

Mission statement of McKinleyville Community Services District:

"Provide McKinleyville with safe, adequate and reliable utility, 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 AT:**

**Azalea Hall
1620 Pickett Road
McKinleyville, California**

**Wednesday, April 3, 2013
7:00 P.M.**

AGENDA

A.1 CALL TO ORDER

A.2 ROLL CALL

A.3 PLEDGE OF ALLEGIANCE

A.4 ADDITIONS TO AGENDA

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code (Brown Act), upon a determination by two-thirds vote of the members of the legislative body present at the time of the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the McKinleyville Community Services District after the Agenda was posted.

A.5 APPROVAL OF THE AGENDA

B. PUBLIC HEARINGS

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

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**B.1 Conduct Public Hearing for the Annual Levy of Assessments
(Fiscal Year 2013/2014) for the Measure B Maintenance
Assessment District -- Renewal for Parks, Open Space, and
Recreational Facilities**

**Consider adopting Resolution 2013-08; 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 2013-14**

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 minutes of the Board of Directors' Special Meeting of February 26, 2013 **Pg. 11**
- D.2 Consider approval of minutes of the Board of Directors' Regular Board Meeting of March 6, 2013 **Pg. 14**
- D.3 Consider approval of minutes of the Board of Directors' Special Meeting of March 12, 2013 **Pg. 18**
- D.4 Consider approval of February, 2013 Treasurer's Report **Pg. 20**
- D.5 DCV Violations this month **Pg. 42**

E. CONTINUED AND NEW BUSINESS

- E.1 Parks and Recreation Operating Budget – Draft 1 **Pg. 43**
- E.2 Consider District Conference Room Rotating Art Show **Pg. 45**
- E.3 Review Regulation 16. RATES specifically Rule 16.01. Rate Schedule and Rule 27.04. Sewer Charges and approve annual increase which is scheduled for July 1, 2013 as per MCSD Rules and Regulations **Pg. 46**
- E.4 Consider approval of path forward related to the LAFCo process for expanding sphere of influence to reflect current service. **Pg. 52**

F. REPORTS

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

F.1. ACTIVE COMMITTEE REPORTS

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

F.2. STAFF REPORTS

- a. Support Services Department (Colleen M. R. Trask) **Pg. 65**
- b. Operations Department (James Henry) **Pg. 67**
- c. Parks and Recreation Department (Jason Sehon) **Pg. 69**
- d. General Manager (Greg Orsini) **Pg. 72**

F.3. PRESIDENT'S REPORT

**F.4. BOARD MEMBERS' COMMENTS, ANNOUNCEMENTS, REPORTS
AND AGENDA ITEM REQUESTS**

G. 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.

H. ADJOURNMENT

Posted 5:00 pm on March 29th, 2013

McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **ACTION**

ITEM: B.1. Conduct Public Hearing for the Annual Levy of Assessments (Fiscal Year 2013/2014) for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities

Consider adopting Resolution 2013-08; 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 2013-14

PRESENTED BY: Jason Sehon, Parks & Recreation Director

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff Requests the Board of Directors ("Board") follow the below process related to the proposed Annual Levy of Assessments for Fiscal Year 2013/2014 of the Measure B Assessment District

1. Re-open the Public Hearing (Continued from the scheduled March 6, 2013 Public Hearing)
 - a. Listen to Staff comments and recommendation to Board.
 - b. Open public testimony and consider any public input and written protests.
2. Close the Public Hearing
3. Staff recommends the Board adopt Resolution 2013-08:
 - a. Resolution 2013-08; Ordering the levy and Collection of Assessments within the McKinleyville Community Services District; Measure B Maintenance Assessment District (Renewal for Parks, Open Space, and Recreational Facilities) for Fiscal Year 2013/2014.

Discussion:

In 1992, McKinleyville voters approved the Measure B Assessment District with a 20-year duration for the purpose of funding the development and maintenance of public recreation facilities including the McKinleyville Activity Center, Azalea Hall and Hiller Sports Site. The Board authorized collection of the assessments in each year beginning in Fiscal Year 1992/1993.

In 2011, a property owner protest ballot proceeding was conducted pursuant to the provisions of the California Constitution Article XIII D for the levy of annual assessments for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities ("District") which replaced and extend for another 20-year duration the assessments previously approved by voters in 1992. The proposed assessments were approved by the property owners (55.9% in favor, 45.1% opposed) and the new assessments were levied on the Humboldt County tax rolls for Fiscal Year 2011/2012 (first year's assessment)

In accordance with the provisions of the Landscaping and Lighting Act of 1972 of the California Streets and Highway Code (the 1972 Act), in order to levy the assessments each fiscal year an Engineer's Report must be prepared and filed with the Board regarding the proposed assessments and the Board must conduct a noticed Public Hearing regarding these matters prior to approving and adopting the assessments for the upcoming fiscal year.

On February 13, 2013, the Board adopted Resolution 2013-03 which initiated the annual levy process and preparation of the Engineer's Report; and Resolution 2013-04 which declared the Board's intention to levy the assessments for Fiscal Year 2013/2014 and set March 6, 2013 as the date for the public hearing.

Since the proposed assessments (assessment rate) to be levied for Fiscal Year 2013/2014 are equal to or less than the maximum assessments originally approved in 2011 through the property owner protest ballot proceeding, in accordance with Chapter 3 Section §22626 of the 1972 Act, notice of the public hearing shall be given by causing such notice to be published one time in a newspaper of general circulation at least 10 days prior to the date of hearing pursuant to Chapter 1, Article 3 Sections 22552 and 22553 of the Act.

Unfortunately, the notice for the scheduled March 6, 2013 public hearing set by Resolution 2013-04 was not published in the local newspaper 10 days prior to that date as planned. Therefore after accepting public testimony on March 6, 2013, that public hearing was continued to April 3, 2013 and notice of that public hearing was published in the newspaper as required. In order complete the annual levy process necessary to include the assessments on the Humboldt County tax rolls for Fiscal Year 2013/2014, the Board will need

to re-open the public hearing started on March 6, 2013, accept any additional public testimony or written protests and at the conclusion of that testimony (if any), the Board will close the public hearing and consider adoption of the resolution approving the report and ordering the levy of assessments.

Alternatives:

Staff's analysis includes the following potential alternative:

- Open the Public Hearing to accept public testimony
- Continue the public hearing as need
- After accepting all public testimony, close the public hearing, but take no action on the Resolutions

Fiscal Analysis:

The Fiscal Year 2013/2014 Engineer's Report anticipates that Measure B assessment revenues to be levied and collected on the tax rolls will be approximately \$207,471 based on the 5,529 parcels to be assessed on the tax rolls and proposed assessment rate of \$30.00 per equivalent benefit unit (rate unchanged from last year).

This assessment revenue represents approximately 37.6% of the total estimated \$551,500 budgeted for Fiscal Year 2013/2014 to fund the operation and maintenance of MCSD's parks and recreation facilities and begin construction of the new Teen & Community Center.

In addition to the those costs identified as general benefit (\$275,750 not assessed), MCSD will contribute an additional estimated \$68,279 from other revenue sources for the proportional assessments calculated for non-taxable parcels and parcels assessed through other similar district assessments, as well as the additional funding that is need but not collected through the assessments.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Resolution 2013-08
- Annual Engineer's Report Fiscal Year 2013/2014

RESOLUTION 2013-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT 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 2013-14

THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

Section 1: The Board of Directors (the “Board”) of the McKinleyville Community Services District (“MCSD”), pursuant to the provisions of the Landscaping and Lighting Act of 1972 (Streets & Highways Code Section 22500 *et. seq.*) (the “Act”) by its Resolution No. 2013-04 (the “Resolution of Intention”), declared its intention to levy and collect assessments in connection with its “**Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities**” (the “Assessment District”) for the fiscal year commencing July 1, 2013 and ending June 30, 2014.

Section 2: The Resolution of Intention called a public hearing regarding the proposed levy for March 6, 2013. Such hearing was continued by the Board to April 3, 2013 and was noticed as required by law. At the hearing, all interested persons were afforded the opportunity to hear and be heard and the Board considered all oral statements and all written protests made or filed by any interested person.

Section 3: Reference is made to the Resolution of Intention and the report entitled “Annual Engineer’s Report; Fiscal Year 2013/2014; McKinleyville Community Services District; Measure B Maintenance Assessment District, Renewal for Parks, Open Space, and Recreational Facilities” (the “Report”), which is on file in the offices of the District and available for public inspection, for a complete description of the Assessment District and the proposed Fiscal Year 2013-14 levy.

Section 4: The Report, including the diagram and assessment contained therein, is hereby confirmed and finally approved. Such confirmation and approval constitutes the levy of the assessment in connection with the Assessment District for Fiscal Year 2013-14.

Section 5: The County Auditor of Humboldt County shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy, and such levies shall be collected at the same time and in the same manner as the County taxes are collected, pursuant to Chapter 4, Article 2, Section 22646 of the Act. After collection by the County, the net amount of the levy shall be paid to the MCSD Treasurer.

Section 6: The MCSD Treasurer shall deposit all money representing assessments collected by the County for the Assessment District to the credit of a fund for the Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities, and such money shall be expended only for the improvements, services and activities outlined in the Report.

Section 7: The Board Secretary, or his or her designee, is hereby authorized and directed upon adoption of this Resolution, to file the levy of assessments for Fiscal Year 2013-14 with the County Auditor at the time and in the manner required by the County Auditor for the levy of such assessments.

Section 8: The Board Secretary shall certify to the passage and adoption of this Resolution and the minutes of this meeting shall so reflect the presentation and final approval of the Report.

PASSED, APPROVED AND ADOPTED this 3rd day of April, 2013 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dennis Mayo, Board President

ATTEST:

Kathy Wilson, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of Minutes from February 26, 2013 Special Board Meeting; March 6, Regular Board Meeting; March 12, 2013 Special Board Meeting**

PRESENTED BY: **Kathy Wilson, Board Secretary**

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

Recommendation:

Staff recommends that the Board review the draft minutes from the February 26, 2013 special meeting; March 6, 2013 Regular Board Meeting and the March 12, 2013 Special Board Meeting, recommend edits if any and provide staff with direction.

Discussion:

The Draft Minutes are attached for the above listed meetings.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Exhibit D.1-Draft Minutes from February 26, 2013 Special Meeting
- Exhibit D.2-Draft Minutes from March 6, 2013 Regular Meeting
- Exhibit D.3-Draft Minutes from March 12, 2013 Special Meeting

**MINUTES OF THE SPECIAL MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD
ON TUESDAY, FEBRUARY 26, 2013 AT 6:00 PM
MCSD DISTRICT OFFICE, 1656 SUTTER ROAD, MCKINLEYVILLE, CA.**

The closed session meeting of the Board of Directors of McKinleyville Community Services District convened at 6:04 pm with the following Directors and staff in attendance:

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

Greg Orsini, Interim General Manager
Colleen M.R. Trask, Finance Director
James Henry, Acting Operations Director
Kathy Wilson, Board Secretary

AGENDA ITEM A.1 thru A.3 - CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:

At 6:04 pm President Mayo called the meeting to order. Directors Couch, Edwards, Wennerholm and Mayo were present. Director Dennis Mayo led the pledge of allegiance.

AGENDA ITEM A.4 – ADDITIONS TO THE AGENDA: There were no additions to the agenda.

AGENDA ITEM B – PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: No members of the public were present.

AGENDA ITEM C – CONTINUED AND NEW BUSINESS:

C.1 Discussion of the Draft Capital Improvement Plan for the Parks & General Fund, Fiscal Year Ending June 30, 2014

Finance Director Colleen Trask presented the draft Fiscal Year 2013-2014 Capital Improvement Program (CIP) covering the next ten fiscal years.

INFORMATIONAL ITEM: No action required or taken by the Board

C.2 Technical, Managerial and Financial (TMF) tune-up

The California Department of Public Health sent out a survey titled Technical, Managerial and Financial (TMF) Tune-up for Public Water Systems. McKinleyville Community Services District completed the survey and is expecting a positive Individualized Development Plan (IDP) due to the highly trained and certified staff along with an excellent maintenance program. Acting Operations Director James Henry presented the survey to the Board for review. Director Couch noted that the water system used is surface water and not ground water. The Board received the survey and directed James to follow up and make corrections to the survey as needed. No other action is required by the Board.

INFORMATIONAL ITEM: No action required or taken by the Board

C.3 Consider approving update of MCSD Records Retention Policy adding “Claim” information to the policy

MOTION: It was moved to approve the update of MCSD Records Retention Policy adding “Claim” information to the policy

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

MOTION SUMMARY: Motion Passed – 4 AYES; 0 NAYS

AGENDA ITEM D – REPORTS: Nothing to report

AGENDA ITEM D.1 – ACTIVE COMMITTEE REPORTS: Nothing to report

AGENDA ITEM D.2 – STAFF REPORTS: Nothing to report

AGENDA ITEM F – CLOSED SESSION DISCUSSION:

At 6:32 pm President Mayo announced that the Board would convene into closed session for discussion of the following item:

F.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (California Government Code § 54954.5 and 54957) Title: Interim General Manager—Greg Orsini.

At 8:10 pm the Board reconvened out of closed session. Director Mayo reported from session no reportable action was taken by the Board in closed session.

AGENDA ITEM G - ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 8:12 pm. Motion by Edwards; second by Couch

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

MOTION SUMMARY: Motion Passed-4 AYES; 0 NAYS

Respectfully Submitted,

Kathy Wilson,
Board Secretary

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, MARCH 6, 2013 AT 6:00 PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

The closed session meeting of the Board of Directors of McKinleyville Community Services District convened at 6:01 pm with the following Directors and staff in attendance:

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

Greg Orsini, Interim General Manager
Colleen M.R. Trask, Finance Director
James Henry, Acting Operations Director
Lesley Frisbee, Recreation Supervisor
Kathy Wilson, Board Secretary

CLOSED SESSION

AGENDA ITEM A.1 thru A.2 -CALL TO ORDER, ROLL CALL:

At 6:01 pm President Mayo called the meeting to order. Directors Corbett, Couch, Edwards, Wennerholm and Mayo were present.

AGENDA ITEM A.3 – CLOSED SESSION DISCUSSION:

At 6:02 pm President Mayo announced that the Board would convene into closed session for discussion of the following item:

A.3.a PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code § 54954.5 and 54957): Title: Interim
General Manager—Greg Orsini.

AGENDA ITEM A.4 - REPORT OUT OF CLOSED SESSION:

At 7:14 pm the Board reconvened out of closed session. President Mayo reported they took a performance evaluation for Interim General Manager, Greg Orsini.

REGULAR MEETING

AGENDA ITEM A.1 thru A.3 - CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:

At 7:14 pm President Mayo called the Regularly Scheduled Meeting to order. Directors Corbett, Couch, Edwards, Wennerholm and Mayo were present. President Mayo asked Jeff Dunk to lead in the pledge of allegiance.

AGENDA ITEM A.4 – ADDITIONS TO THE AGENDA: There were no additions to the agenda.

AGENDA ITEM A.5 – APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda. Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM B – PUBLIC HEARINGS: Conduct the first of two Public Hearings for the Annual Levy of Assessments (Fiscal Year 2013-2014) for the Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities. Interim General Manager Greg Orsini noted that at the March 6, 2013 meeting it was brought to our attention a concern about Larissa Park fees that were being assessed. Legal Counsel and the Engineer who wrote the report were contacted to review and found there was an issue. We have modified the item and the residents will not be assessed on Measure B for Larissa Park, but funds previously collected would be used for Measure B to pay for maintenance of the park. He also pointed out an error on the front cover of the Engineers Report. The next meeting will set for April 3, 2013 and not for March 20, 2013 for public testimony as noted on the front cover. Staff requested that the Board of Directors continue the Public Hearing to April 3, 2013 at which time the Board will hear additional public testimony or written protest.

President Mayo opened the floor to public comment. No public comment was taken. Director Corbett confirmed the next Public Hearing would be set for April 3, 2013.

B.1. Conduct first of two Public Hearings for the Annual Levy of Assessments (Fiscal Year 2013/2014) for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities

INFORMATIONAL: No action required or taken by the Board

AGENDA ITEM C – PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: No written communication received or public comments made.

AGENDA ITEM D – CONSENT CALENDAR:

D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of February 13, 2013

D.2 Consider approval of January 2013 Treasurer's Report

D.3 No DCV violations this month

D.4 Consider approval of proposed Hiller Sports Complex Facility Use Agreement Contract with Mad River Youth Soccer League

MOTION: It was moved to approve the consent calendar. Motion by Corbett; second by Couch

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

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

AGENDA ITEM E – CONTINUED AND NEW BUSINESS:

E.1 Present Community Builder Award to Humboldt Regional Occupational Program (HROP):

Interim General Manager Greg Orsini presented the Community Builder Award. Garry Eagles, Humboldt County Superintendent of Education received the Community Builder Award on behalf of Humboldt Regional Occupational Program (HROP). Mr. Eagles shared a catalog with photos of the homes built by High School students. He spoke to the partnerships within the community of McKinleyville and commended the local businesses for their belief in the program and for their support. Without those partnerships none of this would have been made possible. Members of the public spoke as well as members of the Board as to the accomplishments of the program.

INFORMATIONAL ITEM: No action required or taken by the Board

E.2 Resolution 2013-07 honoring Mike Freeman for twenty (20) continuous years of service:

Acting Operations Director, James Henry presented Mike Freeman with a trophy for his twenty (20) years of continuous service and asked the Board to adopt Resolution 2013-07.

MOTION: It was moved to adopt **Resolution 2013-07** honoring Mike Freeman for twenty (20) continuous years of service. Motion by Corbett; second by Couch

ROLL CALL VOTE: Ayes: Corbett, Couch, Edwards, Wennerholm and Mayo

MOTION SUMMARY: Motion passed – 5 AYES; 0 NAYS

E.3 Consider alternatives for path forward related to transition for a permanent solution for appointment of General Manager:

Interim General Manager Greg Orsini provided the Board with the staff recommendation to approve a plan for succession and direct staff to move forward. President Mayo opened public input and five members of the public addressed the Board, with all five unanimously supporting him for serious consideration as General Manager for McKinleyville Community Services District. Director Mayo opened the floor for the Directors to comment. The Board members all commended Greg on a job well done while stepping up twice now as Interim General Manager.

1st MOTION: It was moved to go forward and hire Greg Orsini as General Manager. Motion by Wennerholm; **Motion died for a lack of a second.**

2nd MOTION: It was moved to adopt an outside hiring process with advertising that is done in an economic and efficient way to expedite the process. The Board appointed Dennis Mayo and Helen Edwards to be involved in the outside hiring process. Motion by Corbett; second by Edwards.

MOTION VOTE: Ayes: Corbett, Couch, Edwards Nays: Wennerholm, and Mayo

MOTION SUMMARY: Motion passed – 3 AYES; 2 NAYS

E.4 PUBLIC COMMENT: Consider Acquisition of Real Property Parcel adjacent to the Cochran Road tank site (APN 509-021-045); Appointment of MCSD negotiators: Greg Orsini, Interim General Manager; Russell Gans, District legal counsel and designation of parties with whom MCSD may negotiate: Doug Shaw, American Management Corporation; and Michael D. Nelson, LACO Associates:

April of last year acquisition of real property adjacent to the Cochran Road tank was brought to the Board for consideration. Norman Shopay was named as a negotiator. Because of Mr. Shopay's untimely death staff is now coming back to the Board with a request to proceed and name Greg Orsini as a negotiator. Public comment was taken. President Mayo asked that staff research what the cost was to have the geo work done on the project. This matter will be brought back to the Board for discussion in closed session.

INFORMATIONAL ITEM – No action required or taken by the Board

AGENDA ITEM E.5 Discussion of the Draft Capital Improvement Plan for the Water & Sewer Funds, Fiscal Year Ending June 30, 2014:

Finance Director Colleen Trask reported on the draft Capital Improvement Plan for the Water & Sewer Funds for fiscal year ending June 30, 2014.

INFORMATIONAL ITEM – No action required or taken by the Board

AGENDA ITEM F-REPORTS:

F.1.a Recreation Advisory Committee (Couch/Mayo (alternate))

Nothing to report.

F.1.b Area Fund (John Kulstad)

The committee will meet next Tuesday, March 12, 2013 to award the grant monies to the applicants of the various non-profit organizations.

F.1.c Redwood Region Economic Development Commission ((Wennerholm, Edwards (alternate))

RREDC met last week. They are working hard to get new air service to the area.

F.1.d McKinleyville Senior Center Advisory Committee (Wennerholm)

Nothing to report.

F.1.e Audit (Corbett, Edwards)

Nothing to report.

F.1.f Employee Negotiations (Wennerholm, Edwards)

They are in .

F.1.g Water Task Force ((Mayo, Corbett (alternate))

Nothing to report.

F.1.h AdHoc No Drugs & Toxics Down the Drain (Couch)

Nothing to report.

F.1.i McKinleyville Municipal Advisory Committee (Edwards, Corbett (alternate))

Director Edwards noted at last week's meeting they had a large turn out from the community regarding the Central Avenue Median. Parties that were present were not in support of the project except for the public works representative. Additional meetings will be scheduled for public input. Discussion continues regarding low income housing and RHNA numbers. Greg Orsini put on an interesting presentation regarding waste water zones. Ryan Sundberg reported that the community will have a state of the community presentation for McKinleyville.

F.2.a - SUPPORT SERVICES DEPARTMENT: Finance Director Colleen Trask directed the Board to note the reserve page of the treasures report. She has added ratios and some additional information. The LED streetlights project paper work is turned in. Reconciliation of the list of streetlights is being done with staff and PG&E. The project is still moving forward. Local artist Shelly Mortensen has offered to donate two pieces of her art to the District. Her art will be displayed at the District Office. Colleen has also arranged for local artist's work to be displayed at the MCSD conference room for a six month rotation period. Please notify Colleen if you know of local artists that may be interested in displaying their art.

F.2.b - OPERATIONS DEPARTMENT: Nothing to Report

F.2.c - PARKS & RECREATION DEPARTMENT: Nothing to Report

F.2.d - GENERAL MANAGER: Interim General Manager commented on the interaction with the City of Arcata and McKinleyville and the prop 50 grant for the intertie project. The project went well because of the unity of

ideas and concept. They were on target for having it ready and packaged for California Public Health Department.

AGENDA ITEM F.3 PRESIDENT'S REPORT: President Mayo reported on a meeting he and Greg recently attended with the City of Arcata regarding the Boyd Road issue. President Mayo would like Board to approve an annual meeting with the City of Arcata to discuss various issues to promote a willingness to work together. President Mayo would like to go into our local schools to advocate the state-wide Drink Water Locally project.

AGENDA ITEM F.4. BOARD COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS: President Mayo asked that we add Humboldt County Association of Government (HCAOG) to our monthly reports. Director Edward's commented on the interest of the Board to be a member of HCAOG if MCSD qualifies. Staff was asked to add to the April Agenda for discussion.

AGENDA ITEM G- CLOSED SESSION DISCUSSION:

At 8:37 pm President Mayo announced that the Board would convene into closed session for discussion of the following item:

G.1. CONFERENCE WITH REAL PROPERTY NEGOTIATIONS Pursuant to Government Code Section 54956.8. Property: APN 509-021-045. Real Property 2195 Hewitt Road, McKinleyville, CA. Under Negotiation: Purchase of the above-referenced property. MCSD Negotiators: Greg Orsini, Interim General Manager; Russell Gans, District legal counsel. Parties with whom MCSD may negotiate: Doug Shaw, American Management Corporation, and Michael D. Nelson, LACO Associates. Instructions to negotiators to include both price and terms of payment.

REPORT OUT OF CLOSED SESSION:

At 8:53 pm the Board reconvened out of closed session. President Mayo reported Interim General Manager, Greg Orsini and District Counsel, Russell Gans were authorized to conduct negotiations related to the purchase of a portion of the property APN 509-021-045.

AGENDA ITEM H - ADJOURNMENT:

By consensus of the Board the meeting was adjourned at 8:53 pm.

Respectfully Submitted,

Kathy Wilson,
Board Secretary

**MINUTES OF THE SPECIAL MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD
ON TUESDAY, MARCH 12, 2013 AT 7:00 PM
MCSD DISTRICT OFFICE, 1656 SUTTER ROAD, MCKINLEYVILLE, CA.**

The closed session meeting of the Board of Directors of McKinleyville Community Services District convened at 7:06 pm with the following Directors and staff in attendance:

Dennis Mayo, Board President
David Couch, Vice President
John Corbett, Director
Helen Edwards, Director
Bill Wennerholm, Director
Russell Gans, Legal Counsel

Greg Orsini, Interim General Manager
Kathy Wilson, Board Secretary

AGENDA ITEM A.1 thru A.3 - CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:

At 7:06 pm President Mayo called the meeting to order. Directors Couch, Corbett, Edwards, Wennerholm and Mayo were present. Director Dennis Mayo led the pledge of allegiance.

AGENDA ITEM A.4 – ADDITIONS TO THE AGENDA: There were no additions to the agenda.

AGENDA ITEM B – PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: No members of the public were present for comment or written communication.

AGENDA ITEM C – CONTINUED AND NEW BUSINESS:

C.1 Consider approving CPS HR Consultant's proposal for the Executive Recruitment of the MCSD General Manager and Budget Modification for \$20,000 related to executive search:

MOTION: It was moved to enable a contract with CPS HR Consultant's. Motion by Edwards; second by Corbett

MOTION VOTE: Ayes: Couch, Corbett, Edwards Nays: Mayo, and Wennerholm

MOTION SUMMARY: Motion Passed-3 AYES; 2 NAYS

C.2 PUBLIC COMMENT: Consider Acquisition of Real Property: Waterline Easement, Cramer Parcel (APN 507-282-001). Under Negotiation: Purchase of all or part of the above-referenced property. MCSD negotiators: Greg Orsini, Interim General Manager; Russell Gans, District legal counsel. Parties with whom MCSD may negotiate: Shirley Cramer, Property Owner. Instructions to negotiators include both price and terms of payment: No public present for public comment.

INFORMATIONAL ITEM: No action required or taken by the Board

AGENDA ITEM D – REPORTS:

AGENDA ITEM D.1 – ACTIVE COMMITTEE REPORTS: No Committee Reports Scheduled

AGENDA ITEM D.2 – STAFF REPORTS: No Staff Reports Scheduled

AGENDA ITEM E – BOARD MEMBERS' COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS: Director Mayo notified the Board that Assemblyman Wesley Chesbro and Zuretti Goosby, representative for Senator Noreen Evans will be at McKinleyville Community Services District (MCSD) office on Friday, March 15, 2013 at 1:00pm. Open discussion and a tour of MCSD's infrastructure and Pierson Park are planned.

AGENDA ITEM F – CLOSED SESSION DISCUSSION:

At 7:20 pm President Mayo announced that the Board would convene into closed session.

At 8:10 pm the Board reconvened out of closed session. The reports are as follows:

F.1 REVIEW PUBLIC EMPLOYEE APPOINTMENT, EMPLOYMENT TERMS (California Government Code § 54957): Position under Review: Interim/Acting General Manager—Greg Orsini.

MOTION: It was moved to approve items 1 thru 3: Motion by Edwards; second by Corbett

1. Compensation plus 20% of the Operations Director wage effective March 6th, 2013 and through the term of this agreement.
2. Timeline for interim period will be until the permanent appointment of a General Manager or if the Board or Greg Orsini wishes to dissolve the agreement.
3. Understanding of employment states if Greg Orsini is not hired permanently as General Manager for McKinleyville Community Services District, he will be reinstated as District's Operations Director at his previous rate of pay and employment status.

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

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

F.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -

(Government Code Section 54956.8) Property: Waterline Easement, Cramer Parcel (APN 507-282-001).

Under Negotiation: Purchase of all or part of the above-referenced property. MCSD negotiators: Gregory P. Orsini, Interim General Manager; Russell Gans, District legal counsel. Parties with whom MCSD may negotiate; Shirley Cramer, Property Owner. Instructions to negotiators include both price and terms of payment.

President Mayo announced that no reportable action was taken.

F.3 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION-MCKINLEYVILLE COMMUNITY SERVICES DISTRICT v. COUNTY OF HUMBOLDT, BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT, CASE NO. CV110632 LITIGATION (Pursuant to Government Code Section 54956.9(a).)

President Mayo announced that no reportable action was taken.

AGENDA ITEM G - ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 8:12 pm. Motion by Edwards; second by Couch

MOTION VOTE: Ayes: Couch, Edwards, and Mayo

MOTION SUMMARY: Motion Passed-3 AYES; 0 NAYS

Respectfully Submitted,

Kathy Wilson,
Board Secretary

**McKinleyville Community Services District
Treasurer's Report
February 2013**

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Page 14	Cash Disbursement Report

**McKinleyville Community Services District
Investments & Cash Flow Report
As of February 28, 2013**

Petty Cash & Change Funds 940.00

Cash

Operating & Money Market - Beginning Balance		79,432.80
Cash Receipts:		
Utility Billings	270,885.45	
Money Market Account Interest	37.00	
Transfers from County Funds #2560, #4240	200,000.00	
Other Cash Receipts	62,705.69	
Total Cash Receipts		533,628.14
Cash Disbursements:		
Payroll Related Expenditures	(131,667.07)	
Debt Service	(12,540.31)	
Capital & Other Expenditures	(190,516.01)	
Total Cash Disbursements		(334,723.39)
Operating & Money Market - Ending Balance		278,337.55
Total Cash		279,277.55

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

LAIF - Beginning Balance	127,600.46	
Interest Income	-	
LAIF - Ending Balance		127,600.46
Humboldt Co. #2560 - Beginning Balance	399,693.50	
Property Taxes	-	
Transfer to Operating Cash	(150,000.00)	
Interest Income	116.52	
Humboldt Co. #2560 - Ending Balance		249,810.02
Humboldt Co. #4240 - Beginning Balance	4,892,121.07	
Transfer to/from Operating Cash	(50,000.00)	
Interest Income	1,953.27	
Humboldt Co. #4240 - Ending Balance		4,844,074.34
Humboldt Co. #9390 - Beginning Balance	110,584.48	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		110,584.48
USDA Bond Reserve Fund - Beginning Balance	147,792.84	
Debt Service Payment	(17,375.00)	
Interest Adjustment	(14.09)	
USDA Bond Reserve Fund - Ending Balance		130,403.75
Market Valuation Account		(180.00)
Total Investments		5,462,293.05
Total Cash & Investments - Current Month		5,741,570.60
Total Cash & Investments - Prior Month		5,894,740.63
Net Change to Cash & Investments This Month		(153,170.03)

Cash & Investment Summary

Cash & Cash Equivalents	4,856,480.77
Davis-Grunsky Loan Reserve	596,531.81
Waste Water Capital Reserve	98,154.27
USDA Bond Reserve	130,403.75
I-Bank Loan Reserve	60,000.00
Total Cash & Investments	5,741,570.60

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
As of February 28, 2013

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Sewer	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 707,995.34	\$ 220,794.39	\$ (62,721.28)	\$ 744,832.92	\$ 3,244,958.19	\$ 4,855,859.56
Accounts receivable	2,386.29	-	4,219.92	155,066.70	170,275.25	331,948.16
Prepaid expenses & other current assets	1,373.74	-	881.23	80,120.42	43,015.61	125,391.00
Total Current Assets	711,755.37	220,794.39	(57,620.13)	980,020.04	3,458,249.05	5,461,656.98
Noncurrent Assets						
Restricted cash & cash equivalents	323,180.92	-	-	656,531.81	228,558.02	1,208,270.75
Other noncurrent assets	39,325.43	-	-	9,604.13	30,023.78	78,953.34
Capital assets (net)	-	-	-	6,907,123.57	11,528,113.18	18,435,236.75
Total Noncurrent Assets	362,506.35	-	-	7,573,259.51	11,786,694.98	19,722,460.84
TOTAL ASSETS	\$ 1,074,261.72	\$ 220,794.39	\$ (57,620.13)	\$ 8,553,279.55	\$ 15,244,944.03	\$ 25,184,117.82
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 16,643.32	\$ 1,312.25	\$ 353.89	\$ 186,566.40	\$ 64,312.07	\$ 269,187.93
Accrued payroll & related liabilities	83,113.83	-	-	36,984.95	36,984.95	157,083.73
Total Current Liabilities	99,757.15	1,312.25	353.89	223,551.35	101,297.02	426,271.66
Noncurrent Liabilities						
Long-term debt	-	-	-	3,359,122.45	1,206,709.77	4,565,832.22
Other noncurrent liabilities	39,325.43	-	-	150,802.69	151,646.84	341,774.96
Total Noncurrent Liabilities	39,325.43	-	-	3,509,925.14	1,358,356.61	4,907,607.18
TOTAL LIABILITIES	139,082.58	1,312.25	353.89	3,733,476.49	1,459,653.63	5,333,878.84
Fund Balance/Net Assets						
Fund balance	31,126.14	219,482.14	(57,974.02)	-	-	192,634.26
Net assets	904,053.00	-	-	1,271,801.94	3,463,886.99	5,639,741.93
Investment in capital assets, net of related debt	-	-	-	3,548,001.12	10,321,403.41	13,869,404.53
Total Fund Balance/Net Assets	935,179.14	219,482.14	(57,974.02)	4,819,803.06	13,785,290.40	19,701,780.72
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,074,261.72	\$ 220,794.39	\$ (57,620.13)	\$ 8,553,279.55	\$ 15,244,944.03	\$ 25,035,659.56
Difference in Reclass from Cap Assets to Net Assets:				(10.00)	0.00	
Investment in General Capital Assets	\$ 3,188,441.42					
General Long-term Liabilities						
OPEB Liability	95,777.23					
Accrued Compensated Absences	7,540.27					
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 103,317.50					

McKinleyville Community Services District
Activity Summary by Fund, Original Budget
February 2013

Department Summaries	February	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	115,978	1,133,455	1,368,793	(235,338)	-17.19%	Overall usage/income remains below rate study predictions
Other Revenues	18,181	126,751	141,315	(14,564)	-10.31%	New service fees, plan check & permit fees are significantly below estimates
Total Operating Revenues	134,158	1,260,206	1,510,108	(249,902)	-16.55%	
Salaries & Benefits	57,309	511,401	518,723	(7,322)	-1.41%	
Water Purchased	53,357	443,632	469,671	(26,039)	-5.54%	
Other Expenses	23,753	238,126	304,756	(66,630)	-21.86%	Budget includes expenses for projects just begun
Depreciation	24,100	192,800	166,667	26,133	15.68%	Budget based on prior year's depreciable assets
Total Operating Expenses	158,519	1,385,959	1,459,817	(73,858)	-5.06%	
Net Operating Income	(24,361)	(125,753)	50,291	(323,760)		
Interest Income	559	7,802	13,333	(5,531)	-41.49%	Interest income allocated proportionately to net operating gain/loss
Interest Expense	(6,652)	(77,947)	(57,387)	20,560	35.83%	Budget spread evenly across 12 months, but actuals vary w/debt payments
Net Income (Loss)	(30,454)	(195,898)	6,237	(202,135)		
<u>Sewer</u>						
Sewer Service Charges	117,929	1,008,477	1,096,667	(88,190)	-8.04%	Overall usage/income remains somewhat below rate study predictions
Other Revenues	14,365	122,437	132,867	(10,430)	-7.85%	New service fees, plan check & permit fees are below estimates
Total Operating Revenues	132,294	1,130,915	1,229,534	(98,620)	-8.02%	
Salaries & Benefits	59,362	502,961	533,186	(30,225)	-5.67%	
Other Expenses	38,562	342,541	404,117	(61,576)	-15.24%	Budget includes expenses for projects just begun
Depreciation	38,400	307,200	272,000	35,200	12.94%	Budget based on prior year's depreciable assets
Total Operating Expenses	136,325	1,152,702	1,209,303	(56,601)	-4.68%	
Net Operating Income	(4,031)	(21,787)	20,231	(42,018)		
Interest Income	1,319	17,660	20,000	(2,340)	-11.70%	Interest returns remaining lower than expected
Interest Expense	(4,291)	(34,070)	(36,667)	(2,597)	-7.08%	
Net Income (Loss)	(7,003)	(38,197)	3,564	(41,761)		
Enterprise Funds Net Income (Loss)	(37,456)	(234,095)	9,801	(243,896)		

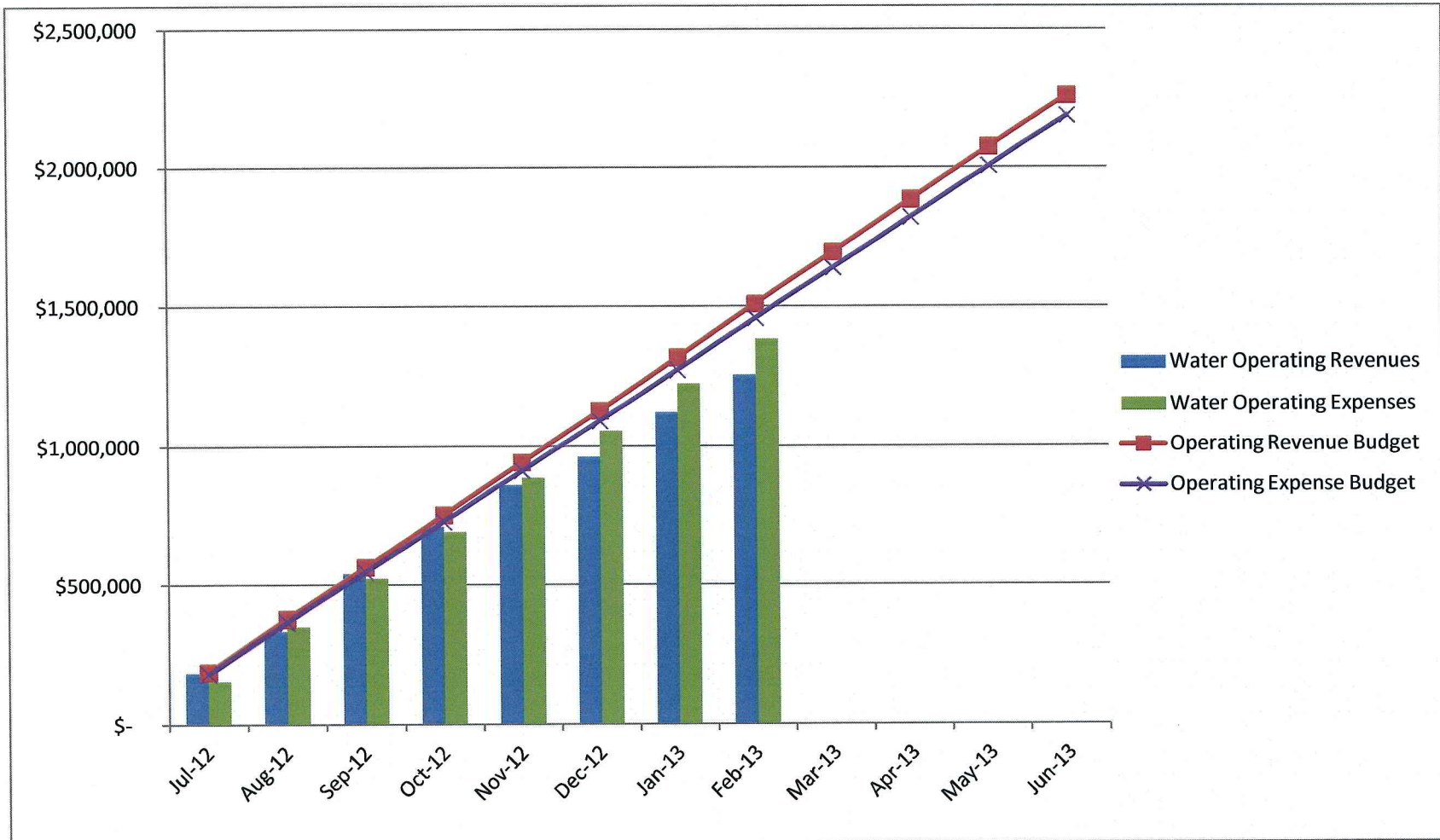
McKinleyville Community Services District
Activity Summary by Fund, Original Budget
February 2013

Department Summaries	February	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	24,832	197,708	230,533	(32,825)	-14.24%	Revenue budget spread evenly across 12 months, but actuals vary w/season
Rents & Related Fees	4,118	34,672	35,484	(812)	-2.29%	
Property Taxes	-	263,327	353,333	(90,006)	-25.47%	County Tax remittance scheduled in December and April/May
Other Revenues	13,469	68,311	160,370	(92,059)	-57.40%	
Interest Income	200	2,454	2,000	454	22.70%	Interest income allocated proportionately to fund balances including gains/losses
Total Revenues	42,619	566,472	781,720	(215,248)	-27.54%	
Salaries & Benefits	57,220	539,092	528,793	10,299	1.95%	Expense budget spread evenly across 12 months, but actuals vary w/programs Dec.2012 acquisition of property from Granite Construction
Other Expenditures	18,687	187,133	146,537	40,596	27.70%	
Capital Expenditures	-	59,723	105,333	(45,610)	-43.30%	
Total Expenditures	75,906	785,948	780,663	5,285	0.68%	
Excess (Deficit)	(33,287)	(219,475)	1,057	(220,532)		
<u>Measure B Assessment</u>						
Total Revenues	46	118,927	139,333	(20,406)	-14.65%	County Tax remittance scheduled in December and April/May
Salaries & Benefits	10	95	26,000	(25,905)	-99.63%	Teen Center project just getting started
Other Expenditures	92	1,823	2,000	(177)	-8.85%	
Capital Expenditures	1,220	2,644	111,333	(108,689)	-97.63%	Teen Center project just getting started
Total Expenditures	1,322	4,562	139,333	(134,771)	-96.73%	
Excess (Deficit)	(1,276)	114,365	-	114,365		
<u>Street Lights</u>						
Total Revenues	7,165	56,312	159,219	(102,907)	-64.63%	Budget includes revenues from projects not yet started
Salaries & Benefits	2,297	23,897	26,684	(2,787)	-10.44%	Cost savings from Streetlights LED project not yet realized Budget includes expenses from projects not yet started
Other Expenditures	4,410	33,135	28,361	4,774	16.83%	
Capital Expenditures	-	114	103,333	(103,219)	-99.89%	
Total Expenditures	6,707	57,145	158,378	(101,233)	-63.92%	
Excess (Deficit)	458	(833)	841	1,674		
Governmental Funds Excess (Deficit)	(34,106)	(105,944)	1,898	(107,842)		

McKinleyville Community Services District

February 2013

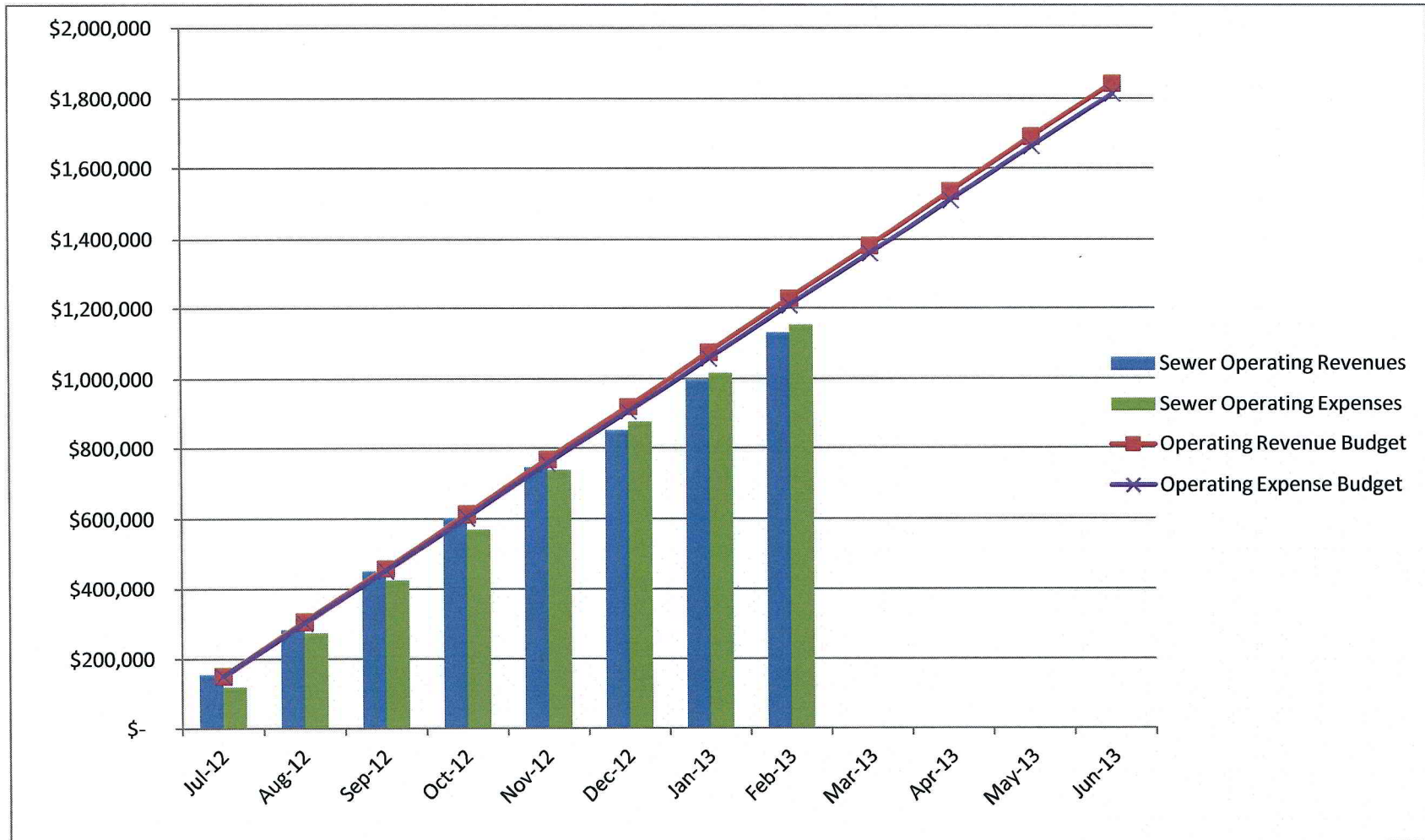
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

February 2013

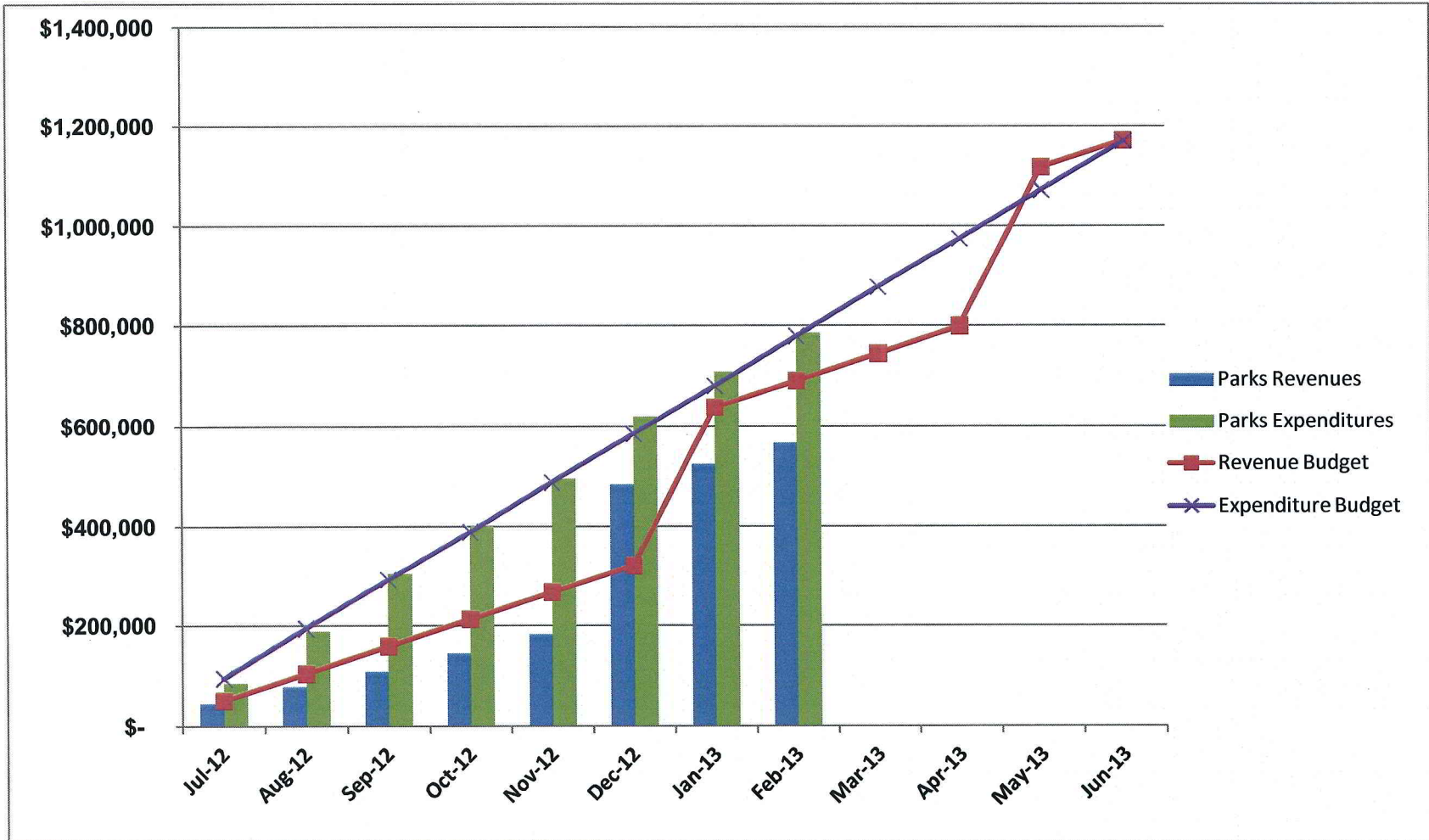
Comparison of Sewer Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

February 2013

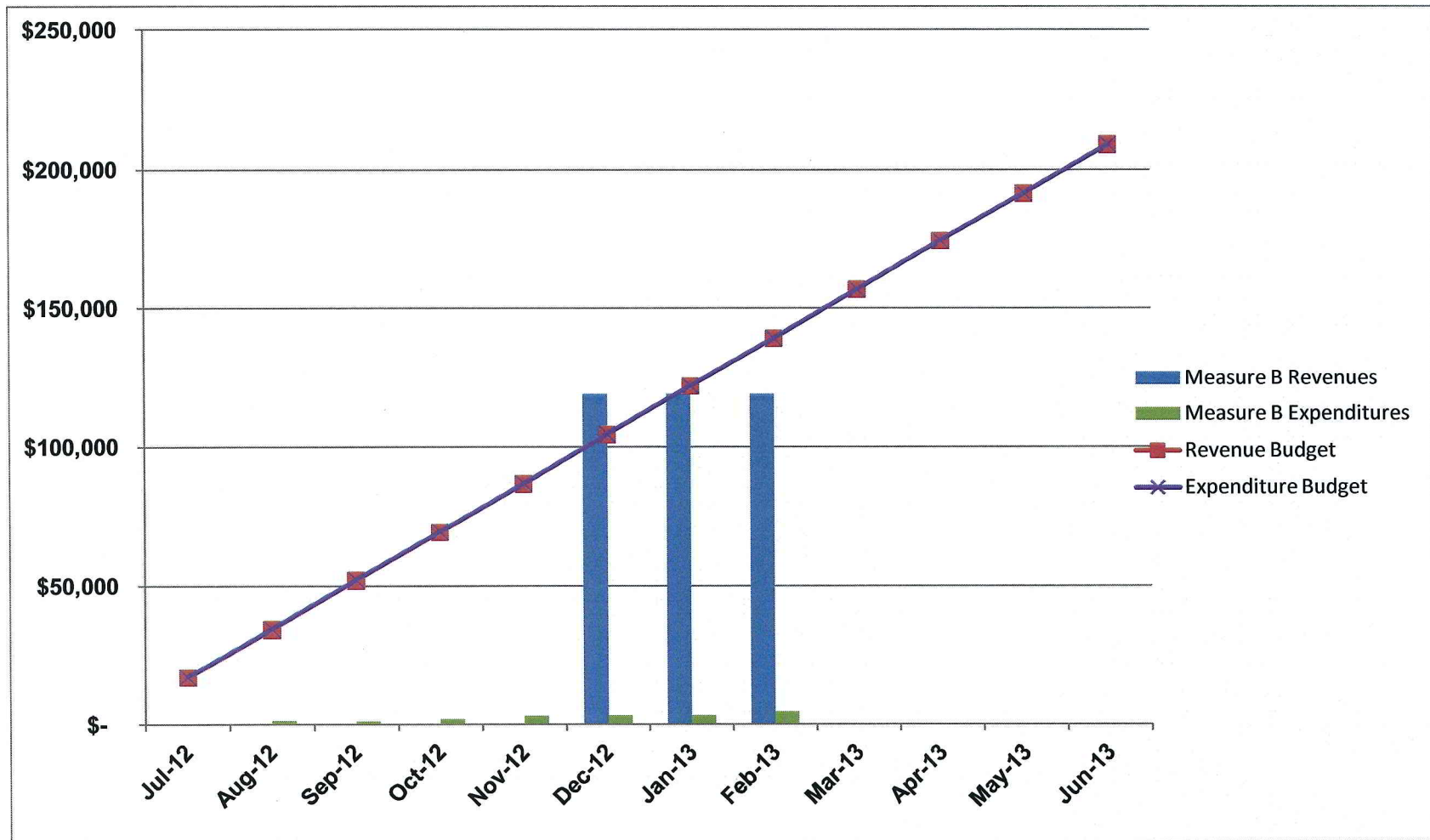
Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



McKinleyville Community Services District

February 2013

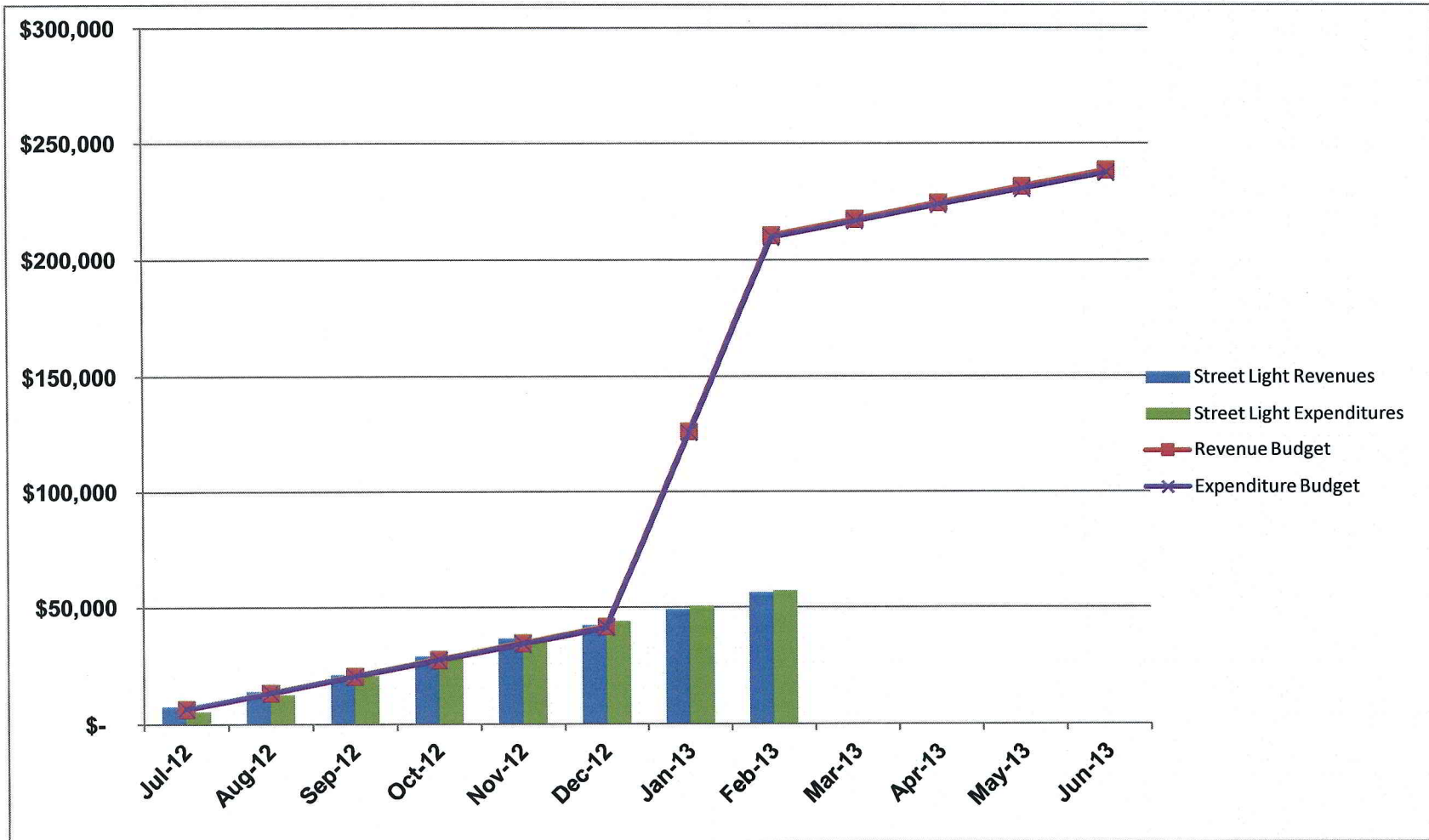
Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District

February 2013

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



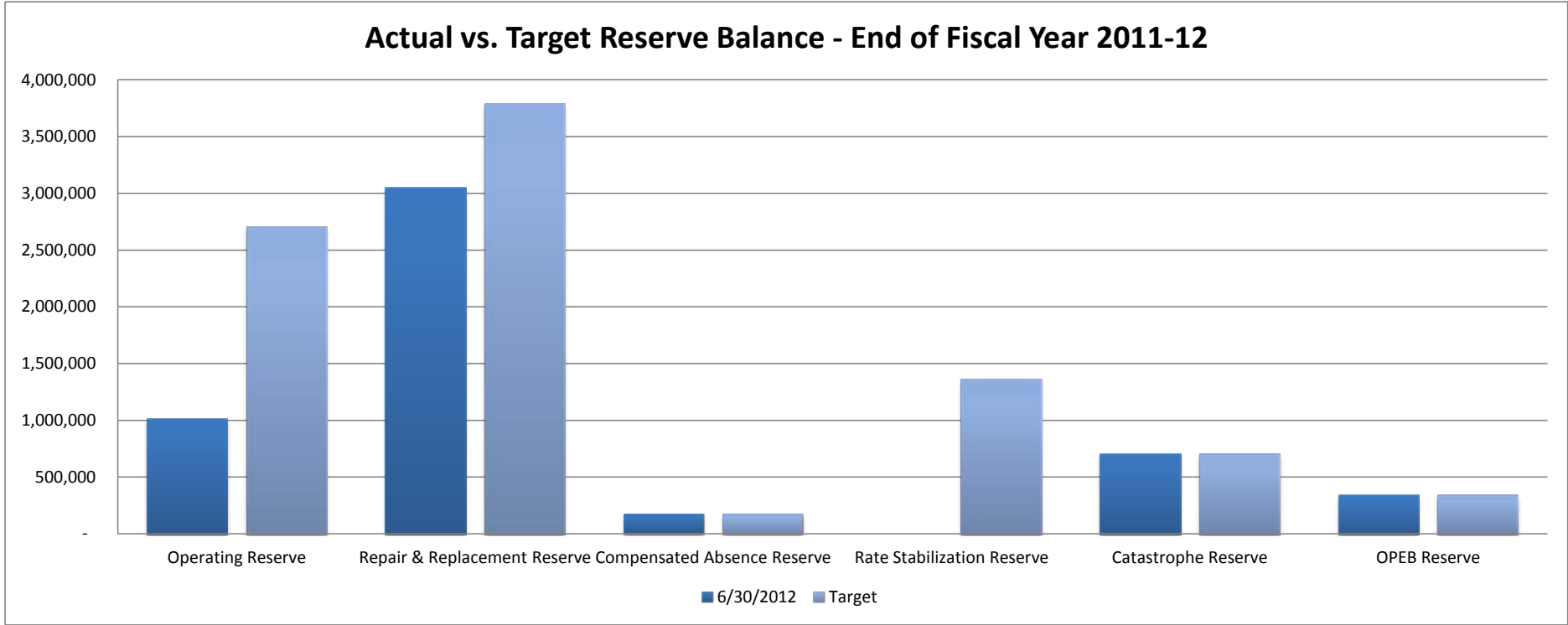
McKinleyville Community Services District
Capital Expenditure Report
As of February 28, 2013

	February	YTD Total	FY 13 Budget	Remaining		
				Budget \$	Budget %	Notes
<u>Water Department</u>						
Ramey Pump Upgrades	560	9,705	15,000	5,295	35%	Design - Pump Station Roof OLA Design - Northern Intertie
Emergency Water Line River Crossing	13,951	63,016	129,300	66,284	51%	
Water Tank Upgrade	-	18,916	8,000	(10,916)	-136%	
4.5m New Water Tank	-	-	3,500,000	3,500,000	100%	
Production Meter Replacements	-	-	-	-	#DIV/0!	
Emergency Water Supply	-	-	-	-	#DIV/0!	
Fire Hydrant System Upgrade	-	-	7,000	7,000	100%	
Customer Meter Replacements	-	1,177	1,300,000	1,298,823	100%	
Radio Telemetry Upgrade	-	-	20,000	20,000	100%	
Meter Reading Equipment Replacement	-	-	15,000	15,000	100%	
Water Main Replacement	-	-	60,000	60,000	100%	
Subtotal	14,511	92,814	5,054,300	4,961,486	98%	
<u>Sewer Department</u>						
Sewer Main Rehab & Replacement	-	-	50,000	50,000	100%	Project Mgmt - Brown&Caldwell
WWMF Security Upgrades	-	-	4,000	4,000	100%	
WWMF Fencing & Gate	-	-	2,000	2,000	100%	
Collection System Upgrades	-	-	10,000	10,000	100%	
Irrigation & Pipe Fittings	-	-	3,000	3,000	100%	
Sewer Main Camera Unit	-	-	30,000	30,000	100%	
WWMF Upgrade/CEQA/Permitting	134	19,262	750,000	730,738	97%	
NPDES Permit/Engineering Study	-	-	50,000	50,000	100%	
Radio Telemetry Upgrade	-	-	30,000	30,000	100%	
WWMF SO2/Chlorine Injector Controllers	-	-	-	-	#DIV/0!	
Lift Station Pump Upgrade	-	-	20,000	20,000	100%	
Property Purchases & Improvements	-	-	10,000	10,000	100%	
Underground Locator Pipe & Camera	-	-	-	-	#DIV/0!	
Subtotal	134	19,262	959,000	939,738	98%	
<u>Water & Sewer Operations</u>						
Heavy Equipment	-	-	100,000	100,000	100%	
Utility Vehicles	-	-	60,000	60,000	100%	
Office, Corporate Yard & Shops	-	6,757	227,000	220,243	97%	
Computers & Software	-	4,943	35,000	30,057	86%	
Fischer Ranch	-	-	13,000	13,000	100%	
Small Equipment & Other	-	-	42,000	42,000	100%	
Subtotal	-	11,699	477,000	465,301	98%	
Enterprise Funds Total	14,646	123,775	6,490,300	6,366,525	98%	
<u>Parks & Recreation Department</u>						
Hiller Park & Sports Complex	-	1,434	-	(1,434)	#DIV/0!	
Pierson Park Upgrades	-	5,922	-	(5,922)	#DIV/0!	
Washington Avenue Park Project	-	4,978	-	(4,978)	#DIV/0!	
McKinleyville Activity Center Upgrades	-	-	-	-	#DIV/0!	
Law Enforcement Facility Improvements	-	-	-	-	#DIV/0!	
Projects Funded by Quimby/Other Funds	-	37,408	150,000	112,592	75%	
Projects Funded by Measure B Renewal	-	5,856	185,000	179,144	97%	
Other Parks Projects & Equipment	-	1,853	8,000	6,147	77%	
Subtotal	-	57,450	343,000	285,550	83%	
<u>Streetlights</u>						
LED	-	-	140,000	140,000	100%	
Pole Replacement	-	-	15,000	15,000	100%	
Subtotal	-	-	155,000	155,000	100%	
Governmental Funds Total	-	57,450	498,000	440,550	88%	
All Funds Total	14,646	181,225	6,988,300	6,807,075	97%	

**McKinleyville Community Services District
Summary of Long-Term Debt Report
As of February 28, 2013**

				Principal Maturities and Scheduled Interest						
				Balance -	Balance -	Remaining for				
	%	Maturity Date		Jan.31, 2012	Feb.28, 2013	FY-13	FY-14	FY-15	FY-16	Thereafter
Water Fund:										
I-Bank Interest	3.37%	8/1/30	P I	919,302.71	919,302.71	- 15,490.26	37,969.13 30,340.72	39,248.69 29,039.60	40,571.37 27,694.63	801,513.53 219,225.52
State of CA Energy Commission (ARRA) Interest	1.0%	12/22/26	P I	162,276.88	162,276.88	5,416.26 1,007.16	10,909.36 1,541.48	11,018.72 1,432.12	11,125.84 1,325.20	123,806.70 6,926.83
State of CA (Davis Grunsky)		1/1/33	P	1,936,845.81	1,936,845.81	-	75,821.96	77,717.50	79,660.44	1,703,645.91
State of CA (Davis Grunsky) Deferred Interest	2.5%	1/1/33	P I	340,697.05	340,697.05	- -	17,035.12 48,421.14	17,035.12 46,525.60	17,035.12 44,582.66	289,591.69 408,486.72
Total Water Fund-Principal				3,359,122.45	3,359,122.45	5,416.26	141,735.57	145,020.03	148,392.77	2,918,557.83
Total Water Fund-Interest						16,497.42	80,303.34	76,997.32	73,602.49	634,639.07
Total Water Fund				3,359,122.45	3,359,122.45	21,913.68	222,038.91	222,017.35	221,995.26	3,553,196.90
Sewer Fund:										
State of CA WRCB (SCEP I) Interest	0.0%	4/15/16	P I	163,680.40	122,760.30	- -	40,920.10 -	40,920.10 -	40,920.10 -	-
State of CA WRCB (SCEP II) Interest	2.6%	3/27/18	P I	153,178.64	153,178.64	23,923.71 3,982.63	24,545.72 3,360.62	25,183.91 2,722.43	25,838.70 2,067.64	53,686.60 2,102.41
Umpqua Bank Interest	5.5%	12/4/17	P I	239,419.72	235,770.83	28,197.69 8,902.84	44,667.13 11,066.63	47,186.72 8,547.04	49,848.42 5,885.34	79,721.79 3,506.57
USDA (Sewer Bond) Interest	5.0%	8/1/22	P I	695,000.00	695,000.00	- 17,375.00	60,000.00 33,250.00	60,000.00 30,250.00	60,000.00 27,250.00	515,000.00 90,875.00
Total Sewer Fund-Principal				1,251,278.76	1,206,709.77	52,121.40	170,132.95	173,290.73	176,607.22	648,408.39
Total Sewer Fund-Interest						30,260.47	47,677.25	41,519.47	35,202.98	96,483.98
Total Sewer Fund				1,251,278.76	1,206,709.77	82,381.87	217,810.20	214,810.20	211,810.20	744,892.37
Total Principal				4,610,401.21	4,565,832.22	57,537.66	311,868.52	318,310.76	324,999.99	3,566,966.22
Total Interest						46,757.89	127,980.59	118,516.79	108,805.47	731,123.05
Total				4,610,401.21	4,565,832.22	104,295.55	439,849.11	436,827.55	433,805.46	4,298,089.27

McKinleyville Community Services District
Board Designated Reserve Balances
As of February 28, 2013



- Utility Accounts Receivable Turnover Days As of February 28, 2013 12.7 Days

- YTD Breakeven Revenue, Water Fund: 2,277,282.56 - YTD Actual Revenue: 1,133,455.14

McKinleyville Community Services District
Cash Disbursement Report
For the Period February 1 through February 28, 2013

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
25994	2/1/2013	\N003	CUSTOMER REFUND PAYABLES	400.00	B30201P	CUSTOMER REFUND PAYABLES
25995	2/5/2013	*0009	YOUTH BBALL REFUND	12.00	B30201	YOUTH BBALL REFUND
25996	2/5/2013	*0011	AZALEA HALL DEPOSIT REFUND	100.00	B30130	AZALEA HALL DEPOSIT REFUND
25997	2/5/2013	*0012	REC PROGRAM REFUND	65.00	B30201	REC PROGRAM REFUND
25998	2/5/2013	ADV01	ADVANCED SECURITY SYSTEM	325.50	214719	SECURITY SYSTEM
25999	2/5/2013	ARC02	Arcata Stationers	430.17	B30201	OFFICE SUPPLIES
26000	2/5/2013	BAL01	DAVID BALDOSSER	286.32	B30201	AFLAC FLEX SPENDING REIMB
26001	2/5/2013	BAS01	BASIC LABORATORY INC.	649.00	1300680	LAB TESTING
26002	2/5/2013	BAY02	BAY WEST SUPPLY, INC.	629.90	B30201	JANITORIAL SUPPLIES
26003	2/5/2013	BRO01	BROWN AND CALDWELL	76.01	11186318	SHORTED INVOICE-BALANCE DUE
26004	2/5/2013	CAL25	CAL. SURVEYING & DRAFTING	138.54	657684	PROFESSIONAL SERVICES
26005	2/5/2013	CAS01	CASH	265.54	B30130	SUPPLIES PURCHASED
26006	2/5/2013	COR01	CORBIN WILLITS SYSTEMS, I	858.42	B301151	MOMS SOFTWARE MAINTENANCE
26007	2/5/2013	COU02	HUMBOLDT COUNTY ASSESSOR	10.60	B30201	MEASURE B MAPS
26008	2/5/2013	GUA01	GUARDIAN - APPLETON	4,420.35	B30204	GRP. DENTAL INSURANCE
26009	2/5/2013	HAR13	The Hartford - Priority A	717.29	B30204	GRP. LIFE INSURANCE

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
26010	2/5/2013	HEN02	SCOTT HENDRICKSON	30.00	B30204	CONTRACTED REFEREE
26011	2/5/2013	JEN01	STEPHANIE JENKINS	45.00	B30204	CONTRACTED REFEREE
26012	2/5/2013	JON04	ERIK M. JONES	72.00	B30130	SUPPLIES
26013	2/5/2013	NEC01	NEC FINANCIAL SERVICES,LL	286.59	1587486	PHONE SYSTEMS
26014	2/5/2013	NYL01	NYLEX.NET	48.00	73455	PROFESSIONAL SERVICES
26015	2/5/2013	SEC03	SECURITY LOCK & ALARM	75.00	78664	REPAIRS/ SUPPLIES
26016	2/5/2013	\C005	MQ CUSTOMER REFUND FOR CA	7.74	000B30201	MQ CUSTOMER REFUND FOR CA
26017	2/5/2013	\D009	MQ CUSTOMER REFUND FOR DI	56.36	000B30201	MQ CUSTOMER REFUND FOR DI
26018	2/5/2013	\D010	MQ CUSTOMER REFUND FOR DO	110.31	000B30201	MQ CUSTOMER REFUND FOR DO
26019	2/5/2013	\G011	MQ CUSTOMER REFUND FOR GR	57.20	000B30201	MQ CUSTOMER REFUND FOR GR
26020	2/5/2013	\G016	MQ CUSTOMER REFUND FOR GR	27.58	000B30201	MQ CUSTOMER REFUND FOR GR
26021	2/5/2013	\H003	MQ CUSTOMER REFUND FOR HE	37.87	000B30201	MQ CUSTOMER REFUND FOR HE
26022	2/5/2013	\J008	MQ CUSTOMER REFUND FOR JA	68.65	000B30201	MQ CUSTOMER REFUND FOR JA
26023	2/5/2013	\J009	MQ CUSTOMER REFUND FOR JO	45.67	000B30201	MQ CUSTOMER REFUND FOR JO
26024	2/5/2013	\M013	MQ CUSTOMER REFUND FOR ME	381.62	000B30201	MQ CUSTOMER REFUND FOR ME
26025	2/5/2013	\M014	MQ CUSTOMER REFUND FOR MI	21.62	000B30201	MQ CUSTOMER REFUND FOR MI
26026	2/5/2013	\M015	MQ CUSTOMER REFUND FOR MO	40.74	000B30201	MQ CUSTOMER REFUND FOR MO
26027	2/5/2013	\M047	MQ CUSTOMER REFUND FOR MO	41.75	000B30201	MQ CUSTOMER REFUND FOR MO
26028	2/5/2013	\P003	MQ CUSTOMER REFUND FOR PL	94.86	000B30201	MQ CUSTOMER REFUND FOR PL
26029	2/5/2013	\R001	MQ CUSTOMER REFUND FOR RE	11.97	000B30201	MQ CUSTOMER REFUND FOR RE

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
26030	2/5/2013	\R002	MQ CUSTOMER REFUND FOR RE	33.29	000B30201	MQ CUSTOMER REFUND FOR RE
26031	2/5/2013	\S015	MQ CUSTOMER REFUND FOR SC	12.07	000B30201	MQ CUSTOMER REFUND FOR SC
26032	2/5/2013	\S055	MQ CUSTOMER REFUND FOR SH	39.01	000B30201	MQ CUSTOMER REFUND FOR SH
26033	2/5/2013	\T012	MQ CUSTOMER REFUND FOR TI	15.70	000B30201	MQ CUSTOMER REFUND FOR TI
26034	2/11/2013	*0003	CHECK LOST-REISSUED CHECK	30.00	B30205	CHECK LOST-REISSUED CHECK
26035	2/11/2013	*0017	GOLDEN STATE BRIDGE	74.00	B30205	REISSUED CHECK-PAYABLE TO
26036	2/11/2013	*0022	AZALEA HALL DEPOSIT REFUND	100.00	B30207	AZALEA HALL DEPOSIT REFUND
26037	2/11/2013	*0023	JOB AA3 DEPOSIT REFUND	420.53	B30208	JOB AA3 DEPOSIT REFUND
26038	2/11/2013	*0024	REC PROGRAM DEPOSIT REFUND	40.00	B30208	REC PROGRAM DEPOSIT REFUND
26039	2/11/2013	CAL10	CALIFORNIA HEATING	28.00	21918	REPAIRS/ SUPPLIES
26040	2/11/2013	COS03	COSTCO WHOLESALE	265.84	B30205	SUPPLIES PURCHASED
26041	2/11/2013	EUR05	Eureka Oxygen Co	58.60	64443	SAFETY SUPPLIES
26042	2/11/2013	EUR07	Eureka Rubber Stamp Co.	133.61	A11049	OFFICE SUPPLIES
26043	2/11/2013	HUB02	HUB INTERNATIONAL INSURANCE	66.12	B30207	SPEC EVENT INSURANCE
26044	2/11/2013	HUM01	HUMBOLDT BAY MUNI WATER DISTR	53,244.41	B30205	WTR PURCHASED
26045	2/11/2013	HUM08	HUMBOLDT SANITATION	943.30	B30205	TRASH SERVICE
26046	2/11/2013	MCK04	MCK ACE HARDWARE	989.31	B30206	REPAIRS/SUPPLY
26047	2/11/2013	MIL01	Miller Farms Nursery	900.36	B30205	REPAIRS/SUPPLY
26048	2/11/2013	MUN02	MUNICIPAL MAINTENANCE	121.30	76517	SUPPLIES/ REPAIRS
				605.20	78848	VEHICLE REPAIRS
			Check Total:	<u>726.50</u>		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
26049	2/11/2013	NOR01	NORTH COAST LABORATORIES	3,618.00	B30205	LAB TESTS
26050	2/11/2013	NOR36	NORTH COAST PARTS & SUPPLIES	236.50	B30205	REPAIRS/ SUPPLIES
26051	2/11/2013	NYL01	NYLEX.NET	96.00	73481	PROFESSIONAL SERVICES
26052	2/11/2013	O&M01	O & M INDUSTRIES	281.45	48501	VEHICLE REPAIRS
26053	2/11/2013	ORE01	O'REILLY AUTOMOTIVE, INC.	31.32	B30205	REPAIRS/SUPPLY
26054	2/11/2013	PGE01	PG & E (Office & Field)	13,124.83	B30206	GAS & ELECTRIC
26055	2/11/2013	PRO03	PROFESSIONAL CREDIT MGMT	44.31	74	RECOVERY OF BAD DEBT
26056	2/11/2013	REN01	RENNER PETROLEUM	4,523.61	B30204	FUEL FOR JAN 2013
26057	2/11/2013	SAF04	SAFEWAY INC. FILE # 72905	103.37	B30205	SUPPLIES
26058	2/11/2013	SIE01	SIERRA FOOTHILL LAB, INC.	2,775.00	118082	LAB TESTING
				515.00	118156	LAB TESTING
			Check Total:	<u>3,290.00</u>		
26059	2/11/2013	SUD01	SUDDENLINK	136.50	B30206	MONTHLY INTERNET SERVICES
26060	2/11/2013	THO02	Thomas Home Center	200.92	B30206	REPAIRS/SUPPLY
26061	2/11/2013	THR01	THRIFTY SUPPLY COMPANY	18.02	1334215	REPAIRS/ SUPPLIES
26062	2/11/2013	UMP03	UMPQUA BANK--VISA	1,740.44	B30207	SUPPLIES PURCHASED IN JAN
26063	2/11/2013	USB01	U.S. BANK TRUST N.A.	7,895.83	B30207	SEWER BOND PAYMENT
26064	2/11/2013	VER01	VERIZON WIRELESS	131.82	B30207	CELL PHONES FOR JAN 2013
26065	2/19/2013	*0025	AZALEA HALL DEPOSIT REFUND	30.00	0	REFUND FOR NO HOST
				100.00	B30213	AZALEA HALL DEPOSIT REFUND
			Check Total:	<u>130.00</u>		
26066	2/19/2013	*0026	REC PROGRAM REFUND	115.00	B30213	REC PROGRAM REFUND

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
26067	2/19/2013	A1R01	A-1 RADIATOR & SPECIALTY	3,189.35	86062	SEWER STATION GENERATOR REPAIR
26068	2/19/2013	ACW01	ACWA JOINT POWERS INSURANCE	45,046.54	B30213	GRP. HEALTH INS
26069	2/19/2013	ARC02	Arcata Stationers	151.50	B30208	OFFICE SUPPLIES
				266.10	B30213	OFFICE SUPPLIES
			Check Total:	<u>417.60</u>		
26070	2/19/2013	ATT01	AT&T	653.43	B30214	PHONE SYSTEMS
26071	2/19/2013	BON02	BONNIE L. OLIVER	448.62	10	PP COVERED PICNIC PAVILION
26072	2/19/2013	BOR01	BORGES & MAHONEY CO.	213.30	133664	SUPPLIES/ REPAIRS
26073	2/19/2013	BRY02	BRYCE CONSULTING, INC.	3,195.50	1325	PROFESSIONAL SERVICES
				4,205.37	1343	PROFESSIONAL SERVICES
			Check Total:	<u>7,400.87</u>		
26074	2/19/2013	COR07	JOHN W. CORBETT	125.00	B30214	DIRECTORS FEES
26075	2/19/2013	COU09	DAVID R. COUCH	125.00	B30214	DIRECTORS FEES
26076	2/19/2013	DEP05	DEPARTMENT OF JUSTICE	160.00	953234	REC PROGRAM FINGERPRINTING
26077	2/19/2013	EDW01	HELEN L. EDWARDS	125.00	B30214	DIRECTORS FEES
26078	2/19/2013	EUR07	Eureka Rubber Stamp Co.	29.76	A11236	OFFICE SUPPLIES
26079	2/19/2013	GFO01	GOVERNMENT FINANCE OFFICE	150.00	187751	MEMBERSHIP RENEWAL
26080	2/19/2013	HUC01	DELILAH HUCK	388.40	B30213	CONTRACTED INSTRUCTOR
26081	2/19/2013	HUM17	HUMBOLDT COUNTY DEPT.	305.35	IN0006706	FEES FOR HAZARDOUS MATERIALS
26082	2/19/2013	KEY01	KEY EQUIPMENT FINANCE	312.40	1303	EQUIPMENT LEASE
26083	2/19/2013	LDA01	LDA PARTNERS	785.00	7/635-1-1	PROFESSIONAL SERVICES
26084	2/19/2013	2-May	DENNIS MAYO	402.59	B30206	TAVEL REIMBURSEMENT

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
				125.00	B30214	DIRECTORS FEES
			Check Total:	527.59		
26085	2/19/2013	MCK03	VOIDED CHECK - PRINTER ERROR	-	44560u	Ck# 026085 Reversed
26086	2/19/2013	MCK12	VOIDED CHECK - PRINTER ERROR	-	13113u	Ck# 026086 Reversed
26087	2/19/2013	MIT01	VOIDED CHECK - PRINTER ERROR	-	32084u	Ck# 026087 Reversed
26088	2/19/2013	MOR01	VOIDED CHECK - PRINTER ERROR	-	B30213u	Ck# 026088 Reversed
26089	2/19/2013	NOR13	VOIDED CHECK - PRINTER ERROR	-	19262u	Ck# 026089 Reversed
26090	2/19/2013	NYL01	VOIDED CHECK - PRINTER ERROR	-	73510u	Ck# 026090 Reversed
26091	2/19/2013	PAC02	VOIDED CHECK - PRINTER ERROR	-	490695u	Ck# 026091 Reversed
26092	2/19/2013	REM01	VOIDED CHECK - PRINTER ERROR	-	95853u	Ck# 026092 Reversed
26093	2/19/2013	RES05	VOIDED CHECK - PRINTER ERROR	-	B30208u	Ck# 026093 Reversed
26094	2/19/2013	ROU01	VOIDED CHECK - PRINTER ERROR	-	116265u	Ck# 026094 Reversed
26095	2/19/2013	STA11	VOIDED CHECK - PRINTER ERROR	-	B30213u	Ck# 026095 Reversed
26096	2/19/2013	UMP03	VOIDED CHECK - PRINTER ERROR	-	B30213u	Ck# 026096 Reversed
26097	2/19/2013	UPS01	VOIDED CHECK - PRINTER ERROR	-	Y6R493063u	Ck# 026097 Reversed
26098	2/19/2013	USP02	VOIDED CHECK - PRINTER ERROR	-	B30208u	Ck# 026098 Reversed
26099	2/19/2013	WEN01	VOIDED CHECK - PRINTER ERROR	-	B30214u	Ck# 026099 Reversed
26100	2/19/2013	MCK03	MCKINLEYVILLE OFFICE SUPPLY	38.82	44560y	Ck# 026100->026085 Replaced
26101	2/19/2013	MCK12	VOIDED CHECK - PRINTER ERROR	-	13113u	Ck# 026101 Reversed
26102	2/19/2013	MCK12	MCKINLEYVILLE UNION SCHOOL DISTR	2,061.45	13113y	Ck# 026102->026101 Replaced
26103	2/19/2013	MIT01	Mitchell, Brisso, Delaney	3,755.69	32084y	Ck# 026103->026087 Replaced

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
26104	2/19/2013	MOR01	JOHN M. MORGAN	247.87	B30213y	Ck# 026104->026088 Replaced
26105	2/19/2013	NOR13	NOR.CALIFORNIA SAFETY CONSORTIUM	80.00	19262y	Ck# 026105->026089 Replaced
26106	2/19/2013	NYL01	NYLEX.NET	48.00	73510y	Ck# 026106->026090 Replaced
26107	2/19/2013	PAC02	PACIFIC TELEMAGEMENT	300.00	490695y	Ck# 026107->026091 Replaced
26108	2/19/2013	REM01	REMY, MOOSE AND MANLEY,LL	8,438.77	95853y	Ck# 026108->026092 Replaced
26109	2/19/2013	RES05	RESERVE ACCOUNT	1,500.00	B30208y	Ck# 026109->026093 Replaced
26110	2/19/2013	ROU01	ROUND TABLE DEVELOPMENT CO	106.16	272y	Ck# 026110->026094 Replaced
				93.04	116265y	Ck# 026110->026094 Replaced
			Check Total:	<u>199.20</u>		
26111	2/19/2013	STA11	STAPLES CREDIT PLAN	579.09	B30213y	Ck# 026111->026095 Replaced
26112	2/19/2013	UMP03	UMPQUA BANK--VISA	1,490.01	B30213y	Ck# 026112->026096 Replaced
26113	2/19/2013	UPS01	UPS	203.86	Y6R493063y	Ck# 026113->026097 Replaced
26114	2/19/2013	USP02	USPS: ARCATA BMEU	1,500.00	B30208y	Ck# 026114->026098 Replaced
26115	2/19/2013	WEN01	WILLIAM WENNERHOLM, DC	125.00	B30214y	Ck# 026115->026099 Replaced
26119	2/25/2013	*0027	JENNIFER FRENCH	100.00	B30221	AZALEA HALL DEPOSIT REFUND
26120	2/25/2013	A&M02	A & M BODY SHOP & TOWING	65.00	14892	TOW PARKS VEHICLE TO SHOP
26121	2/25/2013	ARC02	Arcata Stationers	389.35	B30222	OFFICE SUPPLIES
26122	2/25/2013	BON02	BONNIE L. OLIVER	560.00	1	PROFESSIONAL SERVICES
26123	2/25/2013	BRO02	BROOKS APPRAISAL SERVICE	3,800.00	12-12-141	PROFESSIONAL SERVICES
26124	2/25/2013	CWE01	CWEA	140.00	B30221	MEMBERSHIP RENEWAL
26125	2/25/2013	FRE03	FRED PRYOR SEMINARS	199.00	B30221	TRAINING FOR EMPLOYEES

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
26126	2/25/2013	HEN02	SCOTT HENDRICKSON	15.00	B30221	CONTRACTED REFEREE
26127	2/25/2013	JAC04	JACKSON & EKLUND, INC.	807.00	174373	PROFESSIONAL SERVICES
26128	2/25/2013	MCM01	McMaster-Carr Supply Co.	117.17	8303	REPAIRS/ SUPPLIES
26129	2/25/2013	OCC01	OCCUPATIONAL HEALTH	90.00	B30221	PROFESSIONAL SERVICES
26130	2/25/2013	PGE02	PACIFIC GAS & ELECTRIC	2,523.44	B30222	STREETLIGHTS
26131	2/25/2013	S&S02	S & S WORLDWIDE, INC.	341.73	7597037	REC PROGRAM SUPPLIES
26132	2/25/2013	SEH01	JASON SEHON	308.00	B30220	EMPLOYEE TRAVEL ADVANCE
26133	2/25/2013	SEQ01	Sequoia Gas Co.	1,483.12	B30215	FUEL
26134	2/25/2013	THR01	THRIFTY SUPPLY COMPANY	563.07	1336567	REPAIRS/ SUPPLIES
26135	2/25/2013	WEC01	WECO INDUSTRIES, LLC	100.66	28791-IN	REPAIRS/ SUPPLIES
26136	2/25/2013	WEI01	WEIRUP LANE ASSOCIATION	87.00	B30222	ANNUAL ROAD MAINTENANCE DUES

Total Disbursements, Accounts Payable: 197,444.25

Payroll Related Disbursements

10819-10857	2/10/2013	Various Employees	16,832.68		EMPLOYEE PAYROLL CHECKS
10858	2/7/2013	CAL12	2,980.60	B30207	RETIREMENT
10859	2/7/2013	DIR01	24,234.33	B30207	Direct Deposit
10860	2/7/2013	EMP01	1,346.61	B30207	STATE INCOME TAX
			539.07	1B30207	SDI
		Check Total:	<u>1,885.68</u>		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
10861	2/7/2013	HUM29	UMPQUA BANK--PAYROLL DEP.	4,766.58	B30207	FEDERAL INCOME TAX
10861	2/7/2013	HUM29	UMPQUA BANK--PAYROLL DEP.	6,674.84	1B30207	FICA
				1,561.06	2B30207	MEDICARE
			Check Total:	<u>13,002.48</u>		
10862	2/7/2013	AFL01	AFLAC	43.30	B30131	AFLAC (PRE-TAX)
10863	2/7/2013	PUB01	Public Employees PERS	15,235.56	B30131	PERS PAYROLL REMITTANCE
				56.08	1B30131	PERS CONTRIBUTION
			Check Total:	<u>15,291.64</u>		
10864	2/12/2013		EMPLOYEE PAYROLL CHECK	1,208.38		EMPLOYEE PAYROLL CHECK
10865-10899	2/22/2013		Various Employees	15,493.18		EMPLOYEE PAYROLL CHECKS
10900	2/22/2013	CAL12	CalPERS 457 Plan	3,012.65	B30222	RETIREMENT
10901	2/22/2013	DIR01	DIRECT DEPOSIT VENDOR- US	23,424.46	B30222	Direct Deposit
10902	2/22/2013	EMP01	Employment Development	-	B30212	STATE INCOME TAX
				1,242.61	B30222	STATE INCOME TAX
				13.08	1B30212	SDI
				511.98	1B30222	SDI
			Check Total:	<u>1,767.67</u>		
10903	2/22/2013	HUM29	UMPQUA BANK--PAYROLL DEP.	-	B30212	FEDERAL INCOME TAX
				4,468.52	B30222	FEDERAL INCOME TAX
				162.26	1B30212	FICA
				6,338.82	1B30222	FICA
				37.94	2B30212	MEDICARE
				1,482.48	2B30222	MEDICARE
			Check Total:	<u>12,490.02</u>		
			Total Disbursements, Payroll:	<u>131,667.07</u>		
			Total Check Disbursements:	329,111.32		

McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **Consent Calendar Item**

ITEM: D.5. Compliance with State Double Check Valve Law

PRESENTED BY: James Henry, Acting Operations Director

TYPE OF ACTION: Consent Calendar

Recommendation:

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

Discussion:

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

1st Notice	February 8, 2013
10 Day Notice	March 20, 2013
Board Meeting	April 3, 2013
Lock	May 6, 2013
ROUTES 1 & 4	

Account #	Address	Model of DCV	Date s/o out
1-515-000	1394 Azalea	Neptune	
1-695-000	2074 Cochran	Watts	
1-895-000	2362/2364 Hewitt	Febco	

Updated: 3/20/13

McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.1. **Informational overview of FY 2013/14 Draft Operating Budget for Parks/General Fund and Measure B Fund**

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 Finance Director. The finalized budget will be presented to the Board for formal approval in June.

Alternatives:

Take Action

Fiscal Analysis:

See attached FY 2013/14 Draft Operating Budgets for Parks/General Fund and Measure B Fund.

Environmental Requirements:

Not applicable

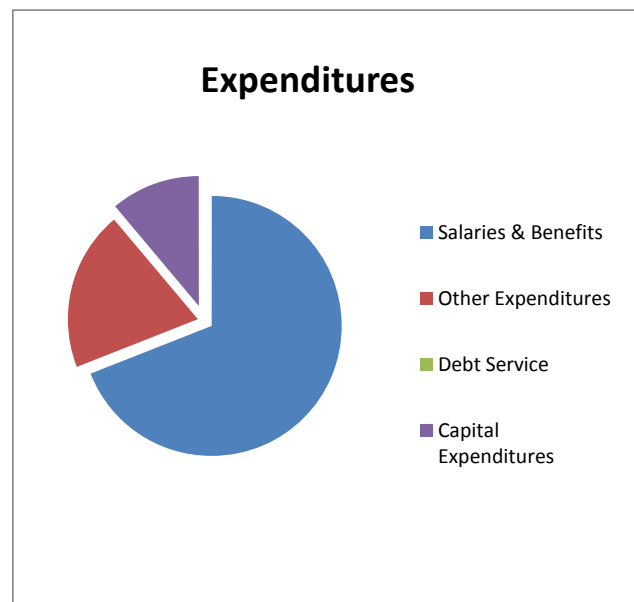
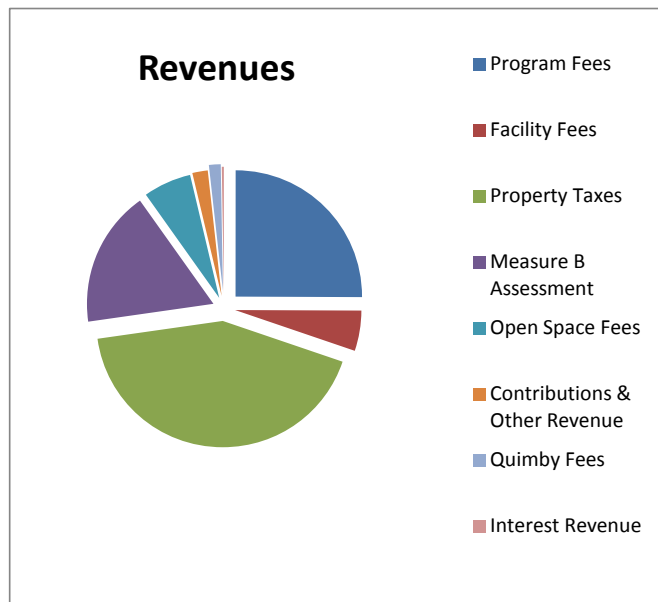
Exhibits/Attachments

- FY 2013/14 Draft Operating Budget for Parks/General Fund and Measure B Fund.

McKinleyville Community Services District
Parks & General Fund and Measure B Fund Summary Budget
FY 2013-14

Draft 1

Description	Parks & General Fund		Measure B Assessment Fund		Total (Memorandum Only)	
Revenues						
Program Fees	300,650	30%	-	-	300,650	25%
Facility Fees	61,800				61,800	5%
Property Taxes	510,000	51%	-	-	510,000	43%
Measure B Assessment	-	-	209,000	100%	209,000	17%
Open Space Fees	73,500	7%	-	-	73,500	6%
Contributions & Other Revenue	23,400	2%	-	-	23,400	2%
Quimby Fees	18,000	2%	-	-	18,000	2%
Interest Revenue	3,000	0.3%	150	0.07%	3,150	0.3%
Total Revenues	990,350	94%	209,150	100%	1,199,500	100%
Expenditures						
Salaries & Benefits	730,239	74%	94,902	45%	825,140	69%
Other Expenditures	228,025	23%	9,200	4%	237,225	20%
Debt Service	-	-	-	-	-	-
Capital Expenditures	28,000	3%	105,000	50%	133,000	11%
Total Expenditures	986,264	100%	209,102	100%	1,195,365	100%
Excess (Deficit)	4,086		48		4,135	



McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.2. District Conference Room – Rotating Art Show

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

TYPE OF ACTION: None

Recommendation:

Staff recommends that the Board review the proposed rotating art show in the District main office large conference room, take public comment, and recommend process changes or interested artists.

Discussion:

District management is considering showcasing various local artists in the District's large conference room on a six month rotation. The proposed theme will be "The Beauty of Humboldt." Artists are invited to submit a portfolio of the works they wish to display to the Finance Director for inclusion in the rotation. All works submitted will be reviewed before display for fit with the theme and appropriateness for a public space.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

-

McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **ACTION**

ITEM: E.3. Review Regulation 16. RATES specifically Rule 16.01. Water Rate Schedule and Rule 27.04. Sewer Charges and Approve annual increase which is scheduled for July 1, 2013 as per MCSD Rules and Regulations.

PRESENTED BY: Greg Orsini, Interim General Manager

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends that the Board review rate increase effective July 1, 2013, take public comment and arrive at a consensus to authorize the rate change for water service as outlined in Regulation 16. – Rates; Rule 16.01 Rate Schedule and for Sewer service as outlined in Regulation 16. – Rates; Rule 27.04. Sewer Charges.

Discussion:

The Board reviewed the completed rate study and approved it at the June 6 2012 Regular Board Meeting. In that rate study were incremental adjustments in water and sewer charges as specified in Attachment A for FY 12/13 through FY16/17.

The Proposition 218 protest process was conducted and the community supported the incremental adjustments. The Board does have the latitude to adjust rates in any percentage increase to the limit specified in Rule 16.01 and 27.04 for FY13/14.

Perhaps, due to weather or conservation MCSD metered water delivery has decrease steadily over the past several years and is impacting revenue adversely. Staff is and will continue to adjust operation budgets to compensate for these short falls but feel it necessary to adjust the rates the full amount.

If this is not done it will also adversely affect our reserves and our revenue to debt ratio. Which will delay and possible prohibit our ability to finance necessary upcoming projects.

Staff strongly recommends the Board allow staff initiate recommended adjustments to the water and sewer rates.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment A – Resolution 2012-17

RESOLUTION 2012-17

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING RULES 16.01 AND 27.04 OF THE MCSD RULES AND REGULATIONS TO INCREASE THE RATES OF THE DISTRICT'S WATER AND SEWER SERVICE CHARGES

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

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

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

WHEREAS, On June 6, 2012, the Board of Directors held a full and fair public hearing on the water and sewer rates recommended by Willdan; and

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

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

WHEREAS, The Board desires to increase the water and sewer charges.

WHEREAS, The consumption charge per Hundred Cubic Foot set forth shall include an annual "pass through" adjustment to cover the actual cost of water from Humboldt Bay Municipal Water District.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Rule 16.01 of the MCSD Rules and Regulations is amended to read as follows:

Rule 16.01. RATE SCHEDULE. The monthly charge for water service shall be calculated by adding the meter charge for the customer to the consumption charge for the amount of water consumed by that customer. Meter charges shall be calculated as follows:

Meter Charge	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015	July 1, 2016
5/8"	\$ 9.41	\$ 10.73	\$ 12.01	\$ 13.21	\$ 14.52
3/4"	12.31	14.04	15.72	17.28	18.99
1"	18.11	20.65	23.12	25.41	27.94
1.5"	32.61	37.18	41.62	45.75	50.30
2"	50.01	57.01	63.83	70.16	77.13
3"	90.60	103.29	115.64	127.12	139.74
4"	148.60	169.40	189.65	208.48	229.18
6"	293.58	334.68	374.69	411.89	452.78
8"	467.55	533.02	596.73	655.98	721.10
10"	670.53	764.41	855.78	940.75	1,034.14

The consumption charge shall be calculated as follows, with the first eight hcf (hundred cubic feet) or portion of an hcf consumed charged at the tier one rate and each hcf (or portion) in excess of eight charged at the tier two rate:

Commodity Charge		July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015	July 1, 2016
Tiered	Tier (HCF)					
Tier 1	0 - 8	\$ 0.89	\$ 1.02	\$ 1.14	\$ 1.25	\$ 1.38
Tier 2	8.01+	2.24	2.55	2.85	3.14	3.45
Pass Through ¹	All units	TBD	TBD	TBD	TBD	TBD

¹ MCSD will pass-through adjustments in the wholesale water charges established by HBMWD

The consumption charge per hcf set forth above shall be subject to a "pass through" adjustment. The pass through adjustment shall be calculated for each fiscal year by subtracting the District's actual commodity cost of water (per hcf) for the most recent calendar year from the District's actual commodity cost of water (per hcf) for calendar year 2011. The actual commodity cost of water (per hcf) for a year shall be calculated by *dividing* the total of all Humboldt Bay Municipal Water District charges for water delivered during the year *by* the number of hcf's of water delivered.

Customers residing in a zone of special benefit will pay the fee specified in the then current resolution for their zone in addition to the charges specified above.

Service charge revenues shall be used to fund costs of providing water service and for no other purpose.

Section 2. Rule 27.04 of the MCSD Rules and Regulations is amended to read as follows:

RULE 27.04 SEWER CHARGES. The monthly charge for sewer service shall be calculated by adding a fixed charge per bill (or per dwelling unit for residential customers) to a

variable charge per hcf of water consumed. No residential customer shall be charged for in excess of 12 hcf of water consumption in a month, regardless of the actual amount of water consumed. The rates shall be as follows:

	July 1, 2012		July 1, 2013		July 1, 2014		July 1, 2015		July 1, 2016	
	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²	Fixed ¹	Variable ²
01 - Single Family Residence	\$ 12.83	\$ 1.09	\$ 15.01	\$ 1.27	\$ 17.57	\$ 1.49	\$ 19.33	\$ 1.64	\$ 21.27	\$ 1.80
02 - Apartment/multi unit (each)	12.83	1.09	15.01	1.27	17.57	1.49	19.33	1.64	21.27	1.80
03 - Mobile Homes (each)	12.83	1.09	15.01	1.27	17.57	1.49	19.33	1.64	21.27	1.80
04 - Barber/Beauty Shop	12.83	1.11	15.01	1.30	17.57	1.54	19.33	1.70	21.27	1.89
05 - Office Building/Post Office	12.83	1.11	15.01	1.30	17.57	1.54	19.33	1.70	21.27	1.89
07 - Churches	12.83	1.34	15.01	1.58	17.57	1.86	19.33	2.07	21.27	2.29
08 - Rectory	12.83	1.34	15.01	1.58	17.57	1.86	19.33	2.07	21.27	2.29
10 - Restaurant/Taverns	12.83	4.13	15.01	4.87	17.57	5.75	19.33	6.37	21.27	7.06
11 - Motels/Hotels	12.83	2.98	15.01	3.52	17.57	4.15	19.33	4.60	21.27	5.10
12 - Gas Stations (No Market)	12.83	1.49	15.01	1.75	17.57	2.06	19.33	2.29	21.27	2.54
13 - Laundromats	12.83	1.01	15.01	1.19	17.57	1.41	19.33	1.56	21.27	1.73
14 - Retail/Banks/Theater/Other	12.83	1.34	15.01	1.58	17.57	1.86	19.33	2.07	21.27	2.29
15 - Bakery	12.83	4.13	15.01	4.87	17.57	5.75	19.33	6.37	21.27	7.06
16 - Market	12.83	4.15	15.01	4.89	17.57	5.77	19.33	6.40	21.27	7.09
17 - Fire Station/School	12.83	0.94	15.01	1.11	17.57	1.31	19.33	1.45	21.27	1.61
18 - Coast Guard Station/Airport	12.83	1.34	15.01	1.58	17.57	1.86	19.33	2.07	21.27	2.29
19 - Car Wash	12.83	0.81	15.01	0.95	17.57	1.12	19.33	1.24	21.27	1.38
20 - Church & Residence	12.83	2.03	15.01	2.40	17.57	2.82	19.33	3.13	21.27	3.47
21 - Round Table/Market	12.83	3.57	15.01	4.20	17.57	4.96	19.33	5.49	21.27	6.09
22 - Two sewer units/business	12.83	1.34	15.01	1.58	17.57	1.86	19.33	2.07	21.27	2.29
23 - Metered septage vault	12.83	2.05	15.01	2.42	17.57	2.86	19.33	3.17	21.27	3.51
24 - Two sewer units/daycare	12.83	1.32	15.01	1.54	17.57	1.81	19.33	1.99	21.27	2.18
25 - Sewer Units - Commercial	12.83	1.49	15.01	1.75	17.57	2.06	19.33	2.29	21.27	2.54
26 - Sewer Only Accounts	12.83	1.32	15.01	1.54	17.57	1.81	19.33	1.99	21.27	2.18
27 - 2 sewer units/commercial	12.83	1.34	15.01	1.58	17.57	1.86	19.33	2.07	21.27	2.29
76 - Dialysis Clinic	12.83	1.22	15.01	1.44	17.57	1.69	19.33	1.88	21.27	2.08
MT - Minor Theater	12.83	1.11	15.01	1.30	17.57	1.54	19.33	1.70	21.27	1.89

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)

Service charge revenues shall be used to fund costs of providing sewer service and for no other purpose.

Section 4. The rates set forth herein shall be effective on beginning July 1, 2012. The District's existing rates shall remain in effect until that date.

Section 5. The Board finds and determines as follows:

- (a) Revenues derived from the water service charge and sewer service charge will not exceed the funds required, respectively, to provide water and sewer service.
- (b) Revenues derived from the water service charge and sewer service charge will not be used for any purpose other than, respectively, providing water service and providing sewer service.

(c) The amount of the charges imposed by this Resolution upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.

(d) No charge will be imposed under this Resolution for a service unless that service is actually used by, or immediately available to, the owner of the property in question.

PASSED, APPROVED AND ADOPTED this 6th day of June 2012 by the following roll call vote:

AYES: COUCH, EDWARDS, WENNERHOLM, MAYO

NOES: NONE

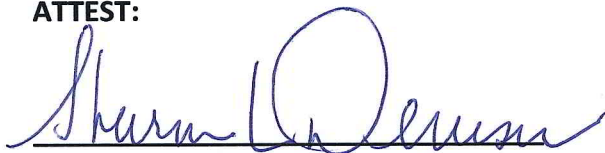
ABSTAIN: NONE

ABSENT: CORBETT



Dennis Mayo, Board President

ATTEST:



Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **ACTION**

ITEM: E.4 **Consider approval of path forward related to the LAFCo process for expanding sphere of influence to reflect current service.**

PRESENTED BY: **Greg Orsini/ Rosalind Litzky**

TYPE OF ACTION: **Voice Vote**

Recommendation:

1. Staff recommends that the Board take public comment
2. Direct staff to pursue an out of service agreement with LAFCo
3. Enter into negotiations with Arcata for an Intergovernmental Service Agreement

Discussion:

MCSD staff is continuing work on the Boyd Road annexation project, but there have been several project related developments that should be considered by the MCSD Board. As discussed in the attached project status update memorandum by SHN Consulting and email updates to the from the Interim General Manager, the City of Arcata (City) is pursuing annexation of the Boyd Road area. Any efforts by MCSD to annex this area would likely require additional time and funding than originally envisioned.

Since California Environmental Quality Act (CEQA) Initial Study (IS) would be required. There is a very high likelihood the City would be critical of the IS, time and potential costs would be attributed to addressing comments from the City and addressing Local Agency Formation Commission (LAFCo) concerns. If LAFCo receives two applications for the same area, then additional time and money may be necessary to determine a path forward. Because the Boyd Road area is within the Arcata Sphere of Influence LAFCo may favor annexation by the City.

Due to recent City actions and recently approved LAFCo policies, there are options available to the MCSD for provision of water service that were not previously identified. This includes pursuing an intergovernmental services agreement with the City and approval of services outside agency boundaries by the LAFCo.

City staff has been directed by the City Council at the February 20, 2013 meeting to pursue an intergovernmental services agreement for water service

at the Boyd Road area. An intergovernmental agreement would allow MCSD the ability to provide water to the Boyd Road without pursuing the cost of annexation of this area. This action would involve negotiation with the City for continuing service. In conjunction with pursuing negotiation, approval of out of service extension could be “grandfathered.” This would not allow any additional connections, but would act a way to legitimize the existing connections that are outside the MCSD boundary. The two residences that are not currently within the City’s annexation project would be able to continue water service by MCSD.

Because the goal of annexation is continue water service, staff recommends proceeding with negotiations with the City for an intergovernmental agreement. This would allow MCSD to continue service to this area without pursuing annexation that could become expensive due to the political controversy. Staff cannot easily predict the additional time and expense for pursuing annexation. While negotiations are being conducted, MCSD staff can request approval of services outside agency boundaries by LAFCo. If at such time during the negotiations with the City agreement cannot be met, then MCSD can always pursue annexation of this area.

Alternatives:

Staff’s analysis includes the following potential alternative:

- Take no action
- Continue with annexation
- Negotiate a price for the transfer of existing MCSD infrastructure to City Of Arcata

Fiscal Analysis:

Not known at this time

Environmental Requirements:

Will depend on Board decision

Exhibits/Attachments

- EXHIBIT A Memorandum, MCSD Annexation, Project Status Update
- EXHIBIT B LAFCo guidance document for Services Outside Boundaries



Memorandum

Reference: 011034.110
Date: March 26, 2013
To: Greg Orsini, Interim General Manager
From: Rosalind Litzky
Subject: **MCSD Annexation Project-Status Update**

Project History

In March 2012, the MCSD Board authorized staff to proceed with preparation and submittal of an application to the Local Agency Formation Commission (LAFCo) to annex the Boyd Road area for water service only. Since the time MCSD Board made that decision the City has circulated a Mitigated Negative Declaration in December 2012 to January 2013.

The project was discussed by the City of Arcata (City) Planning Commission during the January 8, 2013 and January 22, 2013 meetings. To allow for voluntary annexation by property owners, the Planning Commission recommended annexation of State Route 299 right-of-ways which would extend the City boundary so that it was contiguous with most of the parcels in the City annexation area. Four parcels would be considered isolated from voluntary annexation because they would not be adjacent to the City District line. Organized opposition from the majority of the property owners was submitted at all the Planning Commission and City Council meetings. At the February 20, 2013 City Council meeting, staff was directed to negotiate with MCSD to reach agreement about the provision of water service.

Throughout the City planning process, MCSD staff has submitted several comment letters and attended the January 22, 2013 Planning Commission and City Council meetings. Additionally, MCSD staff met with City staff on January 8, 2012 and with LAFCo staff on January 14, 2013.

Options

Since the time MCSD Board made a decision about the MCSD annexation project, the City has pursued an annexation project as described above and LAFCo has released new policy to provide services outside of agency boundaries. In November 2012, LAFCo released the "Policies and Procedures for Cities and Districts to Provide Services outside Agency Boundaries." See attached for policy and procedures. This new policy allows a city or district the ability to provide new or extended services outside of the jurisdictional boundaries. In general, this policy permits agencies to provide services outside of the jurisdictional boundaries to address a threat to public health and safety to residents (under specified circumstances) or within a sphere of influence in anticipation of a later change of boundary.

The Boyd Road area does not qualify for either of these two circumstances outlined in the new LAFCo policy. However, the policy does allow for the retroactive approval of all out of service connections. LAFCo staff is expected to request a list from MCSD of all areas currently served outside of the MCSD boundaries. Therefore, MCSD has the opportunity to have all out of service areas approved. Such a request must be made at the next LAFCo Board meeting in May 2013.

However, approval of existing out-of-service areas would not allow the MCSD to expand any services in the Boyd Road area.

The new guidance from LAFCo presents an option that was not available in March 2012 when the MCSD Board decided to proceed with annexation. The policy allows the District to seek approval of an out of service extension for the Boyd Road area. The City does not propose to annex all areas that currently receive water service from MCSD. Two residences would be isolated from contiguous boundaries with MCSD making it impossible for any future annexations by MCSD.

The status of the City annexation project makes it difficult to predict approval from LAFCo because the Boyd Road area is within the City's "Sphere of Influence." At a meeting with MCSD staff, LAFCo staff indicated that if two applications were received for the same area, they would rely on the required "determinations" for their recommendation. LAFCo is required to make several "determinations" about a project prior to approval. Additionally, City staff has been directed by the City Council to negotiate with MCSD and staff members have volunteered to attend a MCSD Board meeting.

POLICIES AND PROCEDURES FOR CITIES AND DISTRICTS TO PROVIDE SERVICES OUTSIDE AGENCY BOUNDARIES

Adopted November 14, 2012

1.0 Authority

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city or district requests and receives approval from the Commission. The Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization, or outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory, under specified circumstances.

2.0 Purpose

To establish policy and procedural guidelines by which the Commission considers requests for the extension of services by cities and districts outside their jurisdictional boundaries pursuant to Government Code Section 56133.

3.0 Objective

To ensure the extension of services by cities and special districts outside their jurisdictional boundaries are logical and consistent with supporting orderly growth and development in Humboldt County. The Commission recognizes the importance of considering local conditions and circumstances when implementing these policies.

4.0 Definitions

The following definition of terms are provided to assist in the implementation of Government Code Section 56133 since its terminology, in some areas, is not reflective of current statutory definitions or has no statutory definition within the Cortese-Knox-Hertzberg Act:

- A. "New or extended services" shall mean the actual delivery of services or the intensification of services to a specific property. New or extended services established before January 1, 2001 are specifically exempt and are not within the purview of the Commission.

- B. "Contract or agreement" shall mean a contract, agreement, or other legal instrument, which requires or agrees to the delivery of service to property.
- C. "Written approval of the Commission" shall mean for development related contracts, the adoption of a resolution of the Commission approving the service agreement/contract at a noticed public hearing; for non-development related contracts written approval of the Commission shall mean the document signed by the Executive Officer authorizing the completion of the contract.
- D. "Anticipation of a later change of organization." The inclusion of an area to be served within the sphere of influence of the serving agency shall be sufficient to comply with this provision.
- E. "Public Agency" means the statutory definition of Public Agency is "the state or any state agency, board or commission, any city, county, city and county, special district or other political subdivision, or any agency, board or commission of the city, county, city and county, special district, or other political subdivision" (Government Code Section 56070).

The definition of public agency does not include a private or mutual water company. Any contract by a city or district to extend service to these types of service companies would require approval from the Commission prior to contract execution.

- F. "Public health and safety threat" shall mean the extension of service to alleviate an immediate health and/or safety problem. Such connections would be limited to the provision of water and/or sewer service to an existing structure, the connection to a failing mutual or private water system requiring auxiliary service, the provision of fire protection and/or paramedic services as supplemental or alternative source for service, and other similar threats related to health and safety.
- G. "Sufficient Service Capacity" shall mean the affected agency has the ability to provide the new or extended services to be provided under the agreement without adversely affecting current service levels within its jurisdictional boundaries.

5.0 Policies

5.1 Commission Approval Required for New or Extended Services

Except for the specific situations exempted by Government Code Section 56133, a city or district shall not provide new or extended services to any party or property outside its jurisdictional boundaries unless it has obtained written approval from LAFCo consistent with all the policies and procedures described herein.

5.2 Exemptions

The Executive Officer shall consult with cities and districts to determine whether extended services agreements are subject to Commission review. The following agreements shall be exempt from Commission approval:

- A. Any agreement solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.
- B. Any agreement for the transfer of nonpotable or nontreated water.
- C. Any agreement solely involving the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, any agreement for the extension of surplus water service to a project that will support or induce development shall not be exempt from Commission approval.
- D. Any agreement for an extended service that a city or district was providing on or before January 1, 2001.
- E. Any agreement involving a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of its jurisdictional boundaries.

5.3 Executive Officer Authority to Approve Certain Requests

The Executive Officer shall have the authority to approve or conditionally approve proposals to extend services outside jurisdictional boundaries in cases where the service extension is proposed to remedy a clear health and safety concern. In addition, the Executive Officer shall have the authority to approve or conditionally approve service extensions where the services in question will not

facilitate development (for example, an inter-agency contract for fire protection services).

5.4 Filing Requirements

The filing requirements for review of an out of agency service contract/agreement shall consist of:

- A. Official Request from Applying Agency. A written request signed by the City Manager/District Manager requesting approval for an out of agency service agreement/contract or an adopted resolution from the city/district proposing to serve outside its boundaries must be submitted.
- B. Payment of Appropriate Filing Fees. The applying agency must submit as part of the application the appropriate filing fees as outlined in the LAFCo Fee Schedule.
- C. A completed application form including the submission of a copy of the proposed agreement/contract that has been signed by the property owner(s) and, if necessary, the agency extending service(s), and maps showing the location of the property to be served, existing agency boundaries, the location of the existing infrastructure, and the proposed location of the infrastructure to be extended.
- D. Any other information deemed appropriate by the Executive Officer in order to review the service extension request based upon its special circumstances.

5.5 Environmental Review

All matters that involve discretionary action pursuant to these regulations are subject to the applicable provisions of the California Environmental Quality Act (CEQA). If there has been no environmental determination made by the applying agency, LAFCo will serve as the Lead Agency and shall prepare the required environmental analysis. Such a determination shall be required prior to authorization of a service extension.

5.6 Annexations

Annexations to cities and districts involving territory located within the affected agency's sphere of influence is generally preferred to outside service area agreements. The Commission recognizes, however, there may be instances when outside service area agreements are appropriate given local circumstances.

5.7 Criteria for Authorizations for Outside Service Area Requests

The Commission and the Executive Officer shall limit its outside service area authorizations to public health and safety emergencies and circumstances where:

- A. Sufficient service capacity exists;
- B. Annexation would not be practicable (in determining whether an annexation is practicable, the Commission shall consider the sphere of influence determinations for the affected territory in accordance with Government Code 56425(e); and
- C. The outside service area request is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Act.

5.8 Public Health and Safety Criteria for Water and Sewer Services

The Commission recognizes the importance of proactively addressing impending threats to public health and safety in considering requests for outside water and sewer services. Accordingly, the affected agency or landowners shall provide the Commission with documentation of the public health and safety threat, consistent with the criteria below.

- A. An existing on-site sewage disposal system may be deemed a threat to the health and safety of the public or the affected residents if it meets one or more of the following criteria, as determined by a Humboldt County Division of Environmental Health Specialist or other qualified professional:
 - (1) There is ponding or accumulation of wastewater or septic tank effluent at or above the surface of the ground.
 - (2) There is a lack of an unsaturated vertical soil separation between the bottom of a disposal field and seasonal high groundwater.
 - (3) There is a failure of the disposal field or septic tank to accept, treat, and dispose of wastewater in quantities discharged by the structure served.
 - (4) The on-site septic system is within 50 feet of a well or other water source.
 - (5) Any other condition associated with the operation or use of an on-site sewage system that could permit the exposure, either directly or indirectly, of individuals or domestic animals to inadequately treated wastewater.

- B. An existing water source used for domestic purposes may be deemed a threat to the health and safety of the public or the affected residents if it meets one or more of the following criteria, as determined by a Humboldt County Division of Environmental Health Specialist or other qualified professional:
- (1) The water supply is impacted by biological, chemical, or radiological constituents that cannot be adequately or reasonably treated or removed to levels deemed safe for human consumption or contact.
 - (2) The quantity of the water supply is constantly or periodically inadequate (less than one gallon per minute) to meet the domestic needs for which its use is intended, and additional quantities cannot adequately or reasonably be developed.
 - (3) Any other condition in which the continued use of an existing water supply could result in negative impacts to human health.

6.0 Application Procedures

For all development-related applications for service, the item shall be considered by the Commission at a noticed public meeting. The authority for action for nondevelopment-related agreements/contracts has been delegated to the LAFCo Executive Officer by the Commission.

6.1 Development-Related Applications

Development-related agreements/contracts associated with the development of tracts, subdivisions, a single-family dwelling unit, a commercial/industrial development on a parcel, or other types of development-related projects shall require the following review and approval by the Commission:

- A. The city or district proposing to provide service(s) outside its boundaries shall submit to LAFCo an application for review and consideration. Within 30 days after receipt of an application, the Executive Officer shall determine whether the application is complete and acceptable for filing. If the request is deemed incomplete, the Executive Officer shall immediately notify the applying agency of that determination, specifying those parts of the application that are incomplete and an explanation of the manner in which the deficiencies may be made complete.
- B. The Executive Officer shall provide a referral regarding the request to the Humboldt County Public Works, Planning and Building, and Environmental Health Departments and affected and nearby public agencies and utilities providing the service type that is proposed to be extended.

- C. If necessary, a meeting with the applying agency and/or the various departments may be held dependent upon the circumstances and/or issues related to the service agreement/contract. The determination of whether or not to hold the meeting shall be made by the LAFCo Executive Officer.
- D. Once these required elements have been completed, the item shall be placed on a Commission Agenda within 90 days. At a noticed public meeting, the Commission will consider the staff's presentation and presentations, if any, by interested and affected parties, and make a determination.
- E. The Commission has the authority to approve, approve with conditions, or deny the service extension request. The Commission's determination and any required findings will be set out in a resolution which specifies the area to be served, the services to be provided, and the authority of the agency to provide its services outside its boundaries.
- F. Within 30 days after the Commission disapproves or approves with conditions an outside service area agreement, the applicants may request reconsideration of the decision by filing a written request with the Executive Officer. In all other cases, the decision of the Commission on an outside service area agreement shall be final and conclusive. The request for reconsideration shall include the required reconsideration fee and shall state the reasons for the reconsideration. Reconsideration by the Commission shall be noticed and conducted pursuant to Section 56895 of the Government Code. The determinations of the Commission on reconsideration shall be final and conclusive.

6.2 Nondevelopment-Related Applications

Nondevelopment-related agreements/contracts that are related to providing service to existing residential, commercial or industrial development or those contracts between public agencies for such items as fire protection mutual aid shall include the following review and approval by the LAFCo Executive Officer:

- A. Prior to the execution of an agreement/contract for service outside their boundaries, the city/district proposing to provide the service shall submit to LAFCo a completed application, with all its component parts as previously defined, for review and consideration.
- B. The Executive Officer's administrative review shall include the following determinations:
 - (1) The proposed service extension is either nondevelopment-related and/or involves health and safety concerns as defined by Commission policy.

(2) Sufficient service capacity exists.

(3) The request is consistent with the Cortese-Knox-Hertzberg Act.

- C. The Executive Officer can approve, approve with conditions, or deny the request for service extension. Should the Executive Officer decide, for any reason, to not exercise his/her delegated authority, the Executive Officer shall refer the request to the Commission for approval.

In cases where the Executive Officer denies a proposed service extension, the proposal shall be placed on the next Commission meeting agenda for which notice can be provided. After consideration at a public meeting, the Commission may approve, conditionally approve or deny the request for service extension.

In cases where the Executive Officer approves a proposed service extension, said approval is subject to a potential review initiated by the Commission pursuant to Section 6.2 D. of this Policy. The applying agency and/or the affected property owner may, in their discretion, initiate the extension of service prior to the expiration of the time the Commission may initiate a review of the decision. However, any such extension is taken at the risk of the applying agency and/or the property owner that the Commission may ultimately reverse the approval of the Executive Officer, or place additional conditions on such approval. The approval of the Executive Officer creates no legally enforceable, vested right of the applying agency and/or the property owner.

In cases where the Executive Officer approves a proposed service extension with conditions to which the applying agency and/or property owner objects, the applying agency and/or property owner may proceed with the extension under the conditional terms and said conditional terms shall be placed on the next Commission meeting agenda for which notice can be provided. After consideration at the public meeting, the Commission may lift or modify the conditions.

- D. The Executive Officer shall notify the Commission of his/her decision on an outside service area agreement within two business days. Within ten days after the Executive Officer's decision, any member of the Commission may request the Commission to review the decision by filing a written request with the Executive Officer. The Executive Officer shall set the request for review as an agenda item for the next meeting of the Commission for which notice can be given. After consideration of the issue, the Commission may affirm, reverse, or modify the decision of the Executive Officer.

7.0 List of Pre-Existing Services

Upon adoption of these regulations, the Executive Officer shall ask each city and district to provide a list or map of parcels to which it was providing out of agency service before January 1, 2001, as well as a list of out of agency services established after the effective date of Government Code Section 56133. The Executive Officer subsequently shall place the list of out of agency services on the agenda for the Commission at a regularly scheduled meeting for Commission review.

The Commission shall consider approving the pre-existing services retroactively at the existing level of service if the service can be substantiated by factual evidence. The Executive Officer shall maintain the list of retroactively approved pre-existing out of agency services as public information. Expansion or intensification of retroactively approved pre-existing services shall be considered a new request, subject to all the requirements of new outside service area requests.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Support Services Department Report
03 April, 2013

AGENDA ITEM: F.2.A.
PRESENTED TO: MCSD Board of Directors
FROM: Colleen Trask, Finance Director
SUBJECT: Support Services Department Report

LEGAL UPDATES

We are still waiting for CalPERS to issue guidelines on the Government Accounting Standard Board (GASB) Statements #67 and 68 that deal with accounting requirements for calculating and posting pension liabilities.

DISTRICT FINANCIAL & BUDGET INFORMATION

The first draft of the Parks Operating budget, along with a slightly adjusted Parks CIP budget, has been presented to the Board at this meeting. Drafts of the Water, Sewer, and Streetlights Operating budgets are to follow next month with the final budget presented to the Board in June.

The District is working with Deborah Silva, a nationally known corporate trainer for Microsoft Office and a professor at College of the Redwoods, to develop a better template for the monthly financial statements that will upload data directly from the accounting software as suggested by our auditor last year.

SUPPORT STAFF PROCEDURES & PROJECTS

The changes in deposit requirements approved by the Board and changes to bad debt procedures implemented by staff have resulted in only one person being sent to collections this month, which is the lowest amount of people in the past thirteen years. The total amount written off to bad debt this month will be \$57.21 which is also the lowest amount in thirteen years.

We are continuing to follow up on the Succession Planning request-for-proposal that was originally sent out in February. We are accumulating a sufficient pool for choosing the lowest responsive & responsible provider.

In addition to the local/regional Salary Survey done by Bryce Consulting, we have recently acquired a copy of the 2012 California Special Districts Association (CSDA) Statewide Salary Survey for Special Districts. The District's standard salary schedule has been reviewed by management and discrepancies have been corrected.

STAFF DEVELOPMENT & TRAINING

Staff IDPs (Individual Development Plans) have been completed for the year and individual training requirements have been loaded into Target Solution tracking software.

The District held a brief Emergency Operations “set-up” training on March 22. A “table-top exercise” where the responding staff “talk through” a proposed emergency is scheduled for later this month.

OTHER CURRENT PROJECTS

The District returned completed loan documents to PG&E’s loan committee in early March. Jason Patton III and James Henry have been working with PG&E’s local representative and field personnel to verify our list of streetlights. This verification is normally done on a periodic basis, but is also part of the loan process.

We are checking references from other Special Districts in California before making a final selection of our Document Management system.

WATER & SEWER RATE INCREASE

Overall revenue is still not increasing as predicted in the original rate study. We have concluded that demographic shifts in the District are driving at least some of the lower water usage trend of using less water. We are seeing a reduction in the number of service units year over year from 2012 and we now have five years of data to track the usage trend.

The initial rate change last July was 20%. That was enough to “backfill” cumulative decreases in revenue in the two years prior to the rate change, but not enough to cover current increases in costs. There are four more years of pre-approved changes ranging from 12% to 8%. The average decrease in usage for this year is 8.89%, and the higher rates have held the average decrease in revenue to only 6.85% so far this year. We are still losing revenue, but not as rapidly as before. It will be a race to see whether the scheduled rate changes will be able to outpace the demographic shifts and reductions in use and return the District to sustainable financial footing.

The rate study predicted that the District would return to “breakeven” by the end of FY2013-14 and would start replenishing reserves by the end of FY2014-15. If the District is still drawing down reserves to cover operating costs next year, the Board may wish to consider a different rate study that takes these trends into account.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Board Agenda Background: Department Report

March 28, 2013

To: MCSD Board

From: James Henry, Interim Operations Director

Subject: Agenda Item: F.2.B. –April 3, 2013 Board Meeting
Operations Department – February 2013 Report

Water Department:

◇ **Water Statistics:**

The district pumped 33 million gallons of water in February.

Four water quality complaints were investigated and rectified.

Two service line leaks were reported and repaired.

One new water service was installed.

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

◇ **Double Check Valve Testing:**

Annual routine testing of Route 2 was completed in February and a minimal number of retests were conducted. Customers with failed DCV's were notified to make repairs and call the office to schedule a retest.

◇ **Average and Maximum Water Usage:**

The maximum water usage day was 1.5 million gallons and the average usage per day was 1.2 million gallons.

Water Distribution Maintenance:

Repairs were made to fire hydrants that were flagged from the annual inspection. The annual valve exercising program is 86% completed. 2263 valves and blow-offs will be inspected and exercised. An inspection report is completed for each valve.

A broken air relief box was replaced on Archer. The damaged box was found during meter reading.

The semi-annual capped well inspections were completed. Wells caps are visually inspected to verify that the caps are in place. Customers with missing caps are notified to either replace cap or install a DCV to meet compliance.

◇ **New Construction Inspections:**

Central Estates, All facilities are installed, water mains are loaded, road work and PG&E work is completed. Testing will commence when GRS's crew is available; Loren Ave Mainline, Paving is completed and a punch list was provided and Santos Subdivision, All of the facilities are completed and paving is completed. Valve cans were exposed and main was flushed.

Sewer Department:

◇ **Waste Water Statistics:**

27.7 million gallons of wastewater was collected and pumped to the W.W.M.F. 31 million gallons of waste water 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 wet well was washed at the Fischer and B Street lift stations with fire hoses while manipulating the levels to break up the grease and rags. This is done quarterly to prevent the grease and rags from plugging up the pumps. The grit pits were sucked out at Fischer along with handrail, blower and fixture cleaning. The removal of grit prevents the build-up of hydrogen sulfide which is very destructive to steel and concrete.

The generator radiator at the B Street Lift Station was removed and replaced due to corrosion.

The bubbler was repaired at the Hiller Lift Station along with graffiti removal from the vault.

Letz Station building and asphalt was pressure washed along with gutters cleaned out.

Sewer Collection System:

A broken cleanout was repaired due to vehicle damage. The vehicle owner was invoiced for time and materials.

Grease traps were inspected at required facilities. Customers that are out of compliance were notified to have their traps pumped and possibly shorten their pumping schedule.

◇ **Wastewater Management Facility:**

The Chlorine Contact Chamber was drained and washed with fire hoses.

The goat shed walls were repaired along with cleaning out and installing new straw.

An aerator post was replaced on pond 3 due to rot damage to the existing wooden post.

The annual sludge depths were performed in ponds A and B. The ponds are measured on a 10' grid over the digesters and then recorded. That information is compared to previous measurements to give the District an idea of sludge accumulation.

◇ **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.

◇ **Street Light Department:**

Three street lights were reported and repairs conducted in February. Staff has been researching and comparing PG&E's billing inventory to the Districts street light inventory to verify that both lists are the same as far as pole numbers and ownership.

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

Special Notes:

Industrial Discharge Permit applications were delivered to businesses that are required to have permits with instructions to fill out vital information and return to the District.

Unit 13 developed a leak in the radiator tank. A new tank was ordered and installed.

Unit 2 and 22 received safety inspection and service.

The dump truck, tractors and Vac-con were greased. This is done monthly to prevent unnecessary wear and to prolong the life of the equipment.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
April 3, 2013

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

McKINLEYVILLE AREA FUND (MAF) GRANT:

We received a grant in the amount of \$500 from the MAF in order to purchase an X-Box Kinect. The game system will be used in our afterschool programs and summer camp. It will also be used once the Teen and Community Center is open.

Our goal is to utilize active games that help encourage a healthy lifestyle.

S.H COWELL FOUNDATION:

Staff and several community members met with representatives from the S.H. Cowell Foundation last on March 20, 2013. The S.H. Cowell Foundation provides funding to communities and works to improve the lives of children living in Poverty in Northern and Central California by providing support to strengthen families and communities. In most cases, the Foundation funds a variety of projects for communities for anywhere between five (5) and ten (10) years.

The meeting included a tour of McKinleyville by myself and Hillarie Beyer, Executive Director of the McKinleyville Family Resource Center. After the tour, approximate thirty community leaders from a variety of organizations met for lunch for a presentation. There were also small group discussions to discuss different aspects of potential funding. The three groups included, K-8 schools, Family Resource Centers, and Youth Development.

I was part of the small group to discuss Youth Development. Our focus was to ask the Foundation to help fund the Boys and Girls Club in order to provide recreation opportunities for youth at the new Teen Center once it's complete. The foundation does not fund municipalities such as MCSD; but we would benefit if they funded the Boys and Girls Club to pay for staff and equipment to support the Teen Center.

We have received feedback that the Foundation has shown further interest in McKinleyville and they have invited twelve (12) leaders from the community to attend a Leadership Retreat in Santa Cruz in May.

I will keep the board informed on the progress.

TEEN & COMMUNITY CENTER UPDATE:

The Architectural design process is moving forward. LDA Partners is working on revising the design to reflect ideas generated from a phone conference with staff and community leaders, while also incorporating requests from youth in the community. We should have a preliminary design for the Board to review in the next couple months.

HILLER SPORTS COMPLEX:

Staff has been working with the Sheriff Work Alternative Program (SWAP) and volunteers to prepare for the upcoming baseball and softball seasons.

I would like to commend our Park Maintenance Staff for all the work they put into the fields this year, as they are in better shape than they have been this time of year for the last few years.

PIERSON PARK:

Staff is already gearing up for Pony Express Days, which will be held May 29 through June 2, 2013 at Pierson Park. This is a large community event and our staff takes pride in making sure the park is in good shape.

GRANT OPPORTUNITIES:

MCSD's grant team continues to research and write grants that save the District money on a variety of projects. Below are a few grants we are working on:

Humboldt Area Foundation:

Project: Audio/video equipment for Teen & Community Center.

Status: Received a letter stating we were not funded but with encouragement to re-apply as the facility is closer to completion.

McKinleyville Area Fund:

Project: X Box 360 Kinect game system for KidsClub Afterschool Program, KidsCamp Summer Program and Teen Center activities.

Status: Grant funded in the amount of \$500.00.

Land and Water Conservation Fund:

Project: Construct a covered picnic area at Pierson Park

Status: Successful in receiving \$25,000 in matching grant funds. Staff is currently working on the design of the structure.

Headwaters Fund:

Project: Grant to award stipends for Youth Advisory Council members.

Status: Pending approval.

CALIFORNIA CONSERVATION CORPS (CCC):

MCSD has a contractual agreement with the CCC where in exchange for us providing space for the use of the Pierson Park Trailer and the parking lot at Pierson Park, the CCC provides MCSD with 5 ½ weeks of crews. The estimated value of this agreement is \$25,000.

Most recently, the CCC assisted with the maintenance of detention basins, Hiller Park Loop Trails and Open Space Maintenance Zones.

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, the McKinleyville Activity Center, and several of our Open Space Maintenance Zones.

WORK EXPERIENCE (Cal Works PROGRAM)

We are currently seeking individuals interested in working for the Park Maintenance. This is a great program for the workers and for the MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the County's umbrella.

GRAFFITI & VANDALISM UPDATE:

A picnic table was destroyed at Pierson Park.

McKinleyville Community Services District

BOARD OF DIRECTORS

April 3, 2013

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D. General Manager's Report for March 2013

PRESENTED BY: Gregory Orsini, Interim General Manager

TYPE OF ACTION: None

A summary of activity for the month of March, 2013.

Cost Savings Related to District Activities – The following is a summary of some of the recent cost savings opportunities District staff has identified:

- Switched Credit Card Processing to Eureka Payments \$ 128
- Office supply savings shopping local \$ 540 (avg. monthly)
- Battery replacement opposed to buy new uninterrupted power supply \$ 150
- Shopped around account programming For quicker finance reporting \$ 940
- Volunteers: \$ 1650 (labor)
- Community Service Worker \$ 300
- SWAP crews: \$19,200
- Grant for X- Box Kinect \$ 500
- In house repairs for Azalea Hall furnace, Joint P&R and Opps. Dept. \$ 620
- B Street Generator radiator replacement \$ 500
- In house vehicle repairs \$ 250

Total cost savings for January is \$24,778

The cumulative cost saving to the District to date from July 1, 2012 is \$132,238

District staff are acknowledged 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.

Prop 50 Grant and Northern Intertie- All information required for the grant has been delivered to the Department of Public Health. Elements of the grant application have been returned for clarification or to address concerns. We are still on track and awarding of the grant funds is highly likely.

Wage and Earning Survey/ Employee Negotiations – Staff received the final report from our consultant responsible for wage survey. Management adjusted the wage schedule for all MCSD staff for a more accurate market representation and will be brought to the board as an action item in the near future. The benefit portion will be addressed as part of the CIP negotiation.

Waste Water Management Facility (WWMF) Improvement Project Design – During the month of February staff has been providing information to our design consultant including record drawings for the WWMF. Surveying is well underway and continues. By the end of March we will be reviewing preliminary design drawings.

Teen Center – A cost analysis was conducted on proposed revenue generated by Measure B that would be allocated to paying for the teen center. An amortization table was set to calculate likely interest rates and monthly payments. A true number for the actual cost of the Teen Center was then calculated. This number was then applied to know square footage costs so an informed decision could be made as to size and amenities for the project.

Strategic Plan – Work on the Strategic Plan continues. After the public, staff and Board input was compiled our consultant returned the draft to MCSD. Staff will be coordinating the infill of required information to fulfill the intent of the vision and mission statement by adding goals and objectives that accurately reflect operating and CIP budgets.

Arcata, Boyd Road Annexation – Management has been moving forward on feasible and efficient alternatives for the continued service of water by MCSD to the Boyd Rd. area. The preliminary findings and staff recommendations are part of this agenda.

Annual Report for NPDES – As the Chief Plant Operator I am responsible for producing the Annual Report for the Regional Water Quality Control Board. This report is a recap of the testing and monitoring information provided in the monthly reports but also includes other data not required in the monthlies. This data is presented in tabular and graphical format. To review the report please follow the link below.

<http://mckinleyvillecsd.com/sites/mckinleyvillecsd.com/files/documents/Annual%20Report%202012%20complete.pdf>

C.S.D.A. Election and By-laws Committee Meeting – Management attended an Election and By-laws committee meeting in February.

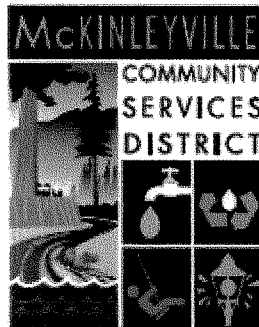
Attachment A: WWMF January Report

PHYSICAL ADDRESS:

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R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

March 1, 2013

RE: MONTHLY MONITORING REPORT

Dear Lisa:

Enclosed is the Monthly Monitoring Report for January 2013 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 31 days discharge to Discharge Location 001 Mad River. The required monitoring and water quality constituents that were tested and were reported were in compliance for January.

The requirement for BOD is 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. With four weekly tests in January, that constitutes seven criteria. The BOD results are in compliance.

The requirement for NFR is 83 mg/L, 1108 lbs/day and minimum of 65% removal for the monthly average. With four weekly tests in January, that constitutes three criteria. The NFR results 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 January and was in compliance.

Total Coliform Organisms MPN/100 ml., 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 January are as follows. Median was <1.8 and a Maximum of <1.8. Five samples were collected and were in compliance.

Acute Toxicity testing was conducted in January. The result for Rainbow Trout was 100% survival and the survival of C. dubia was 95%. Monthly testing was conducted and was in compliance.

Monthly River Monitoring R-001 and 002 was conducted in January.

Quarterly Disinfection By-Products testing was conducted in January.

Quarterly Monitoring Well testing was conducted in January.

Annual Chronic Toxicity Testing was conducted in January.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA

MONTH: DECEMBER

YEAR: 2013

DATE	INFLUENT FLOW M.G.D.	EFFLUENT FLOW M.G.D.	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING		EFFLUENT MONITORING								3X5 TOTAL COLIFORM	
					B.O.D. mg/L	N.F.R. mg/L	pH	(C°) TEMP	B.O.D. mg/L	NFR mg/L	AMMONIA	CL ₂ RES.	RIVER CL ₂ RES	SETTLABLE SOLIDS		
1	1.164	1.904	1337	1850			6.9	8.6				28	2.0	0.00		
2	1.115	1.906	1339	1600			7.0	8.9				28	2.1	0.00		<1.8
3	1.112	1.540	1327	1460			7.1	10.3				28	2.0	0.00		
4	1.082	1.268	887	1310	360	270	7.2	8.5	24	18		26	2.4	0.00	<0.1	
5	1.109	1.267	886	1220			7.2	8.1					2	0.00		
6	1.150	1.263	885	1200			7.3	8.4					2	0.00		
7	1.075	1.253	880	1140			7.4	8.7				20	1.7	0.00		<1.8
8	1.046	1.248	874	1150			7.3	9.2				30	1.9	0.00		
9	1.113	1.237	871	1220			7.3	9.6				28	1.8	0.00		
10	1.147	1.389	1088	1870			7.4	9.4				22	1.8	0.00		
11	1.125	0.764	1090	1850	180	210	7.6	9.5	29	21		22	1.5	0.00	<0.1	
12	1.144	1.089	1209	1670			7.5	8.5					1.4	0.00		
13	1.170	1.727	1220	1460			7.3	8.8				28	1.7	0.00		<1.8
14	1.081	1.722	1212	1310			7.4	7.7				30	1.8	0.00		
15	1.053	1.710	1205	1170			7.4	8.1				28	1.9	0.00		
16	1.054	1.381	1182	1090			7.3	8.7				28	1.9	0.00		
17	1.050	1.097	770	1150			7.5	8.1				28	1.9	0.00		
18	1.025	1.091	768	1270	250	530	7.4	7.4	30	18		30	1.8	0.00	<0.1	
19	1.055	1.096	770	1270			7.4	8.6					1.3	0.00		
20	1.057	1.092	768	1220			7.2	7.7				30	1.3	0.00		<1.8
21	1.069	1.088	764	1170			6.9	7.9				30	1.6	0.00		
22	1.034	1.085	760	1150			7.3	8.3				30	1.5	0.00		
23	1.053	1.079	757	1150			7.4	10.1				30	1.4	0.00		
24	1.051	1.070	751	1120			7.2	9.3				30	1.1	0.00		
25	1.146	1.072	1169	3560	200	160	7.6	9.7	32	21		30	1.5	0.00	<0.1	
26	1.114	1.390	1187	2360			7.2	10.3					0.4	0.00		
27	1.068	1.691	1185	2280			7.2	10					0.2	0.00		<1.8
28	1.018	1.695	1188	1950			6.9	9.6				30	0.1	0.00		
29	0.986	1.578	731	1740			6.8	9.6				28	1.1	0.00		
30	0.950	1.045	727	1520			6.9	10.6				26	4.5	0.00		
31	0.954	1.045	732	1350			7.0	10.4				28	3.4	0.00		

MONTHLY TESTS			
DATE	TDS	AMMONIA	NITRATE
1/7/2013	180	26.0	ND
	BORON		
	190		

Semi-Annual Tests		Value in ug/l
Bis phthalate		N/A
aliph-BHC		N/A
4,4'-DDT		N/A
carbon tetrachloride		N/A

Quarterly Tests		Value in ug/l
Dichlorobromomethane		DNQ
Bromotorm		ND
Chlorodibromomethane		ND
Chlorotorm		0.8

ACUTE TOXICITY		% Survival
DATE		
1/8/2013	Rainbow Trout	100%
1/8/2013	C. dubia	95%

CHRONIC TOXICITY		SURVIVAL
TESTED		
Minnow		2
C. Dubia		13
Algae		1
TUC		

30 DAY AVERAGE

SPILLS:			
None to report			
BOD	BOD	BOD	NFR
mg/L	LBS/DAY	% Removal	LBS/DAY
29	208	87	139
			% Removal
			92

SIGNATURE: _____

REMARKS:

Indicates Permit Exceedance

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

JANUARY 2013

Discharge Monitoring	M-INF	M-001		002 M-003	002 M-003	004 M-005	003 M-004	006 M-007	005 M-006		001 M-002
DATE	INFLUENT MGD	EFFLUENT MGD	MAXIMUM GPM	N.POND MGD	S.POND MGD	FISCHER MGD UPPER	FISCHER MGD LOWER	PIALORSI MGD	HILLER MGD	IRRGATE TOTAL MGD	RIVER MGD
1	1.164	1.904	1337							0.000	1.90
2	1.115	1.906	1339							0.000	1.90
3	1.112	1.540	1327							0.000	1.54
4	1.082	1.268	887							0.000	1.26
5	1.109	1.267	886							0.000	1.26
6	1.150	1.263	885							0.000	1.26
7	1.075	1.253	880							0.000	1.25
8	1.046	1.248	874							0.000	1.24
9	1.113	1.237	871							0.000	1.23
10	1.147	1.389	1088							0.000	1.38
11	1.125	0.764	1090							0.000	0.76
12	1.144	1.089	1209							0.000	1.08
13	1.170	1.727	1220							0.000	1.72
14	1.081	1.722	1212							0.000	1.72
15	1.053	1.710	1205							0.000	1.71
16	1.054	1.381	1182							0.000	1.38
17	1.050	1.097	770							0.000	1.09
18	1.025	1.091	768							0.000	1.09
19	1.055	1.096	770							0.000	1.09
20	1.057	1.092	768							0.000	1.09
21	1.069	1.088	764							0.000	1.08
22	1.034	1.085	760							0.000	1.08
23	1.053	1.079	757							0.000	1.07
24	1.051	1.070	751							0.000	1.07
25	1.146	1.072	1169							0.000	1.07
26	1.114	1.390	1187							0.000	1.39
27	1.068	1.691	1185							0.000	1.69
28	1.018	1.695	1188							0.000	1.69
29	0.988	1.578	731							0.000	1.57
30	0.950	1.045	727							0.000	1.04
31	0.954	1.045	732							0.000	1.04
TOTAL	33.372	40.882		0.000	0.000	0.000	0.000	0.000	0.000	0.000	40.88
AVERAGE	1.077	1.319	984	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.31
MAXIMUM	1.170	1.906	1339	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.90
MINIMUM	0.950	0.764	727	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.76
DAYS	31	31		0	0	0	0	0	0	0	3

DAYS WITH NO DISCHARGE = 0

McKINLEYVILLE COMMUNITY SERVICES DISTRICT										
WASTEWATER MANAGEMENT FACILITY										
RIVER CFS - EFFLUENT FLOWS -				M-004	RIVER DILUTION					
				M-005						
JANUARY 2013				M-006						
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	1.164	1.904	1337			1.904	621	8304	1850	13840
2	1.115	1.906	1339			1.906	536	7182	1600	11970
3	1.112	1.540	1327			1.540	494	6553	1460	10922
4	1.082	1.268	887			1.268	663	5880	1310	9800
5	1.109	1.267	886			1.267	618	5476	1220	9127
6	1.150	1.263	885			1.263	609	5386	1200	8977
7	1.075	1.253	880			1.253	581	5117	1140	8528
8	1.046	1.248	874			1.248	591	5162	1150	8603
9	1.113	1.237	871			1.237	629	5476	1220	9127
10	1.147	1.389	1088			1.389	771	8394	1870	13989
11	1.125	0.764	1090			0.764	762	8304	1850	13840
12	1.144	1.089	1209			1.089	620	7496	1670	12493
13	1.170	1.727	1220			1.727	537	6553	1460	10922
14	1.081	1.722	1212			1.722	485	5880	1310	9800
15	1.053	1.710	1205			1.710	436	5252	1170	8753
16	1.054	1.381	1182			1.381	414	4893	1090	8154
17	1.050	1.097	770			1.097	670	5162	1150	8603
18	1.025	1.091	768			1.091	742	5701	1270	9501
19	1.055	1.096	770			1.096	740	5701	1270	9501
20	1.057	1.092	768			1.092	713	5476	1220	9127
21	1.069	1.088	764			1.088	687	5252	1170	8753
22	1.034	1.085	760			1.085	679	5162	1150	8603
23	1.053	1.079	757			1.079	682	5162	1150	8603
24	1.051	1.070	751			1.070	669	5027	1120	8379
25	1.146	1.072	1169			1.072	1367	15979	3560	26632
26	1.114	1.390	1187			1.390	892	10593	2360	17655
27	1.068	1.691	1185			1.691	867	10279	2290	17131
28	1.018	1.695	1188			1.695	737	8753	1950	14588
29	0.988	1.578	731			1.578	1068	7810	1740	13017
30	0.950	1.045	727			1.045	938	6823	1520	11371
31	0.954	1.045	732			1.045	828	6060	1350	10099
TOTAL	33.372	40.882		0.000	0.000	40.882				
AVERAGE	1.077	1.319	984	0.000	0.000	1.319	698	6782	1511	11304
MAXIMUM	1.170	1.906	1339	0.000	0.000	1.906	1367	15979	3560	26632
MINIMUM	0.950	0.764	727	0.000	0.000	0.764	414	4893	1090	8154
DAYS	31	31	31	0	0	31				
DAYS WITH NO DISCHARGE TO THE MAD RIVER = 0										