



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, AUGUST 5, 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

A.5 Closed Session Discussion

At any time during the regular session, the Board may adjourn to closed session to consider existing or anticipated litigation, liability claims, real property negotiations, license and permit determinations, threats to security, public employee appointments, personnel matters, evaluations and discipline, labor negotiations, or to discuss with legal counsel matters within the attorney-client privilege.

NO CLOSED SESSION SCHEDULED

B. PUBLIC HEARINGS

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

NO PUBLIC HEARING SCHEDULED

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.

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|-----|---|---------------|
| D.1 | Consider approval of the Minutes of the Board of Directors' Regular Meeting of July 1, 2015 | Pg. 4 |
| | Attachment 1 – Draft Minutes from July 1, 2015 | Pg. 5 |
| D.2 | Consider approval of June Draft Treasurer's Report | |
| | Attachment – Draft Treasurer's Report June 2015 | Pg. 10 |
| D.3 | Compliance with State Double Check Valve (DCV) Law – Violations | Pg. 32 |
| D.4 | Consider approval of Memorandum of Understanding between McKinleyville Community Services District and the McKinleyville Union School District for the Kids Club After School Program | Pg. 33 |
| | Attachment 1 – Memorandum of Understanding | Pg. 34 |
| D.5 | Consider approval to declare 2005 Ford F-250 and 2006 Chevy Aveo Surplus | Pg. 38 |
| D.6 | Approve Conveyance of Water, Sewer and Streetlight facilities related to Central Estates Phase 2C Development | Pg. 39 |
| | Attachment 1 – Agreement for Conveyance and Acceptance of Central Estates Phase 2C Subdivision System | Pg. 41 |
| D.7 | Consider the formation of a Ground Water Sustainability Committee and appointing a chair | Pg. 42 |

E. CONTINUED AND NEW BUSINESS

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|-----|--|---------------|
| E.1 | Consider the Regular Board Meeting Dates, Time and Location for the 2016 Calendar Year | Pg. 44 |
| | Attachment 1 –Proposed 2016 MCSD Regular Board Meeting Schedule | Pg. 45 |
| E.2 | Potential Merit Salary Adjustment Regarding General Manager Compensation | Pg. 46 |
| | Attachment 1 – July 1, 2014 GM Employment Agreement | Pg. 47 |
| | Attachment 2 – Negotiated Terms | Pg. 58 |
| | Attachment 3 – First Amendment to GM Employment Agreement | Pg. 59 |

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. 62**
- b. Operations Department (James Henry) **Pg. 63**
- c. Parks & Recreation Department (Lesley Frisbee) **Pg. 67**
- d. General Manager (Greg Orsini) **Pg. 69**
 - Attachment 1 – Article from www.energycollective.com **Pg. 72**
 - Attachment 2 – WWMF Monthly Self Monitoring Report **Pg. 75**

F.3 PRESIDENT’S REPORT

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

G. ADJOURNMENT

Posted 5:00 pm on July 31, 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

August 5, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of the Minutes of the Board of Directors' Regular Meeting of July 1, 2015**

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 July 1, 2015 Regular 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 July 1, 2015 Board Meeting

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES
DISTRICT HELD ON WEDNESDAY, JULY 1, 2015 AT 6:30PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA**

AGENDA ITEM A CALL TO ORDER

A.1 CALL TO ORDER and ROLL CALL: The closed session meeting of the Board of Directors of McKinleyville Community Services District convened by Vice President Wheeler at 6:30 pm with Vice President Wheeler and Directors Couch, Edwards, and Mayo in attendance. President Corbett was not present at the time of roll call.

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.

President Corbett arrived at the closed session at 6:40 pm.

Closed Session was re-convened at 7:06 pm.

A.3 Report out of Closed Session: No action was taken.

A.1 CALL TO ORDER and ROLL CALL: The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:06 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 Director
Becky Schuette, Board Secretary

A.2 Pledge of Allegiance: The Pledge of Allegiance was led by Director Couch.

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: George Wheeler; Second: Helen Edwards

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 there were none.

AGENDA ITEM D CONSENT CALENDAR:

D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of June 3, 2015

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

D.3 No DCV Violations this month

MOTION: It was moved to adopt the consent calendar items D.1 –D.3.

Motion: Dennis Mayo; Second: Helen Edwards

There were no objections and no comments by the public.

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

MOTION SUMMARY: Motion Passed

AGENDA ITEM E CONTINUED AND NEW BUSINESS:

E.1 Introduce and Welcome the new General Manager for the Humboldt Bay Municipal Water District (HBMWD), Paul Helliker: Director Sherri Woo with the HBMWD briefly discussed the interview process for hiring their new General Manager. She then introduced the new GM, Paul Helliker, who spoke of some of his experiences with Marin County Water District. He was welcomed verbally by several of the Director's and General Manager Orsini.

This was an informational item only, no action was taken.

E.2 Adopt Resolution 2015-22, Honoring, Recognizing and Commending Carol Rische for her many years of service and support to the McKinleyville Community Services District through her interactions as General Manager of the Humboldt Bay Municipal Water District: General Manager Orsini offered his recommendation to approve Resolution 2015-22 stating that he had learned a great deal from Carol Rische over the years.

MOTION: It was moved to approve Resolution 2015-22.

Motion: Helen Edwards; Second: Dennis Mayo

There was no board or public comment at this time.

General Manager Orsini read aloud, for the record, the complete Resolution.

President Corbett asked Carol Rische to come forward for a few words. She spoke of being honored but wanted to include her staff and her Board of Director's in the praise as she felt it was a team effort. She also talked about the involvement of several of the MCSD Directors in the processes to benefit the partnership between MCSD and HBMWD. President Corbett and Director Mayo each provided positive comments regarding appreciation of Rische.

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

MOTION SUMMARY: Motion Passed

E.3 Select Candidates for Special District Risk Management Authority (SDRMA) Board of Directors and Approve Resolution 2015-21: This item was read and reviewed by Board Secretary, Becky Schuette. Director Mayo had three persons to recommend but asked to hear from the General Manager first. General Manager Orsini recommended Sandy Seifert-Raffelson and believed that either Swan or Gray would be viable candidates. Director Mayo recommended Swan, Grey and Seifert-Raffelson as well. The original motion by Director Mayo included a different name than his original motion; therefore the motion was corrected and restated to the following:

MOTION: It was moved to recommend Resolution 2015-21, the official submittal ballot for SDRMA, Robert Swan, Ed Gray and Sandy Seifert-Raffelson

Motion: Dennis Mayo; Second: Helen Edwards

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

MOTION SUMMARY: Motion Passed

E.4 Consider Attendance to the California Special District's Association (CSDA) 2015 Annual Conference, September 21-24 in Monterey, CA: The staff note was presented by Board Secretary Schuette.

MOTION: It was moved to authorize participation for Director's that it fits into their schedule.

Motion: Dennis Mayo; Second: Helen Edwards

There was no board comment and no public comment. There was a question about required training credits. The General Manager did advise that the District of Distinction Certificate was going to be awarded to the District at the conference and that since this one was closer to home, it was less expensive to travel and attend. Another question was posed about the cutoff dates for registration and cancellation. Director Wheeler indicated he would like to attend.

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

MOTION SUMMARY: Motion Passed

E.5 Consider and Adopt Resolution 2015-19, intent of the McKinleyville Community Services District to reimburse expenditures of the Project Funds provided by the State of California, acting by and through the State Water Board, and Resolution 2015-20 to Pledge Revenues and Funds related to the Wastewater Management Improvement Project: General Manager Orsini reviewed the staff note and made his recommendation. There were no questions from the Board and no public comment.

MOTION: It was moved to adopt Resolution 2015-19 and Resolution 2015-20.

Motion: Helen Edwards; Second: Dennis Mayo

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

MOTION SUMMARY: Motion Passed

E.6 Approve Adams Commercial General Contracting as the successful bidder associated with bids received for Teen and Community Center Construction Project and Authorize General Manager to execute a Construction Contract: General Manager Orsini reviewed the staff note, explaining the original bid results and the need to put the project out to bid again. He also reviewed the

alternatives available for removal from this bidding process. There were no comments by the Board or the public.

MOTION: It was moved to declare Adams Commercial as the lowest responsible bid and authorize the General Manager to execute a Construction Contract per staff recommendation.

Motion: Helen Edwards; Second: George Wheeler

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

MOTION SUMMARY: Motion Passed

E.7 Information pertinent to the new Groundwater Sustainability Plan and consider the formation of a Ground Water Sustainability Committee and appointing a chair: This item was presented by General Manager Orsini, but placed on the agenda at the request of Director Edwards. The topic presented a lengthy discussion regarding the District's representation to the Eel River Basin and the State's Sustainable Groundwater Management Act and how it could affect MCSD and the McKinleyville area. Director Edwards is requesting a committee be formed and that a committee representative be directly involved in the input to the Humboldt County Board of Supervisors and the State in regards to the Eel River Valley Basin. This was an informational topic only and President Corbett has asked that the item appear on the agenda again in August in order to allow him time to study the structure and determine the best action for the Board.

AGENDA ITEM F REPORTS:

F1. Active Committee Reports

- a. **Recreation Advisory Committee (Wheeler/Couch (alternate)):** Director Couch reported that he had attended this month's meeting and the following topics were discussed: swing sets at the park again, a District swimming pool, and trees in the location that the WWMF solar arrays will be going.
- b. **Area Fund (John Kulstad):** John Kulstad was present to report that a \$1000 scholarship was given to McKinleyville High 2015 graduate, Brooke Vogt, who will be going to Chico State. She will be obtaining a degree in veterinary care and the committee felt that it was appropriately "agriculturally" related.
- c. **Redwood Region Economic Development Commission (Mayo/Edwards (alternate)):** Director Mayo reported that the Baird Road ranch had sold; they had rehired Greg Foster as the Executive Director; air service in McKinleyville was again discussed.
- d. **McKinleyville Senior Center Advisory Committee (Edwards):** Nothing to report; did not meet.
- e. **Audit (Corbett/Edwards):** Nothing to report; did not meet.
- f. **Employee Negotiations (Couch/Edwards):** The committee met with the General Manager and there had been a closed session meeting and his contract will be on the Board agenda in August for open session.
- 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 that the County Public Works had come to the meeting and requested support on the final recommendation for the Central Avenue changes in regards to the colors, crosswalks and safety changes.
- j. **Cornerstone Committee (Couch):** Nothing to report; have not yet met.

F.2 Staff Reports:

- a. **Support Services Department:** Finance Director Colleen Trask reported on the reserves account balance, the audit committee schedule being determined and an explanation for a negative number in the Treasurer's report being a result of a voided check.
- b. **Operations Department:** Operations Director James Henry had nothing further to add at this time.
- c. **Parks and Recreation Department:** Recreation Director Lesley Frisbee had nothing further to add at this time. Director Mayo congratulated Parks on receiving the Habitat for Conservation Fund (HCF) grant. General Manager Orsini pointed out the Corbett family bench that had been installed on the trails at the end of School Road, overlooking the Mad River. It will be inscribed at a later date.
- d. **General Manager:** General Manager Orsini reminded the Directors of the Household Hazardous Waste Event that MCSD is co-sponsoring on July 18th at Pierson Park. He also pointed out a correction to his cost savings for the HAF grant, that is was not MAF. GM Orsini wanted also to point out the grants and cost savings figure for this year: \$1,157,334! The net metering application submitted to PG&E for the solar project was accepted and that Villara is now working with them to move forward. The North Bank Road property was briefly mentioned and the need for scheduling a ground breaking ceremony for the Teen Center.

F.3 President's Report: President Corbett did not make a report.

F.4 Board comments, announcements, reports and agenda item requests: Director Mayo reported that he had attended Congressman Huffman's chili feed.

AGENDA ITEM G ADJOURNMENT:

President Corbett adjourned the meeting at 8:40 PM

Becky Schuette, Board Secretary

McKinleyville Community Services District
DRAFT Treasurer's Report
June 2015

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Page 14	Cash Disbursement Report

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

Petty Cash & Change Funds		940.00
<u>Cash</u>		
Operating & Money Market - Beginning Balance		484,463.94
Cash Receipts:		
Utility Billings	462,949.35	
Money Market Account Interest	80.46	
Transfers from County Funds #2560, #4240	200,000.00	
Other Cash Receipts	88,788.71	
Total Cash Receipts		751,818.52
Cash Disbursements:		
Payroll Related Expenditures	(193,844.97)	
Debt Service	(35,803.82)	
Capital & Other Expenditures	(356,948.59)	
Total Cash Disbursements		(586,597.38)
Operating & Money Market - Ending Balance		649,685.08
Total Cash		650,625.08
<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	128,650.44	
Interest Income	-	
LAIF - Ending Balance		128,650.44
Humboldt Co. #2560 - Beginning Balance	1,674,513.37	
Property Taxes and Assessments	38,352.14	
Transfer to/from Operating Cash	(200,000.00)	
Interest Income	-	
Humboldt Co. #2560 - Ending Balance		1,512,865.51
Humboldt Co. #4240 - Beginning Balance	3,871,155.26	
Property Taxes	-	
Transfer to/from Operating Cash	-	
Interest Income	7,745.34	
Humboldt Co. #4240 - Ending Balance		3,878,900.60
Humboldt Co. #9390 - Beginning Balance	466,296.22	
Reserves Recovery Deposits	23,943.72	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		490,239.94
USDA Bond Reserve Fund - Beginning Balance	152,701.20	
Bond Reserve Payment	7,395.83	
Debt Service Payment	-	
Interest Adjustment	2.54	
USDA Bond Reserve Fund - Ending Balance		160,099.57
Market Valuation Account		(180.00)
Umpqua Bank Meas.B Loan Proceeds - Beginning Balance	1,402,930.32	
Net Transfer to/from Loan Cash Holding Acct	-	
Debt Service Payment	-	
Unrealized Gain/Loss	(2,184.32)	
Interest Income	780.12	
Umpqua Bank Meas.B Loan Proceeds - Ending Balance		1,401,526.12
Total Investments		7,572,102.18
Total Cash & Investments - Current Month		8,222,727.26
Total Cash & Investments - Prior Month		8,181,470.75
Net Change to Cash & Investments This Month		41,256.51
<u>Cash & Investment Summary</u>		
Cash & Cash Equivalents		7,303,370.08
Davis-Grunsky Loan Reserve		599,393.86
Waste Water Capital Reserve		99,863.75
USDA Bond Reserve		160,099.57
I-Bank Loan Reserve		60,000.00
Total Cash & Investments		8,222,727.26

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

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Wastewater	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 830,862.65	\$ 205,663.28	\$ (37,267.41)	\$ 2,098,463.67	\$ 2,801,488.98	\$ 5,899,211.17
Accounts receivable	2,568.76	-	4,067.33	376,693.75	189,910.71	573,240.55
Prepaid expenses & other current assets	56,883.00	-	2,497.63	93,813.94	52,255.17	205,449.74
Total Current Assets	890,314.41	205,663.28	(30,702.45)	2,568,971.36	3,043,654.86	6,677,901.46
Noncurrent Assets						
Restricted cash & cash equivalents	176,826.92	-	-	659,393.86	259,963.32	1,096,184.10
Other noncurrent assets	268.00	-	-	-	-	268.00
Capital assets (net)	-	-	-	7,729,719.14	12,983,155.56	20,712,874.70
Total Noncurrent Assets	177,094.92	-	-	8,389,113.00	13,243,118.88	21,809,326.80
TOTAL ASSETS	\$ 1,067,409.33	\$ 205,663.28	\$ (30,702.45)	\$ 10,958,084.36	\$ 16,286,773.74	\$ 28,487,228.26
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 74,124.10	\$ 8,957.82	\$ 185.62	\$ 299,658.17	\$ 115,973.76	\$ 498,899.47
Accrued payroll & related liabilities	79,946.80	-	-	35,172.27	35,172.27	150,291.34
Total Current Liabilities	154,070.90	8,957.82	185.62	334,830.44	151,146.03	649,190.81
Noncurrent Liabilities						
Long-term debt	-	-	-	3,066,950.58	824,943.75	3,891,894.33
Other noncurrent liabilities	268.00	1,400,000.00	-	279,671.03	281,819.18	1,961,758.21
Total Noncurrent Liabilities	268.00	1,400,000.00	-	3,346,621.61	1,106,762.93	5,853,652.54
TOTAL LIABILITIES	154,338.90	1,408,957.82	185.62	3,681,452.05	1,257,908.96	6,502,843.35
Fund Balance/Net Assets						
Fund balance	170,711.28	(1,203,294.54)	(30,888.07)	-	-	(1,063,471.33)
Net assets	742,359.15	-	-	2,613,863.75	2,870,652.97	6,226,875.87
Investment in capital assets, net of related debt	-	-	-	4,662,768.56	12,158,211.81	16,820,980.37
Total Fund Balance/Net Assets	913,070.43	(1,203,294.54)	(30,888.07)	7,276,632.31	15,028,864.78	21,984,384.91
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,067,409.33	\$ 205,663.28	\$ (30,702.45)	\$ 10,958,084.36	\$ 16,286,773.74	\$ 28,487,228.26
Difference in Reclass from Cap Assets to Net Assets:				43.99	43.96	
Investment in General Capital Assets	\$ 3,297,035.68					
General Long-term Liabilities						
PG&E Streetlights Loan	89,391.35					
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	\$ 1,769,512.62					

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

Department Summaries	June	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	240,594	2,804,051	2,933,424	(129,373)	-4.41%	
Other Revenues	1,010,184	1,342,820	248,142	1,094,678	441.15%	Includes Capacity Fees of \$170,786 & Prop 50 Grant \$982,265 (Intertie Proj)
Total Operating Revenues	1,250,778	4,146,871	3,181,566	965,305	30.34%	
Salaries & Benefits	61,957	756,514	802,110	(45,596)	-5.68%	
Water Purchased	65,230	795,098	863,768	(68,670)	-7.95%	
Other Expenses	15,423	285,993	390,551	(104,558)	-26.77%	Other variable expenses curtailed with lower customer demand
Depreciation	25,300	303,550	330,000	(26,450)	-8.02%	
Total Operating Expenses	167,910	2,141,155	2,386,429	(245,274)	-10.28%	
Net Operating Income	1,082,868	2,005,716	795,137	720,031		
Interest Income	5,040	15,509	4,907	10,602	216.07%	Interest rate higher than originally estimated
Interest Expense	(6,166)	(75,483)	(85,000)	(9,517)	-11.20%	
Net Income (Loss)	1,081,741	1,945,742	715,044	1,230,698		
<u>Sewer</u>						
Sewer Service Charges	170,426	2,032,655	1,900,000	132,655	6.98%	
Other Revenues	23,790	345,588	294,970	50,618	17.16%	Includes YTD Capacity Fees \$254,027
Total Operating Revenues	194,216	2,378,243	2,194,970	183,273	8.35%	
Salaries & Benefits	71,562	808,314	799,679	8,635	1.08%	
Other Expenses	18,084	409,724	549,550	(139,826)	-25.44%	Other variable expenses curtailed with lower customer demand
Depreciation	38,560	462,710	480,000	(17,290)	-3.60%	
Total Operating Expenses	128,206	1,680,748	1,829,229	(148,481)	-8.12%	
Net Operating Income	66,010	697,495	365,741	331,754		
Interest Income	3,955	20,496	20,000	496	2.48%	
Interest Expense	(3,155)	(39,678)	(41,519)	(1,841)	-4.44%	
Net Income (Loss)	66,810	678,314	344,222	334,092		
Enterprise Funds Net Income (Loss)	1,148,552	2,624,056	1,059,266	1,564,790		

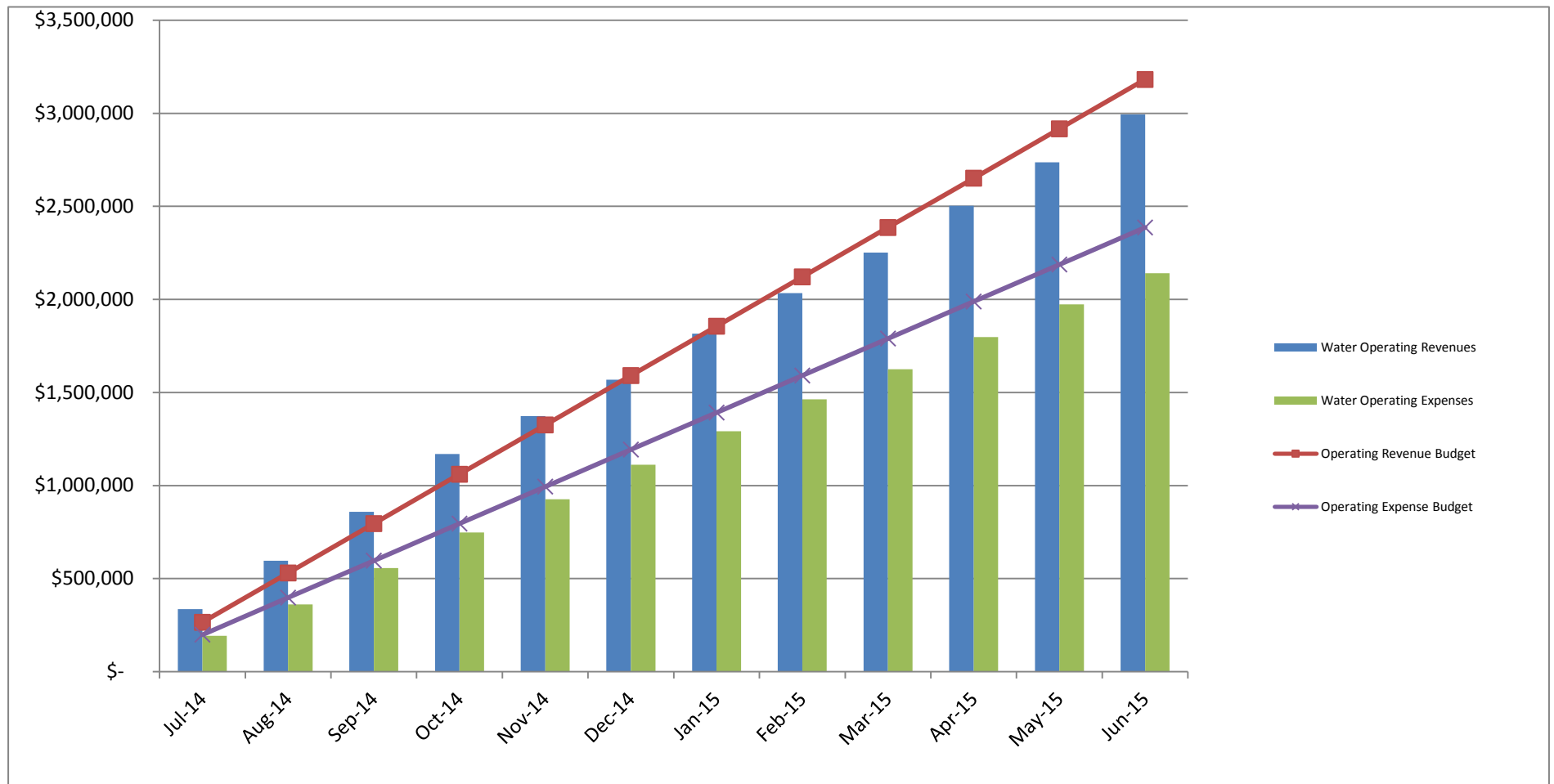
McKinleyville Community Services District
DRAFT Activity Summary by Fund, Original Budget
June 2015

Department Summaries	June	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	42,959	332,490	393,040	(60,550)	-15.41%	Program Fee Revenue underestimated
Rents & Related Fees	5,043	67,982	87,600	(19,618)	-22.40%	Rents and Related Fee Revenue underestimated
Property Taxes	25,298	520,537	510,000	10,537	2.07%	County Tax remittance scheduled in December and April, residual in June
Other Revenues	14,108	130,276	189,800	(59,524)	-31.36%	Other Revenue underestimated
Interest Income	72	6,657	3,000	3,657	121.91%	Interest rate higher than originally estimated
Total Revenues	87,480	1,057,942	1,183,440	(125,498)	-10.60%	
Salaries & Benefits	64,570	820,956	851,857	(30,901)	-3.63%	reduction in total salary expense with Department restructuring
Other Expenditures	16,560	212,376	215,879	(3,503)	-1.62%	
Capital Expenditures	(4,941)	67,650	115,000	(47,350)	-41.17%	expenditure for Teen Center moved to Meas. B Fund 004
Total Expenditures	76,189	1,100,982	1,182,736	(81,754)	-6.91%	
Excess (Deficit)	11,292	(43,040)	704	(43,744)		
<u>Measure B Assessment</u>						
Total Revenues	8,874	273,793	214,024	59,769	27.93%	Includes Loan Proceeds income totalling \$68,929 County Tax remittance scheduled in December and April, residual in June
Salaries & Benefits	7,664	97,642	101,058	(3,416)	-3.38%	
Other Expenditures	4,719	122,261	6,000	116,261	1937.68%	Loan Issuance costs and interest exp, set against Loan Proceeds Income
Capital Expenditures	12,441	53,238	105,000	(51,762)	-49.30%	Teen Center - actuals will vary with project progress
Total Expenditures	24,825	273,141	212,058	61,083	28.81%	
Excess (Deficit)	(15,950)	652	1,966	(1,314)		
<u>Street Lights</u>						
Total Revenues	7,723	109,123	89,758	19,365	21.57%	YTD includes PG&E rebate for LED project \$16,750
Salaries & Benefits	2,794	35,711	41,571	(5,860)	-14.10%	Lower utility wages required for LED fixtures
Other Expenditures	2,143	31,804	48,070	(16,266)	-33.84%	Lower utility expenses for LED fixtures
Capital Expenditures/Loan Repayment	1,655	6,622	-	6,622	#DIV/0!	PG&E LED Project Debt repayment has begun
Total Expenditures	6,593	74,136	89,641	(15,505)	-17.30%	
Excess (Deficit)	1,131	34,987	117	(34,870)		
Governmental Funds Excess (Deficit)	(3,528)	(7,401)	2,787	(10,188)		

McKinleyville Community Services District

June 2015

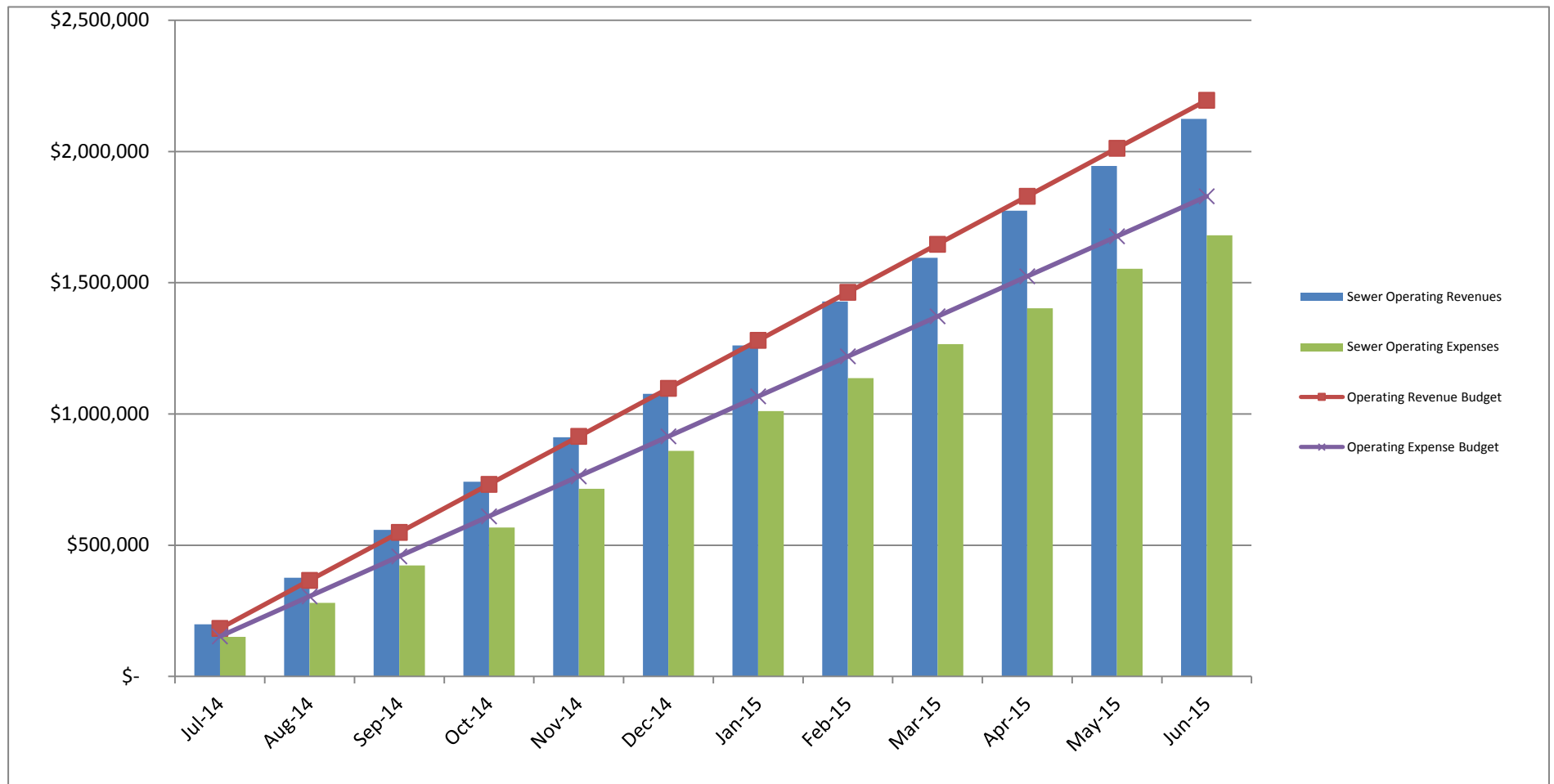
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

June 2015

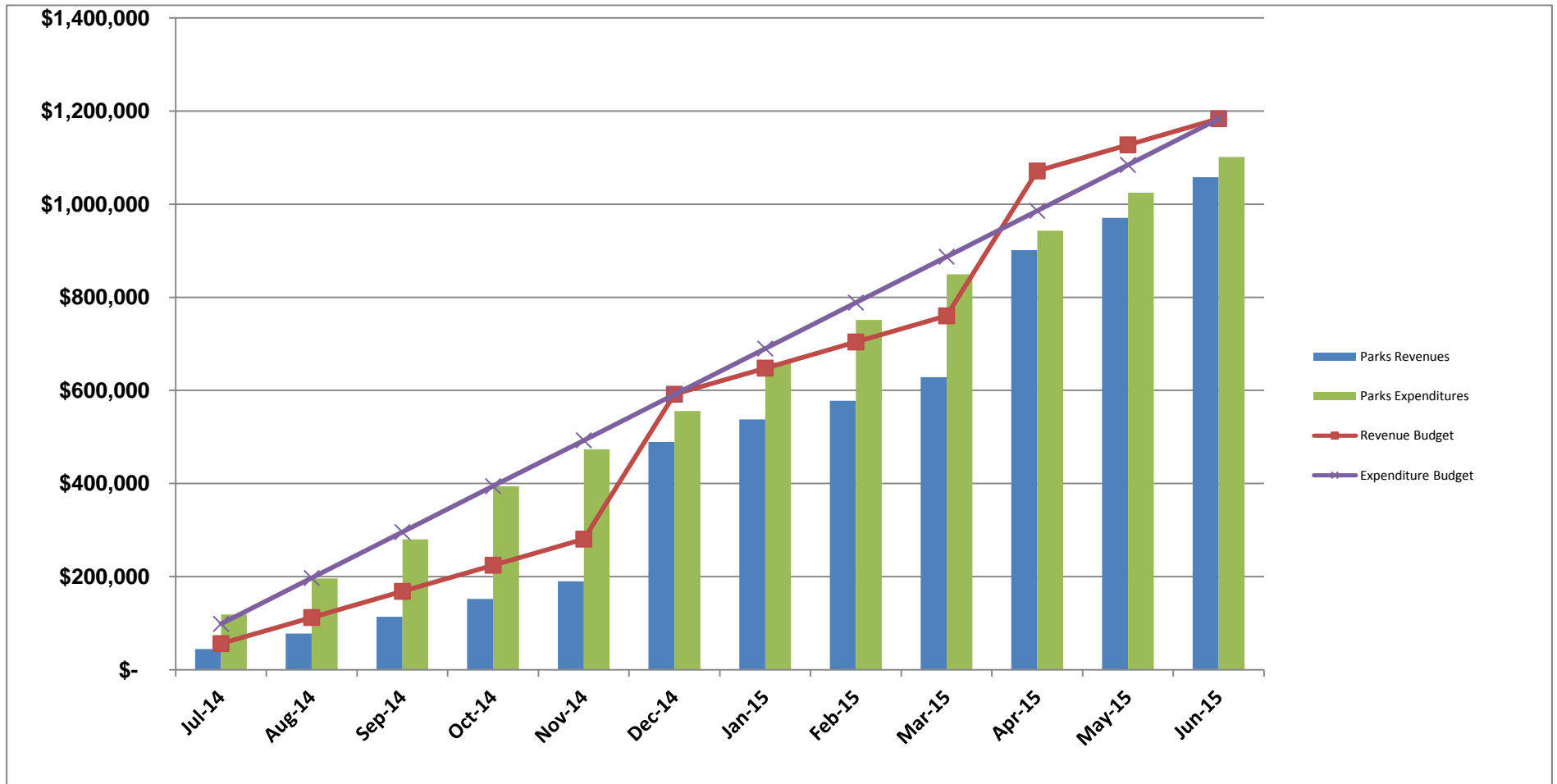
Comparison of Sewer Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

June 2015

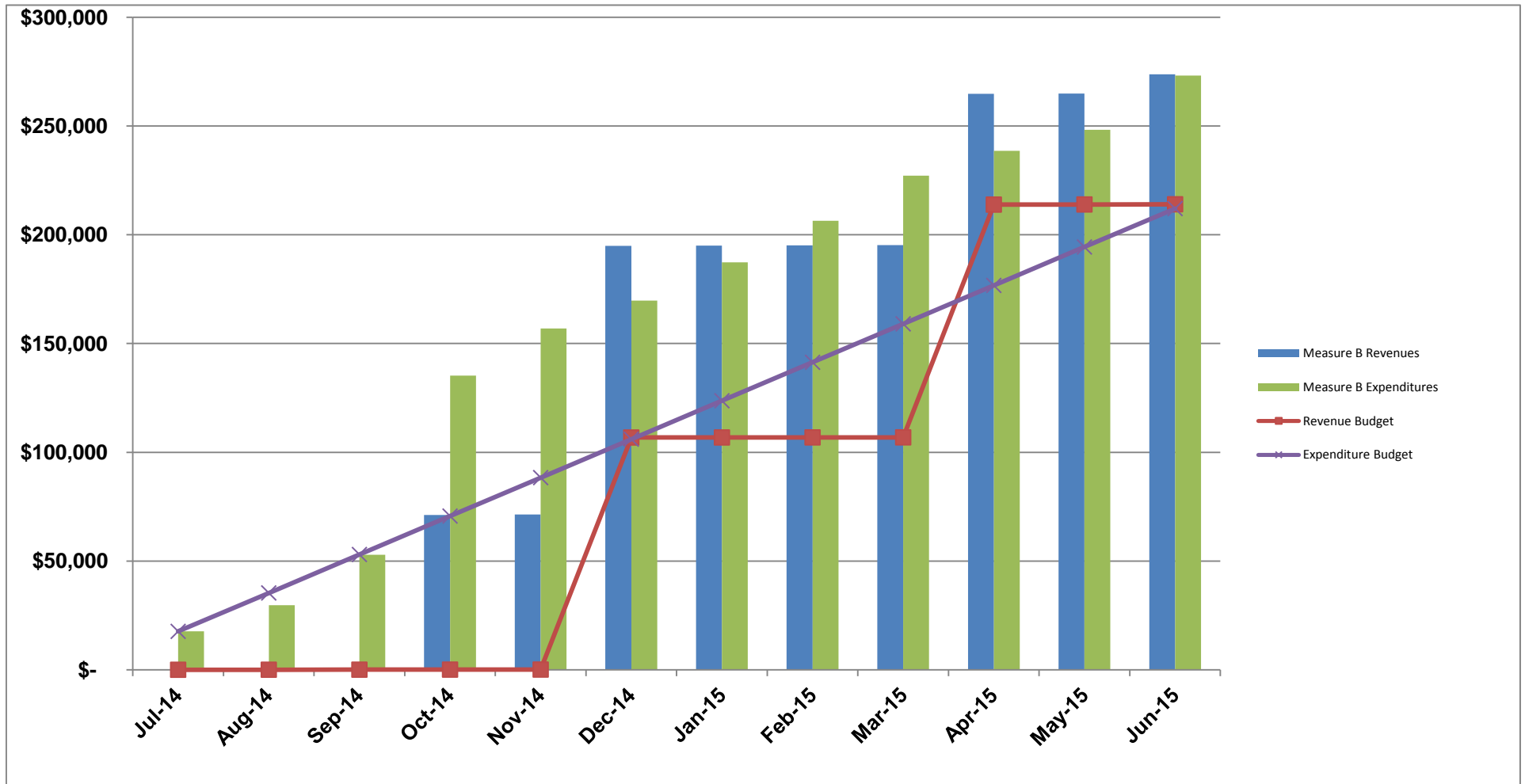
Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



McKinleyville Community Services District

June 2015

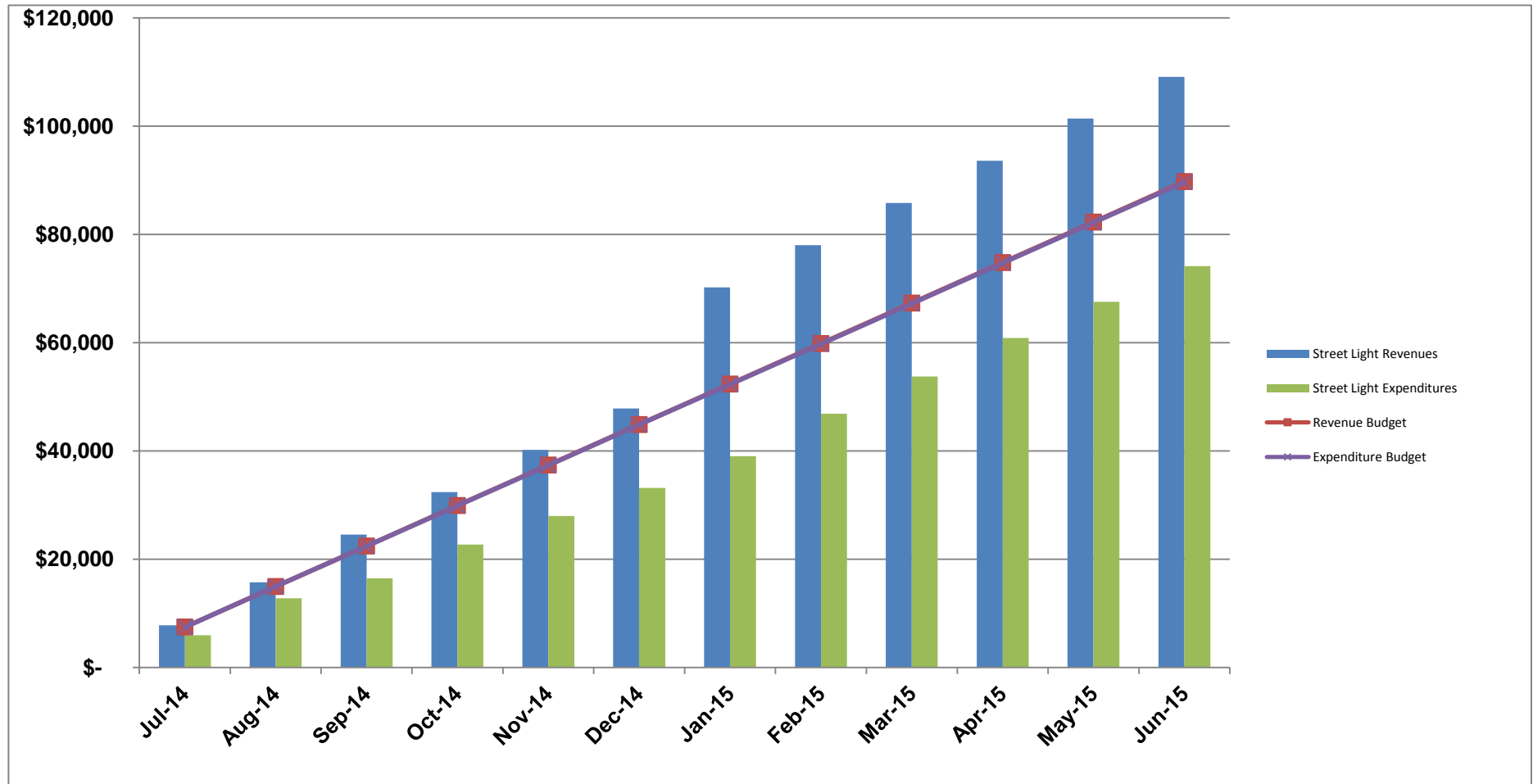
Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District

June 2015

Comparison of Street Light Fund Total Revenues & Expenditures to Budget

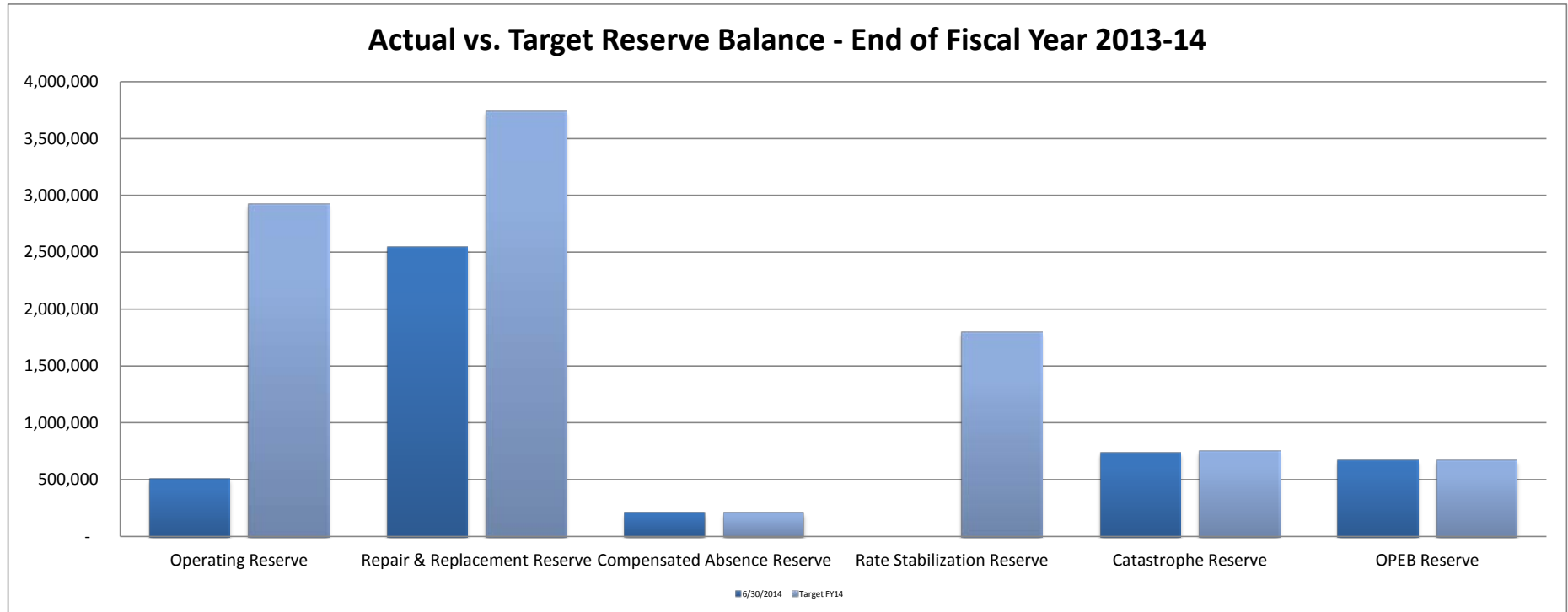


McKinleyville Community Services District
DRAFT Capital Expenditure Report
As of June 30, 2015

	June	YTD Total	FY 14-15 Budget	Remaining		
				Budget \$	Budget %	Notes
Water Department						
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	98%	Emergency Water Supply
Fire Hydrant System Upgrade	-	-	9,000	9,000	100%	Fire Hydrant System Upgrade
Customer Radio Meter Replacements	91,379	91,693	90,000	(1,693)	-2%	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	91,379	95,740	904,000	808,260	89%	
Sewer Department						
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	15,428	622,232	5,000,000	4,377,768	88%	WWMF design & start construction
Radio Telemetry Upgrade	-	-	45,000	45,000	100%	Radio Telemetry upgrade
Customer Radio Meter Replacements	88,501	88,575	90,000	1,425	2%	Radio meters purch/install
Underground Locator Pipe & Camera	-	-	5,000	5,000	100%	
Subtotal	103,929	1,614,319	6,110,000	4,495,681	74%	
Water & Sewer Operations						
Heavy Equipment	-	-	100,000	100,000	100%	Dump Truck, Tractor attachmts
Utility Vehicles	57,707	57,707	60,000	2,293	4%	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 computer
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	57,707	83,296	1,224,000	1,140,704	93%	
Enterprise Funds Total	253,016	1,793,355	8,238,000	6,444,645	78%	
Parks & Recreation Department						
Pierson Park Upgrades	-	-	-	-	#DIV/0!	
Azalea Hall Projects	-	-	-	-	#DIV/0!	
McKinleyville Activity Center Upgrades	-	-	-	-	#DIV/0!	
Projects Funded by Quimby/Other Funds	-	38,770	75,000	36,230	48%	Covered Picnic Area
Projects Funded by Measure B Renewal	7,500	52,396	105,000	52,604	50%	Teen Center Project
Other Parks Projects & Equipment	-	24,850	40,000	15,150	38%	Fischer Trail Project-surveying
Subtotal	7,500	116,015	220,000	103,985	47%	
Streetlights						
LED	-	-	-	-	#DIV/0!	
Subtotal	-	-	-	-	#DIV/0!	
Governmental Funds Total	7,500	116,015	220,000	103,985	47%	
All Funds Total	260,516	1,909,370	8,458,000	6,548,630	77%	

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

				Principal Maturities and Scheduled Interest				
	%	Maturity Date		Balance - May 31, 2015	Balance - June 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	134,932.55	-	11,125.84	123,806.70
Interest	1.0%		I			-	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	3,066,950.58	-	148,392.77	2,918,557.83
Total Water Fund-Interest						-	73,602.49	634,639.07
Total Water Fund				3,072,475.63	3,066,950.58	-	221,995.26	3,553,196.90
Sewer Fund:								
State of CA WRCB (SCEP I)		4/15/16	P	40,920.10	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	133,570.45	129,512.40	-	49,848.42	79,721.79
Interest	5.5%		I			-	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				829,001.80	824,943.75	-	176,607.22	648,408.39
Total Sewer Fund-Interest						-	35,202.98	96,483.98
Total Sewer Fund				829,001.80	824,943.75	-	211,810.20	744,892.37
Meas. B Fund: Teen/Comm Center Loan								
	3.55%	11/1/29	P	1,432,701.00	1,432,701.00	-	75,508.00	1,357,193.00
			I			-	50,217.82	362,864.53
Streetlights Fund: LED Proj Loan, PG&E								
	0.0%		P	91,046.75	89,391.35	-	19,564.80	69,526.55
			I			-	-	-
Total Principal				5,425,225.18	5,413,986.68	-	420,072.79	4,993,685.77
Total Interest						-	159,023.29	1,093,987.58
Total				5,425,225.18	5,413,986.68	-	579,096.08	6,087,673.35



- Utility Accounts Receivable Turnover Days	As of June 30, 2015	15.7 Days										
<table border="0" style="width: 100%; font-size: small;"> <tr> <td>Beg. A/R</td> <td>End A/R</td> <td>Avg A/R</td> <td>Net Util Sales</td> <td># of Times</td> </tr> <tr> <td>224,200.45</td> <td>197,049.59</td> <td>210,675.02</td> <td>4,836,706.40</td> <td>22.95813003</td> </tr> </table>			Beg. A/R	End A/R	Avg A/R	Net Util Sales	# of Times	224,200.45	197,049.59	210,675.02	4,836,706.40	22.95813003
Beg. A/R	End A/R	Avg A/R	Net Util Sales	# of Times								
224,200.45	197,049.59	210,675.02	4,836,706.40	22.95813003								
- YTD Breakeven Revenue, Water Fund:	1,878,795.70	- YTD Actual Water Sales: 2,804,050.95										
<table border="0" style="width: 100%; font-size: small;"> <tr> <td>501 Ops Exp</td> <td>501 COGS</td> <td>501 Wtr Sales</td> </tr> <tr> <td>1,346,056.71</td> <td>795,098</td> <td>2,804,050.95</td> </tr> </table>			501 Ops Exp	501 COGS	501 Wtr Sales	1,346,056.71	795,098	2,804,050.95				
501 Ops Exp	501 COGS	501 Wtr Sales										
1,346,056.71	795,098	2,804,050.95										
- Days of Cash on Hand - Operations Checking Account		52.1 Days										

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
29698	6/1/2015	*0015	REC PROGRAM REIMB MM	103.00	B50528	REC PROGRAM REIMB MM
29699	6/1/2015	COA01	COASTAL BUSINESS SYSTEMS	342.09	17002270	COPIER MAINTENANCE AGREEMENT
29700	6/1/2015	COR01	CORBIN WILLITS SYSTEMS, INC	858.42	B50528	MOMS MONTHLY MAINTENANCE
29701	6/1/2015	COR07	JOHN W. CORBETT	125.00	B50527	BOARD MEETING 05/13/2015
29702	6/1/2015	COU09	DAVID R. COUCH	125.00	B50527	BOARD MEETING 05/13/2015
29703	6/1/2015	CRO03	CROWN TROPHY PETALUMA	86.60	21916	OFFICE SUPPLIES
29704	6/1/2015	DEL02	DELFINO, MADDEN, O'MALLEY	5,138.00	3228 3445	LEGAL SERVICES
29705	6/1/2015	EDW01	HELEN L. EDWARDS	125.00	B50527	BOARD MEETING 05/13/2015
29706	6/1/2015	EUR07	Eureka Rubber Stamp Co.	13.82	A17256	OFFICE SUPPLIES
29707	6/1/2015	HAR13	The Hartford - Priority A	381.06	B50528	GROUP LIFE INSURANCE
29708	6/1/2015	ISE01	I-SECURE INC.	45.00	37716	SHREDDING SERVICE
29709	6/1/2015	MAY02	DENNIS MAYO	125.00	B50527	BOARD MEETING 05/13/2015
29710	6/1/2015	MCK04	MCK ACE HARDWARE	166.88	B50601	REPAIRS/SUPPLY
29711	6/1/2015	MCS01	MCSD C/O HUMBOLDT COUNTY	23,804.64	B50601	RESERVES RECOVERY SURCHARGE
29712	6/1/2015	S&S02	S & S WORLDWIDE, INC.	748.53	8595430	REC PROGRAM SUPPLIES
29713	6/1/2015	SAF04	SAFEWAY INC. FILE # 72905	90.08	B50601	REC PROGRAM/OFFICE SUPPLIES
29714	6/1/2015	USB01	U.S. BANK TRUST N.A.	7,395.83	B50601	SEWER BOND PAYMENT

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29715	6/1/2015	WHE02	GEORGE A. WHEELER JR.	125.00	B50527	BOARD MEETING 05/13/2015
29716	6/1/2015	\C005	MQ CUSTOMER REFUND FOR CA	50.96	000B50601	MQ CUSTOMER REFUND FOR CA
29717	6/1/2015	\F003	MQ CUSTOMER REFUND FOR FO	88.31	000B50601	MQ CUSTOMER REFUND FOR FO
29718	6/1/2015	\H009	MQ CUSTOMER REFUND FOR HO	45.91	000B50601	MQ CUSTOMER REFUND FOR HO
29719	6/1/2015	\J008	MQ CUSTOMER REFUND FOR JO	22.06	000B50601	MQ CUSTOMER REFUND FOR JO
29720	6/1/2015	\L018	MQ CUSTOMER REFUND FOR LA	7.74	000B50601	MQ CUSTOMER REFUND FOR LA
29721	6/1/2015	\M014	MQ CUSTOMER REFUND FOR MC	41.27	000B50601	MQ CUSTOMER REFUND FOR MC
29722	6/1/2015	\M015	MQ CUSTOMER REFUND FOR MC	7.53	000B50601	MQ CUSTOMER REFUND FOR MC
29723	6/1/2015	\R001	MQ CUSTOMER REFUND FOR RE	13.05	000B50601	MQ CUSTOMER REFUND FOR RE
29724	6/1/2015	\R002	MQ CUSTOMER REFUND FOR RY	3.39	000B50601	MQ CUSTOMER REFUND FOR RY
29725	6/1/2015	\S005	MQ CUSTOMER REFUND FOR ST	32.99	000B50601	MQ CUSTOMER REFUND FOR ST
29726	6/8/2015	*0016	AZALEA HALL DEPOSIT REFUND LG	100.00	B50602	AZALEA HALL DEPOSIT REFUND LG
29727	6/8/2015	*0017	AZALEA HALL DEPOSIT REFUND LH	100.00	B50602	AZALEA HALL DEPOSIT REFUND LH
29728	6/8/2015	*0018	AZALEA HALL DEPOSIT REFUND JF	25.00	B50603	AZALEA HALL DEPOSIT REFUND JF
29729	6/8/2015	*0019	REC PROGRAM REFUND WB	80.00	B50608	REC PROGRAM REFUND WB
29730	6/8/2015	AJI01	HAIDER AJINA	60.00	B50602	CONTRACTED REFEREE PMT
29731	6/8/2015	ARC02	Arcata Stationers	135.34	B50528	OFFICE SUPPLIES
29732	6/8/2015	ASC02	ASCAP	334.03	B50528	SUBSCRIPTION
29733	6/8/2015	BAN01	BANKCARD CENTER	1,092.02	B50608	TRAVEL/MEALS/REC PROGRAM

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29734	6/8/2015	COA01	COASTAL BUSINESS SYSTEMS	1,922.61	B50608	SHARP COPIER MONTHLY PAYMENT
29735	6/8/2015	COS03	COSTCO WHOLESALE	234.45	B50528	REC PROGRAM/OFFICE SUPPLIES
29736	6/8/2015	FAR01	FAR NORTH CLIMBING GYM	400.00	B50515	REC PROGRAM FIELD TRIP
29737	6/8/2015	HOO01	HOOVEN & CO., INC.	250.00	16061	REPAIRS/ SUPPLIES
29738	6/8/2015	HUB02	HUB INTERNATIONAL INSURANCE	107.40	B50602	SPECIAL EVENT INSURANCE
29739	6/8/2015	HUM01	HUMBOLDT BAY MUNICIPAL WATER DISTR	65,219.85	B50602	WATER PURCHASED IN MAY 2015
29740	6/8/2015	HUM08	HUMBOLDT SANITATION	976.50	B50603	TRASH SERVICE FOR MAY 2015
29741	6/8/2015	JON04	ERIK M. JONES	250.00	B50605	SAFETY SUPPLIES
29742	6/8/2015	MCB02	BILL MCBROOME	188.53	B50608	SAFETY SUPPLIES
29743	6/8/2015	MCK03	MCKINLEYVILLE OFFICE SUPPLY	33.01	47802	POSTAGE
29744	6/8/2015	MCK12	MCKINLEYVILLE UNION SCHOOL DISTRICT	1,875.50	B50602	AFTER-SCHOOL PROGRAM SNACKS
29745	6/8/2015	MEN01	MENDES SUPPLY CO.	877.32	B50603	JANITORIAL SUPPLIES
29746	6/8/2015	MER03	MERCER, FRASER COMPANY	245.97	24597	REPAIRS/ SUPPLIES
29747	6/8/2015	MIT01	Mitchell, Brisso, Delaney	2,312.40	36260	LEGAL SERVICES
29748	6/8/2015	NAP02	NAPA AUTO PARTS	22.83	B50603	REPAIRS/ SUPPLIES
29749	6/8/2015	NEC01	NEC FINANCIAL SERVICES, LLC	375.66	1808407	PHONE SERVICES
29750	6/8/2015	NOR13	NOR. CALIFORNIA SAFETY CONSORTIUM	80.00	21408	SAFETY TRAINING
29751	6/8/2015	PAC05	PACIFIC ECORISK	2,072.76	10925	LAB TESTING

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29752	6/8/2015	REN01	RENNER PETROLEUM	3,688.43	B50603	FUEL FOR MAY 2015
29753	6/8/2015	SEC03	SECURITY LOCK & ALARM	82.00	91651	REPAIRS/ SUPPLIES
29754	6/8/2015	SIE02	SIERRA CHEMICAL CO.	1,754.16	B50608	CHLORINE CONTAINER/DEPOSIT
29755	6/8/2015	STA01	STATEWIDE TRAFFIC	292.28	90000373	REPAIRS/ SUPPLIES
29756	6/8/2015	STA02	STATE OF CALIFORNIA ENERGY RESOURCES	6,225.42	9360	ARRA LOAN PAYMENT
29757	6/8/2015	SUD01	SUDDENLINK	134.95	B50603	INTERNET SERVICES FOR MAY 2015
29758	6/8/2015	THO02	Thomas Home Center	383.40	B50603	REPAIRS/SUPPLY
29759	6/8/2015	UMP03	UMPQUA BANK--VISA	199.93	MAY03	REC PROGRAM SUPPLIES
				2,034.20	MAY-01	TRAINING/ MEALS/ TRAVEL
				2,565.30	MAY-04	TRAVEL/MEALS
			Check Total:	<u>4,799.43</u>		
29760	6/8/2015	USP01	USPS POSTMASTER	234.00	B50603	P.O.BOX RENEWAL
29761	6/8/2015	USP02	USPS: ARCATA BMEU	1,364.18	2	NEWSLETTERS POSTAGE
29762	6/9/2015	ACW01	CB&T/ACWA-JPIA	6,879.42	B50609	GROUP HEALTH INSURANCE
29763	6/9/2015	COA02	COASTAL BUSINESS SYSTEMS	1,569.00	B50605	DOCSTAR MAINTENANCE AGREEMENT
29764	6/9/2015	KER01	KERNEN CONSTRUCTION	1,197.95	B50609	REPAIRS/ SUPPLIES
29765	6/9/2015	NOR01	NORTH COAST LABORATORIES	2,378.00	B50602	LAB TESTING
29766	6/9/2015	PGE01	PG & E (Office & Field)	16,521.64	B50608	GAS & ELECTRIC
29767	6/9/2015	UMP03	UMPQUA BANK--VISA	386.91	MAY-02	TRAINING/REPAIRS/ SUPPLIES
29768	6/9/2015	VER01	VERIZON WIRELESS	92.18	B50604	CELL PHONES FOR MAY 2015

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29769	6/9/2015	WBC01	WBCO ELECTRIC SERVICE CO.	-	34066-INu	Ck# 029769 Reversed
29770	6/15/2015	*0020	JOB#901 REFUND OF DEPOSIT	236.39	B50615	JOB#901 REFUND OF DEPOSIT
29771	6/15/2015	*0021	AZALEA HALL DEPOSIT REFUND SM	100.00	B50615	AZALEA HALL DEPOSIT REFUND SM
29772	6/15/2015	ACW02	ASSOC. OF CALIFORNIA WATER AGENCIES	50.00	INV001941	TRAINING
29773	6/15/2015	APP01	APPLIED INDUST. TECH.	96.25	52226557	REPAIRS/ SUPPLIES
29774	6/15/2015	ASB01	ASBURY ENVIRONMENTAL SERVICES	556.33	130504460	PROFESSIONAL SERVICES
29775	6/15/2015	ATT01	AT&T	615.80	B50611	PHONE SERVICE FOR JUNE 2015
29776	6/15/2015	DEL02	DELFINO, MADDEN, O'MALLEY	504.00	3556	LEGAL SERVICES
29777	6/15/2015	DEP05	DEPARTMENT OF JUSTICE	64.00	101794	REC PROGRAM FINGERPRINTING
29778	6/15/2015	HUM46	HUMBOLDT COUNTY PLANNING	542.47	B50615	WWMF UPGRADE
29779	6/15/2015	KEN02	KENNEDY/JENKS CONSULTANTS	7,442.50	92670	WWMF UPGRADE
29780	6/15/2015	MAC02	MAC'S REFRIGERATION SVC.	111.44	31155	REPAIRS AND SUPPLIES
29781	6/15/2015	MEY01	SETH MEYNELL	250.00	B50615	SAFETY SUPPLIES
29782	6/15/2015	NOR08	NORTHERN CALIFORNIA GLOVES	389.23	37704	SAFETY SUPPLIES
29783	6/15/2015	ORE01	O'REILLY AUTOMOTIVE, INC.	39.92	B50608	REPAIRS/SUPPLY
29784	6/15/2015	ROU01	ROUND TABLE DEVELOPMENT CORP	-	B50601u	Ck# 029784 Reversed
29785	6/15/2015	SEM01	SEMS TECHNOLOGIES	5,500.00	A5780	SUBSCRIPTION RENEWAL
29786	6/15/2015	STA01	STATEWIDE TRAFFIC	508.78	9000438	SAFETY SUPPLIES
				107.17	9000452	SAFETY SUPPLIES
			Check Total:	<u>615.95</u>		

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29787	6/15/2015	STA06	STANDARD REGISTER	2,462.05	V6919320	SEWER RATE-MAILINGS
29788	6/15/2015	STA11	STAPLES CREDIT PLAN	803.52	B50615	OFFICE SUPPLIES
29789	6/15/2015	THR01	THRIFTY SUPPLY COMPANY	516.40	B50603	REPAIRS/ SUPPLIES
29790	6/15/2015	THR02	THREE G'S HAY & GRAIN	76.57	3009	REPAIRS/ SUPPLIES
29791	6/15/2015	WEN02	WENNERHOLM CHIROPRACTIC	75.00	STOPA000	PROFESSIONAL SERVICES
29792	6/15/2015	WES13	WESTERN WEB	1,131.05	15815	NEWSLETTER PRINTING
29793	6/22/2015	*0022	REC PROGRAM REFUND RH	365.00	B50622	REC PROGRAM REFUND RH
29794	6/22/2015	*0023	JOB AH6 DEPOSIT REFUND TB	573.18	B50622	JOB AH6 DEPOSIT REFUND TB
29795	6/22/2015	AJI01	HAIDER AJINA	60.00	B50622	CONTRACT FUTSAL REFEREE
29796	6/22/2015	BLA01	JOSEPH M. BLAINE	300.00	B50622	PAYROLL ADVANCE
29797	6/22/2015	CIT01	CITY OF EUREKA	-	B50622u	Ck# 029797 Reversed
29798	6/22/2015	DIS03	DISCOUNT SCHOOL SUPPLY	-	B50603u	Ck# 029798 Reversed
29799	6/22/2015	EIC01	JENNIFER EICHSTEDT	845.00	B50622	CONTRACT INSTRUCTOR PMT
29800	6/22/2015	GHD01	GHD	415.25	91989	PROFESSIONAL SERVICES
29801	6/22/2015	HUM42	HUMBOLDT OUTFITTERS	157.60	7825	REC PROGRAM SUPPLIES
29802	6/22/2015	MAD02	MAD RIVER UNION	30.00	37675	ADVERTISEMENT
29803	6/22/2015	MIL01	Miller Farms Nursery	1,796.55	B50603	REPAIRS/SUPPLY
29804	6/22/2015	NAT06	NATIONAL METER & AUTOMATION	2,746.41	S1061679	REPAIRS/SUPPLIES

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29805	6/22/2015	NYL01	NYLEX.NET	648.00	568	PROFESSIONAL SERVICES
29806	6/22/2015	PRO01	PROFESSIONAL CREDIT SERVICES	26.58	B50622	RECOVERY OF BAD DEBT
29807	6/22/2015	SAF04	SAFEWAY INC. FILE # 72905	73.91	B50622	OFFICE SUPPLIES/REC PROGR
29808	6/22/2015	SDR01	SDRMA	41,182.18	50933	WORKERS COMP INSURANCE
				62,440.70	51346	PROPERTY/ LIABILITY PACKAGE
			Check Total:	<u>103,622.88</u>		
29809	6/22/2015	STA03	STATE OF CALIFORNIA	22,108.11	B50604	DAVIS GRUNSKY LOAN PAYMENT
29810	6/29/2015	*0024	HILLER SPORTS SITE DEPOSIT RL	100.00	B50625	HILLER SPORTS SITE DEPOSIT RL
29811	6/29/2015	APP01	APPLIED INDUST. TECH.	43.21	700534638	CONSTRUCTION EQUIP REPAIR
29812	6/29/2015	BAU01	RYANN BAUMAN	344.72	B50625	CONTRACT BASKETBALL REFEREE
29813	6/29/2015	CIT01	CITY OF EUREKA	190.80	B50625	REC PROGRAM FIELD TRIP
29814	6/29/2015	HAR03	HARVEY M. HARPER CO.	32,752.19	2	2015 F250 UTILITY TRUCK
				24,954.59	B50629	2016 FORD FUSION SE
			Check Total:	<u>57,706.78</u>		
29815	6/29/2015	IBS01	IBS OF THE REDWOODS	172.69	5047334	REPAIRS/ SUPPLIES
29816	6/29/2015	JAC04	JACKSON & EKLUND, INC.	189.00	183176	ACCOUNTING SERVICES
29817	6/29/2015	MES01	KIRSTEN MESSMER	35.64	B50629	REC PROGRAM SUPPLIES REIMB
29818	6/29/2015	MUN01	Munnell & Sherrill, Inc.	114.11	139044	REPAIRS/SUPPLY
29819	6/29/2015	NOR35	NORTHERN HUMBOLDT	584.00	ES15-222	OPEN SPACE MAINTENANCE
29820	6/29/2015	PGE02	PACIFIC GAS & ELECTRIC	2,987.05	B50625	STREETLIGHTS
29821	6/29/2015	S&S02	S & S WORLDWIDE, INC.	126.12	8623916	REC PROGRAM SUPPLIES

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29822	6/29/2015	WEC01	WECO INDUSTRIES, LLC	575.38	0034066IN	REPAIRS/ SUPPLIES
29823	7/1/2015	PGE01	PG & E (Office & Field)	16,521.64	B50701P	GAS & ELECTRIC
				403,105.17		
Total Disbursements, Accounts Payable:				<u>403,105.17</u>		

Payroll Related Disbursements

12847-12881	6/10/2015		Various Employees	16,746.82		Payroll Checks
12882	6/8/2015	CAL12	CalPERS 457 Plan	4,207.62	B50608	CALPERS 457 PLAN
				385.41	1B50608	CALPERS 457 PLAN
			Check Total:	<u>4,593.03</u>		
12883	6/8/2015	DIR01	DIRECT DEPOSIT VENDOR- US	22,998.35	B50608	DIRECT DEPOSIT VENDOR
12884	6/8/2015	EMP01	Employment Development	1,321.67	B50608	EMPLOYMENT DEVELOPMENT
				486.57	1B50608	EMPLOYMENT DEVELOPMENT
			Check Total:	<u>1,808.24</u>		
12885	6/8/2015	HUM29	UMPQUA BANK--PAYROLL DEP.	4,856.15	B50608	UMPQUA BAK PAYROLL
				6,696.50	1B50608	UMPQUA BANK PAYROLL
				1,566.12	2B50608	UMPQUA BANK PAYROLL
			Check Total:	<u>13,118.77</u>		
12886	6/9/2015	ACW01	CB&T/ACWA-JPIA	49,181.20	B50531	MED & DENTAL INSURANCE
12887	6/9/2015	PUB01	Public Employees PERS	17,078.72	B50531	PERS PAYROLL REMITTANCE
12888	6/24/2012		Various Employees	124.18		Pager Pay - Timesheet error correction
12889-12892			Various Employees	3,191.07		Vacation Buyouts

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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
12893-12927	6/18/2015		Various Employees	19,001.08		Payroll Checks
12928	6/18/2015	CAL12	CalPERS 457 Plan	4,229.44	B50618	RETIREMENT
				385.41	1B50618	PERS 457 LOAN PMT
			Check Total:	<u>4,614.85</u>		
12929	6/18/2015	DIR01	DIRECT DEPOSIT VENDOR- US	24,209.12	B50618	Direct Deposit
12930	6/18/2015	EMP01	Employment Development	-	B50612	STATE INCOME TAX
				45.27	B50615	STATE INCOME TAX
				1,491.33	B50618	STATE INCOME TAX
				1.94	1B50612	SDI
				33.21	1B50615	SDI
				524.82	1B50618	SDI
			Check Total:	<u>2,096.57</u>		
12931	6/18/2015	HUM29	UMPQUA BANK--PAYROLL DEP.	75.00	B50612	FEDERAL INCOME TAX
				171.48	B50615	FEDERAL INCOME TAX
				5,303.29	B50618	FEDERAL INCOME TAX
				26.74	1B50612	FICA
				457.58	1B50615	FICA
				7,241.92	1B50618	FICA
				6.26	2B50612	MEDICARE
				107.02	2B50615	MEDICARE
				1,693.68	2B50618	MEDICARE
			Check Total:	<u>15,082.97</u>		
			Total Disbursements, Payroll:	<u><u>193,844.97</u></u>		
			Total Check Disbursements:	596,950.14		

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **ACTION**

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

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

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

Recommendation:

Staff recommends that the Board authorize staff to provide the listed 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 currently not 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	June 12, 2015
10 Day Notice	July 22, 2015
Board Meeting	August 5, 2015
Lock	September 8, 2015
ROUTES 9 & 11	

Account #	Address	Model of DCV	Date s/o out
11-242-000	2216 Walnut	Neptune	
11-580-002	2032 McKinleyville	Febco	

Updated 07/30/15

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Consider Approval of Memorandum of Understanding between McKinleyville Community Services District and the McKinleyville Union School District for the Kids Club Afterschool Program**

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

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

Recommendation:

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

Discussion:

Over the course of the past several years, McKinleyville Union School District (MUSD) and McKinleyville Community Services District (MCSD) have negotiated a collaboration to provide after school programming for the community of McKinleyville.

Kids Club after school program is offered at both Morris Elementary and Dows Prairie Elementary Schools.

This agreement was reviewed by MCSD General Counsel last fiscal year.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Memorandum of Understanding

Memorandum of Understanding

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

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

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

- I. Purpose:** The purpose of this Memorandum of Understanding is to establish and maintain an effective working relationship between parties.
- II. Term:** The term of the Memorandum of Understanding shall commence on August 31, 2015, and shall extend through June 16, 2016. The term shall renew on an annual basis concurrent with each fiscal year (July-June) unless one party gives notice of termination as provided herein. No party shall make changes to the agreement during the term without the consent of the other.
- III. Philosophy:** The parties agree that there is a need to provide youth with safe, fun, and healthy recreation opportunities that build self-esteem and teach social harmony, conflict resolution, wellness, and an appreciation of education. The parties agree that in order to provide necessary services, a cooperative use agreement is in the best interest of the community.

IV. DISTRICT Description of services:

McKinleyville Community Services District will:

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

V. MUSD Description of Services:

McKinleyville Union School District will:

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

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

- C. Provide DISTRICT with a cleaning policy and procedure packet for staff to utilize in maintaining facilities.
- D. Provide the DISTRICT with a secure storage area for equipment; specifically, space for recreation and arts equipment.
- E. Provide opportunities for the DISTRICT to evaluate the viability of the Memorandum of Understanding and its application.

VI. Facility Orientation Policy: Both parties agree that all employees or representatives who shall be supervising, leading, or offering programs described in Exhibit 1, shall attend a facility orientation seminar arranged by MUSD.

VII. Facility Cleaning Policy: Both parties agree that all employees or representatives who shall be supervising, leading, or offering programs described in Exhibit 1, shall leave said facility in a clean, safe manner and in the same condition in which it was found.

VIII. Facility and Equipment Repairs/Damages Policy: Both parties agree to share equally the costs incurred to either party for facility and equipment repairs or damages regardless of fault during DISTRICT sponsored program. Payment for repair or replacement shall be due thirty (30) days after presentation of bill by the party sustaining such damages.

IX. Termination: The Memorandum of Understanding may be terminated by the failure of any party to comply with the terms of this agreement of standards set fourth in the facility orientation policy, cleaning policy, and facility equipment repairs/damages policy, by a thirty (30) day written notice of cancellation, by any party, or at the end of the term. This agreement may not be assigned, in whole or in part, by any, without the express written consent of the others.

X. Contingencies: It is expressly understood and agreed to by all parties that the DISTRICT, while carrying out and complying with any terms and conditions of this Memorandum of Understanding, is not an employee of MUSD; further that MUSD is not an employee of the DISTRICT. Therefore;

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

accruing or resulting to any person, firm or cooperation who may be injured or damaged by the DISTRICT in the performance of this agreement.

- B. MUSD agrees to indemnify, defend and hold harmless the DISTRICT, its officers, agents, employees, and volunteers, from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, material, men, laborers, and any other person, firm, or cooperation furnishing or supplying work, services, materials, or supplies in connection with the performance of this agreement, and from any and all claims or losses accruing or resulting to any person, firm or cooperation who may be injured or damaged by MUSD in the performance of this agreement.
- C. The DISTRICT shall maintain, throughout the period of this agreement, comprehensive General Liability insurance with a minimum coverage of \$1,000,000 combined single limit. The DISTRICT shall provide for thirty (30) days written notice of cancellation. Said coverage shall include MUSD as additional insured.
- D. MUSD shall maintain, throughout the period of this agreement, comprehensive General Liability insurance with a minimum coverage of \$1,000,000 combined single limit. MUSD shall provide for thirty (30) days written notice of cancellation. Said coverage shall include DISTRICT as additional insured.
- E. In the Event of any litigation arising between the parties regarding the terms of this agreement, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to other relief provided by law.

McKinleyville Community Services District

McKinleyville Union School District

John Corbett
President, Board of Directors

Name: _____

Title: _____

Attest:

Becky Schuette
Secretary to the Board of Directors

Name: _____

Title: _____

KidsClub After School Program Description

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

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

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

- Who: Any child who is in the K through 5th grades
- Where: Morris Elementary Rooms 33 & 36 and Dows Prairie Elementary School Room 22
- When: Monday through Friday, August 31, 2015 - June 16, 2016, after school until 6:00 p.m.
- Fees: \$13.00/day for K - 2nd graders and \$11.00/day for 3rd - 5th graders

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.5 **Consider approval to declare 2005 Ford F-250 and 2006 Chevy Aveo Surplus**

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

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

Recommendation:

Staff recommends the Board declare the following items surplus, authorize staff to advertise for a closed minimum bid and award the purchase of the following items to the highest bidder:

- Model year 2005 Ford F-250 Utility Truck
- 2006 Chevy Aveo

Discussion:

Due to the District Vehicle Replacement Program, the Operations Department has a 2005 Ford F-250 utility truck with 67,000 miles and a 2006 Chevy Aveo with 54,000 miles that will both sit idle, having been replaced with newer model vehicles last fiscal year.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Since the vehicles are fully depreciated we will do our best to find fair market values for these items. The revenue generated by the sale of these vehicles will be credited to the operating budget.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.6 **Approve Conveyance of Water, Sewer and Streetlight facilities related to Central Estates Phase 2C Development**

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

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

Recommendation:

Adopt conveyance of the facilities as recommended by staff included in Attachment 1 and listed by name and Assessor's Parcel Number (APN).

Central Estates Phase 2C Subdivision APN 508-252-001

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

Discussion:

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

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

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

A valuation of all infrastructure included in the conveyance will be added to the MCSD Capitol Asset Inventory.

Environmental Requirements:

Required by developer prior to construction.

Exhibits/Attachments:

- Attachment 1 – Agreement for Conveyance and Acceptance of Central Estates Phase 2C Subdivision System

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF CENTRAL ESTATES PHASE 2C SUBDIVISION SYSTEM

This Agreement is made by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, hereinafter referred to as "McKinleyville", and Jim Furtado, hereinafter referred to as "Developer", this 5th day of August, 2015.

1. Developer hereby grants and conveys to McKinleyville that certain Central Estates Phase 2C Subdivision mainline extension system and street lights constructed and owned by Developer which system is described as follows:

Water System:

885'	8" Water main
2349'	6" Water main
2	8" Gate Valves
10	6" Gate Valves
17	2" Gate Valves
4	Fire Hydrant Assemblies
3	2" Blow off assemblies
45	Single 1" Water Services
17	2" Water Services
1	Air Relief

Sewer System:

2489'	6" Sewer Main
11	Sewer Manholes
4	Mainline C.O.s
62	Sewer Laterals
62	Sewer Laterals C.O.s

Street Lights

7	LED Street Lights and Poles
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and all related appurtenances.

The facilities are located on AP# 508-252-001 and are more specifically described in the service application dated April 28, 2014.d.6 Attachment 1

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

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

Developer

McKinleyville Community Services District

John Corbett, Board President

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **Action**

ITEM: D.7 **Consider the formation of a Ground Water Sustainability Committee and appointing a chair**

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

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

Recommendation:

Consider requesting the Board President form a committee and appoint Helen Edwards, Chair; John Corbett, Vice Chair and Dennis Mayo, Alternate for the Ground Water Sustainability Plan.

Discussion:

At the July meeting, this item was brought to the Board as an informational item, with the potential for the Board President to appoint a Board member to serve as a chair on a newly created committee.

Since the item was discussed during the previous meeting, it has been brought back as a consent item for the August meeting.

In February 2015 the Humboldt County Board of Supervisors began a lengthy process that included a deadline to archive groundwater sustainability goals by 2042.

The state's Sustainable Groundwater Management Act went into effect earlier this year and gives county governments the authority, but does not require them, to form groundwater sustainability agencies by 2017. Those agencies then must look at state-identified problem areas.

To date, the Eel River Valley basin was identified as a moderate priority project. Once formed, the agency will look at the impacts of groundwater use in that area.

Timeline for this process:

- Late 2015/early 2016: DWR to develop grant guidelines and solicit applications for funding to perform groundwater planning as authorized by Proposition 1.
- June 1, 2016: DWR to adopt regulations for implementing the Groundwater Act.
- January 1, 2017: Due date for alternative submittals.

- June 30, 2017: Groundwater sustainability agencies shall be established for all high- and medium-priority basins.
- January 31, 2022: Groundwater sustainability plans shall be adopted for high- and medium-priority basins not in critical overdraft.
- 2042: Deadline for groundwater sustainability goal to be achieved.

Alternatives:

Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: E.1 **Consider the Regular Board Meeting Dates, Time and Location for the 2016 Calendar Year**

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

TYPE OF ACTION: **Information No Action**

Recommendation:

Staff recommends the Board review and consider the proposed 2016 Schedule for McKinleyville Community Services District Regular Board Meetings, held on the first Wednesday of each month, for the 2016 calendar year. Outside of the Board Meeting, Directors are requested to review the attachment and provide any conflicting dates to the Board Secretary, either in person or in an email format. This item will be scheduled again for the October 7, 2015 Board Meeting, at which time the Board members can make a final decision.

Discussion:

Both the MCSD Rules and Regulations (under Regulation 61, Board Meetings, Rule 61.0, Regular Meetings) and the Board of Directors Policy Manual (under Part 5, Board Meeting Procedures, Rule 5-1: Regular Meetings) address this topic – Regular meetings of the Board of Directors shall be held on the first Wednesday of each calendar month at 7:00 PM at either Azalea Hall 1620 Pickett Road or the District Office 1656 Sutter Road, as specified by the agenda. The date, time, and place of the regular meetings shall be reconsidered annually.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action
- Change the meeting dates

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Proposed 2016 MCSD Regular Board Meeting Schedule

(Proposed) 2016 MCSD Board Meetings

First Wednesday's of the month for year 2016 – In the event the first Wednesday fell on a Holiday the meeting was moved to the second Wednesday of the month.

DATE	LOCATION
January 6, 2016	Azalea Hall
February 3, 2016	Azalea Hall
March 2, 2016	Azalea Hall
April 6, 2016	Azalea Hall
May 4, 2016	Azalea Hall
June 1, 2016	Azalea Hall
July 6, 2016	Azalea Hall
August 3, 2016	Azalea Hall
September 7, 2016	Azalea Hall
October 5, 2016	Azalea Hall
November 2, 2016	Azalea Hall
December 7, 2016	Azalea Hall

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.2 **Potential Merit Salary Adjustment Regarding General Manager Compensation**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Review the information provided, take public comment, and consider approving the First Amendment to the General Manager's Employment Agreement. If the Board approves a merit salary increase, authorize the Board President to execute the Agreement Amendment, Attachment 3 to the General Manager's existing Employment Agreement.

Discussion:

Consistent with the Board Policy Manual and the existing Employment Agreement, Attachment 1, between the General Manager (GM) and MCSD, annually the Board of Directors will evaluate the performance of the GM.

During the performance evaluation process the Board President requested the Employee Negotiation Committee discuss compensation with the General Manager. During this process the GM proposed a series of moderate adjustments to his compensation and a reduction in the number of vacation days accrued per year. The Board of Directors and the GM met in closed session and discussed the proposed adjustments.

Before any modification in the GM's compensation for merit purposes can be approved it must be discussed and approved in open session of a regular board meeting. The agreed upon terms of the Board of Directors and General Manager are included as Attachment 2.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Included in Attachment 2

Exhibits/Attachments:

- Attachment 1 – July 1, 2014 GM Employment Agreement
- Attachment 2 – Negotiated Terms
- Attachment 3 – First Amendment to GM Employment Agreement

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
GENERAL MANAGER EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made and effective as of July 1, 2014 by and between the McKinleyville Community Services District, a local public agency (hereinafter referred to as "District"), and Gregory P. Orsini (hereinafter referred to as "Employee," and also in pertinent part as "General Manager").

RECITALS

WHEREAS, the District desires to employ the services of Employee as General Manager of the McKinleyville Community Services District; and

WHEREAS, Employee has the necessary education, experience, skills and expertise to serve as the General Manager of the District; and

WHEREAS, it is the desire of the Board of Directors of the District ("Board") to provide certain benefits, establish certain conditions of employment, and set working conditions of Employee; and

WHEREAS, Employee desires to accept employment as General Manager of the McKinleyville Community Services District on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the following mutual promises, the foregoing recitals, and the covenants, conditions and agreements contained herein, the parties agree as follows:

1. Employment.

District hereby hires and appoints Employee to serve as its General Manager, upon the terms and conditions as hereinafter set forth. Employee hereby accepts such appointment upon the terms and conditions as hereinafter set forth.

2. Term.

The initial term of this Agreement is five (5) years, commencing July 1, 2014 and ending June 30, 2019, unless terminated earlier pursuant to Paragraph 9 of this Agreement. This Agreement may be amended and extended as the parties mutually agree in writing.

3. Duties and Responsibilities of the General Manager.

- a. Employee shall be the chief executive officer of the District and be responsible to the Board for the proper administration of the District's affairs.
- b. Employee shall perform all of the duties of the General Manager as set forth in section 61051 of the California Government Code, and District policies and procedures approved by the Board, as may be provided from time to time.
- c. Unless otherwise agreed to by the Board in writing, all services provided under this Agreement shall be rendered by Employee. Such services shall include, but not be limited to, the following:
 - (i) To perform all functions and duties of the General Manager, as set forth in the District codes, ordinances, resolutions, minute orders and written policies, and in state law;
 - (ii) To perform such services on an exclusive full-time basis for the District, and to be available as needed to properly perform such services, including attendance at all regular and special Board meetings and other meetings as needed for the conduct of District business;
 - (iii) To carry out all other legally permissible and proper assignments as the Board from time to time may direct. Employee, in exercising his best professional judgment, shall recommend policies, programs and budgets to the Board which he considers necessary to promote the best interests of the District; and
 - (iv) To keep the Board timely and regularly apprised of the status of operational and project activities of the District.

4. Duties and Responsibilities of Board.

- a. The Board sets policy for the governance and administration of the District, and implements its policies through the General Manager.
- b. The Board recognizes that to meet the challenges facing the District it must exercise decisive policy leadership. As one step in carrying out this leadership responsibility, the Board commits to spending time each year outside of regular District Board meetings to work with Employee and District staff on setting goals and

priorities for the District, and to work on those issues that may be inhibiting the maximal achievement of District goals.

- c. Except for the purposes of inquiry, the Board and its Members shall deal with all subordinate District employees, contractors, and consultants solely through the General Manager or the General Manager's designee, and neither the Board nor any members thereof shall give orders to any subordinates of the General Manager, either publicly or privately.
- d. The Board agrees none of its individual members will order the appointment or removal of any persons to any office or employment under the supervision and control of the General Manager.
- e. The Board agrees that any criticism of any District staff member shall be done privately through the General Manager.
- f. At least annually and as part of the General Manager's evaluation, the Board shall discuss with Employee the working relationships, expectations, goals, objectives, and priorities between Employee and the Board; and evaluate Employee's performance, as provided in Paragraph 8 of this Agreement.
- g. The Board shall provide General Manager with direction at Board meetings and support in implementing Board policies and objectives.

5. Compensation and Benefits.

The District shall pay or provide the following as total compensation to Employee:

- a. The District shall pay Employee for his services rendered pursuant hereto a monthly base salary of \$9,828.00 per month (\$117,936 annual) payable at the same intervals and in the same manner as applicable to full-time employees of the District. Deductions from this base salary will be made for withholding taxes, and any other deductions Employee authorizes in writing and/or that the District may be required to make under state or federal laws and regulations; provided that the District shall pay Employer's share of the FICA taxes on the same terms as it pays for such taxes for other full-time employees of the District.
- b. The District shall provide to Employee the benefits described below. The District may provide other benefits in the discretion of the Board, as are determined to be appropriate by the Board from time to time.

Benefits and benefits accruals will commence upon Employee's first day of employment with the District.

- (i) The District shall pay or provide Employee with a District credit card, which shall be used solely for District business, including travel, meetings, and training programs as are budgeted or approved in advance by the Board, and in accordance with adopted Board policies and procedures.
- (ii) The District shall pay for such institutional dues and service club dues as are budgeted or approved in advance by the Board. In addition, Employee shall be reimbursed for such conference, seminar or other meetings, travel, and subsistence expenses (lodging and meals) and other necessary job affiliated, non-personal expenses incurred in the conduct of District business ("District Business Expenses") as are budgeted or approved in advance by the Board. Meal expenses, not covered in registration fees as part of the meeting or conference, shall be reimbursed consistent with the provisions adopted Board policies and procedures regarding the reimbursement of meal expenses of other officials and employees of the District. Employee's expense reimbursement claims shall be supported by vouchers, receipts, statements or personal affidavits, and shall be submitted in accordance with adopted Board policies and procedures.
- (iii) Except when absent on scheduled vacation or other authorized leave, Employee is on call twenty-four hours per day, and shall be given use consistent with the District's Employee Handbook of a District vehicle selected by Employee from the District's fleet or purchased by the District specifically for the General Manager's use. The General Manager may reassign the vehicle for temporary use to other District staff members for District business purposes, as needed. Employee shall not loan the District vehicle to family members, acquaintances or other persons who are not District employees. Should the vehicle be unavailable, and Employee uses his own vehicle to attend District functions or to attend to other District business, the District shall reimburse use of Employee's personal vehicle at the mileage rate set by the Internal Revenue Service at the time of use. District shall be responsible for obtaining and paying for insurance on the District vehicle, and for the costs of operation, maintenance and repair of said vehicle. Employee shall ensure that maintenance of the District's

vehicle is performed as required to keep said vehicle in proper working order. Employee shall maintain insurance on his personal vehicle and provide proof of such insurance as may be required.

- (iv) The District shall provide Employee and eligible dependents with District paid health and dental insurance benefits, or other benefits on the same terms and conditions that such benefits are provided to other regular employees of the District, consistent with guidelines adopted by the Board and as set forth in the District's Employee Handbook or other personnel policies and regulations approved by the Board.
- (v) The District will provide the Employee term life insurance, and pay the premium on such policy, with coverage in the amount of 1.5 times base salary.
- (vi) Employee shall maintain the existing vacation that has been accrued from the District and shall continue to accrue vacation at a rate consistent with the District's Employee Handbook. Vacation accrual shall not be limited during the term of this Agreement.
- (vii) Employee shall be entitled to accrue and use sick leave and other leaves or benefits not otherwise provided in this Agreement as provided in the District's Employee Handbook.
- (viii) Employee shall receive paid holidays as provided in the District's Employee Handbook.
- (ix) Employee shall be entitled to ten (10) days of paid Administrative Leave per year.
- (x) Employee shall be entitled to participate in the District's retirement program through PERS, on the same basis as other regular employees of the District participate in such program.
- (xi) Employee shall be eligible to participate in the District's Section 457 Deferred Compensation Plan on the same basis as other regular employees of the District participate in such program.
- (xii) Employee shall be entitled to any and all benefits available to a regular full-time employee, consistent with the policies and procedures of the District, including, but not limited to,

any across-the-board annual Cost of Living (COLA) or benefits increases granted to regular full-time employees of the District.

On or about each anniversary date of the effective date of this Agreement, the Board shall consider a salary and/or benefits increase for Employee based on the results of the annual performance evaluation described in Paragraph 8 of this Agreement. The determination regarding whether or not to extend a salary and/or benefits increase to Employee is vested in the discretion of the Board, and may be withheld for any reason, including reasons not directly related to Employee's performance such as budget constraints and other circumstances. Employee shall not be entitled to any compensation other than that set forth in this Paragraph 5.

6. Time at Work.

Employee is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager's position.

It is recognized that Employee must devote a great deal of time to the business of the District outside the District's customary office hours, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. Employee acknowledges that he is a managerial employee who works on a salaried basis and is thus exempt from laws governing payment of overtime, and shall have no rights to accrue or receive overtime compensation. Employee shall spend sufficient hours on site to perform the General Manager's duties; however, Employee has the discretion over Employee's work schedule and work location.

7. Outside Activities.

Employee shall not engage in any activities which conflict with or are otherwise incompatible with his duties and responsibilities as the District's General Manager.

8. Performance Evaluation.

- a. The Board shall review and evaluate Employee's performance at least annually in advance of the anniversary of the effective date of this Agreement. In addition, during the first year of his employment, the Board will evaluate Employee's performance after three (3) months and six (6) months of service. Said reviews and evaluations shall be in accordance with specific criteria developed by the Board, utilizing the performance evaluation procedures established in the board policy manual. Guidelines published by California Special Districts Association (CSDA), International City Management Association (ICMA) or other recognized municipal governance association for evaluating executive level managers may be used where appropriate. The President of the Board shall

provide Employee with a written performance evaluation of the Board and provide an adequate opportunity for Employee to discuss his evaluation with the Board. Failure of the Board to provide an evaluation under this section shall not prevent the District from terminating Employee in accordance with Paragraph 9 of this Agreement.

- b. On or before each anniversary date of the effective date of this Agreement, the Board and Employee shall define in writing such goals and performance objectives as they deem necessary for the proper operation of the District, the attainment of the Board's policy objectives and the development of Employee's knowledge and skills.

9. Termination and Severance Pay, and Voluntary Resignation.

- a. Paragraph 2 of this Agreement provides for a fixed initial term of five (5) years, during which term the Board may terminate this Agreement and Employee's employment with the District as follows:

- i. Termination for "Good Cause." The District may terminate Employee's employment at any time for "good cause" without penalty or obligation to Employee other than payment of all accrued salary and benefits. In the event Employee is terminated for good cause following notice and the opportunity to be heard, the District shall have no obligation to pay any severance pay; provided, however, Employee shall be entitled to any salary and unused vacation and other benefits accruals earned up to the date of termination, consistent with the provisions of this Agreement. For the purposes of this Agreement, "good cause" for employment termination shall include, but not necessarily be limited to, any of the following:

- ai. A material breach of the terms of this Agreement, following notice and a reasonable opportunity to correct any noted deficiency or breach, if correction is feasible or reasonably possible;
- aii. Misfeasance or malfeasance in office, established pursuant to notice and an opportunity for Employee to respond in accordance with reasonable due process procedures and this Agreement; or

- aiii. A conviction of any felony, misdemeanor or other offense involving a violation of Employee's official duties, or any other offense the conviction of which by statute provides for Employee's removal from office or the forfeiture of his position. A criminal conviction entered against Employee which by statute provides for Employee's removal from office and/or forfeiture of his position shall be conclusive evidence of cause for termination of this Agreement, without further notice, hearing or severance pay. A conviction of any misdemeanor crime involving moral turpitude. A conviction of any misdemeanor or felony involving driving a District vehicle under the influence of alcohol, drugs or other intoxicants.
- ii. Termination "Without Cause." Alternatively, the Board may, in its discretion, terminate this Agreement and Employee's employment at any time without cause by paying the Employee severance, which shall constitute employee's exclusive remedy, as hereinafter set forth. The Board may terminate Employee's employment without cause at any time on three (3) months' advance written notice to Employee. Employee shall continue to work and receive his base salary and other compensation during the notice period. At the conclusion of the three (3) month notice period, employee shall receive a single lump sum cash payment equal to three (3) months' base salary (severance pay after notice) and any unused vacation and other benefits accruals accrued up to the last day of employment. In the alternative and at its sole discretion, the Board may terminate Employee's employment immediately, without notice and without cause at any time, in which event the District shall pay Employee a lump sum cash payment equal to six (6) months' base salary (severance pay without notice) and any unused vacation and other benefits accruals accrued up to the date of termination. Notwithstanding the foregoing, Employee's employment shall not be terminated without cause during the one hundred and twenty (120) day period preceding or following any election for membership on the Board of Directors, or during the one hundred and twenty (120) day period following any change in membership of the Board of Directors in the event an interim change occurs without an election.

- b. In the event of voluntary resignation in good standing, Employee shall give the Board three (3) months' advance written notice. During this three-month period, Employee shall, while continuing his management functions, summarize District operations and projects and provide the Board with a written report thereof, including professional observations and recommendations, and provide briefings and training to staff and any chosen successor. Nothing in this paragraph shall prevent the District from having the Employee separate before expiration of the three (3) month notice period, provided the District pays Employee for any remaining portion of the three (3) month period not worked, in addition to the severance pay as provided for hereinabove.

10. Defense and Indemnity.

District agrees to extend to Employee, as to any action or proceeding on account of any act or omission of Employee within the course and scope of services provided to the District pursuant to this Agreement, those rights of indemnification, as provided by law, and the right to provision for defense of actions or proceedings that are granted to employees of a public entity pursuant to the provisions of Part 7, Division 3.6 of Title 1 of the California Government Code.

The Board, in its sole discretion and within the limits of the law, may refuse such defense and indemnity as provided by law, including, but not limited to, where the act or omission in question falls within the purview of Government Code section 995.2 (i.e., not within the scope of employment, fraud, corruption, malice, or conflict of interest), Government Code section 995.4 (District action against Employee), Government Code section 995.6 (administrative proceedings), or Government Code section 995.8 (criminal actions).

11. Entire Agreement.

This Agreement is freely and voluntarily entered into by the parties. This Agreement constitutes the entire agreement between the parties relating to the subject matters hereof. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. Any amendment to this Agreement shall be of no force and effect unless it is in writing and approved by the Board and General Manager. To the extent any policies or procedures referenced or integrated in this Agreement, Employee acknowledges that the Board retains all rights to amend or modify said policies and procedures, from time to time, and Employee will observe and abide by said policies and procedures, as amended.

12. Waiver of Rights.

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

13. Remedies Not Exclusive.

The use by either party of any remedies specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

14. Headings.

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

15. Cooperation.

Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.

16. Interpretation.

The parties acknowledge that each party has reviewed, negotiated, and had an opportunity to discuss with counsel this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with transactions contemplated by this Agreement.

17. Notices.

Any notice to be given to Employee will be sufficiently served if given to him personally, or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the District payroll records. If mailed, notice shall be deemed received two (2) days following the date notice is delivered to and deposited in the custody of the United States Post Office. Any notice to be given to the District will be addressed and delivered or mailed to the District Board of Directors at the District office.

18. Counterparts and Signature.

This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument. Facsimile and/or electronically scanned signatures shall be deemed to constitute originals. A party will not be deemed to have consented to this Agreement or be bound by its terms until the party (or its authorized representative) has duly executed a counterpart of this Agreement.

WHEREFORE, the parties hereto have executed this Agreement as follows:

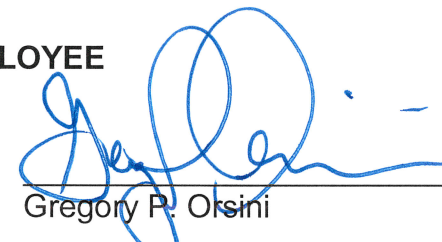
McKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: 
David R. Couch
President, Board of Directors

ATTEST:

By: 
Becky Schuette
Secretary of the Board of Directors

EMPLOYEE

By: 
Gregory P. Orsini

2015 GM Contract Negotiated Terms

As of July 1, 2015 my annual wage is: \$120,244.80

Due to my longevity, consistent with the MCSD Personnel Policy, I accrue 31 days of paid vacation per year.

31 days of vacation at my current rate is: \$14,336.88

I would propose reducing my accrual rate from 31 to 16 days of paid vacation per year and in exchange receive the value of the 15 days as regular pay, added to my current salary.

Value of 15 days at my current pay: \$6,937.20

Calculated as hourly wage: \$3.34

Increasing my hourly wage to: \$61.15

Increasing my annual wage to: \$127,182.00

This increase will have a 0 net impact on the District, other than the Employer contribution/employee match to PERS of 15%.

15% PERS contribution in annual compensation for the \$6,937.20 is \$1,040.79, which equates to a .87% increase to my current compensation.

For FY 2015/16 I would respectfully request my annual vacation accrual be reduced from 31 days per year to 16 days per year for the term of my existing contract and my annual wage adjusted to \$127,182 per year compensation in wages in exchange for hours not being booked, the \$6,937.20 is the reduction in paid vacation.

In FY 2016/17, I would respectfully request an additional 2% adjustment in annual wages increasing my annual wage to \$129,725.64.

In FY2017/18, I would respectfully request an additional 2% adjustment in annual wages increasing my annual wage to \$132,320.15.

All other terms of my current contract would remain in effect including the cost of living adjustments negotiated by the employees as set forth in the Employee Negotiation Agreement.

**FIRST AMENDMENT TO MCKINLEYVILLE COMMUNITY SERVICES
DISTRICT GENERAL MANAGER EMPLOYMENT AGREEMENT**

This First Amendment to McKinleyville Community Services District General Manager Employment Agreement (hereinafter this "First Amendment") is made and shall be effective as of August 1, 2015, by and between McKinleyville Community Services District, a local public agency, hereinafter referred to as "District" and Gregory P. Orsini, hereinafter referred to as "Employee" or "General Manager", both of whom understand as follows:

RECITALS

A. WHEREAS, District and General Manager have both executed that certain written agreement entitled McKinleyville Community Services District General Manager Employment Agreement (hereinafter the "General Manager Employment Agreement"), effective July 1, 2014;

B. WHEREAS, District and General Manager mutually intend to amend and modify the General Manager Employment Agreement as stated in this First Amendment; and

C. WHEREAS, the Board of Directors of the District ("Board") approved the modifications to the General Manager Employment Agreement recited in this First Amendment at its duly noticed public meeting occurring on August 5, 2015.

NOW, THEREFORE, in consideration of the mutual covenants recited herein, District and the General Manager agree to amend and modify the General Manager Employment Agreement as follows:

AGREEMENT

1. Amendment to Section 5.a. of the General Manager Employment Agreement.

The existing language in Section 5.a. of the General Manager Employment Agreement shall be deleted in its entirety. The following italicized language shall be deemed substituted in its place and Section 5.a. of the General Manager Employment Agreement shall hereafter be read and interpreted as if the following text appears in said Agreement:

"For the 2015/2016 Fiscal Year the District shall pay Employee for his services rendered pursuant hereto a monthly base salary of \$10,599.33 per month (\$127,192.00 annually) payable at the same intervals and in the same manner as applicable to full-time employees of the District.

Deductions from this base salary will be made for withholding taxes, and any other deductions Employee authorizes in writing and/or that the District may be required to make under state or federal laws and regulations; provided that the District shall pay Employer's share of the FICA taxes on the same terms as it pays for such taxes for other full-time employees of the District.

For the 2016/2017 Fiscal Year Employee's annual base salary shall be increased by two percent (2%).

For the 2017/2018 Fiscal Year Employee's annual base salary shall be increased by an additional two percent (2%)."

2. Amendment to Section 5.b.(vi) of the General Manager Employment Agreement.

The existing language in Section 5.b.(vi) of the General Manager Employment Agreement shall be deleted in its entirety. The following italicized language shall be deemed substituted in its place and Section 5.b.(vi) of the General Manager Employment Agreement shall hereafter be read and interpreted as if the following text appears in said Agreement:

"Employee shall maintain all existing vacation that has been accrued prior to the Effective Date of this First Amendment. Prior to execution of this First Amendment, the Board President will confirm and acknowledge Employee's total accrued paid vacation as of the Effective Date. From and after the Effective Date of this First Amendment, Employee shall accrue additional paid vacation at the rate of sixteen (16) days per year."

3. Amendment to Section 5 of the General Manager Employment Agreement.

The following underlined sentence appearing in the last paragraph of Section 5 of the General Manager Employment Agreement shall be deemed deleted:

"On or about each anniversary date of the effective date of this Agreement, the Board shall consider a salary and/or benefits increase for Employee based on the results of the annual performance evaluation describe in Paragraph 8 of this Agreement."

In place of the forgoing sentence, the following italicized sentence shall be deemed substituted in its place and the last paragraph of Section 5 of the General Manager Employment Agreement shall hereafter be read and interpreted as if the following text appears in said Agreement:

“On or about July, 2018, the Board shall consider a salary and/or benefits increase for Employee for the 2018/2019 Fiscal Year based on the results of the annual performance evaluation described in Paragraph 8 of this Agreement.”

4. Continuation of General Manager Employment Agreement.

Except as amended by this First Amendment, all terms and conditions of the General Manager Employment Agreement shall remain and continue to govern the obligations of the parties to said Agreement.

EMPLOYEE

By: _____
Gregory P. Orsini
General Manager

Date: _____

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
John Corbett
President, Board of Directors

Date: _____

ATTEST:

By: _____
Becky Schuette
Secretary of the Board of Directors

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.A. Support Services - July 2015 Report

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

TYPE OF ACTION: None

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has deposited \$379,655.46 to date into the Trust Account for reserves recovery as of June 30, 2015.

Audit Update: Onsite audit testing has been completed. Information has been provided as requested, according to the proposed schedule for this year. Confirmations have been sent to customers, vendors, lenders, and banks. Scott Gordon of Jackson & Eklund is assisting again this year with Fixed Asset calculations and the Depreciation Schedule. We have requested the report required by GASB 68 from CalPERS and will share that information with the Board when we receive it.

Treasurer's Report Highlights: The May Treasurer's Report revenue includes capacity fees of \$170,786 for the Water Fund and \$254,027 for the Sewer Fund respectively. Water Fund Revenue also includes \$982,265 in Prop. 50 Grant funds for the completed Intertie Project. This is non-cash revenue.

We have added the Emergency Water Line Intertie Project and the Pierson Park Covered Picnic Pavilion to the District's Fixed Assets. A Utility Truck and a hybrid car have been purchased according to the FY2014-15 Capital budget. We have also taken delivery of Radio-read meters, and will begin installation this month.

Other Updates:

Humboldt Bay Municipal Water District has provided us a final budget for the cost of water in FY2015-16. The final figure was 3% lower than the estimate we used for our adopted budget. We reduced the Pass-Through Charge to our District customers accordingly, which will mean a 3% drop in that portion of Water Sales Revenue. However, this will be offset by lower water-purchase costs. We will track the expected differences in both revenue and expenses, and we will keep the Board informed.

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **INFORMATION**

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

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

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 42 million gallons of water in June.
Nine 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 12 and 13 along with a minimal number of retests. Customers with failed DCV's were notified to make repairs and call the office to schedule a retest.

Average and Maximum Water Usage:

The maximum water usage day was 1.9 million gallons and the average usage per day was 1.4 million gallons.

Water Distribution Maintenance:

Weekly Bacteria Samples were collected on Schedules 1, 2, 3, 5 and 6 which represent different locations in the water system. The schedules are made up of a sample taken in each zone. An angle-stop was replaced on Central Avenue due to customer attempting to turn off his water to make repairs. The customer was billed for repairs to the angle-stop. A fire hydrant was struck by an automobile on Holly Drive. The vehicle was located and a police report was filed. Charges for repairs will be billed to the customer or their insurance company. A 2" angle-stop broke creating a leak. The service was valved off to make repairs. Phase 2 of the meter replacing has started. Approximately 1,100 meters will either be retrofitted or replaced with a radio read option. 20% of Phase 2 is completed. A new water service was installed on Gassoway.

Water Station Maintenance:

String trimming and hedge trimming was completed at the Norton Tank site along with mowing at the Cochran and Northbank sites. The generator main seal was replaced on the Cochran Generator due to a seal leaking oil. Pumps and piping were pressure washed at Northbank along with lubing the motors. The annual cathodic inspection was completed at Norton and Cochran. This inspection is conducted to verify that the system is running in the set parameters to protect the metal tanks from corroding.

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
May	49.407	38.200	23	15.160	57
June	51.337	41.847	19	15.600	64

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

New Construction Inspections:

Central Estates Phase 2C; all facilities have been installed and tested. Paving is completed and a punch list was delivered to the contractor. CVS; the hot tap and testing was completed. The new Ace building on Central installed a new fire service and bypass which was inspected by staff.

Sewer Department:

Waste Water Statistics:

23.8 million gallons of wastewater was collected and pumped to the W.W.M.F. 20.4 million gallons of wastewater was treated and discharged to land disposal or reclamation in June.

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

Sewer Station Maintenance:

String trimming and hedge trimming was completed at the B Street, Fischer and Kelly stations. Pump 1 at the Hiller Lift station and pump 3 at the Letz station was found to be calculating more hours due to rags in the impeller. The rags were removed and the pump efficiency returned to normal.

Sewer Collection System:

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. Several sewer lateral inspections were completed for new construction.

Wastewater Management Facility:

The Chlorine Contact Basin was drained and cleaned with fire hoses. The annual rebuild of one CL2 and SO2 vacuum regulator was completed. Equipment was used to make furrows in Pond 1A to help remove the moisture from the remaining sludge. Trenching and plumbing was done to redirect the wastewater from the lab to the headworks. This was done to prevent the water from going into Pond 1A where construction will take place. Several aerators had rags removed and were greased. The composite sampler power supply was replaced.

Daily Irrigation and Observation of Reclamation Sites:

Daily observations and pipe moving was 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. Irrigation pipe was picked up on the lower ranch to allow for grass cutting. Once bails are picked up, the pipe will be placed back out. The 100 amp main breaker at the Fischer Ranch house was replaced due to existing breaker failure. String trimming and mowing is in process at the Percolation Ponds.

Street Light Department:

No streetlight complaints were reported. Semi-annual streetlight inspections were conducted on Kristin Way.

Promote Staff Training and Advancement: Weekly tailgate meetings and training associated with job requirements. Seth attended First Aid and CPR refresher.

Special Notes:

The diaphragm was replaced in the portable pump.
Tractors, Dump Truck and Vac-con were greased and lubed to prevent wear.
A meeting with the county took place regarding the Central Avenue MOU.
A preconstruction meeting took place for the Teen Center project.

A meeting took place with CVS to approve the landscaping installed on Central. The new required water discharge report was completed and sent to the state for review. Quarterly well samples were conducted as a requirement of the NPDES permit. Monthly river samples were completed. Monthly, Quarterly and semi-annual 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.

WWMF upgrade status:

Kennedy/Jenks responded to the District's Final designs (Bid Set) comments. A conference call took place to discuss the remaining items. The final Bid set is due for delivery in the next 2 weeks. Staff is working with Kennedy/Jenks to renew the NPDES permit.

Parks:

A new Torro mower and Windsor floor scrubber was purchased for the Parks Department due to the existing equipment was failing and obsolete for repairs. Several open space zones received mowing, hedging and maintenance as part of the Open Space Maintenance Zone agreement. Staff has been working on organizing and scheduling of the open space zones. Facilities were mowed and cleaned as part of the weekly schedule along with rental events. Touch up painting to cover up graffiti vandalism on the Mid Town trail was conducted.

Teen Center:

A ground breaking ceremony was held at the location of the new building. Four feet of topsoil was removed and replaced with gravel in one foot lifts. Each lift was verified for compaction by an engineer. A time lapse camera was installed to capture the daily progress which will be converted to a short video at the end of the project. Adams Construction delivered a schedule for each stage of the project.

GIS:

The Parks, trails, facilities and streetlights online map was completed and finalized. The map was prepped for launch on the website.

Worked on Open Space Maintenance Zone binder and mapping. The binder will contain management plans, hours allocated to each zone and fees collected.

Assisted with NPDES Drinking Water Discharge Permit. Mapping and information research was conducted to assist in filling out the permit.

Progress was made on the sewer model. Lateral locations were added to help calculate flows to designated manholes. A spreadsheet was then created to calculate the flows using single family, multifamily and commercial connections.

Reviewed the AutoCad files for the Central Estates phase 2C subdivision. Water and sewer infrastructures were also GPS located and added to the subdivision mapping.

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.C Parks & Recreation Director's Report for August 2015

PRESENTED BY: Lesley Frisbee, Recreation Director

TYPE OF ACTION: None

PARTNERSHIP DEVELOPMENT WITH BOYS & GIRLS CLUB OF THE REDWOODS:

Staff has been meeting weekly with Boys & Girls Club of the Redwoods (BGCR) staff and Business Consultant, Thomas Fumarelli, laying the framework for the business plan that will guide the partnership and management of the Teen and Community Center. The framework will be complete by the end of August. Thomas Fumarelli is meeting with HSU professor Chris Gaines later this month to see about the feasibility of using pieces of the Business Plan development as class projects for business and entrepreneurial students. There are a lot of details to such plan and using student projects to assist with data collection and analysis is a cost effective way to get more done with less. Both MCSD staff and BGCR staff are very pleased with the process and the work that is being done towards the development of this important plan. Great care and thought are going into the work so that the Business Plan will be a document that guides the partnership for years to come.

Staff continues to work with BGCR staff towards the development of youth leadership in McKinleyville. The MYLS have taken a small break from regular meetings during the summer months but are scheduled to meet later this month. MCSD staff and BGCR staff met with representatives from the On the Move organization out of the Bay Area. SH Cowell Foundation representative, Jamie Allison-Hope, recommended a meeting with On the Move as they are in the business of creating and running youth leadership programs in several communities in the northern Bay area. Based on the discussion at that meeting, Boys & Girls Club of the Redwoods will be requesting funding from the SH Cowell foundation to have MCSD Staff and BGCR staff as well as some of the MYLS participants, visit some of the On the Move programs currently running as well as receive training and technical assistance in starting similar youth leadership programs in McKinleyville.

TEEN & COMMUNITY CENTER:

In addition to coordinating the ground breaking ceremony this month, staff have also been planning a public meeting to provide information regarding the construction timeline and fundraising needs for the Teen and Community Center. There will be an opportunity for community members to see the plans for the interior of the facility as well as speak to both MCSD staff and Boys and Girls Club staff regarding the programming

plans that are being discussed and developed throughout the construction phase. The meeting is scheduled for Thursday, August 13, 2015 6:00pm-7:00pm at Azalea Hall.

RECREATION PROGRAMS:

Kids' Camp Summer Day Camp: Kids' Camp continues to run at near capacity averaging 70 campers per day. Wednesday (field trip day) boasts the highest attendance each week with 80 or more campers. This month camp has visited the Sequoia Park Zoo, Clam Beach, and Patrick's Point State Park and had a good time bowling at E&O Bowl in Blue Lake.

Wood Bat Softball League: After determining that it cost \$550 per team to run the softball league, we raised our fees from \$300 per team to \$600 per team plus additional fees for rosters of more than twelve players. The new fee is still less than other softball leagues in the County. It has proven to be a successful increase that did not negatively impact team enrollment. We have 10 teams in the league this year which is the same number as 2014. The first game was Sunday July 26th and the league will continue to run on Sundays through September 13, 2015.

Flag Football: 18-20 kids, ages 8-13, have been showing up to Pierson Park each Wednesday afternoon to learn and practice flag football skills. Each week staff leads a variety of drills and then coaches a short scrimmage. It has been a positive experience for both participants and department staff.

Kids' Club After School Program: Staff is preparing for the upcoming school year. New Recreation Leaders have been hired and staff training workshops have been scheduled for later this month. The program starts on the first day of school, Monday, August 31, 2015.

Lawn Games in the Park: Families and community members have been enjoying various games in the park each Thursday evening at Pierson Park. It is a great way to enjoy the long summer days with family and friends. Lawn Games in the Park will continue through the month of August, on Thursdays, 5:30pm-7:30pm.

World Wide Day of Play: The 4th Annual World Wide Day of Play in McKinleyville will be on Saturday, September 26th 12:00pm-3:00pm at Hiller Sports Complex. Staff is coordinating a variety of outdoor games and activities in collaboration with Mad River Youth Soccer League, First 5 Humboldt, and other youth serving organizations that are interested in participating. This is a free community event inspired by the Nickelodeon channel's World Wide Day of Play event. Each year Nickelodeon turns off its television programming for one afternoon and hosts a national outdoor play event to remind families how much fun it is to get outside together and PLAY.

.

McKinleyville Community Services District

BOARD OF DIRECTORS

August 5, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D General Manager's Report for August 2015 Meeting

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: Information Only

A summary of activity for the month of July 2015

Cost Savings Related to District Activities – The following is a review of some of the recent cost savings opportunities District staff identified for the previous month:

• Accounting Services Discount	\$113
• Discount on Office Supplies	\$120
• SWAP Crews	\$1,352
• Northern Humboldt Employment Services	\$1,934
• Community Service Workers	\$2,400
• Miscellaneous Electrical Repairs	\$307
• Heavy Equipment Service	\$2,400
• Rebuild Vacuum Regulators	\$300
• Install Safety Beacon	\$220
• Composite Sampler Repair	\$425
• In House Mosquito Abatement	\$140

Total cost savings for July are \$9,711

***The cumulative cost saving to the District to date
from July 1, 2015 is \$9,711***

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.

Total Cost Savings 14-15 Fiscal Year – From July 1st, 2014 through June 30th, 2015: MCSD employees saved the rate and tax payers of McKinleyville **\$1,157,334** through grants, our in house expertise in specialized technical areas, and responsible fiscal management.

GM Vacation – The GM took one full work week off in July. Included in that time were two weekends for a total of 9 days out of the area. I would like to thank our MCSD Department Heads for holding down the fort. Their guidance assured the district was in good hands and allowed me some necessary time off. I brought this to the Boards attention to illustrate the capacity of our management team.

Solar Project – During the prior month our net metering application was approved and the interconnection application was approved in July. We are in a holding pattern related to this project. One area of concern is the potential impact if PG&E eliminates the A-6 tariff. The action has the potential to change net metering and reduce the economic returns by 30%. The impact would mean a significantly longer payback period. Attachment 1 is a web article related to the last week's actions by the California Public Utility Commission.

Teen Center and Boys & Girls Club – The Teen Center Pre Construction Meeting was conducted in July. The general contractor and MCSD Staff met to discuss the logistics for the construction phase of the project. The notice to proceed was granted shortly after the contract was approved at the July Board meeting and construction promptly started the following Monday. The Ground breaking ceremony was held on July 22nd. The turnout for the ceremony numbered 50 plus community members and interested public. Comments back from attendants were all positive including the mention of how nice it was to receive a thank you email from our staff. A consultant has been secured using SH Cowell grant funding to facilitate a business plan and MOU for the operation of the Teen Center and MCSD's relationship with the Boy's & Girl's Club.

Central Avenue Open Space Maintenance Zone and MOU with Humboldt County – The MOU for Central Avenue is in final draft as we work through detail for the Sheriff's Department's commitment for SWAP participation. The maintenance plan is with the engineer being reviewed and the final touches are being placed on the landscaping prior to notification of the merchants for the reassessment. Another ongoing project that has been completed is related to a specification for trees in open space zones and landscape strips. We now have a procedure for planting new trees and a list of acceptable trees.

WWMF Improvement Project and SRF Funding Efforts – The vast majority of effort on this project is related to finalizing the application for funding of the project. The Finance Director and GM are working closely with State Water Board staff to compete the necessary requirements for the funding agreement. Work also continues on our application for the Report of Waste Discharge, this is a necessary step for our NPDES (Discharge Permit) renewal. The updated schedule to date is: The financial review should be completed by mid August at that time we will have a commitment for funding the project. It will then be appropriate to advertise for bids. The bid closing date should

be near the fourth week in September. If all goes well we should be bringing the contract for construction to the Board at the October meeting. While we are doing that, the State Board will be working concurrently to finalize the funding agreement and bid packet review.

Meetings – The General Manager attended various meetings this month, including a meeting with Member of the Field Brook CSD and Green Diamond to discuss domestic water transmission and storage. Ongoing meetings with the Boys & Girls Club of the Redwoods and a consultant enlisted specifically to facilitate a business plan and MOU for the Teen Center.

Exhibits/Attachments

- Attachment 1 – Article from [www.energycollective .com](http://www.energycollective.com)
- Attachment 2 – WWMF Monthly Self Monitoring Report

Excerpt from [www.theenergycollective .com](http://www.theenergycollective.com)

<http://www.theenergycollective.com/jeffstjohn/2253066/pges-new-tariff-could-gut-pv-opportunity-commercial-sector>

The proposed regulation threatens commercial rooftop solar economics in Northern California.

If you were wandering the halls of last week's Intersolar conference in San Francisco, you probably heard a lot of worried, angry talk about something called the A-6 tariff, and how proposed changes to it were threatening to undercut commercial solar PV economics in Northern California -- or, maybe, make energy storage a must-have part of any new commercial-scale solar project in the region.

The controversy over Pacific Gas & Electric's special tariff for mid-size businesses, school districts, and other commercial customers that want to go solar has been brewing for years now. But lately, it's been kicked into high gear, driven by an unusually poorly worded proposed decision from the California Public Utilities Commission that could, if left unchanged, slash the economic returns of the majority of commercial PV projects in PG&E territory by about 30 percent.

That's the calculation that Tom Williard at Sage Renewable Energy Consulting has been [warning his solar customers about](#) since June 23, when the proposed decision ([PDF](#)) from CPUC administrative law judge Douglas Long was published. This document was meant to resolve a years-long legal argument over what to do with PG&E's Schedule A-6 tariff. But according to Williard, the solution it proposes is far worse than the problem it was trying to solve.

"It's really happening, and it's happening in a very abrupt way," he explained. "The transition is really disorderly, which is one of the biggest problems."

In fact, the way the proposed decision would alter rate structures and customer energy costs is so dramatic and uncertain that the [CPUC decided this week](#) to assign a new administrative law judge to the issue, and postpone a final decision on the matter until at least next month. That could give the agency time to fix what Williard described as the key flaws in the previous document, including a lack of clarity about what will happen to existing A-6 tariff customers, and what customers with solar projects in development should do to preserve their economic value.

"A regulatory environment with this much lack of transparency and inconsistency makes these kinds of projects virtually impossible," he said. "You cannot plan in an environment like that."

Complex rate structures can make or break solar economics

Why is the existing A-6 tariff so [valuable for solar economics](#)? First of all, it's an "all-volumetric rate," which means that it doesn't assess the demand charges, based on maximum electricity consumption at any one moment in time, that apply to almost all other commercial rates in California.

Instead, it charges customers only for the energy they consume, with much higher rates during times of the year and the day when demand is highest, typically summers and late afternoons. Those, of course, tend to be the same times that rooftop solar PV will be at peak generation, which makes the A-6 tariff structure very profitable for net-metered solar systems.

And because the A-6 tariff was open to customers with up to 500 kilowatts of average power consumption over a three-month period, it applied to a very broad class of commercial buildings, school districts, government agencies, small industrial sites, and other key classes of commercial solar customers.

In its 2012 general rate-case filing, PG&E asked to reduce the cap on customers eligible for the A-6 tariff from 500 kilowatts to 75 kilowatts, which would cut out a large number of commercial customers. Solar advocates protested, the issue went into litigation, and last month's proposed decision was how the CPUC decided to resolve the disputes.

The first big problem with the proposed decision has to do with its timing, Williard said. PG&E had asked for any new tariff to start in November of this year. But the proposed decision abruptly declared that any customer not already on the A-6 rate would have that option closed to them as of the moment the decision was approved as law -- which would have been this week.

"We have clients getting close to finishing projects in the next two to three months, public agencies that have been in this process for a long time," preparing for a November deadline for switching to the A-6 tariff. "Now all of a sudden this says, if you don't have a signed contract for A-6," you've only got a month to make the move.

Another big problem is that the proposed decision didn't offer a specific alternative for all those customers with more than 75 kilowatts and less than 500 kilowatts of demand, he said. Instead, "they just closed it completely off without any other carrot in place that adequately values the solar PV generation on PG&E's network."

The other tariff that applies for customers with between 75 and 500 kilowatts of demand is called the A-10 tariff, and it includes a more typical demand-charge regime, along with less-steep rates on the energy side of the equation, he said.

"For a typical school district, their PV production on A-6 is usually about 26 to 27 cents per kilowatt-hour on average," he said. "On A-10, it's somewhere around 19 cents per kilowatt-hour," taking the changes in energy rates and the new demand charges into account. That's the calculation that led him to predict that solar systems losing the A-6 tariff could expect to lose 30 percent of their long-term economic value, more or less overnight.

Customers tend to stay on the A-10 rate until their solar system is ready to turn on, and then switch to A-6. With the uncertainty brought about by the CPUC's proposed decision, customers with solar systems in the midst of being built might want to switch to the A-6 rate before the opportunity is taken away from them.

But that's a problem too, because going to A-6 will add much higher energy costs to the building until the solar system is turned on -- between 30 percent and 50 percent higher, depending on what time of year the transition comes, he said. "And if a PG&E client switches tariffs -- if they go onto A-6 right now -- they can't change their tariff for a year," he said.

Uncertain grandfathering rules could undercut existing projects

Finally, the proposed decisions was quite vague on how existing A-6 tariff customers might be "grandfathered in" to any new tariff regimes, he said. "When this thing closes, you'll be able to remain on that rate," he said. "But the proposed decision did not specifically [state] that. It says, 'You can remain on that rate until we figure out what to do with it in a future rate case.'"

The proposed decision directed PG&E to create a new solar-friendly rate for customers with between 75 kilowatts and 500 kilowatts of average demand, most likely based on the "Option R" tariff structures now in use at PG&E and Southern California Edison. These are more cost-effective for solar than the existing rates, but they still include demand charges, and Williard estimated that it would reduce solar paybacks by 15 percent compared to the existing A-6 rate.

What's more, solar customers who've built 20-year economic forecasts based on their existing A-6 rates will have to wait until PG&E's next rate case, which opens in 2017 and may not yield final tariffs until 2018 or later, to learn what options are open to them.

"They created this donut hole -- you bring A-6 down to 75 kilowatts, then you don't have any solar-friendly tariffs between 75 kilowatts and 500 kilowatts," he said. "There are two and a half years where they have no commercial PV tariff."

Williard said he's hopeful that the CPUC will correct some of the proposed decision's most glaring problems -- but he's not confident all of them will be addressed. "There are two pressing issues here: timing of any A-6 closure and the grandfathering-in of existing A-6 customers," he said. "I imagine they will fix the timing at least a bit, but the far larger issue is grandfathering. And that is very much in question."

Can energy storage help fill the gaps?

One of the interesting upshots of this situation is that it could open an opportunity for [energy storage to help shore up the economics](#) of affected solar systems. Behind-the-meter batteries can store power from solar or the grid, and then inject it when a customer's energy usage is approaching a peak. That, in turn, could at least reduce the impact of the demand charges that could start affecting customers losing access to the A-6 tariff.

That has no doubt been one of the factors driving companies like Stem and SunPower, SunEdison and Green Charge Networks, and SolarCity and Tesla into the [California solar-storage field](#). SunEdison recently partnered with storage provider Green Charge Networks to [deploy battery-solar projects in California](#), and SunEdison's Tim Derrick told us that "a lot of RFPs from schools and municipalities are coming with a storage component."

Those are the same types of customers that Williard said could be negatively affected by changes to the A-6 tariff, and which could find value in storing that energy. But right now, "with demand charges on the Option R tariffs, it's hard to make storage pencil out," he said. "Generally speaking, they reduce demand charges by a half to a third of what you'd expect from standard tariff demand charges. So they aren't as high, and right now what we've seen is, it's very close to penciling out or not," depending on the individual customers' load profiles.

"Storage guys kind of like this, because they're saying, 'Now we can get into PG&E territory.' But that's a less efficient way to address energy usage than PV by itself," he said. "There are no storage projects going in on A-6, because it makes no sense -- it would cost a lot more than PV alone."

Of course, changes to the A-6 tariff are just one of the many changes underway in California that could alter solar-storage economic models. The state is in the midst of [restructuring its entire net-metering regime](#), which could bring about entirely new models for how customers are compensated for the solar power they produce. It's also in the midst of a long-term shift away from steeply tiered monthly rates to [daily time-of-use rates for residential](#) customers, which could alter the value of household solar and solar-storage systems in new ways.

Kirk Stokes, the director of sales for Sharp Electronics' energy systems and services group who's leading the [company's U.S. solar-storage business](#), noted at last week's Intersolar conference that the proposed changes to PG&E's A-6 tariff could well "gut the PV opportunity" for the commercial sector. "These A-6s, and the Option R rates in Southern California and SDG&E territory, are going to create limits for PV [companies] to sell solar. But it also creates opportunity."

Authored by:

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Attachment 2

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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

June 27, 2015

RE: MONTHLY MONITORING REPORT

Dear Justin:

Enclosed is the Monthly Monitoring Report for June 2015 for McKinleyville Community Services District Wastewater Management Facilities WDWID NO. 1B82084OHUM, operating under Order Number WQ 2011-0008-DWQ.

The normal discharge of effluent was 28 days to Discharge Point 002, 003, 004 and 007. The required monitoring and water quality constituents that were tested and reported were in compliance in June.

The requirement for BOD is 45 mg/L monthly average and 65 % removal for the weekly average with four weekly tests in June that represent five criteria. The BOD results for June are in compliance.

The requirement for TSS is 83 mg/L for the monthly average with four weekly tests in June which represent one criteria. The TSS results for June 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 June 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 June are as follows. Median was <1.8 and a Maximum of <1.8. Five samples were collected in the month of June and were in compliance.

Monthly River Monitoring was conducted in June.

WWMF Upgrade Status: Engineers will have the final Bid Documents completed by the end of July and is also working with the District on the NPDES permit renewal.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA

YEAR: 2015

MONTH: JUNE

DATE	INFLUENT		EFFLUENT		RIVER CFS	INFLUENT MONITORING		EFFLUENT MONITORING							3X5 TOTAL COLIFORM		
	FLOW M.G.D.	FLOW M.G.D.	MAXIMUM GPM	FLOW M.G.D.		FLOW M.G.D.	B.O.D. mg/L	N.F.R. mg/L	pH	(C°) TEMP	B.O.D. mg/L	NFR mg/L	AMMONIA	CL ₂ RES.		RIVER CL ₂ RES	SETTLABLE SOLIDS
1	0.816	0.308	526					6.9	17.5			36	3.8			<1.8	
2	0.807	0.000	0					Washed CCB									
3	0.808	0.489	1189					7.0	17.8			34	8.9				
4	0.785	0.716	799					6.9	17.8			36	0.1				
5	0.773	0.903	716			330	300	6.8	18.1	38	47	32	3.9			<0.1	
6	0.808	1.012	712														
7	0.865	1.005	711														
8	0.817	0.795	763					7.0	18.5			32	7.3			<1.8	
9	0.792	0.781	805					6.9	19.3			38	2.7				
10	0.804	0.832	867					7.0	19.2			30	2.8				
11	0.794	0.783	679					7.0	19.0			36	9.2				
12	0.810	0.806	762			360	240	7.1	19.5	45	51	32	6.1			<0.1	
13	0.788	0.358	448														
14	0.837	0.000	0			No discharge. Drained Pond											
15	0.795	0.592	1530					7.0	18.6			32	10.1				
16	0.781	0.850	788					7.1	19.0			38	8.3			<1.8	
17	0.778	0.833	872					7.2	18.6			32	4.9				
18	0.763	0.900	806					7.2	18.5			34	5.1				
19	0.784	0.895	970			290	330	7.2	18.8	38	45	32	4.8			<0.1	
20	0.763	0.504	359														
21	0.809	0.485	342														
22	0.797	0.567	772					7.3	19.4			34	3.5			<1.8	
23	0.785	0.754	927					7.3	18.1			36	3.7				
24	0.780	0.856	837					6.7	17.2			36	6.9				
25	0.772	0.753	842					6.8	18.3			34	3.5				
26	0.763	0.752	706			340	220	6.8	18.9	31	20	32	4.6			<0.1	
27	0.760	0.765	547														
28	0.787	0.743	521														
29	0.780	0.675	854					6.8	19.8			36	2.4			<1.8	
30	0.777	0.702	799					6.8	19.4			34	1.8				

SPILLS:

None to report

50 gallon sewer spill reported on CIWQS and OES. Complete spill was recovered

30 DAY AVERAGE

BOD mg/L	BOD LBS/DAY	% Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal
36	248	89	41	290	85

ACUTE TOXICITY

DATE

% Survival

N/A

N/A

N/A

CHRONIC TOXICITY

TESTED

Survival

N/A

N/A

N/A

TUC

REMARKS:

Indicates Permit Exceedance

SIGNATURE:

MONTHLY TESTS

TDS	AMMONIA	NITRATE	BORON
300	35.0	N/D	250

SEMI-ANNUAL TESTS

Bis phthalate	Value in ug/l
alpha-BHC	N/A
4,4' -DDT	N/A
carbon tetrachloride	N/A

QUARTERLY TESTS

Dichlorobromomethane	Value in ug/l
Bromochloromethane	N/A
Chlorodibromomethane	N/A
Chloroform	N/A

RAINBOW TROUT

C. dubia

TOTAL COLIFORM

Monthly

MEDIAN

<1.8

Daily

Maximum

<1.8

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
EFFLUENT DISCHARGE DISPOSAL**

JUNE 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	0.816	0.308	526		0.308					0.000	0.000
2	0.807	0.000	0	Washed CCB						0.000	0.000
3	0.808	0.489	1189			0.309		0.180		0.489	0.000
4	0.785	0.716	799			0.468		0.248		0.716	0.000
5	0.773	0.903	716		0.555	0.228		0.120		0.348	0.000
6	0.808	1.012	712		1.012					0.000	0.000
7	0.865	1.005	711		1.005					0.000	0.000
8	0.817	0.795	763		0.131	0.534		0.130		0.664	0.000
9	0.792	0.781	805			0.514		0.267		0.781	0.000
10	0.804	0.832	867			0.524		0.308		0.832	0.000
11	0.794	0.783	679			0.508		0.275		0.783	0.000
12	0.810	0.806	762		0.349	0.295		0.162		0.457	0.000
13	0.788	0.358	448		0.358					0.000	0.000
14	0.837	0.000	0	Drained Pond. No discharge						0.000	0.000
15	0.795	0.592	1530			0.592				0.592	0.000
16	0.781	0.850	788			0.850				0.850	0.000
17	0.778	0.833	872			0.652		0.181		0.833	0.000
18	0.763	0.900	806			0.558		0.342		0.900	0.000
19	0.784	0.895	970		0.280	0.383	0.034	0.198		0.615	0.000
20	0.763	0.504	359		0.504					0.000	0.000
21	0.809	0.485	342		0.485					0.000	0.000
22	0.797	0.567	772		0.200	0.217	0.150			0.367	0.000
23	0.785	0.754	927			0.484	0.270			0.754	0.000
24	0.780	0.856	837			0.581	0.275			0.856	0.000
25	0.772	0.753	842			0.625	0.128			0.753	0.000
26	0.763	0.752	706		0.427	0.325				0.325	0.000
27	0.760	0.765	547		0.765					0.000	0.000
28	0.787	0.743	521		0.743					0.000	0.000
29	0.780	0.675	854		0.281	0.215	0.045	0.134		0.394	0.000
30	0.777	0.702	799			0.369		0.333		0.702	0.000
TOTAL	23.778	20.414		0.000	7.403	9.231	0.902	2.878	0.000	13.011	0.000
AVERAGE	0.793	0.680	715	0.000	0.463	0.462	0.129	0.221	0.000	0.434	0.000
MAXIMUM	0.865	1.012	1530	0.000	1.012	0.850	0.275	0.342	0.000	0.900	0.000
MINIMUM	0.760	0.000	0	0.000	0.000	0.215	0.000	0.120	0.000	0.000	0.000
DAYS	30	29		0	15	20	6	13	0	20	0

DAYS WITH NO DISCHARGE = 2