



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, APRIL 1, 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.

- D.1 Consider approval of the Minutes of the Board of Directors Regular Meeting of
March 4, 2015 **Pg. 5**
Attachment 1 – Draft Minutes from March 4, 2015 **Pg. 6**
- D.2 Consider approval of Treasurer's Report for February 2015 **Pg. 12**
- D.3 No DCV Violations this month
- D.4 Consider approval of Hiller Sports Complex Facility Use Agreement Contract for
Mad River Youth Soccer League **Pg. 36**
Attachment 1 – Mad River Youth Soccer League Facility Use Agreement
Contract **Pg. 38**
- D.5 Consider approval of Senior Center Management Services and Usage
Agreement **Pg. 54**
Attachment 1 – Senior Center Management Services and Usage
Agreement **Pg. 56**
Attachment 2 – Exhibit A, Article IV of the McKinleyville Community Services
District Rules and Regulations **Pg. 67**
Attachment 3 – Exhibit B, Schedule for Use of Azalea Hall **Pg. 78**
- D.6 Consider cancelling the May 6, 2015 Regular Board Meeting and instead call a
Special Board Meeting on Wednesday, May 13, 2015 at 7:00pm **Pg. 79**

E. CONTINUED AND NEW BUSINESS

- E.1 Informational update to Board on partnership with the Boys & Girls Club of the
Redwoods **Pg. 80**
- E.2 Consider appointing Board member to serve on the Volunteer Teen Center
Committee **Pg. 82**
Attachment 1 – Teen Center "Cornerstone Committee" Roles and
Responsibilities **Pg. 84**
- E.3 Consider Approving Resolution 2015-07 amending the Rules and Regulations,
Rules 40.01. MEMBERSHIP and Rule 40.04.B. TERMS OF OFFICE **Pg. 86**
Attachment 1 – Resolution 2015-07 **Pg. 89**
- E.4 Consider appointments for vacant positions on the Recreation Advisory Committee
between three (3) applicants (Addison O'Hanen, Mary Burke & Bill Prescott)
Pg. 91
Attachment 1 – Letter of Interest from Addison O'Hanen **Pg. 93**
Attachment 2 – Letter of Interest from Mary Burke **Pg. 94**
Attachment 3 – Letter of Interest from Bill Prescott **Pg. 95**

E.5	Employee negotiations regarding proposed one (1) year compensation contract with district employees	Pg. 96
	Attachment 1 – Memo from negotiations committee with requests	Pg. 99
	Attachment 2 – Employee Assistance Program Summary	Pg. 100
E.6	Sewer Rate Evaluation and Proposition 218 process	Pg. 101
	Attachment 1 – PowerPoint Presentation	Pg. 103
	Attachment 2 – Proposition 218 Public Hearing Notice	Pg. 118
	Attachment 3 – McKinleyville Community Services District Sewer Rate Analysis Draft Report	Pg. 121
E.7	Review Sensitivity Analysis and steps forward for continued consideration of photovoltaic at the Wastewater Management Facility (WWMF)	Pg. 142
	Attachment 1 – PowerPoint Presentation Solar	Pg. 144
	Attachment 2 – Sensitivity Analysis Methodology	Pg. 150
	Attachment 3 – Sensitivity Analysis Memorandum	Pg. 151
E.8	Consider Adoption of Resolution 2015-08, Authorizing Participation in the California Special District Association's District Purchasing Card Program	Pg. 154
	Attachment 1 – Resolution 2015-08	Pg. 155
E.9	Initiate process for General Manager Performance Evaluation	Pg. 156
	Attachment 1 – Exhibit A from the Board Policy Manual	Pg. 158
	Attachment 2 – Board of Director's Evaluation Form General Manager	Pg. 159
	Attachment 3 – Department Head 360 Performance Evaluation of General Manager	Pg. 162
E.10	Consider and Adopt Resolution No. 2015-09, Amending MCSD Ordinance No. 10 and MCSD Water Shortage Contingency Plan	Pg. 165
	Attachment 1 – State Water Resources Control Board FINAL Resolution 2015-0013	Pg. 168
	Attachment 2 – Resolution 2015-09 Modifications to Ordinance 10	Pg. 175
	Attachment 3 – Draft Water Shortage Contingency Plan March 2015	Pg. 183
E.11	Discussion of 2014 Wastewater Management Facility Annual Report to the Regional Water Quality Control Board (RWQCB)	Pg. 195
	Attachment 1 – Annual Report Summary Pages	Pg. 197
E.12	Review Parks & General Fund Draft Operating Budget, FY2015-16	Pg. 206
	Attachment 1 – FY 2015-16 Draft Operating Budget for Parks/General Fund and Measure B Fund	Pg. 207

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)

F.2 STAFF REPORTS

- a. Support Services Department (Colleen M.R. Trask) **Pg. 208**
- b. Operations Department (James Henry) **Pg. 209**
- c. Parks & Recreation Department (Lesley Frisbee) **Pg. 213**
- d. General Manager (Greg Orsini) **Pg. 215**
 - a. Attachment 1 – Wastewater Management Facility Monthly Report **Pg. 217**

F.3 PRESIDENT'S REPORT

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

G. ADJOURNMENT

Posted 5:00 pm on March 27, 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

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of Minutes from the Board of Directors' March 4, 2015 Regular Meeting**

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

TYPE OF ACTION: **Voice Vote-Consent Calendar**

Recommendation:

Staff recommends that the Board review the draft minutes from the March 4, 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 March 4, 2015 Board Meeting

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES
DISTRICT HELD ON WEDNESDAY, MARCH 4, 2015 AT 7:00PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA**

AGENDA ITEM A CALL TO ORDER

A.1 Roll Call: The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:00 pm with President Corbett, Directors Couch, Edwards, Mayo and Wheeler present.

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
Jason Sehon, Parks & Recreation Director
Becky Schuette, Board Secretary

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

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: David Couch; Second: George Wheeler

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett;

MOTION SUMMARY: Motion Passed

A.5 Closed Session Discussion: There was no closed session scheduled.

AGENDA ITEM B PUBLIC HEARINGS

B.1 Conduct Public Hearing for the Annual Levy of Assessments (Fiscal Year 2015/2016) for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities

Consider adopting Resolution 2015-05; Approving the Annual Engineer's Report; Fiscal Year 2015/2016; McKinleyville Community Services District; Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities), including the assessment diagram connected therewith

Consider adopting Resolution 2015-06; Ordering the levy and Collection of Assessments within the Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities) for Fiscal Year 2015/2016: President Corbett opened this item for public discussion. No members of the public commented. No additional comments were made.

MOTION: It was moved to adopt Resolutions 2015-05 and 2015-06 per staff recommendation.

Motion: Helen Edwards; Second: George Wheeler

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

MOTION SUMMARY: Motion Passed

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

Daniel Pierce commented on his property at First/B Streets, the detention ponds nearby and earthquakes.

There was no further public comment.

AGENDA ITEM D CONSENT CALENDAR:

D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of February 4, 2015

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

D.3 DCV Violations this month

D.4 Consider approval of update of the fee schedule for Hiller Sports Complex

MOTION: It was moved to adopt the consent calendar item D.1 - D.4.

There were no objections and no comment by the public.

Motion: Helen Edwards; Second: David Couch

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

AGENDA ITEM E CONTINUED AND NEW BUSINESS:

E.1 Consider Adoption of Resolution 2015-04 Recognizing, honoring and commending Diane Sloane for twenty (20) years of service: Diane Sloane was presented with a resolution and gift by Support Services Director Colleen Trask. Several Directors and General Manager Orsini commended Diane for her exemplary employment.

MOTION: It was moved to adopt Resolutions 2015-04 honoring and commending Diane Sloane for twenty (20) years of service.

Motion: Helen Edwards; Second: Dennis Mayo

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

MOTION SUMMARY: Motion Passed

E.2 Approve Resolution 2015-07 amending the Rules and Regulations, Rules 40.01.c & 40.01.d MEMBERSHIP and Rule 40.04.c. TERMS OF OFFICE: This item was removed from the agenda at the request of staff.

E.3 Consider appointments for vacant positions on the Recreation Advisory Committee between four (4) applicants (Bill Prescott, Addison O'Hanen Jenny Bowen and Mary Burke): This item was removed from the agenda at the request of staff.

E.4 Consider participation in Household Hazardous Waste Collection Event at Pierson Park on July 18, 2015: The Board Secretary pointed out that a correction needed to be made in the staff recommendation in that last year's date was used instead of the upcoming date of July 18, 2015. This item was briefly discussed by the Board. There was no public comment and no additional comments from the Board.

MOTION: It was moved to adopt staff recommendation.

Motion: Helen Edwards; Second: Dennis Mayo

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

E.5 Consider authorization for the General Manager to enter into a contract agreement with Rural Community Assistance Corporation for a median income survey for the McKinleyville Community Services District sewer service area: General Manager Orsini reviewed the item requesting authorization to enter into the contract; however, he also indicated that it was appearing as if it would not be necessary. Director Mayo requested that if we did follow through with the survey, that Assemblymen Lavine and Bigelow be noticed. There were no comments by the public.

MOTION: It was moved to adopt the recommendation of the General Manager.

Motion: Helen Edwards; Second: George Wheeler

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

E.6 Consider approval of Senior Center Management Services and Usage Agreement: The item was reviewed by Parks & Recreation Director Jason Sehon who reported that after the item was pulled from the February meeting the requested changes had been made to the agreement. Sections 15.01 and 15.02 were added to the document, language changes were made to section 22.01.a. and changes in section 6 of the Schedule of Use. Discussion continued among the Board about the language that still needed to be clarified in section 2.01 regarding “services” that the seniors may need to provide. It was agreed that the language should once again be changed with the following language specific to section 2.01 be added: *“Tours of the facility for prospective renters are required by the district. Such other task as agreed upon in writing by both parties.”* There was no public comment.

MOTION: It was moved to approve the Senior Center Management Services and Usage Agreement as corrected.

Motion: Helen Edwards; Second: David Couch

Following the Motion, the Board Secretary questioned if the “term” should be included in the motion as part of the agreement. Unable to immediately find the term listed in the agreement, President Corbett requested that the item be carried over to the next meeting. No vote was taken.

E.7 Consider authorizing the Board Secretary to apply for the Recognition in Special District Governance on behalf of the three eligible Directors: A brief discussion among the Board members regarding the importance of this recognition and that Director Mayo and General Manager already have the lifetime certificate. There was no public comment.

MOTION: It was moved authorize the Board Secretary to apply for the Recognition in Special District Governance on behalf of the three eligible Directors

Motion: Dennis Mayo; Second: Helen Edwards

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

E.8 Consider authorization to attend the 2015 Special District Legislative Days (SDLD) on May 19 & 20, 2015 in Sacramento, CA: There was no comment by the public and no discussion by the Board.

MOTION: It was moved authorize interested Board members to attend the SDLD in May.

Motion: Dennis Mayo; Second: Helen Edwards

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

At this time, President Corbett commented that the previous two items could have been placed on the Consent Calendar.

E.9 Consider travel and attendance for the Association of California Water Agencies (ACWA) 2015 Spring Conference and Exhibitor Showcase in Sacramento, May 5-8, 2015: Reported by the Board Secretary, however, Director Mayo spoke of this involvement with the conference. Mayo advised that he had developed one of the topics being presented at the conference involving the marijuana issue in our County and strongly encouraged as many of the Board members to attend as possible. A motion was made by Director Mayo, however before the second was made, Director Wheeler pointed out that the May Board Meeting was going to be on the 6th and was concerned about interference since Director Mayo would definitely be attending and that President Corbett and Vice President Wheeler would like to attend. There was brief discussion about postponing or calling a special meeting for May if necessary. There was no public comment.

MOTION: It was moved per staff recommendation.

Motion: Helen Edwards; Second: George Wheeler

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

E.10 Consider discussion of the FY2015-16 Draft Capital Improvement Plan for the Operational Funds: Water, Wastewater, and Streetlights: This was an informational item only presented by Finance Director Colleen Trask. Director Edwards voiced concern that the money for property purchases not expended hadn't been moved into the next fiscal year. General Manager Orsini confirmed that the monies will be moved into the correct column in the CIP for 2016 as it was unlikely that they would be spent before the end of this fiscal year. President queried Trask regarding the placement, if any, of the solar project in the CIP. A brief discussion followed about the necessity of the project in the CIP. There was no public comments and no further comments from the Board.

E.11 Consider approval of Hiller Sports Complex Facility Use Agreement Contracts: Park and Recreations Director Sehon presented this item and advised that the agreements had also been reviewed by Counsel. Sehon pointed out that since the Board packet had been completed, there were changes necessary in section 8.2 with the deletion of the word "partially" and the change of the word "reimbursed" to "remitted." There was no public comment and no discussion by the Board.

MOTION: It was moved to approve the 2015 Facility Use Agreement Contracts as recommended and authorize the Board President to sign those contracts.

Motion: Helen Edwards; Second: Dennis Mayo

VOICE VOTE: Ayes; Couch, Edwards, Mayo, Wheeler and Corbett

MOTION SUMMARY: Motion Passed

AGENDA ITEM F REPORTS:

F1. Active Committee Reports

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

Director Wheeler reported that there was not a quorum at the last meeting so it was informational only. There were two topics discussed; consideration of the formation of a Garden Club and the expansion of the Recreation Advisory Committee (RAC). No action was taken and the RAC expansion had been pulled from the current Board agenda.

b. Area Fund (John Kulstad)

John Kulstad, Chair of the Area Fund Committee was present and provided the Board with a report on the grant awards that had been discussed earlier in the day. He advised there was a total of \$7503.81 awarded and provided the name and amounts for each of the organizations. The grants will be distributed at 10AM on Wednesday, April 15th in the MCSD Conference Room.

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

Director Mayo reported that the committee continues to work in the private charter consideration for the McKinleyville Airport.

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)

Director Edwards reported that there had been one meeting with the General Manager and that they would be meeting with staff this coming Friday.

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

Director Corbett had attended as alternate and Colleen Trask has attended on behalf of the General Manager who was ill. Trask reported that there were presentations from state and regional water board with regulatory orders being developed regarding cannabis grows and their impact on the watershed. There was discussion about water rights purchases and a brief conversation regarding the effects of the marijuana industry locally.

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))

President Corbett reported that he had attended after being briefed by General Manager Orsini who was ill. There was discussion about the county holding a general plan mapping meeting that may be concurrent with the MMAC meeting and that MCSD and the Board need to be involved in the meeting that may need be noticed. General Manager Orsini encourages the Board Directors to speak with Supervisor Sundberg regarding the issue.

F.2 Staff Reports:

- a. Support Services Department:** Finance Director Colleen Trask reported that the streetlights fund had finally been reimbursed and the payment would be reflected in the February Treasurer's report.

- b. Operations Department:** Operations Director James Henry had nothing further to report.
- c. Parks and Recreation Department:** Parks and Recreation Director Jason Sehon had nothing further to report.
- d. General Manager:** General Manager Orsini pointed out that the January cost savings included the Prop 50 Grant Funding for the Intertie project, bringing the cost savings amount to nearly 1 million dollars for the year. He also advised that the Teen Center may have a bid by mid month next month and also provided clarification to Director Edwards regarding the Open Space MOU.

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

F.4 Board comments, announcements, reports and agenda item requests: Director Mayo provided a very brief report on his attendance at ACWA DC. He requested the "blessing" of the Board for him to work directly with President Corbett on the solar project grant funding and also advised that he would be bringing back a bill sponsored by Assemblyman Wood and requested a signed letter of support from all of the Board members.

AGENDA ITEM G ADJOURNMENT:

President Corbett adjourned the meeting at 8:50 PM

Becky Schuette, Board Secretary

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

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McKinleyville Community Services District
Investments & Cash Flow Report
As of February 28, 2015

Petty Cash & Change Funds 940.00

Cash

Operating & Money Market - Beginning Balance		287,704.55
Cash Receipts:		
Utility Billings	402,913.27	
Money Market Account Interest	21.24	
Transfers from County Funds #2560, #4240	-	
Other Cash Receipts	165,568.40	
Total Cash Receipts		568,502.91
Cash Disbursements:		
Payroll Related Expenditures	(201,411.23)	
Debt Service	(12,040.31)	
Capital & Other Expenditures	(256,584.20)	
Total Cash Disbursements		(470,035.74)
Operating & Money Market - Ending Balance		386,171.72
Total Cash		387,111.72

Investments (Interest and Market Valuation will be re-calculated as part of the year-end close, if material)

LAIF - Beginning Balance	128,567.99	
Interest Income	-	
LAIF - Ending Balance		128,567.99
Humboldt Co. #2560 - Beginning Balance	1,372,928.51	
Property Taxes and Assessments	-	
Transfer to/from Operating Cash	-	
Interest Income	869.52	
Humboldt Co. #2560 - Ending Balance		1,373,798.03
Humboldt Co. #4240 - Beginning Balance	3,863,669.30	
Property Taxes	-	
Transfer to/from Operating Cash	-	
Interest Income	2,629.78	
Humboldt Co. #4240 - Ending Balance		3,866,299.08
Humboldt Co. #9390 - Beginning Balance	347,307.79	
Reserves Recovery Deposits	23,773.53	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		371,081.32
USDA Bond Reserve Fund - Beginning Balance	137,483.99	
Bond Reserve Payment	7,395.83	
Debt Service Payment	(14,375.00)	
Interest Adjustment	2.29	
USDA Bond Reserve Fund - Ending Balance		130,507.11
Market Valuation Account		(180.00)
Umpqua Bank Meas.B Loan Proceeds - Beginning Balance	1,402,445.28	
Net Transfer to/from Loan Cash Holding Acct	-	
Interest Income	107.58	
Umpqua Bank Meas.B Loan Proceeds - Ending Balance		1,402,552.86
Total Investments		7,272,626.39
Total Cash & Investments - Current Month		7,659,738.11
Total Cash & Investments - Prior Month		7,540,867.41
Net Change to Cash & Investments This Month		118,870.70
<u>Cash & Investment Summary</u>		
Cash & Cash Equivalents		6,771,140.79
Davis-Grunsky Loan Reserve		598,540.46
Waste Water Capital Reserve		99,549.75
USDA Bond Reserve		130,507.11
I-Bank Loan Reserve		60,000.00
Total Cash & Investments		7,659,738.11

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
As of February 28, 2015

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Wastewater	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 753,162.44	\$ 207,240.71	\$ (44,707.35)	\$ 1,720,663.89	\$ 2,679,891.83	\$ 5,316,251.52
Accounts receivable	3,337.67	-	4,743.45	302,054.35	199,330.69	509,466.16
Prepaid expenses & other current assets	9,698.59	-	855.99	77,006.19	36,706.67	124,267.44
Total Current Assets	766,198.70	207,240.71	(39,107.91)	2,099,724.43	2,915,929.19	5,949,985.12
Noncurrent Assets						
Restricted cash & cash equivalents	176,826.92	-	-	658,540.46	237,452.69	1,072,820.07
Other noncurrent assets	3,076.00	-	-	-	-	3,076.00
Capital assets (net)	-	-	-	6,813,602.96	12,979,960.72	19,793,563.68
Total Noncurrent Assets	179,902.92	-	-	7,472,143.42	13,217,413.41	20,869,459.75
TOTAL ASSETS	\$ 946,101.62	\$ 207,240.71	\$ (39,107.91)	\$ 9,571,867.85	\$ 16,133,342.60	\$ 26,819,444.87
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 70,977.09	\$ 22,490.04	\$ 2,284.63	\$ 186,077.81	\$ 77,753.85	\$ 359,583.42
Accrued payroll & related liabilities	89,307.06	-	-	35,172.27	35,172.27	159,651.60
Total Current Liabilities	160,284.15	22,490.04	2,284.63	221,250.08	112,926.12	519,235.02
Noncurrent Liabilities						
Long-term debt	-	-	-	3,072,475.63	907,128.74	3,979,604.37
Other noncurrent liabilities	3,076.00	1,400,000.00	-	279,671.03	281,819.18	1,964,566.21
Total Noncurrent Liabilities	3,076.00	1,400,000.00	-	3,352,146.66	1,188,947.92	5,944,170.58
TOTAL LIABILITIES	163,360.15	1,422,490.04	2,284.63	3,573,396.74	1,301,874.04	6,463,405.60
Fund Balance/Net Assets						
Fund balance	40,382.32	(1,215,249.33)	(41,392.54)	-	-	(1,216,259.55)
Net assets	742,359.15	-	-	2,257,343.78	2,758,636.58	5,758,339.51
Investment in capital assets, net of related debt	-	-	-	3,741,127.33	12,072,831.98	15,813,959.31
Total Fund Balance/Net Assets	782,741.47	(1,215,249.33)	(41,392.54)	5,998,471.11	14,831,468.56	20,356,039.27
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 946,101.62	\$ 207,240.71	\$ (39,107.91)	\$ 9,571,867.85	\$ 16,133,342.60	\$ 26,819,444.87
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	\$ 3,296,728.72					
General Long-term Liabilities						
PG&E Streetlights Loan	96,012.95					
Meas. B Loan: Teen/Community Center	1,468,929.00					
OPEB Liability	206,637.23					
Accrued Compensated Absences	40,783.04					
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 1,812,362.22					

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

Department Summaries	February	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	208,125	1,891,501	1,955,616	(64,115)	-3.28%	
Other Revenues	17,964	279,950	165,428	114,522	69.23%	Includes YTD Capacity Fees of \$137,162
Total Operating Revenues	226,090	2,171,451	2,121,044	50,407	2.38%	
Salaries & Benefits	63,941	511,901	534,740	(22,839)	-4.27%	
Water Purchased	65,298	535,130	575,845	(40,715)	-7.07%	
Other Expenses	16,509	213,167	260,367	(47,200)	-18.13%	Other variable expenses curtailed with lower customer demand
Depreciation	25,300	202,350	220,000	(17,650)	-8.02%	
Total Operating Expenses	171,047	1,462,548	1,590,952	(128,404)	-8.07%	
Net Operating Income	55,043	708,903	530,092	(77,997)		
Interest Income	951	9,542	3,271	6,271	191.71%	Interest rate higher than originally estimated
Interest Expense	(6,166)	(50,818)	(56,667)	(5,849)	-10.32%	
Net Income (Loss)	49,827	667,627	476,696	190,931		
<u>Sewer</u>						
Sewer Service Charges	161,670	1,362,965	1,266,667	96,298	7.60%	
Other Revenues	25,275	266,547	196,647	69,900	35.55%	Includes YTD Capacity Fees \$201,040
Total Operating Revenues	186,945	1,629,512	1,463,314	166,198	11.36%	
Salaries & Benefits	56,619	536,205	533,119	3,086	0.58%	
Other Expenses	31,035	291,901	366,367	(74,466)	-20.33%	Other variable expenses curtailed with lower customer demand
Depreciation	38,560	308,470	320,000	(11,530)	-3.60%	
Total Operating Expenses	126,214	1,136,576	1,219,486	(82,910)	-6.80%	
Net Operating Income	60,731	492,935	243,828	249,107		
Interest Income	1,667	14,460	13,333	1,127	8.45%	
Interest Expense	(3,157)	(26,432)	(27,679)	(1,247)	-4.51%	
Net Income (Loss)	59,242	480,963	229,482	251,481		
Enterprise Funds Net Income (Loss)	109,069	1,148,591	706,178	442,413		

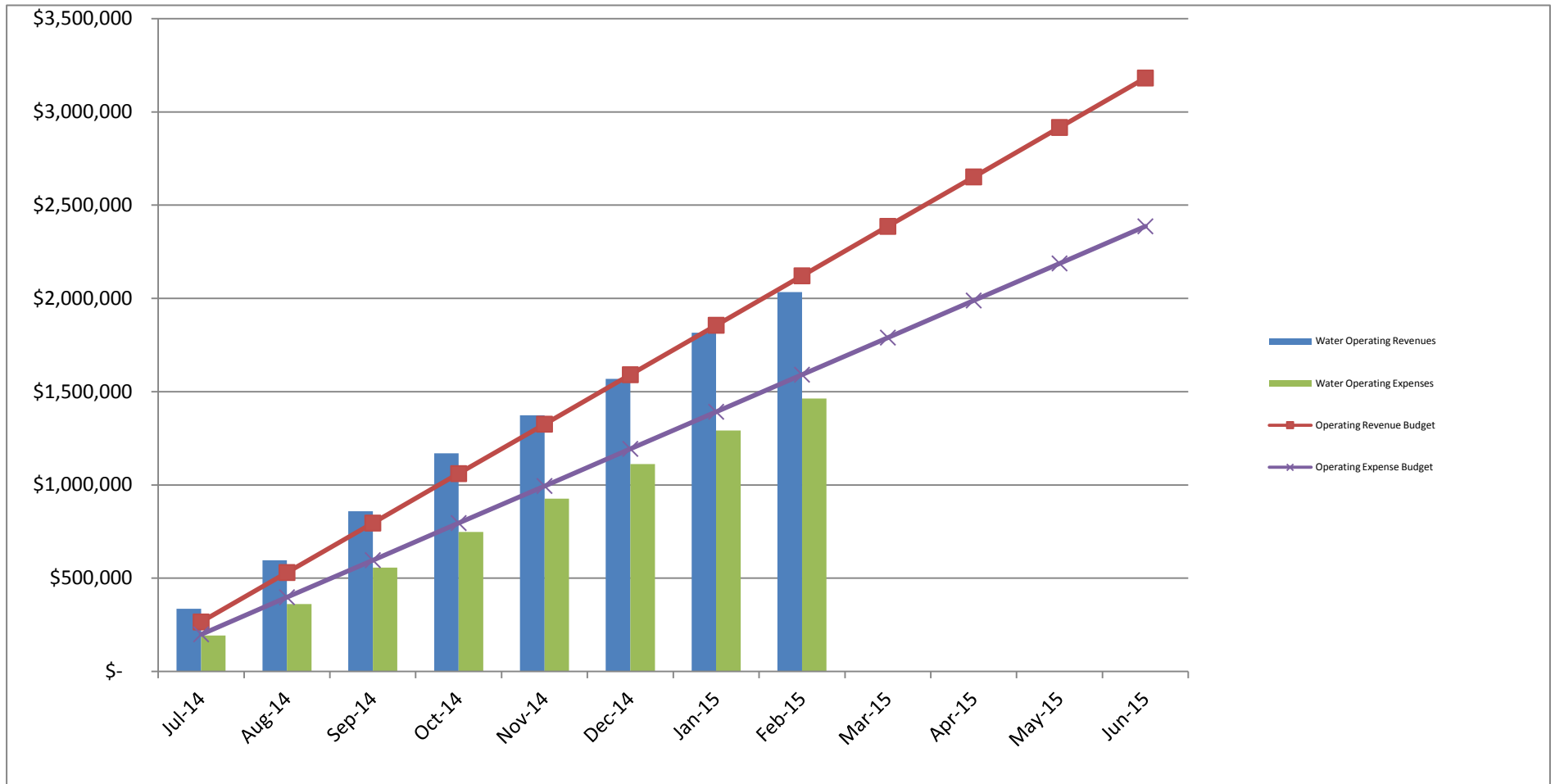
McKinleyville Community Services District
Activity Summary by Fund, Original Budget
February 2015

Department Summaries	February	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	26,857	196,760	262,027	(65,267)	-24.91%	Budget is spread evenly across 12 months, but actuals vary with programs
Rents & Related Fees	4,588	45,335	58,400	(13,065)	-22.37%	Budget is spread evenly across 12 months, but actuals vary with rentals
Property Taxes	-	261,567	340,000	(78,433)	-23.07%	County Tax remittance scheduled in December and April
Other Revenues	8,019	69,471	126,533	(57,062)	-45.10%	Budget is spread evenly across 12 months, but actuals vary
Interest Income	881	4,826	2,000	2,826	141.29%	Interest rate higher than originally estimated
Total Revenues	40,344	577,959	788,960	(211,001)	-26.74%	
Salaries & Benefits	72,086	544,058	567,905	(23,847)	-4.20%	
Other Expenditures	15,644	142,085	143,919	(1,834)	-1.27%	
Capital Expenditures	3,576	65,184	76,667	(11,483)	-14.98%	
Total Expenditures	91,306	751,328	788,491	(37,163)	-4.71%	
Excess (Deficit)	(50,962)	(173,369)	469	(173,838)		
<u>Measure B Assessment</u>						
Total Revenues	130	195,123	142,683	52,440	36.75%	Includes Loan Proceeds income totalling \$68,929 County Tax remittance scheduled in December and April
Salaries & Benefits	11,330	68,279	67,372	907	1.35%	
Other Expenditures	5,825	97,351	4,000	93,351	2333.78%	Loan Issuance costs, set against Loan Proceeds Income
Capital Expenditures	1,890	40,797	70,000	(29,203)	-41.72%	Teen Center - actuals will vary with project progress
Total Expenditures	19,045	206,427	141,372	65,055	46.02%	
Excess (Deficit)	(18,915)	(11,304)	1,311	(12,615)		
<u>Street Lights</u>						
Total Revenues	7,784	78,000	59,839	18,161	30.35%	YTD includes PG&E rebate for LED project \$16,750
Salaries & Benefits	3,712	23,822	27,714	(3,892)	-14.04%	Lower utility wages required for LED fixtures
Other Expenditures	4,150	23,074	32,047	(8,973)	-28.00%	Lower utility expenses for LED fixtures
Capital Expenditures	-	-	-	-	#DIV/0!	
Total Expenditures	7,862	46,896	59,761	(12,865)	-21.53%	
Excess (Deficit)	(78)	31,104	78	(31,026)		
Governmental Funds Excess (Deficit)	(69,955)	(153,568)	1,858	(155,426)		

McKinleyville Community Services District

February 2015

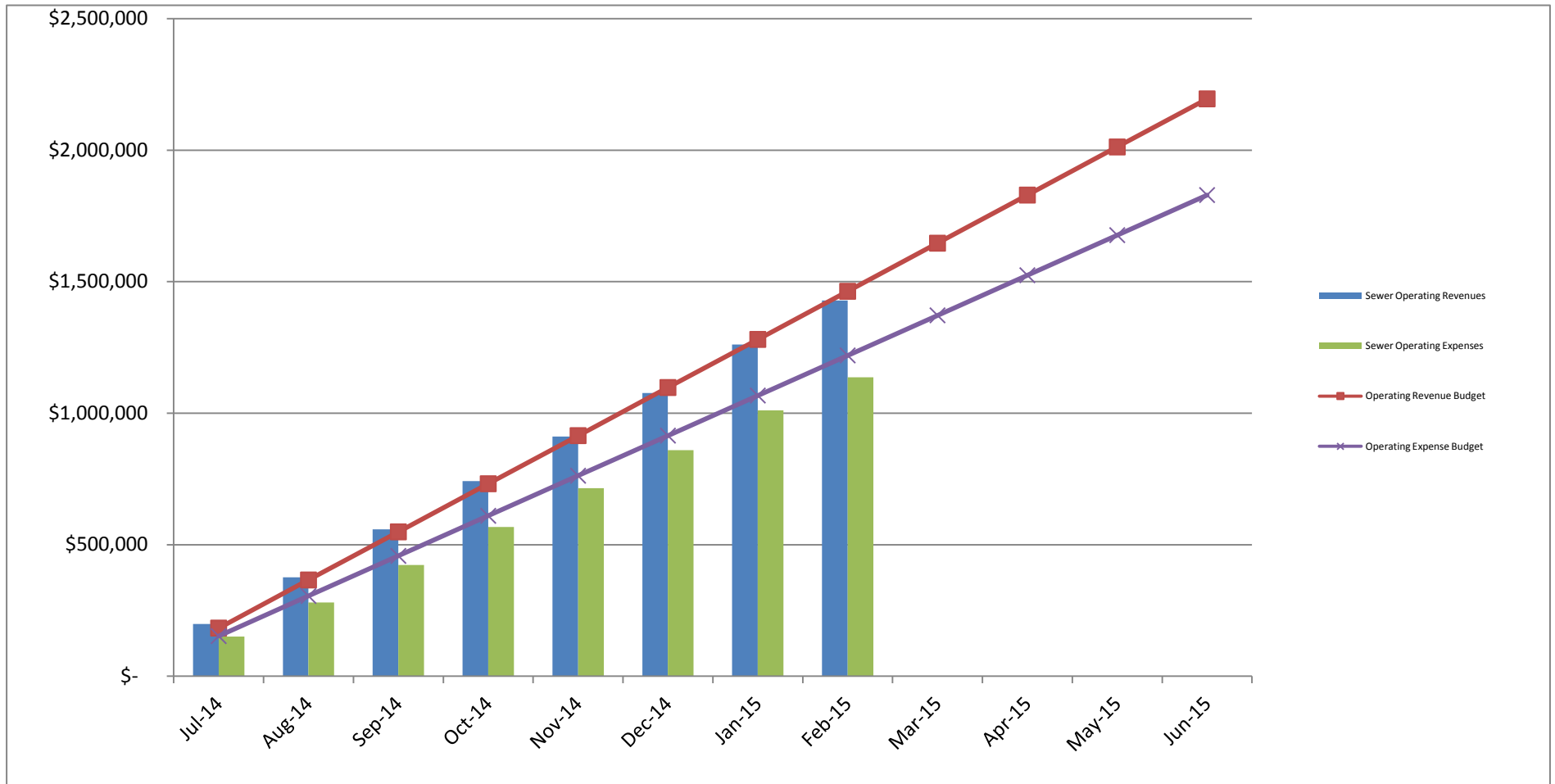
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

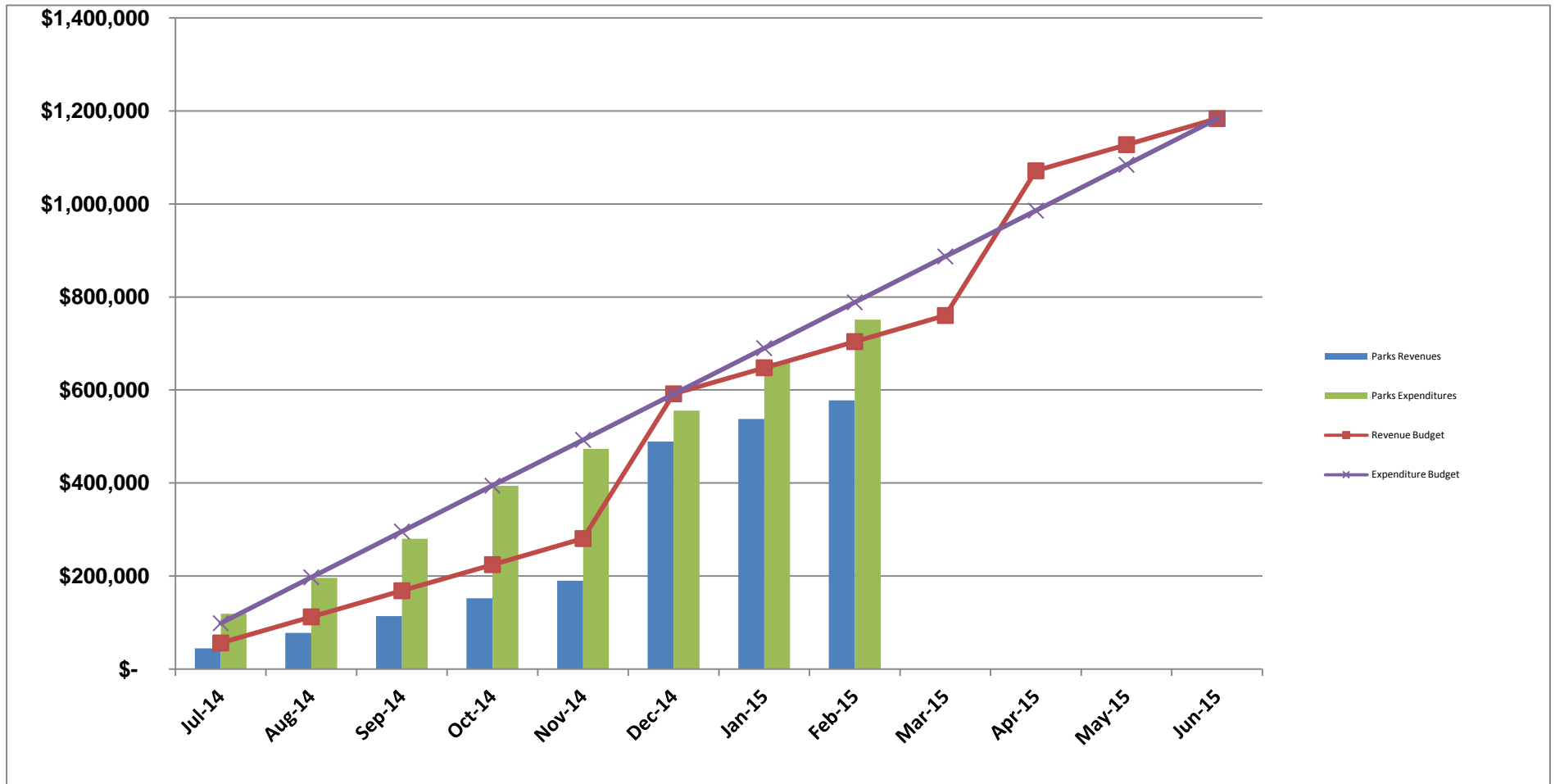
February 2015

Comparison of Sewer Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District February 2015

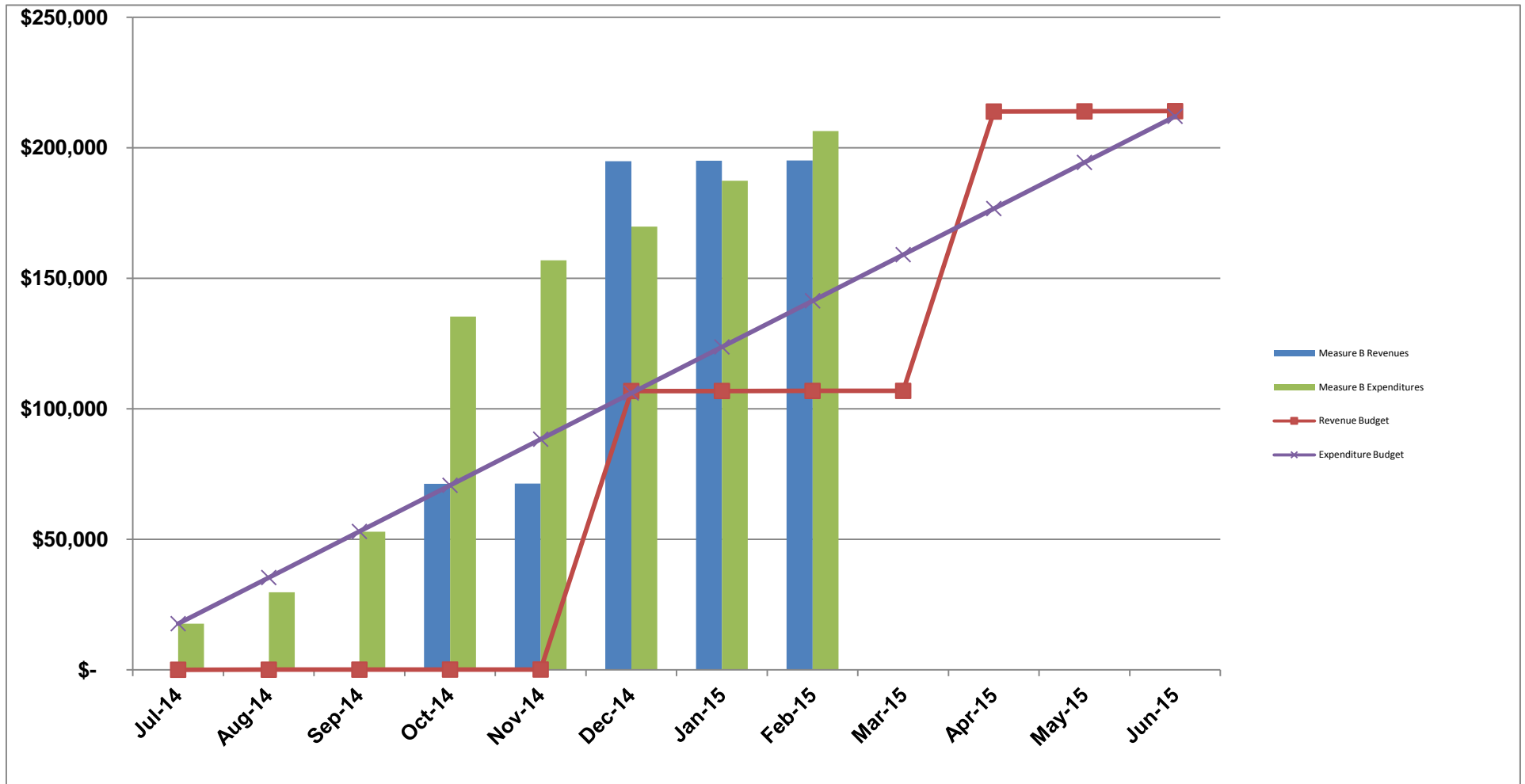
Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



McKinleyville Community Services District

February 2015

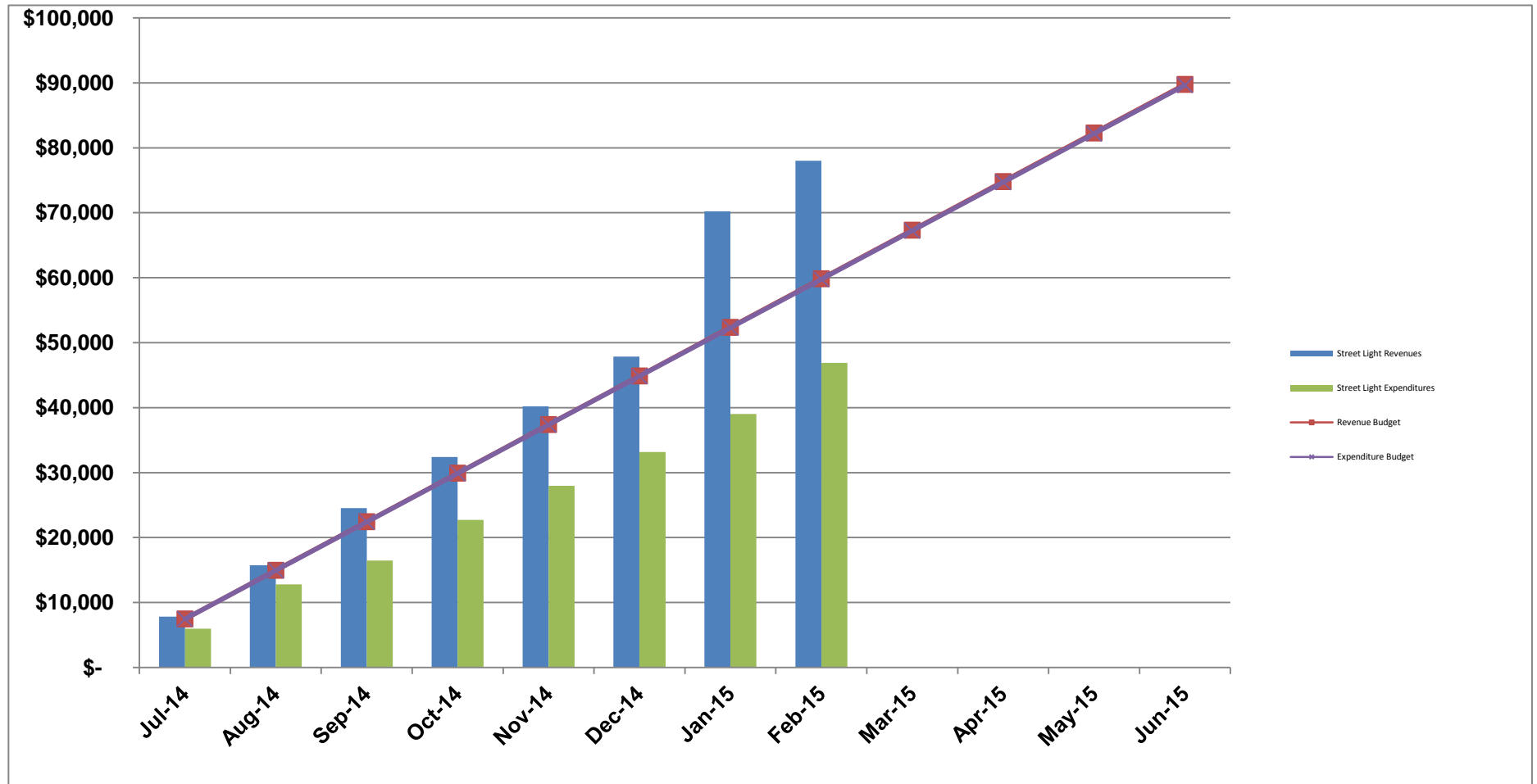
Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District

February 2015

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



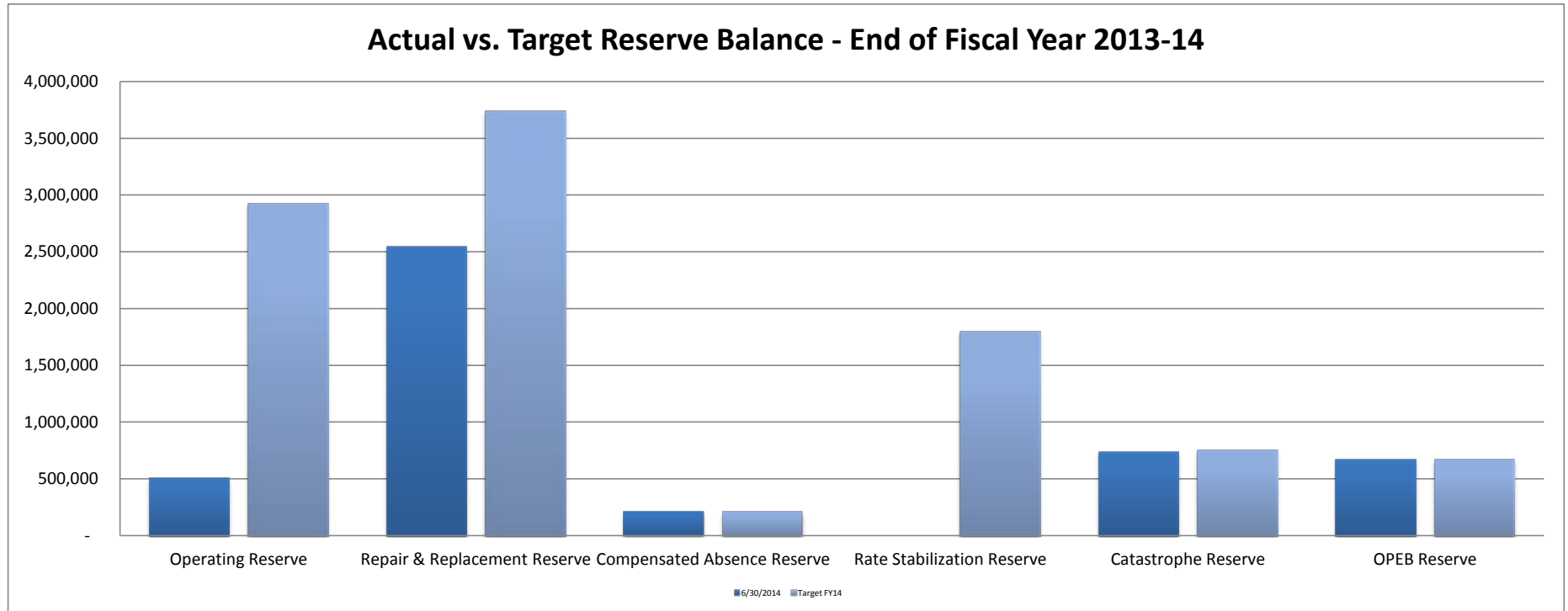
McKinleyville Community Services District
Capital Expenditure Report
As of February 28, 2015

	February	YTD Total	FY 14-15 Budget	Remaining		
				Budget \$	Budget %	Notes
<u>Water Department</u>						
Emergency Water Line River Crossing	1,397	2,801	150,000	147,199	98%	Emergency Line Intertie Proj
Water Tank Upgrade	-	-	350,000	350,000	100%	Tank Painting
Production Meter Replacements		6	-	(6)	#DIV/0!	Production Meter Replacement
Emergency Water Supply		1,240	100,000	98,760	99%	Emergency Water Supply
Fire Hydrant System Upgrade		-	9,000	9,000	100%	Fire Hydrant System Upgrade
Customer Radio Meter Replacements		314	90,000	89,686	100%	Radio meters purch/install
Water Main Rehab & Replacement			20,000	20,000	100%	Water Main Rehab
Property Purchase & Improvements		-	185,000	185,000	100%	Property Purch/Improvements
Subtotal	1,397	4,361	904,000	899,639	100%	
<u>Sewer Department</u>						
Sewer Main Rehab & Replacement		-	50,000	50,000	100%	Sewer Main Rehab
WWMF Biosolids Project		903,512	900,000	(3,512)	0%	Biosolids Project
WWMF & Fischer Lift Stn Grinder Upgrade		-	20,000	20,000	100%	WWMF/Fischer Lift Stn Grinder
WWMF Upgrade/CEQA/Permitting	42,532	579,403	5,000,000	4,420,597	88%	WWMF design & start construction
Radio Telemetry Upgrade		-	45,000	45,000	100%	Radio Telemetry upgrade
Customer Radio Meter Replacements		74	90,000	89,926	100%	Radio meters purch/install
Underground Locator Pipe & Camera		-	5,000	5,000	100%	
Subtotal	42,532	1,482,989	6,110,000	4,627,011	76%	
<u>Water & Sewer Operations</u>						
Heavy Equipment		-	100,000	100,000	100%	Dump Truck, Tractor attachmts
Utility Vehicles		-	60,000	60,000	100%	Car, 3/4 or 1-ton Pickup Truck
Office, Corporate Yard & Shops		-	20,000	20,000	100%	Facilities upgrade/sealcoat
Computers & Software		19,596	14,000	(5,596)	-40%	File Server Upgrade
GIS/SEMS/CADD Equipment/Software		5,993	10,000	4,007	40%	SCADA, AutoCAD, GIS 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	-	25,589	1,224,000	1,198,411	98%	
Enterprise Funds Total	43,929	1,512,939	8,238,000	6,725,061	82%	
<u>Parks & Recreation Department</u>						
Pierson Park Upgrades		-	-	-	#DIV/0!	
Azalea Hall Projects		-	-	-	#DIV/0!	
McKinleyville Activity Center Upgrades		-	-	-	#DIV/0!	
Projects Funded by Quimby/Other Funds	2,581	31,363	75,000	43,637	58%	Covered Picnic Area
Projects Funded by Measure B Renewal	1,890	44,896	105,000	60,104	57%	Teen Center Project
Other Parks Projects & Equipment	995	24,850	40,000	15,150	38%	Fischer Trail Project-surveying
Subtotal	5,466	101,108	220,000	118,892	54%	
<u>Streetlights</u>						
LED		-	-	-	#DIV/0!	
Subtotal	-	-	-	-	#DIV/0!	
Governmental Funds Total	5,466	101,108	220,000	118,892	54%	
All Funds Total	49,395	1,614,047	8,458,000	6,843,953	81%	

McKinleyville Community Services District
Summary of Long-Term Debt Report
As of February 28, 2015

				Principal Maturities and Scheduled Interest				
		Maturity		Balance - Jan	Balance - Feb 28,			
		%	Date	31, 2015	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			14,189.13	27,694.63	219,225.52
State of CA Energy Commission (ARRA)		12/22/26	P	140,457.60	140,457.60	5,471.17	11,125.84	123,806.70
Interest	1.0%		I			693.36	1,325.20	6,926.83
State of CA (Davis Grunsky)		1/1/33	P	1,783,306.35	1,783,306.35	-	79,660.44	1,703,645.91
State of CA (Davis Grunsky) Deferred Interest		1/1/33	P	306,626.81	306,626.81	-	17,035.12	289,591.69
Interest	2.5%		I			23,071.60	44,582.66	408,486.72
Total Water Fund-Principal				3,072,475.63	3,072,475.63	5,471.17	148,392.77	2,918,557.83
Total Water Fund-Interest						37,954.09	73,602.49	634,639.07
Total Water Fund				3,072,475.63	3,072,475.63	43,425.26	221,995.26	3,553,196.90
Sewer Fund:								
State of CA WRCB (SCEP I)		4/15/16	P	81,840.20	81,840.20	40,920.10	40,920.10	-
Interest	0.0%		I			-	-	
State of CA WRCB (SCEP II)		3/27/18	P	104,695.51	104,695.51	25,184.26	25,838.70	53,686.60
Interest	2.6%		I			2,722.08	2,067.64	2,102.41
Umpqua Bank		12/4/17	P	149,622.45	145,593.03	15,879.56	49,848.42	79,721.79
Interest	5.5%		I			2,698.36	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				911,158.16	907,128.74	81,983.92	176,607.22	648,408.39
Total Sewer Fund-Interest						5,420.44	35,202.98	96,483.98
Total Sewer Fund				911,158.16	907,128.74	87,404.36	211,810.20	744,892.37
Meas. B Fund: Teen/Comm Center Loan				1,468,929.00	1,468,929.00	36,228.00	75,508.00	1,357,193.00
	3.55%		I			29,549.96	50,217.82	362,864.53
Streetlights Fund: LED Proj Loan, PG&E				96,012.95	96,012.95	6,621.60	19,564.80	69,526.55
	0.0%		I			-	-	-
Total Principal				5,548,575.74	5,544,546.32	130,304.69	420,072.79	4,993,685.77
Total Interest						72,924.49	159,023.29	1,093,987.58
Total				5,548,575.74	5,544,546.32	203,229.18	579,096.08	6,087,673.35

McKinleyville Community Services District
Board Designated Reserve Balances
As of February 28, 2015



- Utility Accounts Receivable Turnover Days As of February 28, 2015 16.6 Days
- YTD Breakeven Revenue, Water Fund: 1,293,312.72 - YTD Actual Water Sales: 1,891,501.09
- Days of Cash on Hand - Operations Checking Account 30.2 Days

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
21503	6/2/2010	VIC02	Ck# 21503 Reversed DV	(550.00)	B50204H	Ck# 21503 Reversed DV
22078	8/6/2010	\R008	Ck# 22078 Reversed BR	(8.57)	B50219H	Ck# 22078 Reversed BR
22081	8/6/2010	\S013	Ck# 22081 Reversed JS	(17.97)	B50206H	Ck# 22081 Reversed JS
22084	8/6/2010	\W008	Ck# 22084 Reversed DW	(6.04)	B50219H	Ck# 22084 Reversed DW
22768	1/27/2011	CAL01	Ck# 22768 Reversed CSDA	(225.00)	B50205H	Ck# 22768 Reversed CSDA
24940	2/5/2015	\P009	Ck# 024940 Reversed MP	(9.91)	000B20601u	Ck# 024940 Reversed MP
24943	2/5/2015	\S042	Ck# 024943 Reversed SS	(2.77)	000B20601u	Ck# 024943 Reversed SS
25073	2/5/2015	\M007	Ck# 025073 Reversed JM	(21.78)	000B20701u	Ck# 025073 Reversed JM
25177	2/5/2015	\B026	Ck# 025177 Reversed BB	(3.02)	000B20801u	Ck# 025177 Reversed BB
25336	2/5/2015	\S003	Ck# 025336 Reversed SM	(45.29)	000B20901u	Ck# 025336 Reversed SM
25339	2/5/2015	\S050	Ck# 025339 Reversed RS	(4.95)	000B20901u	Ck# 025339 Reversed RS
25442	2/5/2015	\P011	Ck# 025442 Reversed CP	(3.27)	000B21001u	Ck# 025442 Reversed CP
26274	2/6/2015	\C010	Ck# 026274 Reversed AC	(54.55)	000B30401u	Ck# 026274 Reversed AC
26752	2/6/2015	\T015	Ck# 026752 Reversed ST	(42.57)	000B30701u	Ck# 026752 Reversed ST
26881	2/5/2015	\D019	Ck# 026881 Reversed CD	(16.61)	000B30801u	Ck# 026881 Reversed CD
27541	2/5/2015	\L014	Ck# 027541 Reversed DL	(8.70)	000B40101u	Ck# 027541 Reversed DL

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
27626	2/5/2015	*0005	Ck# 027626 Reversed KD	(50.00)	B40124u	Ck# 027626 Reversed KD
27807	2/5/2015	\Z001	Ck# 027807 Reversed WZ	(4.45)	000B40301u	Ck# 027807 Reversed WZ
28336	3/3/2015	\S037	Ck# 028336 Reversed SS	(31.94)	000B40701u	Ck# 028336 Reversed SS
28839	2/5/2015	\M008	Ck# 028839 Reversed PM	(34.47)	000B41101u	Ck# 028839 Reversed PM
28840	2/5/2015	\M009	Ck# 028840 Reversed MM	(56.49)	000B41101u	Ck# 028840 Reversed MM
29130	2/20/2015	*0010	Ck# 029130 Reversed JC	(70.00)	B50119u	Ck# 029130 Reversed JC
29189	2/2/2015	COA01	COASTAL BUSINESS SYSTEMS	328.46	B50126	MONTHLY PAYMENT
29190	2/2/2015	COR01	CORBIN WILLITS SYSTEMS, I	858.42	B50128	MOMS SOFTWARE MONTHLY PAYMT
29191	2/2/2015	COR07	JOHN W. CORBETT	125.00	B50202	BOARD MTG ON 1/7/15
29192	2/2/2015	COS03	COSTCO WHOLESALE	134.00	B50202	REC PROGRAM SUPPLIES/ OFF
29193	2/2/2015	COU09	DAVID R. COUCH	125.00	B50202	BOARD MTG ON 1/7/15
29194	2/2/2015	EDW01	HELEN L. EDWARDS	125.00	B50202	BOARD MTG ON 1/7/15
29195	2/2/2015	HUM01	HUMBOLDT BAY MUNICIPAL WA	64,636.36	B50202	WTR PURCHASED
29196	2/2/2015	HUN01	HUNTER, HUNTER & HUNT	17,000.00	44577	AUDIT-PER SERVICE AGREEMENT
29197	2/2/2015	2-May	DENNIS MAYO	125.00	B50202	BOARD MTG ON 1/7/15
29198	2/2/2015	MCK04	MCK ACE HARDWARE	840.82	B50202	REPAIRS/SUPPLY
29199	2/2/2015	NAT06	NATIONAL METER & AUTOMATI	147.50	B50128	RADIO READ METER REPLACEMENT
29200	2/2/2015	NOR36	NORTH COAST PARTS & SUPPL	29.40	B50128	REPAIRS/ SUPPLIES

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29201	2/2/2015	REM01	REMY, MOOSE AND MANLEY,LL	434.65	B50128	LEGAL SERVICES
29202	2/2/2015	S&S02	S & S WORLDWIDE, INC.	291.97	20481419	REC PROGRAM SUPPLIES
29203	2/2/2015	SCH11	BECKY SCHUETTE	213.00	B50119	BOARD SECRETARY/CLERK CONF
29204	2/2/2015	SIE02	SIERRA CHEMICAL CO.	1,779.12	B50128	CHLORINE/DEPOSIT
29205	2/2/2015	SUD01	SUDDENLINK	134.95	B50128	INTERNET SERVICES
29206	2/2/2015	USB01	U.S. BANK TRUST N.A.	7,395.83	B50128	SEWER BOND PAYMENT
29207	2/2/2015	WHE02	GEORGE A. WHEELER JR.	125.00	B50202	BOARD MTG ON 1/7/15
29208	2/2/2015	\A016	MQ CUSTOMER REFUND FOR AD	75.35	000B50201	MQ CUSTOMER REFUND FOR AD
29209	2/2/2015	\A017	MQ CUSTOMER REFUND FOR AU	40.44	000B50201	MQ CUSTOMER REFUND FOR AU
29210	2/2/2015	\B011	MQ CUSTOMER REFUND FOR BE	38.03	000B50201	MQ CUSTOMER REFUND FOR BE
29211	2/2/2015	\B020	MQ CUSTOMER REFUND FOR BO	38.45	000B50201	MQ CUSTOMER REFUND FOR BO
29212	2/2/2015	\B021	MQ CUSTOMER REFUND FOR BR	57.87	000B50201	MQ CUSTOMER REFUND FOR BR
29213	2/2/2015	\F018	MQ CUSTOMER REFUND FOR FE	9.48	000B50201	MQ CUSTOMER REFUND FOR FE
29214	2/2/2015	\F019	MQ CUSTOMER REFUND FOR FR	80.50	000B50201	MQ CUSTOMER REFUND FOR FR
29215	2/2/2015	\G009	MQ CUSTOMER REFUND FOR GI	26.90	000B50201	MQ CUSTOMER REFUND FOR GI
29216	2/2/2015	\H015	MQ CUSTOMER REFUND FOR HI	59.96	000B50201	MQ CUSTOMER REFUND FOR HI
29217	2/2/2015	\H021	MQ CUSTOMER REFUND FOR HO	38.34	000B50201	MQ CUSTOMER REFUND FOR HO

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29218	2/2/2015	\J006	MQ CUSTOMER REFUND FOR JU	87.64	000B50201	MQ CUSTOMER REFUND FOR JU
29219	2/2/2015	\L015	MQ CUSTOMER REFUND FOR LE	26.73	000B50201	MQ CUSTOMER REFUND FOR LE
29220	2/2/2015	\M004	MQ CUSTOMER REFUND FOR MC	61.87	000B50201	MQ CUSTOMER REFUND FOR MC
29221	2/2/2015	\M011	MQ CUSTOMER REFUND FOR MC	44.52	000B50201	MQ CUSTOMER REFUND FOR MC
29222	2/2/2015	\M039	MQ CUSTOMER REFUND FOR MO	33.86	000B50201	MQ CUSTOMER REFUND FOR MO
29223	2/2/2015	\P009	MQ CUSTOMER REFUND FOR PR	49.75	000B50201	MQ CUSTOMER REFUND FOR PR
29224	2/2/2015	\R004	MQ CUSTOMER REFUND FOR RE	92.80	000B50201	MQ CUSTOMER REFUND FOR RE
29225	2/2/2015	\R011	MQ CUSTOMER REFUND FOR RO	61.39	000B50201	MQ CUSTOMER REFUND FOR RO
29226	2/6/2015	USP02	USPS: ARCATA BMEU	1,326.33	B50206P	PERMIT 239 NEWSLETTERS PO
29227	2/9/2015	*0005	REISSUE OF CHECK KD	50.00	B50205	REISSUE OF CHECK KD
29228	2/9/2015	*0020	REISSUE OF CHECK MM	56.49	B50205	REISSUE OF CHECK MM
29229	2/9/2015	*0021	REISSUE OF CHECK PM	34.47	B50205	REISSUE OF CHECK PM
29230	2/9/2015	*0022	REISSUE OF CHECK WZ	4.45	B50205	REISSUE OF CHECK WZ
29231	2/9/2015	*0023	REISSUE OF CHECK DL	8.70	B50205	REISSUE OF CHECK DL
29232	2/9/2015	*0024	REISSUE OF CHECK KW	25.52	B50206	REISSUE OF CHECK KW
29233	2/9/2015	*0025	REISSUE OF CHECK AC	54.55	B50206	REISSUE OF CHECK AC
29234	2/9/2015	*0026	REISSUE OF CHECK ST	42.57	B50206	REISSUE OF CHECK ST
29235	2/9/2015	*0027	REISSUE OF CHECK YS	45.29	B50206	REISSUE OF CHECK YS

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29236	2/9/2015	*0028	REISSUE OF CHECK AM	21.78	B50206	REISSUE OF CHECK AM
29237	2/9/2015	*0029	REISSUE OF CHECK CR	16.61	B50206	REISSUE OF CHECK CR
29238	2/9/2015	*0030	REISSUE OF CHECK CS	17.97	B50206	REISSUE OF CHECK CS
29239	2/9/2015	*0031	PIERSON PARK RENTAL REFUND AC	50.00	B50209	PIERSON PARK RENTAL REFUND AC
29240	2/9/2015	*0032	AZALEA HALL DEPOSIT REFUND MY	100.00	B50209	AZALEA HALL DEPOSIT REFUND MY
29241	2/9/2015	EUR06	EUREKA READY MIX	747.13	B50209	REPAIRS/SUPPLY
29242	2/9/2015	GHD01	GHD	202.75	B50209	WWMF UPGRADE
29243	2/9/2015	HAR03	HARVEY M. HARPER CO.	321.42	B50128	VEHICLE REPAIRS
29244	2/9/2015	HAR13	The Hartford - Priority A	396.68	B50204	GRP LIFE INSURANCE
29245	2/9/2015	HUM08	HUMBOLDT SANITATION	-	B50128,50204	Ck# 029245 Reversed
29246	2/9/2015	IND02	Industrial Electric Serv	21.13	B50128	REPAIRS/SUPPLY
				1,526.40	B50204	PARKS AWNING ELECTRICAL
			Check Total:	<u>1,547.53</u>		
29247	2/9/2015	JON05	CHRISTOPHER G. JONES	42.19	B50204	REPAIRS/ SUPPLIES
				224.07	B50209	STEEL TOE WORK BOOTS
			Check Total:	<u>266.26</u>		
29248	2/9/2015	KEN02	KENNEDY/JENKS CONSULTANTS	69,421.40	B50209	WWMF UPGRADE
29249	2/9/2015	KER01	KERNEN CONSTRUCTION	390.72	53677	REPAIRS/ SUPPLIES
29250	2/9/2015	LES01	LES SCHWAB TIRE CENTER	83.37	B50128	VEHICLE MAINTENANCE

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29251	2/9/2015	MAY03	DENNIS MAYO	43.00	B50205	ACWA BOARD OF DIRECTORS
29252	2/9/2015	MCK03	MCKINLEYVILLE OFFICE SUPP	11.61	46518	REC PROGRAM SUPPLIES
29253	2/9/2015	MCS01	MCSD C/O HUMBOLDT COUNTY	23,773.53	B50204	REVENUE RECOVERY SURCHARGE
29254	2/9/2015	MEN01	MENDES SUPPLY CO.	741.62	B50209	JANITORIAL SUPPLIES FOR JANUARY
29255	2/9/2015	MIL01	Miller Farms Nursery	428.71	B50204	REPAIRS/SUPPLY
29256	2/9/2015	MIL03	THE MILL YARD	1,420.13	B50128	REPAIRS/ SUPPLIES
29257	2/9/2015	NEC01	NEC FINANCIAL SERVICES,LL	373.92	1776238	PHONE SERVICES
29258	2/9/2015	NOR35	NORTHERN HUMBOLDT	1,989.66	B50205	OPEN SPACE MAINTENANCE
29259	2/9/2015	NYL01	NYLEX.NET	2,460.32	B50128	PROFESSIONAL SERVICES
29260	2/9/2015	PGE01	PG & E (Office & Field)	13,747.31	B50204	GAS & ELECTRIC
29261	2/9/2015	POI01	POINTS WEST SURVEYING CO.	1,837.50	10709	TEEN CENTER PROJECT
29262	2/9/2015	REN01	RENNER PETROLEUM	2,602.44	B50204	FUEL FOR JAN 2015
29263	2/9/2015	ROS02	ROSS RECREATION EQUIPMENT	70.16	B50128	REC PROGRAM SUPPLIES
29264	2/9/2015	ROU01	ROUND TABLE DEVELOPMENT C	106.96	B50128	REC PROGRAM SUPPLIES
29265	2/9/2015	SIE01	SIERRA FOOTHILL LAB, INC.	1,380.00	B50204	LAB TESTING
				5,535.00	B50209	LAB TESTING
			Check Total:	<u>6,915.00</u>		
29266	2/9/2015	THO02	Thomas Home Center	309.40	B50204	REPAIRS/SUPPLY
29267	2/9/2015	THR02	THREE G'S HAY & GRAIN	58.05	110053	WWMF UPGRADE

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29268	2/9/2015	TRIO2	TRINITY DIESEL INC.	188.00	W21605	VEHICLE REPAIRS
29269	2/9/2015	UMP03	UMPQUA BANK--VISA	25.98	JAN-01	TRAVEL/ MEALS
				551.05	JAN-02	TRAVEL/MEALS/TRAINING
				215.64	JAN-03	OFFICE SUPPLIES
				234.34	JAN-04	REC PROGRAM SUPPLIES
				134.23	JAN-05	OFFICE SUPPLIES/MEALS
				1,519.59	JAN-06	REPAIRS/ SUPPLIES
			Check Total:	<u>2,680.83</u>		
29270	2/9/2015	UPS01	UPS	96.91	B50209	LAB SHIPMENT
29271	2/9/2015	VER01	VERIZON WIRELESS	120.83	B50204	CELL PHONES FOR JAN 2015
29272	2/9/2015	WIL09	WILLDAN FINANCIAL SERVICE	6,420.00	26538	WWMF UPGRADE
29273	2/17/2015	*0010	REISSUE OF CHECK-REC PROG JC	70.00	B50217	REISSUE OF CHECK-REC PROG JC
29274	2/17/2015	*0033	AZALEA HALL DEPOSIT REFUND CC	100.00	B50217	AZALEA HALL DEPOSIT REFUND CC
29275	2/17/2015	ACW01	CB&T/ACWA-JPIA	9,131.62	B50217	GRP. HEALTH INS
29276	2/17/2015	BAS01	BASIC LABORATORY INC.	1,849.75	1500920	LAB TESTING
29277	2/17/2015	CAM01	CAMPTON ELECTRIC SUPPLY	-	B50204	Ck# 029277 Reversed
29278	2/17/2015	CHA03	CHASE INC.	-	B50217	Ck# 029278 Reversed
29279	2/17/2015	COA01	COASTAL BUSINESS SYSTEMS	907.83	B50217	SHARP MONTHLY PAYMENT
29280	2/17/2015	DEP05	DEPARTMENT OF JUSTICE	128.00	B50217	REC PROGRAM FINGERPRINTING
29281	2/17/2015	EIC01	JENNIFER EICHSTEDT	412.75	B50217	CONTRACT INSTRUCTOR PAYMENT

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29282	2/17/2015	HUM08	HUMBOLDT SANITATION	993.10	B50217	TRASH SERVICE
29283	2/17/2015	3-May	DENNIS MAYO	92.00	B00303	ACWA LEGISLATIVE SYMPOSIUM
29284	2/17/2015	MCK02	MCKINLEYVILLE GLASS CO.	90.00	B50128	VEHICLE MAINTENANCE
29285	2/17/2015	MIT01	Mitchell, Brisso, Delaney	1,274.00	B50209	LEGAL SERVICES
29286	2/17/2015	NOR01	NORTH COAST LABORATORIES	3,579.00	B50204	LAB TESTS
29287	2/17/2015	NOR13	NORTHERN CALIFORNIA SAFET	80.00	21074	SAFETY TRAINING
29288	2/17/2015	NYL01	NYLEX.NET	252.32	B50209	PROFESSIONAL SERVICES
29289	2/17/2015	SAF04	SAFEWAY INC. FILE # 72905	72.50	B50204	OFFICE SUPPLIES/ REC PROG
29290	2/17/2015	SHN01	SHN ENGINEERING	237.50	84323	PROFESSIONAL SERVICES
29291	2/17/2015	STA11	STAPLES CREDIT PLAN	565.96	B50217	OFFICE SUPPLIES
29292	2/17/2015	UNI06	UNITED GROCERS	83.41	B50217	OFFICE SUPPLIES
29293	2/17/2015	UPS01	UPS	213.31	B50217	LAB SHIPMENT
29294	2/19/2015	HUM09	HUMBOLDT COUNTY	150.00	B50219P	ELECTRONIC COPY OF VOTER ROLLS
29295	2/23/2015	*0034	AZALEA HALL DEPOSIT REFUND MB	100.00	B50223	AZALEA HALL DEPOSIT REFUND MB
29296	2/23/2015	*0035	AZALEA HALL DEPOSIT REFUND MH	100.00	B50223	AZALEA HALL DEPOSIT REFUND MH
29297	2/23/2015	AIR01	AIRGAS USA, LLC.	380.27	903583652	REPAIRS/ SUPPLIES
29298	2/23/2015	ASB01	ASBURY ENVIRONMENTAL SERV	35.00	130475422	USED OIL/GAS FILTERS
29299	2/23/2015	ATT01	AT&T	89.90	B50223	PHONE SERVICES FOR FEB 2015

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
29300	2/23/2015	CAM01	CAMPTON ELECTRIC SUPPLY	96.02	2280-4177	REPAIRS/SUPPLY
29301	2/23/2015	CHA03	CHASE INC.	2,036.19	1-15-1 &2	REC PROGRAM SUPPLIES
29302	2/23/2015	HAC01	HACH COMPANY	181.19	9212285	LAB TESTING SUPPLIES
29303	2/23/2015	HUC01	DELILAH HUCK	341.25	B50223	CONTRACT INSTRUCTOR PAYMENT
29304	2/23/2015	IBS01	IBS OF THE REDWOODS	193.45	5043637	REPAIRS/ SUPPLIES
29305	2/23/2015	MAD02	MAD RIVER UNION	75.00	37095	LEGAL AD-NOTICE OF UNCLAIMED FUNDS
29306	2/23/2015	MAI01	MARK MAILLIE	121.77	B50223	CLOTHING ALLOWANCE
29307	2/23/2015	PGE02	PACIFIC GAS & ELECTRIC	1,264.42	B50223	STREETLIGHTS FEB 2015
29308	2/23/2015	POI01	POINTS WEST SURVEYING CO.	995.00	10710	PROFESSIONAL SERVICES
29309	2/23/2015	SCH11	BECKY SCHUETTE	16.00	B50223	BOARD SECRETARY/CLERK CONF
29310	2/23/2015	TRI02	TRINITY DIESEL INC.	188.00	W21604	DOT INSPECTIONS

262,629.40
Total Disbursements, Accounts Payable: 262,629.40

Payroll Related Disbursements

12529-12562	2/9/2015		Various Employees	18,283.60		Payroll Checks
12563	2/9/2015	CAL12	CalPERS 457 Plan	5,069.24	B50209	RETIREMENT
				311.35	1B50209	PERS 457 LOAN PMT
			Check Total:	<u>5,380.59</u>		

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
12564	2/9/2015	DIR01	DIRECT DEPOSIT VENDOR- US	27,607.61	B50209	Direct Deposit
12565	2/9/2015	EMP01	Employment Development	1,741.40	B50209	STATE INCOME TAX
				563.40	1B50209	SDI
			Check Total:	<u>2,304.80</u>		
12566	2/9/2015	HUM29	UMPQUA BANK--PAYROLL DEP.	5,572.41	B50209	FEDERAL INCOME TAX
				7,755.00	1B50209	FICA
				1,813.66	2B50209	MEDICARE
			Check Total:	<u>15,141.07</u>		
12567	2/9/2015	ACW01	CB&T/ACWA-JPIA	49,181.20	B50131	MED & DENTAL INSUR
12568	2/9/2015	AFL01	AFLAC	43.30	B50131	AFLAC (PRE-TAX)
12569	2/9/2015	PUB01	Public Employees PERS	18,286.59	B50131	PERS PAYROLL REMITTANCE
12570-12604	2/20/2015		Various Employees	16,994.83		Payroll Checks
12605	2/20/2015	CAL12	CalPERS 457 Plan	4,988.61	B50220	RETIREMENT
				311.35	1B50220	PERS 457 LOAN PMT
			Check Total:	<u>5,299.96</u>		
12606	2/20/2015	DIR01	DIRECT DEPOSIT VENDOR- US	25,392.21	B50220	Direct Deposit
12607	2/20/2015	EMP01	Employment Development	1,552.52	B50220	STATE INCOME TAX
				521.45	1B50220	SDI
			Check Total:	<u>2,073.97</u>		
12608	2/20/2015	HUM29	UMPQUA BANK--PAYROLL DEP.	5,137.35	B50220	FEDERAL INCOME TAX
				7,195.80	1B50220	FICA
				1,682.86	2B50220	MEDICARE
			Check Total:	<u>14,016.01</u>		
12609	2/20/2015		Payroll Hand Check - Voided	-		Void Check

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2015

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
12610	2/24/2015		Payroll Hand Check	1,405.49		Vacation Buyout
Total Disbursements, Payroll:				201,411.23		
Total Check Disbursements:				464,040.63		

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Consider approval of Hiller Sports Complex Facility Use Agreement Contract for Mad River Youth Soccer League**

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

TYPE OF ACTION: **Voice Vote – Consent Calendar**

Recommendation:

Staff recommends that the Board approve Hiller Sports Complex Facility Use Agreement Contract for Mad River Youth Soccer League.

Discussion:

Mad River Youth Soccer League (MRYSL) has requested the use of Hiller Sports Complex (HSC) for the spring and summer of 2015. The District requires organizations using HSC annually to complete and sign a Facility Use Agreement Contract prior to the start of their season.

Attached, please find a copy of the 2015 Facility Use Agreement for the organization. This Agreement has been reviewed by Legal Counsel. No changes are being proposed to the main bodies of the agreements from last year.

Complete Facility Use Agreement Contracts with attachments are available at the District Office for any Board member or member of the public who would like to review them.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

In August 2006, the MCSD Board set a fee schedule for HSC of \$6.50 per hour for all youth sports organizations. In 2012, the Board approved increasing the fees by approximately 4% to make it \$6.75 per hour. A portion of that fee includes the cost of janitorial supplies used at the site. Organizations are responsible for shared cleaning the facility (restrooms, bleachers, parking lot, etc.) based on their percentage of use.

Each organization will be charged a percentage of utilities (propane & PG&E) at the end of the season. These percentages are based on field usage.

District Staff will provide a cleaning schedule to each organization prior to the start of their season. Each user group is responsible for cleaning their own dugouts and bleacher areas after each use.

At its March 4, 2015 meeting, the MCSD Board of Directors approved a fee increase for the use of the fields.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Mad River Youth Soccer League Agreement

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

HILLER SPORTS COMPLEX FACILITY USE AGREEMENT

This HILLER SPORTS COMPLEX FACILITY USE AGREEMENT (this “AGREEMENT”), is made and entered into this 1st Day of April 2015, by and between the McKinleyville Community Services District (DISTRICT), a Community Services District formed under the laws of the State of California, and the Mad River Youth Soccer League (ORGANIZATION), a non-profit youth sports organization, reference to the following facts, which are acknowledged as true and correct by each of the parties:

Recitals

- (a) DISTRICT is the owner of Hiller Sports Complex located at 880 Columbus Road in McKinleyville; and
- (b) DISTRICT desires to maximize financial self sufficiency of the maintenance of Hiller Sports Complex; and
- (c) DISTRICT desires to maximize community access to recreation programs at Hiller Sports Complex; and
- (d) ORGANIZATION desires to offer recreation programs to the community at Hiller Sports Complex; and
- (e) ORGANIZATION proposes to operate recreation programs, in accordance with the terms and conditions of this AGREEMENT, which supersedes all other previous documents; and
- (f) ORGANIZATION and DISTRICT each desire to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (g) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though full, are the following:

- 1. Cover Page: Facility Use AGREEMENT
- 2. Exhibit A: Hiller Sports Complex Map
- 3. Exhibit B: Article IV – Rules and Regulations
- 4. Exhibit C: Hiller Sports Complex Master Facility Fee Schedule
- 5. Exhibit D: Operation & Maintenance Responsibilities

- 6. Exhibit E: Guidelines for Field Cancellations
- 7. Exhibit F: "In Kind Work" & Field Modification Request Form

Definitions

As used in this AGREEMENT, the following terms shall have the following definitions:

- 1. "AGREEMENT" shall mean Hiller Sports Complex Facility Use AGREEMENT.
- 2. "DISTRICT" shall mean the McKinleyville Community Services District.
- 3. "ORGANIZATION" shall mean Mad River Youth Soccer League.
- 4. "Hiller Sports Complex" shall mean the nineteen acre parcel of property located at 880 Columbus Road on the east side of the entry way into Hiller Park. Such property contains two (2) little league fields, a regulation softball field, a practice softball field, a Babe Ruth field, two collegiate size soccer fields, concession stand, bleachers, drinking fountains, walkways, and a parking lot.
- 5. "Recreation Advisory Committee" shall be the said committee operating under the jurisdiction of the McKinleyville Community Services District Board of Directors.
- 6. "Facility Use Request" shall mean all periods of time, including practices, games, assessment days, tournaments, etc., for which a party desires to utilize Hiller Sports Complex and requested via the DISTRICT Hiller Sports Complex Facility Use Reservation Form.
- 7. "Facility Use Schedule" shall mean the most current schedule for use of Hiller Sports Complex.
- 8. "Board of Directors" shall mean the five members of the McKinleyville Community Service District Board of Directors.
- 9. "General Manager" shall mean the individual employed in said position with the McKinleyville Community Services District.
- 10. "Article IV- Rules and Regulations" shall mean the portion of the document containing the Rules and Regulations of the McKinleyville Community Services District as adopted by the Board of Directors.

NOW, THEREFORE, in consideration of their mutual covenants and promises set forth herein and incorporating the foregoing recitals of fact, the parties hereto agree as follows:

AGREEMENT

Section 1. Facility Development

The DISTRICT and ORGANIZATION agree to collaborate, assist, and support one another and individual efforts in maintaining Hiller Sports Complex.

Section 2. Grant of Field Use

- 2.1 Grant of Use. The DISTRICT grants the ORGANIZATION field use for recreational and sports activities at Hiller Sports Complex. ORGANIZATION shall be responsible for: (a) setup of Hiller Sports Complex for ORGANIZATION's use, unless otherwise specified; (b) storing any equipment following ORGANIZATION's use; and (c) restoring Hiller Sports Complex to the appropriate condition as found prior to ORGANIZATION's use. ORGANIZATION shall not utilize Hiller Sports Complex prior to the start of the contracted time set forth in the most current Facility Use Schedule and shall vacate the playing area by the end of the contracted time set forth in said schedule.
- 2.2 Facility Use Schedule. ORGANIZATION shall provide DISTRICT with ORGANIZATION's most current field use schedule including team names, coaches/managers & names of individuals to contact in the case of game cancellations; list of official representatives of the organization; game, practice, tournament dates and times; and other scheduled use.
- 2.3 Cancellation. Provided cancellation of use by inclement weather or other unforeseen conditions, DISTRICT shall endeavor to make the decision of said cancellation by 3:00 p.m. of the day for which cancellation shall take place.
- 2.4 Additional Field Use Request. Provided cancellation of use by inclement weather or other unforeseen conditions, ORGANIZATION must notify the DISTRICT of said cancellation and request of additional field use (if needed) within twenty-four (24) hours. DISTRICT shall be responsible to administer and coordinate all additional facility use requests provided such requests do not conflict with the most current Facility Use Schedule of other approved users.
- 2.5. Access
DISTRICT shall provide the ORGANIZATION with one (1) set of keys to Hiller Sports Complex. It is the responsibility of the ORGANIZATION to produce copies and issue keys.

Section 3. Scheduling of Facility

- 3.1 Site Development, Management and Scheduling:
All development, scheduling, maintenance, and use of Hiller Sports Complex shall be coordinated with the General Manager.
- 3.2 Facility Use Requests
ORGANIZATION is responsible to submit a District Facility Use Reservation Form to the General Manager. The General Manager shall compile a draft Facility Use Schedule resulting from such requests. Parties currently having and maintaining an AGREEMENT with DISTRICT shall be designated for priority use when said schedule is drafted. The draft Facility Use Schedule shall delineate any dates and times with facility scheduling conflicts. The General Manager shall be charged with resolving any scheduling conflicts, in his or her discretion.

ORGANIZATION shall have first priority of Fields 1 & 2 (baseball) and Field 3 (softball), based on schedules submitted in advance to MCSD, from March 1 through July 31.

3.3 Facility Use Scheduling Protests

ORGANIZATION and those parties granted facility use by the DISTRICT shall retain the right to protest the facility use. For all protests, refer to Section 16: Resolution of Disputes.

Section 4. Operational Standards

4.1 Conduct and Disorderly Persons

ORGANIZATION agrees to uphold and remain in compliance, at all times, with the current rules and regulations of the recreation and park system as established by the DISTRICT and outlined in Article IV of the DISTRICT's Rules and Regulations.

4.2 Staffing

ORGANIZATION agrees to ensure that an official representative(s) of ORGANIZATION shall be present at all times and shall be responsible for overseeing all use at all times on those dates and times for which use of Hiller Sports Complex is being conducted by ORGANIZATION.

4.3 Equipment and Supplies Storage

Storage of ORGANIZATION's equipment at Hiller Sports Complex shall be at the DISTRICT'S approval and at the ORGANIZATION's sole risk, DISTRICT will not warrant security of stored materials. ORGANIZATION shall unilaterally bear all risks of loss, theft, damage and other casualty incidental to using and/or storing equipment at the Hiller Sports Complex, and will indemnify and defend the DISTRICT from and against all losses arising out of using and/or storing equipment at the Hiller Sports Complex.

4.4 Safety

ORGANIZATION agrees to comply with the DISTRICT's established facility use guidelines, as defined in Article IV of the DISTRICT's Rules and Regulations and attached as Exhibit B, and incorporated by reference herein.

4.5 Use of Equipment

ORGANIZATION agrees not to use equipment owned by others and stored at Hiller Sports Complex without first obtaining written approval from the owner of said equipment. A copy of written approval must be provided to the DISTRICT.

ORGANIZATION agrees not to remove or replace equipment provided at Hiller Sports Complex by DISTRICT without the prior written consent of the General Manager.

4.6 Entry by DISTRICT

ORGANIZATION shall permit DISTRICT, and DISTRICT's agents and assigns, at all reasonable times, to enter the premises, for the purposes of inspection, compliance

with the terms of this AGREEMENT, exercise of all rights under this AGREEMENT, posting notices, and all other lawful purposes.

4.7 Environmental Sensitivity

ORGANIZATION agrees that all use by ORGANIZATION shall be conducted in a manner within the intended use of Hiller Sports Complex and with respect to the surrounding neighborhood and community. ORGANIZATION shall abide by all rules and regulations established, from time to time, by the DISTRICT regarding the use (or nonuse) of pesticides, herbicides and related products at the Hiller Sports Complex and surrounding areas.

4.8 Equal Opportunity and Non-Discrimination Clause

ORGANIZATION shall not discriminate in its offering of programs at Hiller Sports Complex and all duties related to such offering on the basis of race, color, national origin, religious creed, ancestry, sex, age, or physical handicap and shall comply with all applicable state and federal statutes and regulations prohibiting discriminatory practices and/or conduct.

4.9 Americans with Disabilities Act Compliance

DISTRICT shall indemnify, defend, and hold harmless ORGANIZATION from any fines or penalties which may be imposed upon it pursuant to the Americans with Disabilities Act as a result of DISTRICT's failure to make any required improvements to the premises as required by the Americans with Disabilities Act.

ORGANIZATION shall be responsible for compliance with any and all requirements of the Americans with Disabilities Act with respect to the operation of recreation programs for which ORGANIZATION is responsible. ORGANIZATION shall indemnify, defend, and hold harmless DISTRICT from and against any and all claims, causes of action, damages, fines and/or penalties pursuant to the Americans with Disabilities Act arising, in whole or in part, as a result of the ORGANIZATION's failure or alleged failure to comply with any requirements of the Americans with Disabilities Act with respect to operation of recreation programs which ORGANIZATION is responsible.

4.10. Compliance with Law

ORGANIZATION and DISTRICT shall comply with and conform to all laws and regulations, state and federal, and any and all requirements and orders of any state or federal board or authority, present or future, in any way relating to the condition or use of Hiller Sports Complex throughout the entire term of this AGREEMENT.

4.11. District Coordination

DISTRICT shall employ a General Manager who shall be the primary contact person with the ORGANIZATION.

Section 5. Prohibited Actions

ORGANIZATION shall not:

- a) Use Hiller Sports Complex for any purpose other than as authorized in this AGREEMENT and as authorized in the most current Facility Use Schedule; or
- b) Do or permit to be done anything which may interfere with the effectiveness or accessibility of Hiller Sports Complex, nor do or permit to be done anything which may interfere with free access and passage in Hiller Sports Complex or the public areas adjacent thereto, or in the streets or trails adjoining Hiller Sports Complex, or hinder police, fire fighting, or other emergency personnel in the discharge of their duties; or
- c) Interfere with the public's enjoyment and use of Hiller Sports Complex for any purpose which is not essential to public safety; or
- d) Rent, sell, lease, or offer any space for any articles whatsoever within or on Hiller Sports Complex without the written consent of the DISTRICT; or
- e) Place any additional lock of any kind upon any door, cabinet, or storage bin, unless a key therefore is provided to the DISTRICT, and upon expiration or termination of this AGREEMENT; or
- f) Erect, construct, or place any permanent structure upon any portion of the premises without written authorization from DISTRICT; or
- g) Use or allow Hiller Sports Complex to be used for any improper or unlawful purposes or for purposes in violation of Article IV of the McKinleyville Community Services District's Rules and Regulations; or
- h) Allow vehicles access to the concession area via the 10 foot sidewalk driveway access point except for loading and unloading only. The sidewalk driveway area must be kept clear for access to emergency vehicles. All vehicles must park in the parking area.

Section 6. Insurance

6.1. Minimum Scope

ORGANIZATION shall obtain and maintain throughout the term of this AGREEMENT, at ORGANIZATION's cost, comprehensive general public liability insurance issued by insurance carriers acceptable to DISTRICT naming the ORGANIZATION as insured and the DISTRICT as an additional insured against any injuries or damages to persons or property caused by or arising out of ORGANIZATION's occupation and use of Hiller Sports Complex under this AGREEMENT in amounts of not less \$1,000,000.00 for any individual claimant and \$2,000,000.00 per occurrence.

6.2. Proof of Insurance

ORGANIZATION shall cause DISTRICT to be given written notification, prior to the commencement of this AGREEMENT, from the insurance carrier of the existence of such policies and shall provide a certificate of insurance and separate endorsement in the amounts listed in 6.1 prior to the inception of the term which shall provide that coverage provided by the policy shall not be canceled or amended until the DISTRICT

is first provided with at least thirty (30) days written notice concerning such cancellation or notice.

Section 7. Hold Harmless, Indemnity and Release Forms

7.1. Hold Harmless and Indemnity

Except for the active negligence or willful misconduct of DISTRICT, ORGANIZATION undertakes and agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless DISTRICT and all its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature in connection with or arising directly or indirectly out of this AGREEMENT whatsoever and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the performance of this AGREEMENT on part of ORGANIZATION and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), by its officers, agents, assigns, program participants and employees of any tier.

7.2. Participant Liability Release Forms

ORGANIZATION shall provide to DISTRICT a master copy of the liability release form used for ORGANIZATION's program defending, indemnifying, and holding harmless, DISTRICT, its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature whatsoever, for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the program or programs sponsored by ORGANIZATION and conducted at the Hiller Sports Complex.

Section 8. Utilities

8.1. Water

The DISTRICT shall be responsible for all water and sewer related expenses at the site.

8.2. Gas and Electric

ORGANIZATION shall be required to pay a fee based on electrical use for the concession stand, low site lighting, and/or any other type of sporting equipment, which utilizes electricity. This cost will be remitted at the end of the season, based on a percentage of field use.

Section 9. Maintenance

9.1 Ongoing Facility Maintenance

DISTRICT shall provide for all ongoing maintenance of Hiller Sports Complex. ORGANIZATION shall be required to pay a fee based on expenses related to ongoing

maintenance as approved by the MCSD Board of Directors. ORGANIZATION shall be allowed to decrease their portion of the maintenance fee through the use of volunteer labor to assist with maintenance of the site. Financial credit for approved volunteer labor shall be granted only for labor completed for facility maintenance. Credit shall not be granted for volunteer labor completed for game preparation. DISTRICT shall assign specific financial value to one volunteer labor hour. DISTRICT shall base ORGANIZATION's maintenance fee on the total financial value of documented volunteer labor hours subtracted from the total financial value of site use. The financial value of volunteer labor, if in excess of the total maintenance fee, is not allowed to be placed as a credit toward future facility use.

Should ORGANIZATION provide volunteers to perform facility maintenance, all said volunteers must attend a facility maintenance orientation seminar. Such seminars shall be organized and presented by DISTRICT staff throughout the year and at times reasonable for ORGANIZATION. In addition, ORGANIZATION's with volunteer maintenance staff must have a designated representative attend facility maintenance meetings as arranged by the DISTRICT. ORGANIZATION must provide a proposed monthly volunteer maintenance schedule by the 15th of each preceding month. All such schedules must be approved by the DISTRICT prior to implementation.

Volunteers not attending a facility maintenance orientation seminar shall not be authorized to perform facility maintenance duties at Hiller Sports Complex. Furthermore, said volunteers of ORGANIZATION are not to be considered volunteers or employees of DISTRICT.

ORGANIZATION agrees to perform all maintenance of the fields, including but not limited to, mowing grass once per week, trimming along the fence lines, field preparation before games, grounds cleanup, bathroom cleanup, re-stocking janitorial supplies, general cleanup of the concession stand & parking lot, and trash disposal. These operation and maintenance responsibilities are further explained in Exhibit D, and some may be in lieu of payment for field and concession use during the period of March 1 through December 31, 2015.

9.2. Facility Damages and Repairs

The ORGANIZATION shall be held responsible for all damage or vandalism to District facilities occurring during the ORGANIZATION'S use of the facilities. Upon notification by the DISTRICT, the ORGANIZATION is responsible to repair all damages immediately, or within a schedule approved by the DISTRICT. If ORGANIZATION is unable or unwilling to repair damage immediately, the DISTRICT reserves the right to make the necessary repairs and bill ORGANIZATION for all costs. The ORGANIZATION is responsible to reimburse the DISTRICT within thirty days (30) of presentation of the bill. Exception: The concession and snack bar area is the sole responsibility of the ORGANIZATION during the entire period of this AGREEMENT. Repair of any and all damage occurring to the concession stand during the AGREEMENT period is the sole responsibility of the ORGANIZATION.

Damaged and unsafe fields shall be unavailable for use until repairs are completed. The assignment of other fields during such time is at the discretion of the DISTRICT.

9.3. Site Improvements

Any ORGANIZATION desiring to perform site improvements must first obtain written approval from the DISTRICT for such improvements and pay for all costs related to approved improvements.

It is understood and agreed between the parties that all installations, additions, and improvements erected or installed at any time at Hiller Sports Complex during the term of this AGREEMENT shall immediately become the property of and belong to the DISTRICT upon such erection or installation; provided, however, this provision does not apply to participant playing equipment and concession equipment installed and belonging to ORGANIZATION. ORGANIZATION must remove all participant playing equipment and concession equipment prior to the expiration or other termination of this AGREEMENT. Any portion of the premises affected by removal shall be immediately restored and repaired.

Section 10. Purchasing

10.1 DISTRICT shall have the responsibility to purchase all grounds maintenance and field preparation supplies needed to maintain Hiller Sports Complex.

10.2 ORGANIZATION shall be fully responsible for all expenses related to purchase of all supplies needed to operate the programs including supplies needed for field preparation should ORGANIZATION choose to prepare fields for their use and of any supplies needed for operations conducted in the concession stand.

Section 11. Sales

11.1. Participant Registration

ORGANIZATION shall be allowed to retain all revenue related to participant registration fees.

DISTRICT shall provide space for applications and flyers provided by ORGANIZATION at DISTRICT's office and at the McKinleyville Activity Center. DISTRICT shall not otherwise register applicants or provide direction regarding ORGANIZATION's program.

ORGANIZATION shall be responsible for promotion and sale of ORGANIZATION's program to customers. Upon provision by ORGANIZATION, DISTRICT shall provide copies of flyers and promotional materials to customers.

11.2. Advertising

DISTRICT recognizes the importance of advertising revenue to ORGANIZATION and desires to afford ORGANIZATION opportunities to obtain revenue for support of ORGANIZATION's program. However, ORGANIZATION shall first obtain written permission from DISTRICT and allow DISTRICT to review any such advertising prior to installation, placement, distribution, or maintenance of any type of advertising or AGREEMENT with any other vendor involving promotion or advertising of their products or services on and at Hiller Sports Complex. All such advertising placed in accordance

with the aforementioned must be removed upon the conclusion of ORGANIZATION's program at a time agreed to by both parties.

11.3. Concessions

ORGANIZATION shall be allowed to retain all proceeds related to operation of a concession stand during granted facility use hours provided concession use fees are paid in full.

Approval for requests for use of the concession stand by ORGANIZATION will be granted only when said request is concurrent with the most current facility use schedule as approved. ORGANIZATION shall not utilize the concession stand prior to the start of the contracted time set forth in the most current facility use schedule and shall vacate the concession stand by the end of the contracted time set forth in said schedule.

Upon issuance of the most current Facility Use Schedule and concession stand use request approvals, should additional concession stand use be available during scheduled events, those ORGANIZATIONS having and maintaining a current AGREEMENT with DISTRICT shall be given priority for additional concession stand use requests. Such requests will be awarded on a first come, first serve basis.

Section 12. Licenses and Permits

- 12.1 ORGANIZATION shall apply for, obtain, and maintain all licenses, permits, and other accreditations required in connection with the management and operation of programs, site improvements as approved per 9.3., and as needed for development of the facility. ORGANIZATION shall be responsible to pay the cost of all such licenses and permits.

Section 13. Unavoidable Delays

- 13.1 The provisions of this Section shall be applicable if there shall occur, during the term of this AGREEMENT, any (a) inability to obtain labor or materials, or reasonable substitutes (other than lack of funds); or (b) acts of God, governmental restrictions, regulations or controls, enemy or hostile government, civil commotion, fire, or other casualty; or (c) other conditions similar to those enumerated in this Section beyond the reasonable control of the party obligated to perform (other than lack of funds). If DISTRICT or ORGANIZATION shall, as the result of any of the above-described events, fail to provide or to perform any obligation on its part under this AGREEMENT, then upon written notification to the other within ten (10) days of such event, such failure shall be excused and not be a breach of this AGREEMENT by the party claiming unavoidable delay, but only to the extent occasioned by such event. Notwithstanding anything contained herein to the contrary, this Section shall not be applicable to the obligation of the DISTRICT or ORGANIZATION to pay any sums, monies, costs, charges, or expenses required paid pursuant to the terms of this AGREEMENT, or to fulfill any hold harmless and/or indemnity obligations created by Section 7.1 or elsewhere in this AGREEMENT.

Section 14. Amendments and Assignments

- 14.1 This AGREEMENT contains the complete and final AGREEMENT between the DISTRICT and the ORGANIZATION. No AGREEMENT or other understanding in any way purporting to modify, add to, or supersede the terms and conditions hereof shall be binding upon either party unless made in writing and duly executed by authorized representatives.
- 14.2 This AGREEMENT may not be assigned or transferred, in whole or in part, by ORGANIZATION without first obtaining the written consent of DISTRICT which may be withheld, for any reason, in the DISTRICT's sole discretion.

Section 15. Taxes

- 15.1 ORGANIZATION shall be solely responsible for the payment when due of any possessory interest or other unsecured tax levied by any governmental authority with respect to the use and occupancy of Hiller Sports Complex by ORGANIZATION.

Section 16. Resolution of Disputes

16.1. Process for Resolution

Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized representatives of the DISTRICT and the ORGANIZATION shall be brought to the attention of the General Manager (or designated representative) of the DISTRICT and the Board President (or designated representative) of the ORGANIZATION for joint resolution.

If joint resolution of the dispute through these means is pursued without success, ORGANIZATION shall seek to resolve the dispute by filing a written grievance with the General Manager (or designated representative). Upon receipt of a written grievance, the General Manager (or designated representative) shall research and investigate the grievance and set an agenda item for the next DISTRICT Board of Director's meeting. At the meeting, the ORGANIZATION or a representative thereof can appear and be heard. The DISTRICT Board of Directors shall consider the item and act thereon, and may adopt, reject, or amend the recommendation.

If resolution of the dispute as adopted by the DISTRICT Board of Directors is not satisfactory, ORGANIZATION may seek resolution employing whatever remedies exist in law or equity beyond this AGREEMENT. Despite an unresolved dispute, the DISTRICT and ORGANIZATION hereto shall continue without delay to perform its obligations under this AGREEMENT.

In the event of any breach or violation of this AGREEMENT by ORGANIZATION, the DISTRICT may employ whatever remedies that exist in law or equity to enforce this AGREEMENT, without resorting to the dispute resolution protocol described above.

16.2. Attorney's Fees

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.

Section 17. Notices

- 17.1 Any notice, demand, or communication under, or in connection with, this AGREEMENT, may be served upon DISTRICT by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to the DISTRICT as follows:

General Manager
McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA 95519

and may likewise be served on ORGANIZATION by personal service or by so mailing the same addressed to ORGANIZATION as follows:

Mad River Youth Soccer League

Address_____

City/State/Zip_____

Either DISTRICT or ORGANIZATION may change such address by notifying the other party in writing as to such new address as DISTRICT or ORGANIZATION may desire to be used and which address shall continue as the address until further written notice.

Section 18. Compensation

18.1. Funding for Facility Development

Should ORGANIZATION grant DISTRICT monies for development in an amount of more than \$5,000, said monies shall be dedicated to the development of facilities illustrated in Parks & Recreation Master Plan, which would fulfill the needs of ORGANIZATION. Monies granted by ORGANIZATION for development in amount less than \$5,000 shall be dedicated to the general overall development of facilities illustrated in Parks & Recreation Master Plan.

18.2. Facility Use and Additional Fees

ORGANIZATION shall pay DISTRICT fees in accordance to Hiller Sports Complex Master Facility Fee Schedule as adopted by the Board of Directors and outlined in Exhibit C.

ORGANIZATION agrees to pay a Cleaning/Damage deposit in the amount of \$1,500.00 to MCSD for the use of Hiller Sports Complex. MCSD may use the Cleaning/Damage deposit for reimbursement of any costs related to additional cleaning requirements,

additional turf maintenance, and/or field & turf damages during the use of ORGANIZATION (see Exhibit D). This deposit must be paid in full prior to the start of the season.

ORGANIZATION is responsible for the cost to change the locks at the end of each season. This cost will be remitted at the end of the season, based on a percentage of field use.

In the event DISTRICT shall provide maintenance at the expense of ORGANIZATION, or the DISTRICT is required to respond to a call-out at a time outside the DISTRICT'S regular business hours, the ORGANIZATION agrees to reimburse the DISTRICT according to the following rates:

Labor:	Variable, depending on employee
Mower:	\$25.00/hour
Utility Vehicle:	\$35.00/hour
Tractor:	\$40.00/hour
Backhoe:	\$70.00/hour
Dump Truck:	\$50.00/hour
Boom Truck:	\$81.00/hour

18.3. Delinquent Payment

In the event ORGANIZATION shall be delinquent by more than fifteen (15) days in the payment of any sums due under the terms of section 18.2, DISTRICT shall cancel all future scheduled and yet to be scheduled use of DISTRICT-owned facilities until past due payments are paid in full.

Section 19. Law Governing

This AGREEMENT shall be governed exclusively by the provisions hereof and by the laws of the State of California.

Section 20. Term

20.1. Term and Extensions

Subject to the provisions of this AGREEMENT, the term of this AGREEMENT shall commence on the date herein and shall continue through and including the 31st day of December, 2015.

Opportunities shall be granted for ORGANIZATION and DISTRICT to review this AGREEMENT on a yearly basis to enact amendments and assignments to AGREEMENT as provided in Section 14 of this AGREEMENT. Any proposed amendments and assignments may be refused by ORGANIZATION or DISTRICT at said parties own discretion.

20.2. Termination by DISTRICT

Notwithstanding the foregoing, DISTRICT, in the case of ORGANIZATION's breaches, may terminate this AGREEMENT, with thirty (30) days notification, by giving the ORGANIZATION written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or
- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and ORGANIZATION fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or
- d) ORGANIZATION files a voluntary petition in bankruptcy or insolvency or otherwise seeks relief as a debtor, or, if an involuntary petition therefore is filed against ORGANIZATION and such petition is not dismissed within ninety (90) days; or
- e) ORGANIZATION fails to remain in compliance with any and all terms of this AGREEMENT; or
- f) ORGANIZATION shall disband.

In the event this AGREEMENT is so terminated, it shall be lawful for DISTRICT immediately hereafter to remove all persons and property from the premises.

20.3. Termination by ORGANIZATION

Notwithstanding the foregoing, ORGANIZATION, in the case of DISTRICT's breaches, may terminate this AGREEMENT by giving the DISTRICT written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or
- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and DISTRICT fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or
- d) DISTRICT fails to remain in compliance with any and all terms of this AGREEMENT.

20.4. Disposition of Certain Property

ORGANIZATION hereby acknowledges and agrees that any and all equipment and all DISTRICT purchased equipment and materials used in connection with Hiller Sports Complex shall remain the property of the DISTRICT, and ORGANIZATION acknowledges that it shall not be entitled to remove such property from Hiller Sports Complex upon the expiration or termination of this AGREEMENT, regardless of reason.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the day and year as written herein.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

John W. Corbett, President of the Board of Directors

ATTEST: _____
Becky Schuette, Secretary to the Board of Directors

MAD RIVER YOUTH SOCCER LEAGUE

President of Mad River Youth Soccer League

The Facility Use AGREEMENT Checklist

Please note: This contract is not considered complete until the user ORGANIZATION submits the following information to MCSD.

<u>Item:</u>	<u>Attachment #:</u>	<u>Completed:</u>	<u>Date:</u>
Completed District Facility Use Form	Attachment 1		
League Schedule	Attachment 2		
Tournament Schedule	Attachment 3		
Practice Schedule	Attachment 4		
Proof of Insurance	Attachment 5		
Phone List of Managers and Board Members	Attachment 6		
Facility (emergency) Cell Phone #	Attachment 7		
All Other Field Usage Requests	Attachment 8		
Coach/Manager Contact Information	Attachment 9		
Organization Liability Release Form	Attachment 10		

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.5 **Consider approval of Senior Center Management Services and Usage Agreement**

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

TYPE OF ACTION: **Voice Vote – Consent Calendar**

Recommendation:

Staff recommends that the Board approve the Senior Center Management Services and Usage Agreement for a term of One (1) year and authorize the Board President to execute the Agreement.

Discussion:

For the past several years, the District and the McKinleyville Senior Center (MSC) have worked under a Management Services and Usage Agreement for the MSC use of Azalea Hall and the Meeting Room.

At the February 4, 2015 Board meeting, the Board pulled this item from the Consent Calendar for discussion. After discussion, the Board asked staff to modify section 2.01 to be more specific as well as not limiting the services the Senior Center may be required to provide.

The item was returned to the March 4, 2015 agenda where discussion continued regarding the specific language to section 2.01. President Corbett requested the item again be brought back to the April meeting with the following language changes:

2.01. During the term of this Agreement, the District may request MSC to provide certain services to the District. ~~Such services may include but are not limited to giving tours of the facility for prospective renters.~~ Tours of the facility for prospective renters are required by the District. Such other tasks as agreed upon by both parties. MSC will not assume any obligation to provide any services in excess of those stated in this Agreement unless a written amendment to this Agreement is executed by both parties.

This agreement has been reviewed by Legal Counsel and therefore staff is also recommending the following additions be added to the Agreement:

15.01. DISTRICT Coordination and Staffing

15.01.a. DISTRICT shall designate a Parks & Recreation employee who shall be the primary contact person with the MSC.

15.02. MSC Meeting and Coordination Requirements

15.02.a. During the term of this Agreement the MSC shall maintain an active Advisory Board of Directors which shall meet no less than quarterly during each year this AGREEMENT is in effect.

15.02.b. DISTRICT General Manager shall be invited to each MSC Executive Meeting, Advisory Board Meeting and Regular meeting of the MSC Board of Directors, and an item shall be included at the beginning of each MSC meeting agenda to address Azalea Hall and issues pertinent to this AGREEMENT

15.03. DISTRICT Board of Directors shall maintain a standing committee, McKinleyville Senior Center Advisory Committee, chaired by a DISTRICT Board Member. This advisory position will attend all MSC executive and regular board meetings and report back to DISTRICT's Board of Directors to facilitate communications between the two entities.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

MSC shall pay to DISTRICT an amount, agreed upon by both parties, of \$450.00 per month, for utilities and janitorial supplies as provided in Section 4. The utility and janitorial supplies charge may be adjusted by DISTRICT, on an annual basis, in consultation with MSC.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Senior Center Management Services and Usage Agreement
- Attachment 2 – Exhibit A, Article IV of the MCSD Rules and Regulations
- Attachment 2 – Exhibit B, Schedule For Use of Azalea Hall

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Azalea Hall – Senior Center

Management Services and Usage Agreement

This AGREEMENT made and entered into this 1st day of April, 2015 by and between the McKinleyville Community Services District, a California Community Services District, and the McKinleyville Senior Center, a non-profit organization, with reference to the following facts, which are acknowledged as true and correct by each of the parties:

- (a) As used in this AGREEMENT, the following terms shall have the following definitions:
1. "AGREEMENT" shall mean the Management Services and Usage Agreement.
 2. "DISTRICT" shall mean the McKinleyville Community Services District.
 3. "MSC" shall mean the McKinleyville Senior Center.
 4. "Azalea Hall" shall mean the DISTRICT owned facility located at 1620 Pickett Road.
 5. "Executive Director" shall mean the employee of the McKinleyville Senior Center serving in said capacity.
 6. "General Manager" shall mean the employee of the DISTRICT serving in said capacity.
 7. "BOARD OF DIRECTORS" shall mean the five elected members of the McKinleyville Community Services District Board of Directors.
 8. "Facility Use Guidelines" shall mean those guidelines established in Article IV of the McKinleyville Community Services District Rules and Regulations, contained in the District Facility Use Handbook, and attached as Exhibit A, as well as any amendments to said documents, DISTRICT may adopt during the term of this Agreement.
 9. "Article IV of the McKinleyville Community Services District Rules and Regulations" shall mean the then current portion of the document containing the Rules and Regulations of the DISTRICT as adopted by the Board of Directors.
- (b) DISTRICT is the owner of Azalea Hall located at 1620 Pickett Road in McKinleyville.

- (c) MSC desires to occupy and use the Meeting Room at Azalea Hall as its primary base of operations and is willing to provide certain services to DISTRICT in consideration of said use and occupancy; and
- (d) MSC and DISTRICT each desires to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (e) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though set forth in full, are the following:
 - 1. Exhibit A: Article IV of the McKinleyville Community Services District Rules and Regulations
 - 2. Exhibit B: McKinleyville Senior Center Schedule for Use of Azalea Hall

NOW, THEREFORE, in consideration of their mutual covenants and promises set forth herein, the parties hereto agree to as follows:

Section 1. Grant of Facility Use

- 1.01. DISTRICT grants MSC use of Azalea Hall as specifically described in Exhibit B. Facility use is subject to modification as a result of the provisions described in Section 20 of this AGREEMENT.
- 1.02. MSC shall adhere to the most current facility usage guidelines as adopted by DISTRICT and attached as Exhibit A. DISTRICT Board of Directors shall have the right to modify the guidelines, from time to time, in its sole discretion and any modifications shall become binding on MSC immediately after adoption.

Section 2. Required MSC Services

- 2.01. During the term of this Agreement, DISTRICT may request MSC to provide certain services to DISTRICT. Tours of the facility for prospective renters are required by DISTRICT. Such other tasks as agreed upon in writing by both parties. MSC will not assume any obligation to provide any services in excess of those stated in this Agreement unless a written amendment to this Agreement is executed by both parties.

Section 3. Maintenance

- 3.01. DISTRICT shall maintain Azalea Hall and provide repairs as needed.
- 3.02. MSC shall insure that any portion of Azalea Hall used by MSC shall be kept clean and well maintained on a daily basis, so that Azalea Hall is, at all times, in suitable condition for use by others.

Section 4. Utilities

- 4.01. MSC shall be responsible for the payment of telephone charges incurred by MSC in its usage of Azalea Hall.
- 4.02. DISTRICT shall pay all utility charges incurred to provide heat, water, electricity, and telephone services to Azalea Hall except those utilities specifically agreed to be paid by MSC as outlined in this section.

Section 5. Equipment and Supplies Storage

- 5.01. Storage of MSC's equipment at Azalea Hall shall be at MSC's sole risk and DISTRICT shall not warrant security of stored materials.

Section 6. Facility Use and Access

- 6.01. MSC agrees to comply with DISTRICT's established facility use guidelines, as defined in Article IV of the McKinleyville Community Services District Rules and Regulations, and attached as Exhibit A and incorporated by reference herein.
- 6.02. MSC will sign for facility access keys; maintain custody of all keys during the term of this AGREEMENT; and return all keys upon completion of the term of this AGREEMENT. MSC shall not duplicate any keys or provide security codes to any other party. MSC will follow the procedures established by DISTRICT in opening building and closing building including activation and deactivation of alarm system. MSC will pay any charges levied resulting from false alarms caused by MSC's failure to comply with DISTRICT's security procedures. MSC will pay DISTRICT's actual cost to re-key Azalea Hall should MSC lose any key.
- 6.03. Should this AGREEMENT be terminated, MSC will surrender to DISTRICT, MSC's keys on or before the last day the AGREEMENT is still valid. Should this AGREEMENT be terminated, MSC also acknowledges that MSC's security codes will expire at Midnight on the last full day the Agreement is valid.

Section 7. Use of Equipment

- 7.01. MSC agrees not to use equipment owned by those other than MSC and DISTRICT and stored at Azalea Hall without first obtaining written approval from the owner of said equipment. A copy of written approval must be provided to the DISTRICT.

Section 8. Entry by DISTRICT

- 8.01. MSC shall permit DISTRICT, and DISTRICT's agents and assigns, at all reasonable times, to enter Azalea Hall (and those portions occupied by MSC), for the purposes of inspection, compliance with the terms of this AGREEMENT, exercise of all rights under this AGREEMENT, posting notices, and all other lawful purposes.

Section 9. Use Compatibility

- 9.01. MSC agrees that all use of Azalea Hall by MSC shall be conducted in a manner within the intended use of Azalea Hall and compatible with respect to the surrounding neighborhood and community.

Section 10. Site Improvements

- 10.01. Should MSC desire to have specific site improvements installed at Azalea Hall, MSC must first obtain written approval from the DISTRICT for such improvements and pay for all costs related to any pre-approved improvements.
- 10.02. It is understood and agreed between the parties that all installations, additions, and improvements constructed or installed at any time at Azalea Hall during the term of this AGREEMENT shall immediately become the property of and belong to the DISTRICT upon such construction or installation.

Section 11. Prohibited Actions

- 11.01. MSC shall not:
- 11.01.a. Use Azalea Hall for any purpose other than as authorized in this AGREEMENT and described in Exhibit B and authorized by DISTRICT; and
- 11.01.b. Perform or permit to be done anything which may interfere with the effectiveness and accessibility of Azalea Hall; nor perform or permit to be done anything which may interfere with free access and passage in Azalea Hall or the public areas adjacent thereto; or hinder police, fire fighting, or other emergency personnel in the discharge of their duties; and
- 11.01.c. Rent, sell, lease, or offer any space for any articles whatsoever within or on Azalea Hall without the prior written consent of the DISTRICT; and

11.01.d. Place any additional lock of any kind upon any door, cabinet, or storage space, unless a key therefore is provided to the DISTRICT, and, upon expiration or termination of this AGREEMENT, to surrender to DISTRICT any and all keys, and in the event of loss of any keys furnished by DISTRICT, MSC shall pay DISTRICT the cost for replacement thereof; and

11.01.e. Use or allow Azalea Hall to be used for any improper purposes or for purposes in violation of Article IV of the McKinleyville Community Services District Rules and Regulations, as the same may be modified from time to time by DISTRICT.

Section 12. Equal Opportunity and Non-Discrimination Clause

12.01. MSC shall not discriminate in its offering of programs and use of Azalea Hall and all duties related to such offering and use on the basis of race, color, national origin, religious creed, ancestry, sex, age, or physical handicap and shall comply with all applicable state and federal statutes and regulations pertaining to such matters.

Section 13. Americans with Disabilities Act Compliance

13.01. DISTRICT shall indemnify, defend, and hold harmless MSC from any fines or penalties which may be imposed on MSC pursuant to the Americans with Disabilities Act as a result of DISTRICT's failure to make any required improvements to the premises as required by the Americans with Disabilities Act.

13.02. MSC shall be responsible for compliance with any and all requirements of the Americans with Disabilities Act with respect to the operation of MSC programs and use of Azalea Hall for which MSC is responsible. MSC shall indemnify, defend, and hold harmless DISTRICT from any fines or penalties which may be imposed upon it pursuant to the Americans with Disabilities Act as a result of MSC's failure to comply with any requirement of the Americans with Disabilities Act with respect to the operation of MSC programs and use of Azalea Hall for which MSC is responsible.

Section 14. Compliance with Law

14.01. MSC shall comply with and conform to all laws and regulations, state, and federal and any and all requirements and orders of any state, or federal board or authority, present or future, in any way relating to the condition or use of Azalea Hall throughout the entire term of this AGREEMENT.

Section 15. Coordination, MSC Board and Staffing Requirements

15.01. DISTRICT Coordination and Staffing

15.01.a. DISTRICT shall designate a Parks & Recreation employee who shall be the primary contact person with the MSC.

15.02. MSC Meeting and Coordination Requirements

15.02.a. During the term of this Agreement the MSC shall maintain an active Advisory Board of Directors which shall meet no less than quarterly during each year this AGREEMENT is in effect.

15.02.b. DISTRICT General Manager shall be invited to each MSC Executive Meeting, Advisory Board Meeting and Regular meeting of the MSC Board of Directors, and an item shall be included at the beginning of each MSC meeting agenda to address Azalea Hall and issues pertinent to this AGREEMENT

15.03. DISTRICT Board of Directors shall maintain a standing committee, McKinleyville Senior Center Advisory Committee, chaired by a DISTRICT Board Member. This advisory position will attend all MSC executive and regular board meetings and report back to DISTRICT's Board of Directors to facilitate communications between the two entities.

Section 16. Compensation

16.01. MSC shall pay to DISTRICT an amount, agreed upon by both parties, of \$450.00 per month, for utilities and janitorial supplies as provided in Section 4. The utility and janitorial supplies charge may be adjusted by DISTRICT, on an annual basis, in consultation with MSC.

16.02. Additional facility use fees to be paid by MSC shall be outlined in Exhibit B.

16.03. Payment Procedure

16.03.a. MSC shall pay DISTRICT all sums required under this Agreement within thirty (30) days after receipt by MSC of payment statement for each month (or partial month) for which payments are due.

16.04. Delinquent Payment

16.04.a. In the event MSC shall be delinquent by more than fifteen (15) days in the payment of any sums due under the terms of this Section, such delinquencies shall be considered to be a breach of this AGREEMENT.

Section 17. Insurance

17.01. Minimum Scope

17.01.a. . At MSC's cost, MSC shall obtain and maintain throughout the term of this AGREEMENT, comprehensive general public liability insurance, issued by an admitted carrier with a Best Company Rating of no less than "A" and acceptable to DISTRICT. Such insurance shall provide coverage for MSC's actions in performing this AGREEMENT and use of Azalea Hall and insuring DISTRICT against loss or liability caused by or connected with MSC's occupation and use of Azalea Hall under this AGREEMENT. Insured amounts shall be not less than \$1,000,000.00 per occurrence and DISTRICT, its officers, agents, assigns, and employees shall be designated as additional insured pursuant to said policy.

17.02. Proof of Insurance

17.02.a. Prior to the commencement of this AGREEMENT and the inception of the term, MSC shall provide DISTRICT written notification from the insurance carrier, of the existence of such policies and shall also provide a certificate of insurance and separate endorsement in the amounts listed in 17.01. Coverage provided by the policy shall not be canceled or amended until the DISTRICT is first provided with at least thirty (30) days written notice concerning such cancellation or notice.

Section 18. Indemnity

18.01. Hold Harmless

18.01.a. Except for the active negligence or willful misconduct of DISTRICT, MSC undertakes and agrees to defend, indemnify, and hold harmless DISTRICT and all its officers, agents, assigns, and employees from and against any and all suits, actions, and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature in connection with or arising directly or indirectly out of this AGREEMENT whatsoever, for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties, arising out of or in any manner by reason of, or incident to, the performance of this AGREEMENT, on part of MSC, its officers, agents, assigns, and employees of any tier.

Section 19. Unavoidable Delays

19.01. The provisions of this Section shall be applicable if there shall occur, during the term of this AGREEMENT, any (a) inability to obtain labor or materials, or reasonable substitutes (other than lack of funds); or (b) acts of God, governmental restriction, regulations or controls, enemy or hostile government, civil commotion, fire, or other casualty; or (c) other conditions similar to those enumerated in this Section beyond reasonable control of the party obligated to perform (other than lack of funds). If DISTRICT or MSC shall, as the result of any of the above-described events, fail to provide or perform any obligation on its part under this AGREEMENT, then upon written notification to the other within ten (10) days of such event, such failure shall be excused and not be a breach of this AGREEMENT by the party claiming unavoidable delay, but only to the extent occasioned by such event. Notwithstanding anything contained herein to the contrary, this Section shall not be applicable to the obligation of the DISTRICT or MSC to pay any sums, monies, costs, charges, or expenses required paid pursuant to the terms of this AGREEMENT.

Section 20. Amendments and Assignments

20.01. This AGREEMENT contains the complete and final AGREEMENT between DISTRICT and MSC. No AGREEMENT or other understanding in any way purporting to modify, add to, or supersede the terms and conditions hereof, shall be binding upon either party unless made in writing and duly executed by authorized representatives. This provision shall not limit or restrict DISTRICT's right to modify the Facility Use Guidelines, during the term of this Agreement.

20.02. This AGREEMENT may not be assigned or transferred, in whole or in part, by MSC without first obtaining the written consent of DISTRICT. Consent may be withheld, for any reason, in the DISTRICT's sole discretion.

20.03. This AGREEMENT may not be assigned or transferred, in whole or in part, by DISTRICT without first obtaining written consent of MSC and approval by MSC's Executive Director and Executive Board of Directors. Consent may be withheld, for any reason, in the MSC's sole discretion.

20.04. Furthermore, the DISTRICT agrees that proposals for amendments and assignments to this AGREEMENT shall not be submitted in any DISTRICT Board or Committee meeting packet, given to any Board or Committee member, or otherwise posted unless such amendments and assignments have been presented in writing to MSC's Executive Board of Directors.

Section 21. Taxes

- 21.01. MSC shall be solely responsible for the payment, when due, for any possessory interest or other unsecured tax levied by any governmental authority with respect to the use and occupancy of Azalea Hall by MSC.

Section 22. Resolution of Disputes

22.01. Process for Resolution

- 22.01.a. Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized representatives of the DISTRICT and the MSC shall be brought to the attention of DISTRICT General Manager (or designated representative of the DISTRICT) and the Executive Director (or designated representative) of the MSC for joint resolution of the dispute. If these means are pursued without success, either party may seek resolution employing whatever remedies exist in law or equity beyond this AGREEMENT. Despite an unresolved dispute, the DISTRICT and MSC hereto shall continue without delay to perform its obligations under this AGREEMENT.

22.02. Attorney's Fee's

- 22.02.a. 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.

Section 23. Law Governing

- 23.01 The AGREEMENT shall be governed exclusively by the provisions hereof and by the laws of the State of California.

Section 24. Notices

- 24.01 Any notice, demand, communication under or in connection with this AGREEMENT, may be served upon DISTRICT by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to the DISTRICT as follows:

General Manager
McKinleyville Community Services District
1656 Sutter Road / P.O. Box 2037
McKinleyville CA 95519

And may likewise be served on MSC by personal service or by so mailing the same addressed to MSC as follows:

Executive Director
McKinleyville Senior Center
1620 Pickett Road
McKinleyville CA 95519

Either DISTRICT or MSC may change such address by notifying the other party in writing as to such new address as DISTRICT or MSC may desire used and which address shall continue as the address until further written notice.

Section 25. Term and Extensions

25.01 Term and Extensions

25.01.a. Subject to the provisions of this AGREEMENT, the term of this AGREEMENT shall be for one (1) year, commencing on the date herein and shall continue through and including the 30th day of April, 2016.

Opportunities shall be made for DISTRICT and MSC to review this AGREEMENT on a yearly basis to enact amendments and assignments to this AGREEMENT as provided in Section 20 of this AGREEMENT.

25.02. Termination by DISTRICT

25.02.a. Notwithstanding the foregoing, DISTRICT, in the case of MSC's breaches, may terminate this AGREEMENT by giving MSC written notice, to the address herein set forth, which notice shall identify MSC's deficiencies in performance of this AGREEMENT. If, within thirty (30) days of the date of said notice, MSC has not cured the deficiency in performance, DISTRICT may, by further written notice, terminate this AGREEMENT to be effective sixty (60) days following the date of said second written notice.

In the event this AGREEMENT is so terminated, it shall be lawful for DISTRICT immediately hereafter to remove all persons and property from the premises.

25.03. Termination by MSC

25.03.a. Notwithstanding the foregoing, MSC, in the case of DISTRICT's breaches, may terminate this AGREEMENT by giving DISTRICT written notice to the address herein set forth which notice shall identify DISTRICT's deficiencies in performance of this

AGREEMENT. If, within thirty (30) days of the date of said notice, DISTRICT has not cured the deficiency in performance, MSC may, by further written notice, terminate this AGREEMENT to be effective sixty (60) days following the date of said second written notice.

25.04. Obligations Upon Expiration or Termination

25.04.a. Upon the expiration or termination of this AGREEMENT, for any reason whatsoever, MSC shall promptly deliver the following to the DISTRICT's appointed agent:

All access keys and codes to Azalea Hall.

25.05. Disposition of Certain Property

25.05.a. MSC hereby acknowledges and agrees that any and all equipment not directly owned by MSC and all DISTRICT-owned equipment and materials used in connection with Azalea Hall shall remain the property of the DISTRICT, and MSC acknowledges that it shall not be entitled to remove such property from Azalea Hall upon the expiration or termination of this AGREEMENT, regardless of reason.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the day and year first above written.

McKinleyville Community Services District

McKinleyville Senior Center

By:_____

By:_____

John Corbett, President
MCSD Board of Directors

Chairman, MSC Board of Directors

Date:_____

Date:_____

Attest:

By:_____

Becky Schuette, Secretary to the Board of Directors

ARTICLE IV - PARKS AND RECREATION

REGULATION 40. - RECREATION AND PARKS ADVISORY COMMITTEE

Rule 40.01. MEMBERSHIP. The McKinleyville Community Services District Recreation and Parks Advisory Committee shall consist of ten (10) members who shall serve without compensation selected as follows:

- (a) One (1) member shall be a member of the District Board.
- (b) One (1) member shall be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors.
- (c) Six (6) adult members shall be resident electors of the District and the one (2) high school members (nominated by the McKinleyville High School principal) shall be a resident of the District; representing to the extent possible various recreational interests of the community including but not limited to business, environmental, equestrian, sports, seniors, trails and youth. Recommendations for appointment may be made by the then current members of the committee.

Rule 40.02. APPOINTMENT. The committee members shall be appointed as follows:

- a. The Board of Directors shall announce each vacancy and shall state they are seeking applicants, setting forth the qualifications, if any required.
- b. The Board of Directors shall interview each applicant, after which a majority of the Board of Directors, may select the most qualified to fill the vacancy.

Rule 40.03. MEMBER QUALIFICATIONS. All members, other than the high school member, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of McKinleyville. No members of the Recreation Advisory Committee shall be a family member or related to a full-time MCSD employee.

Rule 40.04. TERMS OF OFFICE. The committee members shall serve terms as follows:

- a. Appointment of District Board Members shall be for a term of one (1) year. Such member shall be a non-voting member.
- b. Appointment of McKinleyville Area Fund members and community members shall be for a term of four (4) years.
- c. Terms of the other non-Board of Director committee members shall be staggered so that no more than two (2) terms shall expire in any given year.
- d. The annual expiration date of appointment shall be December 31st.

Rule 40.05. REMOVAL. Members of the Committee may be removed by a majority vote of the District Board of Directors.

Rule 40.06. ABSENCES. If any member of the Committee is absent without prior notification to the Parks and Recreation Director for three (3) regular consecutive meetings, the Parks and Recreation Director shall certify that fact to the Board of Directors and the Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position by appointment.

Rule 40.07. ELECTION OF OFFICERS. The Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for

more than two (2) consecutive years.

Rule 40.08. OFFICERS. The Committee shall elect a Chairperson and Vice-Chairperson from among its members.

Rule 40.09. MEETINGS. The Committee shall hold regularly scheduled meetings in the Board of Directors Chambers of the District Office, or at such other place within the District as may be designated by the Committee, and may hold such additional meetings as it may deem necessary or expedient. All meetings must be noticed in compliance with state and federal laws.

Rule 40.10. TIME/LOCATION OF MEETINGS. The time of the regular meetings shall be as established from time to time by the committee members.

Rule 40.11. QUORUM. A majority of the Committee shall constitute a quorum for the purpose of transacting business of the Committee.

Rule 40.12. RECORDS. Written records of all the proceedings, findings, determinations and transactions of the Committee shall be kept, which record shall be a public record and a copy of which record shall be filed with the District Secretary.

Rule 40.13. POWERS AND DUTIES. The Recreation and Parks Advisory Committee shall have the following powers and duties:

(a) To serve in an advisory capacity to the Board of Directors and District Staff in all matters pertaining to public recreation, parks, and their respective facilities;

(b) To make recommendations to the Board of Directors and District Staff with respect to the provisions of the annual budget for recreation and parks purposes;

(c) To recommend to the Board of Directors acceptance or rejection of offers of donations of money, personal property and real property to be used for recreation and parks purposes;

(d) To recommend to the Board of Directors a comprehensive recreation and park services program for the inhabitants of the District, to promote and stimulate public interest therein, and to solicit to the fullest extent the cooperation of school authorities and other public and private agencies interested therein;

(e) To recommend for adoption by the Board of Directors rules and regulations for the use and improvement of the District's recreation services and parks and their respective facilities;

(f) To recommend to the Board of Directors and District staff policies for the acquisition, development and improvement of recreation and parks areas; and

(g) To perform such other duties relating to recreation and park matters as may be prescribed by the Board of Directors.

REGULATION 41. -RECREATION AND PARK SYSTEM

Rule 41.01. INJURY TO OR MISUSE OF RECREATION AND PARKS SYSTEM PROPERTY.
NO PERSON SHALL:

(a) Willfully mark, deface, injure, tamper with, or displace or remove any buildings, bridges, tables, benches, fireplaces, railings, bleachers, ball fields, water lines, paving or paving materials or other public utilities or parts thereof, signs, notices or placards, whether temporary or permanent, monuments, stakes, posts or other boundary markers, or other structures or equipment, or recreation and parks system property or appurtenances whatsoever, either real or personal.

(b) Litter, soil or defile buildings, structures, grounds, equipment or other recreation and parks system property or appurtenances whatsoever. Trash, litter and other debris must be deposited into the proper receptacles.

- (c) Remove any soil, rock, stones, turf, trees, shrubs, or plants, down timber or other wood or materials or make any excavations by tool, equipment or any other means or agency.
- (d) Construct or erect any building or structure of whatever kind, whether permanent or temporary in character, or run or string any public utility into, upon or across such land except by District permit.
- (e) Trespass upon any area where prohibited.
- (f) Hunt, molest, or otherwise harm wildlife and plant life within the recreation and parks system.
- (g) Announce, advertise or call the public attention in any way to any article or service for sale or hire, except by District permit.
- (h) Paste, glue, tack or otherwise post any sign, placard, advertisement, or inscription whatever, nor shall any person erect or cause to be erected any sign whatever within the recreation and parks system without permission from the District.
- (i) Use any system for amplifying sounds, whether for speech or music or otherwise within the recreation and parks system unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit is first secured from the District.
- (j) Discharge any weapon of any type within the recreation and park system boundaries for any reason.
- (k) Make fires of any type for any reason in any area that is not properly equipped and designated to contain a fire.
- (L) Use model rockets and remote control model airplanes in McKinleyville Parks and Open Space without prior written approval from the District's General Manager.

Rules 41.02. POLLUTING WATERS OR DUMPING REFUSE PROHIBITED. NO PERSON SHALL:

- (a) Throw, discharge, or otherwise place or cause to be placed in the waters of any fountain, pond, stream or any other body of water in or adjacent to any component of the recreation and park system or any tributary, stream, storm sewer or drain flowing into such waters any substance, matter or things, liquid or solid, which will or may result in the pollution of said waters.
- (b) Dump, deposit, or leave any trash not created within the boundaries of the recreation and park system.

Rule 41.03. OPERATION OF MOTORIZED VEHICLES-PROHIBITED ACTS. NO PERSON SHALL:

- (a) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of motorized vehicles together with such regulations as are contained in this ordinance.
- (b) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.
- (c) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (d) Operate a motorized vehicle, other than MCSD-authorized vehicles, within the boundaries of the facility except in those areas designated as driveways.

Rule 41.04. OPERATION OF NON-MOTORIZED VEHICLES--PROHIBITED ACTS. NO PERSON SHALL:

(a) Non-motorized vehicles shall be defined as any form of transportation in which human or gravitational energy powers the source of transportation. Examples of such transportation are defined as bicycles, skateboards, roller blades, roller skates, etc.

(b) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of non-motorized vehicles together with such regulations as are contained in this ordinance.

(c) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.

(d) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.

(e) Operate non-motorized vehicles on any sidewalks, on pathways designated for pedestrian traffic only, and within turf and landscaped areas.

Rule 41.05. CONDUCT - ALCOHOLIC BEVERAGES:

(a) Patrons may use alcoholic beverages with meals in designated areas at recreation and parks system facilities, provided they conduct themselves in an orderly manner;

(b) Alcoholic beverages may be served or may be sold by permit only at designated recreation and parks system facilities where sales are not prohibited and provided a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit have been secured;

(c) No person shall be under the influence of intoxicating substances as provided in Section 647 (f) of the California Penal Code;

(d) The District may withdraw the privilege to use alcoholic beverages at anytime if the rules and regulations as are contained in this ordinance are not abided by;

(e) Use of intoxicating substances other than alcohol is prohibited.

Rule 41.06 PETS. Pets may be off leash at outdoor facilities in designated areas and facilities only and must be under voice control at all times. Animal owners are responsible for removal of animal excrement from the facility.

Rule 41.07. OVERNIGHT USE PROHIBITED. There is to be no camping or loitering on the grounds or in public buildings or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

Rule 41.08. FIRES. Fires will be allowed on grounds only in those areas equipped with District provided equipment designated for the containment of fires.

REGULATION 42. - OPERATION OF PIERSON PARK

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

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

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

Rule 42.04. OVERNIGHT USE PROHIBITED. All events shall conclude at 10:00 p.m. Sunday-Thursday and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

Rule 42.05. FIRES. Fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designated for the containment of fires.

Rule 42.06. PETS. The designated off leash area is defined as the area of the park east of Azalea Hall's Hewitt Room and north of the gazebo. Horses are not allowed.

REGULATION 43. - OPERATION OF HILLER PARK

Rule 43.01. PICNIC AREA USE. The picnic area is defined as the area of the park east of the western perimeter of the volleyball court. Individuals or organizations desiring organized use of any portion of the picnic area in Hiller Park for the purpose of holding organized functions may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

Rule 43.02. PETS. The designated off leash area is defined as the area of the park west of the westerly perimeter of the volleyball court. Horses are prohibited in the picnic area.

Rule 43.03. FIRES. Fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designed for the containment of fires.

Rule 43.04. OVERNIGHT USE PROHIBITED. All events shall conclude at 10:00 p.m. Sunday-Thursday and at Midnight on Friday and Saturday. Overnight use is prohibited unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

REGULATION 44. - OPERATION OF LARISSA PARK

Rule 44.01. PETS. Pets must be on leash at all times.

REGULATION 45. - PERMITS, FEES AND DEPOSITS

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

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

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

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

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

Rule 45.02. FACILITY USAGE PERMIT PROCESS. Any individuals or organizations seeking issuance of a facility usage permit hereunder shall file a request for permit to use District facilities on the appropriate reservation form provided by the District. All requests must be filed with the District along with the required facility usage deposit, usage fees, proof of appropriate insurance coverage, and fees for other services at least (10) working days prior to the actual event date. The Parks and Recreation Director, under direction of the Board, may impose additional conditions for approval.

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

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

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

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

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

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

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

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

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

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

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

ACTIVITY CENTER

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

AZALEA HALL-ENTIRE FACILITY

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

AZALEA HALL-HEWITT ROOM

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

AZALEA HALL-MEETING ROOM

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

LIBRARY CONFERENCE ROOM

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

PARKS

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

SPECIAL EVENT SERVICES

Event Setup

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

Event Cleanup

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

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

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

Rule 45.04. DEPOSIT. A facility usage deposit, as established and adopted by the District Board must accompany each facility usage permit request for any facility usage permit required hereunder. The facility usage deposit shall be refunded to the applicant within fifteen working days if the facility is restored to pre-use conditions. If District clean-up is required to restore the facility to pre-use conditions or damage is noted to the facility, any refund will be less the expense associated with returning the facility to pre-use conditions.

Rule 45.04.a. FACILITY USE DEPOSIT FEES. The District shall charge a \$100 deposit for events which qualify and are defined as special events. The District shall charge a \$200 deposit for events which qualify and are defined as large-scale community events.

Rule 45.05. INSURANCE. A facility usage permit request shall not be considered fully executed unless the individual or organization seeking issuance of a facility usage permit obtains and furnishes liability coverage for the event which is acceptable to the District. The Parks and Recreation Director may impose additional conditions for approval.

Rule 45.06. PERMITS FOR USE OF FACILITIES. The District shall only grant a facility usage permit for organized use of a facility when each of the following findings can be made:

- (a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the facility usage permit is requested;
- (b) The expected attendance does not exceed the capacity of the facility or area.
- (c) The use for which the facility usage permit is sought complies with the use established for the facility or area requested,

Rule 45.07. USE OF SOUND AMPLIFICATION SYSTEM. The District shall only grant permission for use of any sound amplification system when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a facility usage permit request for the facility in which use of the sound amplification system is requested.
- (b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users.
- (c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations.
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which sound amplification systems are utilized, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event.

Rule 45.08. SALE OR SERVICE OF ALCOHOLIC BEVERAGES. The District shall only grant permission for sale or service of alcoholic beverages when each of the following findings can be made:

- (a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a facility usage permit request for the facility in which the sale of alcoholic beverages is requested;
- (b) If applicable, the individual or organization seeking permission has a valid permit from the Alcohol Beverages Commission to sell alcohol;
- (c) If applicable, the individual or organization seeking permission has secured outside security services;
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which alcohol is served or sold, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event;
- (b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

The Parks and Recreation Director has the authority to impose additional conditions as a requirement for issuance of a fully executed Special Event Reservation Form and Permit or Community Event Reservation Application and Permit.

Rule 45.09. USE OF DISTRICT-OWNED EQUIPMENT. The District shall make available to individuals or organizations recreation-related equipment, which can be utilized for outdoor use. District shall only grant permission for use of District-owned equipment when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;
- (b) The Individual or organization must file, with the District, a facility usage permit request for the facility in which the equipment will be utilized;
- (c) The requested equipment is available during the period for which use of the equipment is requested;
- (d) The individual or organization requesting use of MCSD-owned equipment furnishes the District with appropriate liability coverage.

Rule 45.10. APPEALS. An appeal of the action of District staff on any Facility Use Permit pursuant to this regulation must be in writing and filed by or on behalf of the individual or organization seeking the facility usage permit, within (10) days after the action of District staff on the facility usage permit request. The appeal shall set forth in detail the factual and legal basis of the appeal. The Board of Directors shall consider and act on the appeal within forty-five (45) days after the appeal is filed. The individual or organization filing the appeal shall be entitled to submit oral or written evidence to the Board in support of the appeal. Action of the Board of Directors on the appeal shall be final.

REGULATION 46. - ENFORCEMENT

Rule 46.01. VIOLATIONS. Any violation of these rules and regulations relating to the use of District facilities located within the recreation and parks system is a misdemeanor, punishable by law.

REGULATION 47. - HILLER SPORTS SITE DEVELOPMENT, MANAGEMENT AND SCHEDULING COMMITTEE

Rule 47.01. MEMBERSHIP. The McKinleyville Community Services District Hiller Sports Site Development, Management and Scheduling Committee shall consist of members described below who shall serve without compensation selected as follows:

a) Committee size shall be determined by the number of local sports organizations having and maintaining a current Hiller Sports Site Development, Funding, Maintenance, and Use Agreement with District who nominate a member to the Committee and an additional member shall be from the District's Recreation Advisory Committee and an additional member shall be appointed to the Committee by the Board which member shall be of the general public.

Rule 47.02. APPOINTMENT. The committee members shall be appointed as follows:

a) All local sports organizations with a valid and current IRS non-profit identification number and who have and maintain a current Hiller Sports Site Development, Funding, Maintenance and Use Agreement with District are invited to nominate one member and one alternate member to the Committee. Such nominations shall be made in writing to the Director of Parks and Recreation. Recommendations for appointment shall be made by the Committee to the Recreation Advisory Committee who shall in turn recommend nominees to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.

b) One member shall be a member of the Recreation Advisory Committee. Recommendations for appointment shall be made by the Recreation Advisory Committee. Appointment shall be made by the District's Board of Directors.

c) One member shall be a member of the general public who is a resident elector of the District and who shall hold no official office with any local sports organization desiring to offer programs at the Hiller Sports Site. Such member shall be nominated by the Committee who shall forward a recommendation to the Recreation Advisory Committee who shall in turn forward a recommendation to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.

Rule 47.03. MEMBER QUALIFICATIONS. Each member shall meet one of the criteria named above in Rule 47.02.

Rule 47.04. TERMS OF OFFICE. The Committee members shall serve terms as follows:

a) Appointment of the Recreation Advisory Committee member representative of Committee and member of the general public to the Committee shall be for a term of two (2) years. Such members may be re-appointed to successive terms.

b) Terms of other members shall be for a term of one (1) year. Such members may be re-appointed to successive terms.

c) The annual expiration date of each term shall be January 31st.

- d) **Rule 47.05. REMOVAL.** Members of the Committee may be removed by a majority vote of the District Board of Directors.
- e) **Rule 47.06. ABSENCES.** If any member of the Committee is absent without prior notification to the Director of Parks and Recreation for two (2) regular consecutive meetings, the Director of Parks and Recreation shall certify that fact to the organization for whom the individual is a representative and to the District's Board of Directors. The District's Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position as outlined in 47.02. Should the vacated position have a designated alternate, said alternate shall be appointed to full membership status. The organization of which the alternate is a member shall be authorized to nominate a designated alternate.
- f) **Rule 47.07. ELECTION OF OFFICERS.** The Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.
- g) **Rule 47.08. OFFICERS.** The member of the Committee who is a representative of the District's Recreation Advisory Committee shall be designated as Chairperson of the Committee. The member of the Committee who is a representative of the general public shall be designated as Vice-Chairperson.
- h) **Rule 47.09. RECORDS.** Written records of all proceedings, findings, determinations, and transactions shall be kept, which record shall be a public record and a copy of which record shall be filed with the District's secretary.
- i) **Rule 47.10. POWERS AND DUTIES.** The Committee shall have the power and duty to serve in an advisory capacity to the District's Recreation Advisory Committee and the Board of Directors in all matters pertaining to the development, scheduling, maintenance, and use of the Hiller Sports site.

McKINLEYVILLE SENIOR CENTER Schedule for Use of Azalea Hall

1. The McKinleyville Senior Center (MSC) shall have exclusive use of the Meeting Room located in Azalea Hall as follows:

Monday through Friday	8:00 am – 4:00 pm
Saturdays	12:30 pm – 3:30 pm
Sundays	6:00 pm – 10:00 pm

Additional Use: MSC shall have exclusive use on the third Wednesday of July, October, January, and April from 4:00 pm – 7:00 pm.
2. MSC shall have exclusive use of the Hewitt Room and Kitchen in Azalea Hall for nine (9) hours per month as scheduled and approved by the General Manager. Furthermore, the MSC agrees to pay DISTRICT \$16.00 per hour for any use in the Azalea Hall Kitchen that exceeds nine (9) hours per month.
3. MSC may use Azalea Hall during other unreserved times for any normal operation or activity; whether spontaneous, scheduled, or ongoing at no charge to MSC.
4. MSC shall have exclusive use of the Azalea Hall Office Monday through Friday, from 9:00 am – 1:00 pm. DISTRICT shall have exclusive use of the Azalea Hall Office Monday through Friday, from 1:00 pm – 5:00 pm, evenings, and weekends.
5. MSC agrees to inform DISTRICT of scheduled or ongoing use so DISTRICT may include such events on the Azalea Hall facility use calendar. However, if DISTRICT, a DISTRICT-approved vendor, special event, or recreation program, require use of the Hewitt Room during those times, except times granted to MSC in number one (1) above, such use shall have priority over use of the Hewitt Room by MSC. Furthermore, MSC agrees to reschedule, move, or make alternative arrangements for any cancellation resulting from such use at no cost to DISTRICT.
6. Acknowledging that the participants in MSC programs are a viable and important part of the community, DISTRICT shall consider, respect, and adhere to MSC's scheduled and ongoing use of the Hewitt Room when scheduling and planning recreation programs for the community. Furthermore, DISTRICT agrees that all such scheduling of the Hewitt Room for DISTRICT's recreation programs shall result in consultation with the Executive Director of the MSC and DISTRICT's General Manager. The DISTRICT shall notify the MSC of scheduling changes well in advance.
7. MSC shall not charge a usage fee to any group or organization for the use of Azalea Hall Kitchen or Hewitt Room without gaining prior authorization from the General Manager.
8. MSC shall pay for the use of Azalea Hall Hewitt Room and/or Kitchen for any profitable fee based class or event held outside of the allotted times listed in #1 & #2 above.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: D.6 **Consider cancelling the May 6, 2015 Regular Board Meeting and instead call a Special Board Meeting on Wednesday, May 13, 2015 at 7:00pm**

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

TYPE OF ACTION: **Voice Vote Consent Calendar**

Recommendation:

Staff recommends that the Directors consider the information provided and approve the cancellation of the May 6, 2015 Regular Board Meeting and instead call a Special Board Meeting on Wednesday, May 13, 2015 at 7:00pm.

Discussion:

May 5th through May 8th, the Association of California Water Agencies will be holding its 2015 Spring Conference and Exhibition in Sacramento, CA. President Corbett and Director's Wheeler and Mayo are scheduled to attend the conference. Having three of the Board members absent at the May 6, 2015 Regular Scheduled Board Meeting presents an inability to form a quorum for the regular meeting.

There is no training or travel scheduled for the Director's or Staff during the following week.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

Not applicable

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.1 **Informational update to Board on partnership with the Boys & Girls Club of the Redwoods**

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

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board listen to staff's presentation, air questions, and take public comment on the current status of the partnership development between MCSD and the Boys & Girls Club of the Redwoods.

Discussion:

MCSD staff has been working with the Boys & Girls Club of the Redwoods (BGCR) staff on the development of a partnership for the operation and use of the McKinleyville Teen and Community Center. Recent work has focused on a funding request submitted by the Boys & Girls Club of the Redwoods to the SH Cowell Foundation, outlining the structure and roles for a Volunteer Teen Center Committee, and the development and implementation of a Leadership Workshop for youth in 7th- 9th grades.

The funding requested from the SH Cowell foundation is intended to pay for a business consultant who will assist the partnership in creating a business plan and Memorandum of Understanding (MOU) for the shared use and operation of the McKinleyville Teen and Community Center. The request was submitted to SH Cowell to be decided upon at their March Board of Directors meeting. Should funding be approved, we will begin the work with the consultant to develop an MOU and business plan in April. The goal is to have a complete MOU by June 2015.

The Volunteer Teen Center Committee is intended to become a multi-generational [*meaning comprised of both adult and teen members carrying equal status*] group of motivated community members focused on raising funds for the sustainability of the McKinleyville Boys & Girls Club of the Redwoods Teen Center.

Staff have been working with the teen participants of the McKinleyville Youth Leadership Society (MYLS) planning and developing an eight hour leadership workshop for students in 7th- 9th grades. The Leadership workshop will be primarily led and implemented by the MYLS participants and is geared to building up the youth participation in the MYLS by engaging younger students and getting

them excited about leadership of the Teen center so that they will be ready to lead the way for their peers when the building is open.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Unknown

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.2 **Consider appointing a Board member to serve on the Volunteer Teen Center Committee**

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

TYPE OF ACTION: **Appointment by President Corbett**

Recommendation:

Staff recommends that the Board listen to staff's presentation, air questions, take public comment and request the Board President appoint a Board member to serve on the Volunteer Teen Center Committee.

Discussion:

MCSD staff has been working with the Boys & Girls Club of the Redwoods (BGCR) staff developing a partnership for the operation and use of the McKinleyville Teen and Community Center. One component of the partnership development is the creation of a committee to serve in the interest of raising support and awareness for the Teen and Community Center on behalf of both MCSD and BGCR.

The committee will require representation from the Board of Directors of each organization as well as at least one staff member from each organization. For the present these four (4) representatives are being termed "Cornerstones" of the committee. The "Cornerstones" will:

- be responsible for the recruitment of additional community volunteers to serve on the committee;
- serve as liaison to their respective Board;
- be held collectively accountable to serving in the interest of both MCSD and BGCR;
- be responsible for ensuring that the committee functions within the shared vision and mission of the partnership between MCSD and BGCR.

It is the goal of the partnership to have the initial meeting of the "Cornerstone" representatives in June, to establish and identify a recruitment strategy that will take place through July and August forming a functioning committee by September.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Unknown

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Teen Center “Cornerstone Committee” Roles and Responsibilities

Teen Center “Cornerstone Committee” (Official Name TBD) Roles and Responsibilities

General Description

The “Cornerstone Committee” is a multi-generational [*meaning comprised of both adult and teen members carrying equal status*] group of motivated community members focused on raising funds for the sustainability of the McKinleyville Boys & Girls Club of the Redwoods Teen Center. Key positions such as Committee Chair, Secretary, etc will be held by “co-chairs” comprised of both a teen and adult member working in partnership.

Requirements for Membership

- Completed volunteer application and background check
 - Application to include a conflict of interest clause
- Commitment to a 1-year term, including attending monthly “committee” meetings, and other tasks as needed
- Participation in Youth Leadership or Adult Ally training

Attributes, Roles and Responsibilities of Members

- Ability and willingness to work across generations in a collaborative way with active engagement of teen committee members
- Organize and execute an annual fundraising special event
- Actively seek out other opportunities to raise funds
- Support teen-lead fundraising and marketing efforts (i.e. MYLS events, Keystone projects)
- Engaged in fulfilling the Teen Center needs / Items listed in the Club’s “wish list”
- Support stewardship tasks of BGCR development committee as requested
- Create bi-annual opportunities to showcase the Club to the community (i.e. an open house)
- Create opportunities to engage community groups and educate them about the Center and Boys & Girls Club of the Redwoods (i.e. Rotary presentations)
- Serve as an ambassador of the McKinleyville Boys & Girls Club of the Redwoods Teen Center in the community (i.e. in discussions with peers; within other groups such as PTO, Chamber of Commerce, etc)

To build this “fundraising committee” a 4-member group will be charged with the task of identifying and recruiting appropriate community volunteers to serve. This group [casually referred to at the “Cornerstone group”] is comprised of: 1 Boys & Girls Club Board Member, 1 Boys & Girls Club Staff Member, 1 MCSD Board Member, 1 MCSD Staff Member

Roles and Responsibilities of “Cornerstones”

The cornerstones will be responsible for upholding and ensuring that the committee functions within the shared vision and mission of the partnership between MCSD and BGCR. The cornerstones will

be held collectively accountable to both MCSD and BGCR Board of Directors. The board member representative of each organization will serve as liaison to their respective Boards. The Cornerstone group will have decisions making powers relevant to the “Fundraising Committee” activities so long as the decision is not in conflict with either organizations mission or values.

Timeline

The discussed timeline for this committee follows the below goals:

June – The Cornerstone Group meets for the first time to begin the identification and recruitment process for the committee.

August/September – The “Fundraising Committee” meets for the first time, with a charge of planning the grand opening of the facility [understanding this could happen AFTER the facility actually opens its doors to teens]

September/October – Members are trained through Youth Leadership or Adult Ally training as appropriate

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider Approving Resolution 2015-07 amending the Rules and Regulations, Rules 40.01. MEMBERSHIP and Rule 40.04.B. TERMS OF OFFICE**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board listen to staff's presentation, air questions, take public comment and approve Resolution 2015-07 amending the Rules and Regulations, Rules 40.01. MEMBERSHIP and Rule 40.04.b. TERMS OF OFFICE.

Discussion:

Recognizing that the Recreation Advisory Committee could benefit from increased participation, and wanting to encourage interested and qualified community members to participate in their community, staff would like to increase the membership limits to accommodate the potential future interest in participation on the Recreation Advisory Committee. The current Rules and Regulations allow for ten (10) regular members and zero (0) alternates.

Staff is recommending the Board amend the Rules and Regulations so that it reads as follows:

Rule 40.01. MEMBERSHIP. The McKinleyville Community Services District Recreation and Parks Advisory Committee shall consist of ~~ten~~ eleven (11) regular members and two (2) alternate members who shall serve without compensation selected as follows:

(a) One (1) non-voting member shall be a member of the District Board.

~~(b) One (1) member shall be a member~~ The remaining ten (10) members shall consist of eight (8) regular voting members and two (2) alternates. Of the eight (8) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors. When possible two (2) of the eight (8) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.

~~(b)~~ (c) The two (2) alternate members will not become voting members unless a regular voting member is absent. In the event that both alternates are present when only one regular member is absent, the alternates will decide upon which of the two (2) will fill the absent chair by a mutually agreed upon

method. In the event the alternates cannot determine a method of decision, the committee chair will choose an appropriate decision making method.

~~(d) Seven (7) adult members shall be resident electors of the District and the one (2) high school members (nominated by the McKinleyville High School principal) shall be a resident of the District;~~ All members of the Recreation Advisory Committee will representing to the extent possible various recreational interests of the community including but not limited to business, environmental, equestrian, sports, seniors, trails and youth. Recommendations for appointment may be made by the then current members of the committee.

~~(e)~~ (e) Any citizen, residing in the service area of the McKinleyville Community Services District may apply to the District Board for appointment to fill vacant seats on the Recreation Advisory Committee.

Rule 40.02. APPOINTMENT. The committee members shall be appointed as follows:

a. The Board of Directors shall announce each vacancy and shall state they are seeking applicants, setting forth the qualifications, if any required.

b. The Board of Directors shall interview each applicant, after which a majority of the Board of Directors, may select the most qualified to fill the vacancy.

Rule 40.03. MEMBER QUALIFICATIONS. All members, other than the high school member, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of McKinleyville. No members of the Recreation Advisory Committee shall be a family member or related to a full-time MCSD employee.

Rule 40.04. TERMS OF OFFICE. The committee members shall serve terms as follows:

a. Appointment of District Board Members shall be for a term of one (1) year. Such member shall be a non-voting member.

b. Appointment of McKinleyville Area Fund members and non-student community members shall be for a term of four (4) years. The term for student members shall be up to 4 years, limited by their High School graduation date.

c. Terms of the other non-Board of Director committee members shall be staggered so that no more than two (2) terms shall expire in any given year.

d. The annual expiration date of appointment shall be January 31st.

At the February 20, 2015 RAC meeting, there was no quorum to make an official recommendation to the Board. After taking a straw vote, all members present agreed with staff's recommendation.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Resolution 2015-07

RESOLUTION 2015-07

**A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
AMENDING THE RULES AND REGULATIONS, RULES 40.01 MEMBERSHIP AND RULE
40.04.B TERMS OF OFFICE**

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

WHEREAS, the Board recognizes the importance of having community members serve on the Recreation Advisory Committee; and

WHEREAS, the Board has determined that it is necessary to increase the membership on the Recreation Advisory Committee; and

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

Rule 40.01. MEMBERSHIP. The McKinleyville Community Services District Recreation and Parks Advisory Committee shall consist of ~~ten~~ eleven (~~10~~11) regular members and two (2) alternate members who shall serve without compensation selected as follows:

- (a) One (1) non-voting member shall be a member of the District Board.
- ~~(b) One (1) member shall be a member~~ The remaining ten (10) members shall consist of eight (8) regular voting members and two (2) alternates. Of the eight (8) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors. When possible two (2) of the eight (8) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.
- ~~(b)(c) The two (2) alternate members will not become voting members unless a regular voting member is absent. In the event that both alternates are present when only one regular member is absent, the alternates will decide upon which of the two (2) will fill the absent chair by a mutually agreed upon method. In the event the alternates cannot determine a method of decision, the committee chair will choose an appropriate decision making method.~~
- ~~(d) Seven (7) adult members shall be resident electors of the District and the one (2) high school members (nominated by the McKinleyville High School principal) shall be a resident of the District; All members of the Recreation Advisory Committee will~~ representing to the extent possible various recreational interests of the community including but not limited to business, environmental, equestrian, sports, seniors, trails and youth. Recommendations for appointment may be made by the then current members of the committee.
- ~~(e)(e) Any citizen, residing in the service area of the McKinleyville Community Services District may apply to the District Board for appointment to fill vacant seats on the Recreation Advisory Committee.~~

Rule 40.02. APPOINTMENT. The committee members shall be appointed as follows:

- a. The Board of Directors shall announce each vacancy and shall state they are seeking applicants, setting forth the qualifications, if any required.
- b. The Board of Directors shall interview each applicant, after which a majority of the Board of Directors, may select the most qualified to fill the vacancy.

Rule 40.03. MEMBER QUALIFICATIONS. All members, other than the high school member, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of McKinleyville. No members of the Recreation Advisory Committee shall be a family member or related to a full-time MCSD employee.

Rule 40.04. TERMS OF OFFICE. The committee members shall serve terms as follows:

- a. Appointment of District Board Members shall be for a term of one (1) year. Such member shall be a non-voting member.
- b. Appointment of McKinleyville Area Fund members and non-student community members shall be for a term of four (4) years. The term for student members shall be up to 4 years, limited by their High School graduation date.
- c. Terms of the other non-Board of Director committee members shall be staggered so that no more than two (2) terms shall expire in any given year.
- d. The annual expiration date of appointment shall be January 31st.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 4th day of March 2015 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.4 **Consider appointments for vacant positions on the Recreation Advisory Committee between three (3) applicants (Addison O'Hanen, Mary Burke and Bill Prescott)**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends that the Board listen to staff's presentation, air questions, take public comment and appoint the following individuals to the Recreation Advisory Committee (RAC):

Addison O'Hanen as a regular member

Mary Burke as a regular member

Bill Prescott as an alternate member

Discussion:

With the assumption that item E.3 was approved at tonight's meeting, there are currently three (3) regular openings, one of them being a student opening and two (2) alternate openings on the RAC. Staff has posted sufficient notice through local media and at District facilities of the vacancies for the RAC.

We have received letters of interest from Addison O'Hanen, Mary Burke and Bill Prescott.

Addison O'Hanen:

Addison was appointed to the RAC as a student member by the Board of Directors on September 4, 2013 and has served since. Addison's term ended on January 31, 2015. Prior to serving on the RAC Addison completed an Eagle Scout project for the District at Norton Creek Wildlife Area. The project included installing a park bench overlooking the pond area as well as making improvements to the gravel trail system throughout the open space zone.

Mary Burke:

Mary says she's a long time appreciator of McKinleyville parks and open space and that she grew up visiting the Mad River Bluffs. She says she wants to participate in the RAC in order to be sure that McKinleyville continues to protect areas where children can play and connect with nature.

Mary has written successful grants for public access and trails. Most recently she worked with a team including MCSD staff to successfully receive grant funding from the Fisheries Restoration Grant Proposal to prepare engineering designs to connect the Mad River to 4.25 acres of flood plane to provide critical juvenile salmonid rearing habitat for Coho salmon.

She is currently serving as the president of the Board of the Friends of the Arcata Marsh. Mary says that she can think creatively about building spaces that are beautiful and functional and that appeal to multiple senses.

Bill Prescott:

Bill moved to McKinleyville in 2013. While new to the area, Bill says he is impressed with the parks and recreation facilities available in McKinleyville. In his previous town, bill served on a similar committee for thirteen (13) years. He says while there are differences in the two committees he also believes that “working with a group in an advisory capacity to management is the same”.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Letter of Interest (Addison O’Hanen)
- Attachment 2 – Letter of Interest (Mary Burke)
- Attachment 3 – Letter of Interest (Bill Prescott)

Dear Jason,

It would be an honor to sit on the MCSD Recreation Advisory Committee for another term. This last year it was quite interesting to be on the board as a youth member . In my scouting experience I have enjoyed holding multiple positions in my Boy Scout Troop; including Senior Patrol Leader and Junior Assistant Scout Master. Through this, and my Eagle Scout project, I have learned valuable leadership skills and much about decision making for the greater good of the troop and community. I believe sitting on this committee would give me the opportunity to use the skills I have learned in scouting in a practical way for the community as well as further developing these leadership skills. Thank you for considering me for this position, I am truly hoping I may be selected and am looking forward to this experience.

Prepared to serve,

Addison O'Hanen

Jason Sehon
Parks & Recreation Director
CPRS Region 1 Rep, Recreation Supervisors Section
McKinleyville Community Services District
1656 Sutter Road, McKinleyville, CA 95519

February 12, 2015

To Jason Sehon,

I am writing to express my interest and qualifications for a position on the Recreation Advisory Committee (RAC). I am a life-long appreciator of McKinleyville parks and open space and I recently became homeowner in my preferred neighborhood on lower School Road. I grew up visiting the Mad River Bluffs where the trails and forest were a formative piece of my development. I know that I am one of the few lucky people who's small piece of the natural world that I played in as a child is still intact. I want to participate in the RAC in order to be sure that McKinleyville continues to protect areas where children can play and connect with nature.

In my work capacity, I have written successful grants for public access and trails. I serve as the President of the Board of the Friends of the Arcata Marsh and understand the importance of finding intersections in the landscape that allow for multiple uses and objectives. I am an athlete and believe in the great benefits of sports for all ages. I am an artist and have experience working with the land and many different materials – and I can think creatively about building spaces that are beautiful and functional and that appeal to multiple senses.

Thank you for considering this letter of application for a position on the Recreation Advisory Committee. Please contact me using the information listed below for more information about my experience and interest.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mary C. Burke', with a stylized, flowing script.

Mary C. Burke

Mary C. Burke
581 School Road
McKinleyville, CA 95519
(707) 599-1212
mburke5@gmail.com

2895 Little Pond Street
McKinleyville, CA 95519

January 16, 2015

Mr. Jason Sehon
Parks and Recreation Director
McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA 95519

Dear Mr Sehon:

I would like to apply for the position on the Recreation Advisory Committee as advertised in the January 11, 2015 Times Standard.

I am new to the area, having moved here in June of 2013. As I explored my new town, I was immediately impressed with the parks and recreation facilities available here in McKinleyville. In time, I have taken advantage of a few of the resources, particularly enjoying the Hammond Trail and Hiller Park (with my grandson).

In my previous town, I served on a similar committee for about 13 years. Although there are significant differences between the two places, working with a group in an advisory capacity to management is the same. In addition to this previous experience, as a retiree, I have the time to devote to the needs of the committee during business hours. Also, as a new comer, I might see things differently thereby offering a new solution to an old problem.

Thank you for your consideration.

Very truly yours.


Bill Prescott

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.5 **Employee negotiations regarding proposed one (1) year compensation contract with district employees**

PRESENTED BY: **Greg Orsini, General Manager/Helen Edwards, David Couch, Directors**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends the Board review the information presented, discuss and take public comment and consider approval of a One (1) year term agreement with employees as follows:

1. Maintain the current general benefit package in terms of holidays, vacation, sick time, life, medical and dental insurance in addition to other current general employee benefits.
2. Maintain the current longevity pay increase of a 2.5% salary increase at 10, 15, and 20 years of continuous full time service (40 hours per week). This would continue to be calculated based on full time employment working 40 hours per week. Persons working who have worked less than 40-hours per week are not considered full time employees for purposes of calculating time worked for this benefit.
3. Approve this year's COLA increase of 1.95%. The COLA calculation will continue to utilize the Bureau of Labor Statistics Data website, using the average of the West-Size Class B/C, the SF/Oakland-San Jose, CA; all items; not seasonally adjusted CPI indices.
4. The PERS 457 Plan Deferred Compensation related to the District matching contribution will continue as previously approved District match of 3.0 % of gross wages.
5. Agree to the addition of the Employee Assistance Program (EAP) which is administered by the Association of California Water Agencies (ACWA) and provided by MHN, A Health Net Company, will be provided to all full-time employees at a cost of \$2.53 per employee per month for the current contract period.
6. The District will continue to pay the cost of State Disability Insurance (SDI) at the rate of 1% of total payroll.

Discussion:

It has been a tradition of MCSD since the 1990s for staff to negotiate with the MCSD Board of Directors for their benefit package.

The Board appointed negotiating committee consisting of Helen Edwards and David Couch. They met with the MCSD employee negotiating committee consisting of Chris Jones, Jennifer Olsen and Eric Martin to discuss the current employee compensation package that will expire on June 30, 2015.

Historically the Board and Staff considered components of the compensation package including:

1. General benefit package in terms of holidays, vacation, sick time, life, medical and dental insurance in addition to other current general employee benefits.
2. Longevity pay which consists of a 2.5% salary increase at 10, 15, and 20 years of full time (40 hours per week). This is calculated based on full time employment working 40 hours per week. Employees working who have worked less than 40-hours per week are not considered full time employees for purposes of calculating time worked for this benefit. In addition, this will be calculated based on continuous, uninterrupted employment service to the District. We would not use the word "permanent benefit" as this benefit may be subject to negotiations in the future.
3. Cost of Living Allowance (COLA) is an average of the two indices that the Board and the employees have used for over the last 14 years in determining a COLA. It is proposed that we continue to use the same indices for the sake of continuity by utilizing the Bureau of Labor Statistics Data website, using the average of the West-Size Class B/C, the SF/Oakland-San Jose, CA; all items; not seasonally adjusted CPI indices.
4. The District matches the employee's contribution to the PERS 457 Plan Deferred Compensation up to a certain percent, currently 3.0%. This benefit has proven beneficial in promoting the employees to participate in their retirement savings and deferring pre-tax dollars.
5. State Disability Insurance (SDI). In 2012 MCSD shifted from self-insured to the State of California System. Currently MCSD covers 100% of this cost of 1.0% of total payroll.

Through a series of discussions and correspondences the MCSD negotiating committee presented the following offer to the Board Negotiating Committee as Attachment 1 and agreed upon by the Board Negotiating Committee.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action
- Modify the recommendations from the negotiating committee and continue further negotiations with staff.

Fiscal Analysis:

Total <u>Budgeted</u> Compensation:		FICA/MC/SDI
2,444,869.00		PR Tax 8.65%
		126,296.00
\$ Increase (Decrease) over FY2014-15		% of TotalComp
26,858.00	\$ COLA Increase 1.95%	1.10%
10,820.00	\$ PR Tax Increase %	0.44%
(25,696.00)	\$ PERS decrease -2.429 %	-1.05%
62,663.00	\$ Health/Dental Ins. Net Incr	2.56%
3,717.00	\$ PERS 457 3%	0.15%
300.00	\$ Life Insur %	0.01%
8,586.00	\$ Worker's Comp Insur %	0.35%
820.00	\$ EAP %	0.03%
88,068.00	\$ Total Increase %	3.60%

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Memo from negotiations committee with requests
- Attachment 2 – Employee Assistance Program Summary

March 24, 2015

To: Board Members

From: MCSD Employee Negotiators
Chris Jones, Operations
Eric Martin, Parks and Recreation
Jennifer Olsen, Support Services

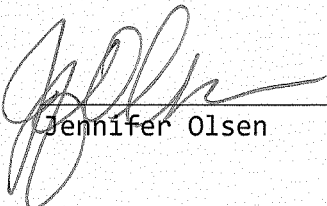
Re: Employee Negotiations Fiscal Year 15-16

First of all, thank you for taking the time to meet with us on March 6th. We appreciate the time and effort that you invest in serving the community of McKinleyville. After that session, we feel that the Board Members and the Employees are in agreement for the following fiscal year is as follows:

1. We would like to maintain the current benefit package. In terms of holidays, vacation time, and insurance benefits, Cal PERS match at 3%, and to keep the longevity pay increase of 2.5% at 10, 15, & 20 consecutive years of full time employment.
2. We are asking the Board to grant us this year's 1.95% COLA (cost of living adjustment) increase. This is the average of the two indices that the Board and the employees have used for over the last 10 years in determining a COLA and we propose that we continue to use the same indices for the sake of continuity. They are the blended rate that consists of West City CPI-W and the SF/Oakland CPI-W CPI indices.
3. We are asking that the District cover the costs of the Employee Assistance Program (EAP). This request would be a cost of approximately \$760 for a one year subscription for all full-time employees. The staff feels this would be a great benefit and resource for them and their families.

Sincerely,

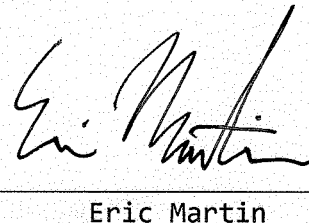
MCSD Employees



Jennifer Olsen



Chris Jones



Eric Martin

ACWA/JPIA 2015 Employee Assistance Program (MHN)

Service Description	Benefit
Toll-free 24/7/365 telephone consultation and referral services	unlimited
Face to face counseling visits per issue per year offered to employees and household members. Member choice of face-to-face, telephonic, or web-video clinical consultations	6 sessions per issue
Legal Consultation – 30-minute office or telephonic consultation per separate legal matter at no cost. 25% preferred rate discount for additional legal or mediation services. Online wills and trusts preparation services and discounts.	unlimited
Financial Consultation – Assistance for members in the economic downturn including personal financial and credit counseling, debt and budgeting assistance, and pre-retirement services. Members are eligible for 30-60 minutes of consultation per issue.	unlimited
Identity Theft Assistance – Basic identity theft recovery services included – 30-minute free consultation with a trained fraud specialist per issue.	unlimited
Dependent Care Assistance – Telephonic consultation and referral for dependent care needs including childcare, family day care, nursing homes, retirement communities and agencies for the elderly. Unlimited for basic referrals. 30-60 minute consultation per issue.	unlimited
Daily Living – Assistance with pet care, consumer and safety tips, home contractors, travel arrangements and more.	unlimited
Member Website – Online provider directory, referral authorization, and a wealth of information. Assessment tools for depression, stress, anxiety, insomnia and alcohol abuse. Interactive, clinically-based, multi-media self-help programs. www.mhn.advantageengagement.com .	unlimited
Management Consultation – Telephonic access to a Management Consultant for help managing difficult workplace situations and troubled employees. Also includes substance abuse policy consultation and recommendations.	unlimited
Workplace trauma response: consultation and recommendations	unlimited
Critical Incident Stress Management – Immediate support in response to traumatic workplace events, including natural disasters/events, workplace violence, robbery, unexpected death, etc. Up to 20 hours per incident with travel included.	three (3) debriefings per contract year
Job Performance Referrals – Management referrals into specialized services to address and resolve an employee's job performance challenges.	unlimited
Training/Workshops – Wide selection of relevant trainings and workshops, adjusted for the employee population. 8 hours per agency included.	included
Introductory employee EAP orientation	EAP website & training hours
Communications Materials – Promotional materials to drive program utilization, such as electronic fliers, brochures, posters, and electronic newsletters.	included
Cost	
Per Employee Per Month	\$2.53

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.6 **Sewer Rate Evaluation and Proposition 218 process**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends that the Board listen to the presentation regarding information on the Sewer Rate financial plan and rate analysis, take public comment and authorize staff to proceed with Proposition 218 majority protest notice to consider the matter of adjusting sewer charges in accordance with the Willdan Sewer Rate Analysis.

Discussion:

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

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

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

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

- **Noticing Requirements:** The District must mail a notice of proposed rate adjustments to all affected property owners. The notice must specify the basis of the fee, the reason for the fee, and the date/time/location of the public rate hearing at which the proposed rates will be considered for adoption.
- **Public Hearing:** the District must hold a public hearing prior to adopting the proposed rate adjustments. The public hearing must be held not less than 45 days after the required notices are mailed.
- **Rate Adjustments Subject to Majority Protest:** At the public hearing, the proposed rate adjustments are subject to a majority protest, if more than

50% of affected property owners submit written protests against the proposed rate adjustments, the increase cannot be adopted by the Board.

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

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

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

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

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

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

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Power Point presentation
- Attachment 2 – Draft Proposition 218 Public Notice
- Attachment 3 – MCSD Sewer Rate Analysis- Draft Report



Sewer Rate Analysis Results

McKinleyville CSD

April 1, 2015



Agenda

- Project overview
- Project findings
- Proposition 218 requirements and process
- Notice of Public Hearing

Project Overview and Background

- Sewer rates last increased in 2012
- District considering options for long term solution for treatment of wastewater since 2006
 - Updated NPDES permit issued in 2008
 - Completion of updated Wastewater Facilities Feasibility Study
 - Public scoping session in 2010 to present options and gather feedback
 - List narrowed to four alternatives for further study
 - Draft facility plan presented for public comment in October 2011 – with additional public workshop

Project Overview - continued

- Wastewater Management Facility (WWMF) - \$17 million
 - Will meet treatment needs for next 20 years
- California State Water Resource Control Board (CSWRCB) low interest loan – 2.0% over 30 years
- CSWRCB loan requires reserve equal to one annual payment - \$759,000
- CSWRCB requires pledge of sewer revenues and debt service coverage of 120% of annual net revenue
- WWMF will generate additional operating expenses of \$455,000 per year
- WWMF will double MCSD sewer assets and associated reserve requirements

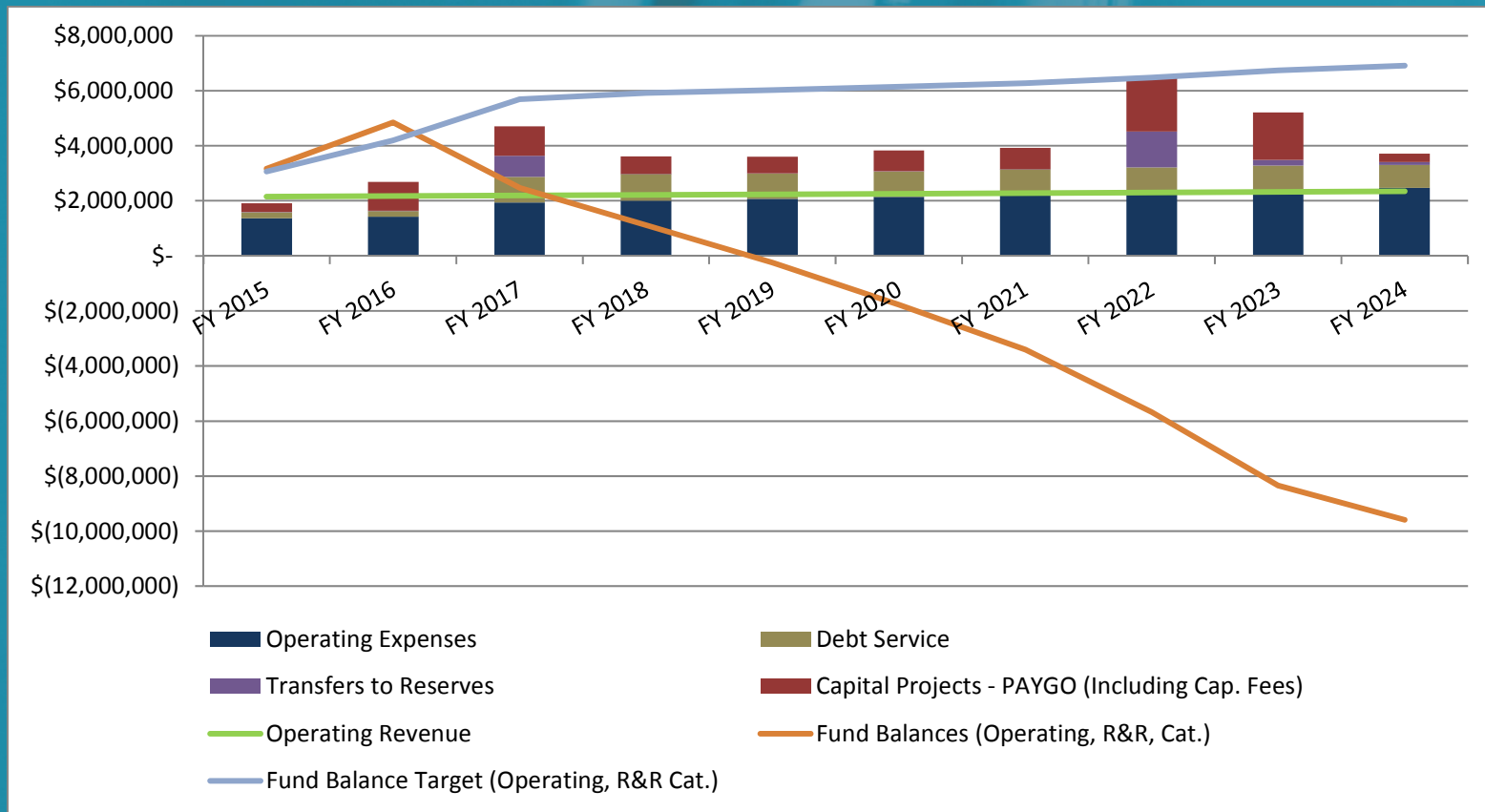
Sewer Rate Study Purpose

- Complete comprehensive financial plan and develop rate recommendations
- Ensure adequate funding for proposed WWMF
- Ensure MCSD sewer system will meet CSWRCB loan requirements
 - Repayment of debt
 - Meet annual debt service coverage requirement
 - Maintenance of reserves
- Meet increased operating budget needs
- Provide funding for anticipated rehabilitation and replacement of aging infrastructure
- Recommend cost based rates in accordance with Proposition 218

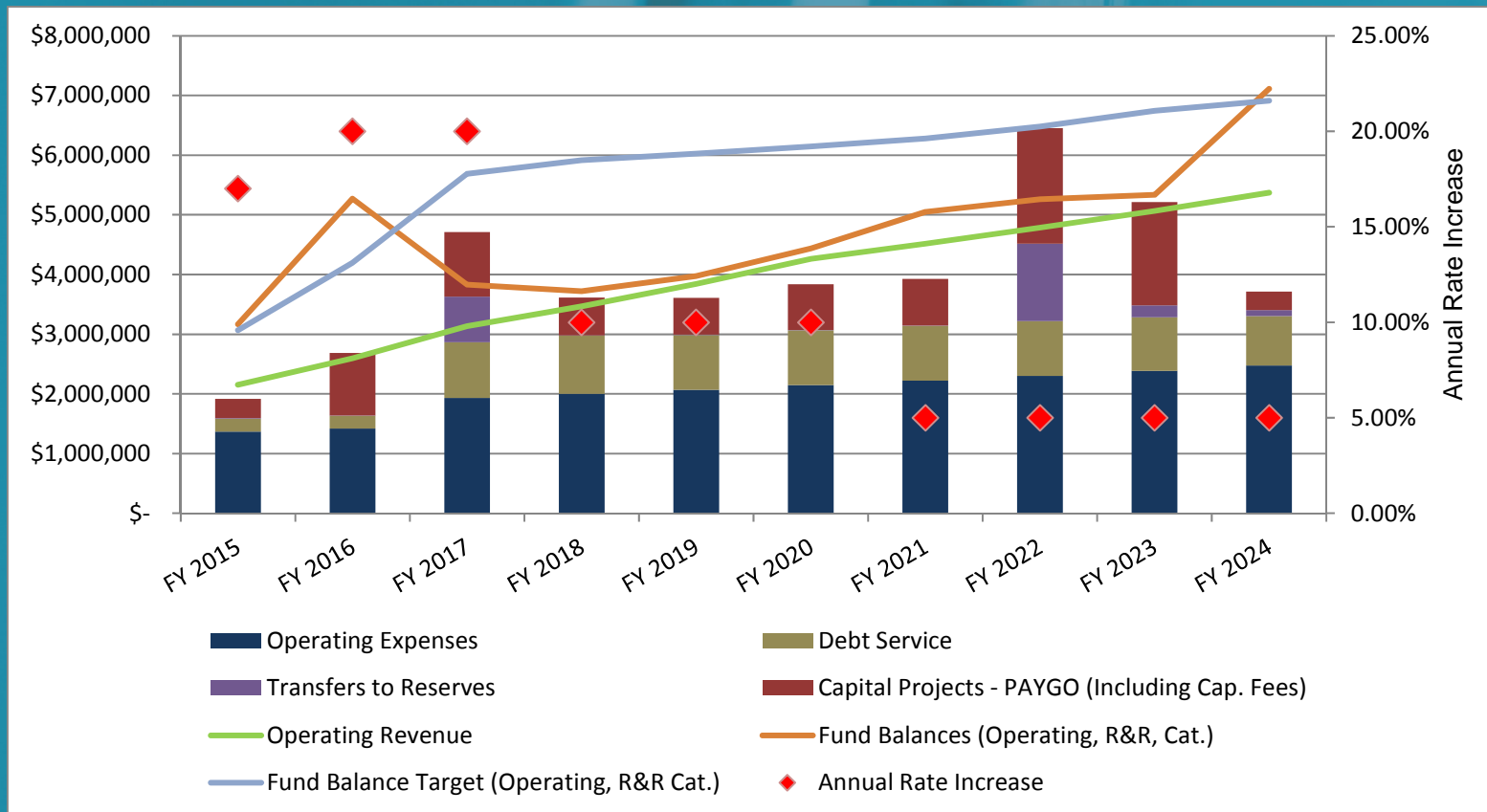
Project Findings

- Sewer revenue increases necessary to meet sewer fund requirements:
 - FY2016 (July 1, 2015); 20% increase
 - FY2017 (July 1, 2016); 20% increase
 - FY2018 (July 1, 2017); 10% increase
 - FY2019 (July 1, 2018); 10% increase
 - FY2020 (July 1, 2019); 10% increase
 - FY2021 through 2024; 5% annually

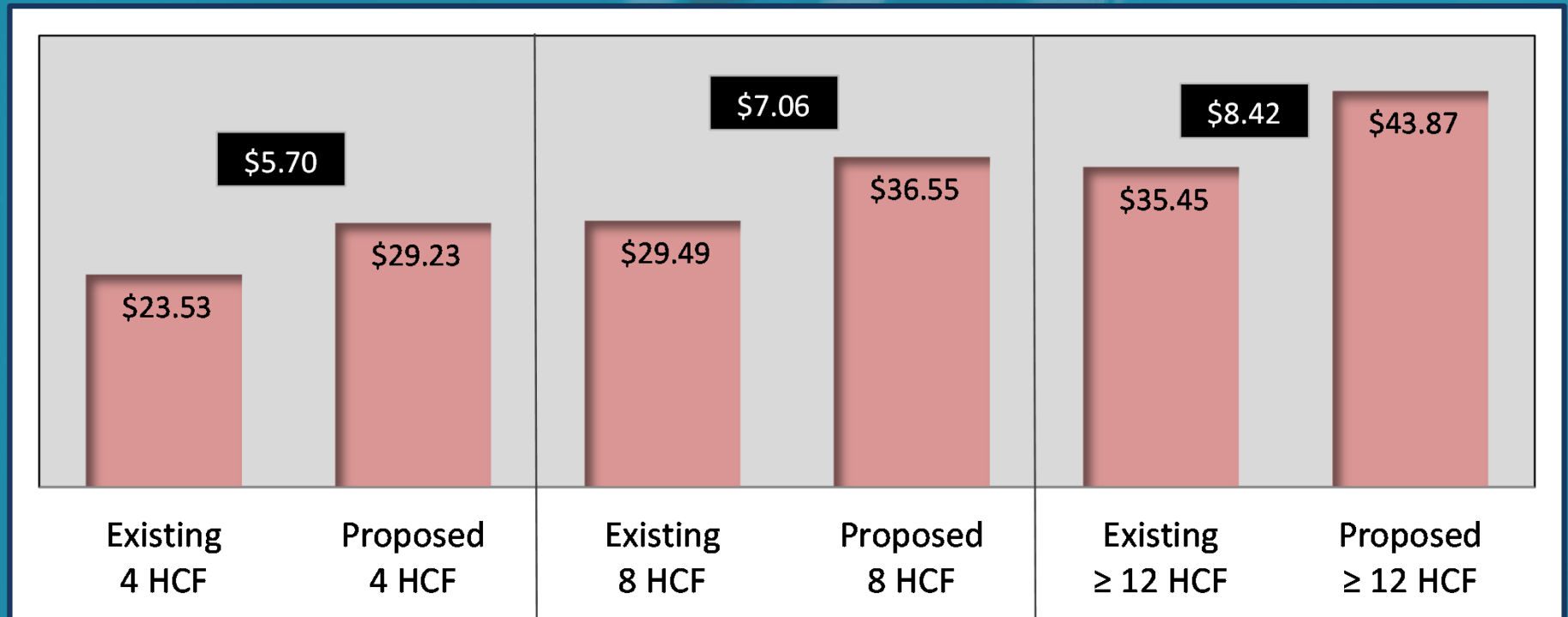
Baseline Financial Scenario



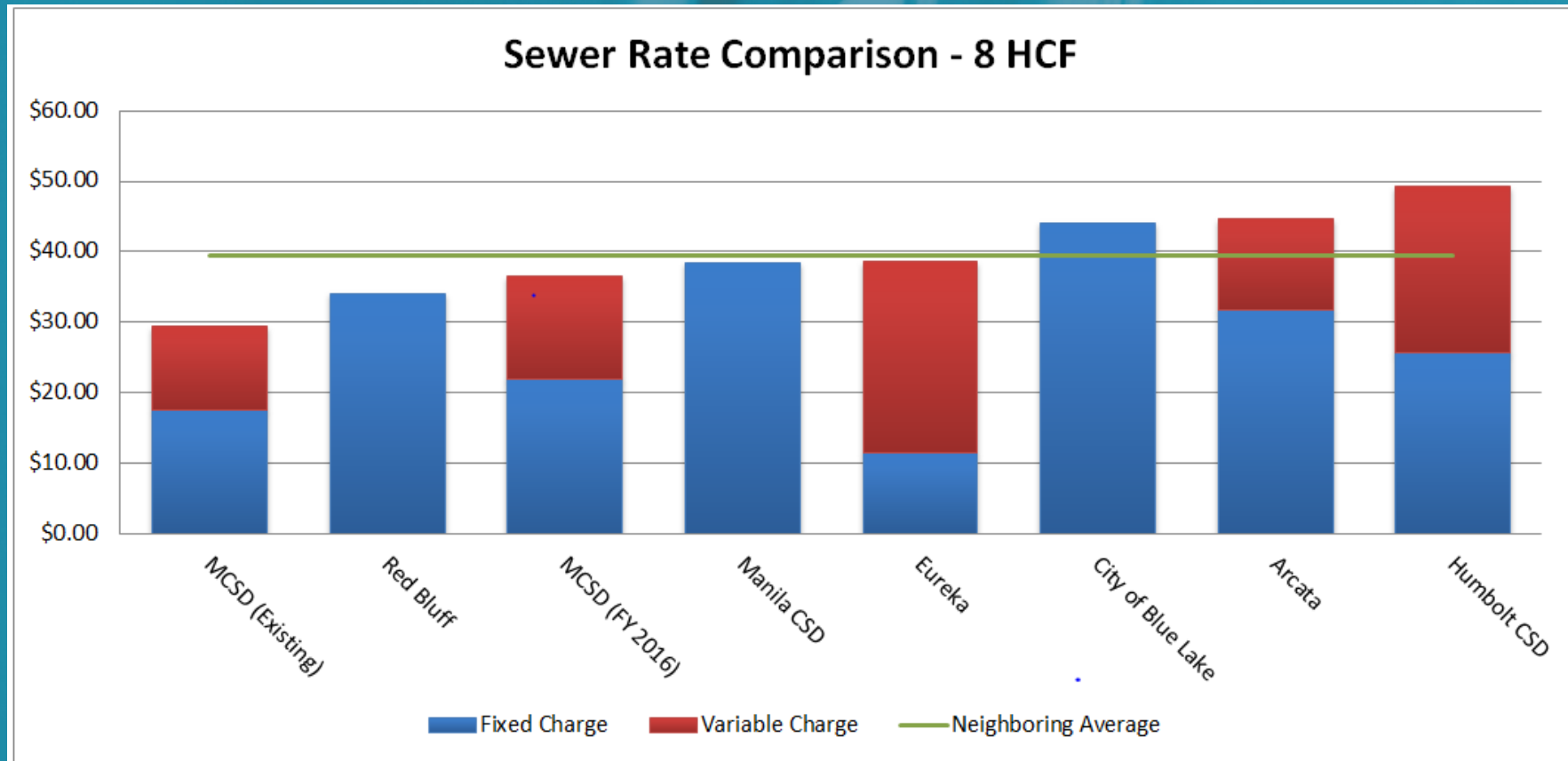
Recommended Financial Scenario



Customer Bill Impact



Regional Comparison



Proposition 218 Requirements

- Property related fees and charges, such as sewer rates must not exceed the reasonable cost of providing the service
- Rates for various classes of customers must represent their proportionate share of costs
- A Public Hearing must be conducted as part of the rate adoption process
- Mailed notice of the Public Hearing must be provided to property owners at least 45 days prior to Hearing
- Rates may be adopted if there is no majority protest filed

Notice of Public Hearing



NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING

REGARDING PROPOSED SEWER RATES

Hearing Date & Time: June 3rd, 2015 7:00 PM
Hearing Location: Azalea Hall
1620 Pickett Road, McKinleyville

Why are you receiving this notice?

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

What do sewer rates fund?

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

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

Why are rate increases needed?

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

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

New sewer rates

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

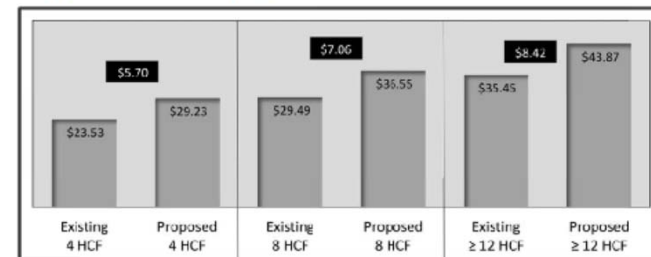
Customer Type	Existing (FY 2015)		July 1, 2015		July 1, 2016		July 1, 2017		July 1, 2018		July 1, 2019	
	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²
01 - Single Family Residence	\$ 17.57	\$ 1.49	\$ 21.01	\$ 1.83	\$ 25.20	\$ 2.16	\$ 28.46	\$ 2.58	\$ 31.09	\$ 2.83	\$ 33.94	\$ 2.84
02 - Apartment/Multi Unit (each)	17.57	1.49	21.01	1.83	25.20	2.16	28.46	2.58	31.09	2.83	33.94	2.84
03 - Mobile Homes (each)	17.57	1.49	21.01	1.83	25.20	2.16	28.46	2.58	31.09	2.83	33.94	2.84
04 - Barber/Beauty Shop	17.57	1.54	21.01	1.89	25.20	2.24	28.46	2.48	31.09	2.73	33.94	2.97
05 - Office Building/Post Office	17.57	1.54	21.01	1.89	25.20	2.24	28.46	2.48	31.09	2.73	33.94	2.97
07 - Churches	17.57	1.80	21.01	2.20	25.20	2.71	28.46	2.98	31.09	3.23	33.94	3.61
08 - Rectory	17.57	1.96	21.01	2.39	25.20	2.71	28.46	2.98	31.09	3.23	33.94	3.61
13 - Restaurant/Taverns	17.57	5.75	21.01	6.97	25.20	8.36	28.46	9.20	31.09	10.12	33.94	11.13
14 - Motels/Hotels	17.57	4.14	21.01	5.03	25.20	6.04	28.46	6.64	31.09	7.31	33.94	8.04
12 - Gas Stations (No Market)	17.57	2.96	21.01	3.59	25.20	3.90	28.46	4.30	31.09	4.63	33.94	4.99
14 - Laundromats	17.57	1.41	21.01	1.73	25.20	2.04	28.46	2.25	31.09	2.47	33.94	2.72
14 - Retail/Banks/Theater/Other	17.57	1.96	21.01	2.39	25.20	2.71	28.46	2.98	31.09	3.23	33.94	3.61
15 - Bakery	17.57	5.75	21.01	6.97	25.20	8.36	28.46	9.20	31.09	10.12	33.94	11.13
15 - Market	17.57	3.77	21.01	4.53	25.20	5.40	28.46	5.94	31.09	6.47	33.94	7.01
17 - Fire Station/School	17.57	1.31	21.01	1.59	25.20	1.90	28.46	2.09	31.09	2.33	33.94	2.53
18 - Coast Guard Station/Airport	17.57	1.96	21.01	2.39	25.20	2.71	28.46	2.98	31.09	3.23	33.94	3.61
19 - Car Wash	17.57	1.15	21.01	1.36	25.20	1.63	28.46	1.79	31.09	1.97	33.94	2.17
23 - Church & Residence	17.57	2.32	21.01	2.82	25.20	3.40	28.46	3.81	31.09	4.23	33.94	4.66
21 - Road Table/Market	17.57	4.96	21.01	6.01	25.20	7.22	28.46	7.94	31.09	8.73	33.94	9.40
22 - Two sewer units/Business	17.57	1.96	21.01	2.39	25.20	2.71	28.46	2.98	31.09	3.23	33.94	3.61
22 - Metered septic vault	17.57	2.96	21.01	3.47	25.20	4.16	28.46	4.58	31.09	5.04	33.94	5.54
24 - Two sewer units/Residence	17.57	1.81	21.01	2.22	25.20	2.65	28.46	3.00	31.09	3.35	33.94	3.64
25 - Sewer Unit - Commercial	17.57	2.96	21.01	3.59	25.20	3.90	28.46	4.30	31.09	4.63	33.94	4.99
25 - Sewer Unit Accounts	17.57	1.81	21.01	2.22	25.20	2.65	28.46	3.00	31.09	3.35	33.94	3.64
27 - Sewer Unit/Commercial	17.57	1.96	21.01	2.39	25.20	2.71	28.46	2.98	31.09	3.23	33.94	3.61
29 - Dialysis Clinic	17.57	1.99	21.01	2.40	25.20	2.88	28.46	3.19	31.09	3.50	33.94	3.81
M1 - Motel/Hotel	17.57	1.54	21.01	1.85	25.20	2.24	28.46	2.48	31.09	2.73	33.94	2.97

¹ If multiple units per account, the fixed charges apply to each unit.

² Per acre (hundred cubic feet) based on water consumption. Due to irrigation, residential units are limited to a maximum of 12 HCF monthly (per unit).

Impact on your bill

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



Notice of Public Hearing

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

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

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

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

Next Steps

- Board consideration of Rate Study results and recommendations
- Preliminarily adopt rate recommendations
- Board sets date for Public Hearing
- Notice of Public Hearing mailed to property owners and customers
- Conduct Public Hearing
- If no majority protest, adopt rates
- Begin process of securing loan and executing project



Questions & Answers



NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING

REGARDING PROPOSED SEWER RATES

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

Hearing Location: Azalea Hall

1620 Pickett Road, McKinleyville

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04 - Barber/Beauty Shop	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
05 - Office Building/Post Office	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
07 - Churches	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
08 - Rectory	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
10 - Restaurant/Taverns	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
11 - Motels/Hotels	17.57	4.14	21.91	5.03	26.09	6.04	28.48	6.64	31.09	7.31	33.94	8.04
12 - Gas Stations (No Market)	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
13 - Laundromats	17.57	1.41	21.91	1.70	26.09	2.04	28.48	2.25	31.09	2.47	33.94	2.72
14 - Retail/Banks/Theater/Other	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
15 - Bakery	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
16 - Market	17.57	5.77	21.91	7.00	26.09	8.40	28.48	9.24	31.09	10.17	33.94	11.18
17 - Fire Station/School	17.57	1.31	21.91	1.58	26.09	1.90	28.48	2.09	31.09	2.30	33.94	2.53
18 - Coast Guard Station/Airport	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
19 - Car Wash	17.57	1.12	21.91	1.36	26.09	1.63	28.48	1.79	31.09	1.97	33.94	2.17
20 - Church & Residence	17.57	2.82	21.91	3.42	26.09	4.10	28.48	4.51	31.09	4.96	33.94	5.46
21 - Round Table/Market	17.57	4.96	21.91	6.01	26.09	7.22	28.48	7.94	31.09	8.73	33.94	9.60
22 - Two sewer units/business	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
23 - Metered septage vault	17.57	2.86	21.91	3.47	26.09	4.16	28.48	4.58	31.09	5.04	33.94	5.54
24 - Two sewer units/daycare	17.57	1.81	21.91	2.22	26.09	2.65	28.48	2.89	31.09	3.15	33.94	3.44
25 - Sewer Units - Commercial	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
26 - Sewer Only Accounts	17.57	1.81	Customer Data Does Not Include Sewer Only Accounts									
27 - 2 sewer units/commercial	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
76 - Dialysis Clinic	17.57	1.69	21.91	2.05	26.09	2.46	28.48	2.70	31.09	2.97	33.94	3.27
MT - Minor Theater	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97

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

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

Impact on your bill

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



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

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

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

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

McKinleyville Community Services District

March 23, 2015



Sewer Rate Analysis

Draft Report



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March 23, 2015

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

Mr. Orsini,

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

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

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

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

Sincerely,

Willdan Financial Services

Robert P. Ryall
Principal Consultant

Chris Fisher
Group Manager

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Introduction

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

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

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

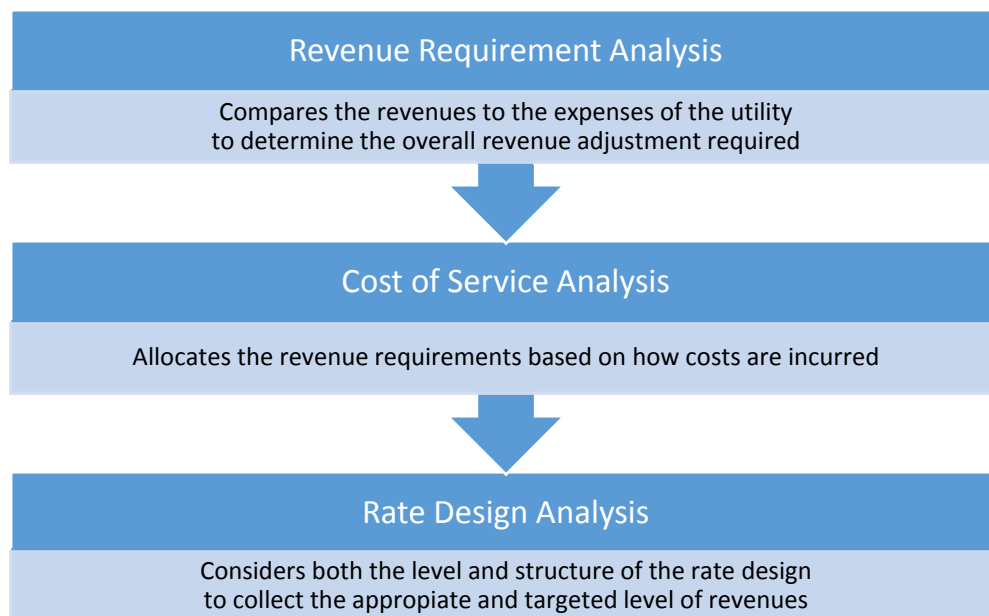
This report details the methodology, approach, and results of this analysis. Based on discussion with MCSD staff, guidance and direction from the District Board throughout the process, this report presents the recommended sewer revenue adjustments and the corresponding sewer rate impacts.

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

Overview of the Rate Setting Process

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

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



Rate Setting Principles

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

Financial Management, Policies, and Rates

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

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

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

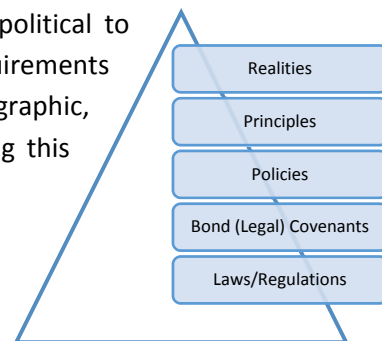
These guidelines, along with the District’s objectives, have been utilized within this study as a framework to help develop sewer rates that are cost-based and equitable.

Overview of Rate Setting Environment, Objectives, Process

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

Considerations in Setting Revenue Requirements

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



Capital Budgeting and Financing

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

Capital Funding: Debt vs. PAYGO

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

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

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

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

Revenue Requirements

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

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

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

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

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

Financial Planning

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

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

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

Rate Setting Principles Summary

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

Rate Design

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

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

Sewer Rate Analysis

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

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

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

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

Sewer Discharge and User Characteristics

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

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

Customer Statistics

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

Revenue Requirements Analysis

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

Existing Sewer Revenues

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

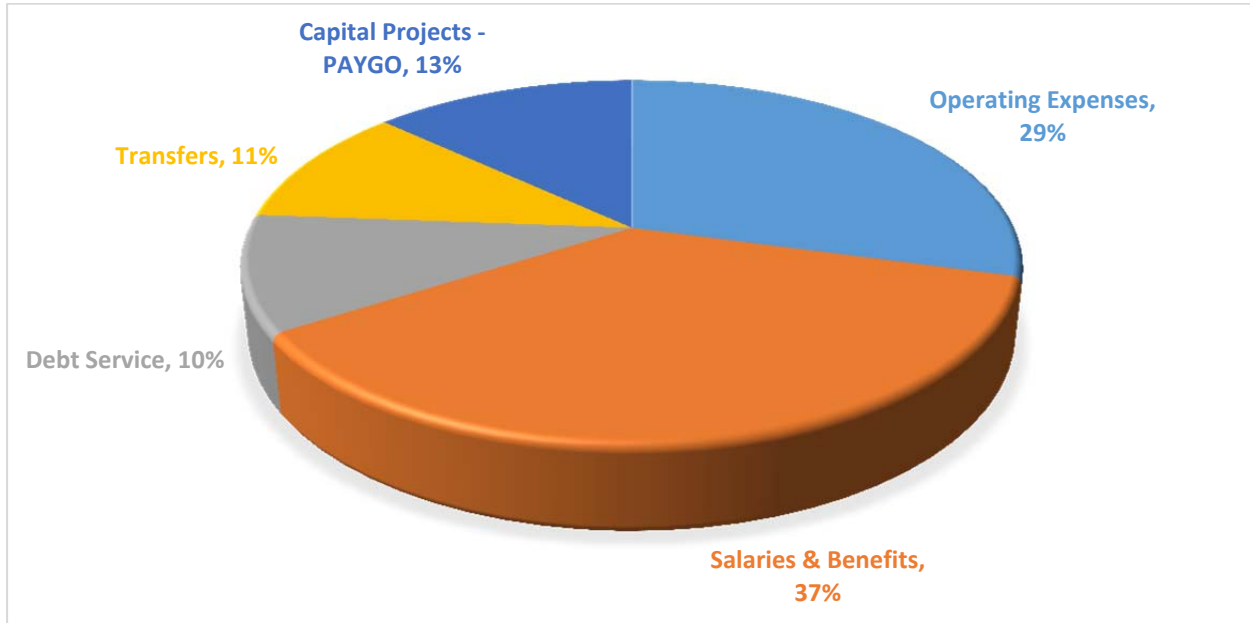
Existing Sewer Expenditures

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

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

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

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



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

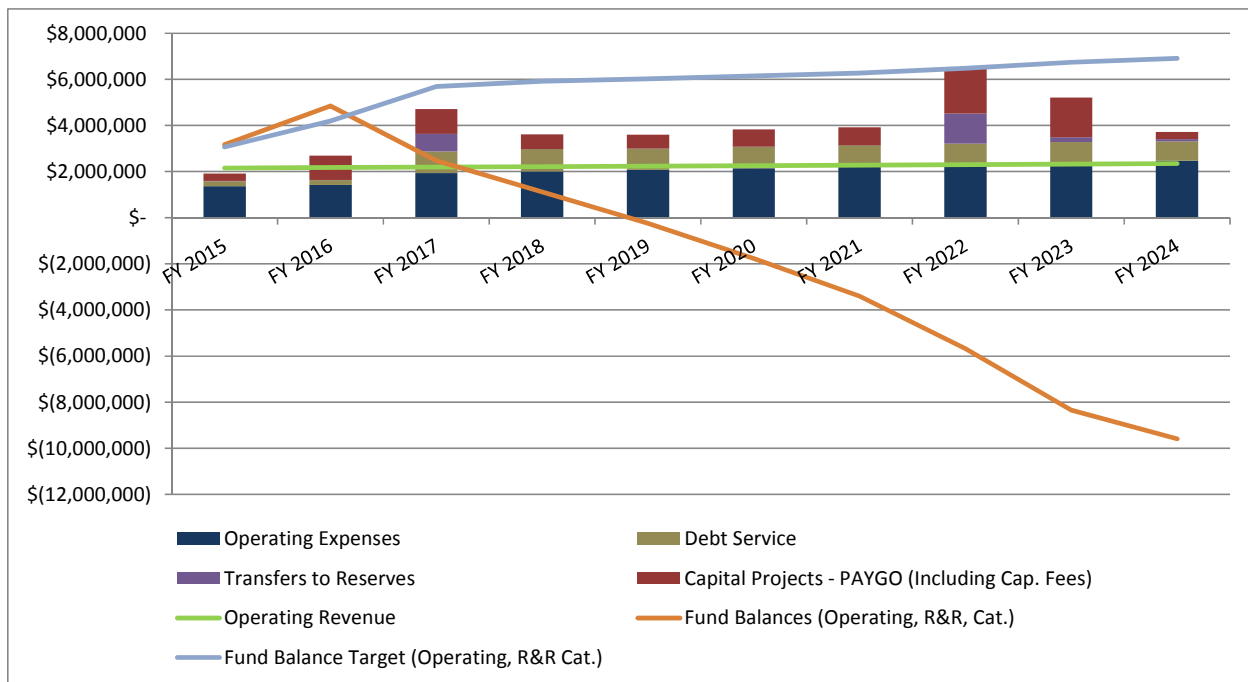
During the early years of the study period debt service costs, related to principal and interest on the existing debt service, account for a roughly thirteen percent (10%) of the sewer fund's expenditures. As previously mentioned, due to continued effort to mitigate rate shock and smooth increases, MCSO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

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

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

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

Figure 2-2: Sewer - Baseline Financial Scenario



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

Revenue Requirement Summary

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

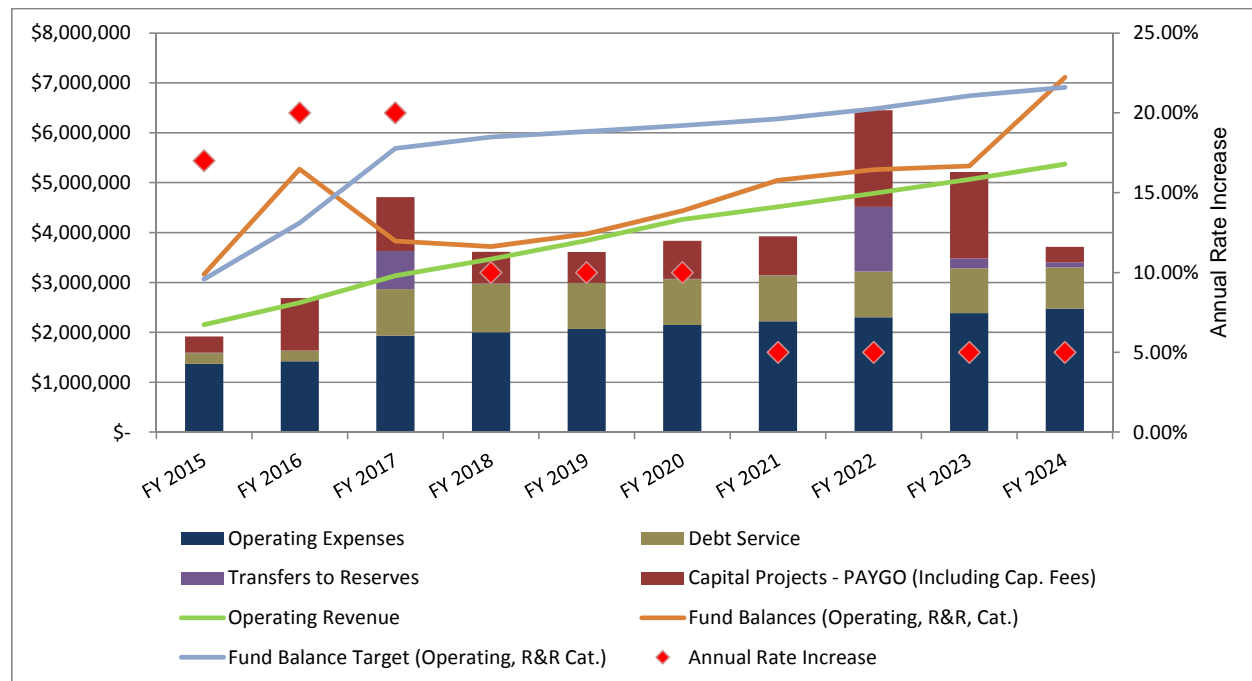
was structured and analyzed to maintain a positive net income and fully fund MCSO reserve targets within the study period and to be in compliance with the MCSO’s Debt Coverage Ratio.

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

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

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

Figure 2-3: Sewer - Recommended Financial Scenario



Cost of Service Analysis

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

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

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

Cost Allocation by Function

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

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

Figure 2-4: Distribution of Expenditure by Function

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

Rate Recommendations

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

Figure 3-1: Recommended Sewer Charges

Customer Type	Existing (FY 2015)		July 1, 2015		July 1, 2016		July 1, 2017		July 1, 2018		July 1, 2019	
	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²
01 - Single Family Residence	\$ 17.57	\$ 1.49	\$ 21.91	\$ 1.83	\$ 26.09	\$ 2.18	\$ 28.48	\$ 2.38	\$ 31.09	\$ 2.60	\$ 33.94	\$ 2.84
02 - Apartment/multi unit (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
03 - Mobile Homes (each)	17.57	1.49	21.91	1.83	26.09	2.18	28.48	2.38	31.09	2.60	33.94	2.84
04 - Barber/Beauty Shop	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
05 - Office Building/Post Office	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97
07 - Churches	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
08 - Rectory	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
10 - Restaurant/Taverns	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
11 - Motels/Hotels	17.57	4.14	21.91	5.03	26.09	6.04	28.48	6.64	31.09	7.31	33.94	8.04
12 - Gas Stations (No Market)	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
13 - Laundromats	17.57	1.41	21.91	1.70	26.09	2.04	28.48	2.25	31.09	2.47	33.94	2.72
14 - Retail/Banks/Theater/Other	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
15 - Bakery	17.57	5.75	21.91	6.97	26.09	8.36	28.48	9.20	31.09	10.12	33.94	11.13
16 - Market	17.57	5.77	21.91	7.00	26.09	8.40	28.48	9.24	31.09	10.17	33.94	11.18
17 - Fire Station/School	17.57	1.31	21.91	1.58	26.09	1.90	28.48	2.09	31.09	2.30	33.94	2.53
18 - Coast Guard Station/Airport	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
19 - Car Wash	17.57	1.12	21.91	1.36	26.09	1.63	28.48	1.79	31.09	1.97	33.94	2.17
20 - Church & Residence	17.57	2.82	21.91	3.42	26.09	4.10	28.48	4.51	31.09	4.96	33.94	5.46
21 - Round Table/Market	17.57	4.96	21.91	6.01	26.09	7.22	28.48	7.94	31.09	8.73	33.94	9.60
22 - Two sewer units/business	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
23 - Metered septage vault	17.57	2.86	21.91	3.47	26.09	4.16	28.48	4.58	31.09	5.04	33.94	5.54
24 - Two sewer units/daycare	17.57	1.81	21.91	2.22	26.09	2.65	28.48	2.89	31.09	3.15	33.94	3.44
25 - Sewer Units - Commercial	17.57	2.06	21.91	2.50	26.09	3.00	28.48	3.30	31.09	3.63	33.94	4.00
26 - Sewer Only Accounts	17.57	1.81	Customer Data Does Not Include Sewer Only Accounts									
27 - 2 sewer units/commercial	17.57	1.86	21.91	2.26	26.09	2.71	28.48	2.98	31.09	3.28	33.94	3.61
76 - Dialysis Clinic	17.57	1.69	21.91	2.05	26.09	2.46	28.48	2.70	31.09	2.97	33.94	3.27
MT - Minor Theater	17.57	1.54	21.91	1.86	26.09	2.24	28.48	2.46	31.09	2.70	33.94	2.97

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

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

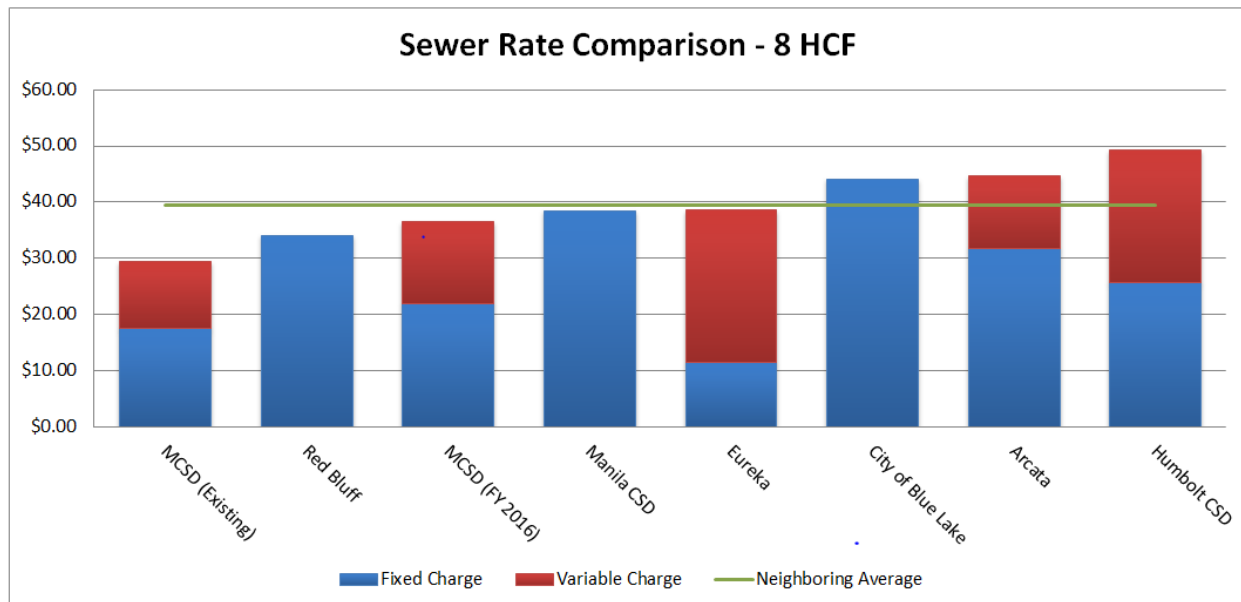
As discussed previously in this report, the results of the revenue requirements analysis indicated that future sewer revenue increases are necessary in order to fund the sewer capital plan (including the WWMF), provide for future operational expenses, meet debt service (and debt service coverage) requirements and MCSD fund requirements. In addition, as also previously noted, the plan and revenue increases presented herein do not result in fully funded Operating, Renewal and Replacement, and

Catastrophe Fund reserves until fiscal year 2024. The delayed funding of these reserves is used to offset higher near-term rate increases. Annual rate increases range from 20% to 10% over the FY 2016 to FY 2020 forecast period.

Rate Comparison

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

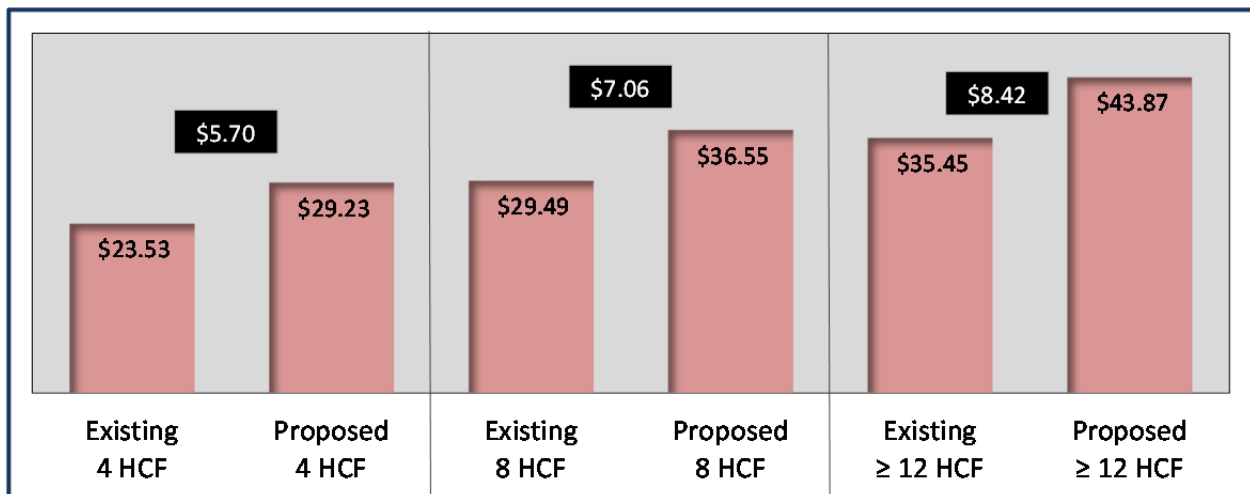
Figure 3-2: Single-Family Regional Sewer Rate Comparison



Customer Impacts

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

Figure 3-3: Single-Family Monthly Bill Comparison



APPENDIX A - SUMMARY OF REVENUE REQUIREMENTS ANALYSIS

Line No.	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue from Rates											
1	Sewer Service Charges	\$ 1,776,523	\$ 1,794,289	\$ 1,812,231	\$ 1,830,354	\$ 1,848,657	\$ 1,867,144	\$ 1,885,815	\$ 1,904,673	\$ 1,923,720	\$ 1,942,957
Additional Rate Revenue from Adjustments											
2	FY 2015 @ 17%	\$ 302,009	\$ 305,029	\$ 308,079	\$ 311,160	\$ 314,272	\$ 317,414	\$ 320,589	\$ 323,794	\$ 327,032	\$ 330,303
3	FY 2016 @ 20%		419,864	424,062	428,303	432,586	436,912	441,281	445,694	450,151	454,652
4	FY 2017 @ 20%			508,875	513,963	519,103	524,294	529,537	534,832	540,181	545,582
5	FY 2018 @ 10%				308,378	311,462	314,576	317,722	320,899	324,108	327,349
6	FY 2019 @ 10%					342,608	346,034	349,494	352,989	356,519	360,084
7	FY 2020 @ 10%						380,637	384,444	388,288	392,171	396,093
8	FY 2021 @ 5%							211,444	213,559	215,694	217,851
9	FY 2022 @ 5%								224,236	226,479	228,744
10	FY 2023 @ 5%									237,803	240,181
11	FY 2024 @ 5%										252,190
12	Total Additional Rate Revenue	\$ 302,009	\$ 724,893	\$ 1,241,016	\$ 1,561,804	\$ 1,920,030	\$ 2,319,868	\$ 2,554,511	\$ 2,804,292	\$ 3,070,138	\$ 3,353,029
13	Total Rate Revenue	\$ 2,078,532	\$ 2,519,181	\$ 3,053,248	\$ 3,392,158	\$ 3,768,688	\$ 4,187,012	\$ 4,440,326	\$ 4,708,966	\$ 4,993,858	\$ 5,295,987
Other Non Rate Revenue											
14	Other Operating Revenue	\$ 74,470	\$ 74,470	\$ 74,470	\$ 74,470	\$ 74,470	\$ 74,470	\$ 74,470	\$ 74,470	\$ 74,470	\$ 74,470
15	Interest Earnings	2,000	4,000	7,000	0	0	0	2,000	5,000	0	0
16	Total Operating Revenue	\$ 2,155,003	\$ 2,597,651	\$ 3,134,718	\$ 3,466,629	\$ 3,843,159	\$ 4,261,484	\$ 4,516,798	\$ 4,788,438	\$ 5,068,331	\$ 5,370,459
Expenditures											
17	Operating Expenses	\$ (1,369,020)	\$ (1,421,794)	\$ (1,476,826)	\$ (1,534,215)	\$ (1,594,079)	\$ (1,656,536)	\$ (1,721,687)	\$ (1,789,680)	\$ (1,860,634)	\$ (1,934,684)
18	WWMF O&M	0	0	(454,938)	(466,312)	(477,970)	(489,919)	(502,167)	(514,721)	(527,589)	(540,779)
19	Total Operating Expenses	\$ (1,369,020)	\$ (1,421,794)	\$ (1,931,764)	\$ (2,000,527)	\$ (2,072,049)	\$ (2,146,455)	\$ (2,223,854)	\$ (2,304,401)	\$ (2,388,223)	\$ (2,475,463)
20	Net Revenue	\$ 785,983	\$ 1,175,857	\$ 1,202,954	\$ 1,466,102	\$ 1,771,110	\$ 2,115,029	\$ 2,292,944	\$ 2,484,037	\$ 2,680,108	\$ 2,894,996
	Capacity Fee Revenue	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
	Net Revenue Available for Coverage	\$ 905,983	\$ 1,295,857	\$ 1,322,954	\$ 1,586,102	\$ 1,891,110	\$ 2,235,029	\$ 2,412,944	\$ 2,604,037	\$ 2,800,108	\$ 3,014,996
Non-Operating Expenses:											
21	Major Capital Funded with Existing Reserves/Current Cash	\$ (272,001)	\$ (391,035)	\$ (961,929)	\$ (616,429)	\$ (615,429)	\$ (742,429)	\$ (778,429)	\$ (1,371,429)	\$ (1,730,763)	\$ (311,263)
22	Transfers Out	(12,160)	(4,936)	(764,034)	(5,135)	(5,238)	(5,343)	(5,449)	(1,297,856)	(199,761)	(100,305)
23	Total Non-Operating Expenses	\$ (284,161)	\$ (395,971)	\$ (1,725,964)	\$ (621,564)	\$ (620,667)	\$ (747,772)	\$ (783,879)	\$ (2,669,285)	\$ (1,930,524)	\$ (411,567)
Debt Service:											
24	USDA Loan	\$ (90,250)	\$ (87,250)	\$ (94,000)	\$ (90,500)	\$ (87,000)	\$ (93,250)	\$ (89,250)	\$ (85,250)	\$ (66,625)	\$ 0
25	Other Debt Service	(124,560)	(124,560)	(83,640)	(55,377)	0	0	0	0	0	0
26	CA Water Resources Control Board Loans ⁽¹⁾	0	0	(759,000)	(759,000)	(759,000)	(759,000)	(759,000)	(759,000)	(759,000)	(759,000)
27	Other Future Debt	0	0	0	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)	(70,000)
28	Total Debt Service for Coverage	\$ (214,810)	\$ (211,810)	\$ (936,640)	\$ (974,877)	\$ (916,000)	\$ (922,250)	\$ (918,250)	\$ (914,250)	\$ (895,625)	\$ (829,000)
Debt Service Coverage											
29	Debt Service Coverage - Forecasted ⁽¹⁾	4.22	6.12	7.45	1.63	2.06	2.42	2.63	2.85	3.13	3.64
30	Debt Service Coverage - Target	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
31	Net Income	\$ 287,012	\$ 568,076	\$ (1,459,650)	\$ (130,340)	\$ 234,443	\$ 445,007	\$ 590,816	\$ (1,099,498)	\$ (146,041)	\$ 1,654,429

Note:

1 - The first CA Water Resource Control Board loan payment is anticipated to be due July, 1, 2017, the first day of fiscal year 2018. In order to ensure accumulation of these funds, CA Water Resource Control Board debt service is included in fiscal year 2017. The debt service coverage calculation for fiscal year 2017 does not include the CA Water Resource Control Board loan.

Line No.	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Fund Balances											
Operating Reserve, Renewal & Replacement Reserve, and Catastrophe Reserve:											
32	Beginning Year Balance	\$ 2,861,748	\$ 3,168,080	\$ 5,269,983	\$ 3,830,332	\$ 3,719,990	\$ 3,974,430	\$ 4,439,434	\$ 5,050,245	\$ 5,263,040	\$ 5,337,086
33	Net Income from Operations	287,012	568,076	(1,459,650)	(130,340)	234,443	445,007	590,816	(1,099,498)	(146,041)	1,654,429
34	Net Transfers	7,321	1,521,827	0	0	0	0	0	1,292,297	194,092	94,522
35	Interest Earnings	12,000	12,000	20,000	20,000	20,000	20,000	20,000	20,000	26,000	28,000
36	Ending Balance	\$ 3,168,080	\$ 5,269,983	\$ 3,830,333	\$ 3,719,992	\$ 3,974,434	\$ 4,439,437	\$ 5,050,249	\$ 5,263,044	\$ 5,337,091	\$ 7,114,037
37	Percent of Target	103%	126%	67%	63%	66%	72%	80%	81%	79%	103%
Operating Reserve, Renewal & Replacement Reserve, and Catastrophe Reserve - Targets:											
38	Operating Reserve - 6 Months of O&M	\$ 684,510	\$ 710,897	\$ 965,882	\$ 1,000,264	\$ 1,036,025	\$ 1,073,228	\$ 1,111,927	\$ 1,152,201	\$ 1,194,112	\$ 1,237,732
39	Renewal & Replacement - 10% of Fixed Assets	1,986,151	2,904,584	3,936,015	4,096,933	4,159,526	4,228,418	4,305,461	4,441,254	4,624,664	4,726,765
40	Catastrophe - 2% of Fixed Assets	397,230	580,917	787,203	819,387	831,905	845,684	861,092	888,251	924,933	945,353
41	Annual Targets	\$ 3,067,891	\$ 4,196,398	\$ 5,689,100	\$ 5,916,583	\$ 6,027,455	\$ 6,147,330	\$ 6,278,481	\$ 6,481,706	\$ 6,743,708	\$ 6,909,850
42	Beginning Year Fixed Assets	\$ 19,700,506	\$ 20,022,507	\$ 38,069,182	\$ 40,651,112	\$ 41,287,541	\$ 41,902,970	\$ 42,665,399	\$ 43,443,828	\$ 45,381,257	\$ 47,112,020
43	Additions	322,001	18,046,675	2,581,929	636,429	615,429	762,429	778,429	1,937,429	1,730,763	311,263
44	Ending Year Fixed Assets	\$ 20,022,507	\$ 38,069,182	\$ 40,651,112	\$ 41,287,541	\$ 41,902,970	\$ 42,665,399	\$ 43,443,828	\$ 45,381,257	\$ 47,112,020	\$ 47,423,282
45	Annual Average Fixed Assets	19,861,507	29,045,845	39,360,147	40,969,326	41,595,255	42,284,185	43,054,614	44,412,543	46,246,639	47,267,651
CA Water Resources Control Board Loan Reserve:											
46	Beginning Year Balance	\$ 0	\$ 0	\$ 0	\$ 759,000	\$ 763,000	\$ 767,000	\$ 771,000	\$ 775,000	\$ 779,000	\$ 783,000
47	Net Transfers	0	0	759,000	0	0	0	0	0	0	0
48	Interest Earnings	0	0	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000
49	Ending Balance	\$ 0	\$ 0	\$ 759,000	\$ 763,000	\$ 767,000	\$ 771,000	\$ 775,000	\$ 779,000	\$ 783,000	\$ 787,000
Compensated Absences Reserve:											
50	Beginning Year Balance	\$ 68,734	\$ 70,109	\$ 71,511	\$ 72,941	\$ 74,400	\$ 75,888	\$ 77,406	\$ 78,954	\$ 80,533	\$ 82,143
51	Net Transfers	1,375	1,402	1,430	1,459	1,488	1,518	1,548	1,579	1,611	1,643
52	Interest Earnings	0	0	0	0	0	0	0	0	0	0
53	Ending Balance	\$ 70,109	\$ 71,511	\$ 72,941	\$ 74,400	\$ 75,888	\$ 77,406	\$ 78,954	\$ 80,533	\$ 82,143	\$ 83,786
OPEB Reserve:											
54	Beginning Year Balance	\$ 173,216	\$ 177,680	\$ 182,214	\$ 186,818	\$ 191,495	\$ 196,244	\$ 201,069	\$ 205,971	\$ 210,950	\$ 216,009
55	Net Transfers	3,464	3,534	3,604	3,676	3,750	3,825	3,901	3,979	4,059	4,140
56	Interest Earnings	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
57	Ending Balance	\$ 177,680	\$ 182,214	\$ 186,818	\$ 191,495	\$ 196,244	\$ 201,069	\$ 205,971	\$ 210,950	\$ 216,009	\$ 221,149
Capacity Fee Fund:											
58	Beginning Year Balance	\$ 460,640	\$ 532,640	\$ 0	\$ 0	\$ 100,000	\$ 221,000	\$ 322,000	\$ 444,000	\$ 0	\$ 120,000
59	Capacity Fee Revenue	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
60	Interest Earnings	2,000	3,000	0	0	1,000	1,000	2,000	2,000	0	1,000
61	Funded Capital Projects	(50,000)	(655,640)	(120,000)	(20,000)	0	(20,000)	0	(566,000)	0	0
62	Ending Balance	\$ 532,640	\$ 0	\$ 0	\$ 100,000	\$ 221,000	\$ 322,000	\$ 444,000	\$ 0	\$ 120,000	\$ 241,000
Capital Program Funding											
Annual Capital Needs:											
63	Wastewater Management Facility	\$ 0	\$ 16,900,175	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
64	Other Capital Needs	322,001	1,146,500	2,581,929	636,429	615,429	762,429	778,429	1,937,429	1,730,763	311,263
65	Total Capital Program	\$ 322,001	\$ 18,046,675	\$ 2,581,929	\$ 636,429	\$ 615,429	\$ 762,429	\$ 778,429	\$ 1,937,429	\$ 1,730,763	\$ 311,263
Funding Sources:											
66	Operating Revenue	\$ 272,001	\$ 391,035	\$ 961,929	\$ 616,429	\$ 615,429	\$ 742,429	\$ 778,429	\$ 1,371,429	\$ 1,730,763	\$ 311,263
67	Capacity Fees	50,000	655,640	120,000	20,000	0	20,000	0	566,000	0	0
68	Debt	0	17,000,000	1,500,000	0	0	0	0	0	0	0
69	Total Capital Program Funding	\$ 322,001	\$ 18,046,675	\$ 2,581,929	\$ 636,429	\$ 615,429	\$ 762,429	\$ 778,429	\$ 1,937,429	\$ 1,730,763	\$ 311,263

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.7 **Review Sensitivity Analysis and steps forward for continued consideration of photovoltaic at the Wastewater Management Facility (WWMF)**

PRESENTED BY: **Greg Orsini, General Manager/Curt Wylie, Butler Solar**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board participate in the presentation of information, discuss and receive comment from the public. Staff would then request direction for next steps forward in the process of continued consideration of solar at the WWMF.

Discussion:

At the August 2014 MCSD Board of Directors meeting Beutler Solar was invited to give a presentation about their organization and site considerations specific to MCSD.

November 2014 Beutler again presented to MCSD Board, solar alternatives specific to the energy requirements for the WWMF Project. Main areas of conversation were related to location of a solar array, associated cost/ payback and financing.

At that meeting the Board requested Beutler provide a Sensitivity Analysis and "Steps Forward" for further consideration of the project.

Tonight Beutler will present:

- Sensitivity Analysis methodology
- Sensitivity Analysis results
- Discussion of potential next steps

Upon completion of the presentation staff would recommend the Board discuss and reach consensus for direction to staff on this matter.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – PowerPoint Presentation Solar
- Attachment 2 – Sensitivity Analysis Methodology
- Attachment 3 – Sensitivity Analysis Memorandum

McKinleyville CSD Solar PV Analysis



Topics

- ▶ Sensitivity Analysis methodology
- ▶ Sensitivity Analysis results
- ▶ Discussion of potential next steps



Purpose and Methodology

- ▶ Definition: “A technique used to determine how different values of an independent variable will impact a particular dependent variable under a given set of assumptions.”
- ▶ Target Variable– Cash Flow
- ▶ Independent Variables:
 - Interest rate
 - NPV Discount rate
 - Changes in cost of electricity



Assumptions used

- ▶ Interest rate:
 - 3.50%
 - 4.25%
 - 5.50%
- ▶ NPV
 - 3%
 - 3.5%
- ▶ All values agreed upon with CSD staff
- ▶ Utility cost escalator takes more explanation



Utility Rate Escalator

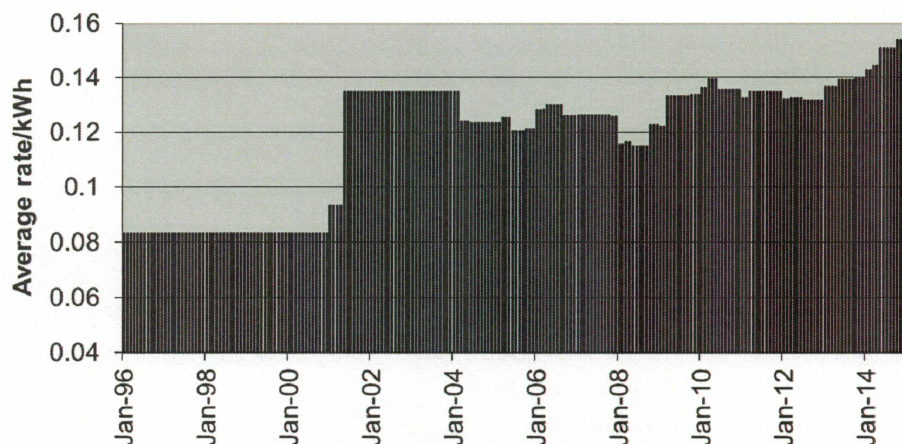
► Methodology

- All values for period 1996 to present entered on to a spreadsheet
- Used "Average rate" from tariff sheet
- Analyzed over entire period



Changes in E-19 Rate 1996-2015

PG&E Electric rate over time



Utility Rate Analysis Results

- ▶ Best described as “interrupted stability”
 - Stable or slightly declining for long periods of time
 - Periodic sharp rises
 - Timing of rises is uncertain
 - Somewhat influenced by first 5 years



Numeric Results

Max	Min	
5.7%	3.9%	15 year
6.73%	-0.23%	10 Year
8.8%	-2.12%	7 year
12.3%	-3.0%	5 year
30.9%	-5.9%	2 year
4.35%		1996-2015 average

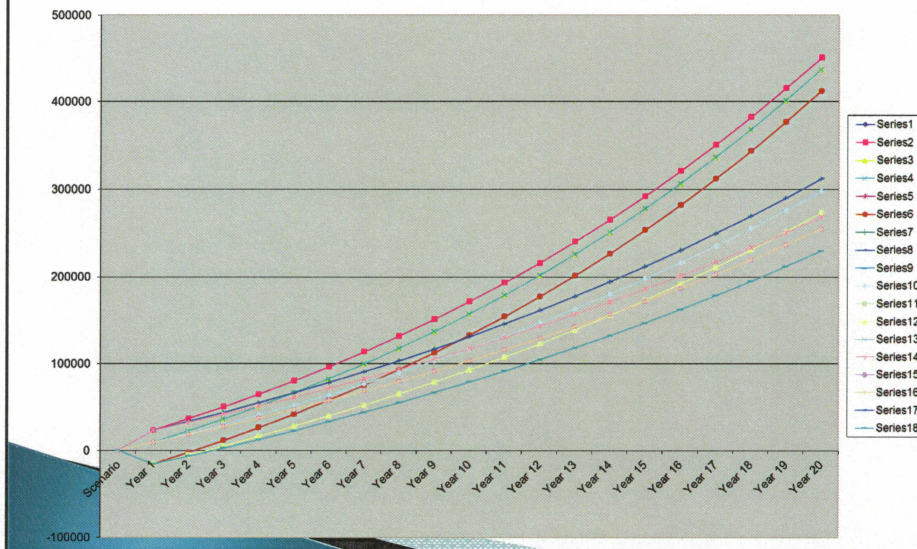
For analysis, used

- 15 year min (3.87%),
- 15 year max (5.65%), and
- 1996-2015 average (4.35%)



Sensitivity Analysis Graph

Annual Cash Flows



Next Steps

- ▶ Important part is to get into NEM before it closes
- ▶ Options: Self Performed or Turn-key
 - Self Performed
 - Process
 - Hire Engineer, generate plans
 - Apply for NEM
 - Arrange finance
 - Bid work out in future
 - Good- Maximum control over process
 - Bad-
 - Payment up front,
 - Staff time,
 - At risk

Turn-key process

- ▶ Under Government Code §4215
- ▶ Enter into Contingent Contract
 - ESCO to
 - Engineer system
 - Apply for NEM
 - Arrange Finance
 - Contract is contingent upon
 - Securing NEM entry
 - Finance within specified rates
 - Final cost within X% of estimated
 - If any contingent condition not met, contract is void
 - If all conditions are met and CSD does not go forward with project, engineering fee of \$XXX due to ESCO



Questions?



Sensitivity Analysis Methodology.

1. General
 - a. In looking at the impacts of a solar PV project on the cash flow of the McKinleyville CSD Waste Water treatment plant, various factors come in to play.
 - b. Principal amongst those are
 - i. The historic changes associated with PG&E electric rates, including
 1. E-19 (where the District will be going without a change)
 2. A-6 (where the district will be going WITH a PV system under Net Energy Metering)
 - ii. Assumed Net Present Discount
 - iii. Interest rate of the debt instruments taken to market
2. Discussion of variables
 - a. Rate changes.
 - i. Source
 1. Use PG&E average blended rate information
 2. going back to January 2001
<http://www.pge.com/notes/rates/tariffs/electric.shtml#COMMERCIAL>)
 - ii. Calculate annual rate increases in
 1. E-19
 2. A-10.
 - iii. Use for each.
 1. 90th percentile (high),
 2. 10th percentile (low), and
 3. median
 - b. NPV- Use NPV values of 3%, 4.5%, and 6%
 - c. Interest rates. Use interest rates of 3.75 %, 4%, and 4.25%
3. Sensitivity Calculation Methodology
 - a. These 3 values for each of the four named variables result in 81 permutations
 - b. The 25 year cash flows for each of these 81 permutations will be calculated
 - c. All 81 permutations will be graphed on a scatter diagram
 - d. The 90th Percentile, 10th Percentile, and median cash flows will be
 - i. Identified
 - ii. Highlighted on the scatter plot
 - iii. Presented in tabular format for analysis



McKinleyville Community Services District

Wastewater Treatment Plant Solar Sensitivity Analysis

In accordance with the desires of the board to understand how sensitive the paybacks from the proposed renewable energy project are to different assumptions we have prepared a sensitivity analysis on the project.

The following variables were included:

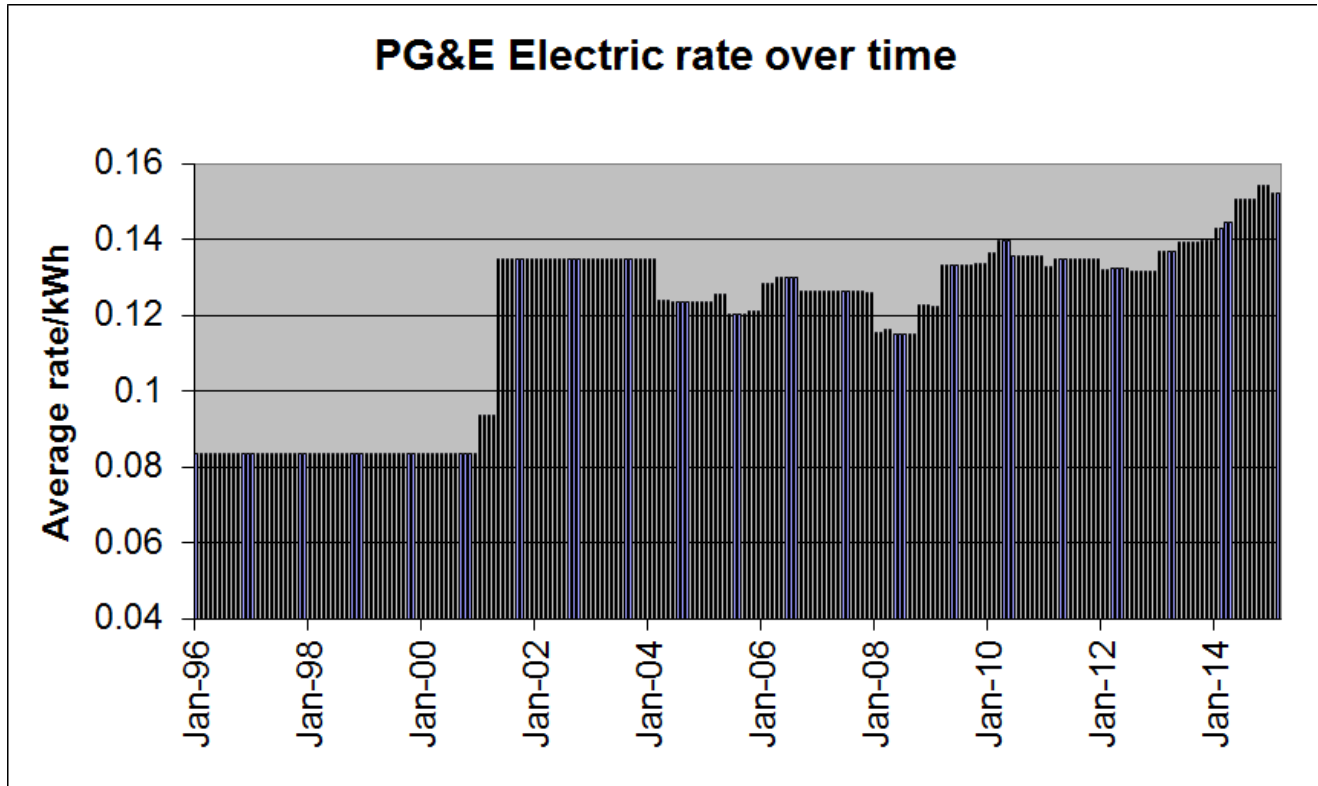
- PG&E rate changes over time, expressed as a utility rate escalator.
- The Net Present Value discount rate
- The Interest rate of the amount financed

PG&E Escalator

The PG&E escalator was the most time consuming to calculate. The methodology was as follows:

All changes in the E-19 rate going back to the origination of the tariff were entered into a spreadsheet.

The graph of those E-19 rate changes is below:



This graph shows what is perhaps best described as “interrupted stability”.

The rates are fairly steady for extended periods of time, but they occasionally rise sharply.

Over short periods of time, the rate can increase or even decrease, but over longer time horizons this variability becomes much more muted.

Over any 15 year period, the maximum rate increase was 5.7%, while the minimum increase was 3.9%, with a mean of 4.8% increase per year.

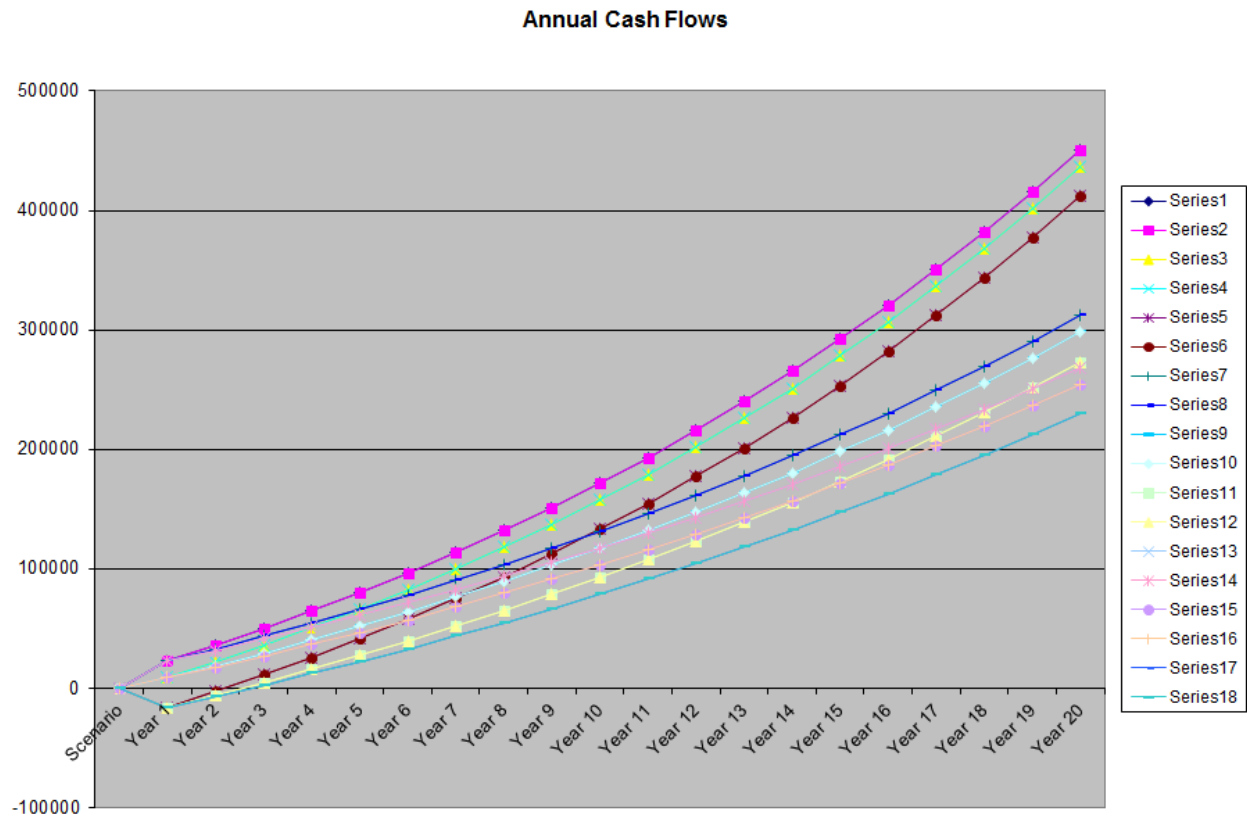
The average over the entire life of the tariff from 1996 to present was 4.3%.

For the analysis, the 15 year high and low escalator rates were used, along with the mean for the entire period.

The high, middle, and low Interest rates (8.75%, 4.50%, and 3.75% respectively) and NPV (3% and 3.5%) variables used were cleared with McKinleyville CSD staff as being reasonable.

All of the scenarios assume registration in PG&E’s Net Energy Metering program.

These variables produced 18 separate scenarios as shown below:



Under these scenarios, the district is cash flow positive in 96.7% of the years modeled (348 of 360), and even under the worst of cases was never cash flow negative after year two. The NPV of this project ranged from \$1.1M to \$2.7M, while the total non-discounted dollars saved ranged from a low of \$1.8M to just over \$4M.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.8 **Consider Adoption of Resolution 2015-08, Authorizing Participation in the California Special District Association's District Purchasing Card Program**

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

TYPE OF ACTION: **Roll Call**

Recommendation:

Staff recommends that the Board discuss, take public comment and consider adoption of Resolution 2015-08 authorizing District participation in the California Special District Association's District Purchasing Card Program.

Discussion:

This Resolution will allow the District to enter into an agreement with the California Special District Association, in partnership with Bank of the West, to establish accounts for District credit cards.

This agreement would replace the current agreement with Umpqua Bank for standard commercial company credit cards, which requires personal guarantees from the General Manager, Finance Director, and Human Resources Manager.

The current District Purchasing Policy and all normal internal controls would continue to apply to the new credit card accounts.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Free annual membership in the program

Unknown potential savings in the form of variable cash rebates, based on the purchasing volume of all participating CSDA members

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Resolution 2015-08

RESOLUTION 2015 - 08**A RESOLUTION AUTHORIZING MCKINLEYVILLE COMMUNITY SERVICES DISTRICT TO PARTICIPATE IN THE CALIFORNIA SPECIAL DISTRICT ASSOCIATION'S PURCHASING CARD PROGRAM, IN PARTNERSHIP WITH BANK OF THE WEST.**

WHEREAS, Credit Cards and Purchasing Cards are mechanisms for the efficient purchase of goods and services by the McKinleyville Community Services District (the District); and

WHEREAS, the California Special Districts Association (CSDA) has negotiated with Bank of the West to provide a Purchasing Card program for vendor payments, travel, and other purchasing transactions; and

WHEREAS, the District's current credit card requires personal guarantees from District Staff; and

WHEREAS, the CSDA District Purchasing Card Program (the Program) is available to members of the CSDA and the District is a member of the CSDA; and

WHEREAS, the Program requires an application for credit approval, a resolution by the District's Governing Board, and District policy and procedures regarding use of the credit cards; and

WHEREAS, the District has a standard Purchasing Policy and procedures for using District Credit Cards as required by the Program; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District hereby authorizes the General Manager to negotiate and execute any necessary agreements and applications to the California Special Districts Association, in partnership with Bank of the West, to participate in the Program for District Credit Cards or Purchasing Cards.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 1st day of April 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.9 **Initiate Process for General Manager's Performance Evaluation**

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

TYPE OF ACTION: **Board President Appointment**

Recommendation:

Staff recommends that that the Board discuss, take public comment and ask the Board President to select one board member to consolidate all Board Member and Department Head evaluations and set a schedule.

Discussion:

As noted in the Board Policy Manual, and in Attachment 1, the Board shall conduct performance evaluations for the General Manager, annually on the anniversary of the General Manager's hire date. Simultaneously, the Board should request 360 evaluations from Department Heads

During an open public meeting, the Board President will select one board member to consolidate all five Board Member and three Department Head evaluations. Once a member of the Board has been selected and a schedule established which should include:

- Date to complete and return sealed evaluations to Board Secretary;
- Date the appointed consolidator will retrieve the evaluations and;
- A date for the closed session for the General Manager's performance evaluation.

All five Board Members will receive the evaluation forms from the Board Secretary at tonight's meeting with an envelope to seal and return with the completed forms. An electronic version of the evaluation is available if requested. The Board will fill out the evaluations and provide them to the Board Secretary at the District Office in the sealed envelope in accordance with the schedule.

After the meeting the Board Secretary will distribute the General Manager 360 performance evaluation form to the Finance Director and Operations Director and coordinate the completion in accordance with the Board's schedule so the evaluations are all completed and ready simultaneously.

The Board Member selected to consolidate the evaluations will be notified by the Board Secretary that the evaluations by department heads and other Board Members are completed and ready to pick up. The evaluations will be consolidated by averaging each section and combining any written comments so there will be one evaluation from the Board and one evaluation from the Department Heads.

To finish, at a properly noticed public meeting the board will convene a closed session to review the consolidated evaluation with the General Manager for the purpose of discussing the General Manager's performance.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Exhibit A from Board Policy Manual
- Attachment 2 – Board of Director's Evaluation Form GM
- Attachment 3 – Department Head 360 Performance Evaluation of GM

Exhibit A

This written procedure is provided to the Board of Directors as guidance in completing a 360 Degree Annual Performance Evaluation for the General Manager.

These evaluations should be conducted annually on the anniversary of the General Manager's hire date and use the standard MCSD GENERAL MANAGER EVALUATION Form attached as EXHIBIT 1, unless the Board of Directors determine it insufficient. At that time determine a more appropriate interval.

Simultaneously the Board should request District Department Heads participate in an advisory evaluation by utilizing the GENERAL MANAGER 360 PERFORMANCE EVALUATION Form attached as EXHIBIT 2.

The process will begin with the Board requesting an item be place on the agenda approximately one month prior to the anniversary date. This item should be titled "Initiate process for General Manager Performance Evaluation" and can be accomplished in opened session.

During an open public meeting, the selection of one board member to consolidate all five Board Member and three Department Head evaluations will be determined by the Board President. Once a member of the Board has been selected a schedule should be established and should include:

- Date to complete and return sealed evaluations to Board Secretary,
- Date the appointed consolidator will retrieve the evaluations and
- A date for the closed session for the General Manager's performance evaluation.

All five Board Members will receive the evaluation forms from the Board Secretary at that meeting with an envelope to seal and return with the completed forms. The Board will fill out the evaluations and provide them to the Board Secretary at the District Office in the sealed envelope in accordance with the schedule.

After the meeting the Board Secretary will distribute the GENERAL MANAGER 360 PERFORMANCE EVALUATION form to Finance Director, Operations Director and Parks and Recreation Director and coordinate the completion in accordance with the Board's schedule so the evaluations are all completed and ready simultaneously.

The Board Member selected to consolidate the evaluations will be notified by the Board Secretary that the evaluations by department heads and other Board Members are completed and ready to pick up. The evaluations will be consolidated by averaging each section and combining any written comments so there is one evaluation from the Board and one evaluation from the Department Heads.

During a properly noticed public meeting the board will convene a closed session to review the consolidated evaluation with the General Manager for the purpose of discussing the General Manager's performance. See the example below for noticing.

"PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code § 54954.5 and 54957): Title:
General Manager—(*Name Inserted Here*)"



MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board of Directors' Evaluation Form - General Manager
Performance Review Period (_____through _____)

Board Member: _____

Date _____

A. BOARD/MANAGER RELATIONSHIP

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Provides sufficient staff reports and related agenda materials to allow for effective Board discussion/decision-making. Provides information to Board Members in a timely manner. Obtains and evaluates relevant information and implements or recommends appropriate solutions to problems.					
Displays a professional attitude/image that assures public confidence. Makes effort to be accessible and provides consistent and equal treatment to Board Members.					

B. COMMUNITY RELATIONS

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Represents the District well in presentations to civic groups, media and the public and provides a positive, professional image. Sought to develop cooperative working relationships with various outside governmental agencies and other outside groups.					
Promotes community involvement in the District as opportunity allows.					
Enhances community understanding of District's goals and objectives. Deals openly with conflict and District problems.					

C. LEADERSHIP

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Assumes leadership in establishing the immediate and long-range goals & objectives for the District.					
Demonstrates original thinking, ingenuity, and creativity by introducing new strategies or courses of action.					
Plans effectively and supports innovative problem-solving by involving others.					

D. COMMUNICATION

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Promotes and engages in two-way communication with Board					
Is accessible to Board Members. Communicates new ideas, suggestions, and concerns to the Board.					

E. MANAGING FINANCIAL AND MATERIAL RESOURCES

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Identifies District revenue enhancements and cost saving to ensure the District accomplishes important short-term and long-term goals.					
Demonstrates original thinking, ingenuity, and creativity by introducing new financial strategies or courses of action.					
Plans, implements, and directs a comprehensive financial program for the District's long-range economic development.					
Has a general understanding of technical issues affecting the District.					

F. ORGANIZATION

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory					
	5	4	3	2	1
Develops procedures in response to needs. Implements practices and monitoring results in support of Board policy. Anticipates changes in various situations and the ability to achieve goals despite these changes. Meets schedules (whether set by the General Manager or by others). Sets priorities, understands systems, practices time management, planning, and is committed to quality work.					

H. OVERALL EVALUATION

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory					
	5	4	3	2	1

Remarks/Comments:

**GENERAL MANAGER
360 PERFORMANCE EVALUATION**

EXHIBIT B

Rating categories:

- I*** - Improvement needed for performance to meet expected standards
M - Performance fully meets expected standards
E - Performance consistently exceeds standards

PERFORMANCE FACTORS	<i>I</i>	<i>M</i>	<i>E</i>	COMMENTS
1. QUALITY OF WORK: Consider the extent to which completed work is accurate, neat, well-organized, thorough, and effective				
2. RELATIONSHIPS WITH PEOPLE: Consider the extent to which the GM recognizes the needs and desires of other people, treats other with respect and courtesy, and inspires their respect and confidence, etc.				
3. WORK HABITS: Consider the GM's effectiveness in organizing and using work tools and time, in caring for equipment and materials, in following good practices of vehicle and personal safety, etc.				
4. TAKING ACTION INDEPENDENTLY: Consider the extent to which the GM shows initiative in making work improvements, identifying and correcting errors, initiating work activities, etc.				
5. ANALYZING SITUATIONS AND MATERIALS: Consider the extent to which the GM applies consistently good judgment in analyzing work situations and materials, and in drawing sound conclusions.				
6. MEETING WORK COMMITMENTS: Consider the extent to which the GM completes work assignments, meets deadlines, follows established policies and procedures, etc.				
7. TECHNICAL AND PRACTICAL KNOWLEDGE OF THE JOB: Extensive knowledge of technical elements in own program and related areas; willing to share technical knowledge; viewed as a knowledgeable resource; ability to effectively utilize a variety of resources to resolve administrative and/or program problems.				

**GENERAL MANAGER
360 PERFORMANCE EVALUATION**

Rating categories:

- I*** - Improvement needed for performance to meet expected standards
M - Performance fully meets expected standards
E - Performance consistently exceeds standards

PERFORMANCE FACTORS	<i>I</i>	<i>M</i>	<i>E</i>	COMMENTS
8. SUPERVISING THE WORK OF OTHERS: Creates an environment in which employees are treated with respect. Employees possess a sense of ownership; satisfaction in the District's accomplishments; influence over how things are done, and an understanding of their personal importance to the MCSD. Provides appropriate control over staff activities. Provides timely performance appraisal of subordinate staff. Inspires continuous learning and development of staff. Recognizes and values the contributions of all members of a diverse work force.				
9. LEADERSHIP: Cooperates, inspires, motivates, persuades and guides others toward goal accomplishment; adapts leadership style to a variety of situations; models high standards of honesty, integrity, trust, openness and flexibility; makes sound decisions consistent with District objectives.				
10. FISCAL MANAGEMENT: Understands District costs, debt, cash flow, fixed assets and rate structures and is able to utilize these strategically; Analyzes budget forecasts for accuracy; maintains responsible District costs within Board approved budgets. Timely review and approval of bank reconciliations, journal entries, financial statements, invoices (AP) and payroll.				
11. COMMUNICATION: Proactively informing Board of Departmental and District issues and concerns; Timely collection of information and reports from Departments. Maintains confidentiality of communications.				
12. COMPLIANCE: Demonstrates the ability to maintain the District and all departments in compliance with laws, regulations and reporting requirements				
13. CUSTOMER SERVICE: Shows interest in and understanding of the needs, expectations and circumstance of internal and external customers. Explores options and pursues solutions until customers are satisfied. Is responsive, pleasant, professional and easy to do business with. Looks at the organization and its services from the customer's point of view. Seeks and uses customer feedback to improve services. Meets or exceeds internal and external customer expectations.				

**GENERAL MANAGER
360 PERFORMANCE EVALUATION**

Rating categories:

- I*** - Improvement needed for performance to meet expected standards
- M*** - Performance fully meets expected standards
- E*** - Performance consistently exceeds standards

14. EMPLOYEE SAFETY: Consider whether the employee maintains and ensures training, safety requirements and compliance for supervised employees (i.e. full time, part-time, seasonal, Cal-works, sub-contractors or visitors)				
15. POLICIES AND PROCEDURES: Consider the extent to which the employee maintains compliance with All District Policies and Procedures. Ensures staff is aware of Human Resource and EEO Policies.				
16: IDP: Develops IDP with supervised employees and ensures employee completes all training requirements.				

OTHER EVALUATOR COMMENTS:

SIGNATURE: _____ N/A

DATE: _____

GENERAL MANAGERS COMMENTS:

SIGNATURE: _____

DATE: _____

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.10 **Consider and Adopt Resolution No. 2015-09, Amending MCSD Ordinance No. 10 and MCSD Water Shortage Contingency Plan**

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

TYPE OF ACTION: **Roll Call**

Recommendation:

1. Staff recommends that the Board review the information provided, air questions, take public comment and approve resolution 2015-09, modifications to Ordinance 10.
2. Approve Water Shortage Contingency Plan to reflect modifications to Ordinance 10.

Discussion:

In response to the ongoing severe drought, on March 17, 2015 the State Water Resources Control Board (SWRCB) approved an emergency regulation (Resolution No. 2015-0013 adopting "Drought Emergency Water Conservation") (Attachment 1) The resolution indicates that drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

The previous SWRCB Regulation, which took effect on or about Aug. 1, 2014 prohibit Californians from using potable water to do any of the following:

- Wash down sidewalks and driveways
- Water outdoor landscapes in a manner that causes excess runoff
- Wash a motor vehicle with a hose that does not have a shut-off nozzle
- Operate a fountain or decorative water feature, unless the water is part of a recirculation system

The new emergency SWRCB Regulation, which takes effect on or about May 1, 2015 additionally, prohibits Californians from using potable water to do any of the following:

- The application of potable water to outdoor landscapes during and up to 48 hours after measurable rainfall.

- The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.

Additionally, to promote water conservation,

- Operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each bathroom using clear and easily understood language.

The regulations make an exception for circumstances where the action is necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency.

To address the above emergency regulations, MCSD will notify the affected businesses of the regulations.

The new emergency regulations also require agencies that have Water Shortage Contingency Plans that do not have mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water (outdoor irrigation) to limit outdoor irrigation by the persons it serves to no more than two days per week.

Instead of limiting outdoor irrigation to two days per week, MCSD staff recommends modification of Ordinance 10 to indicate that in a Stage 2 water shortage emergency, outdoor irrigation of ornamental landscapes or turf with potable water is prohibited on odd numbered calendar days.

A red-lined Draft version of Ordinance 10 is included in Attachment 2 as Exhibit A.

For consistency, MCSD staff also recommends modification of the Water Shortage Contingency Plan Stage 2 water shortage emergency to prohibit outdoor irrigation of ornamental landscapes or turf with potable water on odd numbered calendar days.

A red-lined Draft version of the Water Shortage Contingency Plan is included as Attachment 3.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action
- Limit outdoor irrigation to two days per week by resolution.

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 SWRCB Resolution 2015-0013
- Attachment 2 Resolution 2015-09 Modification to Ordinance Number 10
- Attachment 3 Draft Water Shortage Contingency Plan

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2015-0013**

TO ADOPT AN EMERGENCY REGULATIONS FOR
STATEWIDE URBAN WATER CONSERVATION

WHEREAS:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an executive order (April 2014 Proclamation) to strengthen the State's ability to manage water and habitat effectively in drought conditions, and called on all Californians to redouble their efforts to conserve water. The April 2014 Proclamation finds that the continuous severe drought conditions present urgent challenges across the State, including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity, if drought conditions continue into 2015. The April 2014 Proclamation also suspends the environmental review required by the California Environmental Quality Act to allow the emergency regulation and other actions to take place as quickly as possible;
2. The April 2014 Proclamation refers to the [Governor's Proclamation No. 1-17-2014](#), issued on January 17, 2014, declaring a drought State of Emergency to exist in California due to severe drought conditions (January 2014 Proclamation). The January 2014 Proclamation finds that dry conditions and lack of precipitation present urgent problems to drinking water supplies and cultivation of crops, which put farmers' long-term investments at risk. The conditions also threaten the survival of animals and plants that rely on California's rivers, including many species in danger of extinction. The January 2014 Proclamation also calls on all Californians to reduce their water usage by 20 percent;
3. On December 22, 2014, in light of the continued lack of rain, Governor Brown issued [Executive Order B-28-14](#), which extends the California Environmental Quality Act suspension through May 31, 2016 for Water Code section 13247 and certain activities identified in the January 2014 and April 2014 proclamations;
4. Drought conditions are continuing. As of March 3, 2015, snow water equivalents for the Northern, Central, and Southern Sierra regions were at 16 percent, 20 percent, and 21 percent of normal for that date, respectively. Additionally, most reservoirs are less than 60 percent full and January 2015 was one of the driest months ever recorded in California history. Moreover, many communities face the prospect of needing emergency drinking water supplies;
5. The likelihood that any additional precipitation will significantly reduce the severity of drought conditions this year is extremely low;
6. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports";

7. On July 15, 2014, the State Water Board adopted an emergency regulation to support water conservation ([Resolution No. 2014-0038](#)), and that regulation became effective July 28, 2014 upon approval by the Office of Administrative Law (OAL);
8. The current emergency regulation will expire on April 25, 2015;
9. The current emergency regulation has supported Californians' water conservation efforts, with over 119 billion gallons saved from August 2014 through January 2015;
10. Many Californians have taken bold steps over the years and in this year to reduce water use; nevertheless, the dire nature of the current drought requires additional conservation actions from residents and businesses. Some severely-affected communities have implemented water rationing, limiting water use in some cases to only 50 gallons per person per day, foregoing showers, laundry, toilet flushing, and all outdoor watering;
11. Water conservation is the easiest, most efficient and most cost-effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this summer is water available later in the season or next year, giving water suppliers the flexibility to manage their systems efficiently;
12. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes would not suffer greatly from receiving a decreased amount of water;
13. Most urban water suppliers have placed restrictions on outdoor watering, but the State Water Board has nevertheless received many reports of excessive water use;
14. Education and enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;
15. Public information and awareness is critical to achieving conservation goals, and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (<http://saveourwater.com>);
16. Other parts of the world have faced social and economic hardship due to severe drought. Californians must continue to make lifestyle changes, including landscape choices that conserve even more water;
17. On March 6, 2015, the State Water Board issued public notice that it would consider the adoption of the emergency regulation at the Board's regularly-scheduled March 17, 2015 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations;
18. As discussed above, the State Water Board is adopting the emergency regulation because of the continuing emergency drought conditions, the need for prompt action, and the need to act before the current emergency regulation expires on April 25, 2015; and

19. Nothing in the regulation or in the enforcement provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulation adopted by this resolution, and local agencies retain the enforcement discretion in enforcing the regulation to the extent authorized. Local agencies are encouraged to develop their own progressive enforcement practices to promote conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board re-adopts California Code of Regulations, title 23, sections 863, 864, and 865, as appended to this resolution as an emergency regulation;
2. State Water Board staff will submit the regulation to the OAL for final approval;
3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or designee may make such changes;
4. This regulation shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulation due to continued drought conditions as described in Water Code section 1058.5;
5. The State Water Board directs staff to provide the Board with monthly updates on the implementation of the emergency regulation and its effect;
6. The State Water Board directs staff to condition funding upon compliance with the emergency regulation, to the extent feasible;
7. The State Water Board directs staff to work with the DWR and the Save Our Water campaign to disseminate information regarding the emergency regulations; and
8. The State Water Board directs staff to update the electronic reporting portal to include data fields for local agencies to report on compliance and enforcement activities.

THEREFORE BE IT FURTHER RESOLVED THAT:

9. The State Water Board commends Californians who heeded the call for conservation and have helped to save over 119 billion gallons from August 2014 through January 2015. The State Water Board calls upon Californians to redouble their conservation efforts in the face of a fourth year of severe drought. For homeowners and businesses that have delayed removing turf, planting drought-tolerant landscapes, or installing efficient irrigation systems, the time to act is now;

10. The State Water Board calls upon water suppliers to ensure that they have adequate personnel and financial resources to implement conservation requirements not only for 2015, but also for another year of drought should it occur. Water suppliers that face budget shortfalls due to reduced sales should take immediate steps to raise necessary revenues in a way that actively promotes continued conservation. In Resolution No. 2014-0038, the State Water Board called on all urban water suppliers to evaluate their rate structures and begin to implement needed changes as part of planning for another dry year. These efforts should be continued and redoubled;
11. Disadvantaged communities may require assistance in increasing water conservation and State agencies should look for opportunities to provide assistance in promoting water conservation;
12. The State Water Board calls upon all water suppliers to take further actions to increase water conservation, such as by:
 - a. providing customers with timely and easy-to-understand information on the average
 - b. number of gallons they use each month and each day within their billing period; accelerating the completion of projects that will conserve potable water by making use of non-potable supplies, such as recycled water and stormwater collection projects; and
 - c. accelerating projects to fix leaks, and to conduct a system-wide water loss audit as soon as possible;
13. The State Water Board calls upon the restaurant and hospitality industry to take further actions to increase water conservation, such as by utilizing water efficient pre-rinse spray valves for dish washing and training staff on the new regulation so that the minimum amount of water is used to wash towels and linens; and
14. The State Water Board directs staff to develop a statewide portal for reporting water waste.

CERTIFICATION


The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on March 17, 2015.

AYE: Chair Felicia Marcus
Vice Chair Frances Spivy-Weber
Board Member Tam M. Doduc
Board Member Steven Moore
Board Member Dorene D'Adamo

NAY: None

ABSENT: None

ABSTAIN: None



Jeanine Townsend
Clerk to the Board

ADOPTED TEXT OF EMERGENCY REGULATION

Article 22.5. Drought Emergency Water Conservation

Sec. 863 Findings of Drought Emergency

(a) The State Water Resources Control Board finds as follows:

- (1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;
- (2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;
- (3) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;
- (4) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and
- (5) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 864 ~~Prohibited Activities~~ End-User Requirements in Promotion of Water Conservation

(a) To promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; ~~and~~

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system-;

(5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall; and

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

~~(b)~~(c) The taking of any action prohibited in subdivision (a) or the failure to take any action required in subdivision (b) of this section, in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 865 Mandatory Actions by Water Suppliers

(a) The term “urban water supplier,” when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that ~~imposes~~includes mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed, or shall amend its water shortage contingency plan to include mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed and implement these restrictions within forty-five (45) days. Urban water suppliers with approved alternate plans as described in subdivision (b)(2) are exempted from this requirement.

~~(2) As an alternative to subdivision (b)(1) a~~An urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation-based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan that restricts the number of days that outdoor irrigation of ornamental landscapes and turf with potable water is allowed, or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within ~~thirty-fourty-five (3045)~~ thirty-fourty-five (3045) days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week ~~or shall implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.~~

(d) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-users exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report

shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. ~~Beginning October 15, 2014, the~~ The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves. ~~In its initial monitoring report, each urban water supplier shall state the number of persons it serves.~~

(e) To promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within ~~thirty~~ forty-five (3045) days, take one or more of the following actions:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2) Implement another mandatory conservation measure or measures intended to achieve a ~~comparable~~ 20 percent reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105; 350; 10617; 10632.

RESOLUTION 2015-09

**A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
(MCSD) BOARD OF DIRECTORS APPROVING AMENDMENTS TO ORDINANCE
NO. 10**

WHEREAS, On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions; and

WHEREAS, On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions; and

WHEREAS, The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist; and

WHEREAS, The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

WHEREAS, The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation; and

NOW, THEREFORE, BE IT RESOLVED that the McKinleyville Community Services District

1. MCSD Ordinance No. 10 is hereby amended and is attached to this Resolution as Exhibit "A"; and
2. Staff is directed to implement and enforce Ordinance No. 10, as amended by this Resolution, immediately upon adoption.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on April 1, 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

ORDINANCE NO. 10

AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR RATIONING WATER DURING A WATER SHORTAGE EMERGENCY AND ESTABLISHING PENALTIES FOR VIOLATIONS THEREOF

WHEREAS, Article X, Section 2 of the California Constitution declares that waters of the State are to be put to beneficial use, that waste, unreasonable use, or unreasonable method of use of water be prevented, and that water be conserved for the public welfare; and

WHEREAS, conservation of current water supplies and minimization of the effects of water supply shortages that are the result of drought are essential to the public health, safety and welfare; and

WHEREAS, regulation of the [day or](#) time of certain water use, manner of certain water use, design of rates, method of application of water for certain uses, installation and use of water-saving devices, provide an effective and immediately available means of conserving water; and

WHEREAS, California Government Code section 61100, subdivision (a) incorporates Water Code sections 71000 et seq., including section 71640, into the Community Service District Law; and

WHEREAS, California Water Code section 71610.5 authorizes the District to undertake a water conservation program to reduce water use and may require, as a condition of new service, that reasonable water-saving devices and water reclamation devices be installed to reduce water use; and

WHEREAS, pursuant to Water Code section 71640, municipal water districts may restrict the use of district water during a drought emergency or other water shortage condition and may prohibit the wastage of district water or the nonessential use of district water during such periods for any purpose other than household uses or other restricted uses as the District determines to be necessary; and

WHEREAS, pursuant to Water Code section 71641 and Government Code section 6061, the District must publish in a newspaper of general circulation any ordinance setting forth the restrictions, prohibitions, and exclusions determined to be necessary under Water Code section 71640 within 10 days after its adoption, even though the ordinance is effective upon adoption; and

WHEREAS, Water Code section 71644 establishes that, from the publication of an ordinance pursuant to section 71641 until the repeal of the ordinance or end of the emergency, it is a misdemeanor punishable by up to 30 days in county jail and/or a fine of up to \$600 for any person to use or apply water from the District contrary to or in violation of any restriction or prohibition; and

WHEREAS, the adoption and enforcement of a comprehensive water conservation program will allow the District to delay or avoid implementing measures such as water rationing or more restrictive water use regulations pursuant to a declared water shortage emergency as authorized by California Water Code sections 350 et seq.

BE IT ORDAINED BY the Board of Directors of the McKinleyville Community Services District as follows:

Section 1. Declaration of Water Shortage Emergency.

This ordinance is effective immediately upon adoption. The provisions of this chapter shall take effect whenever the District General Manager, upon engineering analysis of District water supplies, information received from the wholesale water provider, Humboldt Bay Municipal Water District (HBMWD), or due to regulatory requirements, notices, or orders, finds and determines that a water shortage emergency exists or is imminent within the MCSD water service area and a declaration of a water shortage is made by a resolution of the MCSD Board of Directors, and they shall remain in effect for the duration of the water shortage set forth in the resolution.

Section 2. Publication.

Within ten (10) days of adoption the District will publish in a newspaper of general circulation this ordinance setting forth the restrictions, prohibitions, and exclusions determined by the District to be necessary.

Section 3. Definitions.

For the purpose of this Ordinance the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future; words in the plural number include the singular number. The word "shall" is always mandatory and not merely directory.

- a. "District" is McKinleyville Community Services District.
- b. "Board of Directors" is the elected Board of Directors of the McKinleyville Community Services District.
- c. "Customer" is any person using water supplied by the McKinleyville Community Services District.
- d. "Manager" is the General Manager of the McKinleyville Community Services District.
- e. "Person" is any person, firm, partnership, association, corporation, company, or organization of any kind.
- f. "Water" is water from the McKinleyville Community Services District.
- g. "Outdoor surface" is any patio, porch, veranda, driveway, or sidewalk.

Section 4. Application.

The provisions of this Ordinance shall apply to all customers using water both in and outside the McKinleyville Community Services District, regardless of whether any customer using water shall have a contract for water service with the McKinleyville Community Services District.

Section 5. Determination of Stage of Action Necessary.

This ordinance establishes regulations to be implemented during times of declared water shortages, or declared water shortage emergencies. It establishes four levels of response actions to be implemented in times of shortage, as set forth in Section 7, below, with increasing restrictions on water use in response to worsening drought conditions or decreasing available supplies. The MCSD Board of Directors, upon recommendation by the Manager, shall determine and declare by resolution the stage of response action necessary. Notice of such determination shall be published in a newspaper of general circulation and shall be effective within five (5) days from the date the declaration is made.

Section 6. Waste of Water Prohibited

No water furnished by the District shall be wasted. Waste of water includes, but is not limited to, the following:

- a. Permitting water to escape (run to waste) down a gutter, ditch, surface drain, or otherwise;
- b. Failure to repair a controllable leak of water; and
- c. Failure to put to reasonable beneficial use any water withdrawn from the District's system.

Section 7. Prohibition of Non-Essential Use of Water

No water furnished by the District shall be used for any purpose declared to be non-essential by this Ordinance for the following stages of action as determined by the Board of Directors after considering specific triggers consistent with the Water Shortage Contingency Plan for the MCSD Service Area.

Stage 1 - Voluntary Conservation (up to 20% reduction). Achieve up to 20% reduction in water usage compared to the corresponding billing period in the previous calendar year (prior to declaration of the most recent water shortage emergency) by encouraging voluntary conservation, enforcement of water wasting regulations and water conservation regulations, requesting customers to make conscious efforts to conserve water, request restaurants to serve water only upon request, encourage private sector to use alternate source and encourage night irrigation. Voluntary actions include:

Water conservation is requested of all customers.
Installation and use of water efficient indoor devices.
Use of hose-end shutoff nozzles on all garden and utility hoses.

Refrain from washing cars, boats, trailers, or other vehicles except by hose with shutoff nozzle and bucket.
Installation of low-flow shower heads, low flush water closets, and faucet aerators.
Promptly repair all leaks in plumbing fixtures, water lines, and sprinkler systems.

Stage 2 - Mandatory Conservation (up to 30% reduction)

d. From and after the date that the Board of Directors, by resolution, determines that Stage 2, Mandatory Conservation actions are to be implemented, in addition to the voluntary action is Stage 1, the following uses are declared to be non-essential:

<u>Outdoor irrigation of ornamental landscapes or turf with potable water is prohibited on odd numbered calendar days. Unattended automatic watering of any lawn, garden, landscaped area, tree, shrub or other plant except between the hours of 12:00 AM and 4:00 AM.</u>
Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by public agency for the purpose of public safety.
Application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
Use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculation system.
Watering any portion of a golf course other than the tees and greens except where private well or recycled water supply is used.
Fire hydrant water unless authorized by the District, except by fire protection agencies for fire suppression purposes, or for other authorized uses including storm drain maintenance, and street sweeping purposes. Water/sewer flushing and fire flow testing are authorized only if coordinated and performed at the same time.
The use of a hose that dispenses potable water to wash a motor vehicle or for any other purpose, except where the hose is fitted with a shutoff nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

Stage 3 – Emergency Water Shortage (up to 50% reduction)

e. From and after the date that the Board of Directors, by resolution, determines that Stage 3, Emergency Water Shortage actions are to be implemented, the following additional uses are declared to be non-essential:

Outdoor irrigation is prohibited unless total water use is reduced by 50 % from the same billing period from the previous calendar year (prior to declaration of the most recent water shortage emergency).

Any leak that are not repaired within 24 hours after discovery.
Automated commercial car washes without a water recycling system.
Street cleaning or dust control with potable water.
Filling or to top off any swimming pools, outdoor spas, wading pools, and ornamental water features.
Use of water from a fire hydrant except for fighting fires and human consumption.
Watering any residential lawn, or any commercial or industrial area lawn maintained for aesthetic purposes, at any time of the day or night during the period of March 1, through September 30, when a Stage 3 is in progress.
Planting any new landscaping, except for designated drought resistant landscaping approved by the District.
Operating a hotel, motel or other commercial lodging establishment without offering patrons the option to forego the daily laundering of towels, sheets and linens.
Use of water for any outdoor washing purpose including commercial car washing, window washing, and paint preparation.
Washing of cars, boats, trailers, or other vehicles.

Stage 4 – Critical Water Shortage Emergency Mandatory Rationing (> 50% reduction)

f. From and after the date that the Board of Directors, by resolution, determines that Stage 4, Critical Water Shortage Emergency actions are to be implemented, the following additional uses are declared to be non-essential:

Agricultural irrigation.
Outdoor irrigation.
Any leaks that are not repaired immediately.
Bulk water sales.

g. The percentages stipulated in Stage 2 and Stage 3 may be increased by the General Manager for any class of customer if the General Manager determines that such increase is necessary to protect the public health, safety and welfare or to spread equitably among the water users of the District the burdens imposed by the drought and the shortage in the District's water supply.

Section 8. Variances

Applications for a variance from the provisions of Section 7 of this Ordinance may be made to the General Manager. The General Manager may grant a variance to permit a use of water otherwise prohibited by Section 7 if the General Manager determines that the variance is reasonably necessary to protect the public health and safety and/or economic viability of commercial operation. Any decision of the General Manager under this section may be appealed to the Board of Directors.

Section 9. Suspension of New Connections to the District's Water System

a. From the date the Board of Directors, by resolution, determines that Stage 2 (Moderate Mandatory) or Stage 3, (Severe Mandatory) Stage 4, (Rationing), actions are to be implemented, until, the Board of Directors by resolution declares that the water shortage has ended, which period is hereinafter referred to as the suspension period, the General Manager may prohibit new or enlarged connections to the District's water system except the following:

- (1) connection pursuant to the terms of connection agreements which prior to the date Stage 2, or Stage 3 are implemented, had been executed or had been authorized by the Board of Directors to be executed;
- (2) connections of fire hydrants;
- (3) connections of property previously supplied with water from a well which runs dry.
- (4) connection of property for which the Applicant agrees to defer landscape installation until after the suspension period.
- (5) Recycled Water connections.

b. During the suspension period applications for water service will be processed only if the Applicant acknowledges in writing that such processing shall be at the risk and expense of the Applicant and that if the application is approved in accordance with the District's regulations, such approval shall confer no right upon the Applicant or anyone else until the suspension period has expired, and that the Applicant releases the District from all claims of damage arising out of or in any manner connected with the suspension of connections.

c. Upon the expiration of the suspension period, the District will make connections to its water system in accordance with its regulations and the terms of connection agreements for all said applications approved during the suspension period. The water supply then available to the District will be apportioned equitably among all the customers then being served by the District without discrimination against services approved during the suspension period.

d. Nothing herein shall prohibit or restrict any modification, relocation or replacement of a connection to the District's system if the General Manager determines that the demand upon the District's water supply will not be increased thereby.

Section 10. Limits on Individual Consumption.

Manager may limit the amount of water delivered to customers, whenever the Manager determines the water available to the McKinleyville Community Services District is insufficient to meet the demands of customers of the District and that all water available to said District should be used solely for human consumption, sanitation and fire protection, he may order limits be imposed on individual consumption as determined and specified by resolution of the Board of Directors including penalties in addition to those specified in Section 11 of this Ordinance.

a. While this Ordinance is in effect, no additional water use by a customer, shall be permitted unless the Manager determines that the health, safety, or welfare of the public might be endangered.

Section 11. Fines and Penalties.

Except as otherwise provided herein, violations of any provision of this Ordinance shall be punished as follows:

- a. An administrative fine of up to \$500.00 may be levied for each violation of a provision of this ordinance in accordance with Water Code Section 71590.
- b. Each violation of this ordinance may be prosecuted as a misdemeanor punishable by imprisonment in the county jail for not more than thirty (30) days or by a fine not exceeding \$600, or both as provided in Water Code Section 71644. The manager shall forthwith direct and cause disconnection of the water service of any person or customer cited for a misdemeanor under this section. Such service shall be restored only upon payment of any turn-on charge fixed by the Board of Directors.
- c. Each day any violation of this Ordinance is committed or permitted to continue shall constitute a separate offense and shall be punishable as such hereunder.

Section 12. Enforcement.

The Manager and all employees of the McKinleyville Community Services District have the duty and are authorized to enforce the provisions of this Ordinance and shall have all the powers and authority contained in California Penal Code Section 836.5, including the power to issue written notice of violation.

Section 13. Signs on Land Supplied from Private Wells or Recycled Water.

The owner or occupant of any land within the MCSD water service area that is supplied with water from a private well or with recycled water shall post and maintain in a conspicuous place thereon a sign furnished by the District at cost giving public notice of such supply.

**McKinleyville Community Services District Amended Water Shortage
Contingency Plan**

DRAFT

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
WATER SHORTAGE CONTINGENCY PLAN**

Prepared for:
Mr. Greg Orsini
McKinleyville Community Services District
1656 Sutter Road
McKinleyville, California 95519

March 2015

Prepared by:
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DRAFT

1.0 INTRODUCTION

McKinleyville Community Services District (MCSD, or the District) was created on April 7, 1970 when McKinleyville voters voted 589 "yes" votes against 151 "no" votes to form the District. Initially, the District had authority to serve water and treat sewer wastes. In 1972, the voters added street lighting powers, in 1985 the voters added recreational powers and in 1995 the voters authorized construction of the McKinleyville Library.

The District boundary encompasses 12,140 acres ranging from North Bank Road on the south to Patrick's Creek on the north. The District is an independent, special district governed by a five member Board of Directors elected by McKinleyville voters. The Board meets monthly on the first Wednesday of each month to set policy, consider projects and resolve disputes. The Board's directives are implemented by the District's 23 full-time and 42 part-time employees. The District office is located at 1656 Sutter Road; just east of Central Avenue. McKinleyville is the third largest community in Humboldt County after Eureka and Arcata with a population of 16,401 (2011). The MCSD currently have over 5,300 active water services. MCSD is proud of its record of solving problems. The Board has summed up its philosophy by adopting the following Mission Statement: "Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner".

1.1 Purpose

MCSD has prepared this Water Shortage Contingency Plan as a response to California State Water Resources Control Board's Resolution 2014-0038, Emergency Regulation for Statewide Water Conservation, to prepare for potential future local, regional, and State water shortage conditions, and to fulfill a requirement of the Urban Water Management Planning Act.

1.2 State Regulations and Planning Requirements

The California Water Code contains two provisions for California water supplies related to water shortage contingency planning.

California Water Code Section 350-359 provides the authority for a governing body to declare water shortage emergencies (Appendix A). Upon the declaration of a water shortage emergency, the local agency is provided with broad powers to implement and enforce regulations and restrictions for managing water shortage conditions. Priority is given to water needed for domestic, sanitation and fire protection purposes. Discrimination is not allowed between water users using water for the same purpose or purposes.

The Urban Water Management Planning (UWMP) Act requires urban water suppliers to perform an urban water shortage contingency analysis that includes several elements (California Water Code §10632, contained in Appendix B). This Water Shortage Contingency Plan addresses each of the required elements in the urban water shortage contingency analysis.

2.0 MCSD WATER SUPPLY

The McKinleyville Community Services District has one source of water. The sole source of MCSD water is purchased from The Humboldt Bay Municipal Water District (HBMWD). The water delivered from the HBMWD to the MCSD is through a single transmission main under the Mad River. A waterline intertie with the City of Arcata water system under the Highway 101 bridge is maintained as an emergency connection. The City of Arcata also purchases water from HBMWD.

The water distributed by HBMWD is from Ruth Lake, which is located in Trinity County. The Mad River R.W. Matthews Dam, located at river mile 79, impounds water in Ruth Lake. The HBMWD manages releases from the dam to ensure sufficient supplies downstream throughout the year.

At HBMWD's Essex Operations Center located just northeast of Arcata, water is diverted and pumped to meet demand. Municipal water is pumped from an aquifer beneath the Mad River by four wells, called Ranney wells, situated within the riverbed at depths ranging from approximately 60 to 90 feet. Industrial water is diverted by a surface diversion facility.

HBMWD has appropriate water rights permits from the State Water Resources Control Board through the year 2029 for surface water storage and diversion. Diversion is accomplished in different ways for different uses as mentioned earlier.

HBMWD water rights permits allow it to store and divert a combined 75 million gallons a day (MGD) from the Mad River. This totals 84,000 Acre feet per year (AFY), which represents 8.5% of the average annual runoff (982,600 AFY) of the Mad River Basin for the period from 1963 to 2010 (average annual runoff data provided by USGS at Gage Station 1148100 on the Mad River near Arcata, CA).

The HBMWD operates Ruth Reservoir, a 48,000 acre foot reservoir about 79 miles east of the coastal areas. This reservoir impounds only about 3% of the watershed and fills at a very rapid rate in normal rainfall years. Approximately 11 MGD is delivered to the municipal/district customers and entitlement is limited by actions taken during water shortage emergencies. Of the delivered water, a peak flow rate of 2.8 MGD is committed to serve the MCSD customers.

The MCSD receives the water delivery at the North Bank Pump Station having a bank of three pumps. Standby disinfection is available at this site should the chlorine residual from delivered water drop below 0.2 parts per million. The District has two 1.5 Million gallons tanks, two 1.0 million gallon tanks, a 100,000 and 150,000 gallon tank and three booster stations throughout the distribution system.

3.0 MCSD WATER DEMAND

Based on 2013 data, the percent of sales volume by sector is indicated in the table below:

Sector	Demand Percent by Volume
Single family	67
Multi-family	18
Commercial	8
Industrial	
Institutional/governmental	
Landscape	
Other	6

Based on production and sales records, past, current and future water demand for the MCSD is approximately 520 million gallons of water a year to supply water to the McKinleyville CSD service area.

4.0 ESTIMATED MINIMUM WATER SUPPLY FOR THE NEXT THREE YEARS

According to the MCSD 2010 Urban Water Management Plan, the North Coast is one of the only areas in California with an abundance of water. Droughts, while severe climatically, have not resulted in the level of water supply shortfalls that other areas of California routinely experience. The drought of 1976/1977 was the only declared water emergency on the North Coast. During that event, Ruth Lake storage was 52% of normal average volume and rainfall in the Ruth Lake area was 42% of historical average. The drought came to an end with heavy rains during November 1977. Even during the only declared water emergency on the North Coast MCSD did not experience water supply restrictions. During this drought the MCSD supplies were sufficient to meet normal demand without restrictions.

The MCSD 2010 Urban Water Management Plan indicates that the driest three-year period was 1990, 1991, and 1992. During this period of time conditions requiring implementation of water shortage emergency did not exist, there were no restrictions on water supplied by the HBMWD and MCSD supplies were sufficient to meet normal demand without restrictions.

Based on the above historical information, MCSD projects that if the minimum water supply was available during each of the next three water years (based on the driest three-year historic sequence) there would be sufficient supply to meet normal demand without implementing water use restrictions.

5.0 CATASTROPHIC INTERRUPTION OF WATER SUPPLY

The California Safe Drinking Water Act mandates in Section 4029 that every public water system includes a Disaster Response Plan as part of their Emergency Notification Plan. This plan will outline the steps to be taken to maintain or return water service to the District's customers after a major disaster.

MCSD has prepared an Emergency Response Plan (ERP) dated December 19, 2011, which describes the actions the District will take during a catastrophic interruption of water supplies.

The water distribution system is susceptible to two types of emergency situations, earthquakes and contamination.

In the event of a major earthquake or groundwater contamination, a water shortage contingency plan would be implemented, which would include rationing of the water storage reservoirs. However, if an earthquake were substantial enough to damage the well casing, pumping system, distribution system, and reservoirs, the water supply would be decreased. In this case, another temporary water supply would need to be used including the Arcata intertie if Arcata is unaffected. Another option is to have water transported by truck from a nearby municipality.

6.0 STAGES OF ACTION FOR DEMAND REDUCTION

6.1 Rationing Stages and Demand Reduction Goals

MCSD's Water Shortage Contingency Plan consists of the following stages of rationing and demand reduction goals:

Stage	Demand Reduction Goals
Stage 1-Voluntary Conservation	20%
Stage 2-Mandatory Conservation	20-30%
Stage 3-Emergency Water Shortage	30-50%
Stage 4-Critical Water Shortage Emergency	>50%

The declaration of a specific stage of water shortage emergency will depend on several variables including:

- Statewide drought conditions;
- Local drought conditions;
- Allocation reductions from HBMWD; and
- State regulations, notices and orders.

Declaration of a Stage 4 water shortage emergency may also be triggered by a major catastrophic event that affects the ability of the District to meet anticipated demands. The decision regarding declaration of a specific Stage of water shortage emergency will

be based on conditions at the time, therefore the triggers are general to accommodate to a broad range of conditions.

6.2 Prohibitions on Water Use

During a Stage 1 water shortage voluntary water conservation is requested of all customers including the specific voluntary measures below:

- Use water efficient indoor devices.
- Use of hose-end shutoff nozzles on all garden and utility hoses.
- Refrain from washing cars, boats, trailers, or other vehicles except by hose with shutoff nozzle and bucket.
- Installation of low-flow shower heads, low-flush toilets, and faucet aerators.
- Promptly repair all leaks in plumbing fixtures, water lines, and sprinkler systems.

During a Stage 2 water shortage water use as indicated in the table below are nonessential and are restricted:

Outdoor irrigation of ornamental landscapes or turf with potable water is prohibited on odd numbered calendar days. Unattended automatic watering of any lawn, garden, landscaped area, tree, shrub or other plant except between the hours of 12:00 AM and 4:00 AM.
Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by public agency for the purpose of public safety.
Application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
Use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculation system.
Watering any portion of a golf course other than the tees and greens except where private well or recycled water supply is used.
Fire hydrant water unless authorized by the District, except by fire protection agencies for fire suppression purposes, or for other authorized uses including storm drain maintenance, and street sweeping purposes. Water/sewer flushing and fire flow testing are authorized only if coordinated and performed at the same time.
The use of a hose that dispenses potable water to wash a motor vehicle or for any other purpose, except where the hose is fitted with a shutoff nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

During a Stage 3 water shortage emergency, in addition to the restricted water uses in earlier Stages, water uses indicated below are nonessential and are prohibited:

Outdoor irrigation is prohibited unless total water use is reduced by 50 % from the same billing period from the previous calendar year (prior to declaration of the most recent water shortage emergency).

Bulk water sales.
Any leaks that are not repaired within 24 hours after discovery.
Automated commercial car washes without a water recycling system.
Street cleaning or dust control with potable water.
Filling or to top off any swimming pools, outdoor spas, wading pools, and ornamental water features.
Use of water from a fire hydrant except for fighting fires and human consumption.
Watering any residential lawn, or any commercial or industrial area lawn maintained for aesthetic purposes, at any time of the day or night during the period of March 1, through September 30, when a Stage 3 is in progress.
Planting any new landscaping, except for designated drought resistant landscaping approved by the District.
Operating a hotel, motel or other commercial lodging establishment without offering patrons the option to forego the daily laundering of towels, sheets and linens.
Use of water for any outdoor washing purpose including commercial car washing, window washing, and paint preparation.
Washing of cars, boats, trailers, or other vehicles.

During a Stage 4 water shortage emergency, in addition to the restricted water uses in earlier stages, water uses indicated below are nonessential and are prohibited:

Agricultural irrigation.
Outdoor irrigation.
Any leaks that are not repaired immediately.

6.3 Violations of Water Use Restrictions

Fines and penalties and enforcement are established in Section 11 and Section 12 MCSD Ordinance 10 (Appendix C).

7.0 ANALYSIS OF REVENUE AND EXPENDITURES IMPACTS

During the implementation of the various water shortage emergency stages, there will be an impact on revenue and expenses for the District due to the anticipated demand reduction. The table below indicates the net impact on revenue given the various demand reduction scenarios. This is intended to be a general analysis of revenue impact and is based on the 2013-2014 annual budget.

2014-2015	FY 2014-2015	20%Volumetric Reduction	30%Volumetric Reduction	50%Volumetric Reduction
Revenue				
Annual Base Rate Revenue	\$ 1,005,194	\$ 1,005,194	\$ 1,005,194	\$ 1,005,194
Other Revenue	\$ 253,049	\$ 253,049	\$ 253,049	\$ 253,049
Annual Volumetric Revenue	\$ 1,928,230	\$ 1,542,584	\$ 1,349,761	\$ 964,115
Total Annual Revenue	\$ 3,186,473	\$ 2,800,827	\$ 2,608,004	\$ 2,222,358

Expenses	FY 2014-2015	20%Volumetric Reduction	30%Volumetric Reduction	50%Volumetric Reduction
Fixed Expenses (T&D and Admin)	\$ 813,518	\$ 813,518	\$ 813,518	\$ 813,518
Cost of Water	\$ 863,768	\$ 691,014	\$ 604,638	\$ 431,884
Power (3% of Total Expenses)	\$ 74,143	\$ 59,314	\$ 51,900	\$ 37,071
CIP Reserve	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000
Total Annual Expense	\$ 2,471,429	\$ 2,283,847	\$ 2,190,056	\$ 2,002,474

Excess	\$ 715,044	\$ -	\$ -	\$ -
Anticipated Short Fall (12-months)	\$ -	\$ 198,064	\$ 297,096	\$ 495,160
Anticipated Short Fall (6-months)	\$ -	\$ 99,032	\$ 148,548	\$ 247,580
Anticipated Short Fall (3-months)	\$ -	\$ 49,516	\$ 74,274	\$ 123,790

The net impact on revenue depends on the stage of water shortage emergency and the duration of the water shortage event. The worst case scenario that is presented above is a 50% reduction in volumetric sales for a 12-month duration resulting in a \$495,160 shortfall. The more likely scenario is a 20% demand reduction for a three to six month duration resulting in a net reduction in revenue between \$49,516 and \$99,032.

The District has several options it can consider for handling the anticipated revenue impact including:

- Reduce funds allocated for the Capitol Improvements Funds (CIP) reserve, thereby reducing the CIP reserve fund and delaying implementation of CIP projects;
- During the next rate study develop a water shortage surcharge (rate structure) that automatically goes into effect upon declaration of a specific stage of water shortage emergency; or
- During the next rate study include the establishment of a water shortage emergency fund that will be available in the event of a water shortage emergency.

8.0 MONITORING PROCEDURES

During a declared water shortage emergency water production volumes will be reviewed monthly, including a calculation of Gallons Per Capita per Day (GPCD), and comparison to the same month of the year just prior to the declaration of a water shortage emergency.

9.0 WATER FEATURE INVENTORY

The District will initiate a survey that will inventory water features, and determine if any water features use potable water without a recirculation system. This section of the contingency plan will be updated when this data becomes available prior to the submittal of the 2015 Urban Water Management Plan as required.

DRAFT

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.11 **Discussion of 2014 Wastewater Management Facility
Annual Report to the Regional Water Quality Control
Board (RWQCB)**

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

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board review report, air questions and take public comment.

Discussion:

The District reports annually to the Regional Water Quality Control Board in February of each year. The report reviews the performance of the treatment plant for the past year, the progress of any projects, it provides details of our required discharge testing results, makes note of any compliance failures, and provides a general discussion of performance and future expansions or projects.

The District was in compliance throughout the year with all testing except for Chronic and Acute Toxicity testing. The acute toxicity testing requires 96-hour testing of 100% effluent using 2 test species: larval rainbow trout (*Oncorhynchus mykiss*) and water flea (*Ceriodaphnia dubia*) and must achieve a 90% survival median. After the first discharge season, acute toxicity monitoring was to be conducted using the most sensitive species which resulted in being the *Ceriodaphnia dubia*. Table 4 of Attachment 1 displays the results from the Acute testing. The District has no problem with getting over 90% survival when using the Larval Rainbow Trout but struggles with getting those results using *Ceriodaphnia dubia*. Acute Toxicity *Ceriodaphnia dubia* testing was able to meet compliance with repeat (accelerated) testing. MCSD continues to perform larval rainbow trout acute toxicity testing as a control to demonstrate that the toxicity identified in the water flea testing can be attributed to unionized ammonia. (Unionized ammonia (NH₃) is the toxic form of ammonia, and unionized ammonia concentrations increase with increased pH and temperature (EPA, 1979)).

The Chronic Toxicity monitoring bioassay criteria requires a 96-hour static renewal or 96-hour static non-renewal testing which cannot exceed the chronic toxicity trigger of 1.0 TUc. Test species for chronic testing are a vertebrate, the fathead minnow, *Pimephales promelas* (larval survival and growth test), an invertebrate, the water flea, *Ceriodaphnia dubia* (survival and reproduction test),

and a plant, the green alga, *Selenastrum capricornutum* (growth test). The District conducted chronic toxicity testing one time during the 2014 discharge season. The testing results for Chronic Testing are detailed in Table 4 of attachment 1 and show that this test had failed. Chronic Toxicity accelerated testing was not conducted due to it not being possible to pass the test due to high ammonia. A Toxicity Reduction Evaluation (TRE) was required, to identify the toxicant, and was conducted in 2009 by SHN which confirmed that chronic failure was due to high ammonia.

The new WWMF upgrade will provide reliable ammonia removal as part of the upgrade. Once the facility improvements have been completed, we anticipate that the acute and chronic toxicity test results will be in compliance.

However, the BOD and TSS results continued to drop in 2014 and have dropped even further in 2015. These results are posted monthly in the Board Report under section F.2.D.

The complete 191 page report can be viewed on the District website or at the District office. The 9 page summary is attached as Attachment 1.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Annual Report summary pages.

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March 1, 2015

Regional Water Quality Control Board, North Coast Region
5550 Skylane Blvd., Suite A
Santa Rosa, California 95403

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY ANNUAL REPORT, FOR 2014**

The McKinleyville Community Services District operates the wastewater collection, treatment, and disposal facilities that serve 6391 customer units in the unincorporated area of McKinleyville in Northern Humboldt County. The system operates under Order Number WQ 2011-0008-DWQ, National Pollution Discharge Elimination System (NPDES) Permit No. CA0024490, WDID No. 1B820840HUM and issued by the California State Water Resources Control Board.

Tables 1 and 2 summarize the existing permit elements for reference.

Table 1. Effluent Limitations for Discharge Point 001

Parameter	Units	Effluent Limitations				
		Average Monthly	Average Weekly	Maximum Daily	Instantaneous Minimum	Instantaneous Maximum
Biochemical Oxygen Demand 5-day @ 20°C	mg/L	45	65			
	lbs/day	604	873			
Total Suspended Solids	mg/L	83				
	lbs/day	1108				
pH	pH Units				6.5	8.5
Settleable Matter	mg/L	0.1		0.2		
Chlorine Residual	mg/L	0.01		0.02		
Nitrate as Nitrogen	mg/L	10				
4,4'-DDT	ug/L	0.00059		0.0027		
bis(2-ethylhexyl) phthalate	ug/L	1.8		3.6		

Table 2. Summary of Monitoring Location Names and Descriptions.

Discharge Point Name	Monitoring Location Name	Monitoring Location Description
	M-INF	Treatment facility headworks
All	M-001	Chlorine contact chamber following dechlorination
001	M-002	Outfall to the Mad River under the Hammond Trail railroad bridge
002	M-003	Outfall to Mad River percolation ponds
003	M-004	Recycled wastewater irrigation of Lower Fisher Ranch
004	M-005	Discharge to land on Upper Fisher Ranch
005	M-006	Recycled wastewater irrigation of Hiller Storm Water Treatment Wetland
006	M-007	Recycled wastewater irrigation of Pialorsi Ranch
	M-008	Overflow from the Hiller Storm Water Treatment Wetland
	R-001	Mad River at Highway 101 Bridge
	R-002	North bank of Mad River as close as possible to the discharge point under the Hammond Trail Bridge
	W-001	Well M-1 adjacent to Fisher Road
	W-002	Well M-2 on the SW corner of the intersection of School and Fisher Roads
	W-006	Well M-6 south of W-9 and west of W-7
	W-007	Well M-7 in the upper portion of the Fisher parcel
	W-008	Well M-8 400 feet west of the intersection of School and Fisher Roads
	W-009	Well M-9 adjacent to School Road
	W-014	Well down gradient of the Hiller Storm Water Treatment Wetlands
	W-015	Well within the Lower Fisher Ranch irrigation area
	W-016	Well within the Pialorsi Ranch irrigation area

Compliance:

Biochemical Oxygen Demand (BOD) Testing:

Discharge Point 001 requirement for BOD are 45 mg/L, 604 lbs/day and 65% removal for the monthly average and a weekly average limit of 65 mg/L and 873 lbs/day. Discharge Point 002 requirement for BOD is 45 mg/L monthly average and a weekly average limit of 65 mg/L. Discharge Point 003- 006 requirements for BOD are 45 mg/L monthly.

BOD limitations for 2014 were not exceeded.

Total Suspended Solids Testing (TSS):

Discharge Point 001 requirement for TSS is 83 mg/L, 1108 lbs/day and 65% removal for the monthly average. Discharge Points 002- 006 requirements are 83 mg/L for the monthly average.

TSS limitations for 2014 were not exceeded.

3x5 Total Coliform/ Disinfection Testing:

The effluent limitations for coliform 3x5 testing is a maximum monthly median, a most probable number (MPN) of 23 per 100 milliliters and a daily maximum of 230 MPN and are the same for Discharge Point 001- 006. Coliform limitations for Monthly Median and Daily Maximum were in compliance in 2014.

Settleable Matter Testing:

The effluent limitations for settleable Matter testing are listed in Table 1 and are for Discharge Point 001. Settable Matter limitations for 2014 were not exceeded.

Chlorine Residual Testing:

The effluent limitations for Chlorine Residual testing are listed in Tables 1 and are for Discharge Point. Residual limitations for 2014 were not exceeded.

Nitrate as Nitrogen Testing:

The effluent limitations for Nitrate as Nitrogen testing are listed in Tables 1 and are for Discharge Point 001 and 002. Nitrate as Nitrogen limitations for 2014 were not exceeded.

4,4'-DDT; bis(2-ethylhexyl) phthalate and carbon tetrachloride Testing:

The effluent limitations for these constituents are Table 1 and are for Discharge Point 001. The limitations for 2014 were in compliance.

Acute Toxicity Monitoring:

The acute toxicity monitoring bioassay criteria for Discharge Point 001 requires a 96-hour fish bioassay test conducted at M-001 in undiluted effluent. Two test species were required, Ceriodaphnia dubia (C.dubia) and Rainbow Trout. The method for conducting this test require the laboratory maintain the test sample the same pH as when the effluent sample was collected and that ammonia, pH and temperature be recorded on 24-hour intervals and reported with the bioassay test results.

It was determined that the C. dubia was too sensitive to the buffering agent used to maintain the pH and mortality rates were beyond the limits set forth in the permit so pH control of the C. dubia was discontinued. After the first year of testing the most sensitive species was to be determined and continue testing that species only but we have continued to conduct testing on both species.

The minimum compliance for any one test is 70% survival. The median for all bioassays during any calendar month is at least 90%. If the results of any 96-hour bioassay test are not in compliance a follow up test is required within 7 day of notification. The results for Acute Testing were in compliance in 2014 with the exception of a March and November test for C. dubia that required follow up testing which was in compliance.

Non-Compliance:

Acute Toxicity Testing

The Requirement for Acute Toxicity testing is a minimum of 70% survival for any one test and median for all tests in one month of 90%. Acute Testing remained in compliance throughout the calendar year for Rainbow Trout and C. dubia remained in compliance from January to December with the exception of November. Please review Table 3 for results.

Table 3 Monthly and Accelerated Testing

Date	Test	Trout	Cerio
Collected		Survival	Survival
11/25/2014	Monthly	100%	15%
12/4/2014	Accelerated #1	-	85%
12/16/2014	Accelerated #2	-	100%
1/6/2015	Control Failure	-	
1/27/2015	Accelerated #3	-	90%

Conclusion

It has been a long standing observation that our ammonia levels are high and un-ionized ammonia cause toxicity in the right conditions. Due to the toxicity of the pH buffering agent and the high temperatures required for C.dubia test, pH fluctuations and temperatures far outside those characteristic in our effluent cause unionized ammonia to increase to become toxic.

The District, with concurrence of the Regional Board, has decided to run the acute toxicity as a side by side comparison with the second testing criteria at 20°C for C. dubia along with daily renewal of effluent which is consistent with the method.

Chronic Toxicity Monitoring:

The chronic toxicity monitoring bioassay criteria for Discharge Point 001 requires a 96-hour static renewal or 96-hour static non-renewal testing. The sample is a 24-hour composite and is representative of the volume and quality of the discharge. The sampling is conducted at M-001 WWMF Effluent. Test species for chronic testing are a vertebrate, the fathead minnow, *Pimephales promelas* (larval survival and growth test), an invertebrate, the water flea, *Ceriodaphnia dubia* (survival and reproduction test), and a plant, the green alga, *Selenastrum capricornutum* (growth test). The District conducted chronic toxicity testing one time during the 2014 discharge season. The testing results for Acute Testing are detailed in Table 4

Table 4 Chronic Toxicity Testing for 2014

Dilution Water	Date	Test Species				
		Flathead minnow		Water flea		Algae
		Survival	Growth	Survival	Reproduction	Growth
Diluted w/ Lab Control Water	March 2014	TUc = 1.3	TUc = 2	TUc = 1.3	TUc = 4	1.3

Accelerated Monitoring Requirements:

If the result of any chronic toxicity test exceeds the chronic toxicity trigger of 1.0 TUc and the testing meets all test acceptability criteria, the District shall initiate accelerated monitoring. Accelerated monitoring shall consist of four additional effluent samples, one test conducted approximately every week, over a four-week period. Testing shall commence within 14 days of receipt of the sample results of the exceedance of the chronic toxicity effluent limitation. The following protocol was used for accelerated monitoring and the TRE implemented and detailed in a study submitted during the 2009 discharge season.

Conclusion:

It was concluded that the mortality experienced in regular testing and verified in the monitoring study was due to ammonia. Ammonia toxicity has been addressed in the 20 Year Facility Plan and a preferred alternative has been identified for the plant upgrade that will reliably remove ammonia. Design began in early 2013 with construction to begin in 2016. An interim solution for ammonia removal will also be explored.

Other Projects and Commentary on the Treatment Process:

Treatment Process Trends:

The success of a particular process can be gauged by tracking the removal of BOD and TSS. Chart 1 demonstrates average BOD concentration in mg/L from 2005 through 2014. The average BOD in 2014 was 22 mg/L and continues to remain well below 45mg/L, our current limit.

Chart 1 Annual Average BOD Concentrations

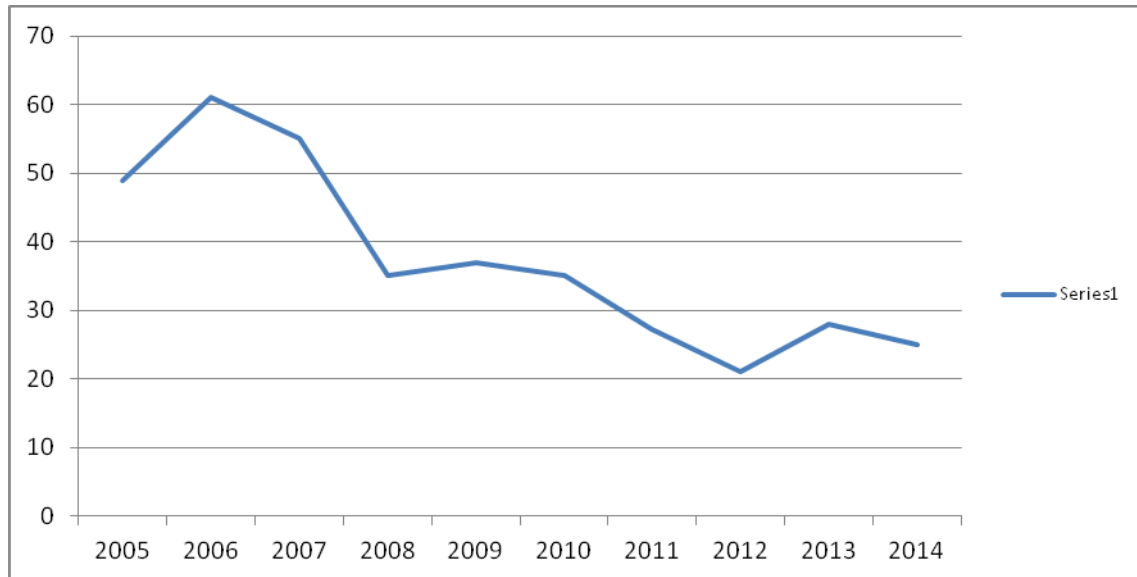


Chart 2 demonstrates average TSS concentration in mg/L from 2005 through 2014. The average TSS in 2014 was below 30 mg/L and is well below the level it was in 2005.

Chart 2 Annual Average TSS Concentrations

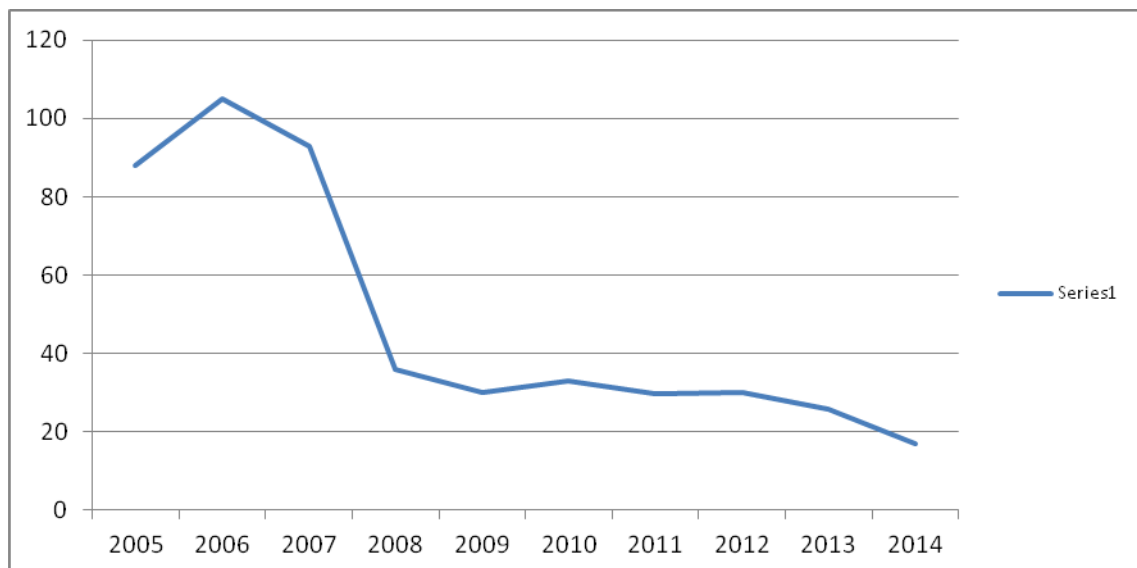
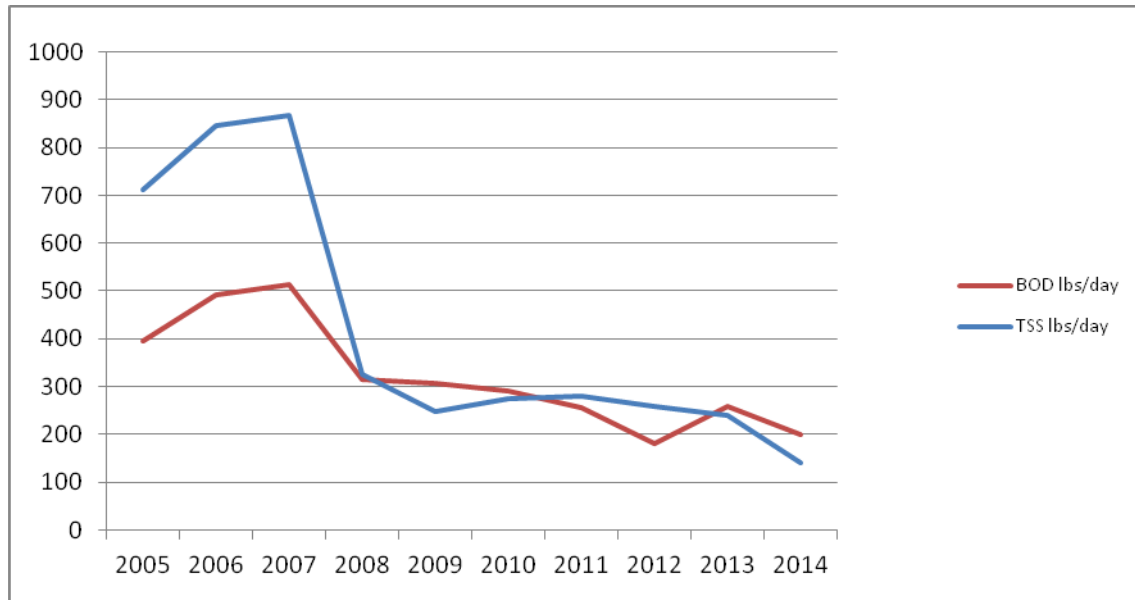


Chart 3 is the product of the flow and the concentration, is identified as mass loading and measured in pounds per day. BOD and TSS continue to trend lower.

Chart 3 Annual Average BOD and TSS Mass Loading



Charts 1-3 demonstrate the steady trend upward of BOD and TSS from 2005 through the time of the treatment marsh upgrade project completion in 2006. From 2006 through 2007 the performance of the treatment process can be demonstrated by the drastic improvement. From 2007 through 2011 the efficiency of the process continues to trend down. The blip upward in BOD experience in 2012 but trended back down in 2014.

Main Area of Concern:

Nitrogen Removal

Ammonia has been identified as the main area of concern as demonstrated through biological testing and the appearance of Nitrate in the ground water adjacent to the irrigation sites. Though our permit does not directly limit ammonia we recognize the importance of addressing the concern. The District is committed to reversing the trend of ammonia toxicity in our effluent stream. The 20 Year Facility Plan directly addresses and is dedicated to the removal by treatment of this constituent. The District is also exploring other interim alternatives that have the potential to augment planned upgrades and are addressed in the WWMF Improvement Project Design.

Summary of Work Completed in 2014

Letz Sewer Station Pump Upgrade: Attachment 1

The Letz Sewer Lift Station had two 4" pumps that needed an upgrade. One of the 4" pumps was removed and replaced with a 6" pump. The motor was upgraded from a 15 hp to a 20 hp. The pump was aligned to match the outlet piping and a suction coupler was fabricated to connect the suction pipe to the pump body. Other than the fabricated suction coupler, all work was done in house. The pump previously pumped 4.8 hours a day during dry weather flows and currently pumps 1.6 hours per day dry weather flows.

Biosolids Removal: Attachment 2

Synagro was awarded the contract to provide biosolids removal services for the Wastewater Management Facility (WWMF) Pond 1A. It was estimated that approximately 950 dry tons of biosolids were needed to be removed and disposed in accordance to the Contract Documents prepared by Kennedy/Jenks Consultants and accepted by the Owner. Approximately 600 dry tons were removed from Pond 1A leaving approximately 4” to 10” of solids. The District agreed to have Synagro move into Pond 1B to collect the remaining 320 dry tons in order to lock in the price per ton in the existing contract.

Prior to the Biosolids removal, District staff removed the aerators from Pond 1A and strategically placed them into Ponds 1B, 2, and 3 to help the treatment process. Previously, the influent was divided into Pond 1A and 1B equally but was directed into just Pond 1B when Pond 1A was taken off-line. An aerator was also placed into Pond 4 for additional treatment.

WWMF Upgrade 90% Design Drawings: Attachment 3

In 2013 MCSD contracted Kennedy/ Jenks to design the WWMF upgrade. The Design is at the 90% phase which has been commented on by the District. The District has also contracted a couple more sets of eyes to aid in the process. The new treatment process will be designed in Pond 1A which has had Biosolids removal and approximately 90% drained.

20 Year Facilities Plan

The District also completed significant work in 2011 on the 20-year facilities plan for the District WWMF. An initial draft of the facilities plan was published in August 2011 for a peer review by Kennedy Jenks. In October 2011 a revised draft was published and circulated for public review and comment. The final draft of the facilities plan was published in January 2012 and accepted by the District board on February 1, 2012. The full document can be located at the District web site by following this link.

<http://mckinleyvillecsd.com/document-library/20%20Year%20Facilities%20Plan>

INDEX OF ATTACHMENTS and EXHIBITS

ATTACHMENT 1: Letz Sewer Station Pump Upgrade

ATTACHMENT 2: Biosolids Removal

ATTACHMENT 3: WWMF Upgrade 90% Design Drawings

EXHIBIT A: Tabular and Graphical Data

Influent and Effluent Monthly Totals
Influent and Effluent Maximum Day

EXHIBIT B: Tabular

CFS, River Dilution, Effluent Flow and Effluent Distribution

EXHIBIT C: Tabular and Graphical Data

Monthly Totals for Effluent Flow and Discharge Disposal Locations
Annual Effluent Distribution Pie Chart
Daily Totals for Effluent Flow and Discharge Disposal Locations

EXHIBIT D: Tabular Data

Monthly Monitoring Report (Permit exceedances highlighted in yellow)

EXHIBIT E: Tabular Data

Influent and Effluent Testing Monthly Averages
Daily Influent and Effluent Testing

EXHIBIT F: Tabular and Graphical Data

30-day Average BOD and NFR Worksheet
30 Day BOD and NFR Maximum, Minimum and Average Chart
BOD and NFR 30 Average Concentration Chart
BOD and NFR 30 Average lbs/day Chart
BOD and NFR 30 Day Average Removal Comparisons
BOD Influent, Effluent and Terminal Pond Comparisons

EXHIBIT G: Tabular and Graphical Data

Monthly Averages for pH, temperature Ionized and Unionized Ammonia
Relationship between Temperature and Ammonia Percent Removal Chart
Influent and Effluent Average Total Ammonia Chart

EXHIBIT H: Tabular Data

Discharge Data R-001, R-002 and M-001
Discharge Data R-003
Discharge Data R-004 and R-005
Well Monitoring Data

EXHIBIT I: Tabular Graphical Data

Pond Sludge Depths
Remaining Sludge Capacity Chart
Monthly/ Annual Averages for Pond Ammonia
Monthly/ Annual Averages for Pond Temperature
Monthly/ Annual Averages for Pond pH
Monthly/ Annual Averages for Pond Dissolved Oxygen
Monthly/ Annual Averages for Pond Level

EXHIBIT J: Tabular and Graphical Data

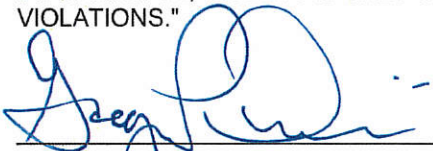
Monthly Total Aerator Hours
Monthly Total Aerator Hours versus Ammonia % Removal Chart
Monthly Total Aerator Hours versus Effluent BOD Chart
Monthly Total Aerator Hours versus BOD Percent Removal Chart

EXHIBIT K: Tabular Data

Monthly Total Electric, Cl₂, SO₂, and Rain Gage Data
TKN, Alkalinity, and Nitrate Special Testing

If you have any questions, please contact this office.

"I CERTIFY UNDER PENALTY OF LAW THAT THIS DOCUMENT AND ALL ATTACHMENTS WERE PREPARED UNDER MY DIRECTION OR SUPERVISION IN ACCORDANCE WITH A SYSTEM DESIGNED TO ASSURE THAT QUALIFIED PERSONNEL PROPERLY GATHER AND EVALUATE THE INFORMATION SUBMITTED. BASED ON MY INQUIRY OF THE PERSON OR PERSONS WHO MANAGE THE SYSTEM, OR THOSE PERSONS DIRECTLY RESPONSIBLE FOR GATHERING THE INFORMATION, THE INFORMATION SUBMITTED, IS, TO THE BEST OF MY KNOWLEDGE AND BELIEF, TRUE, ACCURATE, AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION, INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT FOR KNOWING VIOLATIONS."

A handwritten signature in blue ink, appearing to read 'Gregory Orsini', is written over a horizontal line.

GREGORY ORSINI, GENERAL MANAGER

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.12 **Review Parks & General Fund DRAFT Operating Budget FY2015-16**

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

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board review the DRAFT Operating Budget for the Parks/General Fund and Measure B Fund.

Discussion:

The budget was developed based on current costs, trends, and best estimates. Information from the Capital Improvements draft budget that was previously presented to the Board is incorporated into this budget. Questions from the Directors on any category item or on the budget overall are welcome and may be brought to the General Manager. The finalized budget will be presented to the Board for formal approval in June.

Alternatives:

Take Action

Fiscal Analysis:

See attached FY 2015-16 Draft Operating Budget for Parks/General Fund and Measure B Fund.

Environmental Requirements:

Not applicable

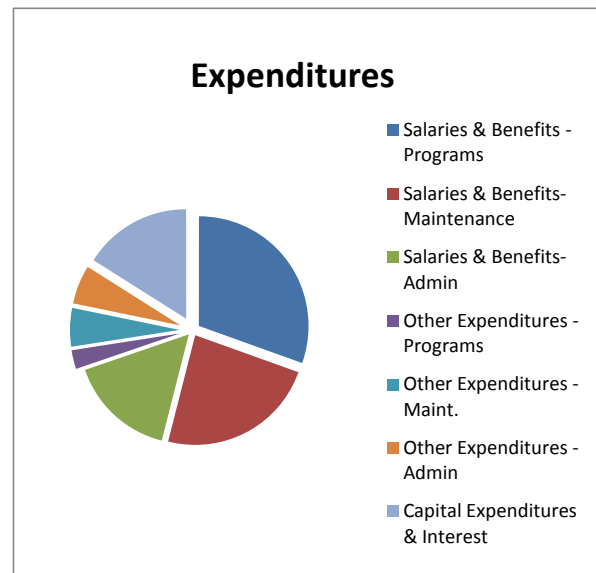
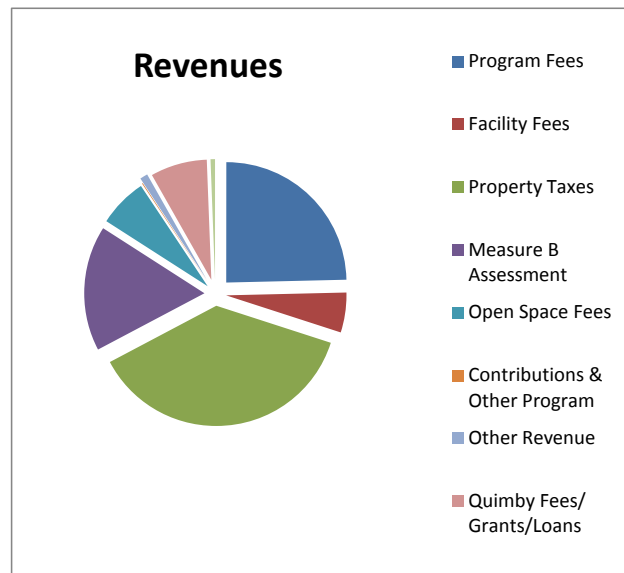
Exhibits/Attachments:

- Attachment 1 - FY 2015-16 Draft Operating Budget for Parks/General Fund and Measure B Fund.

McKinleyville Community Services District
Governmental Funds Summary DRAFT Budget
FY 2014-15

Item E.12, Attachment 1

Description	Parks/General Fund		Measure B		Total (Memorandum Only)	
			Assessment Fund			
Revenues						
Program Fees	336,889	31%	-	-	336,889	25%
Facility Fees	73,100	7%			73,100	5%
Property Taxes	510,000	47%	-	-	510,000	37%
Measure B Assessment	-	-	230,000	82%	230,000	17%
Open Space Fees	90,000	8%	-	-	90,000	7%
Contributions & Other Program	1,500	0%	-	-	1,500	0%
Other Revenue	14,100	1%			14,100	1%
Quimby Fees/ Grants/Loans	54,000	5%	50,000	0.18	104,000	8%
Interest Revenue	8,200	0.8%	-	-	8,200	0.6%
Total Revenues	1,087,789	100%	280,000	100%	1,367,789	100%
Expenditures						
Salaries & Benefits - Programs	416,853	38%	-	0%	416,853	30%
Salaries & Benefits- Maintenance	215,343	20%	105,862		321,205	23%
Salaries & Benefits- Admin	215,804	20%	-		215,804	16%
Other Expenditures - Programs	38,275	4%	-	0%	38,275	3%
Other Expenditures - Maint.	68,885	6%	8,900		77,785	6%
Other Expenditures - Admin	78,450	7%	-		78,450	6%
Capital Expenditures & Interest	54,000	5%	165,218	59%	219,218	16%
Total Expenditures	1,087,610	100%	279,980	59%	1,367,590	100%
Excess (Deficit)	179		20		199	



McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.A **Finance Director's Report for February 2015**

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

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has deposited \$260,496.84 to date into the Trust Account for reserves recovery.

Budget Update: The Parks and General Fund and Measure B Fund Draft Operating Budget has been submitted to the Board this month for review and discussion.

Treasurer's Report Highlights: The February Treasurer's Report revenue includes capacity fees of \$137,162 for the Water Fund and \$201,040 for the Sewer Fund respectively. No capital assets have been received by the Board to date this fiscal year.

Streetlights repayment of PG&E's LED Project loan is scheduled to begin in March, 2015.

Other Updates:

We are reviewing SB854 requirements for Public Works Capital Projects that are scheduled to take effect on April 1, 2015. The new law requires that all prevailing wage contracts for Public Works be only awarded to contractors and subcontractors who are properly registered with the California Department of Industrial Relations.

We are also evaluating options for holding cash that the District has secured for specific projects in investment accounts that provide a greater return than normal savings or money-market accounts, but do not violate state and federal arbitrage rules.

The unclaimed checks that were published according to state requirements have not received any claims to date.

CalPERS has determined a charge for the reports that will be required this coming year to implement GASB Statement 68. For public agencies in a pooled plan, like the District, the cost will be \$850. The reports are expected to be available by the end of June 2015.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATION**

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

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

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 30 million gallons of water in February.
Two 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 2, 3 and 4 along with a minimal number of retests. Customers with failed DCVs were notified to make repairs and call the office to schedule a retest.

Average and Maximum Water Usage:

The maximum water usage day was 1.4 million gallons and the average usage per day was 1.1 million gallons.

Water Distribution Maintenance:

Weekly Bacteria Samples were collected on Schedules 1,2,3 and 6 which represent different locations in the water main. The schedules are made up of a sample taken in each zone. Annual Hydrant inspections is 100% completed. Hydrants were exercised, inspected and documented in the log book. Any discrepancies were flagged to generate work orders for repairs. A new water service was installed on Letz Lane. An air relief box was replaced due to vehicle damage. Several fire hydrants were flow tested by the Fire Department. Flow testing is observed by staff to confirm that hydrants are being operated properly and dirty water that generates from flushing hydrants is flushed out before shutting down the hydrant.

Water Station Maintenance:

The semi-annual Pressure Reducing Valve (PRV) station inspections were conducted. Each station's purpose is to reduce the pressure on the west side of the District. Inlet and outlet pressures are recorded into the log book along with making pressure adjustments where needed, inspecting the tubing for leaks, the pipe conditions and exercising the valves. A copper line that feeds the control unit was replaced at the School Road PRV due to a leak. The bases at Tank 3 were pressure washed to remove debris and pine needles away from the wooden tanks to prevent wood rot. The conduit that feeds the seismic control at the Cochran tanks (Tank 1) was replaced due to staff noticing it was broken during the monthly inspections. The clocks at each station were changed to reflect the time change.

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
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
January	38.263	32.781	14	0
February	33.751	29.867	12	0

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

New Construction Inspections:

Central Estates Phase 2C, GRS installed sewer mains, water mains and valves. Testing and inspections will be completed after PG&E and Ambrosini completes the installs of their facilities. They are in the process of installing them now. CVS; waiting on the contractor's schedule on when they will be conducting the hot tap for the fire service.

Sewer Department:

Waste Water Statistics:

29.1 million gallons of wastewater was collected and pumped to the W.W.M.F. 33.9 million gallons of wastewater was treated and discharged to land disposal or reclamation in February. Daily, weekly and monthly inspections of all sewer facilities were conducted.

Sewer Station Maintenance:

The pumps at all sewer stations were inspected and shimmed. Wear plates and impellers were replaced where needed. This is done semi-annually to increase pumping efficiency and prevent unnecessary damage to the pumps. Inventory was then performed on parts used and was replaced to put on the shelf in case of an emergency. Due to the high pumping hours observed on the Letz Station pump 3, staff opened up the pump to troubleshoot. A large wad of rags was removed and the pump was put back into service. Pumping hours returned back to normal range. The clocks at each station were changed to reflect the time change. Quarterly wet well

washing was conducted at the Letz and Fischer Sewer Lift Station. This is done to prevent grease and rags from plugging up the pumps. Fischer grit pit pumping and handrail cleaning was completed during the wash down. The motors at each station received the annual amp and meg check to verify the motors were evenly balanced and not going to ground. This inspection can prevent a lot of wear and tear on a motor and possibly avoid a complete rebuild.

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. The Hach Sigma flow totalizer was placed in numerous manholes to collect wet weather flow data due to the recent rain events. This information is compared against dry weather flow data to look for I&I in the collection system. Quarterly hydro-cleaning was completed on 13,000 feet of sewer main. This is done to prevent grease and rag build which could possibly cause a sewer plug resulting in a sewer spill. Customers were notified in advance. The sewer main was inspected with the camera to verify condition of the pipe.

Wastewater Management Facility:

The Chlorine Contact Basin was drained and cleaned with fire hoses. A pump is still being used to pump water from Pond 1A. Aerators in Pond B were grease and rags removed.

Daily Irrigation and Observation of Reclamation Sites:

Weekly well monitoring was conducted at the Fischer Ranch tree farm as part of the tree farm pilot study. String trimming was conducted on the R.O.W. along Fisher Ranch. Plates were fabricated and installed at the Fischer ranch to replace the previous manure pit plates that were failing.

Street Light Department:

One light was repaired on Kirsten Way due to a faulty photo cell which wouldn't allow the light to turn on.

Promote Staff Training and Advancement: Weekly tailgate meetings and training associated with job requirements. Staff participated in Trenching and Shoring training.

Special Notes:

Safety warning beacons were installed on Unit 3 and Unit 19.
Q Plugs were sprayed with silicone to prevent the rubber material from cracking.
Tractors, Dump Truck and Vac-con were greased and lubed to prevent unnecessary wear.
Operations Department continued working on the new park picnic pavilion.
The diaphragm was replaced in the mud pump due to a tear in the previous diaphragm.
The Annual CalArp inspection was completed at the WWMF by staff and Northern Ca.SC.
The annual Disinfection Byproduct sampling was conducted on the water system.
Monthly river samples were completed.
Monthly Discharge and Self monitoring reports (DMR/SMR) were submitted.
Public Water Monthly Monitoring report was submitted.
Monthly Water Quality report was sent to the Dept. of Health.
Monthly Pesticide applicator report was submitted to Department of Agriculture.
Acute Toxicity samples were collected and sent to the lab.
Staff completed the Individual Development Plans (IDP's).
Staff reviewed and worked on the IPM Policy statement.
Staff worked on compiling data for the Public Scoping Meeting that was held on March 24th.

WWMF upgrade status:

Final designs (Bid Set) have arrived and have been reviewed. Comments are being generated to send to the engineers.

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

Park Pavilion

Operations staff along with the Park staff worked together and put in a lot of hours to get the Pavilion completed by March 31 which is the deadline set by the Land and Conservation Fund. The schedule is on track and will be completed by then. An update will be given to the Board during the meeting.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATION**

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

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

TYPE OF ACTION: **None**

HILLER SPORTS COMPLEX:

Staff has continued working with McKinleyville Little League volunteers making repairs and preparing the turf and infields at Hiller Sports Complex in preparation of the spring 2015 baseball and softball seasons.

PIERSON PARK COVERED PICNIC AREA PROJECT:

A majority of this project is being completed in house. Funding for this project will come from a Land & Water Conservation Fund matching grant (\$25,000) and Quimby Inland Parkland Dedication Fund (\$50,000). This project is scheduled to be complete as of March 31, 2015. Project Completion and Payment request documents for the Land & Water Conservation Fund Grant will submitted by March 31, 2015. A site inspection by the State Grants office is being scheduled for sometime in the first half of April.

SHERIFF WORK ALTERNATIVE PROGRAM (SWAP):

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

COMMUNITY SERVICE WORKERS:

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

WORK EXPERIENCE (CalWORKS PROGRAM)

We currently have one (1) CalWORKS staff member working within the Parks Department. We are still seeking additional individuals interested in working for the park maintenance crew. This is a great program for the workers and for MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the County's umbrella.

GRAFFITI & VANDALISM UPDATE:

The dog water dish at the Hiller Dog Park was stolen last month. Staff is researching prices for replacements and will have it replaced within the next month.

RECREATION PROGRAMS:

The Youth Basketball League for 3rd-12th graders just ended. This season we served 207 youth in grades 3rd-8th. We did not have sufficient registration to run High School division.

The Pee Wee Basketball league for youth in Kindergarten through 2nd grade will begin the week of April 13, 2015. As of the writing of this report there are 88 youth registered to participate in the Pee Wee league, but we anticipate at least 100 participants by the end of the registration period on April 3, 2015.

The Humboldt Hoops 3 on 3 Basketball tournament on March 27-28, 2015 hosted 32 teams in 6 different divisions.

The March 20, 2015 Jr. High School dance had an attendance of 396 students in 6th-8th grades from various Humboldt County schools. It is a large crowd to manage and the part-time staff and SCOP do a wonderful job ensuring the dances are safe and fun for everyone.

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

The Adult 3 on 3 Basketball league started last month has 8 teams. Games are played Thursday evenings through May 14, 2015

Playgroup for families with children 0-5 years old, primarily funded by a grant through First 5 Humboldt is well attended on Mondays, Thursdays and Fridays. Mondays are the busiest at playgroup, with 30 or more families attending, due to a music teacher that comes and leads music activities for toddlers and parents on that day.

The Kids' Club After School program is currently serving 102 elementary school students. In January 2015 the program was expanded to include site space at the Dows Prairie elementary school campus. It was a challenging transition in the middle of the school year, but in doing so we were able to eliminate the waiting list of 15-20 students (depending on the day of the week).

YOUTH LEADERSHIP DEVELOPMENT

We received a grant of \$1200 from the McKinleyville Area Fund to assist with the cost of coordinating a Leadership Workshop for youth in 7th-9th grades. The workshop will be facilitated by the teens that completed the Leadership Summit held in April 2014 who have been meeting regularly since then as the McKinleyville Youth Leadership Society (MYLS). The workshop will take place May 2-3, 2015 2:00-4:00pm at Azalea Hall.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 1, 2015

TYPE OF ITEM: **INFORMATION**

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

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: Information Only

A summary of activity for the month of March 2015

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

• SWAP Crews	\$3,430	
• Northern Humboldt Employment Services	\$600	
• Community Service Workers	\$1,500	
• CalWORKS employee	\$6,066	
• Replace Diaphragm in Homelite Pump	\$150	
• R&R Sewer Lift Pumps	\$1,725	Annual Energy Savings
• Fabricate and Install Traffic Plates in Manure Pit	\$225	

Total cost savings for March are \$13,696

The cumulative cost saving to the District to date from July 1, 2014 is \$1,077,050

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.

Coho Habitat Restoration and Tree Farm Reclamation Pilot Project – Grant applications for planning and design from the Coastal Conservancy for the referenced projects were approved in March.

Teen and Community Center – Staff approved and directed our architect to proceed with floor plan modifications to the design. The project should be ready for bid by mid April

Wastewater Management Facility (WWMF) Improvement Project Design – Review of the 100% design packet and completion of the rate analysis were completed in March.

Sewer Rate Analysis -The Prop. 218 Initiation process will be before the Board at the April meeting. During March management and staff prepared for a Public Scoping Meeting held March 24th. A concerted effort for outreach to print and electronic media was pursued with good success. Approximately 10 members of the public attended and most had positive input.

Integrated Pest Management Plan – Staff produced a draft policy consistent with direction from the Board. It is on the District web site for review and public comment and will be placed on the May agenda.

Updated Water Curtailment Requirements From the State – State Water Resource Control Board considered and then added more requirements to the state's regulation for water conservation. Management acted swiftly and will be bringing modifications to Ordinance 10, our ordinance for water usage during events of reduced water availability. The MCSD Water Shortage Contingency Plan was also updated to match Ordinance 10 and will be before the Board for approval in April.

Solar Power Analysis – This subject will be before the Board in April for review of the Sensitivity Methodology, Analysis and steps forward for continued consideration of photovoltaic at the Wastewater Management Facility (WWMF).

Individual Development Plans – GM reviewed IPMs with supervisors and Department Heads. The plan is an integral process to ensure staff is trained properly for potential advancement, succession and to keep them engaged and motivated.

Review of MCSD PG&E Rates – Management met with our PG&E account representative for review of our current rate structure and he made recommendations for modifications that have the potential to save MCSD approximately \$2000 per year in energy costs. Staff will monitor the power bills and report back to the Board the results of the rate schedule modifications.

Core Planning Team – The planning team met to review concepts for the logo, review input from stakeholder groups and discuss strategies for the next phase of the project for regional facility.

Meetings – The General Manager attended various meeting this month including a meeting with Merv George from National Forests about the tree nursery and the federal government's plans for the property. The GM attended a public relations event to mark the first new jet to land at the airport as part of the discontinuation of the turbo prop commuter planes.

Exhibits/Attachments

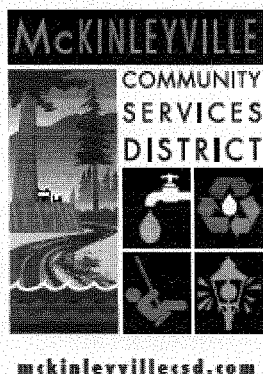
- Attachment 1 – WWMF Monthly Self Monitoring Report

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519

**MAIN OFFICE:**

PHONE: (707) 839-3251
FAX: (707) 839-8456

PARKS & RECREATION OFFICE:

PHONE: (707) 839-9003
FAX: (707) 839-5964

R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

March 18, 2015

RE: MONTHLY MONITORING REPORT

Dear Charles:

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

The normal discharge of effluent was 27 days Discharge Point 001. The required monitoring and water quality constituents that were tested and reported were in compliance in February.

The requirement for BOD is 45 mg/L, 604 lbs/day and 65 % removal for the monthly average with four weekly tests in February that represent eleven criteria. The BOD results for February are in compliance.

The requirement for TSS is 83 mg/L, 1108 lbs/day and 65% removal for the monthly average with four weekly tests in February which represent three criteria. The TSS results for February 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 February 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 February are as follows. Median was <1.8 and a Maximum of <1.8. Four samples were collected in the month of February and were in compliance.

Monthly River Monitoring was conducted in February.

Acute testing for February was conducted using Rainbow Trout and C.Dubia. Rainbow Trout had a 100% survival and C.Dubia had a 100% survival.

WWMF Upgrade Status: The District has received the Final Bid Set and is in the process of reviewing it. The District will send back comments after review process is completed.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA

MONTH: FEBRUARY

YEAR: 2015

DATE	INFLUENT FLOW		EFFLUENT FLOW		RIVER CFS	INFLUENT MONITORING		EFFLUENT MONITORING						3X5 TOTAL COLIFORM			
	M.G.D.	M.G.D.	M.G.D.	MAXIMUM GPM		B.O.D. mg/L	N.F.R. mg/L	pH	TEMP (C°)	B.O.D. mg/L	NFR mg/L	AMMONIA	CL ₂ RES.	RIVER CL ₂ RES	SETTLABLE SOLIDS		
1	0.986	1.140		802	354			6.9	12.4				1.3	0.00		<1.8	
2	1.096	1.133		799	411			7.0	12.4			34	0.3	0.00			
3	1.055	1.129		787	2190			6.9	13.1			32	1.0	0.00			
4	1.016	1.129		793	1220			6.9	13.3			36	0.1	0.00			
5	1.062	1.132		799	1020			6.8	13.8			36	1.6	0.00		<0.1	
6	1.330	1.282		1037	3530	280	240	6.9	14.1	14	7.6	34	0.7	0.00			
7	1.300	1.448		1021	20200			7.0	14.5				2.4	0.00			
8	1.251	1.483		1049	10400			6.9	14.9				0.6	0.00			
9	1.181	0.681		1062	7480			6.5	14.5			32	1.3	0.00		<1.8	
10	1.113	0.000		0	8330			Washed CCB									
11	1.088	0.993		1338	6010			6.8	12.9			36	0.5	0.00		<0.1	
12	1.060	1.431		1008	3970			6.7	13			36	3.1	0.00			
13	1.035	1.423		998	3040	240	210	6.8	13	14	8.8	36	5.0	0.00			
14	1.053	1.410		989	2380			7.0	12.9				2.4	0.00			
15	1.057	1.415		1002	1940			6.9	13.3				3.0	0.00		<1.8	
16	1.033	1.414		995	1670			6.7	12.9				2.6	0.00			
17	0.966	1.412		992	1430			6.8	13.1			36	2.2	0.00			
18	0.968	1.406		988	1260			6.9	14.0			30	1.7	0.00			
19	0.950	1.403		986	1120			6.9	13.3			32	0.9	0.00		<0.1	
20	0.931	1.398		995	1030	330	520	6.8	13.3	15	9.2	36	1.2	0.00			
21	0.959	1.395		998	901			6.8	13.2				0.8	0.00			
22	1.025	1.390		990	840			6.8	13.0				1.4	0.00			
23	0.947	1.265		985	795			6.7	12.5			36	4.0	0.00		<1.8	
24	0.902	1.143		842	752			6.9	12.3			30	5.4	0.00		<1.8	
25	0.914	1.105		778	758			6.8	11.8			32	3.5	0.00			
26	0.929	1.104		775	758			6.8	12.2			32	2.0	0.00			
27	0.941	1.098		773	693	320	260	6.9	12.6	13	6.4	32	3.2	0.00	<0.1		
28	0.969	1.096		777	710			7.1	13.2				1.9	0.00			

SPILLS:

None to report

30 DAY AVERAGE

BOD mg/L	14	BOD LBS/DAY	152	% Removal	95	NFR mg/L	8	NFR LBS/DAY	88	% Removal	97
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MONTHLY TESTS

DATE	TDS	AMMONIA	NITRATE	BORON
2/28/2014	250	34.0	ND	210

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

Quarterly Tests	Value in ug/l
Dichlorobromomethane	N/A
Bromofom	N/A
Chlorodibromomethane	N/A
Chloroform	N/A

ACUTE TOXICITY

DATE	% Survival
Rainbow Trout C. dubia	100%
2/4/2015	100%

CHRONIC TOXICITY

TESTED	SURVIVAL
Minnow	N/A
C. Dubia	N/A
Algae	N/A
	TUc

Total Coliform	Monthly
MEDIAN	<1.8
Daily	
Maximum	<1.8

SIGNATURE: _____

REMARKS:

Indicates Permit Exceedance

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
RIVER CFS - EFFLUENT FLOWS -

FEBRUARY 2015				M-004 M-005 M-006			RIVER DILUTION			
DATE	M-INF INFLUENT MGD	M-001 EFFLUENT MGD	EFFLUENT MAXIMUM GPM	M-003 PERK PONDS MGD	M-007 IRRIGATE MGD	M-002 RIVER MGD	RIVER DILUTION 100:1	MAXIMUM G.P.M. DISCHARGE FOR 100:1	RIVER FLOW IN CFS	RIVER FLOW IN GPS
1	0.986	1.140	802			1.140	198	1589	354	2648
2	1.096	1.133	799			1.133	231	1845	411	3075
3	1.055	1.129	787			1.129	1249	9830	2190	16383
4	1.016	1.129	793			1.129	691	5476	1220	9127
5	1.062	1.132	799			1.132	573	4578	1020	7631
6	1.330	1.282	1037			1.282	1528	15845	3530	26408
7	1.300	1.448	1021			1.448	8880	90670	20200	151116
8	1.251	1.483	1049			1.483	4450	46681	10400	77802
9	1.181	0.681	1062			0.681	3161	33575	7480	55958
10	1.113	0.000	0	ashed CCB		0.000	0	37390	8330	62317
11	1.088	0.993	1338			0.993	2016	26976	6010	44961
12	1.060	1.431	1008			1.431	1768	17820	3970	29700
13	1.035	1.423	998			1.423	1367	13645	3040	22742
14	1.053	1.410	989			1.410	1080	10683	2380	17805
15	1.057	1.415	1002			1.415	869	8708	1940	14513
16	1.033	1.414	995			1.414	753	7496	1670	12493
17	0.966	1.412	992			1.412	647	6419	1430	10698
18	0.968	1.406	988			1.406	572	5656	1260	9426
19	0.950	1.403	986			1.403	510	5027	1120	8379
20	0.931	1.398	995			1.398	465	4623	1030	7705
21	0.959	1.395	998			1.395	405	4044	901	6740
22	1.025	1.390	990			1.390	381	3770	840	6284
23	0.947	1.265	985			1.265	362	3568	795	5947
24	0.902	1.143	842			1.143	401	3375	752	5626
25	0.914	1.105	778			1.105	437	3402	758	5671
26	0.929	1.104	775			1.104	439	3402	758	5671
27	0.941	1.098	773			1.098	402	3111	693	5184
28	0.969	1.096	777			1.096	410	3187	710	5312
TOTAL	29.117	33.858		0.000	0.000	33.858				
AVERAGE	1.040	1.209	906	0.000	0.000	1.209	1223	13657	3043	22761
MAXIMUM	1.330	1.483	1338	0.000	0.000	1.483	8880	90670	20200	151116
MINIMUM	0.902	0.000	0	0.000	0.000	0.000	0	1589	354	2648
DAYS	28	27	27	0	0					
DAYS WITH NO DISCHARGE TO THE MAD RIVER = 1										

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

FEBRUARY 2015

Discharge Monitoring	002	002	004	003	006	005	001				
M-INF	M-001	M-003	M-003	M-005	M-004	M-007	M-002				
DATE	INFLUENT	EFFLUENT	MAXIMUM	N.POND	S.POND	FISCHER	FISCHER	PIALORSI	HILLER	IRRGATE	RIVER
	MGD	MGD	GPM	MGD	MGD	MGD	MGD	MGD	MGD	TOTAL	MGD
						UPPER	LOWER			MGD	
1	0.986	1.140	802							0.000	1.140
2	1.096	1.133	799							0.000	1.133
3	1.055	1.129	787							0.000	1.129
4	1.016	1.129	793							0.000	1.129
5	1.062	1.132	799							0.000	1.132
6	1.330	1.282	1037							0.000	1.282
7	1.300	1.448	1021							0.000	1.448
8	1.251	1.483	1049							0.000	1.483
9	1.181	0.681	1062							0.000	0.681
10	1.113	0.000	0	Wahsed CCB						0.000	0.000
11	1.088	0.993	1338							0.000	0.993
12	1.060	1.431	1008							0.000	1.431
13	1.035	1.423	998							0.000	1.423
14	1.053	1.410	989							0.000	1.410
15	1.057	1.415	1002							0.000	1.415
16	1.033	1.414	995							0.000	1.414
17	0.966	1.412	992							0.000	1.412
18	0.968	1.406	988							0.000	1.406
19	0.950	1.403	986							0.000	1.403
20	0.931	1.398	995							0.000	1.398
21	0.959	1.395	998							0.000	1.395
22	1.025	1.390	990							0.000	1.390
23	0.947	1.265	985							0.000	1.265
24	0.902	1.143	842							0.000	1.143
25	0.914	1.105	778							0.000	1.105
26	0.929	1.104	775							0.000	1.104
27	0.941	1.098	773							0.000	1.098
28	0.969	1.096	777							0.000	1.096
TOTAL	29.117	33.858		0.000	0.000	0.000	0.000	0.000	0.000	0.000	33.858
AVERAGE	1.040	1.209	906	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.209
MAXIMUM	1.330	1.483	1338	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.483
MINIMUM	0.902	0.000	0	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
DAYS	28	28		0	0	0	0	0	0	0	27
DAYS WITH NO DISCHARGE = 1											