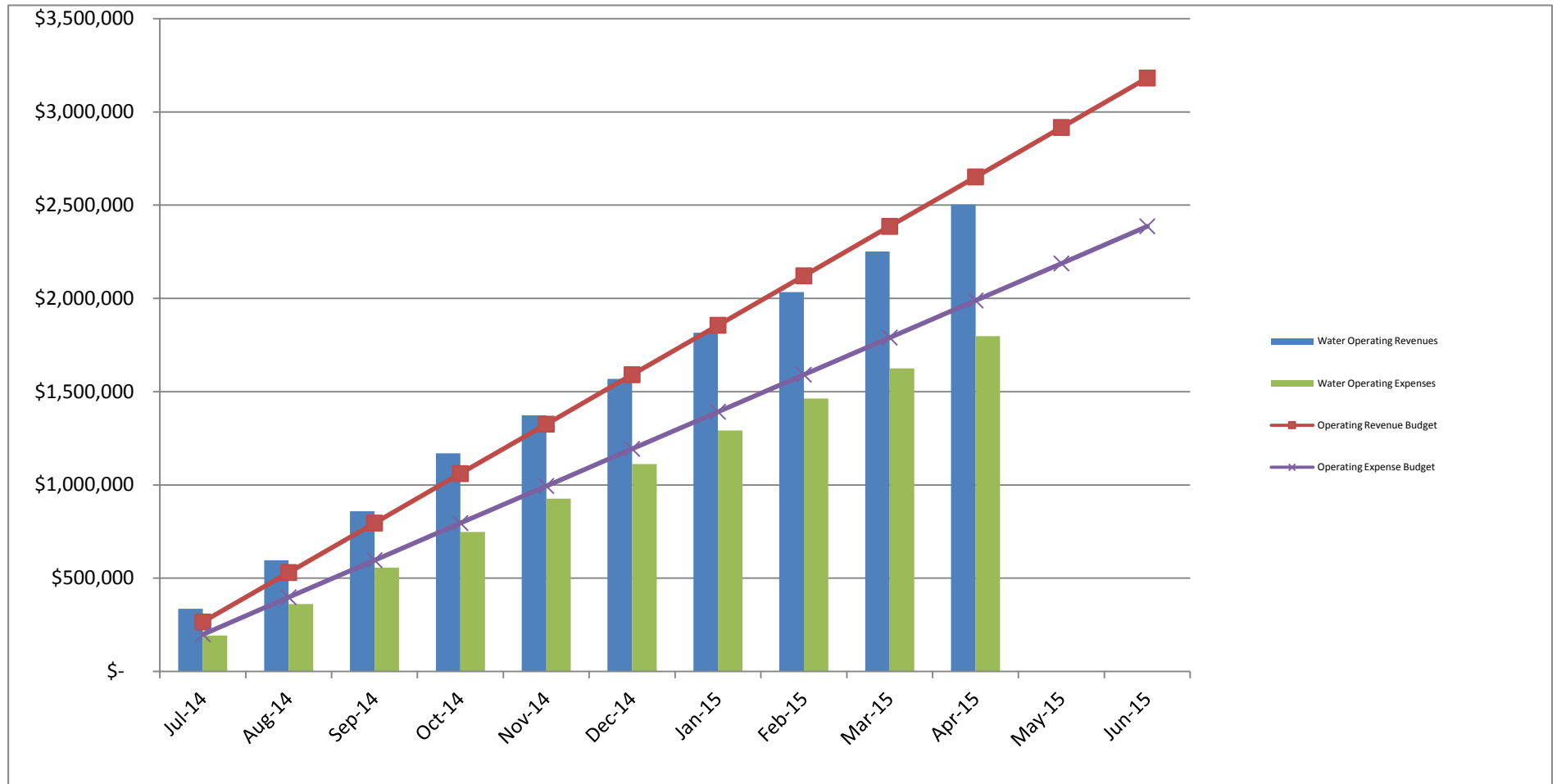
McKinleyville Community Services District
Activity Summary by Fund, Original Budget
April 2015

Department Summaries	April	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	25,648	258,839	327,533	(68,694)	-20.97%	Program Fee Revenue underestimated
Rents & Related Fees	6,155	57,614	73,000	(15,386)	-21.08%	Rents and Related Fee Revenue underestimated
Property Taxes	233,672	495,239	425,000	70,239	16.53%	County Tax remittance scheduled in December and April
Other Revenues	6,986	83,685	158,167	(74,482)	-47.09%	Other Revenue underestimated
Interest Income	(48)	5,587	2,500	3,087	123.47%	Interest rate higher than originally estimated
Total Revenues	272,412	900,964	986,200	(85,236)	-8.64%	
Salaries & Benefits	74,333	697,066	709,881	(12,815)	-1.81%	
Other Expenditures	18,469	174,626	179,899	(5,273)	-2.93%	
Capital Expenditures	377	70,994	95,833	(24,839)	-25.92%	spending on certain projects slower than anticipated
Total Expenditures	93,179	942,686	985,613	(42,927)	-4.36%	
Excess (Deficit)	179,233	(41,722)	587	(42,309)		
<u>Measure B Assessment</u>						
Total Revenues	69,494	264,776	178,353	86,423	48.46%	Includes Loan Proceeds income totalling \$68,929 County Tax remittance scheduled in December and April
Salaries & Benefits	6,155	85,267	84,215	1,052	1.25%	
Other Expenditures	5,222	112,471	5,000	107,471	2149.42%	Loan Issuance costs, set against Loan Proceeds Income
Capital Expenditures	-	40,797	87,500	(46,703)	-53.38%	Teen Center - actuals will vary with project progress
Total Expenditures	11,376	238,535	176,715	61,820	34.98%	
Excess (Deficit)	58,117	26,241	1,638	24,603		
<u>Street Lights</u>						
Total Revenues	7,785	93,585	74,798	18,787	25.12%	YTD includes PG&E rebate for LED project \$16,750
Salaries & Benefits	3,083	29,974	34,643	(4,669)	-13.48%	Lower utility wages required for LED fixtures
Other Expenditures	2,371	27,595	40,058	(12,463)	-31.11%	Lower utility expenses for LED fixtures
Capital Expenditures/Loan Repayment	1,655	3,311	-	3,311	#DIV/0!	PG&E LED Project Debt repayment has begun
Total Expenditures	7,109	60,880	74,701	(13,821)	-18.50%	
Excess (Deficit)	677	32,706	97	(32,609)		
Governmental Funds Excess (Deficit)	238,027	17,225	2,322	14,903		

McKinleyville Community Services District

April 2015

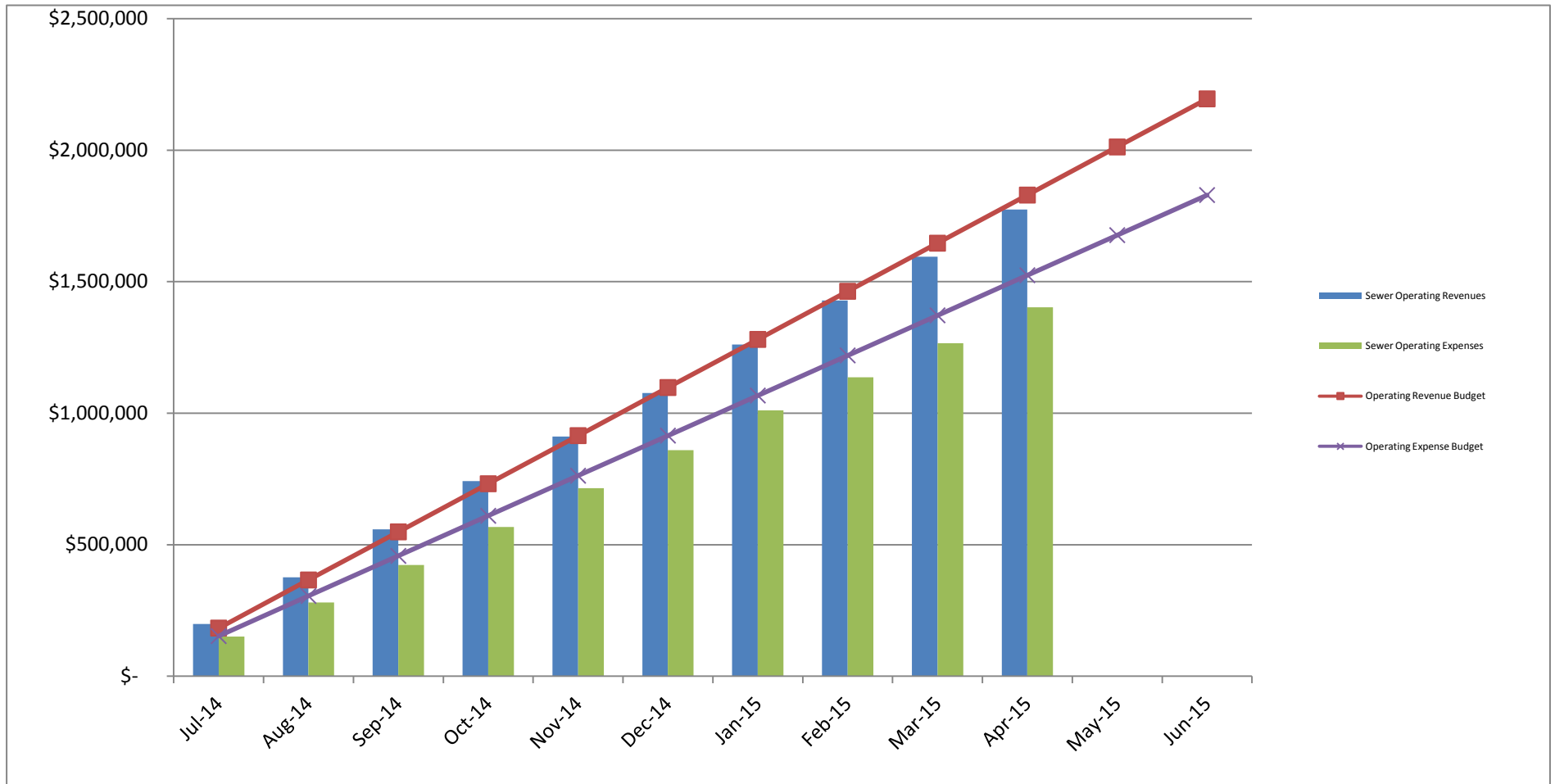
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

April 2015

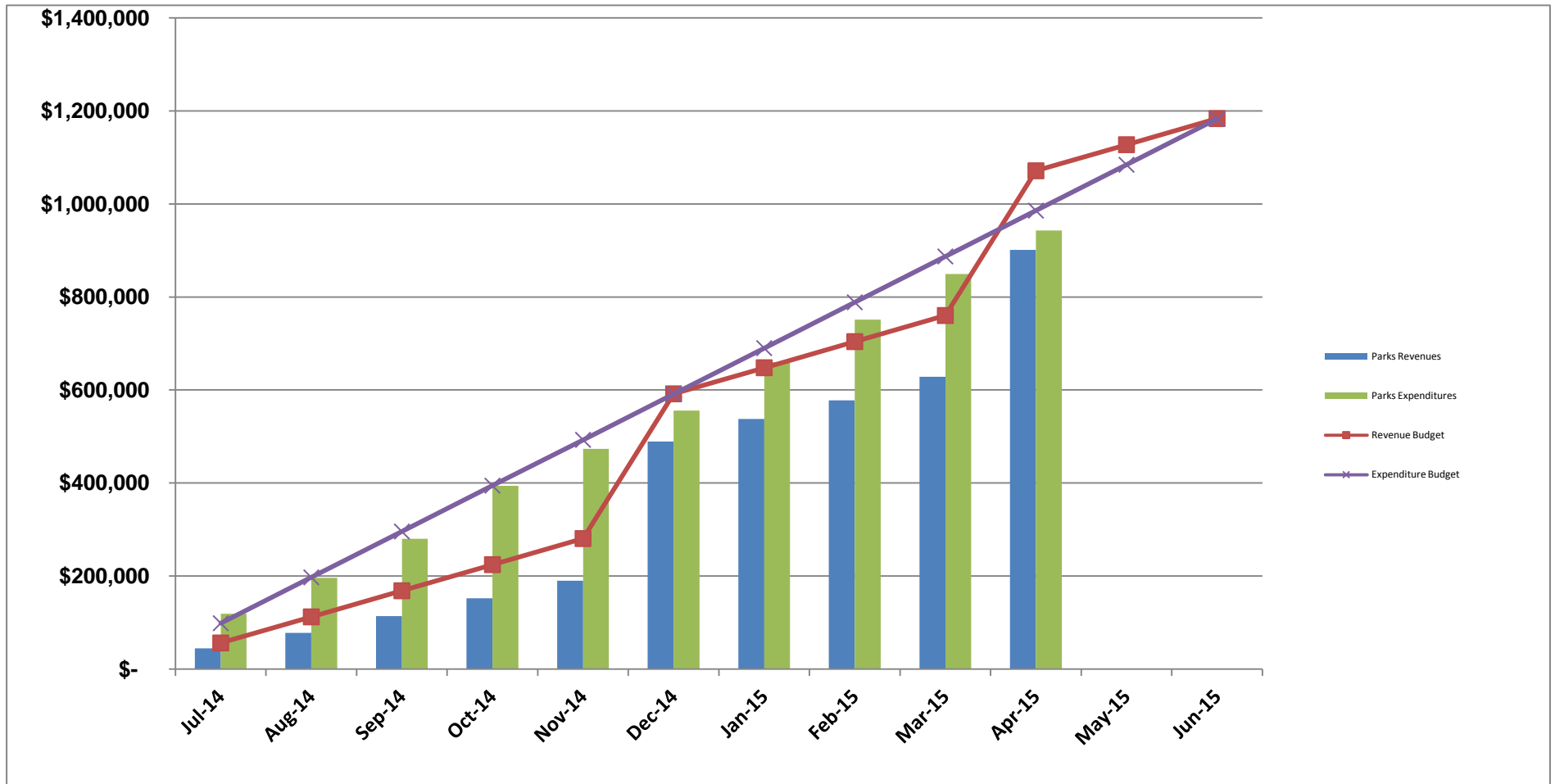
Comparison of Sewer Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

April 2015

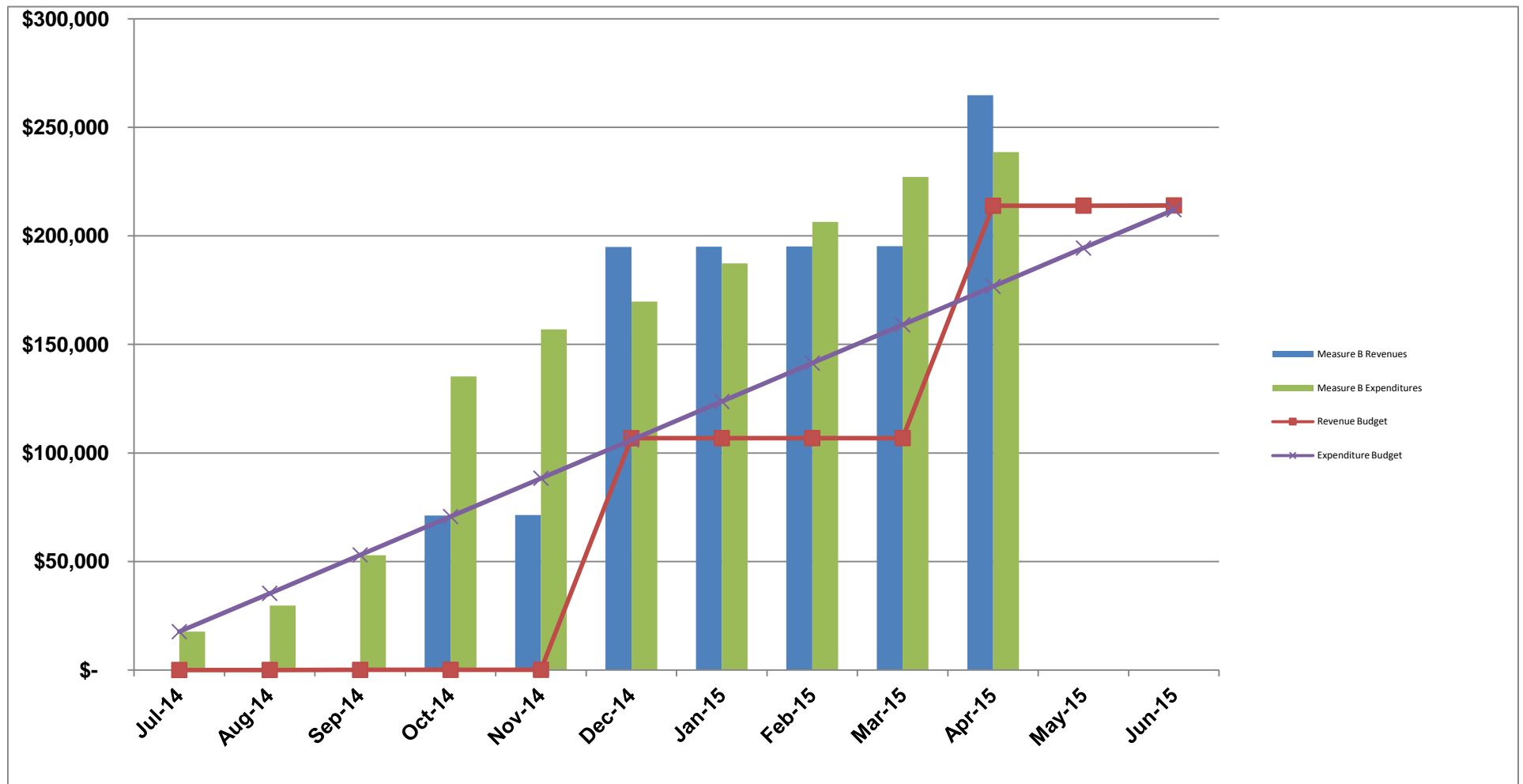
Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



McKinleyville Community Services District

April 2015

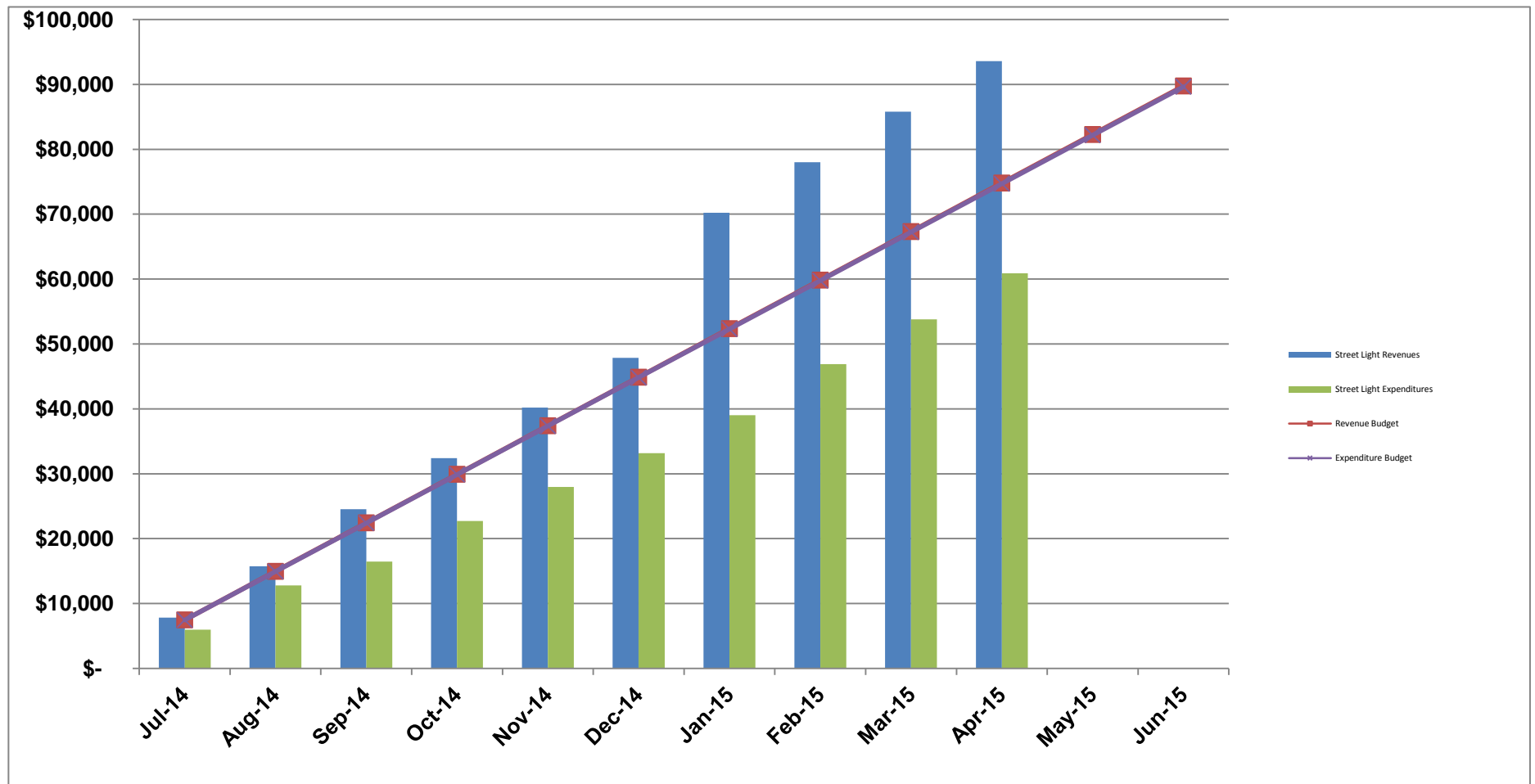
Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District

April 2015

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



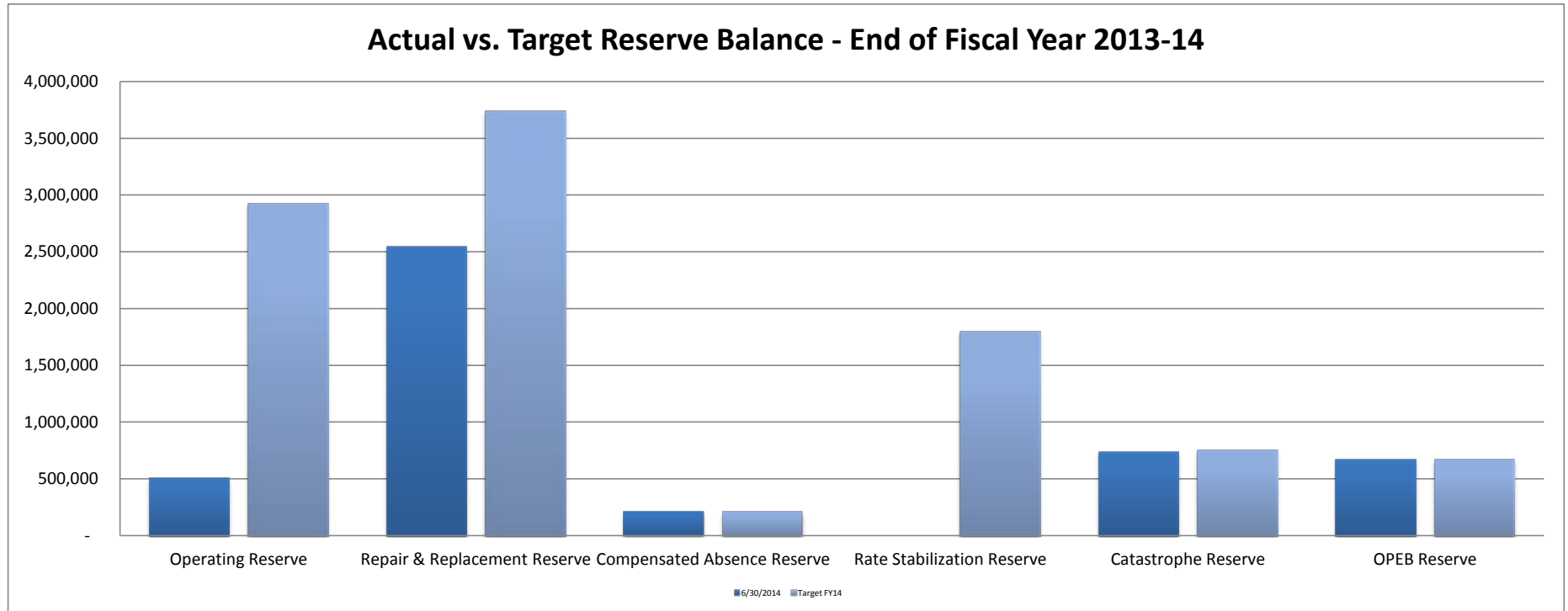
McKinleyville Community Services District
Capital Expenditure Report
As of April 30, 2015

	April	YTD Total	FY 14-15 Budget	Remaining		
				Budget \$	Budget %	Notes
<u>Water Department</u>						
Emergency Water Line River Crossing	-	2,801	150,000	147,199	98%	Emergency Line Intertie Proj
Water Tank Upgrade	-	-	350,000	350,000	100%	Tank Painting
Production Meter Replacements	-	6	-	(6)	#DIV/0!	Production Meter Replacement
Emergency Water Supply		1,240	100,000	98,760	99%	Emergency Water Supply
Fire Hydrant System Upgrade		-	9,000	9,000	100%	Fire Hydrant System Upgrade
Customer Radio Meter Replacements		314	90,000	89,686	100%	Radio meters purch/install
Water Main Rehab & Replacement			20,000	20,000	100%	Water Main Rehab
Property Purchase & Improvements		-	185,000	185,000	100%	Property Purch/Improvements
Subtotal	-	4,361	904,000	899,639	100%	
<u>Sewer Department</u>						
Sewer Main Rehab & Replacement	-	-	50,000	50,000	100%	Sewer Main Rehab
WWMF Biosolids Project		903,512	900,000	(3,512)	0%	Biosolids Project
WWMF & Fischer Lift Stn Grinder Upgrade		-	20,000	20,000	100%	WWMF/Fischer Lift Stn Grinder
WWMF Upgrade/CEQA/Permitting	22,094	609,938	5,000,000	4,390,062	88%	WWMF design & start construction
Radio Telemetry Upgrade	-	-	45,000	45,000	100%	Radio Telemetry upgrade
Customer Radio Meter Replacements		74	90,000	89,926	100%	Radio meters purch/install
Underground Locator Pipe & Camera		-	5,000	5,000	100%	
Subtotal	22,094	1,513,524	6,110,000	4,596,476	75%	
<u>Water & Sewer Operations</u>						
Heavy Equipment		-	100,000	100,000	100%	Dump Truck, Tractor attachmnts
Utility Vehicles		-	60,000	60,000	100%	Car, 3/4 or 1-ton Pickup Truck
Office, Corporate Yard & Shops		-	20,000	20,000	100%	Facilities upgrade/sealcoat
Computers & Software	-	19,596	14,000	(5,596)	-40%	File Server Upgrade
GIS/SEMS/CADD Equipment/Software		5,993	10,000	4,007	40%	SCADA, AutoCAD, GIS computers
Fischer Ranch -Disposal Site Upgrade		-	1,000,000	1,000,000	100%	Disposal Site Upgrade
Small Equipment & Other		-	20,000	20,000	100%	Ops Office Eq./Emergency Eqp
Subtotal	-	25,589	1,224,000	1,198,411	98%	
Enterprise Funds Total	22,094	1,543,473	8,238,000	6,694,527	81%	
<u>Parks & Recreation Department</u>						
Pierson Park Upgrades	-	-	-	-	#DIV/0!	
Azalea Hall Projects		-	-	-	#DIV/0!	
McKinleyville Activity Center Upgrades		-	-	-	#DIV/0!	
Projects Funded by Quimby/Other Funds	377	37,173	75,000	37,827	50%	Covered Picnic Area
Projects Funded by Measure B Renewal	-	44,896	105,000	60,104	57%	Teen Center Project
Other Parks Projects & Equipment	-	24,850	40,000	15,150	38%	Fischer Trail Project-surveying
Subtotal	377	106,918	220,000	113,082	51%	
<u>Streetlights</u>						
LED	-	-	-	-	#DIV/0!	
Subtotal	-	-	-	-	#DIV/0!	
Governmental Funds Total	377	106,918	220,000	113,082	51%	
All Funds Total	22,471	1,650,392	8,458,000	6,807,608	80%	

McKinleyville Community Services District
Summary of Long-Term Debt Report
As of April 30, 2015

				Principal Maturities and Scheduled Interest				
	%	Maturity Date		Balance - Mar 30, 2015	Balance - Apr 30, 2015	FY-15	FY-16	Thereafter
Water Fund:								
I-Bank		8/1/30	P	842,084.87	842,084.87	-	40,571.37	801,513.53
Interest	3.37%		I			-	27,694.63	219,225.52
State of CA Energy Commission (ARRA)		12/22/26	P	140,457.60	140,457.60	5,471.17	11,125.84	123,806.70
Interest	1.0%		I			693.36	1,325.20	6,926.83
State of CA (Davis Grunsky)		1/1/33	P	1,783,306.35	1,783,306.35	-	79,660.44	1,703,645.91
State of CA (Davis Grunsky) Deferred Interest		1/1/33	P	306,626.81	306,626.81	-	17,035.12	289,591.69
Interest	2.5%		I			-	44,582.66	408,486.72
Total Water Fund-Principal				3,072,475.63	3,072,475.63	5,471.17	148,392.77	2,918,557.83
Total Water Fund-Interest						693.36	73,602.49	634,639.07
Total Water Fund				3,072,475.63	3,072,475.63	6,164.53	221,995.26	3,553,196.90
Sewer Fund:								
State of CA WRCB (SCEP I)		4/15/16	P	81,840.20	40,920.10	-	40,920.10	-
Interest	0.0%		I			-	-	
State of CA WRCB (SCEP II)		3/27/18	P	79,511.25	79,511.25	-	25,838.70	53,686.60
Interest	2.6%		I			-	2,067.64	2,102.41
Umpqua Bank		12/4/17	P	141,610.68	137,590.17	7,876.70	49,848.42	79,721.79
Interest	5.5%		I			1,412.26	5,885.34	3,506.57
USDA (Sewer Bond)		8/1/22	P	575,000.00	575,000.00	-	60,000.00	515,000.00
Interest	5.0%		I			-	27,250.00	90,875.00
Total Sewer Fund-Principal				877,962.13	833,021.52	7,876.70	176,607.22	648,408.39
Total Sewer Fund-Interest						1,412.26	35,202.98	96,483.98
Total Sewer Fund				877,962.13	833,021.52	9,288.96	211,810.20	744,892.37
Meas. B Fund: Teen/Comm Center Loan				1,468,929.00	1,432,701.00	-	75,508.00	1,357,193.00
	3.55%		I			-	50,217.82	362,864.53
Streetlights Fund: LED Proj Loan, PG&E				94,357.55	92,702.15	3,310.80	19,564.80	69,526.55
	0.0%		I			-	-	-
Total Principal				5,513,724.31	5,430,900.30	16,658.67	420,072.79	4,993,685.77
Total Interest						2,105.62	159,023.29	1,093,987.58
Total				5,513,724.31	5,430,900.30	18,764.29	579,096.08	6,087,673.35

McKinleyville Community Services District
Board Designated Reserve Balances
As of April 30, 2015



- Utility Accounts Receivable Turnover Days As of April 30, 2015 16.1 Days
- YTD Breakeven Revenue, Water Fund: 1,582,069.34 - YTD Actual Water Sales: 2,338,776.75
- Days of Cash on Hand - Operations Checking Account 28.7 Days

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
678	4/27/2015	MES01	Ck# 000678 Reversed	-	45P	Ck# 000678 Reversed
21503	3/5/2010	\V001	REVERSAL OF CHECK 21503 3 BV	(36.67)	B50402H	REVERSAL OF CHECK 21503 3 BV
21829	6/8/2010	\C003	REVERSAL OF CHECK 21829 6 BC	(57.03)	B50402H	REVERSAL OF CHECK 21829 6 BC
22072	8/6/2010	\F003	REVERSAL OF CHECK 22072 8 SF	(26.32)	B50402H	REVERSAL OF CHECK 22072 8 SF
22077	8/6/2010	\R007	REVERSAL OF CHECK 22077 8 PR	(49.54)	B50402H	REVERSAL OF CHECK 22077 8 PR
22946	3/4/2011	\C014	REVERSAL OF CHECK 22946 3 MC	(25.52)	B50402H	REVERSAL OF CHECK 22946 3 MC
22957	3/4/2011	\W017	REVERSAL OF CHECK 22957 3 TW	(16.64)	B50402H	REVERSAL OF CHECK 22957 3 TW
23462	7/12/2011	\A012	REVERSAL OF CHECK 23462 7 EA	(26.36)	B50402H	REVERSAL OF CHECK 23462 7 EA
23732	7/14/2011	\N007	REVERSAL OF CHECK 23732 9 RN	(25.23)	B50402H	REVERSAL OF CHECK 23732 9 RN
23779	9/26/2011	*0030	REVERSAL OF CHECK 23779 9 CS	(38.48)	B50402H	REVERSAL OF CHECK 23779 9 CS
23895	10/6/2011	\S033	REVERSAL OF CHECK 23895 1 KS	(16.02)	B50402H	REVERSAL OF CHECK 23895 1 KS
23970	11/4/2011	BER01	REVERSAL OF CHECK 23970 1 RB	(30.00)	B50402H	REVERSAL OF CHECK 23970 1 RB
24153	12/7/2011	\S002	REVERSAL OF CHECK 24153 1 JS	(53.54)	B50402H	REVERSAL OF CHECK 24153 1 JS
29475	4/6/2015	ADV01	ADVANCED SECURITY SYSTEM	450.00	296187	SECURITY SYSTEMS
29476	4/6/2015	AJI01	HAIDER AJINA	75.00	B50401	CONTRACTED FUTSAL REFEREE
29477	4/6/2015	BAR01	NEAL BARSANTI	45.00	B50403	CONTRACT BASKETBALL REFEREE

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29478	4/6/2015	BEL07	BELL'S HEATING	75.00	3208	PROFESSIONAL SERVICES
29479	4/6/2015	COA01	COASTAL BUSINESS SYSTEMS	340.50	16717294	MONTHLY PAYMENT FOR COPIER
29480	4/6/2015	COR01	CORBIN WILLITS SYSTEMS, INC	858.42	B50325	MOMS SOFTWARE MAINTENANCE
29481	4/6/2015	COR03	JOHN CORBETT	96.00	B50403	ACWA 2015 DROUGHT BRIEFING
29482	4/6/2015	COR07	JOHN W. CORBETT	125.00	B50325	BOARD MTG ON 3/4/15
29483	4/6/2015	COU09	DAVID R. COUCH	125.00	B50325	BOARD MTG ON 3/4/15
29484	4/6/2015	EDW01	HELEN L. EDWARDS	125.00	B50325	BOARD MTG ON 3/4/15
29485	4/6/2015	FRI05	LESLEY FRISBEE	284.00	B50304	AMERICAN CAMP ASSOCIATION
29486	4/6/2015	HAR13	The Hartford - Priority A	368.31	B50403	GROUP LIFE INSURANCE
29487	4/6/2015	HUB02	HUB INTERNATIONAL INSURANCE	235.44	B50403	SPECIAL EVENT INSURANCE
29488	4/6/2015	HUM01	HUMBOLDT BAY MUNI WATER DISTRICT	65,117.07	B50401	WATER PURCHASED FOR MARCH
29489	4/6/2015	HUM08	HUMBOLDT SANITATION	993.10	B50401	TRASH SERVICE FOR MARCH 2015
29490	4/6/2015	HUM42	HUMBOLDT OUTFITTERS	514.74	B50401	REC PROGRAM SUPPLIES
29491	4/6/2015	KEN02	KENNEDY/JENKS CONSULTANTS	6,310.00	90507	WWMF UPGRADE
29492	4/6/2015	LOP01	HANNAH LOPEZ	60.00	B50403	CONTRACT BASKETBALL REFEREE
29493	4/6/2015	MAY02	DENNIS MAYO	125.00	B50325	BOARD MTG ON 3/4/15
29494	4/6/2015	MIL01	Miller Farms Nursery	2,119.79	B50403	REPAIRS/SUPPLY
29495	4/6/2015	NEC01	NEC FINANCIAL SERVICES,LLC	373.92	B50403	PHONE SYSTEM

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29496	4/6/2015	PAU03	TIM PAUP	150.00	B50403	CONTRACT BASKETBALL REFEREE
29497	4/6/2015	PAU04	DAN PAUP	90.00	B50403	CONTRACT BASKETBALL REFEREE
29498	4/6/2015	REN01	RENNER PETROLEUM	2,853.49	B50402	FUEL FOR MARCH 2015
29499	4/6/2015	ROA01	PAUL L. ROACH	135.00	B50403	CONTRACT BASKETBALL REFEREE
29500	4/6/2015	S&S02	S & S WORLDWIDE, INC.	134.32	8510655	REC PROGRAM SUPPLIES
29501	4/6/2015	SAF04	SAFEWAY INC. FILE # 72905	68.09	B50402	REC PROGRAM/OFFC SUPPLIES
29502	4/6/2015	SUD01	SUDDENLINK	134.95	B50402	INTERNET SERVICES FOR MARCH
29503	4/6/2015	UMP03	UMPQUA BANK--VISA	3,765.50	MARCH 03	TRAINING/SUBSCRIPTION
				19.92	MARCH-01	OFFICE SUPPLIES
				1,205.07	MARCH-02	REPAIRS/SUPPLIES/TRAINING
				80.38	MARCH-04	REC PROGRAM SUPPLIES
				78.63	MARCH-05	TRAINING/SAFETY/MEALS
			Check Total:	<u>5,149.50</u>		
29504	4/6/2015	USB01	U.S. BANK TRUST N.A.	7,395.83	B50403	SEWER BOND PAYMENT
29505	4/6/2015	VER01	VERIZON WIRELESS	122.19	B50402	CELL PHONES FOR MARCH 2015
29506	4/6/2015	WHE02	GEORGE A. WHEELER JR.	125.00	B50325	BOARD MTG ON 3/4/15
29507	4/6/2015	\B023	MQ CUSTOMER REFUND FOR BA	4.67	000B50401	MQ CUSTOMER REFUND FOR BA
29508	4/6/2015	\D008	MQ CUSTOMER REFUND FOR DY	74.52	000B50401	MQ CUSTOMER REFUND FOR DY
29509	4/6/2015	\G011	MQ CUSTOMER REFUND FOR GO	62.27	000B50401	MQ CUSTOMER REFUND FOR GO
29510	4/6/2015	\H003	MQ CUSTOMER REFUND FOR HA	42.67	000B50401	MQ CUSTOMER REFUND FOR HA

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29511	4/6/2015	\H029	MQ CUSTOMER REFUND FOR HE	38.81	000B50401	MQ CUSTOMER REFUND FOR HE
29512	4/6/2015	\K012	MQ CUSTOMER REFUND FOR KA	28.37	000B50401	MQ CUSTOMER REFUND FOR KA
29513	4/6/2015	\M013	MQ CUSTOMER REFUND FOR MC	10.31	000B50401	MQ CUSTOMER REFUND FOR MC
29514	4/6/2015	\P002	MQ CUSTOMER REFUND FOR PH	14.64	000B50401	MQ CUSTOMER REFUND FOR PH
29515	4/6/2015	\S004	MQ CUSTOMER REFUND FOR ST	80.49	000B50401	MQ CUSTOMER REFUND FOR ST
29516	4/6/2015	\W009	MQ CUSTOMER REFUND FOR WE	80.00	000B50401	MQ CUSTOMER REFUND FOR WE
29517	4/9/2015	WIL09	WILLDAN FINANCIAL SERVICE	3,133.75	B50409P	SEWER RATE STUDY POSTAGE
29518	4/9/2015	STA06	STANDARD REGISTER	3,133.75	B50409P	SEWER RATE STUDY POSTAGE
29519	4/13/2015	*0051	JOB REFUND AH8	1,109.31	B50413	JOB REFUND AH8
29520	4/13/2015	*0052	PANTHER PARTNER MHSBC, INC	120.00	B50413	MAC FACILITY REFUND
29521	4/13/2015	ACW01	CB&T/ACWA-JPIA	11,852.01	B50407	GROUP HEALTH INSURANCE
29522	4/13/2015	ARC02	Arcata Stationers	428.09	B50407	OFFICE SUPPLIES
29523	4/13/2015	COS03	COSTCO WHOLESALE	104.71	B50403	REC PROGRAM/OFFC SUPPLIES
29524	4/13/2015	CRO03	CROWN TROPHY PETALUMA	92.82	21454	REC PROGRAM SUPPLIES
29525	4/13/2015	DEP05	DEPARTMENT OF JUSTICE	64.00	91067	FINGERPRINTING FOR REC PROG
29526	4/13/2015	EUR05	Eureka Oxygen Co	61.44	68076	SMALL TOOL PURCHASE
29527	4/13/2015	GRA02	GRAINGER	224.20	969384193	SAFETY SUPPLIES

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29528	4/13/2015	HAR03	HARVEY M. HARPER CO.	75.13	B50319	VEHICLE MAINTENANCE
				75.51	B50403	VEHICLE MAINTENANCE
			Check Total:	<u>150.64</u>		
29529	4/13/2015	MCK03	MCKINLEYVILLE OFFICE SUPPLY	7.26	46670	REPAIRS AND SUPPLIES
29530	4/13/2015	MCK04	MCK ACE HARDWARE	1,098.34	B50407	REPAIRS/SUPPLY
29531	4/13/2015	MIT01	Mitchell, Brisso, Delaney	793.00	35988	LEGAL SERVICES
29532	4/13/2015	MUN02	MUNICIPAL MAINTENANCE	396.13	98997	CONSTRUCTION EQUIP. REPAIR
29533	4/13/2015	NOR01	NORTH COAST LABORATORIES	3,953.00	B50407	LAB TESTS
29534	4/13/2015	NOR03	NO. COAST VETERINARY HOSP	125.00	8414	PROFESSIONAL SERVICES
29535	4/13/2015	NOR13	NOR. CALIF. SAFETY CONSORTIUM	80.00	21243	SAFETY TRAINING
				100.00	21263	SAFETY TRAINING
			Check Total:	<u>180.00</u>		
29536	4/13/2015	NOR36	NORTH COAST PARTS & SUPPLIES	73.37	B50402	REPAIRS/ SUPPLIES
29537	4/13/2015	NYL01	NYLEX.NET	384.00	358	PROFESSIONAL SERVICES
29538	4/13/2015	PGE01	PG & E (Office & Field)	13,366.60	B50407	GAS & ELECTRIC
29539	4/13/2015	PRE08	PRECISION INTERMEDIA	23.75	15-976	PROFESSIONAL SERVICES
29540	4/13/2015	PRO01	PROFESSIONAL CREDIT SERVICES	15.72	B50413	RECOVERY OF BAD DEBT
29541	4/13/2015	STA11	STAPLES CREDIT PLAN	480.09	B50413	OFFICE SUPPLIES
29542	4/13/2015	THO02	Thomas Home Center	224.64	B50408	REPAIRS/SUPPLY
29543	4/13/2015	UPS01	UPS	29.55	B50413	LAB SHIPMENT

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29544	4/21/2015	*0001	AZALEA HALL DEPOSIT REFUND LP	100.00	B50421	AZALEA HALL DEPOSIT REFUND LP
29545	4/21/2015	*0002	AZALEA HALL DEPOSIT REFUND ES	100.00	B50421	AZALEA HALL DEPOSIT REFUND ES
29546	4/21/2015	*0003	REFUND CS - STAFF ERROR	50.00	B50421	REFUND CS - STAFF ERROR
29547	4/21/2015	*0004	AZALEA HALL DEPOSIT REFUND ST	100.00	B50421	AZALEA HALL DEPOSIT REFUND ST
29548	4/21/2015	AIR01	AIRGAS USA, LLC.	147.65	903748341	REPAIRS/ SUPPLIES
29549	4/21/2015	ATT01	AT&T	614.69	B50421	PHONE SERVICE FOR APRIL 2015
29550	4/21/2015	BOR01	BORGES & MAHONEY CO.	452.13	B50407	LAB TESTING SUPPLIES
29551	4/21/2015	COA01	COASTAL BUSINESS SYSTEMS	1,206.05	B50421	SHARP MONTHLY PAYMENT
29552	4/21/2015	COR03	JOHN CORBETT	20.00	B50421	ACWA 2015 DROUGHT BRIEFING
29553	4/21/2015	EUR06	EUREKA READY MIX	498.80	10329	REPAIRS/SUPPLY
29554	4/21/2015	FOR01	FORTUNA IRON	309.33	41698	REPAIRS/ SUPPLIES
29555	4/21/2015	FRE07	FRESHWATER ENVIRONMENTAL	480.00	901	PROFESSIONAL SERVICES
29556	4/21/2015	FRI05	LESLEY FRISBEE	1,478.78	B50421	AMERICAN CAMP ASSOCIATION
29557	4/21/2015	IND01	INDEPENDENT BUS. FORMS	845.78	B50421	OFFICE SUPPLIES
29558	4/21/2015	MEN01	MENDES SUPPLY CO.	764.54	B50407	JANITORIAL SUPPLIE FOR MARCH
29559	4/21/2015	STA09	S.W.R.C.B.	170.00	B50420	CERTIFICATE RENEWAL
29560	4/21/2015	UPS01	UPS	260.21	B50421	LAB SHIPMENT

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29561	4/27/2015	*0005	KIDS CLUB REFUND VC	146.00	B50421	KIDS CLUB REFUND VC
29562	4/27/2015	COR03	JOHN CORBETT	-	03u	Ck# 029562 Reversed
29563	4/27/2015	HEN03	JAMES G. HENRY	255.00	B50423	2015 CRWA EXPO
29564	4/27/2015	HUC01	DELILAH HUCK	341.25	B50427	CONTRACTED INSTRUCTOR PMT
29565	4/27/2015	MAY03	DENNIS MAYO	305.00	B50319	ACWA 2015 SPRING CONFERENCE
29566	4/27/2015	ORE01	O'REILLY AUTOMOTIVE, INC.	12.45	B50423	REPAIRS/SUPPLY
29567	4/27/2015	SIE02	SIERRA CHEMICAL CO.	4,530.44	4530.44	CHLORINE/CONTAINER DEPOSITS
29568	4/27/2015	STO06	P. KYLE STONE	224.99	B50423	SAFETY BOOTS
29569	4/27/2015	WHE03	GEORGE WHEELER	112.00	B50320	ACWA 2015 SPRING CONFERENCE
29570	4/27/2015	HOM01	REC PROGRAM REIMB MH	-	B50427P	Ck# 029570 Reversed
29573	4/29/2015	UMP04	UMPQUA BANK	65,777.95	B50429P	Meas. B LOAN PAYMENT
29574	4/29/2015	COR01	CORBIN WILLITS SYSTEMS, INC	-	850331P	Ck# 029574 Reversed
29575	4/29/2015	MIL03	THE MILL YARD	-	32563P	Ck# 029575 Reversed
29577	4/29/2015	HAR03	HARVEY M. HARPER CO.	-	B50429P	Ck# 029577 Reversed
29578	4/30/2015	*0007	DAVID KNIFE	30.00	B50430	FINGERPRINTING REIMBURSEMENT
29579	4/30/2015	*0008	RYAN BATES	20.00	B50430	FINGERPRINTING REIMBURSEMENT
29580	4/30/2015	*0009	RICKY GRUTZMACHER	20.00	B50430	FINGERPRINTING REIMBURSEMENT
29581	4/30/2015	*0010	JOSHUA WOLF	20.00	B50430	FINGERPRINTING REIMBURSEMENT

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29582	4/30/2015	*0011	DAVID FISHER	20.00	B50430	FINGERPRINTING REIMBURSEMENT
29583	4/30/2015	*0012	ROBERT BERNSTEIN	25.00	B50430	FINGERPRINTING REIMBURSEMENT
				216,273.27		
Total Disbursements, Accounts Payable:				216,273.27		

Payroll Related Disbursements

12692-12727	4/6/2015	Various Employees	17,201.60		Payroll Checks
12728	4/6/2015	CAL12	4,933.85	B50406	RETIREMENT
		CalPERS 457 Plan	311.35	1B50406	PERS 457 LOAN PMT
		Check Total:	5,245.20		
12729	4/6/2015	DIR01	26,084.71	B50406	Direct Deposit
12730	4/6/2015	EMP01	1,581.72	B50406	STATE INCOME TAX
		Employment Development	534.38	1B50406	SDI
		Check Total:	2,116.10		
12731	4/6/2015	EMP02	12,895.54	B50331	SUI
12732	4/6/2015	HUM29	5,471.34	B50406	FEDERAL INCOME TAX
		UMPQUA BANK--PAYROLL DEP.	7,355.48	1B50406	FICA
			1,720.16	2B50406	MEDICARE
		Check Total:	14,546.98		
12733	4/6/2015	ACW01	49,181.20	B50331	MED & DENTAL INSUR
12734	4/6/2015	AFL01	21.65	B50331	AFLAC (PRE-TAX)
12735	4/6/2015	PUB01	17,775.07	B50331	PERS PAYROLL REMITTANCE

McKinleyville Community Services District
Cash Disbursement Report
For the Period April 1 through April 30, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
12736	4/7/2015		Employee Payroll	7,899.40		Final Paycheck
12737-12738			VOID	-		VOIDED Checks
12739-12766	4/22/2015		Various Employees	16,010.40		Payroll Checks
12767	4/22/2015	CAL12	CalPERS 457 Plan	4,859.31	B50422	RETIREMENT
				311.35	1B50422	PERS 457 LOAN PMT
			Check Total:	<u>5,170.66</u>		
12768	4/22/2015	DIR01	DIRECT DEPOSIT VENDOR- US	24,604.40	B50422	Direct Deposit
12769	4/22/2015	EMP01	Employment Development	1,205.87	B50406A	STATE INCOME TAX
				1,425.26	B50422	STATE INCOME TAX
				115.82	1B50406A	SDI
				501.86	1B50422	SDI
			Check Total:	<u>3,248.81</u>		
12770	4/22/2015	HUM29	UMPQUA BANK--PAYROLL DEP.	2,778.69	B50406A	FEDERAL INCOME TAX
				5,129.56	B50422	FEDERAL INCOME TAX
				1,595.68	1B50406A	FICA
				6,925.90	1B50422	FICA
				373.18	2B50406A	MEDICARE
				1,619.70	2B50422	MEDICARE
			Check Total:	<u>18,422.71</u>		
			Total Disbursements, Payroll:	<u>220,424.43</u>		
			Total Check Disbursements:	436,697.70		

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

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

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

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

Recommendation:

Staff recommends that authorize 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.

Discussion:

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

1st Notice	April 10, 2015
10 Day Notice	May 20, 2015
Board Meeting	June 3, 2015
Lock	July 6, 2015
ROUTES 5 & 6	

Account #	Address	Model of DCV	Date s/o out
5-425-000	1275 Central	Febco 850	

Updated 05/28/15

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Consider approval of 2014 Consumer Confidence Report (CCR)**

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

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

Recommendation:

Staff recommends that the Board approve the Consumer Confidence Report for distribution in the Summer/Fall News Letter.

Discussion:

In 1996, Congress amended the Safe Drinking Water Act, adding a requirement that water systems deliver to their customers a brief annual water quality report, similar to the Annual Water Quality Report (AWQR) that California water systems began distributing in 1990. However, the CCR regulatory requirements are more specific and detailed in terms of content and format than those for the AWQR. These CCRs summarize information that our water system already collects to comply with regulations.

The CCR includes information on source water, levels of any detected contaminants, and compliance with drinking water regulations (including monitoring requirements), plus some educational information.

MCSD is required to deliver the annual CCR to consumers by July 1 of each year. The CCRs are based on data collected between January and December 2014. The CCR will be distributed as part of the MCSD Summer News Letter.

MCSD 2014 CCR is compliant with Title 22, Chapter 15, Article 20 and the California Health and Safety Code, section 116470 and was drafted using the CCR Guidance Template.

As part of the federal drinking water program, United States Environmental Protection Agency (USEPA) issues a list of currently unregulated contaminants to be tested by Public Water Systems throughout the nation. This process occurs every five years pursuant the Unregulated Contaminant Monitoring Rule (UCMR). The purpose of the UCMR program is to determine the prevalence of unregulated contaminants in drinking water. Results of this testing help USEPA determine whether or not to regulate new contaminants for protection of public health.

The District participated in the current UCMR 3 testing in 2014. The District tested 28 constituents on USEPA's List 1 (Assessment Monitoring). Of the 28 constituents tested, 24 were non-detected and four had results. The attachment

shows the four constituents with results above their minimum reporting levels (MRL). Although unregulated by USEPA, two of the four have maximum contaminant levels (MCL) established or proposed by State Water Board (SWB). Information on the likely source and potential health effects is also included.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – 2014 Consumer Confidence Report

McKinleyville Community Services District (MCSD)

2014 Consumer Confidence Report

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

Last year, as in years past, your tap water met all United States Environmental Protection Agency (USEPA) and State drinking water health standards. MCSD vigilantly safeguards its water infrastructure and once again, we are proud to report that our system did not violate a maximum contaminant level or any other water quality standard in 2014.

Introduction and Background

For a number of years, California State Law has required that water systems prepare an *Annual Water Quality Report* for their customers providing information regarding the quality of water delivered to them. The 1996 amendments to the federal Safe Drinking Water Act introduced new reporting requirements - namely preparation of a *Consumer Confidence Report* - with essentially the same purpose as that of the *California Water Quality Report*. Since 1999, California water systems must comply with federal reporting requirements. This report represents the McKinleyville Community Service District's 2014 Consumer Confidence Report. It is a snapshot of the quality of the water we provided last year. Included are details about where your water comes from, what it contains, and how it compares to State standards.

If you have any questions about this report or the quality of your drinking water, please call Greg Orsini, General Manager at 839-3251. You may also attend one of the regularly scheduled meetings of our Board of Directors, which are held the first Wednesday of each month at 7:00 p.m. at Azalea Hall (1620 Pickett Road).

Water Source

Drinking water delivered by the McKinleyville Community Services District (MCSD) is supplied by the Humboldt Bay Municipal Water District (HBMWD). HBMWD water is drawn from wells located in the bed of the Mad River northeast of Arcata along Highway 299. These wells, called Ranney Wells, extract water from the sands and gravel of the riverbed at depths of 60 to 90 feet, thereby providing a natural filtration process. In low rainfall periods, this naturally filtered water is then disinfected via chlorination and delivered, without further treatment, to the HBMWD's wholesale municipal and retail customers in the greater Eureka/Arcata area. The District's source water has been classified by the State Water Resources Control Board (SWRCB) as groundwater. The classification is important with respect to the regulations that a water system must follow to ensure water quality.

In the late 1990s heavy winter rainfalls and high river levels were accompanied by increased turbidity (cloudiness) in the District's water. While turbidity itself is not a health concern, there is concern that it may interfere with the disinfection process. In 1997, DHS mandated that the District take steps to control the turbidity in its drinking water. Together with its wholesale customers, the new Turbidity Reduction Facility (TRF) was constructed and became operational in late 2002. For the first time in many years the District met the State's secondary maximum contaminant level standard for turbidity of less than 5 NTU (the unit which turbidity is measured). The TRF operates only during winter months.

General Water Quality

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S. EPA's Safe Drinking WATER hotline (1-800-426-4791) or visiting the USEPA website (<http://water.epa.gov/drink/standards/hascience.cfm>).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and can pick up substances resulting from the presence of animals or human activity. Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.
- Inorganic contaminants such as salts and metals, that can be naturally-occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.
- Organic chemical contaminants including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, agriculture application, and septic systems.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, persons with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA and the Center for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by cryptosporidium and other microbial contaminants are available from the USEPA's Safe Drinking Water Hotline (1-800-426-4791) or visiting their website (<http://water.epa.gov/drink/standards/hascience.cfm>).

HBMWD consistently and frequently monitors for the presence of giardia and cryptosporidium in its drinking water. Since the mid-1990s, when the EPA approved the testing technique for these contaminants, HBMWD has never had a confirmed detection of either contaminant.

Water Quality Testing Results

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency and the State Water Resources Control Board (State Board) prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. HBMWD treats its water and performs annual monitoring and testing, in accordance with the USEPA and the State Board regulations and requirements, to ensure its water is safe to drink. In addition, MCSD performs separate monitoring and testing, in accordance with the USEPA and the State Board regulations and requirements, to ensure that the water quality remains high within the MCSD storage and distribution systems. Additional monitoring performed by MCSD includes laboratory analysis for coliform bacteria, disinfection byproducts and lead/copper. Test results for disinfection byproducts and lead/copper are included in the MCSD test results table. The MCSD testing for coliform produced one positive test and no positives upon retesting. Test results for disinfection byproducts have been below the Maximum Contaminant Level (MCL).

In 2014, HBMWD conducted approximately 297 water quality tests for 40 contaminants. MCSD also performed approximately 266 water quality tests during 2014. The results from both the HBMWD's and the MCSD's 2014 monitoring and testing programs indicate that our water quality is very high, as has consistently been the case in past years.

The tables enclosed in the newsletter list all the drinking water contaminants that were *monitored* during 2014. Additionally, the State requires that both Districts monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Therefore, results from prior years are included if such a contaminant was detected. There are very few entries in the tables because very few contaminants were actually detected in prior years. It is once again important to note that the presence of these contaminants does not necessarily indicate that the water poses a health risk.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. MCSD is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at (<http://www.epa.gov/safewater/lead>).

During 2014, the District was also required to test for unregulated contaminants as part of the Unregulated Contaminant Monitoring Rule 3. The testing and results are described in the following tables. It is important to note that the presence of contaminants does not necessarily indicate that the water poses a health risk.

Definitions of Terms Used in This Report:

You will find many terms and abbreviations in the table below. To help you understand these terms, the following definitions are provided:

- **Public Health Goal (PHG):** The level of a contaminant in drinking water, below 9 which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.
- **Maximum Contaminant Level Goal (MCLG):** The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.
- **Maximum Contaminant Level (MCL):** The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs cover the aesthetic quality of the water such as odor, taste and appearance.
- **Primary Drinking Water Standard (PDWS):** MCLs for contaminants that affect health along with monitoring, reporting requirements and water treatment requirements.
- **Maximum Residual Disinfectant Level (MRDL):** The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
- **Maximum Residual Disinfectant Level Goal (MRDLG):** The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
- **Regulatory Action Level (RAL):** The concentration of a contaminant which, when exceeded, triggers treatment or other requirements that a water system must follow.
- **n/a:** not applicable
- **ND:** not detectable at testing limit
- **ppb:** parts per billion or micrograms per liter (**µg/L**)
- **ppm:** parts per million or milligrams per liter (**mg/L**)
- **pCi/l:** picocuries per liter (**a measure of radiation**)
- **mgCaCO₃/L:** milligrams of calcium carbonate per liter (**a measure of hardness**)
- **microseimens/ cm :** a measure of specific conductance (**µS/cm**)
- **NTU:** Nephelometric Turbidity Units
- **Detection Limit for Purposes of Reporting (DLR):** The DLR is a parameter that is set by state regulation for each reportable contaminant. The presence of these contaminants in the drinking water at its DLR does not necessarily indicate that the water poses a health risk and can be below its MCL.
- **Minimum Reporting Level (MRL):** The MRL is defined by the USGS National Water Quality Laboratory as the smallest measured concentration of a substance that can be reliably measured by using a given analytical method.

TABLE 1 – SAMPLING RESULTS SHOWING THE DETECTION OF COLIFORM BACTERIA

Microbiological Contaminants (complete if bacteria detected)	Highest No. of Detections	No. of months in violation	<i>MCL</i>	MCLG	Typical Source of Bacteria
Total Coliform Bacteria	(In a mo.) 0	0	More than 1 sample in a month with a detection	0	Naturally present in the environment
Fecal Coliform or <i>E. coli</i>	(In the year) 0	0	A routine sample and a repeat sample detect total coliform and either sample also detects fecal coliform or <i>E. coli</i>	0	Human and animal fecal waste

TABLE 2 – SAMPLING RESULTS SHOWING THE DETECTION OF LEAD AND COPPER

Lead and Copper (complete if lead or copper detected in the last sample set)	Sample Date	No. of samples collected	90th percentile level detected	No. sites exceeding AL	AL	PHG	Typical Source of Contaminant
Lead (µg/L)	2014	5	2.0	0	15	0.2	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers, erosion of natural deposits
Copper (mg/L)	2014	5	0.925	0	1.3	0.3	Internal corrosion of household plumbing; erosion of natural deposits; leaching from wood preservatives

TABLE 3 – SAMPLING RESULTS FOR SODIUM AND HARDNESS

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium (mg/L)	2007	3.6		none	none	Salt present in the water and is generally naturally occurring
Hardness (mg/L as CaCO ₃)	2007	68		none	none	Sum of polyvalent cations present in the water, generally magnesium and calcium, and are usually naturally occurring

TABLE 4 – DETECTION OF CONTAMINANTS WITH A <u>PRIMARY</u> DRINKING WATER STANDARD						
Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL [MRDL]	PHG (MCLG) [MRDLG]	Typical Source of Contaminant
TTHMs (µg/L) – (Total Trihalomethanes)	2014	Average = 6.2		80	n/a	By-product of drinking water chlorination
HAA5 (µg/L) (Haloacetic Acids)	2014	Average = ND		60	n/a	By-product of drinking water chlorination
Chlorine (mg/L)	2014	Average = 0.74		4	4	Drinking water disinfectant added for treatment.
Aluminum (mg/L)	2006	0.16		1	0.6	Discharges from industrial manufacturers, erosion of natural deposits
TABLE 5 – DETECTION OF CONTAMINANTS WITH A <u>SECONDARY</u> DRINKING WATER STANDARD						
Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	<i>Typical Source of Contaminant</i>
Chloride (mg/L)	2007	Average = 2.8		500	n/a	Runoff/leaching from natural deposits, or seawater influence
Sulfate (mg/L)	2007	Average = 9.5		500	n/a	Runoff/leaching from natural deposits; industrial wastes
Specific Conductance (µS/cm)	2013	Average = 140		1,600	n/a	Substances that form ions when in water
Total Dissolved Solids (mg/L)	2007	Average = 93		1,000	n/a	Runoff/leaching from natural deposits
Turbidity (NTU)	2014	Average = 0.07	0.02 – 0.61	5	n/a	Turbidity has no health effects. However, high levels of turbidity can interfere with disinfection and provide a medium for microbial growth. Turbidity may indicate the presence of disease-causing organisms. These organisms include bacteria, viruses, and parasites that can cause symptoms such as nausea, cramps, diarrhea and associated headaches.

Unregulated Contaminant Monitoring Rule (UCMR)3 – 2013 Testing Results

As part of the federal drinking water program, USEPA issues a list of currently unregulated contaminants to be tested by Public Water Systems throughout the nation. This process occurs every five years pursuant the Unregulated Contaminant Monitoring Rule (UCMR). The purpose of the UCMR program is to determine the prevalence of unregulated contaminants in drinking water. Results of this testing help USEPA determine whether or not to regulate new contaminants for protection of public health.

There have been three cycles of monitoring: UCMR 1 (2001-2003), UCMR 2 (2008-2010), and UCMR 3 (2013-2015). The District participated in UCMR1 and UCMR2 in which 37 constituents were tested; all results were non-detect. The District also participated in the UCMR 3 testing in 2013. The District tested 28 constituents on USEPA’s List 1 (Assessment Monitoring) and List 2 (Screening Survey). Of the 28 constituents tested, 24 were non-detect and four had results. The table below shows the four constituents with results above their minimum reporting levels (MRL). Although unregulated by USEPA, two of the four have MCLs established or proposed by SWRCB. Information on the likely source and potential health effects are also included.

TABLE 6 – DETECTION OF UNREGULATED CONTAMINANTS						
Chemical or Constituent (and reporting units)	Sample Date	Range of Detections	Notification Level	MCL	PHG	Health Effects Language
Chromium 6+ (µg/L)	2013	0.18 - 0.23	n/a	10 ¹	0.02	Naturally occurring from geological formations, also from manufacturing of textile dyes, wood preservation, leather tanning, and anti-corrosion coatings.
Chromium, Total (µg/L)	2013	0.20 – 0.39	n/a	50	n/a	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits. Some people who use water containing chromium in excess of the MCL over many years may experience allergic dermatitis.
Strontium, Total (µg/L)	2013	240 – 310	n/a	n/a	n/a	Strontium is a silvery metal that rapidly turns yellowish in air. Strontium is found naturally as a non-radioactive element. Strontium has 16 known isotopes. Naturally occurring strontium is found as four stable isotopes Sr-84, -86, -87, and -88. Twelve other isotopes are radioactive.
Vanadium, Total (µg/L)	2013	0.38 – 0.65	50	n/a	n/a	Naturally-occurring; the primary possible contaminating activity is steel manufacturing and in association with hazardous waste sites. The babies of some pregnant women who drink water containing vanadium in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.

¹The MCL for Chromium 6+ became effective on July 1, 2014.

McKinleyville Community Services District Testing: DISTRIBUTION SYSTEM

McKinleyville Community Services District
2014 Consumer Confidence Report

Contaminant and units	Level Detected	MCL	PHG (or MCLG)	Likely Source and Potential Effects (if above MCL)
Microbiological Contaminants -- 216 Samples				
Total Coliform Bacteria	One positive test Zero on retest	More than one positive sample monthly	Zero positives	Naturally present in the environment
Fecal Coliform And E. coli. Bacteria	Zero positive	A routine sample and a repeat sample are total coliform positive, and one is also fecal coliform positive	Zero positive	Fecal coliform and E. coli. are bacteria whose presents indicates that water may be contaminated with human waste or animal fecal waste
Disinfection Byproducts and Disinfectant Residuals				
TTHMs – Total (µg/L) Trihalomethanes	Average= 14.0	80 µg/L	n/a	By-product of drinking water chlorination
HAA5 (µg/L) Halo acetic Acids	Average= 6.4	60 µg/L	n/a	By-product of drinking water chlorination
Chlorine (mg/L)	Average= 0.49	4 mg/L	4	Drinking water disinfection
Lead and Copper				
Copper (mg/L)*	Thirty sites tested none above the AL 90 th percentile= 1.21	AL = 1.3 mg/L	0.3 mg/l	Internal corrosion of household plumbing; erosion of natural deposit
Lead (µg/L)*	Thirty sites tested none above the AL 90 th percentile= 2.63	AL = 15 µg/L	0.2 µg/L	Internal corrosion of household plumbing systems; discharges from industrial manufactures, erosion of natural deposits

*Samples taken in 2013

Additional Water Characteristics
Sodium and Hardness

Although sodium and hardness do not have MCLs, they are of interest to many consumers who are concerned about sodium intake.

Hardness is the sum of polyvalent cations present in water, generally magnesium and calcium. The cations are, usually naturally occurring.

Sodium refers to salt present in water and is generally naturally occurring.

Sodium (ppm) *	Average = 3.6	Samples Taken in 2007
Hardness * (mgCaCO ₃ /L)	Range = 57 – 80 Average = 67	Samples Taken in 2005

Unregulated Contaminant Monitoring Rule (UCMR) 3 – 2014 Testing Results

As part of the federal drinking water program, USEPA issues a list of currently unregulated contaminants to be tested by Public Water Systems throughout the nation. This process occurs every five years pursuant the Unregulated Contaminanat Monitoring Rule (UCMR). The purpose of the UCMR program is to determine the prevalence of unregualted contaminants in drinking water. Results of this testing help USEPA determine whether or not to regulate new contaminants for protection of public health.

The District participated in the current UCMR 3 testing in 2014. The District tested 28 constituents on USEPA’s List 1 (Assessment Monitoring). Of the 28 constituents tested, 24 were non-detected and four had results. The table below shows the four constituents with results above their minimum reporting levels (MRL). Although unregulated by USEPA, two of the four have MCL’s established or proposed by CDPH. Information on the likely source and potential health effects is also included.

McKinleyville Community Services District Testing: UCMR 3

Contaminant and Units	Level Detected	Levels & Goals (see last page for definitions)			Likely Source and Potential Effects (if above MCL)
		MRL	MCL	PHG	
Unregulated Contaminant Monitoring Rule 3 – Detected Chemicals					
Chromium 6 +	Range = 0.34 – 0.45 µg/L	0.03 µg/L	10 µg/L (adopted July 1 2014)	0.02 µg/L	Naturally occurring from geological formations, also from manufacturing of textile dyes, wood preservation, leather tanning, and anti-corrosion coatings.
Chromium, Total	Range = 0.25 – 0.34 µg/L	0.20 µg/L	50 µg/L	n/a	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits. Some people who use water containing chromium in excess of the MCL over many years may experience allergic dermatitis.
Strontium, Total	Range = 347 – 348 µg/L	3.00 µg/L	n/a	n/a	Strontium is a silvery metal that rapidly turns yellowish in air. Strontium is found naturally as a non-radioactive element. Strontium has 16 known isotopes. Naturally occurring strontium is found as four stable isotopes Sr-84, -86, -87, and -88. Twelve other isotopes are radioactive.
Vandium, Total	Range = 0.68 – 0.70 µg/L	0.20 µg/L	n/a	n/a	Naturally-occurring; the primary possible contaminating activity is steel manufacturing and in association with hazardous waste sites. The babies of some pregnant women who drink water containing vanadium in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.

Note: Vanadium has Notification level of 50 µg/L

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.5 **Approval of Intertie Transfer for Humboldt Bay
Municipal Water District (HBMWD)**

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

TYPE OF ACTION: **Role Call Vote- Consent Calendar**

Recommendation:

Authorize Board President to execute Intertie Transfer Agreement with Humboldt Bay Municipal Water District.

All facilities are the property of the District and will be maintained by District personnel.

Discussion:

The Intertie between the City of Arcata and MCSD is an important component of the district hazard mitigation program and allows the bridge pipeline to be utilized consistent with our Strategic Plan. Water can now be transferred in either direction between Arcata and McKinleyville.

This project was accomplished through a multi agency cooperative effort including MBMWD, MCSD, city of Arcata and the city of Eureka. Proposition 50 grant funds totaling nearly \$4 million was awarded for this significant regional collaboration.

It is standard practice for MCSD to accept conveyance of all infrastructure dedicated to the district post construction. Finalization of the intertie project requires MCSD to assume responsibility for the infrastructure within our boundaries.

The intertie is comprised of approximately:

- 200 ft. of Ductile Iron Pipe
- 4,000 ft. of C900 Pipe
- Multiple Air Relief Valves and Vaults
- Multiple 12 in. Gate Valves

The General Contractor has provided a 12 month warranty for all work consistent with the construction contract.

Fiscal Analysis

Approximate capitol contribution to our water system \$1.23 million

Exhibits/Attachments

- Attachment 1 – Intertie Transfer HBMWD Resolution

RESOLUTION 2015-05**A RESOLUTION OF THE HUMBOLDT BAY MUNICIPAL WATER DISTRICT AUTHORIZING THE DISPOSITION AND TRANSFER OF COMPONENTS OF THE WATERLINE INTERTIE PROJECT**

WHEREAS, The Humboldt Bay Municipal Water District (“HBMWD”) entered and executed that certain Amended and Restated Special Facilities Agreement Pursuant to Section 7.5 of Ordinance 16 dated May 3, 2013 as further amended by the First Amendment dated June 6, 2014 (collectively the “Facilities Agreement”), with the City of Arcata (“Arcata”), the City of Eureka (“Eureka”), and the McKinleyville Community Services District (“MCSD”) for the purpose of facilitating the construction of certain improvements to waterline transmission infrastructure and waterline connections (the “Intertie Project” or “Project”).

WHEREAS, All components of the Intertie Project have been constructed and are now complete or are substantially complete, and Certificates of Completion have been recorded with respect to each aspect of the Intertie Project or will be recorded on or before the Effective Date of the “Intertie Components Transfer Agreement” appended hereto as **Exhibit “A”**.

WHEREAS, Pursuant to Section 6 of the Facilities Agreement, following completion of the improvements ownership and responsibility for operation and maintenance of each intertie connection and other components of the Intertie Project were allocated to HBMWD, Arcata and MCSD.

WHEREAS, Now that construction of the Intertie Project is complete, it is time to transfer ownership of various components of the Project to the respective entities charged to take ownership and hereafter operate and maintain pursuant to Section 6 of the Facilities Agreement, and that certain written “Intertie Components Transfer Agreement” appended hereto as **Exhibit “A”** has been prepared for the purpose of effectuating the transfer.

WHEREAS, HBMWD has served, at all times relevant, as the “lead agency” on the Project under the California Environmental Quality Act (“CEQA”), California Public Resources Code Section 21000, et seq., and the environmental impacts of the Project and associated waterline installation work have been fully evaluated in that certain document prepared by the Humboldt Bay Municipal Water District pursuant to CEQA entitled: “Humboldt Bay Municipal Water District, HBMWD-MCSD Intertie, SCH#2013012076, Initial Study & Mitigated Negative Declaration” (the “CEQA MND”).

WHEREAS, The CEQA MND was submitted to the California State Clearinghouse (SCH# 2013012076) and other applicable agencies for review, and the 30-day review period was from February 4, 2013 to March 6, 2013.

WHEREAS, A public hearing was held at the HBWMD office located at 828 Seventh Street in Eureka at their normally scheduled Board meeting on February 14, 2013 at 9:00 am.

WHEREAS, Via Resolution 2013-02, on March 14, 2013, the HBMWD Board adopted the CEQA MND, and a Notice of Determination was filed by HBMWD at the Office of Planning and Research and the Humboldt County Clerk on March 15, 2013.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE HUMBOLDT BAY MUNICIPAL WATER DISTRICT DOES HEREBY:

Authorize the Board President to enter the Intertie Components Transfer Agreement in the form appended as **Exhibit "A"** of this Resolution 2015-05, for the purpose of transferring certain components of the intertie project to the City of Arcata and McKinleyville Community Services District as recited therein and consistent with the May 3, 2013 Facilities Agreement.


PASSED, APPROVED AND ADOPTED this 14th day of May 2015 by the following roll call vote:

AYES: Directors Hecathorn, Laird and Sopoci-Belknap

NOES: None

ABSTAIN: None

ABSENT: Directors Rupp and Woo


Barbara Hecathorn, President

ATTEST:

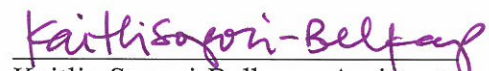

Kaitlin Sopoci-Belknap, Assistant
Secretary/Treasurer

EXHIBIT A

INTERTIE COMPONENTS TRANSFER AGREEMENT

This Intertie Components Transfer Agreement (this “Agreement”) is made and entered effective as of _____, 2015 (the “Effective Date”), by the Humboldt Bay Municipal Water District (“HBMWD”), the City of Arcata (“City of Arcata”) and McKinleyville Community Services District (“MCSD”) (HBMWD, City of Arcata and MCSD being hereinafter referred to, individually, as a “Party” and, collectively, as the “Parties”).

RECITALS

A. WHEREAS, The Parties entered and executed that certain Amended and Restated Special Facilities Agreement Pursuant to Section 7.5 of Ordinance 16 dated May 3, 2013, as further amended by the First Amendment dated June 6, 2014 (collectively the “Facilities Agreement”) for the purpose of facilitating the construction of certain improvements to waterline transmission infrastructure and waterline connections (the “Intertie Project” or “Project”).

B. WHEREAS, All components of the Intertie Project have been constructed and are now complete or are substantially complete, and Certificates of Completion have been recorded with respect to each aspect of the Intertie Project or will be recorded on or before the Effective Date.

C. WHEREAS, Pursuant to Section 6 of the Facilities Agreement, following completion of the improvements ownership and responsibility for operation and maintenance of each intertie connection and other components of the Intertie Project were allocated to HBMWD, Arcata and MCSD.

D. WHEREAS, Now that construction of the Intertie Project is complete, it is time to transfer ownership of various components of the Project to the respective entities charged to take ownership and hereafter operate and maintain pursuant to Section 6 of the Facilities Agreement.

AGREEMENT

NOW, THEREFOR, the Parties hereby agree as follows:

Section 1. Transfer of Intertie Components to the City of Arcata.

Pursuant to Section 6 of the Facilities Agreement, HBMWD hereby transfers all rights title and interest, without warranty, of the following components of the Intertie Project to the City of Arcata:

- a. Arcata/Eureka Intertie. Consisting of a new pipeline interconnection between the City of Arcata’s distribution system and City of Eureka’s Mad River transmission pipeline at the Corner of L.K. Wood Boulevard and 14th Street in Arcata (the “Arcata/Eureka Intertie”), consisting of approximately 90 lineal feet of 12-inch diameter ductile iron pipe (DIP) from, but not including, the 12-inch butterfly valve off the City of Eureka’s 24-inch ductile iron Mad River transmission pipeline, to the connection to the City of

Arcata's 12-inch asbestos concrete pipe, and including the 12-inch turbine meter and vault and all other associated appurtenances.

- b. Arcata/MCSD Intertie. Consisting of a new transmission pipeline from the corner of Giuntoli Lane and Wymore Road, north along Wymore Road to the southern end of the Highway 101 Mad River Bridge (the "Arcata/MCSD Intertie") and consisting of approximately 548-feet of 8-inch PVC pipe, 5,052-feet of 18-inch PVC pipe and all appurtenances including the meter, from the connection to the City of Arcata's 8-inch asbestos concrete pipe at the intersection of Guintoli Lane and Wymore Road to and including the 12-inch gate valve at the southern end of the Highway 101 bridge over the Mad River.
- c. Aldergrove Intertie. The City of Arcata shall own those components of the Aldergrove Intertie specifically described as belonging to the City of Arcata in Section 3.a. of this Agreement, below.
- d. Fraga Easement. In addition to the foregoing, and in order to facilitate the future ownership and operation of various components of the Intertie Project transferred to Arcata as recited above, within ten (10) days following the Effective Date HBMWD will assign and transfer all rights and interests it possesses under that certain "Easement Grant Deed" executed on or about March 20, 2014, by Michael and Jeannette Fraga, as Grantor, for the benefit of HBMWD, as Grantee. The Easement Grant Deed was recorded in the Official Records of Humboldt County, California, on March 26, 2014 as Instrument No. 2014-005421-6.

The City of Arcata agrees to take ownership of the aforementioned components of the Intertie Project, and hereinafter operate and maintain said facilities in a safe, functional condition free from leaks and defects.

Section 2. Transfer of Intertie Components to the McKinleyville Community Services District.

Pursuant to Section 6 of the Facilities Agreement, HBMWD hereby transfers all rights title and interest, without warranty, of the following components of the Intertie Project to MCSD:

- a. Bridge/MCSD Intertie. Consisting of a new transmission pipeline from the northern end of the Highway 101 Mad River Bridge to MCSD's Ramey Pump Station (the "Bridge/MCSD Intertie"), and consisting of and including the 12-inch gate valve at the northern end of the Highway 101 Mad River Bridge, approximately 200-feet of 18-inch DIP, 3,900-feet of 18-inch PVC pipe and all associated appurtenances to the connection to the 18-inch cast iron pipe in the MCSD distribution system adjacent to the Ramey Pump Station.

MCSD agrees to take ownership of the aforementioned components of the Intertie Project, and hereinafter operate and maintain said facilities in a safe, functional condition free from leaks and defects.

3. Intertie Components Retained by HBMWD

Pursuant to Section 6 of the Facilities Agreement, HBMWD hereby retains all rights title and interest of the following components of the Intertie Project:

- a. Aldergrove Intertie. Consisting of a transmission pipeline interconnection from HBMWD's 33-inch municipal water transmission line to City of Arcata's distribution system near Aldergrove Road in Arcata (the "Aldergrove Intertie"). To be owned by HBMWD from their 33-inch pipeline to and including the meter within the Aldergrove Building. This portion consisting of the 33-inch Tee and approximately 950-feet of 12-inch PVC piping, and 45-feet of 12-inch DIP from HBMWD's transmission main to the meter within the Aldergrove Building. HBMWD to own the meter and all appurtenances along this section of the pipeline with the exception of the 12-inch butterfly valve and actuator in the pipeline at the eastern end of the Aldergrove Building. The City of Arcata to own the remainder of the pipeline, the building and remaining appurtenances including approximately 14-feet of 8-inch DIP, 58.5-feet of 12-inch DIP, 23-feet of 12-inch PVC pipe, the storage tank, positive displacement pump and controller, the building components, and all mechanical and electrical equipment within the building, and all appurtenances after the meter.

HBMWD agrees to retain ownership of the aforementioned components of the Intertie Project assigned to HBMWD, and hereinafter shall operate and maintain said facilities in a safe, functional condition free from leaks and defects.

4. Continuation of Facilities Agreement and Integration.

This Agreement is intended to effectuate the transfer of ownership of components of the completed Intertie Project to the respective Parties in accord with Section 6 of the May 3, 2013 Facilities Agreement. All terms, conditions and obligations created by the Facilities Agreement are intended to continue and shall continue, and the Parties obligations pursuant to the Facilities Agreement shall expressly survive execution of this Agreement. This Agreement, along with the Facilities Agreement, are intended to constitute and shall constitute one integrated whole. In the event of any conflict between the Facilities Agreement and this Agreement, the terms and conditions of the Facilities Agreement shall control.

5. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without reference to the choice of law principles thereof.

(b) Entire Agreement; Modification; Waiver. This Agreement, along with the Facilities Agreement, contains the entire agreement between the Parties with respect to the Intertie Project, and there are no agreements, understandings, representations and warranties regarding the subject matter hereof between any Parties other than those set forth or referred to herein or the Facilities Agreement. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by the Parties hereto. Any Party hereto may, only by an instrument in writing, waive compliance by any other Party hereto with any term or provision of this Agreement.

The waiver by any Party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

(c) Counterparts. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties. Photocopies, facsimiles and PDF files of any signed counterpart of this Agreement are effective and valid for any and all purposes as if they were the original signed copy.

(d) No Third Party Beneficiaries. Nothing in this Agreement or any ancillary documents, whether expressed or implied, is intended or shall be construed to confer upon or give to any person, firm, corporation or legal entity other than the Parties any rights, remedies or other benefits under or by reason of this Agreement.

(e) Severability. If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, the validity of the remaining terms and provisions shall not be affected.

6. Ratification by Legislative Bodies. Until such time as this Agreement is formally ratified by the legislative bodies of each Party, this Agreement constitutes a non-binding statement of intent and creates no obligations or liability on behalf of such Party. Any Party who takes any actions in reliance on this Agreement before it is ratified by all legislative bodies of the Parties does so at its own cost and risk.

IN WITNESS WHEREOF, the Parties have executed this Intertie Components Transfer Agreement effective as of the date(s) provided herein.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Barbara Hecathorn
By: Barbara Hecathorn
Its: Board President

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
Its: _____

CITY OF ARCATA

By: _____
Its: _____

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.1 **Adopt Resolution 2015-16 Recognizing, Honoring and Commending Jens Andersen for Ten (10) years of service**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board of Directors participate in the presentation, air questions, take public comment and adopt of Resolution 2015-16 honoring Jens Andersen for ten (10) years of service at the McKinleyville Community Services District.

Discussion:

Attached for the Board of Directors' review is Resolution 2015-16 recognizing, honoring, and commending Jens Andersen for ten (10) years of service. Please join us in presenting Jens Andersen with a Resolution and longevity award acknowledging his continuing outstanding contributions to the McKinleyville Community Services District.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Resolution 2015-16

RESOLUTION 2015-16

A RESOLUTION RECOGNIZING, HONORING, AND COMMENDING JENS ANDERSEN FOR SERVING MCKINLEYVILLE COMMUNITY SERVICES DISTRICT FOR TEN (10) CONTINUOUS YEARS

WHEREAS, JENS ANDERSEN, having faithfully served ten (10) years as an employee of the McKinleyville Community Services District (MCSD) from 2005 to 2015; and

WHEREAS, throughout his years of service, Jens continually demonstrates a commitment and dedication to the recreational needs of our community; and

WHEREAS, Jens lends his knowledge of recreation and programs to enhance and progress the MCSD Parks and Recreation Department; and

WHEREAS, Jens exhibits attributes that make him a valuable member of the MCSD team; and

WHEREAS, Jens has made significant contributions to recreation programs he is responsible for; and

WHEREAS, Jens works with a passionate desire to provide quality, positive experiences for youth and families;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of McKinleyville Community Services District hereby confers upon Jens Andersen its highest commendation for the dedicated service he has performed for the District and the community and, further marks his historic accomplishment as a McKinleyville Community Services District's employee for ten (10) years.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 3rd day of June 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.2 **Adopt Resolution 2015-14 amending the Rules and Regulations Rule 43.03.b Facility Use Fees and 43.03c Event Service Fees**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends the Board of Directors participate in the presentation, air questions, take public comment and adopt Resolution 2015-14 amending the Rules and Regulations, Rule 43.03.b increasing Facility Use Fees and 43.03c Event Service Fees.

Discussion:

Staff has been analyzing facility revenue and expense trends for fiscal year 2013/2014 and the current fiscal year. Facility use fees were last adjusted in June 2012 at which time fees were increased by 5%.

Given that expenses have steadily risen over the last few years, and considering the current fees charged by other agencies for similar facilities in the region, staff recommends increasing fees by 30%-35% depending on the facility. An increase of this amount will better enable cost recovery of maintenance and operating expenses associated with facilities, while still keeping rental fees lower than those charged for similar facilities within the region.

The changes to the Rules and Regulations Rule 43.03.b Facility Use Fees are as follows:

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

ACTIVITY CENTER

Non-Profit Groups/Vendors	\$33.00 \$25.00 /hour
Private Citizen/Business	\$48.00 \$37.00 /hour

AZALEA HALL-ENTIRE FACILITY

Non-Profit Groups/Vendors	\$58.00 \$43.00 /hour
Private Citizen/Business	\$77.00 \$57.00 /hour

AZALEA HALL-HEWITT ROOM

Non-Profit Groups/Vendors	\$45.00 \$33.00 /hour
Private Citizen/Business	\$55.00 \$41.00 /hour
All Day Rate	\$486.00 \$360.00
Half Day Rate	\$288.00 \$213.00

AZALEA HALL-MEETING ROOM

Non-Profit Groups/Vendors	\$16.00 \$12.00 /hour
Private Citizen/Business	\$22.00 \$16.00 /hour

LIBRARY CONFERENCE ROOM

Non-Profit Groups/Vendors	\$24.00 \$18.00 /hour
Private Citizen/Business	\$27.00 \$20.00 /hour

PARKS

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

SPECIAL EVENT SERVICES

Event Setup

Events with less than 100 persons	\$77.00 \$57.00
Events with 101-200 persons	\$107.00 \$79.00
Events with more than 200 persons	\$135.00 \$100.00

Event Cleanup

Events with less than 100 persons	\$135.00 \$100.00
Events with 101-200 persons	\$165.00 \$125.00
Events with more than 200 persons	\$200.00 \$150.00

Rule 45.03.c. EVENT SERVICES FEES. The District shall charge a fee of ~~\$18~~~~\$15~~ per hour for an event host for those events requiring such a host. The minimum charge shall be two hours. Other events service fees shall be determined each year and are based on the direct expense associated with providing said service. Such event fees shall be established and adopted by the Board.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Maintenance costs increase annually. Rental revenues being unpredictable do not cover the entire cost of maintenance. Fees are set to aid in the cost recovery associated with facility maintenance expenses, while General Fund and Measure B dollars are used to make up the difference.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

Attachment 1 - Resolution 2015-14

RESOLUTION 2015 - 14

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING THE RULES AND REGULATIONS, RULE 45.03.B. FACILITY USE FEES

WHEREAS, the Board wishes to provide quality parks and recreation services to its constituents; and

WHEREAS, the Board has determined that fees and charges should reflect District costs of providing services and maintaining facilities; and

WHEREAS, the District has certain fees which may no longer cover operating expenses; and

WHEREAS, the Board may revise and/or increase facility rental fees as deemed necessary by Board action; and

WHEREAS, the amended Rules and Regulations will be duly accepted for implementation effective July 1, 2015.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District does hereby amend the Rules and Regulations, as follows:

REGULATION 45. - PERMITS, FEES AND DEPOSITS

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

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

a. A "Special Event" shall be defined as use deemed to be non-programmatic with estimated attendance of less than 500 persons and no more than posted capacities at indoor facilities; for which off road and facility parking space is adequate; for which street closures are not required; and for which cancellation of approved vendor programs is not required.

b. A "Large Scale Community Event" shall be defined as use deemed to be non-programmatic with estimated attendance of more than 500 persons but no more than posted capacities at indoor facilities or for which off-road and facility parking space is adequate; or for which street closures may be required; or for which cancellation of an approved vendor program is required.

c. A "Vendor Contract" shall be defined as use by those individuals approved by the District Board of Directors, offering ongoing programs on a regular basis for no more than twelve months.

Rule 45.02. FACILITY USAGE PERMIT PROCESS. Any individuals or organizations seeking issuance of a facility usage permit hereunder shall

file a request for permit to use District facilities on the appropriate reservation form provided by the District. All requests must be filed with the District along with the required facility usage deposit, usage fees, proof of appropriate insurance coverage, and fees for other services at least (10) working days prior to the actual event date. The Parks and Recreation Director, under direction of the Board, may impose additional conditions for approval.

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

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

A "Non-Profit Group" shall be defined as any group or organization which can supply proof of non-profit status via the Internal Revenue Service code. Other Governmental entities shall be considered as falling within the guidelines of this definition.

A "Vendor" shall be defined as an individual or organization, approved by the District Board of Directors, that has a fully executed vendor contract for use of District facilities.

A "Private Citizen/Business" shall be defined as other potential users not fitting within the "non-profit group" or "vendor" definition.

A "Commercial Event" shall be defined as an event being held for the purpose of private financial gain for an individual or organization.

An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required for all events except those taking place at Azalea Hall concurrently with McKinleyville Senior Center events or at District facilities for those events sponsored by a District approved vendor.

The "All Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of twelve continuous hours.

The "Half-Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of six continuous hours.

The "Off-Peak Use Discount" shall be defined as a 25% discount on hourly rates only which can be applied to the following facilities and hours only: Activity Center-Monday through Friday before 3:00p.m; Azalea Hall-Sundays and Monday through Thursday after 4:00p.m.

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

ACTIVITY CENTER

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

AZALEA HALL-ENTIRE FACILITY

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

AZALEA HALL-HEWITT ROOM

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

AZALEA HALL-MEETING ROOM

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

LIBRARY CONFERENCE ROOM

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

PARKS

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

SPECIAL EVENT SERVICES

Event Setup

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

Event Cleanup

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

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

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

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on June 3, 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider nomination of Director Dennis Mayo to the Association of California Water Agencies (ACWA) Region One (1) Committee Vice Chair Position and Approve Resolution 2015-13**

PRESENTED BY: **Becky Schuette, Board Secretary/Director Dennis Mayo**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board listen to the information provided, air public comment, and approve Resolution 2015-13 nominating Director Mayo to the ACWA Region 1, Vice Chair Position for the 2016-17 term.

Discussion:

The ACWA Region 1 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 1 for the 2016-17 term. The Nominating Committee is currently seeking candidates for the Region 1 Board which is comprised of Chair, Vice Chair and up to five Board Member positions.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 1 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 1. The members of the Region 1 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

For the past several years Director Mayo has been serving as Vice Chair for the ACWA Board. He has served as a Region 1 Board member and had several committee assignments. Director Mayo finds Federal Affairs and Water Quality to be the most enjoyable committee assignments and finds it rewarding to represent Humboldt County on the Region 1 Board.

The Region 1 Nominating Committee will announce their recommended slate on July 31, 2015, which will mark the start of the election. The election will be completed by September 30, 2015. On October 5, 2015, election results will be announced. The newly elected Region 1 Board Members will begin their two-year term of service on January 1, 2016.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Travel expenses and per diem incurred for ACWA during the recent years are as follows:

FY 2013-14 \$3,700.70

FY 2014-15 \$4,628.68

Two year total - \$8,329.38 for an average of \$4,164.69 per year

This figure could be decreased by utilizing the phone conference option as frequently as possible. It is available for most meetings; however some meetings do require the presence of the Board member.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – ACWA Region 1 Call for Candidates Nomination Packet
- Attachment 2 – Nomination Form for Director Mayo
- Attachment 3 – Resolution 2015-13

MEMORANDUM

Date: May 4, 2015

To: ACWA REGION 1 MEMBER AGENCY PRESIDENTS AND GENERAL MANAGERS
(sent via e-mail)

From: ACWA REGION 1 NOMINATING COMMITTEE
Chris DeGabriele, North Marin Water District
Tami Ipsen, Hidden Valley Lake Community Services District
Carol Rische, Humboldt Bay Municipal Water District

The Region 1 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 1 for the 2016-2017 term. The Nominating Committee is currently seeking candidates for the Region 1 Board, which is comprised of Chair, Vice Chair and up to five Board Member positions.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 1 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 1. The members of the Region 1 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

If you, or someone within your agency, are interested in serving in a leadership role within ACWA by becoming a Region 1 Board Member, please familiarize yourself with the Role of the Regions and Responsibilities; the Election Timeline; and the Region 1 Rules and Regulations (all located at <http://www.acwa.com/content/region-elections>) and complete the following steps:

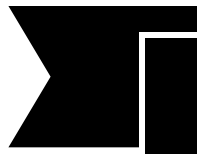
- **Complete the attached Region Board Candidate Nomination Form**
- **Obtain a Resolution of Support from your agency's Board of Directors**
- **Submit the requested information to ACWA as indicated by Tuesday, June 30, 2015**

The Region 1 Nominating Committee will announce their recommended slate on July 31, 2015, which will mark the start of the election. The election will be completed by September 30, 2015. On October 5, 2015, election results will be announced. The newly elected Region 1 Board Members will begin their two-year term of service on January 1, 2016.

If you have any questions, please contact ACWA Regional Affairs Representative Katie Dahl, at katied@acwa.com or (916) 441-4545.



**Association
of California
Water Agencies**
Since 1910
Leadership • Advocacy
Information • Service



REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: _____

Agency: _____ Title: _____

Agency Phone: _____ Direct Phone: _____

E-mail: _____ ACWA Region: _____ County: _____

Address: _____

Region Board Position Preference: (If you are interested in more than one position, please indicate priority – 1st, 2nd and 3rd choice)

☐ Chair _____

☐ Vice Chair _____

☐ Board Member _____

In the event, you are not chosen for the recommended slate, would you like to be listed on the ballot's individual candidate section? (If neither is selected, your name will **NOT** appear on the ballot.)

☐ Yes

☐ No

Agency Function(s): (check all that apply)

☐ Wholesale

☐ Sewage Treatment

☐ Flood Control

☐ Urban Water Supply

☐ Retailer

☐ Groundwater Management / Replenishment

☐ Ag Water Supply

☐ Wastewater Reclamation

☐ Other: _____

Describe your ACWA-related activities that help qualify you for this office:

In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.

I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.

I hereby submit my name for consideration by the Nominating Committee.

(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)

Signature

Title

Date

Submit completed form by June 95 to regionelections@acwa.com.

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
(DISTRICT NAME)
PLACING IN NOMINATION (NOMINEE NAME)
AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES
REGION ____ (POSITION)**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF (DISTRICT NAME) AS FOLLOWS:

A. Recitals

(i) The Board of Directors (Board) of the (District Name) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA).

(ii) (Nominee Title), (Nominee Name) is currently serving as (Position) for ACWA Region ____

and/or

(iii) (Nominee Name) has indicated a desire to serve as a (Position) of ACWA Region ____.

B. Resolves

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF (DISTRICT NAME),

(i) Does place its full and unreserved support in the nomination of (Nominee Name) for the (Position) of ACWA Region ____.

(ii) Does hereby determine that the expenses attendant with the service of (Nominee Name) in ACWA Region ____ shall be borne by the (District Name).

Adopted and approved this ____ day of ____ (month) 2015.

(SEAL)

(Nominee Name), (Title)
(District Name)

ATTEST:

(Secretary Name), Secretary

I, (SECRETARY NAME), Secretary to the Board of Directors of (District Name), hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the ____ day of ____ (month) 2013, and was adopted at that meeting by the following roll call vote:

AYES:

NOES:

ABSENT:

ATTEST:

(Secretary Name), Secretary to the
Board of Directors of
(District Name)

2015 ACWA Region Election Timeline 2016-2017 Term

February 28:

NOMINATING COMMITTEES APPOINTED

- With consensus of the region board, the region chairs appoint at least three region members to serve as the respective region's Nominating Committee
- Those serving on nominating committees are ineligible to seek region offices
- Nominating Committee members are posted online at www.acwa.com

March 1-31:

NOMINATING COMMITTEE TRAINING

- Nominating Committee packets will be e-mailed out to each committee member
- ACWA staff will hold a training session via conference call with each nominating committee to educate them on their specific role and duties
 - Regions 1-5 Nominating Committees: March 18 at 10 a.m.
 - Regions 6-10 Nominating Committees: March 18 at 2 p.m.

May 4:

CALL FOR CANDIDATES

- The call for candidate nominations packet will be e-mailed to ACWA member agency Board Presidents and General Managers
- The call for candidate nominations will be announced at the 2015 ACWA Spring Conference and Exhibition in Sacramento

June 30:

DEADLINE FOR COMPLETED NOMINATION FORMS

- Deadline to submit all Nomination Forms and board resolutions of support for candidacy for region positions
- Nominating Committee members may need to solicit additional candidates in person to achieve a full complement of nominees for the slate

July 10:

CANDIDATE INFORMATION TO NOMINATING COMMITTEES

- All information submitted by candidates will be forwarded from ACWA staff to the respective region Nominating Committee members with a cover memo explaining their task

July 11 - 31:

RECOMMENDED SLATES SELECTED

- Nominating Committees will meet to determine the recommended individuals for their region. The slate will be placed on the election ballot.
- Nominating Committee Chairs will inform their respective ACWA Regional Affairs Representative of their recommended slate by July 24
- Candidates will be notified of the recommended slate by July 30
- The Nominating Committee Chair will approve the official region ballot

July 31:

ELECTIONS BEGIN

- All 10 official electronic ballots identifying the recommended slate and any additional candidates for consideration for each region will be produced and e-mailed to ACWA member agencies only
- Only one ballot per agency will be counted

September 30:

ELECTION BALLOTS DUE

- ***Deadline for all region elections. All region ballots must be received by ACWA by September 30, 2015***

October 5:

ANNOUNCEMENT OF ELECTION RESULTS

- Newly-elected members of the region boards will be contacted accordingly
- An ACWA Advisory will be distributed electronically to all members reporting the statewide region election results
- Results will be posted at acwa.com and will be published in the October issue of *ACWA News*

ACWA Region 1 Rules & Regulations

Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association (ACWA Bylaw V, 6.).

Officers

The chair shall appoint a secretary to the Board if one is deemed necessary.

Meetings

Region 1 will meet quarterly, subject to call of the chair, with two of those meetings to be held at ACWA spring and fall conferences.

Attendance

If a region chair or vice chair is no longer allowed to serve on the Board of Directors due to his / her attendance, the region board shall appoint from the existing region board a new region officer. (ACWA Policy & Guideline Q, 1.)

If a region chair or vice chair misses three consecutive region board / membership meetings, the same process shall be used to backfill the region officer position. (ACWA Policy & Guideline Q, 1.)

If a region board member has three consecutive unexcused absences from a region board meeting or general membership business meeting, the region board will convene to discuss options for removal of the inactive board member. If the vacancy causes the board to fail to meet the minimum requirement of five board members, the region must fill the vacancy according to its rules and regulations. (ACWA Policy & Guideline Q, 3.)

Vacancy

If the chair's position becomes vacant, the vice chair will fill the chair's position.

If the vice chair's position becomes vacant, the alternate chair will fill the vice chair's position.

Elections

All nominations received for the region chair, vice chair and board positions must be accompanied by a resolution of support from each sponsoring member agency, signed by an authorized representative of the Board of Directors. Only one individual may be nominated from a given agency to run for election to a region board. Agencies with representatives serving on the nominating committees should strive not to submit nominations for the region board from their agency. (ACWA Policy & Guideline P, 2.)

Election ballots will be e-mailed to ACWA member agency general managers and presidents.

The nominating committee shall consist of three to five members.

The nominating committee should pursue qualified members within the region to run for the region board, and should consider geographic diversity, agency size and focus in selecting a slate.

See the current region election timeline for specific dates.

Endorsements

ACWA, as a statewide organization, may endorse potential nominees and nominees for appointment to local, regional, and statewide commissions and boards. ACWA's regions may submit a recommendation for consideration and action to the ACWA Board of Directors to endorse a potential nominee or nominee for appointment to a local, regional or statewide commission or board. (ACWA Policy & Guideline P, 3.)

Committee Recommendations & Representation

All regions are given equal opportunity to recommend representatives of the region for appointment to a standing or regular committee of the Association. If a region fails to provide full representation on all ACWA committees, those committee slots will be left open for the remainder of the term or until such time as the region designates a representative to complete the remainder of the term. (ACWA Policy & Guideline P, 4. A.)

At the first region board / membership meeting of the term, regions shall designate a representative serving on each of the standing and regular committees to serve as the official reporter to and from the committee on behalf of the region to facilitate input and communication. (ACWA Policy & Guideline P, 4. B.)

The chair and vice chair shall make all committee appointment recommendations to the ACWA committees, to be ratified by the region board prior to submission to the ACWA president for consideration.

Tours

ACWA may develop and conduct various tours for the regions. All tour attendees must sign a "release and waiver" to attend any and all region tours. Attendees agree to follow environmental guidelines and regulations in accordance with direction from ACWA staff; and will respect the rights and privacy of other attendees. (ACWA Policy & Guideline P, 6.)

Finances

See "Financial Guidelines for ACWA Region Events" document.

Amending the Region Rules & Regulations

ACWA policies and guidelines can be amended by approval of the ACWA Board of Directors.

The Region 1 Rules & Regulations can be amended by a majority vote of those present at any Region 1 meeting as long as a quorum is present.

THE ROLE OF THE REGIONS

Mission:

ACWA Regions will provide the grassroots support to advance ACWA's legislative and regulatory agenda.

Background:

As a result of ACWA's 1993 strategic planning process, known as Vision 2000, ACWA modified its governance structure from one that was based on sections to a regional-based configuration. Ten regions were established to provide geographic balance and to group agencies with similar interests.

The primary charge of regions:

- To provide a structure where agencies can come together and discuss / resolve issues of mutual concern and interest and based on that interaction, provide representative input to the ACWA board.
- To assist the Outreach Task Force in building local grassroots support for the ACWA Outreach Program in order to advance ACWA's legislative and regulatory priorities as determined by the ACWA Board and the State Legislative, Federal Affairs or other policy committees.
- To provide a forum to educate region members on ACWA's priorities and issues of local and statewide concern.
- To assist staff with association membership recruitment at the regional level.
- To recommend specific actions to the ACWA Board on local, regional, state and federal issues as well as to recommend endorsement for various government offices and positions.
 - *Individual region boards CANNOT take positions, action or disseminate communication on issues and endorsements without going through the ACWA Board structure.*

Region chairs and vice chairs, with support from their region boards, provide the regional leadership to fulfill this charge.

GENERAL DUTIES / RESPONSIBILITIES FOR REGION OFFICERS

Region Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Chair will also call at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
 - Appoints Outreach Captain to help lead outreach effort within the region.
- Presides over all region activities and ensures that such activities promote and support accomplishment of ACWA's Goals.

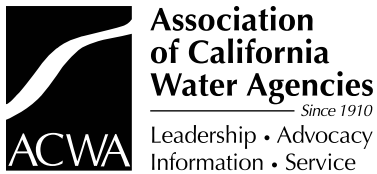
- Makes joint recommendations to the ACWA President regarding regional appointments to all ACWA committees.
- Appoints representatives in concurrence of the region board, to serve on the region's nominating committee with the approval of the region board.
- Facilitates communication from the region board and the region membership to the ACWA board and staff.

Region Vice Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Vice Chair will also participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- In the absence of the chair and in partnership with the chair, exercises the powers and performs duties of the region chair.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
- Makes joint recommendations to the ACWA president regarding regional appointments to all ACWA committees.

Region Board Member:

- May serve as alternate for the chair and/or vice chair in their absence (if appointed) to represent the region to the ACWA Board.
- Will participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Supports program planning and activities for the region.
- Actively participates and encourages region involvement in ACWA's Outreach Program.



REGION BOARD CANDIDATE NOMINATION FORM

Name of Candidate: _____

Agency: _____ Title: _____

Agency Phone: _____ Direct Phone: _____

E-mail: _____ ACWA Region: _____ County: _____

Address: _____

Region Board Position Preference: (If you are interested in more than one position, please indicate priority – 1st, 2nd and 3rd choice)

☐ Chair _____ ☐ Vice Chair _____ ☐ Board Member _____

In the event, you are not chosen for the recommended slate, would you like to be listed on the ballot's individual candidate section? (If neither is selected, your name will **NOT** appear on the ballot.)

☐ Yes ☐ No

Agency Function(s): (check all that apply)

☐ Wholesale ☐ Sewage Treatment ☐ Flood Control
☐ Urban Water Supply ☐ Retailer ☐ Groundwater Management / Replenishment
☐ Ag Water Supply ☐ Wastewater Reclamation ☐ Other: _____

Describe your ACWA-related activities that help qualify you for this office:

In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.

I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.

*I hereby submit my name for consideration by the Nominating Committee.
(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)*

Signature

Title

Date

RESOLUTION 2015 - 13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT PLACING IN NOMINATION DENNIS MAYO AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION ONE (1) VICE CHAIR

WHEREAS, The Board of Directors of the McKinleyville Community Services District does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA); and

WHEREAS, Director Dennis Mayo is currently serving as Vice Chair for ACWA Region One (1); and

WHEREAS, Director Dennis Mayo has indicated a desire to serve as a Vice Chair of ACWA Region One (1);

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District does hereby place its full and unreserved support in the nomination of Dennis Mayo for the Vice Chair of ACWA Region One (1) and does hereby determine that the expenses attendant with the service of Dennis Mayo in ACWA Region One (1) shall be borne by the McKinleyville Community Services District.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on June 3, 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.4 **Consider approval of FY2015-16 Budget and Appropriations Limit**

PRESENTED BY: **Colleen M. R. Trask, Finance Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

- Staff recommends that the Board of Directors review, take public comment, and approve the FY2015-16 Budget, and
- Approve Resolution 2015-18 establishing Appropriations Limits for FY2015-16

Discussion:

The proposed FY2015-16 Budget differs, in some respects, to the draft budget elements presented to, and discussed by, the Board in previous months. It reflects updated assumptions regarding revenue streams, grants, and capital projects. The Budgets, graphs, historical trend analysis, capital projects budgets, and narratives are included, as is the Appropriation Limits calculation.

Appropriation Limits are an annual item required by State law, which limits the amount of property tax revenue that may be spent by local governments, including Special Districts. It is calculated based on population growth and other factors.

The FY2015-16 Budget can be handled as a voice vote but the Resolution 2015-18 requires a roll call vote.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Budgetary fiscal analysis: see Exhibits 1-5 of the Proposed Budget

Appropriations Limits fiscal analysis: As the expenditures subject to the Limits are \$605,726 under the limit, no additional analysis is required.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Budget for FY2015-16
- Attachment 2 - Budget Resolution 2015-18



BUDGET

For the Fiscal Year Ending June 30, 2016

Adoption Date: June 3, 2015

MCSD BOARD OF DIRECTORS

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

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

For the Fiscal Year Ending June 30, 2016

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, 2015 through June 30, 2016. 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 3 includes information about McKinleyville and the McKinleyville Community Services District.
- The Mission Statement, a brief overview of the goals included in MCSD's Strategic Plan, the Organization Chart, and the calculated Full-Time Employee Equivalents for the fiscal year are included beginning at Page 5.
- Budgets and accompanying graphs for the Governmental Funds & the Enterprise Funds are shown beginning at Page 9. Detailed line item budgets are available for review by the Board and the public, but are not included in this policy/strategy level document.
- Historical Data is presented beginning at Page 14.
- MCSD's Capital Improvement Program Budgets and Narratives are shown in Appendix A, beginning at Page 18.
- MCSD's Board approved Strategic Plan Matrix is shown in Appendix B, beginning at Page 26
- The Appropriations Limit calculations required by law for the Fiscal Year 2014-15 are included in Appendix C, starting on Page 33.

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 15,177 according to 2010 data from the U. S. Census Bureau. It is the third largest community population area in Humboldt County behind Eureka (27,191) and Arcata (17,231). 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 first 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 6,300 water customers.

All sewage for MCSD's 5,100 customers is treated at the Wastewater Management Facility at Hiller Park. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site and at Hiller Park. MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

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

MISSION STATEMENT

Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner.

STRATEGIC PLAN MATRIX

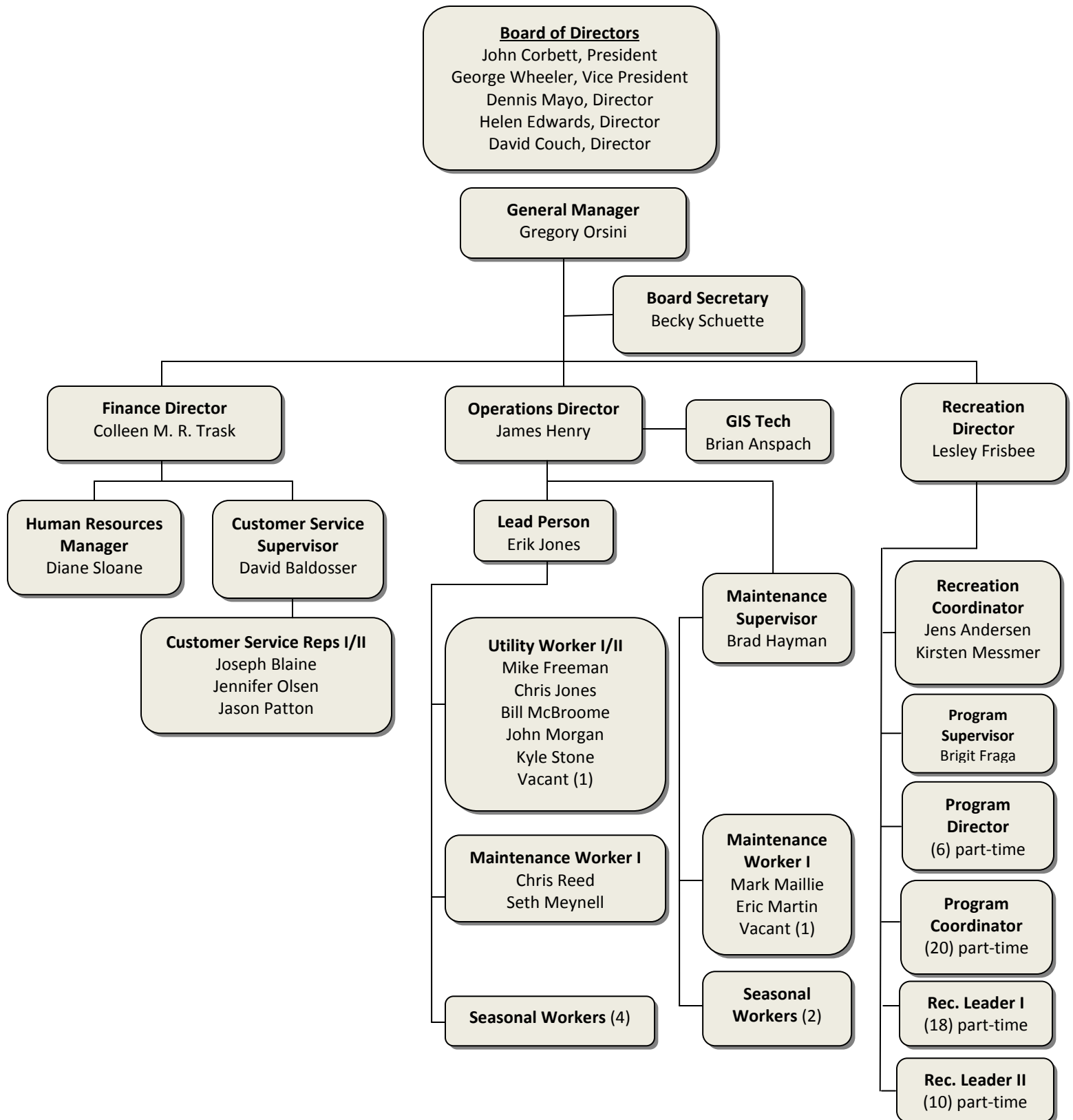
The District's Goals for any given year derive from the Board-approved Strategic Plan, which has a five-year planning horizon that is updated by the Board in January of each year. The updated Strategic Plan is incorporated into the approved Budget by reference (at the pleasure of the Board) upon annual approval of the budget. The Strategic Plan Elements are summarized below and the complete Matrix, listed by Element, is included as Appendix B:

- 1.0 WATER
- 2.0 WASTEWATER
- 3.0 STREETLIGHTS
- 4.0 PARKS & RECREATION
- 5.0 PARTNERSHIPS
- 6.0 PERSONNEL / ORGANIZATION
- 7.0 ADMINISTRATIVE MANAGEMENT
- 8.0 FINANCE

McKinleyville Community Services District

Organization Chart: Fiscal Year 2015-16

Revised May 2015



McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Full Time Equivalents
For the Fiscal Year ending June 30, 2015

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1	0	1
Support Services	7	0	7
Operations	11	4	13
Parks & Recreation	7	65	14
Total	26	69	35

McKinleyville Community Services District

Exhibits of Financial Information

Budget for the year ending June 30, 2014

Table of Contents

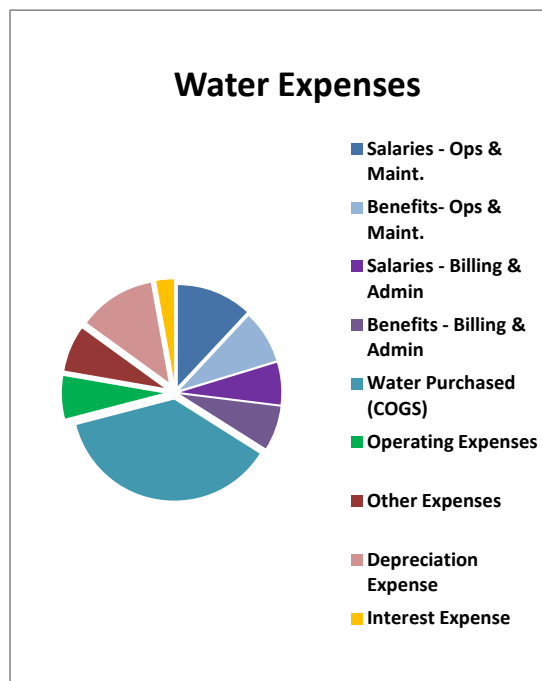
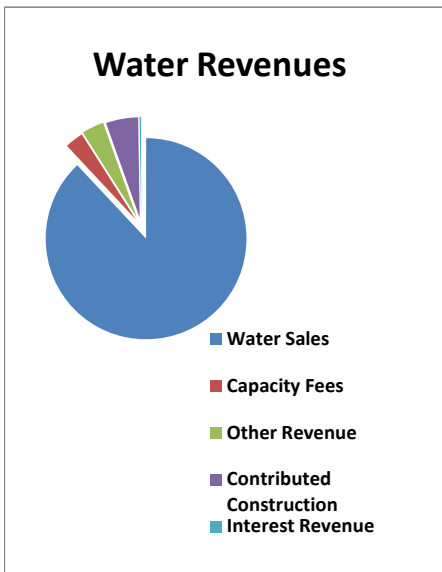
<i>Page 09</i>	<i>Exhibit 1 – Fund Budget Summary and Projected Fund Balance</i>
<i>Page 10</i>	<i>Exhibit 2 – Budget & Graphs, Water Fund</i>
<i>Page 11</i>	<i>Exhibit 3 – Budget & Graphs, Wastewater Fund</i>
<i>Page 12</i>	<i>Exhibit 4 – Budget & Graphs, Streetlights Fund</i>
<i>Page 13</i>	<i>Exhibit 5 – Budget & Graphs, General/Parks & Measure B Funds</i>
<i>Page 14</i>	<i>Exhibit 6-9 – Historical Data</i>
<i>Page 18</i>	<i>Exhibit 10 – 10 Year Capital Improvement Plans</i>
<i>Page 21</i>	<i>Appendix A – Capital Expenditures Overview and Narratives</i>
<i>Page 26</i>	<i>Appendix B – Strategic Plan Matrix</i>
<i>Page 33</i>	<i>Appendix C – Appropriations Limit Calculations</i>

McKinleyville Community Services District
District Budgets - All Funds
FY 2015-16

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks & Meas. B Funds	Total (Memorandum Only)
Revenues					
Water Sales	2,969,207				2,969,207
Sewer Service Charges		2,393,222			2,393,222
Capacity Fees	100,000	120,000			220,000
Streetlight Charges			77,012		77,012
Program Fees	-			354,349	354,349
Facility Fees	-			73,450	73,450
Property Taxes	-			510,000	510,000
Measure B Assessment	-			230,000	230,000
Open Space Fees	-			90,000	90,000
Contributions & Other Program	-			1,500	1,500
Other Revenue	120,459	75,267	16,800	284,772	497,298
Contributed Construction	175,000	200,000		-	375,000
Proceeds from Long Term Debt (Gov't only)			-	1,400,000	1,400,000
Quimby Fees/Capital Proj. Grants	-			203,000	203,000
Interest Revenue	8,312	20,000	25	8,200	36,537
Total Revenues	3,372,978	2,808,489	93,837	3,155,271	9,430,575
Expenditures					
Salaries & Benefits - Operations & Maint.	525,255	582,954	2,515		1,110,724
Salaries & Benefits - Billing & Admin	354,160	356,487	37,917		748,564
Salaries & Benefits - Rec Programs	-			377,413	377,413
Salaries & Benefits- Parks Maintenance	-			276,260	276,260
Salaries & Benefits- Parks&Rec Admin	-			268,434	268,434
Water Purchased (COGS)	957,352				957,352
Water & Electrical Expense		128,739			128,739
Operating Expenses	175,597	232,950	11,340		419,887
Other Expenses	187,785	191,230	22,140		401,155
Other Expenditures - Rec Programs	-			42,600	42,600
Other Expenditures - Parks Maintenance	-			85,526	85,526
Other Expenditures - Parks&Rec Admin	-			96,786	96,786
Depreciation Expense	315,000	480,000			795,000
Debt Service			19,865	75,508	
Interest Expense	73,602	41,772			115,374
Parks/Meas.B Capital Expenditures	-		-	1,906,538	1,906,538
Total Expenditures	2,588,751	2,014,132	93,777	3,129,065	7,730,352
Excess (Deficit)	784,227	794,357	60	26,206	1,700,223
 Fund Balance - July 1, 2014	 5,330,846	 14,350,501	 (72,496)	 1,221,062	 20,829,913
Projected Excess (Deficit) FY2014-15	918,251	635,212	33,199	(107,839)	1,478,823
Debt Principal FY2014-15 (Enterprise only)	(145,020)	(173,291)			(318,311)
New Borrowing FY2014-15(Enterprise only)	-	-			-
Capital Expenditure FY2014-15(Enterprise)	(86,837)	(1,594,299)			(1,681,137)
Projected Fund Balance June 30, 2015	6,017,239	13,218,123	(39,297)	1,113,223	20,309,288
Budgeted Excess (Deficit) FY2015-16	784,227	794,357	60	26,206	1,604,850
Anticipated Borrowing FY2015-16(Enterprise)	-	17,000,000			17,000,000
Capital Project grant funding (contingent)	-	-			-
Debt Principal FY2014-15 (Enterprise only)	(148,393)	(176,607)			(325,000)
Capital Expenditure FY2014-15(Enterprise)	(964,000)	(15,047,000)			(16,011,000)
Projected Fund Balance June 30, 2016	5,689,073	15,788,873	(39,237)	1,139,429	22,578,138

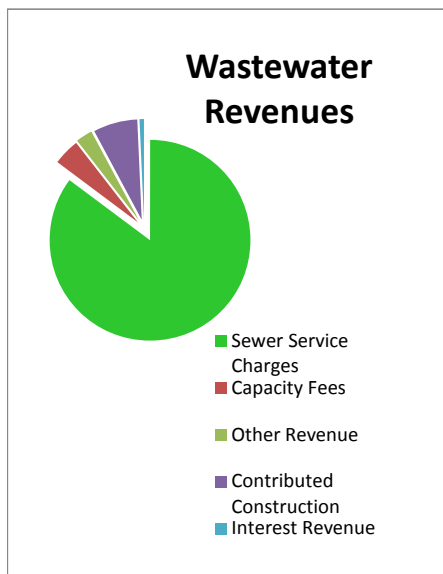
McKinleyville Community Services District
Enterprise Funds: Water Summary Budget
FY 2015-16

Description	Water Fund	
Water Revenues		
Water Sales	2,969,207	88%
Capacity Fees	100,000	3%
Other Revenue	120,459	4%
Contributed Construction	175,000	5%
Interest Revenue	8,312	0%
Total Revenues	3,372,978	100%
Water Expenses		
Salaries - Ops & Maint.	309,403	12%
Benefits- Ops & Maint.	215,852	8%
Salaries - Billing & Admin	172,427	7%
Benefits - Billing & Admin	181,733	7%
Water Purchased (COGS)	957,352	37%
Operating Expenses	175,597	7%
Other Expenses	187,785	7%
Depreciation Expense	315,000	12%
Interest Expense	73,602	3%
Total Expenses	2,588,752	100%
Excess (Deficit)	784,226	



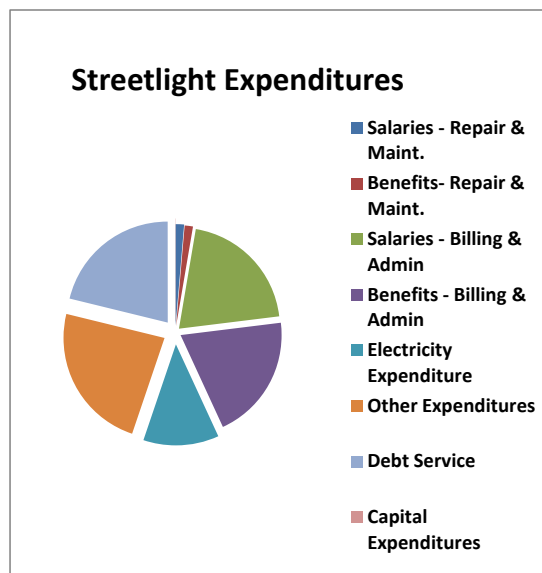
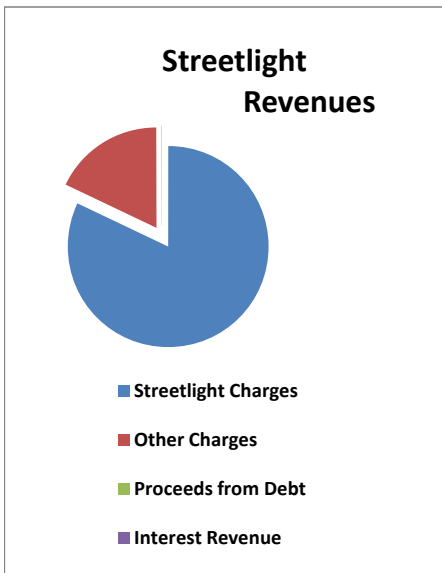
McKinleyville Community Services District
Enterprise Funds: Wastewater Summary Budget
FY 2015-16

Description	Wastewater Fund	
Wastewater Revenues		
Sewer Service Charges	2,393,222	85%
Capacity Fees	120,000	4%
Other Revenue	75,267	3%
Contributed Construction	200,000	7%
Interest Revenue	20,000	1%
Total Revenues	2,808,489	100%
Wastewater Expenses		
Salaries - Ops & Maint.	342,442	17%
Benefits- Ops & Maint.	240,512	12%
Salaries - Billing & Admin	173,611	9%
Benefits - Billing & Admin	182,876	9%
Water & Electrical Expense	128,739	6%
Operating Expenses	232,950	12%
Other Expenses	191,230	9%
Depreciation Expense	480,000	24%
Interest Expense	41,772	2%
Total Expenditures	2,014,132	100%
Excess (Deficit)	794,357	



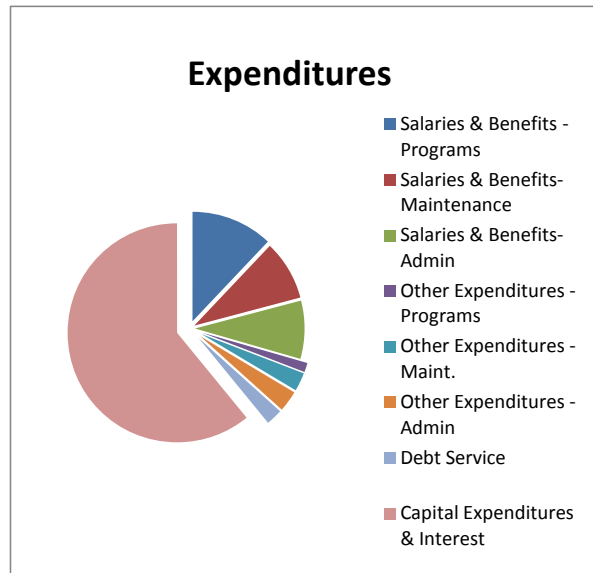
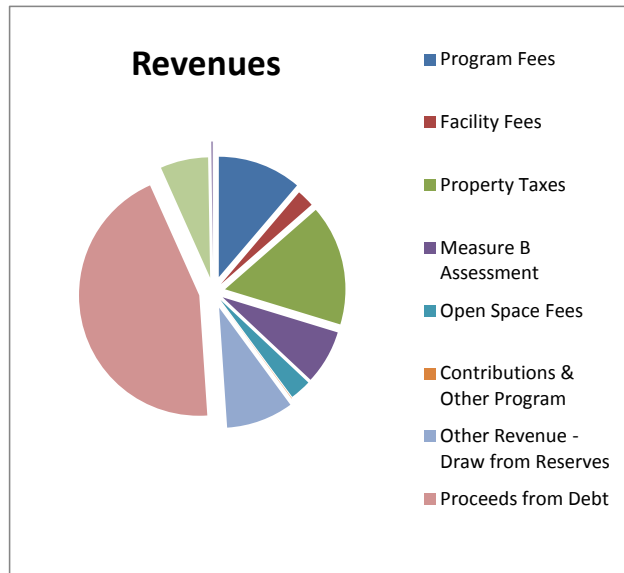
McKinleyville Community Services District
Governmental Funds: Streetlights Summary Budget
FY 2015-16

Description	Streetlights Fund	
Streetlight Revenues		
Streetlight Charges	77,012	82%
Other Charges	16,800	18%
Proceeds from Debt	-	-
Interest Revenue	25	0.0%
Total Revenues	93,837	100%
Streetlight Expenditures		
Salaries - Repair & Maint.	1,271	1%
Benefits- Repair & Maint.	1,244	1%
Salaries - Billing & Admin	19,100	20%
Benefits - Billing & Admin	18,817	20%
Electricity Expenditure	11,340	12%
Other Expenditures	22,140	24%
Debt Service	19,865	21%
Capital Expenditures	-	0%
Total Expenditures	93,777	100%
Excess (Deficit)	60	



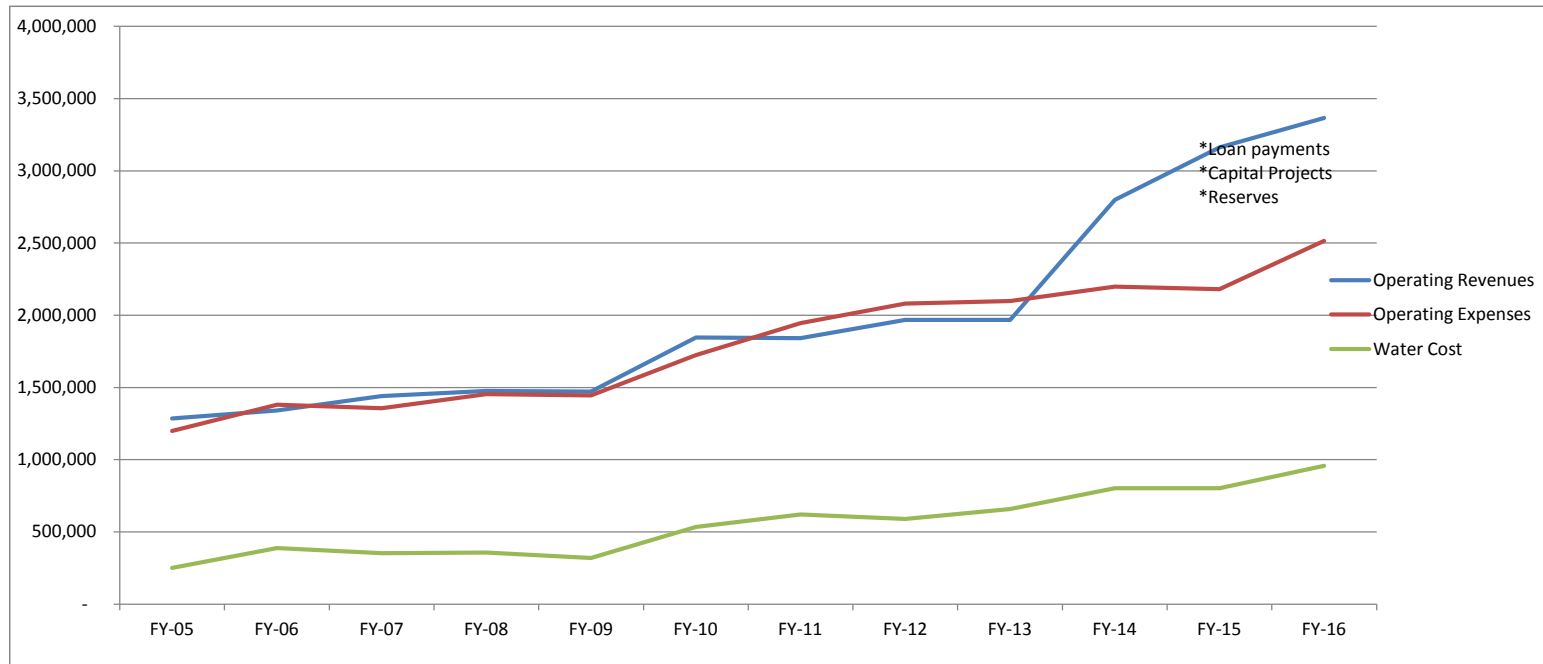
McKinleyville Community Services District
Governmental Funds Summary Budget
FY 2015-16

Description	Parks/General Fund		Measure B		Total (Memorandum Only)	
			Assessment Fund			
Revenues						
Program Fees	354,349	32%	-	-	354,349	11%
Facility Fees	73,450	7%			73,450	2%
Property Taxes	510,000	46%	-	-	510,000	16%
Measure B Assessment	-	-	230,000	11%	230,000	7%
Open Space Fees	90,000	8%	-	-	90,000	3%
Contributions & Other Program	1,500	0%	-	-	1,500	0%
Other Revenue - Draw from Reserves	14,772	1%	270,000	13%	284,772	9%
Proceeds from Debt	-	-	1,400,000	68%	1,400,000	44%
Quimby Fees/ Grants/Loans	53,000	5%	150,000	7%	203,000	6%
Interest Revenue	8,200	0.7%	-	-	8,200	0.3%
Total Revenues	1,105,271	100%	2,050,000	100%	3,155,271	100%
Expenditures						
Salaries & Benefits - Programs	377,413	35%	-		377,413	12%
Salaries & Benefits- Maintenance	166,552	15%	109,708	5%	276,260	9%
Salaries & Benefits- Admin	268,434	25%	-		268,434	9%
Other Expenditures - Programs	42,600	4%	-		42,600	1%
Other Expenditures - Maint.	75,776	7%	9,750	0.5%	85,526	3%
Other Expenditures - Admin	93,786	9%	3,000	0.1%	96,786	3%
Debt Service	-	-	75,508	3.7%	75,508	0.02
Capital Expenditures & Interest	56,320	5%	1,850,218	90%	1,906,538	61%
Total Expenditures	1,080,881	100%	2,048,184	100%	3,129,064	100%
Excess (Deficit)	24,390		1,816		26,207	



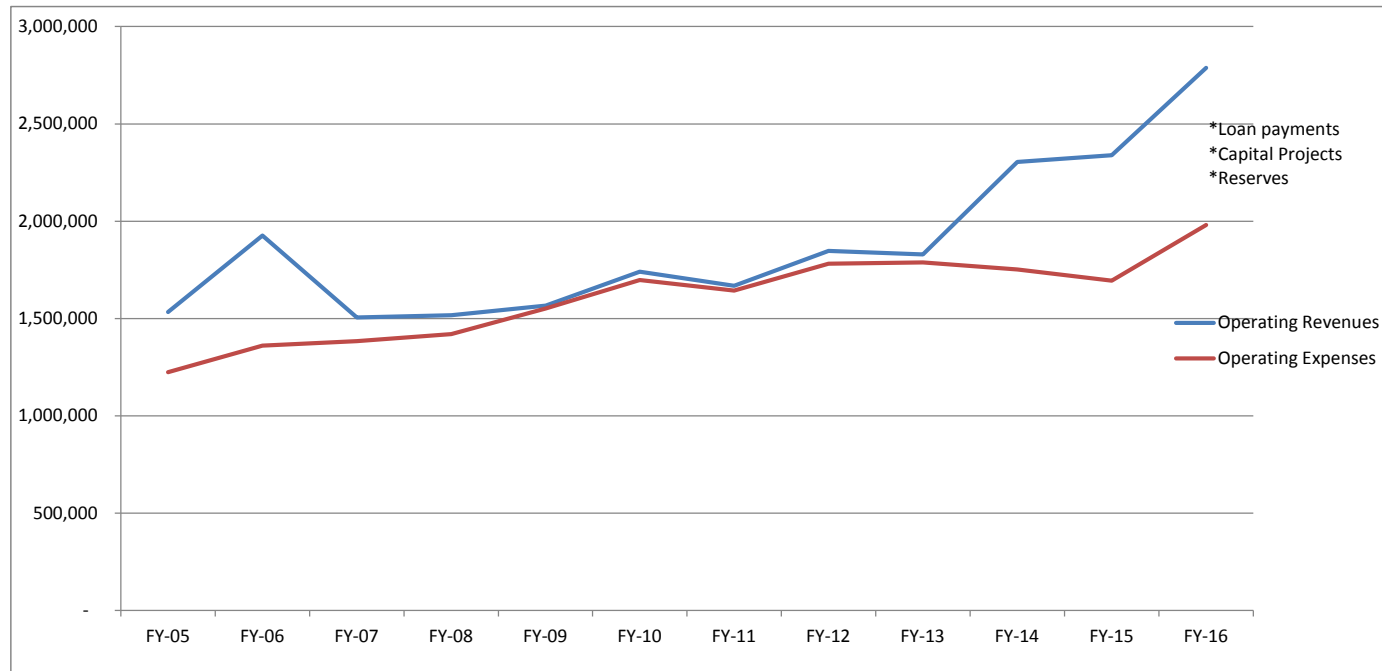
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual Est.	2016 Budget
Operating Revenues												
Water Sales	1,152,396	1,224,279	1,305,455	1,337,042	1,360,169	1,566,024	1,559,779	1,545,469	1,665,273	2,237,058	2,837,252	2,969,207
Other Water Revenues	132,194	115,568	135,596	139,331	111,300	280,648	281,235	422,166	302,600	561,962	323,858	395,459
Total Operating Revenues	1,284,590	1,339,847	1,441,051	1,476,373	1,471,469	1,846,672	1,841,014	1,967,635	1,967,873	2,799,019	3,161,109	3,364,666
Operating Expenses												
Salaries & Benefits	499,303	529,427	560,844	594,924	661,031	729,285	737,395	724,139	776,264	766,832	768,151	835,412
Water Cost	250,212	387,780	352,935	356,842	318,159	533,961	620,952	589,650	657,440	801,270	802,695	957,352
Other Expenses	235,081	243,424	222,740	282,010	243,853	235,842	322,277	477,803	363,133	325,537	306,574	407,385
Depreciation	214,546	220,709	219,925	220,727	221,484	224,099	264,365	288,634	302,545	303,585	303,525	315,000
Total Operating Expenses	1,199,143	1,381,340	1,356,444	1,454,502	1,444,527	1,723,187	1,944,989	2,080,227	2,099,382	2,197,224	2,180,945	2,515,149
Net Operating Income (Loss)	85,447	(41,492)	84,607	21,870	26,942	123,485	(103,975)	(112,592)	(131,509)	601,796	980,164	849,517
Interest Income	46,501	63,422	97,279	114,973	76,662	39,897	19,437	17,492	10,565	11,079	14,313	8,312
Interest Expense	(62,690)	(61,241)	(59,666)	(58,130)	(56,318)	(54,701)	(53,948)	(82,524)	(86,060)	(81,588)	(76,226)	(73,602)
Net Income (Loss)	69,258	(39,311)	122,220	78,713	47,286	108,681	(138,487)	(177,624)	(207,005)	531,286	918,251	784,226



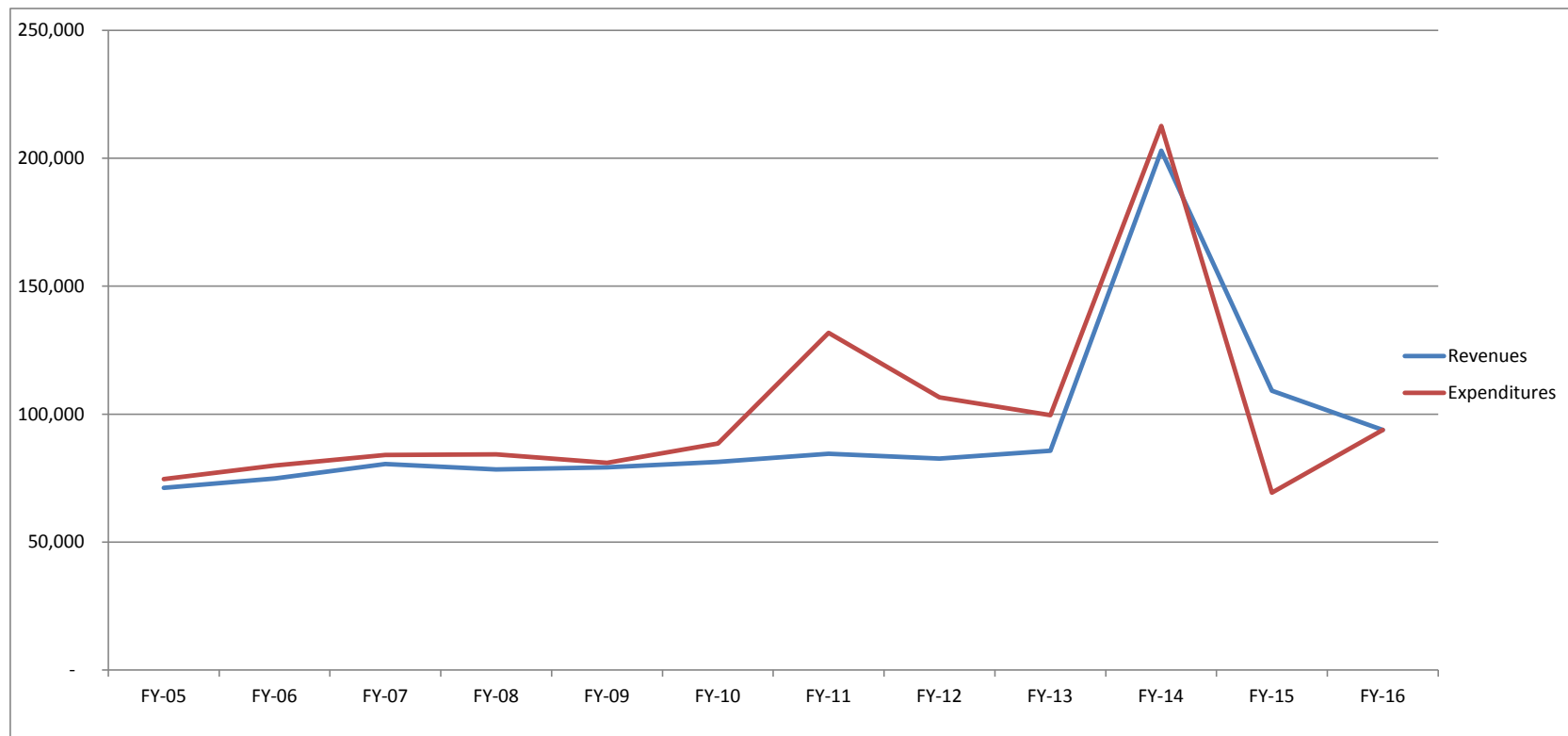
McKinleyville Community Services District
Sewer Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual Est.	2016 Budget
Operating Revenues												
Sewer Service Charges	1,074,665	1,134,167	1,161,794	1,216,130	1,298,515	1,404,897	1,424,263	1,401,100	1,502,097	1,768,170	2,044,447	2,393,222
Other Sewer Revenues	458,496	791,360	343,314	301,106	267,940	336,252	243,841	445,849	326,569	536,218	295,014	395,267
Total Operating Revenues	1,533,161	1,925,527	1,505,108	1,517,235	1,566,455	1,741,149	1,668,104	1,846,949	1,828,665	2,304,387	2,339,461	2,788,489
Operating Expenses												
Salaries & Benefits	505,750	565,167	605,798	628,773	702,632	755,611	748,348	764,920	798,884	843,382	804,308	934,441
Other Expenses	351,055	397,018	376,114	390,676	441,707	529,281	447,098	555,245	527,474	446,363	428,051	566,719
Depreciation	367,795	399,033	401,102	400,055	407,597	412,230	448,174	460,549	462,065	462,621	462,705	480,000
Total Operating Expenses	1,224,600	1,361,218	1,383,014	1,419,504	1,551,936	1,697,122	1,643,620	1,780,714	1,788,423	1,752,365	1,695,064	1,981,160
Net Operating Income (Loss)	308,561	564,309	122,093	97,732	14,519	44,027	24,484	66,235	40,243	552,022	644,397	807,329
Interest Income	55,004	58,701	112,998	138,349	89,781	46,165	27,485	28,519	20,701	18,989	21,690	20,000
Interest Expense	(46,855)	(46,855)	(46,855)	(56,232)	(49,915)	-	(64,670)	(50,190)	(37,857)	(37,521)	(30,875)	(32,972)
Net Income (Loss)	316,709	576,154	188,236	179,848	54,386	90,192	(12,701)	44,564	23,087	533,489	635,212	794,357



McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est	Budget
Revenues	71,173	74,911	80,560	78,413	79,207	81,317	84,510	82,665	85,658	203,009	109,206	93,837
Expenditures												
Salaries & Benefits	23,080	24,651	26,088	29,860	28,060	29,290	39,195	32,501	35,260	45,591	35,733	40,432
Other Expenditures	32,471	36,234	34,937	37,101	36,219	38,663	67,679	53,501	47,119	43,141	33,638	31,240
Debt Service	19,055	19,055	19,055	17,305	16,746	17,305	23,056	-	-	-	-	19,865
Capital Expenditures	-	-	4,000	-	-	3,271	1,857	20,520	17,250	123,950	-	2,240
Total Expenditures	74,607	79,940	84,080	84,266	81,025	88,529	131,786	106,523	99,629	212,681	69,372	93,778
Excess (Deficit)	(3,433)	(5,029)	(3,520)	(5,853)	(1,818)	(7,212)	(47,276)	(23,858)	(13,971)	(9,672)	39,835	59



McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	Fiscal Year Ended (Ending) June 30,											
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual Est.	2016 Budget
Revenues												
Programs	244,304	267,216	266,947	301,191	283,861	265,596	263,409	262,680	309,625	324,140	290,660	332,110
Rentals	64,572	68,961	76,128	68,175	57,921	56,953	60,974	57,321	58,779	66,980	67,402	73,450
Property Taxes	217,475	281,141	403,353	508,445	486,297	460,625	489,313	506,315	560,445	516,221	495,239	510,000
Measure B Assessment	183,832	185,245	190,263	194,044	193,724	201,114	209,068	203,432	205,420	206,270	223,299	230,000
State Bonds & Grants	55,312	154,722	126,913	67,983	47,097	-	12,000	-	-	10,000	25,000	-
Other Revenue	158,510	88,180	97,129	103,849	87,824	98,611	189,883	120,948	134,120	120,119	179,317	2,001,511
Interest Revenue	13,184	13,617	21,698	34,943	30,308	18,992	5,889	3,047	3,216	6,755	7,962	8,200
Total Revenues	937,189	1,059,083	1,182,430	1,278,630	1,187,032	1,101,891	1,230,536	1,153,743	1,271,604	1,250,484	1,288,878	3,155,271
Expenditures												
Salaries & Benefits	492,992	481,106	510,737	554,654	624,909	612,125	738,710	764,022	786,004	846,593	907,582	909,864
Other Expenditures	127,539	126,480	148,624	187,830	165,891	180,202	311,230	273,307	309,326	386,777	391,357	2,087,372
Debt Service	210,992	210,992	210,992	210,992	191,609	191,609	255,320	-	-	-	-	75,508
Capital Expenditures	256,000	219,503	62,614	79,115	19,138	186,355	27,559	21,902	73,024	177,463	97,777	56,320
Total Expenditures	1,087,524	1,038,082	932,968	1,032,591	1,001,547	1,170,291	1,332,819	1,059,231	1,168,355	1,410,834	1,396,717	3,129,064
Excess (Deficit)	(150,336)	21,001	249,462	246,039	185,485	(68,400)	(102,283)	94,513	103,249	(160,349)	(107,839)	26,207

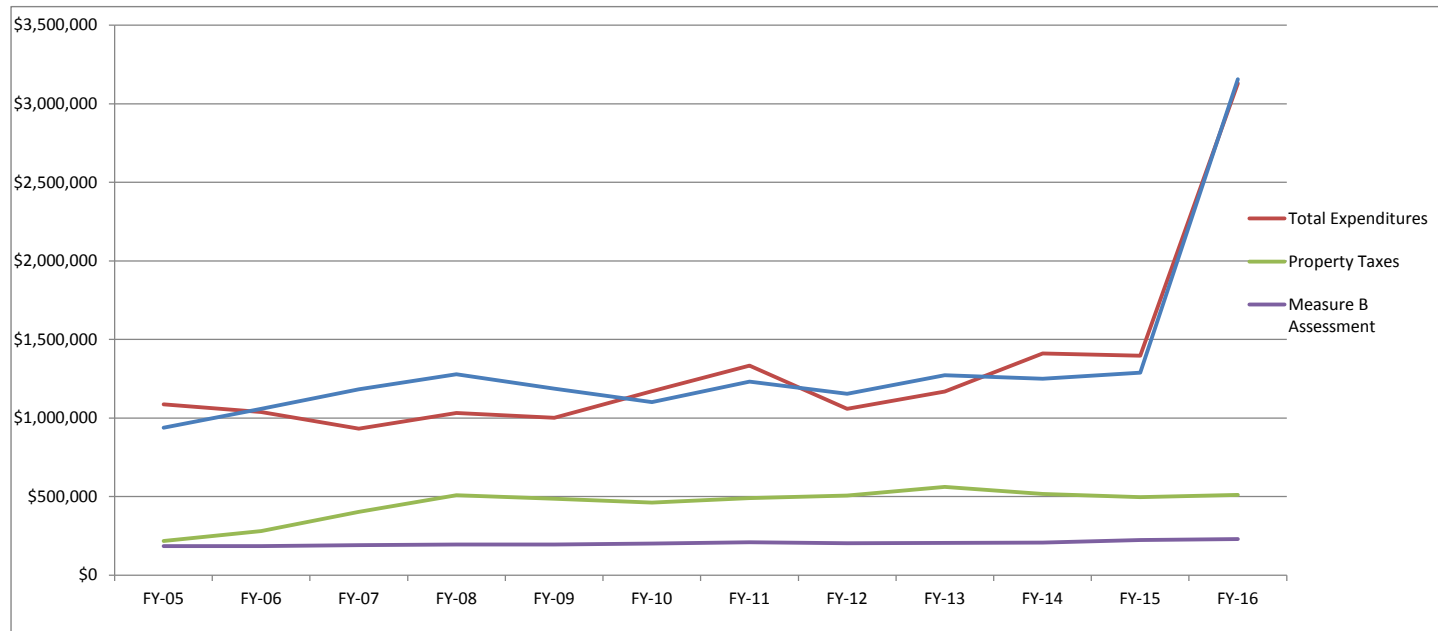


Exhibit 10

McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2016 - 2025

		1	2	3	4	5	6	7	8	9	10
(All numbers in \$000s)											
		June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
1.	Heavy Equipment										
	Totals:	100	300	60	10	20	50	80	0	0	0
2.	Utility Vehicles										
	Totals:	62	33	55	55	22	34	34	34	63	34
3.	Water System										
	Totals:	864	1,389	4,172	27	1,010	400	50	3,600	0	0
4.	Sewer System										
	Totals:	13,442	3,932	370	306	521	546	1,490	490	257	240
5.	Office, Corporation Yard & Shops										
	Totals:	0	160	150	10	10	0	400	0	0	0
6.	Computers, Software & Equipment										
	Totals:	23	9	138	9	15	0	0	0	0	0
7.	Fischer Ranch										
	Totals:	1,505	0	0	0	0	0	0	0	0	0
8.	Small Equipment & Other										
	Totals:	15	15	35	15	37	0	0	0	0	0
Total Planned Expenditures		16,011	5,838	4,980	432	1,635	1,030	2,054	4,124	320	274
Departmental Allocations:											
Water Fund		964	1,498	4,391	77	1,062	442	307	3,617	32	17
Sewer Fund		15,047	4,341	589	356	573	588	1,747	507	289	257
Total		16,011	5,838	4,980	432	1,635	1,030	2,054	4,124	320	274

Exhibit 10

**McKinleyville Community Services District
Streetlight Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2016 - 2025**

	1	2	3	4	5	6	7	8	9	10
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
1. Heavy Equipment										
Totals:	0	0	0	0	83	0	0	0	0	0
2. Poles and Lights										
Totals:	2	2	2	2	2	2	40	0	0	0
Total Planned Expenditures	2	2	2	2	85	2	40	0	0	0

Exhibit 10

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Plan
For the Fiscal Years Ending June 30, 2016 - 2025

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
1. Hiller Park & Sports Complex Projects										
Totals:	9	5	5	5	6	6	6	6	6	7
2. Pierson Park Projects										
Totals:	0	0	0	0	0	0	0	0	0	0
3. Azalea Hall Projects										
Totals:	5	5	16	11	5	5	16	5	5	5
4. McKinleyville Activity Center Projects										
Totals:	13	5	5	5	11	17	6	12	6	6
5. Other Park Projects & Equipment										
Totals:	29	23	8	138	22	8	18	30	25	14
6. Law Enforcement Facility Projects										
Totals:	0	5	0	0	0	6	0	5	0	6
7. McKinleyville Library Projects										
Totals:	0	8	0	0	0	0	0	0	6	0
8. Projects Funded With Measure B Renewal										
Totals:	115	115	115	115	115	115	115	115	115	115
9. Projects Contingent Upon Grant Funding										
Totals:	0	0	0	0	0	0	0	0	0	0
10. Projects Funded by Quimby & Other Funds										
Totals:	0	0	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures	171	166	149	274	159	157	161	173	163	153

Appendix A

Capital Improvement Program Water and Sewer Funds Fiscal Year 2015-2016

Water and Sewer Fund capital asset purchases and projects depend largely on grants, loans, and the strategic use of District Reserves. The Board has made a commitment to not defer scheduled maintenance, repair, and replacement of current service delivery systems. This must be balanced against the Board's equal commitment to fiscal responsibility. Under the leadership of the General Manager and Finance Director, staff has taken steps to honor both of these commitments in the budget process by ensuring that the potential financing sources of each project are discussed at the time of project proposal and included with each project's detail notes.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Heavy Equipment and Utility Vehicles

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Operations Funds are planning to replace one utility truck and the five yard dump truck this next fiscal year, with others being replaced later in sequence. Various options are being discussed for replacement of the camera vehicle. The District will consider leasing these assets rather than purchasing outright but will maintain the pay-go policy when reserves are sufficient. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in both capital and operating costs.

Water System

The largest proposed Water project for FY2015-16 is recoating the Cochran Tank 1B, which will cost approximately \$350,000. This project will mirror the Norton Tank 2B recoating project that was completed in 2012. Each tank recoating will cycle around every 10 years as preventative maintenance to avoid corrosion and maintain structural integrity.

Other projects currently proposed for the Water Fund include procurement of a new tank site, the soils study for which was completed last year. The cost of the new site is budgeted at \$200,000. The overall project cost of the new 5 million gallon storage tank is estimated to be a little over \$4 million, with a timeline extending through 2018. Work will continue on the changeover to Radio-read meters for our customers (up to \$131,000 for Fiscal Year 2015-16). The fire hydrant system is scheduled to be upgraded at a cost of \$26,000; however, the Arcata Fire Protection District is covering half of this cost, so the cost to the District will total only \$13,000. If the Arcata Fire

Protection District does not have sufficient budget for this project, it will be delayed until they do. Humboldt State University's Engineering Department is assisting the District with our Water Main Rehabilitation/Replacement project, which may significantly decrease District cost for this project. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

The District is pursuing an alternative water source study for the Dow's Prairie area (\$40,000), in partnership with HSU's Engineering Department. The SCADA computer and software update has been included in the upgrade of the Wastewater Management Facility, which will also provide cost-savings to the District.

Sewer System

The Waste Water Management Facility (WWMF) Improvement Project design and construction takes the greatest share of the Sewer Fund CIP budget for FY2015-16 through FY16-17. Design scope of work has been completed in FY2014-15, with the design phase ending and construction expected to begin in calendar 2015. Project financing will be done through a loan from the State Water Resources Control Board. Grant funding sources have been thoroughly explored, but currently available grants for this type of project depend on the community having a lower median household income than current in McKinleyville.

Another important project is the replacement of the generator and pump at the Letz Sewer Lift Station. Current estimated cost for this project is \$175,000. Other projects totaling about \$267,000 include regularly scheduled repair and replacement of sewer mains, pumps, SCBA apparatus, and radio telemetry. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

Office, Corporation Yard, Computers and Software

There are no major facility upgrade items currently budgeted for the Main Office in FY2015-16. There are funds budgeted for regularly scheduled upgrades of computers and printers, including the server and GIS/SEMS/CADD software.

Fischer Ranch

As regulations change, methods for land application will undoubtedly become more stringent. Additional land procurement for reclamation is being considered, as it becomes feasible and an economically sound alternative. Up to \$1.5 million in funds have been budgeted for this purpose. Other funds have been designated for upgrades to some of the buildings and fences on Fischer Ranch.

Small Equipment and Other

The main capital expense in this category is the planned acquisition or building of a special pump to use as a sewer lift station bypass, as part of the Overflow Emergency Response Plan.

Streetlights

The LED Streetlights conversion project is complete. No further large Capital Improvement Projects are planned for this fiscal year, though regular pole replacement maintenance has been funded.

Note on Appendix A – Water & Sewer Funds Capital Improvement Program

Appendix A contains the summaries of the Water and Sewer Funds Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars, as future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

Appendix A

The Capital Improvement Program Parks and General Fund Fiscal Year 2015-16

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities was renewed in FY2012-13 for 20 years.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Utility Vehicles and Equipment

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. The Parks & General Fund is planning to replace a utility truck this next fiscal year by purchasing a truck from the Operations Department. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs. Parks is also planning to replace an aging mower in FY2015-16.

Building Projects

The **Teen & Community Center**, which will be located adjacent to the McKinleyville Activity Center, is the main building project for the Parks Department this year, at an overall budget of \$1.8 million. The design of the facility is complete, and will include two (2) classrooms, storage, an office, multi-purpose activity room, restrooms, lounge and a commercial kitchen. A portion of the Measure B Maintenance Assessment District - Renewal has been pledged to pay the Teen Center's construction loan. \$115,000 is the planned budget for the portion of this project expected to be repaid in the coming fiscal year.

Parks and Trails Projects

Staff is planning on reconditioning the turf at Hiller Sports Complex. Miscellaneous equipment purchases are planned for Pierson Park and Hiller Sports Complex. The McKinleyville Activity Center is scheduled for flooring replacement and a new floor scrubber. The cost for this equipment is estimated to be less than \$5,000 each, and therefore is reflected in the operating budget. Azalea Hall is budgeted to get a new floor scrubber and audio-visual system.

Staff has committed to greater use of MCSD's Quimby Funds, which are held in trust by the County. The majority of Quimby Funds are planned for use in the Teen Center.

The District will continue to pursue additional grant funding for new projects, which may be included in the budget in future years, but are contingent upon successfully receiving grants. If McKinleyville continues to grow as anticipated, other regular acquisitions of new parkland are planned throughout the 10-20 year planning horizon.

Small Equipment, Contingency and Other

Smaller and less expensive (more than \$500 but less than \$5,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated. These are considered expenditures, rather than capital assets, and will be included in the repairs/maintenance/supplies line of the Parks & General Fund Operating Budget.

Note on Exhibit 10 – Parks & General Fund Capital Improvement Program

Exhibit 10 contains the summaries of the Parks and General Fund Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 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 evaluated.

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLE- TION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
1.0 Water											
1.1	Maintenance Programs	OD	\$ 350,000.00	tank 1B recoating/continue creating SOP's/ removing pumps & motors 1 thru 4 at N.Bank	change copper tubing in PRV stations/ create SOP's	tank recoating/create SOP's	valve exercising/fire hydrant insp. and exercise	valve exercising/fire hydrant insp. and exercise			
1.2	Water Tank Storage Proj	OD	\$ 185,000.00	property negotiation	design	pursue grant funding	build	build	2018	5%	Geotech complete and complete negotiations
1.3	Emergency Water Crossing	OD	n/a	construction completed/ finalize SOPs with City of Arcata					2014	95%	SOP's will be written by MCSD and Arcata.
1.4	Emergency Water Supply	GM/OD	\$ 100,000.00	pursuing grant funding and water exploration on Mather and Forest Service property	pursuing grant funding	Groundwater Mgmt Plan	Groundwater Mgmt Plan	Groundwater Mgmt Plan			
1.5	Radio Telemetry Upgrade	OD	n/a	completed/ funded		exploration of new or updated digital control strategy			2013	100%	
1.6	Water Main Rehab/Repl	OD	\$ 20,000.00	technical memorandum for rehab/replacement strategies	build up reserves	build up reserves, prioritize areas of concern	start rehab/replace-ment	start rehab/replace-ment		0%	Reserves will be built up to replace water mains when needed.
1.7	Radio Read Meters	OD	\$ 90,000.00	phase 1 ctd.	phase 2	phase 3	annual replacements	annual replacements	2017	5%	Success of this project is contingent upon a source of financing
1.8	F/H upgrade and installation in commercial area	OD	\$ 8,000.00	install fire hydrants where requested by the fire department.	install fire hydrants where requested by the fire department.				2016	5%	Cost share with Fire Department

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
2.0 Wastewater											
2.1	20-yr Facility Plan	GM & Board	n/a	annual review	annual review	annual review	annual review	annual review		100%	
2.2	WWMF Improvement Proj/Biosolids Maint.	GM/OD	\$ 5,000,000.00	100% design, Pond 1A dredged/drained and CEQA completed	construction	construction completed	Biosolids Mgmt Plan	Biosolids Mgmt Plan	2016	5%	Grant funding and financing are being pursued
2.3	Collection Sys Upgrades	OD		sewer flow analysis memo/ technical memorandum for proposed upgrades of Thiel crossing	monitor capacity of all 3 basin crossings	monitor capacity of all 3 basin crossings	design for Thiel crossing	design for Thiel crossing		5%	This will be scheduled and completed when build-out requires upgrade.
2.4	Sewer Main Rehab/Repl	OD	\$ 50,000.00	adopt method to assess condition of pressure sewer mains at lift stations/ repair I&I when found	repair I&I when found/ memorandum for pipe replacement plan including pressure mains	repair I&I when found contingency for pipe replacement plan	repair I&I when found, prioritize pipe replacement plan	repair I&I when found, prioritize pipe replacement plan			There is no completion date to this maintenance. I&I will be repaired when found and a plan for replacing pipe will be developed
2.5	Radio Telemetry Upgrade	OD	\$ 45,000.00	sewer station digital control strategy.	sewer stations will be upgraded.				2016		Sewer stations will be completed in 2015. WWMF radio will be upgraded during upgrade.
2.6	Sewer Lift Stn Gen. Upgrades	OD	\$ 20,000.00	engineering and design	replace Letz Gen.	replace Fischer Gen.	replace Fischer Gen.	replace Fischer Gen.	2017		
2.7	Pre-Treatment Prog	LD	n/a	issue grease trap permits.	administering pre-treatment program/ annual testing	administering pre-treatment program/ annual testing	administering pre-treatment program/ annual testing	administering pre-treatment program/ annual testing			
2.8	I&I Prevention	OD	n/a	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows			Inspected and repaired annually
2.9	Reclamation Site Expansion and Upgrade	OD	n/a	expand reclamation area and research crop species with increased water demand	explore purchasing more property	negotiate purchase of more property					
2.10	Percolation site decommissioning	OD/ GM	n/a	pursue grant funding for planning and design to decommission percolation ponds	initiate plan	decommission percolation ponds					

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLE- TION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
3.0 Streetlights											
3.1	Converting to LED	OD	n/a	completed/funded					2014	90%	
3.2	Maintenance Programs	OD	n/a	pole inspections on 10-year rotation, due: FY2022							Poles will be inspected for rot every 10 years. Completed 6/11
4.0 Parks & Recreation											
4.1	Teen & Community Center	RD	to be determined	construction & develop MOU with BGCR	doors open	dunding and program development			2014/15	20%	
4.2	Hewitt Ranch Park	RD	to be determined	pursue access from Cochran Rd.	funding options brought to Board & consider environmental planning	pursue funding	pursue funding	planning for parking area			Staff will be meeting with Par Infinity Disc Golf Club to discuss the club providing funding for a disc golf
4.3	Washington Ave. Property	RD	to be determined	continue mowing quarterly/ work with local BMX group to consider feasibility	consider approaching Board to see if a BMX track is something worth pusuuing	possible park developmt (depending on funding)	possible park developmt (depending on funding)	possible park developmt (depending on funding)			Invasives have been removed, staff continues to mow quarterly
4.4	Community Forest	RD	to be determined	continue discussions with local stakeholders	continue discussions with local stakeholders	pursue property acquisition	pursue property acquisition	pursue property acquisition			
4.5	Mad River Property	RD	to be determined	acquire Humb County property	consider environmental requirements, get recommendation from RAC, seek Board approval/create access/pursue funding	upgrade access	develop existing trails	develop existing trails			
4.6	Standards & Specs for OSMZ/Parks	RD	n/a	meet weekly until it is completed/ meet with GM monthly for review/ bring to MCSD Board of Directors for approval	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	2014/15	50%	

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
4.7	Maintenance Standards	RD	n/a	develop written SOP's	seek Board approval, staff training	staff training	staff training	staff training		25%	
4.8	MOU with Humboldt County for Central Ave Landscaping	RD	n/a	work on MOU with the County, bring to Board					2014/15	50%	
4.9	Covered Picnic Area	RD	n/a	construction completed	promote covered picnic area rentals	promote covered picnic area rentals	promote covered picnic area rentals	promote covered picnic area rentals	31-Dec-14	25%	A majority of the construction is being completed inhouse in order to cut costs. Therefore, it is difficult to estimate a completion date

5.0 Partnerships

5.1	Foster Regional Cooperation	GM & Board	n/a	quarterly meetings with 5th District Supervisor	meet with all five Humboldt County Supervisors	quarterly meetings with 5th District Supervisor	meet with all five Humboldt County Supervisors	meet with all five Humboldt County Supervisors		Ongoing	Continue efforts to gain a seat on the TAC
5.2	Improve Political Ties	GM & Board	n/a	initiate bi-annual meetings w/new State Senator & Assembly person		bi-annual meetings with State Representatives				Ongoing	Monitor the elections and make contact with newly elected representatives
5.3	Participate in Community Groups	GM/RD	n/a	ongoing community outreach	ongoing community outreach	ongoing community outreach	ongoing community outreach	ongoing community outreach		Ongoing	Continue to participate with local groups representing various constituents

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLE- TION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
6.0 Personnel/Organization											
6.1	Employee Retention	Dept. Heads	n/a	continue to foster healthy work environment & mentoring	continue to foster healthy work environment & mentoring	continue to foster healthy work environment & mentoring	next scheduled survey of salary/benefits due in FY 2017/18	continue to foster healthy work environment & mentoring		Ongoing	Next scheduled salary survey due in FY 2017/18
6.2	Training & Development	Dept. Heads	n/a	pursue a formalized succession plan	Succession Plan completed & implemented/Annual Review & Revision	annual review & revision	annual review & revision	annual review & revision		Ongoing	
6.3	Employee Communication	Dept. Heads	n/a	next scheduled reviews of Supervisors Manual & Employee Handbook	next scheduled reviews of Personnel Policy Manual and Employee Handbook	next scheduled reviews of Supervisors Manual & Employee Handbook	next scheduled reviews of Personnel Policy Manual and Employee Handbook	next scheduled reviews of Supervisors Manual & Employee Handbook		Ongoing	
6.4	Employee Safety Prog	Dept. Heads	n/a	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit		Ongoing	
6.5	Eval & Performance Mgmt	Dept. Heads	n/a	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates		Ongoing	

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
7.0 Administrative Management											
7.1	District Policies & Procedures	GM & Board	n/a	annual review	annual review Supervisor's & Board Policy Manual/ development of Benefit Escalation Policy	annual review	annual review	annual review		Ongoing	Annual reviews are done for Conflict of Interest.
7.2	Records Retention	FD	n/a	DocStar fully implemented/Review Records Retention Policy	records backlog started	review Records Retention Policy & update	records backlog completed	review/update Records Retention Policy & continue management of current documents	2017	25%	Acct101
7.3	Customer Service	Dept. Heads	n/a	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training		Ongoing	
7.4	Continue to build upon Public Information	RD	n/a	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking			
7.5	Board Development Policy	GM & Board	n/a	ongoing annual AB 1234 Ethics training	ongoing annual AB 1234 Ethics training & update	ongoing annual AB 1234 Ethics training	ongoing annual AB 1234 Ethics training	ongoing annual AB 1234 Ethics training		Ongoing	Additional continuing education courses encouraged to
7.6	Review/Update Strategic Plan	GM & Board	n/a	annual review & revision	annual review & revision	annual review & revision	annual review & revision	annual review & revision		Ongoing	When do we think the Board will approve this?
7.7	Emergency Preparedness and Response	GM & Dept. Heads	n/a	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP		25%	Still working on information flow
7.8	Achieve Best Practices Awards	GM & Board & Board Secretary	n/a	achieve 6 hours of governance training for Board members, GM and executive staff	apply for the SDLF "District of Distinction" accreditation program & re-apply for Transparency Certificate					10%	Transparency Cert. Awarded in FY 14.
7.9	Explore Alternative Energy Options	GM & Board	n/a	Board review of report & consider prioritization of projects & include in CIP	bring proposal back to Board for implementation				2014	20%	Review and report to Board by end of FY 14

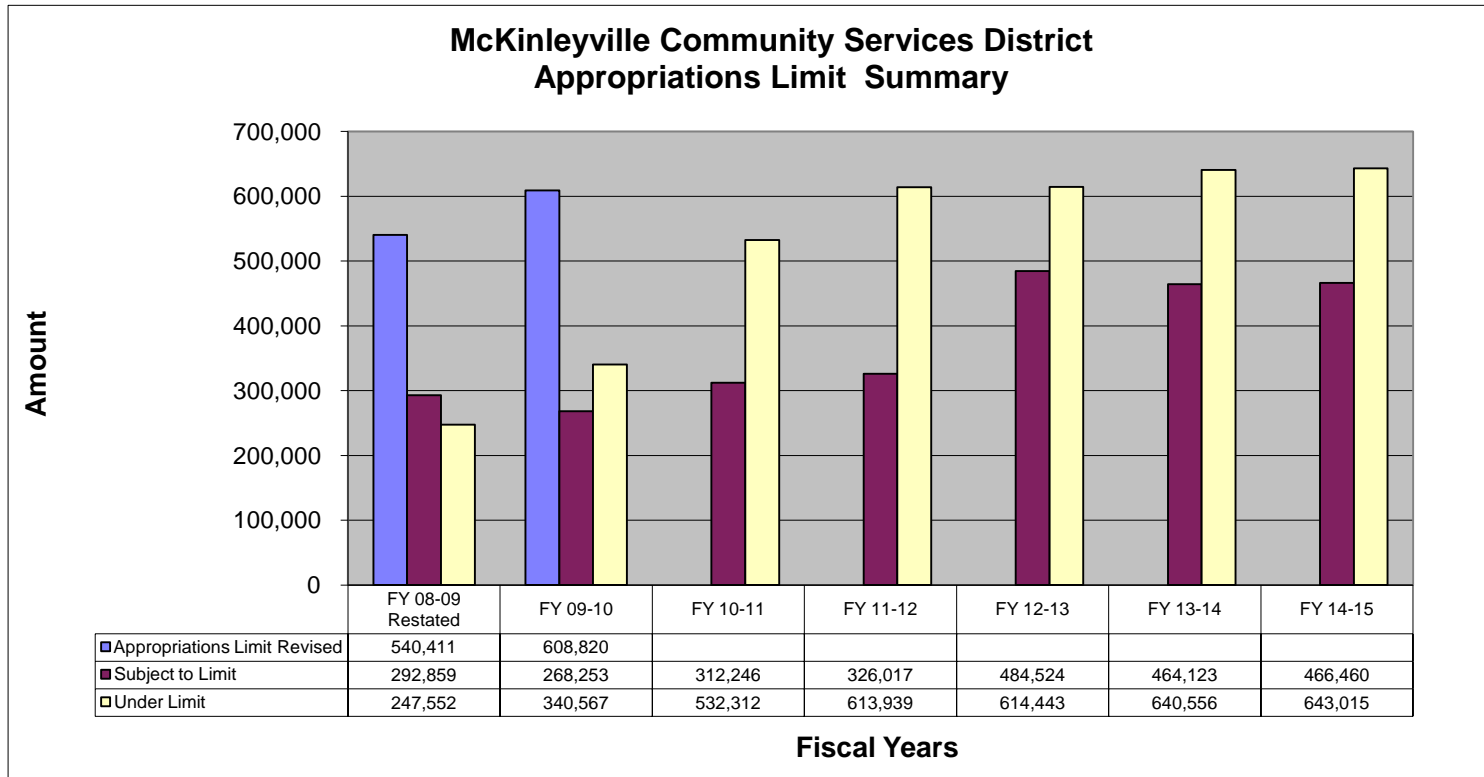
STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
7.10	Planning and Latent Powers	GM & Board	n/a	define entire process and associated estimated costs	propose phasing work to allow Board to consider the value of each step related to cost					Ongoing	Review and report to Board by end of FY 14
7.11	Integrated Pest Mgmt Plan	OD	n/a	developed an MCSD team to work on plan/ posted on website for input/held public workshops.	continue working on developing an IPM/ seek Board approval	plan implemented	monitoring	monitoring		Ongoing	
8.0 Finance											
8.1	Reserve Policy Implementation	FD/GM	n/a	review & monitor	review & monitor	review & monitor	review & monitor	review & monitor		Ongoing	
8.2	Budget Development	FD	n/a	completed & approved	information collection started	not yet started	not yet started	not yet started	FY2015-16 @ 5%	Ongoing	
8.3	Capital Budget Mgmt	FD/GM	n/a	completed & approved	information collection started	not yet started	not yet started	not yet started	FY2015-16 @ 5%	Ongoing	
8.4	Development of Financial Mgmt System	FD	n/a	review & evaluate available software	review & evaluate available software	RFP, choose vendor, lay out implementation plan	begin implementation	complete implementation	2017	3%	
8.5	Financial Audit	FD	n/a	sonduct annual audit	sonduct annual audit	3-yr RFP for audit completed	sonduct annual audit	sonduct annual audit	Dec-13	95%	
8.6	Monitor Reserves Recovery	FD	n/a	monitor	monitor	complete			Dec-13	2%	
8.7	Rate Studies	GM & Board	n/a	sewer rate Analysis to support debt requirement for WWMF Improvement Project	RFP for capacity fee review	capacity fee review	water rate analysis	sewer rate analysis	Dec-13	Ongoing	

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 15-16 Budget

Prior Year Final Appropriation Limit		\$ 1,109,476
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	0.020%	
MCSD Unincorporated County Population Percent Change	-0.061%	
Compounded Percentage as an Adjustment Factor	-0.578%	
Annual Adjustment Amount to Appropriation Limit		<u>(6,416)</u>
Current Year Appropriation Limit		<u>1,103,060</u>
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	513,126	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	<u>(15,792)</u>	
Current Year Appropriations Subject to Appropriation Limit		<u>497,334</u>
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		<u><u>\$ (605,726)</u></u>
Percentage Under the Limit		<u><u>-55%</u></u>



(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 XIIIB Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

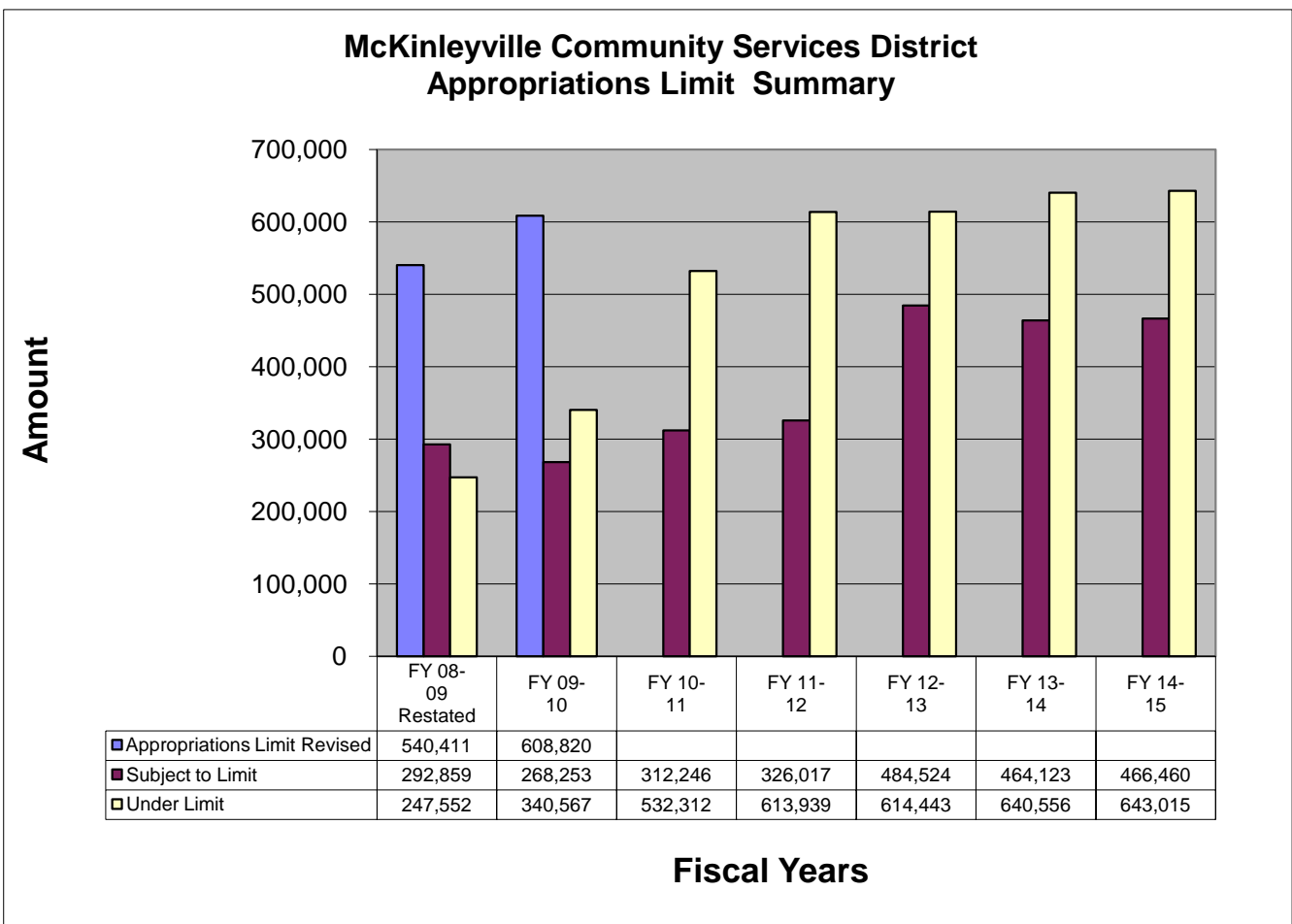
(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	822,145	513,126	1,335,271
Street Lighting Fund	93,837	-	93,837
Water Fund	3,372,978	-	3,372,978
Wastewater Fund	2,808,489	-	2,808,489
Total Proceeds and Non Proceeds of Taxes	7,097,450	513,126	7,610,575
Summary of Exclusions			
Court Order Costs	-		
Federal Mandates	15,792		
Qualified Capital Equipment	-		
Qualified Debt Service	-		
Total Exclusions to Appropriations Subject to Limit	15,792		

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under Limit
FY 08-09 Restated	540,411	292,859	247,552
FY 09-10	608,820	268,253	340,567
FY 10-11	844,558	312,246	532,312
FY 11-12	939,956	326,017	613,939
FY 12-13	1,098,967	484,524	614,443
FY 13-14	1,104,678	464,123	640,556
FY 14-15	1,109,476	466,460	643,015
FY 15-16	1,103,060	497,334	605,726



McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 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	400,910	400,910			
Miscellaneous Fees & Reimbursements	14,572	14,572			
Total General Fund	415,482	415,482	-	-	-
Street Lighting Fund	93,837		93,837		
Water Operations Fund	3,372,978			3,372,978	
Wastewater Operations Fund	2,808,489				2,808,489
Total Estimate of User Fees	6,690,786	415,482	93,837	3,372,978	2,808,489
Current Year Adopted Budget					
Operations & Equipment	5,969,406	1,272,744	93,777	2,588,752	2,014,132
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	721,381	(857,262)	60	784,226	794,357

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 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	510,000				510,000	-	510,000
Special Assessment	230,000				230,000	230,000	-
Charges for Services	400,910				400,910	400,910	-
Grants	28,589				28,589	28,589	-
Development Fees	143,000				143,000	143,000	-
Interest (4)	8,200				8,200	5,074	-
Miscellaneous Fees & Reimbursements	14,572				14,572	14,572	3,126
Other Financing Sources					-	-	-
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	1,335,271	0	0	0	1,335,271	822,145	513,126
Street Lighting Fund	93,837	(60)				93,837	
Water Fund	3,372,978	(784,226)				3,372,978	
Wastewater Fund	2,808,489	(794,357)				2,808,489	
Debt Service Fund	-					-	
Total All Funds	7,610,575	(1,578,643)	-	-	1,335,271	7,097,450	513,126

(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 15-16 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	4,700	4,700		Reimbursement for Services
42020	PROC. FEES	1,700	1,700		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.	2,100	2,100		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,172	2,172		Use of Property fees
44000	OPEN SPACE FEES	82,500	82,500		Development Fees
45000	OPEN SPACE FEES	7,500	7,500		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	27,600	27,600		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	42,450	42,450		User Fees for Services
48002	EVENT SERVICES	2,500	2,500		User Fees for Services
48010	INSURANCE FEES	500	500		User Fees for Services
48020	AD INCOME	400	400		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	332,110	332,110		User Fees for Services
48051	FRF DISCOUNT	(6,350)	(6,350)		User Fees for Services
48055	PROGRAM GRANTS	28,589	28,589		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	8,200	5,074	3,126	Allocated
51001	SECURED TAXES	510,000		510,000	
51060	MEASURE B ASSMT	230,000	230,000		Special Assessment Restricted Specific Use
52000	OTHER INCOME	4,000	4,000		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	1,500	1,500		Donations
53002	QUIMBY FEES	53,000	53,000		Development fees
54001	STATE GRANTS	-	-		Related to Restricted Grants
56000	GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund		1,335,271	822,145	513,126	

Street Lighting

41050	ADMIN FEE	13,000	13,000	
42020	PROC. FEES	3,700	3,700	
43195	OTHER OP. REV.	100	100	
47001	ST. LIGHT CHGS	71,612	71,612	
47001	ST. LIGHT CHGS	5,400	5,400	
50001	INT. REVENUE	25	25	

Total Street Lighting	93,837	93,837	-	User Fees for Services
------------------------------	---------------	---------------	----------	------------------------

Water Fund

40000	WATER BASE CHG	1,114,680	1,114,680	
40001	MTR. WATER SALE	1,854,527	1,854,527	
41001	NEW SVC. FEES	13,122	13,122	
41002	INSTALLATION FEES	-	-	
41020	PL. CK. FEE DEP	500	500	
42001	PERMIT FEES	-	-	
42010	CONN. FEES	100,000	100,000	
42020	PROC. FEES	20,900	20,900	
42030	BAD CHECK FEES	473	473	
42040	RECONN. FEES	22,050	22,050	
42050	DCV INSPECTION	20,000	20,000	
43010	REC. BAD DEBTS	772	772	
43190	CELL TOWER REV.	10,817	10,817	
43195	OTHER OP. REV.	10,000	10,000	

McKinleyville Community Services District

Revenue Estimates Detail

FY 15-16 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43197	LEASE REVENUE	3,600	3,600		
43198	PAVING FEES	1,000	1,000		
43199	SERVICE UPGRADE	-	-		
46000	AFTER HRS CHGS	827	827		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	1,000	1,000		
50001	INT. REVENUE	8,312	8,312		
50005	LATE CHARGES	15,398	15,398		
51011	CONTRIB CONST	175,000	175,000		
56000	GAIN ON DISPOSAL	-	-		
Total Water		3,372,978	3,372,978	0	User Fees for Services

Wastewater Fund

40002	SWR SVC CHGS.	2,393,222	2,393,222		
40010	STORM WATER FEE	300	300		
41001	NEW SVC. FEES	18,000	18,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	-	-		
41040	SWR CONST PRMT	1,000	1,000		
42001	INSPECTION FEES	-	-		
42010	CONN. FEES	120,000	120,000		
42020	PROC. FEES	-	-		
42030	BAD CHECK FEES	250	250		
42040	RECONN. FEES	-	-		
42050	DCV INSPECTION	-	-		
43010	REC. BAD DEBTS	900	900		
43190	CELL TOWER REV.	10,817	10,817		
43195	OTHER OP. REV.	5,000	5,000		
43197	LEASE REVENUE	20,400	20,400		
43198	PAVING FEES	500	500		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	100			
50001	INT. REVENUE	20,000	20,000		
50005	LATE CHARGES	14,000	14,000		
51011	CONTRIB CONST	200,000	200,000		
56000	GAIN ON DISPOSAL	4,000	4,000		
Total Wastewater		2,808,489	2,808,389	0	User Fees for Services

Debt Service

Total Debt Service	-	-	-	Debt Related
---------------------------	---	---	---	--------------

Total All Funds	7,610,575	7,097,350	513,126
------------------------	------------------	------------------	----------------

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 Budget

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

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 513,126
Less Allowed Exclusions (From Worksheet #7)	(15,792)
Current Year Appropriations Subject to Limit	<u>\$ 497,334</u>
Current Year Appropriations Limit (From Worksheet #6)	1,103,060
Current Year Appropriations Over or (Under) Limit	<u>\$ (605,726)</u>
Percentage Over or (Under) Limit	<u><u>-55%</u></u>

McKinleyville Community Services District
 APPROPRIATIONS LIMIT CALCULATION
 FY 15-16 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)	Humboldt County Total		
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
FY 10-11	-2.54	37.77	0.69	0.53	138.72061%	844,558
FY 11-12	2.51	10.50	0.72	0.66	111.29560%	939,956
FY 12-13	3.77	16.80	0.10	0.00	116.91680%	1,098,967
FY 13-14	3.10	0.02	0.50	0.40	100.51970%	1,104,678
FY 14-15	-0.23	0.50	-0.1	-0.03	100.43433%	1,109,476
FY 15-16	3.82	-0.08	-0.5	-0.30	99.42169%	1,103,060

[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. See Price-Population Letter, Annual

[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 15-16 Budget

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

Prior Year Appropriations Limit (From Worksheet #5)	\$	1,109,476
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		0.02%
MCSD Unincorporated County Population Percent Change		-0.06%
Compounded Total Percentage Adjustment Factor		<hr/> -0.578%
Current Year Annual Adjustment Amount	\$	(6,416)
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	\$	<hr/> - <hr/>
Current Year Appropriations Limit	\$	<hr/> 1,103,060 <hr/>

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)

	Exclusions
Court Orders	
	-
Federal Mandates	
Fair Labor Standards Act Payments	-
FICA and Medicare Payments	12,692
Unemployment Payments	3,100
Total Federal Mandates	15,792
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	-
Total Exclusions	15,792

RESOLUTION 2015 - 18

A RESOLUTION ESTABLISHING APPROPRIATIONS LIMITS FOR MCKINLEYVILLE COMMUNITY SERVICES DISTRICT IN FISCAL YEAR 2015-16 PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION.

WHEREAS, PURSUANT TO Article XIII B of the California Constitution, the McKinleyville Community Services District is required to establish, by resolution, the limit to which funds derived from ad valorem taxes may be appropriated during Fiscal Year 2015-16; and

WHEREAS, the District staff has obtained from the California Department of Finance a Population Change Estimate for the area within the McKinleyville Community Services District; and

WHEREAS, the results of the Population Change Estimate have been included within the determination of the McKinleyville Community Services District appropriations limit for Fiscal Year 2015-16; and

WHEREAS, the McKinleyville Community Services District has determined that such limit should be established at \$1,103,060; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District hereby establishes the limit to which funds derived from ad valorem taxes may be appropriated during the Fiscal Year 2015-16 pursuant to the provisions of Article XIII B of the California Constitution as \$1,103,060

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 3rd day of June 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.5

Adopt Resolution 2015-15 amending the Rules and Regulations Rule 42 Operation of Pierson Park

PRESENTED BY:

Lesley Frisbee, Recreation Supervisor

TYPE OF ACTION:

Roll Call Vote

Recommendation:

Staff recommends the Board of Directors participate in the presentation, air questions, take public comment and adopt Resolution 2015-15 amending the Rules and Regulations, Rule 42, Operation of Pierson Park so that the Rule includes the new Picnic Pavilion and Barbecue at Pierson Park.

Discussion:

Rule 42 of the Rules and Regulations defining the amenities and rules of use at Pierson Park do not currently include the recently constructed picnic pavilion. This amendment adds the Picnic Pavilion and Barbecue to the Rule and changes some verbiage for clarification given the addition of a larger barbecue area to the park.

The suggested changes to the Rule 42 of the Rules and Regulations are as follows:

REGULATION 42. - OPERATION OF PIERSON PARK

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

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

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

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

| Rule 42.~~0504~~. OVERNIGHT USE PROHIBITED. All events shall conclude at 10:00 p.m. Sunday-Thursday and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

| Rule 42.~~0605~~. FIRES. Fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designated for the containment of fires.

| Rule 42.~~0706~~. PETS. The designated off leash area is defined as the area of the park east of Azalea Hall's Hewitt Room and north of the gazebo. Horses are not allowed.

Alternatives:

- Take no action

Fiscal Analysis

- None

Exhibits/Attachments

- Attachment 1 – Resolution 2015-15

RESOLUTION 2015 - 15

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING THE RULES AND REGULATIONS, RULE 42, OPERATION OF PIERSON PARK

WHEREAS, the Board wishes to provide quality parks and recreation services to its constituents; and

WHEREAS, the Board recognizes the importance of including park features in the Rules and Regulations; and

WHEREAS, the District deems it necessary to include the newly constructed Picnic Pavilion at Pierson Park in the Rules and Regulations; and

WHEREAS, the amended Rules and Regulations will be duly accepted for implementation effective July 1, 2015.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District does hereby amend the Rules and Regulations, as follows:

REGULATION 42. - OPERATION OF PIERSON PARK

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

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

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

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

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

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

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

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 3rd day of June, 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.A **Support Services - April 2015 Report**

PRESENTED BY: **Colleen M. R. Trask, Finance Director**

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has deposited \$308,067.69 to date into the Trust Account for reserves recovery.

Budget Update: The final proposed Budget for Fiscal Year 2015-16 has been submitted to the Board this month for review and approval. Stated revenue includes staff's best estimates of the impact of Governor Brown's drought conservation regulations. All Funds are budgeted within their revenue limits, with surpluses adequate to cover debt service, pay-go capital projects, and some contribution to reserves.

Treasurer's Report Highlights: The April Treasurer's Report revenue includes capacity fees of \$153,974 for the Water Fund and \$229,942 for the Sewer Fund respectively.

The Emergency Water Line Intertie Project, funded with a Proposition 50 Grant through the Humboldt Bay Municipal Water District has been completed. We will add the value of the new asset to our Fixed Asset base next month, once our District has accepted the portion of the project conveyed to us by the Humboldt Bay Municipal Water District Board of Directors.

Streetlights shows an unplanned surplus in FY 2014-15, due to receipts of two rebate payments from PG&E. That surplus will be used to reduce the accumulated deficits prior fiscal years.

Measure B also shows revenue well above what was budgeted, however, this is due to the unexpectedly quick funding of the Measure B construction loan.

Other Updates:

SDRMA, our worker's compensation carrier, has changed their billing procedures for worker's compensation insurance. Diane Sloane, our Human Resources Manager, has worked with the Finance Director to adjust payroll processes to properly accommodate the change.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.B **Operations Department – April 2015 Report**

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

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 33 million gallons of water in April.
Ten water quality complaints were investigated and rectified.
Daily, weekly and monthly inspections of all water facilities were conducted.

Double Check Valve Testing:

Annual routine testing was completed in Routes 7 and 8 along with a minimal number of retests. Customers with failed DCVs were notified to make repairs and call the office to schedule a retest.

Average and Maximum Water Usage:

The maximum water usage day was 1.6 million gallons and the average usage per day was 1.1 million gallons.

Water Distribution Maintenance:

Weekly Bacteria Samples were collected on Schedules 1,2,4,5 and 6 which represent different locations in the water system. The schedules are made up of a sample taken in each zone. A leak repair along with resetting a meter box and lid were completed on Central Avenue. Several leak repair locations were saw cut and prepped for paving. Paving will take place when there are enough permanent patches to justify a truck load of hot mix. This is done to cut down on traffic set-up costs, trucking costs and labor. A 2" valve was replaced on Sunnygrove due to the existing valve was not operational. The valve replacement involved notifying several customers that they would be out of water while the main was shut down to replace the valve. After the valve was replaced, the main was flushed and each customer's water service was turned back on. A service was locked for nonpayment which led to that customer modifying an illegal connection to get water. The service was crimped and capped to prevent water theft until account is brought current. An angle-stop was replaced on Columbus due to damage by the customer. The customer was billed for the repairs. A water service was relocated on McCartney Lane due to a tree encroaching on the existing service causing the meter box to break and potentially causing leaks. The existing service was abandoned as part

of the relocation. The customer chose to pay for the relocation in lieu of removing the tree. An angle-stop was replaced on second Road due to not being able to shut off the existing angle-stop. A service line leak was repaired on B Street.

Water Station Maintenance:

String trimming was completed at several water stations and fence repairs were conducted at the North Bank Station. Tank pressure washing continued in April for aesthetic reasons and to clean surface for visual inspections.

As of July 2014, the District is required to submit a Public Water Monthly Monitoring Report to compare water usage to last year's usage in the same month. I will keep the Board updated each month using the Table below.

Water Usage Comparison in Million Gallons

	2013	2014	% Reduction	2014 Recycled	R- GPCD
July	54.757	50.668	7	14.297	
August	55.908	46.600	17	13.040	
September	45.702	40.619	12	17.434	
October	39.439	36.393	8	16.077	
November	34.879	30.795	12	13.807	
December	35.203	33.146	6	0	
	2013	2015	% Reduction	2015 Recycled	R- GPCD
January	38.263	32.781	14	0	52
February	33.751	29.867	12	0	52
March	36.244	33.456	8	0	51
April	39.755	33.238	16	0	52

*Recycled water is reclaimed water that is used for irrigating crops.

New Construction Inspections:

Central Estates Phase 2C, GRS installed sewer mains, water mains and valves. Testing and inspection of the water, sewer and streetlights infrastructure has begun. CVS; waiting on the contractor's schedule on when they will be conducting the hot tap for the fire service. The new Ace building on Central installed a new fire service which was inspected by staff.

Sewer Department:**Waste Water Statistics:**

27.5 million gallons of wastewater was collected and pumped to the W.W.M.F. 27.9 million gallons of wastewater was treated and discharged to land disposal or reclamation in April.

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

Sewer Station Maintenance:

Pump 3 at the Letz Station plugged up with rags. This was noticed during the daily pump hour observation which generated a work order for troubleshooting and repairs. Rags were removed and the pump was put back into service. String trimming was completed at several sewer facilities. The drywell blower screens were cleaned along with belts replaced on the blower motor.

Sewer Collection System:

The semi-annual hydro-cleaning schedule was completed using the Vac-con and 3000 psi of water through a spinning nozzle. This schedule is made up of problem spots that have caused sewer spills in the past. Customers were notified in advanced. The sewer installation patch for the Renner gas station was prepped and paved. Grease traps were inspected at required facilities. Customers that are out of compliance were notified to have their traps pumped and possibly shorten their pumping schedule.

Wastewater Management Facility:

The Chlorine Contact Basin was drained and cleaned with fire hoses. A pump is still being used to pump water from Pond 1A. Pennywart was removed from around the pond staff gauges due to the obstruction making it difficult to get the daily pond depths. An aerator cable anchor post was replaced on the ponds.

Daily Irrigation and Observation of Reclamation Sites:

Staff started irrigating to land on April 30th. Sites were prepped for irrigation and inspections. Hiller lane mowing was completed along with irrigation pipe installed for the irrigation season. Daily observations and pipe moving will be conducted along with daily reports filled out. Weekly well monitoring was conducted at the Fischer Ranch tree farm as part of the tree farm pilot study along with mowing around the trees. Mowing was completed at the storm water marsh.

Street Light Department:

No streetlight complaints were reported.

Promote Staff Training and Advancement: Weekly tailgate meetings and training associated with job requirements.

Special Notes:

Pony Express banners were installed on Central Avenue.
The windshield washer nozzles were replaced on Unit 13.
Traffic control supplies were cleaned and inspected.
Tractors, Dump Truck and Vac-con were greased and lubed to prevent wear.
Monthly river samples were completed.
Monthly Discharge and Self monitoring reports (DMR/SMR) were submitted.
Public Water Monthly Monitoring report was submitted.
Monthly Water Quality report was sent to the Dept. of Health.
Monthly Pesticide applicator report was submitted to Department of Agriculture.
Acute Toxicity samples were collected and sent to the lab.
Staff completed the Individual Development Plans (IDP's).
The Consumer Confidence Report was completed to bring to the Board for approval.
Staff held a pre-bid meeting for the Teen Center Project at the Activity Center.
Staff conducted an IPM meeting to discuss strategies for moving forward.
The annual water report was submitted to the State.

WWMF upgrade status:

Kennedy/Jenks responded to the District's Final designs (Bid Set) comments. A conference call to discuss their response is scheduled to take place in the next two weeks.

Staff is continuing to pump water out of Pond 1A. The Pond is approximately 99% drained. At this time staff is slowly pulling the water out of the remaining sludge.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.C **Recreation Supervisor's Report for June 2015**

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

TYPE OF ACTION: **None**

HILLER SPORTS COMPLEX:

Youth Sports continue to use the ball and turf fields at Hiller Sports Complex daily. Our relationships with Youth Sport Organizations continues to benefit the maintenance of the fields as each organization provides volunteer labor or material donations that go toward maintenance.

HILLER PARK:

BOTANICAL GARDEN:

Rock has been delivered to the site and a local Girl Scout troop met and distributed the rock on the trail through the Botanical Garden on May 16-17, 2015. Staff assisted the trail improvement by compacting the rock for flat even distribution.

DOG PARK:

The dog water dish that had been replaced in April, has been vandalized and broken. This is the second act of vandalism on the dog water station in Hiller Park in 3 months. It was stolen in March. Prior to it being stolen it had been broken and replaced several times. Staff are reconsidering the dog water dish at Hiller Park and researching alternatives that are less able to be damaged by vandalism.

PIERSON PARK

Parks staff and Northern Humboldt Employment Services have been working diligently to keep Pierson Park beautiful and in excellent condition for the Pony Express Days Festival on June 6, 2015.

COVERED PICNIC AREA PROJECT:

The Pavilion is complete and open for picnics. It is equipped with a large barbecue, electricity and 6 locally made picnic tables providing seating for 48 people.

PONY EXPRESS DAYS

The Parks & Recreation Dept. will be sharing booth space with the Boys & Girls Club of the Redwoods at the Pony Express Days Festival on Saturday, June 6th. Staff and members of the MYLS will run the booth, showcasing the design plans for the Teen and Community Center and providing information to the public on ways to support and be involved with the programming that will be planned in the new facility.

SHERIFF WORK ALTERNATIVE PROGRAM (SWAP):

MCSD and County staff worked out an agreement to keep a SWAP crew working twelve (12) days per year. In addition, the County has agreed to provide between two (2) and five (5) individual SWAP members to report to work for MCSD each Saturday. This partnership is still working very well.

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, and the McKinleyville Activity Center.

WORK EXPERIENCE (CalWORKS PROGRAM)

We currently have one (1) CalWORKS staff member working within the Parks Department. We are still seeking additional individuals interested in working for the park maintenance crew. This is a great program for the workers and for 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 County's umbrella.

RECREATION PROGRAMS:

The Pee Wee Basketball league for youth in Kindergarten through 2nd grade is finishing up the season with final games being played on June 13, 2015. We have 135 participants on 12 teams this year.

Jr. High Dance in May hosted 395 Humboldt County 6th, 7th and 8th graders. This program continues to be popular and well attended. May is the last dance of the 2014-2015 school year. The next dance will be held at the start of the next school year on September 18, 2015

The Youth Driven drop in program for youth in 6th-12th grades on Saturday nights has been getting a regular attendance of 20-25 youth ages 11-14 mostly. This program is a free drop-in program where youth can play games, shoot hoops, and just hang out with friends in a friendly and safe atmosphere.

Playgroup for families with children 0-5 years old, primarily funded by a grant through First 5 Humboldt is well attended on Mondays, Thursdays and Fridays. Mondays are the busiest at playgroup, with 30 or more families attending, due to a music teacher that comes and leads music activities for toddlers and parents on that day. Staff are preparing for playgroup's move to the summer location at Morris Elementary school. Playgroup will adjust the schedule for summer, meeting on Thursday and Friday only. Attendance at playgroup typically drops in the summer, and given increasing costs without increased revenues, this schedule adjustment will help staff close the gap between increased cost and stagnant revenue.

Summer programs are planned and scheduled. Staff is currently promoting and recruiting volunteers for upcoming programs including the Summer Youth Basketball program, a Youth Flag Football program, Kids' Camp Summer Day Camp program, Adult Woodbat Softball league.

Kids' Camp Summer Day Camp received a \$1000 grant from HAF to assist with the cost of providing field trips throughout the summer. Without this funding Kids' Camp would not be able to provide field trip opportunities to campers without increasing participant fees significantly. This grant covers more than half the cost of field trips. Participant fees cover the rest.

PARTNERSHIP DEVELOPMENT WITH BOYS & GIRLS CLUB OF THE REDWOODS

We continue to work on the development of our partnership with the BGCR. At the end of this month staff will begin work with Business Consultant Thomas Fumarelli, working on the MOU and business plan structure. Staff continues to work with BGCR staff on a fundraising strategy, raising funds for furnishings and amenities for the Teen and Community Center.

ATTACHMENT 1 – 2015 Summer/Fall Newsletter and Activity Guide



of Summer-Fall

Newsletter and Activity Guide





Board of Directors

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

General Manager

Gregory P. Orsini

District Office

1656 Sutter Road
McKinleyville, CA 95519

Office Hours

Monday - Friday
9:00 am - 5:00 pm
www.mckinleyvillecsd.com

Water-Sewer-Streetlights Office

Phone 707-839-3251
Fax 707-839-8456
Emergency Phone 707-601-9241

Parks and Recreation Office

Phone 707-839-9003
Fax 707-839-5964
Parks Maint. 707-599-9355

Online Registration

www.rec.mckinleyvillecsd.com

A Message from the Board of Directors

McKinleyville Community Services District is governed by an elected Board of Directors made up of McKinleyville residents. The Board meets monthly to review and vote on various District policies and procedures related to Water, Sewer, Streetlights, Parks, Open Space, and Recreation. The current Board President is John Corbett. President Corbett is a newly retired attorney who also serves on the State Water Resources Control Board. George Wheeler is the Vice President and he represents the Board on the Recreation Advisory Committee. Director David Couch is a full time employee with the City of Arcata as a Plant Operator for the Water/Wastewater Department. Director Helen Edwards has multiple degrees in Accountancy and Public Administration. She has worked as a CPA and enjoys traveling in her free time. Director Dennis Mayo is a rancher and serves on numerous Boards and Commissions across Humboldt County and is the Region 1 Vice Chair for the Association of California Water Agencies. President Corbett and Director Edwards are up for re-election this fall. The other three Directors will be up for re-election in 2017. The Board welcomes public input and observation at the monthly Board meetings, generally held on the first Wednesday of each Month at 7:00 pm at Azalea Hall.

On the Cover

A fun game of kickball during Kids Camp at Pierson Park.

Americans With Disabilities Act

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



Get your grill on! The Pavilion at Pierson Park is ready to rent!
Page 7



Come out to Hiller Sports Complex and join us for the 2015 Worldwide Day of Play
Page 13



Potable water regulations
Page 8



2014 Consumer Confidence Report

Water Quality & Testing Results
Page 4



Youth Sports
Page 11

Adult Sports
Page 14



It's that time of year again!!!
Page 10

Inside This Issue

- 4 2014 Consumer Confidence Report**
Detailing quality of the water we delivered to you
- 7 Pierson Park Pavilion**
Open to BBQing!!! Come check it out!
- 8 Emergency Water Conservation Regulations**
The State Water Resources Control Board's regulations for potable water use
- 9 Parks & Recreation Activity Guide**
Check out Lawn Games in the Park
- 10 Kids Camp**
Sign up for Kids Camp
- 11 Summer Basketball**
Youth basketball sign-ups
- 13 Worldwide Day of Play**
Bring the family out to PLAY!
- 14 Adult Wood Bat Softball**
Sign your team up today!
- 16 Upcoming Public Meetings**
Be in the know

2014 Consumer Confidence Report

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien.

Last year, as in years past, your tap water met all United States Environmental Protection Agency (USEPA) and State drinking water health standards. MCSD vigilantly safeguards its water infrastructure and once again, we are proud to report that our system did not violate a maximum contaminant level or any other water quality standard in 2014.

Introduction and Background

For a number of years, California State Law has required that water systems prepare an Annual Water Quality Report for their customers providing information regarding the quality of water delivered to them. The 1996 amendments to the federal Safe Drinking Water Act introduced new reporting requirements - namely preparation of a Consumer Confidence Report - with essentially the same purpose as that of the California Water Quality Report. Since 1999, California water systems must comply with federal reporting requirements. This report represents the McKinleyville Community Service District's 2014 Consumer Confidence Report. It is a snapshot of the quality of the water we provided last year. Included are details about where your water comes from, what it contains, and how it compares to State standards.

If you have any questions about this report or the quality of your drinking water, please call Greg Orsini, General Manager at 839-3251. You may also attend one of the regularly scheduled meetings of our Board of Directors, which are held the first Wednesday of each month at 7:00 p.m. at Azalea Hall (1620 Pickett Road).

Water Source

Drinking water delivered by the McKinleyville Community Services District (MCSD) is supplied by the Humboldt Bay Municipal Water District (HBMWD). HBMWD water is drawn from wells located in the bed of the Mad River northeast of Arcata along Highway 299. These wells, called Ranney Wells, extract water from the sands and gravel of the riverbed at depths of 60 to 90 feet, thereby providing a natural filtration process. In low rainfall periods, this naturally filtered water is then disinfected via chlorination and delivered, without further treatment, to the HBMWD's wholesale municipal and retail customers in the greater Eureka/Arcata area. The District's source water has been classified by the State Water Resources Control Board (SWRCB) as groundwater. The classification is important with respect to the regulations that a water system must follow to ensure water quality.

In the late 1990s heavy winter rainfalls and high river levels were accompanied by increased turbidity (cloudiness) in the District's water. While turbidity itself is not a health concern, there is concern that it may interfere with the disinfection process. In 1997, DHS mandated that the District take steps to control the turbidity in its

drinking water. Together with its wholesale customers, the new Turbidity Reduction Facility (TRF) was constructed and became operational in late 2002. For the first time in many years the District met the State's secondary maximum contaminant level standard for turbidity of less than 5 NTU (the unit which turbidity is measured). The TRF operates only during winter months.

General Water Quality

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the U.S. EPA's Safe Drinking WATER hotline (1-800-426-4791) or visiting the USEPA website (<http://water.epa.gov/drink/standards/hascience.cfm>).

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and can pick up substances resulting from the presence of animals or human activity. Contaminants that may be present in source water include:

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations and wildlife.
- Inorganic contaminants such as salts and metals, that can be naturally occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining, or farming.
- Pesticides and herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Radioactive contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.
- Organic chemical contaminants including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, agriculture application, and septic systems.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, persons with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA and the Center for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by cryptosporidium and other microbial contaminants are available from the USEPA's Safe Drinking Water Hotline (1-800-426-4791)

or visiting their website (<http://water.epa.gov/drink/standards/hascience.cfm>).

HBMWD consistently and frequently monitors for the presence of giardia and cryptosporidium in its drinking water. Since the mid-1990s, when the EPA approved the testing technique for these contaminants, HBMWD has never had a confirmed detection of either contaminant.

Water Quality Testing Results

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency and the State Water Resources Control Board (State Board) prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. HBMWD treats its water and performs annual monitoring and testing, in accordance with the USEPA and the State Board regulations and requirements, to ensure its water is safe to drink. In addition, MCSD performs separate monitoring and testing, in accordance with the USEPA and the State Board regulations and requirements, to ensure that the water quality remains high within the MCSD storage and distribution systems. Additional monitoring performed by MCSD includes laboratory analysis for coliform bacteria, disinfection byproducts and lead/copper. Test results for disinfection byproducts and lead/copper are included in the MCSD test results table. The MCSD testing for coliform produced one positive test and no positives upon retesting. Test results for disinfection byproducts have been below the Maximum Contaminant Level (MCL).

In 2014, HBMWD conducted approximately 297 water quality tests for 40 contaminants. MCSD also performed approximately 266 water quality tests during 2014. The results from both the HBMWD's and the MCSD's 2014 monitoring and testing programs indicate that our water quality is very high, as has consistently

been the case in past years.

The tables enclosed in the newsletter list all the drinking water contaminants that were monitored during 2014. Additionally, the State requires that both Districts monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Therefore, results from prior years are included if such a contaminant was detected. There are very few entries in the tables because very few contaminants were actually detected in prior years. It is once again important to note that the presence of these contaminants does not necessarily indicate that the water poses a health risk.

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. MCSD is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at (<http://www.epa.gov/safewater/lead>).

During 2014, the District was also required to test for unregulated contaminants as part of the Unregulated Contaminant Monitoring Rule 3. The testing and results are described in the following tables. It is important to note that the presence of contaminants does not necessarily indicate that the water poses a health risk.

Definitions of Terms Used in This Report:

The following definitions are provided to help you understand the terms and abbreviations in the following tables:

Detection Limit for Purposes of Reporting (DLR): The DLR is a parameter that is set by state regulation for each reportable contaminant. The presence of these contaminants in the drinking water at its DLR does not necessarily indicate that the water poses a health risk and can be below its MCL.
Maximum Contaminant Level (MCL): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs cover the aesthetic quality of the water such as odor, taste and appearance.
Maximum Contaminant Level Goal (MCLG): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. Environmental Protection Agency.

Maximum Residual Disinfectant Level (MRDL): The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.
Maximum Residual Disinfectant Level Goal (MRDLG): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.
microseimens/cm: a measure of specific conductance (µS/cm)
Minimum Reporting Level (MRL): The MRL is defined by the USGS National Water Quality Laboratory as the smallest measured concentration of a substance that can be reliably measured by using a given analytical method.

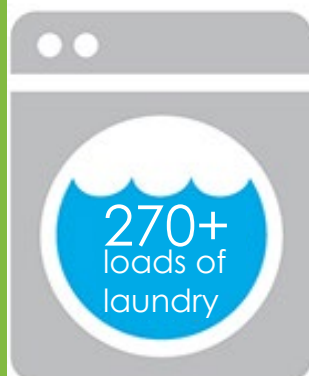
mgCaCO3/L: milligrams of calcium carbonate per liter (a measure of hardness)
n/a: not applicable
ND: not detectable at testing limit
NTU: Nephelometric Turbidity Units
Primary Drinking Water Standard (PDWS): MCLs for contaminants that affect health along with monitoring, reporting requirements and water treatment requirements.
pCi/l: picocuries per liter (a measure of radiation)
ppb: parts per billion or micrograms per liter (µg/L)
ppm: parts per million or milligrams per liter (mg/L)
Public Health Goal (PHG): The level of a contaminant in drinking water, below 9 which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.
Regulatory Action Level (RAL): The concentration of a contaminant which, when exceeded, triggers treatment or other requirements that a water system must follow.

Did you know?

Household water leaks waste



=



*Average U.S. family per year

Learn more about WaterSense and what you can do to help make every drop count. Visit epa.gov/watersense/index.html

Humboldt Bay Municipal Water District Testing: RAW SOURCE WATER

McKinleyville Community Services District 2014 Consumer Confidence Report

TABLE 1 – SAMPLING RESULTS SHOWING THE DETECTION OF COLIFORM BACTERIA

Microbiological Contaminants (complete if bacteria detected)	Highest No. of Detections	No. of months in violation	MCL	MCLG	Typical Source of Bacteria
Total Coliform Bacteria	(In a mo.) 0	0	More than 1 sample in a month with a detection	0	Naturally present in the environment
Fecal Coliform or <i>E. coli</i>	(In the year) 0	0	A routine sample and a repeat sample detect total coliform and either sample also detects fecal coliform or <i>E. coli</i>	0	Human and animal fecal waste

TABLE 2 – SAMPLING RESULTS SHOWING THE DETECTION OF LEAD AND COPPER

Lead and Copper (complete if lead or copper detected in the last sample set)	Sample Date	No. of samples collected	90 th percentile level detected	No. sites exceeding AL	AL	PHG	Typical Source of Contaminant
Lead (µg/L)	2014	5	2.0	0	15	0.2	Internal corrosion of household water plumbing systems; discharges from industrial manufacturers, erosion of natural deposits
Copper (mg/L)	2014	5	0.925	0	1.3	0.3	Internal corrosion of household plumbing; erosion of natural deposits; leaching from wood preservatives

TABLE 3 – SAMPLING RESULTS FOR SODIUM AND HARDNESS

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Sodium (mg/L)	2007	3.6		none	none	Salt present in the water and is generally naturally occurring
Hardness (mg/L as CaCO ₃)	2007	68		none	none	Sum of polyvalent cations present in the water, generally magnesium and calcium, and are usually naturally occurring

TABLE 4 – DETECTION OF CONTAMINANTS WITH A PRIMARY DRINKING WATER STANDARD

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL [MRDL]	PHG (MCLG) [MRDLG]	Typical Source of Contaminant
THMs (µg/L) – (Total Trihalomethanes)	2014	Average = 6.2		80	n/a	By-product of drinking water chlorination
HAA5 (µg/L) (Haloacetic Acids)	2014	Average = ND		60	n/a	By-product of drinking water chlorination
Chlorine (mg/L)	2014	Average = 0.74		4	4	Drinking water disinfectant added for treatment.
Aluminum (mg/L)	2006	0.16		1	0.6	Discharges from industrial manufacturers, erosion of natural deposits

TABLE 5 – DETECTION OF CONTAMINANTS WITH A SECONDARY DRINKING WATER STANDARD

Chemical or Constituent (and reporting units)	Sample Date	Level Detected	Range of Detections	MCL	PHG (MCLG)	Typical Source of Contaminant
Chloride (mg/L)	2007	Average = 2.8		500	n/a	Runoff/leaching from natural deposits, or seawater influence
Sulfate (mg/L)	2007	Average = 9.5		500	n/a	Runoff/leaching from natural deposits; industrial wastes
Specific Conductance (µS/cm)	2013	Average = 140		1,600	n/a	Substances that form ions when in water
Total Dissolved Solids (mg/L)	2007	Average = 93		1,000	n/a	Runoff/leaching from natural deposits
Turbidity (NTU)	2014	Average = 0.07	0.02 – 0.61	5	n/a	Turbidity has no health effects. However, high levels of turbidity can interfere with disinfection and provide a medium for microbial growth. Turbidity may indicate the presence of disease-causing organisms. These organisms include bacteria, viruses, and parasites that can cause symptoms such as nausea, cramps, diarrhea and associated headaches.

Unregulated Contaminant Monitoring Rule (UCMR)3 – 2013 Testing Results						
As part of the federal drinking water program, USEPA issues a list of currently unregulated contaminants to be tested by Public Water Systems throughout the nation. This process occurs every five years pursuant the Unregulated Contaminant Monitoring Rule (UCMR). The purpose of the UCMR program is to determine the prevalence of unregulated contaminants in drinking water. Results of this testing help USEPA determine whether or not to regulate new contaminants for protection of public health.						
There have been three cycles of monitoring: UCMR 1 (2001-2003), UCMR 2 (2008-2010), and UCMR 3 (2013-2015). The District participated in UCMR1 and UCMR2 in which 37 constituents were tested; all results were non-detect. The District also participated in the UCMR 3 testing in 2013. The District tested 28 constituents on USEPA's List 1 (Assessment Monitoring) and List 2 (Screening Survey). Of the 28 constituents tested, 24 were non-detect and four had results. The table below shows the four constituents with results above their minimum reporting levels (MRL). Although unregulated by USEPA, two of the four have MCLs established or proposed by SWRCB. Information on the likely source and potential health effects are also included.						
TABLE 6 – DETECTION OF UNREGULATED CONTAMINANTS						
Chemical or Constituent (and reporting units)	Sample Date	Range of Detections	Notification Level	MCL	PHG	Health Effects Language
Chromium 6+ (µg/L)	2013	0.18 - 0.23	n/a	10 ¹	0.02	Naturally occurring from geological formations, also from manufacturing of textile dyes, wood preservation, leather tanning, and anti-corrosion coatings.
Chromium, Total (µg/L)	2013	0.20 – 0.39	n/a	50	n/a	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits. Some people who use water containing chromium in excess of the MCL over many years may experience allergic dermatitis.
Strontium, Total (µg/L)	2013	240 – 310	n/a	n/a	n/a	Strontium is a silvery metal that rapidly turns yellowish in air. Strontium is found naturally as a non-radioactive element. Strontium has 16 known isotopes. Naturally occurring strontium is found as four stable isotopes Sr-84, -86, -87, and -88. Twelve other isotopes are radioactive.
Vanadium, Total (µg/L)	2013	0.38 – 0.65	50	n/a	n/a	Naturally-occurring; the primary possible contaminating activity is steel manufacturing and in association with hazardous waste sites. The babies of some pregnant women who drink water containing vanadium in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.

¹The MCL for Chromium 6+ became effective on July 1, 2014.

McKinleyville Community Services District Testing: DISTRIBUTION SYSTEM				McKinleyville Community Services District 2014 Consumer Confidence Report
Contaminant and units	Level Detected	MCL	PHG (or MCLG)	Likely Source and Potential Effects (if above MCL)
Microbiological Contaminants -- 216 Samples				
Total Coliform Bacteria	One positive test Zero on retest	More than one positive sample monthly	Zero positives	Naturally present in the environment
Fecal Coliform And E. coli. Bacteria	Zero positive	A routine sample and a repeat sample are total coliform positive, and one is also fecal coliform positive	Zero positive	Fecal coliform and E. coli. are bacteria whose presents indicates that water may be contaminated with human waste or animal fecal waste
Disinfection Byproducts and Disinfectant Residuals				
THMs – Total (µg/L) Trihalomethanes	Average= 14.0	80 µg/L	n/a	By-product of drinking water chlorination
HAA5 (µg/L) Halo acetic Acids	Average= 6.4	60 µg/L	n/a	By-product of drinking water chlorination
Chlorine (mg/L)	Average= 0.49	4 mg/L	4	Drinking water disinfection
Lead and Copper				
Copper (mg/L)*	Thirty sites tested none above the AL 90 th percentile= 1.21	AL = 1.3 mg/L	0.3 mg/l	Internal corrosion of household plumbing; erosion of natural deposit
Lead (µg/L)*	Thirty sites tested none above the AL 90 th percentile= 2.63	AL = 15 µg/L	0.2 µg/L	Internal corrosion of household plumbing systems; discharges from industrial manufactures, erosion of natural deposits

*Samples taken in 2013

Additional Water Characteristics

Sodium and Hardness

Although sodium and hardness do not have MCLs, they are of interest to many consumers who are concerned about sodium intake.

- **Hardness** is the sum of polyvalent cations present in water, generally magnesium and calcium. The cations are, usually naturally occurring.
- **Sodium** refers to salt present in water and is generally naturally occurring.

Sodium (ppm) *	Average = 3.6	Samples Taken in 2007
Hardness *(mgCaCO3/L)	Range = 57 – 80 Average = 67	Samples Taken in 2005



Pierson Park Pavilion

The new Pavilion in Pierson Park is ready for BBQing just in time for summer. Located between the playground and the horseshoe pits and bocce courts, the Pavilion is the perfect place for your next party or event. This Project was partially funded by the Land & Water Conservation Fund through the U.S. Department of the Interior and the California Department of Parks & Recreation. All of the labor was provided by McKinleyville Community Services District Staff. All of us at the District would like to thank JLF Construction for their generosity in helping us to complete this project. If you would like to reserve the Pavilion for your event please call the Parks and Recreation office at 839-9003 to check availability. Rental Fees are \$100 for a minimum of 4 hours and \$25 per additional hour.

Unregulated Contaminant Monitoring Rule (UCMR) 3 – 2014 Testing Results

As part of the federal drinking water program, USEPA issues a list of currently unregulated contaminants to be tested by Public Water Systems throughout the nation. This process occurs every five years pursuant the Unregulated Contaminant Monitoring Rule (UCMR). The purpose of the UCMR program is to determine the prevalence of unregulated contaminants in drinking water. Results of this testing help USEPA determine whether or not to regulate new contaminants for protection of public health.

The District participated in the current UCMR 3 testing in 2014. The District tested 28 constituents on USEPA's List 1 (Assessment Monitoring). Of the 28 constituents tested, 24 were non-detected and four had results. The table below shows the four constituents with results above their minimum reporting levels (MRL). Although unregulated by USEPA, two of the four have MCL's established or proposed by CDPH. Information on the likely source and potential health effects is also included.

McKinleyville Community Services District Testing: UCMR 3

Contaminant and Units	Level Detected	Levels & Goals (see last page for definitions)			Likely Source and Potential Effects (if above MCL)
		MRL	MCL	PHG	
Unregulated Contaminant Monitoring Rule 3 – Detected Chemicals					
Chromium 6 +	Range = 0.34 – 0.45 µg/L	0.03 µg/L	0.10 µg/L (proposed but not yet adopted)	0.02 µg/L	Naturally occurring from geological formations, also from manufacturing of textile dyes, wood preservation, leather tanning, and anti-corrosion coatings.
Chromium, Total	Range = 0.25 – 0.34 µg/L	0.20 µg/L	50 µg/L	n/a	Discharge from steel and pulp mills and chrome plating; erosion of natural deposits. Some people who use water containing chromium in excess of the MCL over many years may experience allergic dermatitis.
Strontium, Total	Range = 347 – 348 µg/L	3.00 µg/L	n/a	n/a	Strontium is a silvery metal that rapidly turns yellowish in air. Strontium is found naturally as a non-radioactive element. Strontium has 16 known isotopes. Naturally occurring strontium is found as four stable isotopes Sr-84, -86, -87, and -88. Twelve other isotopes are radioactive.
Vandium, Total	Range = 0.68 – 0.70 µg/L	0.20 µg/L	n/a	n/a	Naturally-occurring; the primary possible contaminating activity is steel manufacturing and in association with hazardous waste sites. The babies of some pregnant women who drink water containing vanadium in excess of the notification level may have an increased risk of developmental effects, based on studies in laboratory animals.

Note: Vanadium has Notification level of 50 µg/L



Emergency Water Conservation Regulations

MCSD Board of Directors Ordinance 10 Stage 2 Mandatory Prohibitions as of April 1, 2015:

- Outdoor irrigation of ornamental landscapes or turf with potable water is only allowed on Sundays, Tuesdays, Thursdays and Saturdays
- The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
- The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;
- The application of potable water to driveways and sidewalks; and
- The use of potable water in a fountain or other decorative water feature, except where the water is part of a re-circulating system.

Other restrictions which are not part of the MCSD Ordinance 10, but are updated state mandates, include:

- The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall; and
- The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.
- To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guest room using clear and easily understood language.

Parks & Recreation Activity Guide

Facilities and Facility Rentals	9
Parks and Picnic Area Rentals	9
Lawn Games in the Park	9
Kids Camp	10
Summer Basketball	11
Summer Flag Football	11
KinderSports T-Ball & Soccer	11
Youth Basketball League	11
Youth Driven	12
Kids Club After-school Program	12
McKinleyville Playgroup	12
Junior High School Dances	12
Birthday Parties	12
World Wide Day of Play	13
Hoop @ Night	14
Adult Futsal	14
Adult Wood Bat Softball League	14
Simply Fit	14
North Coast Agility & Dog Training	15
Delilah's Top Dog	15
Advertisements	15

Registration Information

Register in person at the Parks & Recreation Office at 1656 Sutter Road. Registration forms are also available on our website: www.mckinleyvillecsd.com. **Residents (R) are those persons living or owning property inside the MCSD Boundary. All others pay a non-resident (NR) fee.*

Online Registration Available

Look for the "mouse" to find out which of our programs offer online registration! Click on the links to **Online Registration** on our website or go to rec.mckinleyvillecsd.com to register!

Facilities & Facility Rentals

We have facilities available to rent for all your special event or meeting needs. For information regarding rental policies and procedures, please contact the Parks and Recreation office at 839-9003, or check out our website at www.mckinleyvillecsd.com/facility-rentals.



Parks & Picnic Area Rentals

We have park picnic areas available to rent for all your party needs. Each picnic area is equipped with tables and a BBQ. For more information please contact the Parks and Recreation office at 839-9003, or check out our website at www.mckinleyvillecsd.com/park-rentals.



Lawn Games in the Park

Join us for classic lawn games in the park every Thursday evening in July and August from 5:30pm to 7:30pm. Bring your family out to play games like Cornhole, Badminton, Croquet, Wiffle Ball, Bocce, and Horseshoes! It's FREE!!!



its that time of the year again

McKinleyville

Kids Camp

june 15 - august 21

McKinleyville activity center

6 to 12 years old*

full day: 7:30am-6:00pm

weekly full day: \$130/\$135 non-res.

daily full day(m,t,th,f): \$30/\$31 non-res.

daily full day(w): \$35/\$36 non-res.

am half day: 7:30am-12:30pm

pm half day: 12:30pm-6:00pm

weekly half day: \$90/\$95 non-res.

daily half day: \$20/\$21 non-res.

preregistration required. register at 1656 sutter road, mckinleyville. more info: 839-9003. *may be 5 if completed kindergarten

Join McKinleyville Parks & Recreation for a dynamic summer day camp program in which youth ages 6-12 years old will have the opportunity to choose their summer experience.

Participants will have a choice of a variety of options for each "Activity" segment of the daily schedule. Summer is a time for fun and freedom, so we like to provide each participant the opportunity for freedom of choice whenever possible. We offer opportunities for free play both indoors and outdoors each day. Roller Skating is a weekly activity. Participants are welcome to bring their own skates or borrow some of ours!

Field trips are each week on Wednesdays. Field trips are available ONLY for Full Day camp participants, fees are included in the Full Day Registration cost.

**Payment for first week of attendance is due in full at time of registration.

A \$3 per day deposit can be placed on all future dates to reserve your child's spot.

Summer Basketball

This co-ed Basketball program offers youth entering 3rd-8th grades a chance to play some basketball during the busy summer season. Have a vacation planned, and don't want to miss out? No worries, players are not on assigned teams. Players who show up are divided into teams to play reffed games.

Entering Grades 3rd-4th | McKinleyville Activity Center
June 23-August 4 | T | 6:30pm-8:00pm | \$35R/\$40NR

Entering Grades 5th-8th | McKinleyville Activity Center
June 25-August 6 | Th | 6:30pm-9:00pm | \$35R/\$40NR

Summer Flag Football

This co-ed Flag Football program offers youth in 3rd-8th grades the chance to play a non-contact football game that emphasizes passing, catching, running and play strategies. Come check it out at a Free Skills & Drills workshop June 24th from 3:00pm to 6:00pm at Pierson Park. ***Drop-in: \$10R/\$11NR**

Entering Grades 3rd-8th | Pierson Park
July 1-July 29 | W | 4:30pm-6:00pm | \$48R/\$53NR

KinderSports T-Ball

This co-ed introductory program introduces your child to the basic skills of T-Ball. Build up your child's sense of teamwork and sportsmanship by signing them up for this fantastic program. This program fills up, register early!

Age: 2-3 | McKinleyville Activity Center
July 11-Aug. 15 | Sa | 9:30am-10:30am | \$55R/\$60NR

Age: 3-5 | McKinleyville Activity Center
July 11-Aug. 15 | Sa | 11:00am-12:00am | \$55R/\$60NR

Mark Your Calendars:

KinderSports Soccer

This co-ed introductory program introduces your child to the basic skills of Soccer. Build up your child's sense of teamwork and sportsmanship by signing them up for this fantastic program. This program fills up, register early! Registration begins September 1, 2015.

Age: 2-3 | McK Activity Center | Oct 10-Nov. 14
Sa | 9:30am-10:30am | \$55R/\$60NR

Age: 3-5 | McK Activity Center | Oct 10-Nov. 14
Sa | 11:00am-12:00am | \$55R/\$60NR

Youth Basketball League

Our Basketball League offers boys and girls in 3rd-12th grades a chance to play in basketball league this upcoming winter. Registration begins September 1, 2015.

Grades 3rd-12th | McK Activity Center
Starts January 16, 2016 | Sa | \$65R/\$70NR



Boys and Girls 6-15 Years Old
August 24-28

McKinleyville Activity Center
\$260 *\$60 Discount for Siblings

1 (831) 207-2041

Register at

www.BasketballJonesCamps.com

Each Camper Receives a Workout DVD, Ball, T-Shirt, Water Bottle & 40 Hours of Instruction

Youth Driven

Teens check out the place to be on Saturday nights! Drop by to participate in various activities like shooting some hoops, playing board games, playing on the Xbox and Wii, or just to hang out with friends.

Grades 6th-12th | McKinleyville Activity Center | Free
June 6, 13; July 25; Aug. 29; Sept. 19, 26 | 7:00pm-9:30pm



facebook.com/youthdrivenmcsd

Kids Club

Kids Club is an after-school enrichment program for students attending Dow's Prairie and Morris Elementary Schools. A variety of activities such as games, arts and crafts, sports, and homework time are offered each day. A healthy snack is provided each day.

Registration Opens July 1, 2015!!!

Grades K-2nd | \$13 per day
Starting Aug. 31 | M, T, W, Th, F | After-school until 6:00pm

Grades 3rd-5th | \$11 per day
Starting Aug. 31 | M, T, W, Th, F | After-school until 6:00pm

McKinleyville Playgroup

Playgroup is a great opportunity for children 0-5 years old and their parents to meet new people and make new friends. A variety of toys and activities for young children are provided. Come check it out! A \$3 donation is greatly appreciated!

Families with 0-5 year olds | Morris Elementary Room #1
June 18-August 28 | Th, F | 10:00am-12:00pm | Free

Families with 0-5 year olds | McKinleyville Activity Center
Sept. 1-Oct. 9 | T, Th, F | 10:00am-12:00pm | Free

Junior High Dances

Join us for an evening of fun and dancing! A student body ID card and legible dance contract are REQUIRED. Admission fees are collected at the door. Arrive early, have your ID ready, and bring exact change to help us get you in the door faster!!! Don't forget extra money for Pizza, Drinks, and Snacks!!!

Grades 6th-8th | McKinleyville Activity Center
Sept. 18 & Nov. 13 | F | 7:00pm-9:30pm | \$10

Birthday Parties

Book your child's next birthday party with us! Private parties are scheduled around other programs at the Activity Center. Choose from a roller skating, basketball, indoor soccer, dodgeball, or a Playgroup Toddler Party!

McKinleyville Activity Center | Call for scheduling
Starting at \$150 for 20 Participants



McKinleyville's Oil Change Experts since 1997

- OIL & FILTER CHANGE
- LUBRICATION
- VACUUM INTERIOR
- CHECK ALL FLUIDS

Check out our website:

www.lube-central.com

for Coupons!!!

839-2171 1590 Nursery Rd., McKinleyville, CA 95519


McKinleyville Little League

Contact us for your local
Little League Baseball information!
Check out our website:

www.mckinleyvillelittleleague.com

P.O. Box 2284
McKinleyville, CA 95519
Phone: 707-940-4444
E-mail: mckinleyvillellb@yahoo.com



A stylized sun with jagged yellow rays is in the top left corner. A large tree with a brown trunk and a canopy of green circles is on the right side. The background is light blue, and the bottom is a green field of stylized grass.

2015 Worldwide Day of Play

Saturday, September 26
12:00 pm-3:00 pm
Hiller Sports Complex

Turn off your TV, computers, video games and gadgets!
It's time to get out and PLAY! This FREE family event will
host a variety of activities including:

Relay Races, Lawn Games, Wiffle Ball, Dodgeball,
Kickball, Disc Golf, a Tot Area and MORE!

If you or your organization would like to volunteer to host an activity at the World Wide Day of Play please contact us at 707-839-9003 or email: lesley@mckinleyvillecsd.com

Hoop @ Night

Our Drop-in Basketball program happens almost every Sunday evening at the Activity Center. Bring your friends and get a workout that is also fun!

Adults 18 years & older | McKinleyville Activity Center
Ongoing | Su | 7:00pm-10:00pm | \$3/Day

Adult Futsal

Join our fastest growing co-ed adult sports league. Futsal is a style of indoor soccer played with a slightly smaller and denser ball. Drop in play is also available for \$10 per day per player.

Adults 18 years & older | McKinleyville Activity Center
Sept. 16-Nov. 18 | W | 6:00pm-9:30pm | \$50R/\$55NR

Adult Wood Bat Softball

Get your team together and lets "Play Ball!" Join us at Hiller Sports Complex on Sundays for another great co-ed wood bat softball season for players 16 years and older. Teams consist of 12 to 16 players. Sign up your team for this league by Monday, July 20.

16 years & older | Hiller Sports Complex | July 26-Sept. 27
\$600/team of 12 players | Additional players \$50R/\$55NR

Simply Fit

Increase your fitness by doing simple movements with lo-tech equipment to strengthen muscles and improve balance in this Lo-Impact Aerobics & Strength Stretch Class with instructor Gayle Patrice, P.T.

Adults 18 years & older | Azalea Hall
Sept. 14-Nov. 18 | M, W | 10:00am-11:00am | \$6/Day

Our Sponsors Rock!!!

The McKinleyville Parks and Recreation Department would like to give a shout out to all of our sponsors! Without their support many of our recreation programs would not be as affordable as they are to our participants and our special events may not exist. Thank you:

Lube Central - 4 Sponsorships!!!!

Coast Central Credit Union - 3 Sponsorships!!!

Jackson & Eklund Accounting - 3 Sponsorships!!!

Travis Carmesin Construction - 2 Sponsorships!!

Wright Management Services - 2 Sponsorships!!

99.1 KISS FM

Above & Beyond Cleaning Service
Alves, Inc.

American Property Management

B C Ferreira Construction

Baker Excavation

Barry Smith Construction

Bella Vista Realty

Biztech

Blue Lake Casino & Hotel

Chase, Inc.

Dan Lykins, Attorney at Law

Edward Jones: Sara Goodwin

Harper Motors

Humboldt First 5

Humboldt Outfitters

Humboldt Sanitation

Judy Davis Insurance

Linda Sundberg Insurance Agency

Mad River Builders

Mad River Youth Soccer

May, Abrahamsen & Barsanti CPAs

McKinleyville Kiwanis Club

McKinleyville Union School District

North Coast Fabricators

Points West Surveying

Sholes Overhead Door

Six Rivers Brewery

Stove Doctors

Sushi Spot

Women of the Moose

North Coast Agility & Dog Training

These classes are for those who looking to or already are competing in the fun sport of Rally Obedience. Instructor Sally Dunn competes at the "Excellent" level and has taught obedience, both formal and family, for over 20 years. In the Intro to Rally class dogs practice the basics of Rally skills to prepare them for the Rally Obedience class. The Rally Obedience class is for those looking to or already are competing in the sport of Rally Obedience, the class is a great way to sharpen your dog's skills in the obedience ring and beyond! Instructor Jennifer Eichstedt's Summer-Fall Class Schedule is to be determined.

Rally Obedience | Azalea Hall | T | 5:30pm-6:30pm
Intro to Rally | Azalea Hall | T | 6:30pm-7:30pm
June 16-July 21 | \$75R/\$80NR
Aug. 4-Sept. 8 | \$75R/\$80NR
Sept. 22-Oct. 27 | \$75R/\$80NR

The Freestyle Dance class is for dogs who have a knack for dance! Taught by Sally Dunn, dog and master will learn how to move together in this freestyle dance class. **No classes on the 1st Wednesday of each month.*

Freestyle Dance | Azalea Hall | W | 6:00pm-7:00pm
Ongoing Class | \$75R/\$80NR

Check it Out!

Sundays 8:30am @ Azalea Hall
and 10:30am @ The Activity Center
Pierson Park, McKinleyville

.....

(707) 839-8015
www.newheart.com

new heart
community church



Delilah's Top Dog

Instructor Delilah Huck has been teaching people to train their dogs for over 30 years. The Puppy Training class is perfect for new puppy owners to learn the tools for solving problems like digging and chewing, as well as teaching your puppy to come, sit down, stand, walk on loose lead, not jumping, and go to bed. The Basic Obedience class helps to teach owners to become the leader in their relationships with their dogs, by teaching them to heel on a leash, down stay, sit stay, and keep your dog's attention around distractions. **Classes may be combined and meet from 6-7pm.*


Puppy Training | Azalea Hall | M | 6pm-7pm
Basic Dog Obedience | Azalea Hall | M | 7pm-8pm
June 15-July 27 (No class July 6) | **\$75R/\$80NR**
Aug. 17-Sept. 28 (No class Sept. 7) | **\$75R/\$80NR**
Oct. 19-Nov. 23 | \$75R/\$80NR


Advertisements

Did you know you can place an advertisement in the McKinleyville Community Services District Newsletter and Activity Guide? We direct mail this full color guide to over 5,000 McKinleyville Residents and it is available to pick up at many locations throughout McKinleyville. It is also viewed on our website and is emailed to over 1,500 of our customers. Three Newsletter and Activity Guides come out each year and you can advertise in all three for as little \$160!!! Call the office today to place your ad at 707-839-9003.

Contact us today to find out about available energy programs, rebates, and free services:

707.269.1700
633 3rd Street, Eureka
www.RedwoodEnergy.org

 **REDWOOD COAST EnergyAuthority**





McKinleyville CSD
PO Box 2037
McKinleyville, CA 95519

Presort Standard
US Postage
PAID
Arcata, CA
Permit No. 239

Upcoming Public Meetings

MCSD Board Meetings are held at:
Azalea Hall
1620 Pickett Road
McKinleyville, CA 95519

Recreation Advisory Committee
(RAC) Meetings are held at:
1656 Sutter Road
McKinleyville, CA 95519

For more information please visit our
website at
www.mckinleyvillecsd.com

June

3 MCSD Board Meeting 7:00pm
25 RAC Meeting 6:30pm

July

1 MCSD Board Meeting 7:00pm
16 RAC Meeting 6:30pm

August

5 MCSD Board Meeting 7:00 m
20 RAC Meeting 6:30pm

September

2 MCSD Board Meeting 7:00pm
17 RAC Meeting 6:30pm

October

7 MCSD Board Meeting 7:00pm
15 RAC Meeting 6:30pm

November

4 MCSD Board Meeting 7:00pm
18 RAC Meeting 6:30pm

**All meetings are subject to change, please visit our website at www.mckinleyvillecsd.com for the most up to date information.*



2015
Summer-Fall
Newsletter and Activity Guide

McKinleyville Community Services District

BOARD OF DIRECTORS

June 3, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D General Manager's Report for June 2015 Meeting

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: Information Only

A summary of activity for the month of May 2015

Cost Savings Related to District Activities – The following is a summary of some of the recent cost savings opportunities District staff identified for the previous month:

• Workmen's Compensation EMOD	\$2,797	Annual
• SWAP Crews	\$1,577	
• Northern Humboldt Employment Services	\$1,918	
• CalWORKS employee	\$4,506	
• California Conservation Corps.	\$20,275	
• Various Equipment Repaired in House	\$1,000	
• Repaired 3" Compound Meter	\$300	
• Replacement of CL2 Sensors at WWMF	\$150	
• Fence Repairs	\$280	
• Replaced Mainline Water Valve	\$900	

Total cost savings for May are \$33,703

***The cumulative cost saving to the District to date
from July 1, 2014 is \$1,121,007***

District staff are recognized and commended for their continued efforts in looking for cost savings, the use of internal labor and grant opportunities that result in real savings for the District, rate payers, and the community.

California Special Districts Legislative Days - The GM and Directors Corbett, Wheeler, Edwards and Mayo attended CSDA Legislative Days in Sacramento. During the morning session we were briefed on specific pending legislation concerning special districts and after lunch we split into teams by our congressional districts and headed to the capital building. We were fortunate enough to meet with Senator McGuire and Assemblymen Wood in person. We discussed the legislative agenda as planned and took time to discuss issues specific to MCSD. Both men were receptive and eager to provide support to our district.

Department Reorganization Discussions – Management met to discuss reorganization of personnel and re-titling of some of our staff including job description modifications. During the budget portion of the June Board meeting we will discuss the changes in our organizational structure and request the Board approve minor personnel changes.

Habitat Conservation Fund Grant – The trails associated with the Coho Rearing Ponds will be partially funded through the Coastal Conservancy but matching funds would require less out of pocket for the district. During the process another funding opportunity was made available through Cal Department of Parks, the same department that we received the \$25,000 for the covered picnic area. We applied and received notice that our application was selected and we will be awarded \$56,000 to go towards the trail project along the bluffs.

Teen and Community Center – June 5th at 3:00pm will be the closing of the bid process. Questions related to the bid packet trickle in from interested contractors requesting clarification. Staff conducted an optional pre-bid meeting in May. Three major local contractors and several subcontractors attended for a site walk and to field questions about the bid process.

Alternative Emergency Water Supply – Management requested and received drill logs for all the wells in Dows Prairie. We will be researching the feasibility of an emergency water supply in the northern areas of McKinleyville. On the occasion of a catastrophic event the potential for portions of our distribution system to be isolated may occur. Having a reliable water supply in the northern most part of the district may be beneficial.

Budget for FY15/16 – Staff finalized their responsibilities for the FY2015/16 budget and management reviewed prior to the final being prepared for presentation to the Board for approval at the June meeting.

Wastewater Management Facility Improvement Project Design – Management continues to coordinate the funding and Prop 218 process as they run concurrently.

Sewer Rate Analysis – Staff has been tallying the protest ballots as they arrive and is fielding the few questions being asked by the public.

Integrated Pest Management Plan – As the Board is aware the Policy statement was approved at the May Board meeting. Staff will be working on considering comments submitted by the public for inclusion in the IPM plan.

Central Ave. Open Space Maintenance Zone (OSMZ) – The OSMZ is due to be reassessed, including a Proposition 218 process prior to November 2015. Part of the OSMZ reassessment included entering the boundaries of the entire open space zone and the individual assessed parcels into our GIS system. This information was overlaid on aerial imagery to aid in the assessment process. Costs will be allocated consistent with this data for the new assessment. This information will be reviewed and stamped by an engineer so that it complies with existing Prop 218 requirements.

Updated Water Curtailment Requirements from the State – MCSD, as part of the Municipal Group of Humboldt Bay, sent a letter to the State Board requesting the 4% allowance specified in Tier 1. As of now we have not had any response.

Solar Power Project for the WWMF – The Design Contract was executed by President Corbett and countersigned by Villara. A request from Villara for electrical service information was provided. This project is moving along and we will have more information for the Board at the meeting.

Meetings – The General Manager attended various meetings this month.

Exhibits/Attachments

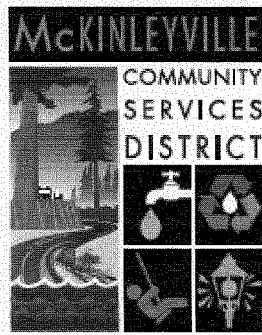
- Attachment 1 – WWMF Monthly Self Monitoring Report
- Attachment 2 – HFC Grant

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519



mckinleyvillecsd.com

MAIN OFFICE:

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

PARKS & RECREATION OFFICE:

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

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

May 22, 2015

RE: MONTHLY MONITORING REPORT

Dear Charles:

Enclosed is the Monthly Monitoring Report for April 2015 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number WQ 2011-0008-DWQ.

The normal discharge of effluent was 29 days to Discharge Point 001 and one day to Discharge Point 002. The required monitoring and water quality constituents that were tested and reported were in compliance in April. The District ceased discharge to Discharge Point 001 on April 30, 2015.

The requirement for BOD is 45 mg/L, 604 lbs/day and 65 % removal for the monthly average with four weekly tests in April that represent eleven criteria. The BOD results for April are in compliance.

The requirement for TSS is 83 mg/L, 1108 lbs/day and 65% removal for the monthly average with four weekly tests in April which represent three criteria. The TSS results for April are in compliance.

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

Total Coliform Organisms MPN/100 ml. The Monthly Median not to exceed MPN of 23 and the daily maximum not to exceed MPN of 230. The reported results for the month of April are as follows. Median was <1.8 and a Maximum of 2.0. Four samples were collected in the month of April and were in compliance.

Monthly River Monitoring was conducted in April.

Acute testing for March was conducted using Rainbow Trout and C.Dubia. Rainbow Trout had a 95% survival and C.Dubia had a 90% survival.

WWMF Upgrade Status: Engineers reviewed the Final Bid Set comments that the District provided and will be conducting a phone conference in the next two weeks.

Quarterly Testing for Monitoring Wells and Disinfection Byproducts was conducted in April.

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY**

MONITORING DATA

MONTH: APRIL

YEAR: 2015

DATE	INFLUENT FLOW M.G.D.	EFFLUENT FLOW M.G.D.	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING		EFFLUENT MONITORING										3X5 TOTAL COLIFORM
					B.O.D. mg/L	N.F.R. mg/L	pH	(C°) TEMP	B.O.D. mg/L	N.F.R. mg/L	AMMONIA	CL ₂ RES.	CL ₂ RES.	SETTLABLE SOLIDS			
1	0.923	1.056	923	448			7.3	15.7			32	3.5	0.00				
2	0.920	0.896	637	416			7.1	14.5			36	2.3	0.00				
3	0.900	0.898	636	397	400	360	6.9	14.3	11	12	40	3.4	0.00	<0.1			
4	0.921	0.898	649	376			6.8	14.2				4.0	0.00				
5	0.967	0.903	647	374			6.9	14.3				2.6	0.00				
6	0.959	0.550	668	418			6.9	16.1			34	4.2	0.00				
7	1.078	0.000	0	964			Washed CCB								<1.8		
8	0.966	0.774	878	1370			6.8	13.8			32	2.7	0.00				
9	0.949	1.126	822	972			6.8	13.6			34	3.7	0.00				
10	0.923	1.082	759	768	300	320	6.8	14.3	10	7.2	32	8.0	0.00	<0.1			
11	0.933	1.084	765	641			7.0	14.8				2.7	0.00				
12	1.006	1.083	768	621			7.0	14.1				2.1	0.00				
13	0.956	1.080	765	548			6.9	14.0			34	0.9	0.00		<1.8		
14	0.942	1.081	772	621			6.9	13.9			34	3.2	0.00				
15	0.929	1.067	762	539			6.9	13.9			34	1.9	0.00				
16	0.909	1.059	755	479			7.0	14.2			32	1.0	0.00				
17	0.887	1.063	751	446	260	280	6.9	14.8	12	8	36	1.7	0.00	<0.1			
18	0.896	1.060	753	418			6.8	15.3				2.4	0.00				
19	0.955	1.058	755	392			6.9	16.0				2.6	0.00				
20	0.905	1.056	745	374			6.9	15.6			36	2.2	0.00		2		
21	0.879	1.052	747	356			7.0	15.5			34	2.5	0.00				
22	0.876	1.034	734	353			6.9	15.2			34	0.5	0.00				
23	0.886	1.012	726	341			6.9	15.0			34	2.2	0.00				
24	0.866	0.793	590	331	280	520	7.0	15.2	13	16	36	8.7	0.00	<0.1			
25	0.868	0.866	619	329			6.8	15.2				3.7	0.00				
26	0.917	0.876	621	336			7.0	15.4				4.0	0.00				
27	0.873	0.883	625	317			6.9	15.5			38	0.1	0.00				
28	0.845	0.887	628	300			6.9	16.1			36	0.3	0.00		<1.8		
29	0.841	0.885	626	273			6.9	16.3			32	1.4	0.00				
30	0.839	0.733	628	247			6.8	15.9			32	0.8	0.00				

SPLLS:

None to report

MONTHLY TESTS			
DATE	TDS	AMMONIA	BORON
4/30/2015	240	35.0	ND

Semi-Annual Tests		Value in ugi
Bis phthalate		N/A
aliph-BHC		N/A
4,4'-DDT		N/A
carbon tetrachloride		N/A

Quarterly Tests		Value in ugi
Dichlorobromomethane		DNQ
Bromoform		DNQ
Chlorodibromomethane		ND
Chloroform		0.89

30 DAY AVERAGE

BOD mg/L	BOD LBS/DAY	BOD % Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal
12	91	96	11	83	97

ACUTE TOXICITY

DATE	% Survival
4/6/2015	95%
	90%

Rainbow Trout
C. dubia

SIGNATURE: _____

REMARKS:

Indicates Permit Exceedance

CHRONIC TOXICITY		SURVIVAL	
TESTED			
Milnrow		N/A	
C. Dubia		N/A	
Algae		N/A	
		TLc	

Total Coliform	
Monthly	
MEDIAN	<1.8
Daily	
Maximum	2

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
EFFLUENT DISCHARGE DISPOSAL**

APRIL 2015

Discharge Monitoring	M-INF	M-001		002 M-003	002 M-003	004 M-005	003 M-004	006 M-007	005 M-006		001 M-002
DATE	INFLUENT MGD	EFFLUENT MGD	MAXIMUM GPM	N.POND MGD	S.POND MGD	FISCHER MGD UPPER	FISCHER MGD LOWER	PIALORSI MGD	HILLER MGD	IRRGATE TOTAL MGD	RIVER MGD
1	0.923	1.056	923							0.000	1.056
2	0.920	0.896	637							0.000	0.896
3	0.900	0.898	636							0.000	0.898
4	0.921	0.898	649							0.000	0.898
5	0.967	0.903	647							0.000	0.903
6	0.959	0.550	668							0.000	0.550
7	1.078	0.000	0	Washed CCB						0.000	0.000
8	0.966	0.774	878							0.000	0.774
9	0.949	1.126	822							0.000	1.126
10	0.923	1.082	759							0.000	1.082
11	0.933	1.084	765							0.000	1.084
12	1.006	1.083	768							0.000	1.083
13	0.956	1.080	765							0.000	1.080
14	0.942	1.081	772							0.000	1.081
15	0.929	1.067	762							0.000	1.067
16	0.909	1.059	755							0.000	1.059
17	0.887	1.063	751							0.000	1.063
18	0.896	1.060	753							0.000	1.060
19	0.955	1.058	755							0.000	1.058
20	0.905	1.056	745							0.000	1.056
21	0.879	1.052	747							0.000	1.052
22	0.876	1.034	734							0.000	1.034
23	0.886	1.012	726							0.000	1.012
24	0.866	0.793	590							0.000	0.793
25	0.868	0.866	619							0.000	0.866
26	0.917	0.876	621							0.000	0.876
27	0.873	0.883	625							0.000	0.883
28	0.845	0.887	628							0.000	0.887
29	0.841	0.885	626							0.000	0.885
30	0.839	0.733	628	0.224						0.000	0.509
TOTAL	27.514	27.895		0.224	0.000	0.000	0.000	0.000	0.000	0.000	27.671
AVERAGE	0.917	0.930	692	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.922
MAXIMUM	1.078	1.126	923	0.224	0.000	0.000	0.000	0.000	0.000	0.000	1.126
MINIMUM	0.839	0.000	0	0.224	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DAYS	30	29		1	0	0	0	0	0	0	29
DAYS WITH NO DISCHARGE = 1											



DEPARTMENT OF PARKS AND RECREATION
P.O. Box 942896 • Sacramento, CA 94296-0001
(916) 653-7423

Lisa Ann L. Mangat, Director

May 19, 2015

RECEIVED

MAY 21 2015

McK. C.S.D.

Gregory P. Orsini
General Manager
McKinleyville CSD
P.O. Box 2037
McKinleyville, CA 95519

Re: Fischer Ranch Interpretive Trail Development

\$56,600

Dear Gregory P. Orsini:

The Office of Grants and Local Services (OGALS) completed the application review process for the Habitat Conservation Fund (HCF) Program. OGALS is pleased to inform you that the project identified above has been selected for funding. Congratulations!

As an HCF grant recipient, a representative from your agency must attend an HCF Grant Administration workshop to learn more about the HCF contract and grant administration process. Workshop attendance is mandatory prior to receiving a grant contract. Information on the mandatory workshop will be provided separately.

The contract performance period for this project will begin on July 1, 2015. Do not begin project work until you receive a fully-executed contract. OGALS will initiate a contract and send it to you for signature after the State Budget is enacted *and* the mandatory workshop attendance has occurred.

The liquidation date for this project will be June 30, 2019. Therefore, the Project Completion Packet will be due to OGALS by March 31, 2019. This OGALS due date allows time for the final site inspection and processing the final payment prior to the liquidation date.

Each HCF grantee receiving funds for acquisition, enhancement, restoration, or development must record a Deed Restriction on the project property (if owned by the grantee). The Deed Restriction ensures that the property is used for a purpose consistent with the grant scope for the length of the contract performance period. The Deed Restriction is required after the acquisition is complete (for acquisition projects) or *prior* to grant payment for enhancement, restoration, or development costs (for enhancement, restoration, or development projects).

If you have questions about your project or the HCF Program, please contact your Project Officer, Mary Baum, at (916) 651-8581, or Mary.Baum@parks.ca.gov. Additional HCF grant program information is available on OGALS

website at <http://www.parks.ca.gov/grants>. Click on the "Habitat Conservation Fund Program" link.

Congratulations again on your successful application! We look forward to working with you to deliver quality recreation opportunities to your constituents.

Sincerely,



Sedrick Mitchell, Deputy Director
External Affairs

cc: Project file