

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, February 13, 2013
Special Meeting: 6:00 P.M.
Regular Board Meeting: 7:00 P.M.**

AGENDA

Special Meeting: 6:00 P.M.

A.1 CALL TO ORDER

A.2 ROLL CALL

A.3 CLOSED SESSION DISCUSSION

**A CLOSED SESSION IS SCHEDULED FOR 6:00PM TO BE FOLLOWED
BY THE REGULARLY SCHEDULED MEETING AT 7:00PM
(APPROXIMATE TIME)**

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.

**A.3.a 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 § 54956.9(a).**

A.4. REPORT OUT OF CLOSED SESSION

Regular Meeting: 7:00 P.M.

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.

NO PUBLIC HEARING SCHEDULED

C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

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

D. CONSENT CALENDAR

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

D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of January 15, 2013 **Pg. 5**

D.2 Consider approval of December 2012 Treasurer's Report **Pg.10**

D.3 DCV Violations this month. **Pg. 34**

- D.4 Consider approval of proposed Hiller Sports Complex youth sports organizations Facility Use Agreement Contracts **Pg. 35**

E. CONTINUED AND NEW BUSINESS

- E.1 Presentation of Community Builder Award for Norman Shopay **Pg. 43**
- E.2 Work Shop to Develop a Vision and Mission Statement as Components for the Strategic Plan **Pg. 46**
- E.3 Consider adopting Resolutions 2013-03 & 2013-04 initiating proceedings for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities annual levy and collection of assessments for fiscal year 2013/2014; Declaring Intention to Levy and Collect the Fiscal Year 2013/2014 Annual Assessments for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities, accepting and approving the Engineer's Report and setting the Public Hearing **Pg. 48**
- E.4 Consider Resolution 2013-06 to change the Public Employees Retirement Benefit pre-tax contributions for new employees **Pg. 82**
- E.5 Discussion of the Draft Capital Improvement Plan for the Parks & General Fund, Fiscal Year Ending June 30, 2014 **Pg. 86**
- E.6 Informational item, Technical, Managerial and Financial (TMF) tune-up **Pg. 91**
- E.7 Consider approving update of MCSD Records Retention Policy adding "Claim" information to the policy **Pg. 101**
- E.8 Approve a possible budget modification for the Prop.50 Intertie Project with Humboldt Bay Municipal Water District **Pg. 105**

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. 107 |
| b. | Operations Department (James Henry) | Pg. 109 |
| c. | Parks and Recreation Department (Jason Sehon) | Pg. 111 |
| d. | Interim General Manager (Greg Orsini) | Pg. 114 |

F.3. PRESIDENT'S REPORT

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

H. ADJOURNMENT

Posted 5:00 pm on February 8, 2013

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of Minutes from January 15, 2013 Regular 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 January 15, 2013 regular meeting, take public comment, recommend edits if any and provide staff with direction.

Discussion:

The Draft Minutes are attached.

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-Minutes from January 15, 2013 Regular Board Meeting

**MINUTES OF THE CLOSED SESSION AND REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY
SERVICES DISTRICT BOARD OF DIRECTORS
HELD ON TUESDAY, JANUARY 15, 2013 AT 6:00 PM
AZALEA HALL, 1620 Pickett Road, McKinleyville, California**

The closed session meeting of the Board of Directors of McKinleyville Community Services District convened at 6:00pm followed by the regular meeting 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
Russell Gans, Legal Counsel

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

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

At 6:00pm President Mayo called the meeting to order. Directors Edwards, Wennerholm, Couch and Mayo were present. Director Couch led the pledge of allegiance.

AGENDA ITEM A.4 - CLOSED SESSION DISCUSSION:

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

- A.4 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 § 54956.9(a).

At 7:06pm The Board reconvened out of closed session. Legal Counsel, Russell Gans reported from closed session no reportable action was taken by the board in closed session. President Mayo stated that Director Corbett arrived at 6:08pm to closed session after roll call was taken.

AGENDA ITEM A.5 - ADDITIONS TO THE AGENDA: There were no additions to the agenda.

AGENDA ITEM A.6 - APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda. 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 B- PUBLIC HEARINGS: NONE SCHEDULED

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

AGENDA ITEM D - CONSENT CALENDAR:

1. Consider approval of minutes of the Board of Directors' Regular Meeting of December 12, 2012

2. No DCV Violations this month

3. Consider approval of November 2012 Treasurer's Report

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

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 Election of Board Officers for 2013 Calendar Year and discuss various committee assignments that will be appointed by the President

MOTION: It was moved to Elect Dennis Mayo as President and David Couch as Vice-President for the 2013 calendar year; Motion by Edwards; second by Corbett.

President Mayo spoke and then opened the floor for public comment. Public comment was given.

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

MOTION SUMMARY: Motion Passed- 5 AYES; 0 NAYS

President Mayo appointed all previous members to the current committees: 1) Recreation Advisory committee (David Couch, alternate Dennis Mayo); 2) McKinleyville Area Fund (John Kulstad); 3) Redwood Region Economic Development Commission (Bill Wennerholm, alternate Helen Edwards); 4) McKinleyville Senior Center Advisory Committee (Bill Wennerholm); 5) Audit (John Corbett, Helen Edwards); 6) Employee Negotiations (Bill Wennerholm, Helen Edwards); 7) Water Task Force (Dennis Mayo, alternate John Corbett); 8) AdHoc No Drugs & Toxics Down the Drain (David Couch, Dennis Mayo); 9) McKinleyville Municipal Advisory Committee (Helen Edwards, alternate John Corbett)

E.2 Present Community Builder Award to Northern Humboldt Employment Services

INFORMATIONAL ITEM: No action required or taken by the Board.

Parks and Recreation Director Jason Sehon commented on the outstanding efforts exhibited by individuals, businesses and organizations for their volunteer service. President Mayo invited the public to speak.

Aaron Debruyne coordinator for Northern Humboldt Employment Services introduced his staff and briefly commented on their contributions to the parks and open spaces. Coordinator Debruyne and staff are honored to receive the Community Builder Award. President Mayo thanked Aaron Debruyne and his staff for a job well done and presented them with their award.

E.3 MCSD Employee of the Year presentation to Lesley Frisbee, Recreation Supervisor

INFORMATIONAL ITEM: No action required or taken by the Board.

Lesley Frisbee was acknowledged for her outstanding service and distinguished as a valuable asset to MCSD. Jason Sehon awarded Ms. Frisbee with a trophy in her tribute.

E.4 Presentation by Marcella Clem of Humboldt County Association of Governments (HCAOG's) then discuss and consider directing staff to produce a letter with talking points regarding HCAOG's Regional Housing Needs Allocation (RHNA) guide lines to be presented at the January 17 HCAOG meeting

INFORMATIONAL ITEM:

MOTION: It was moved that Interim General Manager Greg Orsini and Director John Corbett work together to produce a letter with talking points regarding HCAOG's Regional Housing Needs Allocation (RHNA) guidelines and present at the January 17, 2013 HCAOG meeting. Motion by Edwards; second by Couch

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

MOTION SUMMARY: Motion Passed- 5 AYES; 0 NAYS

E.5 Approve Professional Services Agreement for design for Waste Water Management Facility (WWMF) Improvement Project to Kennedy/ Jenks and authorize interim General Manager to sign agreement

MOTION: It was moved to approve the Professional Services Agreement for design for Waste Water Management Facility (WWMF) Improvement Project to Kennedy/Jenks. Interim General Manager Greg Orsini is authorized to sign the agreement. Motion by Edwards; second by Couch

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

MOTION SUMMARY: Motion Passed- 5 AYES; 0 NAYS

E.6 Draft support letter to the County of Humboldt Board of Supervisors to consider changing the name of the Arcata Eureka Airport (ACV) to the Redwood Coast Regional Airport (ACV)

MOTION: It was moved to approve the letter written by staff to the County of Humboldt Board of Supervisors to consider changing the name of the Arcata Eureka Airport (ACV) to the Redwood Coast Regional Airport (ACV). Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed- 5 AYES; 0 NAYS

E.7 Consider approval of Resolution 2013-05 Regular MCSD Board Meeting Dates, Times and Locations for 2013 Calendar Year

MOTION: It was moved to approve Resolution 2013-05 schedule for the Regular MCSD Board Meeting Dates, Times and Locations for the 2013 Calendar Year. Motion by Edwards; second by Couch

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

MOTION SUMMARY: Motion Passed- 5 AYES; 0 NAYS

E.8 Resolution 2013-01 to amend Regulation 5, Rule 5.02 adding additional language requiring co-applicant signature; and revisions to Rule 5.04

MOTION: It was moved to approve Resolution 2013-01 to amend Regulation 5, Rule 5.02 adding additional language requiring co-applicant signature; and revisions to Rule 5.04. Motion by Edwards; second by Corbett

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

MOTION SUMMARY: Motion Passed- 5 AYES; 0 NAYS

E.9 Approve Resolution 2013-02 to consider nomination of Gregory P. Orsini for election to the California Special District Association Board of Directors

MOTION: It was moved to approve Resolution 2013-02 nominating Gregory P. Orsini for election to the California Special District Association Board of Directors. Motion by Corbett; second Edwards

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

MOTION SUMMARY: Motion Passed- 5 AYES; 0 NAYS

AGENDA ITEMS F-REPORTS:

F.1.a - RAC (Recreation Advisory Committee): Next meeting is scheduled for Thursday, January 17, 2013 @ 6:00pm at MCSD conference room.

F.1.b - MCK AREA FUND: Director Edwards reports that the Area Fund has just published their request for proposals. They have a \$5,000 amount available to give to qualifying non-profits. Applications are due by February 20, 2013. Applications will be reviewed and the allocations of funds will be announced in March 2013.

F.1.c - RREDC (Redwood Region Economic Development Commission): Nothing to report.

F.1.d - MCK SENIOR ADVISORY COMMITTEE: Nothing to report.

F.1.e - AUDIT: Nothing to report.

F.1.f - EMPLOYEE NEGOTIATIONS: Nothing to report.

F.1.g - WATER TASK FORCE: Nothing to report.

F.1.h - ADHOC NO DRUGS AND TOXICS DOWN THE DRAIN: President Mayo reports they had a successful pharmaceutical pick up on Saturday.

F.1.i – MCKINLEYVILLE MUNICIPAL ADVISORY COMMITTEE (MMAC): Director Edwards reports that the MMAC meetings have been well attended. The input from the community has created a broad variety of issues being discussed at the meetings.

F.2.a - SUPPORT SERVICES DEPARTMENT: Director Colleen M.R. Trask asked the board to notice the extra page in her report showing the reserve policy and gave an overview to the Board. Fund ratios will be added at a later date. The update for the PG&E LED Streetlight replacement project is with the PG&E loan committee upon approval of our application, funding will be available and the project will launch. Staff has implemented a new procedure that will allow the audio from the Board Meetings to be accessible on YouTube at no cost to the District. Continued work is being done with Pierce regarding rate increase and will be brought back to the Board as soon as there is something to report.

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

F.2.c - PARKS & RECREATION DEPARTMENT: Jason Sehon reported on the process of how information is obtained for our newsletter. In the search of new ideas he has opened it up to staff at the District Office for their input. Jason said he had good input and feels he received new and innovative ideas from staff.

F.2.d - GENERAL MANAGER: Interim General Manager reported on the personality profile (DISC) that all MCSD employees took in December, 2012. He commented on how the understanding of the process will aid in conflict resolution and will assist with productivity and understanding of each person's strengths and weaknesses.

F.4. BOARD COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS: Director John Corbett reminded staff that they can at anytime ask a question of the Board during these proceedings.

AGENDA ITEM G-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 9:04pm. Motion by Corbett; Second by Edwards

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted,

Kathy Wilson
Board Secretary

**McKinleyville Community Services District
Treasurer's Report
December 2012**

Table of Contents

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

**McKinleyville Community Services District
Investments & Cash Flow Report
As of December 30, 2012**

Petty Cash & Change Funds 940.00

Cash

Operating & Money Market - Beginning Balance		218,173.45
Cash Receipts:		
Utility Billings	252,866.15	
Money Market Account Interest	25.36	
Transfers from County Fund #2560	275,000.00	
Other Cash Receipts	51,309.91	
Total Cash Receipts		579,201.42
Cash Disbursements:		
Payroll Related Expenditures	(129,626.30)	
Debt Service	(135,046.07)	
Capital & Other Expenditures	(300,718.26)	
Total Cash Disbursements		(565,390.63)
Operating & Money Market - Ending Balance		231,984.24
Total Cash		232,924.24

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	176,108.70	
Property Taxes	381,528.74	
Transfer to Operating Cash	(128,894.04)	
Interest Income	793.86	
Humboldt Co. #2560 - Ending Balance		429,537.26
Humboldt Co. #4240 - Beginning Balance	5,000,516.31	
Transfer to Operating Cash: Debt Service	(146,105.96)	
Interest Income	7,866.96	
Humboldt Co. #4240 - Ending Balance		4,862,277.31
Humboldt Co. #9390 - Beginning Balance	110,584.48	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		110,584.48
USDA Bond Reserve Fund - Beginning Balance	131,992.93	
Bond Reserve Payment	-	
Debt Service Payment	3.95	
USDA Bond Reserve Fund - Ending Balance		131,996.88
Market Valuation Account		(180.00)
Total Investments		5,661,816.39
Total Cash & Investments - Current Month		5,894,740.63
Total Cash & Investments - Prior Month		5,765,736.33
Net Change to Cash & Investments This Month		129,004.30

Cash & Investment Summary

Cash & Cash Equivalents	5,008,163.10
Davis-Grunsky Loan Reserve	596,531.81
Waste Water Capital Reserve	98,048.84
USDA Bond Reserve	131,996.88
I-Bank Loan Reserve	60,000.00
Total Cash & Investments	5,894,740.63

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
As of December 30, 2012

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Sewer	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 806,999.03	\$ 220,753.61	\$ (61,697.18)	\$ 808,344.21	\$ 3,232,627.36	\$ 5,007,027.03
Accounts receivable	833.70	-	2,597.14	120,752.23	132,506.16	256,689.23
Prepaid expenses & other current assets	8,500.92	-	1,321.83	84,526.48	47,830.17	142,179.40
Total Current Assets	816,333.65	220,753.61	(57,778.21)	1,013,622.92	3,412,963.69	5,405,895.66
Noncurrent Assets						
Restricted cash & cash equivalents	323,180.92	-	-	656,531.81	230,045.72	1,209,758.45
Other noncurrent assets	39,325.43	-	-	9,604.13	30,023.78	78,953.34
Capital assets (net)	-	-	-	6,923,607.37	11,604,656.79	18,528,264.16
Total Noncurrent Assets	362,506.35	-	-	7,589,743.31	11,864,726.29	19,816,975.95
TOTAL ASSETS	\$ 1,178,840.00	\$ 220,753.61	\$ (57,778.21)	\$ 8,603,366.23	\$ 15,277,689.98	\$ 25,222,871.61
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 30,709.38	\$ 14.90	\$ 1,038.32	\$ 178,519.20	\$ 46,509.68	\$ 256,791.48
Accrued payroll & related liabilities	91,102.49	-	-	36,984.95	36,984.95	165,072.39
Total Current Liabilities	121,811.87	14.90	1,038.32	215,504.15	83,494.63	421,863.87
Noncurrent Liabilities						
Long-term debt	-	-	-	3,359,122.45	1,254,804.51	4,613,926.96
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	1,406,451.35	4,955,701.92
TOTAL LIABILITIES	161,137.30	14.90	1,038.32	3,725,429.29	1,489,945.98	5,377,565.79
Fund Balance/Net Assets						
Fund balance	113,649.70	220,738.71	(58,816.53)	-	-	275,571.88
Net assets	904,053.00	-	-	1,313,452.02	3,437,891.72	5,655,396.74
Investment in capital assets, net of related debt	-	-	-	3,564,484.92	10,349,852.28	13,914,337.20
Total Fund Balance/Net Assets	1,017,702.70	220,738.71	(58,816.53)	4,877,936.94	13,787,744.00	19,845,305.82
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,178,840.00	\$ 220,753.61	\$ (57,778.21)	\$ 8,603,366.23	\$ 15,277,689.98	\$ 25,222,871.61
Difference in Reclass from Cap Assets to Net Assets:				(10.00)	0.00	
Investment in General Capital Assets	\$ 3,226,253.51					
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
December 2012

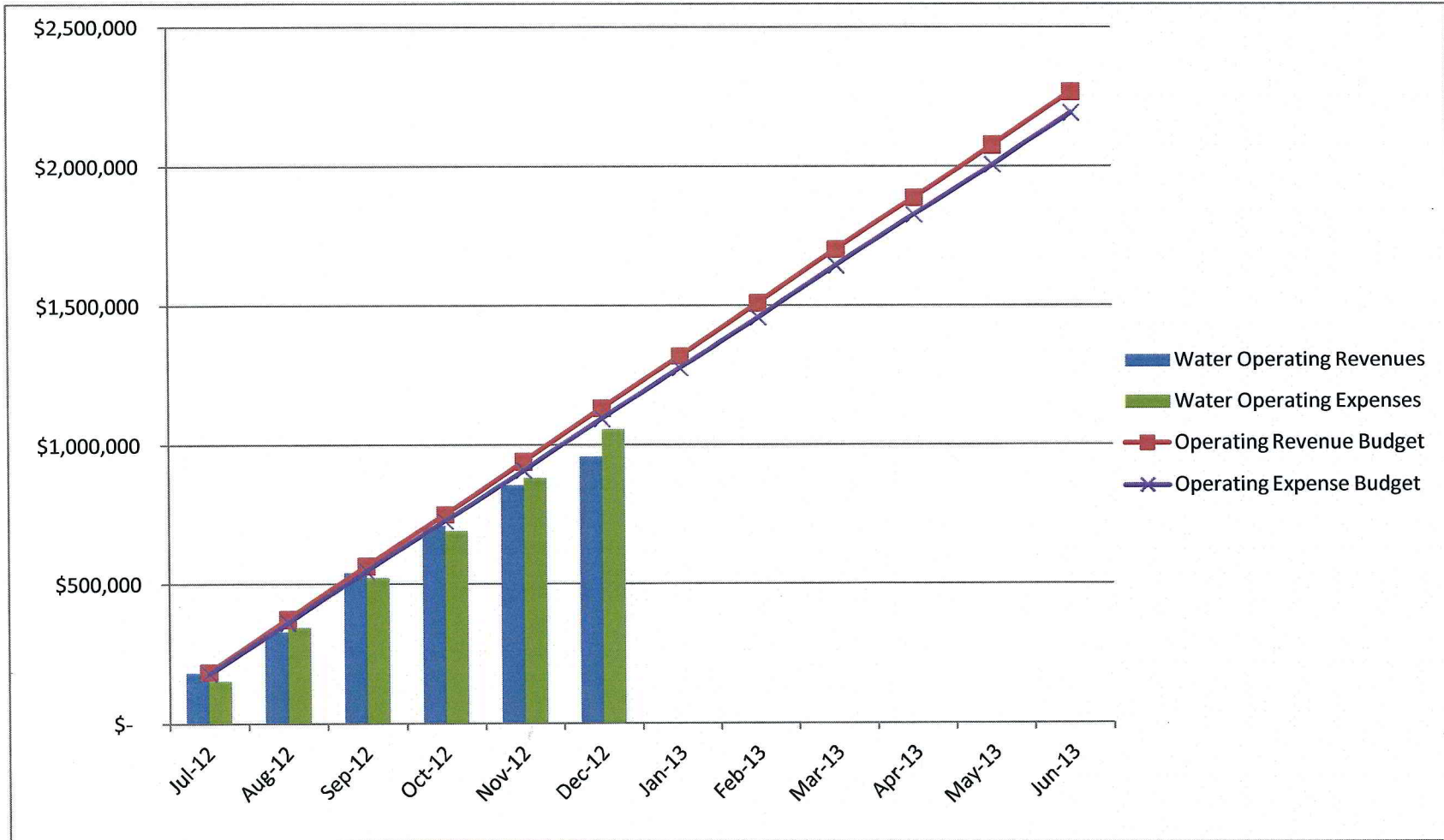
Department Summaries	December	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	86,936	864,894	1,026,595	(161,701)	-15.75%	Overall usage/income below rate study predictions
Other Revenues	14,128	96,048	105,986	(9,938)	-9.38%	
Total Operating Revenues	101,065	960,942	1,132,581	(171,639)	-15.15%	
Salaries & Benefits	62,781	386,853	389,042	(2,189)	-0.56%	Budget includes expenses for projects not yet started Budget based on prior year's depreciable assets
Water Purchased	57,630	337,031	352,254	(15,223)	-4.32%	
Other Expenses	26,533	188,618	228,567	(39,949)	-17.48%	
Depreciation	24,100	144,600	125,000	19,600	15.68%	
Total Operating Expenses	171,044	1,057,101	1,094,863	(37,762)	-3.45%	
Net Operating Income	(69,979)	(96,159)	37,718	(209,401)		
Interest Income	1,520	6,374	10,000	(3,626)	-36.26%	Interest income allocated proportionately to net operating gain/loss Budget spread evenly across 12 months, but actuals vary w/debt payments
Interest Expense	(10,295)	(48,045)	(43,041)	5,004	11.63%	
Net Income (Loss)	(78,755)	(137,830)	4,677	(142,507)		
<u>Sewer</u>						
Sewer Service Charges	88,914	756,920	822,500	(65,580)	-7.97%	Overall usage/income below rate study predictions
Other Revenues	16,008	93,450	99,650	(6,200)	-6.22%	
Total Operating Revenues	104,922	850,370	922,150	(71,780)	-7.78%	
Salaries & Benefits	63,877	394,752	399,890	(5,138)	-1.28%	Budget includes expenses for projects not yet started Budget based on prior year's depreciable assets
Other Expenses	37,809	251,412	303,088	(51,676)	-17.05%	
Depreciation	38,400	230,400	204,000	26,400	12.94%	
Total Operating Expenses	140,086	876,563	906,978	(30,415)	-3.35%	
Net Operating Income	(35,164)	(26,193)	15,172	(41,365)		
Interest Income	5,294	14,669	15,000	(331)	-2.21%	Interest returns remaining lower than expected Budget spread evenly across 12 months, but actuals vary w/debt payments
Interest Expense	(4,430)	(24,182)	(27,500)	(3,318)	-12.07%	
Net Income (Loss)	(34,300)	(35,706)	2,672	(38,378)		
Enterprise Funds Net Income (Loss)	(113,055)	(173,536)	7,349	(180,885)		

McKinleyville Community Services District
Activity Summary by Fund, Original Budget
December 2012

Department Summaries	December	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	24,894	143,132	172,900	(29,768)	-17.22%	Revenue budget spread evenly across 12 months, but actuals vary w/season
Rents & Related Fees	3,836	26,821	26,613	208	0.78%	
Property Taxes	263,327	263,327	265,000	(1,673)	-0.63%	County Tax remittance scheduled for May and January
Other Revenues	7,820	48,195	120,278	(72,083)	-59.93%	Revenue budget spread evenly across 12 months, but actuals vary w/programs
Interest Income	838	1,972	1,500	472	31.47%	
Total Revenues	300,714	483,447	586,291	(102,844)	-17.54%	
Salaries & Benefits	65,484	414,865	396,595	18,270	4.61%	
Other Expenditures	22,972	149,919	109,903	40,016	36.41%	Expense budget spread evenly across 12 months, but actuals vary w/programs
Capital Expenditures	37,408	55,419	79,000	(23,581)	-29.85%	Dec.2012 acquisition of property from Granite Construction
Total Expenditures	125,864	620,202	585,498	34,704	5.93%	
Excess (Deficit)	174,850	(136,755)	793	(137,548)		
<u>Measure B Assessment</u>						
Total Revenues	118,771	118,857	104,500	14,357	13.74%	County Tax remittance scheduled for May and January
Salaries & Benefits	25	75	19,500	(19,425)	-99.62%	Teen Center project just getting started
Other Expenditures	26	1,720	1,500	220	14.68%	Repairs/Supply for Activity Center & Azalea Hall
Capital Expenditures	-	1,424	83,500	(82,076)	-98.29%	Teen Center project just getting started
Total Expenditures	51	3,219	104,500	(101,281)	-96.92%	
Excess (Deficit)	118,721	115,638	-	115,638		
<u>Street Lights</u>						
Total Revenues	5,482	42,126	119,415	(77,289)	-64.72%	Budget includes revenues from projects not yet started
Salaries & Benefits	2,297	18,539	20,013	(1,474)	-7.37%	
Other Expenditures	4,559	25,156	21,271	3,885	18.26%	Cost savings from Streetlights LED project not yet realized
Capital Expenditures	-	101	77,500	(77,399)	-99.87%	Budget includes expenses from projects not yet started
Total Expenditures	6,856	43,795	118,784	(74,989)	-63.13%	
Excess (Deficit)	(1,375)	(1,669)	631	2,300		
Governmental Funds Excess (Deficit)	292,196	(22,786)	1,424	(24,210)		

McKinleyville Community Services District December 2012

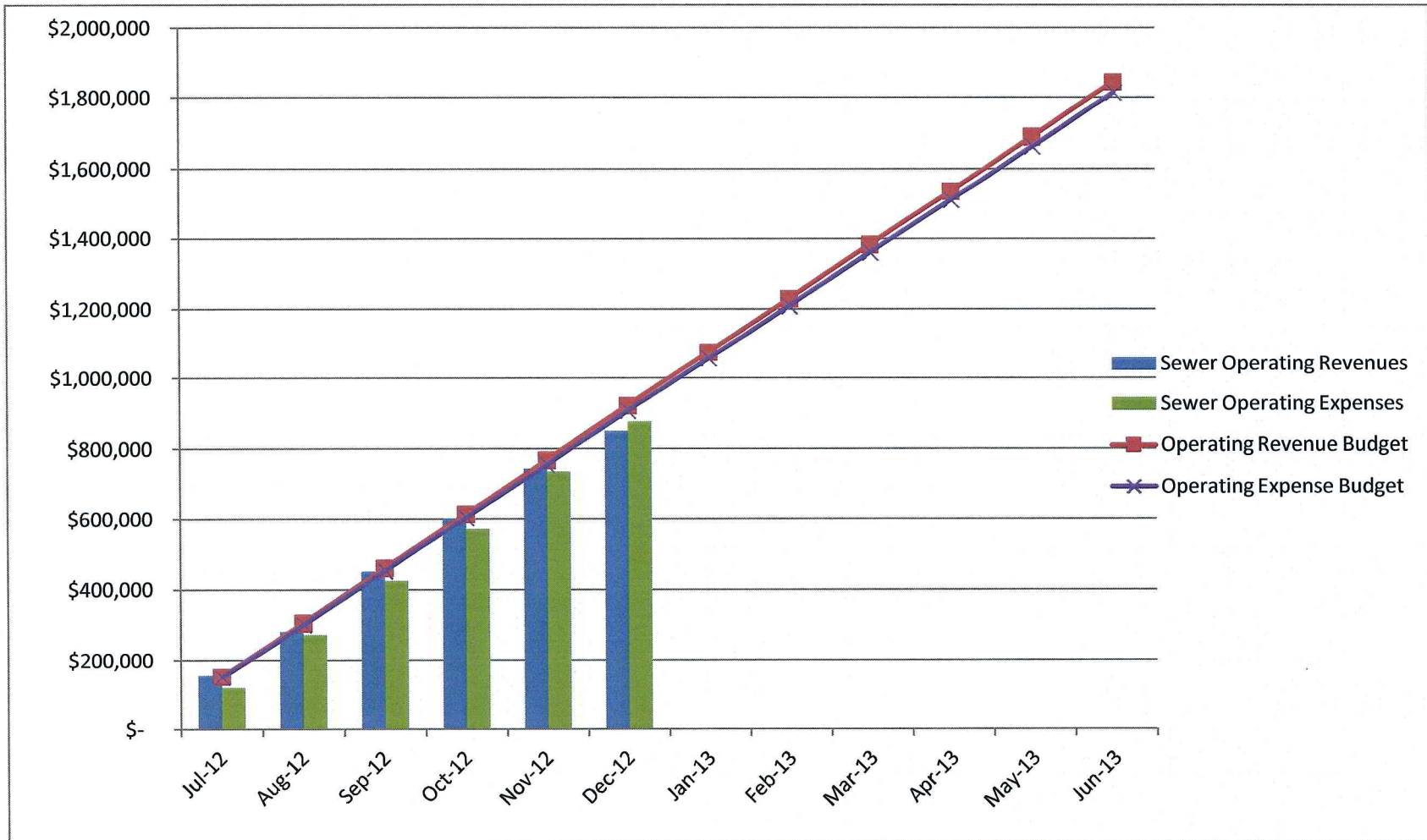
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

December 2012

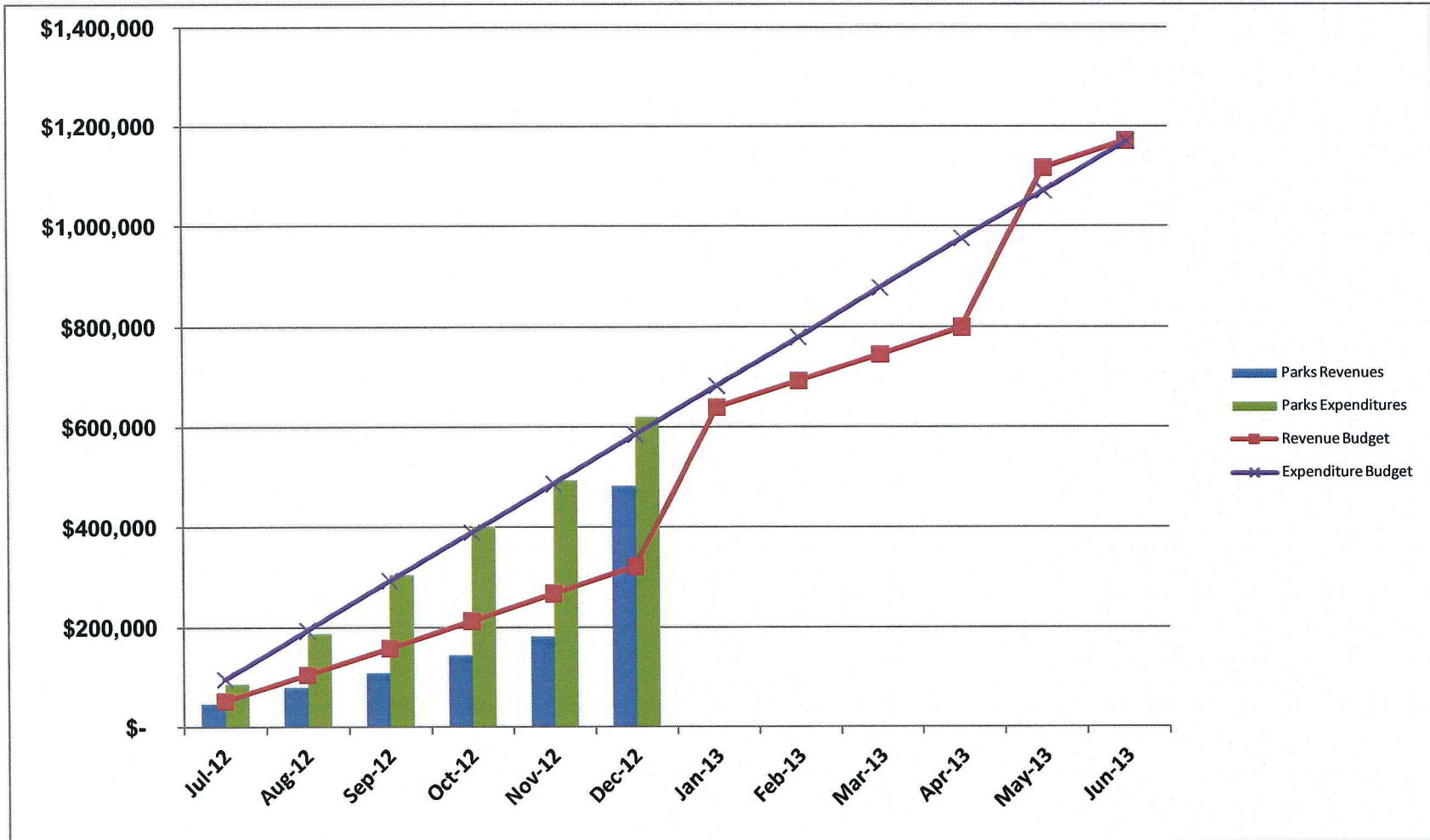
Comparison of Sewer Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

December 2012

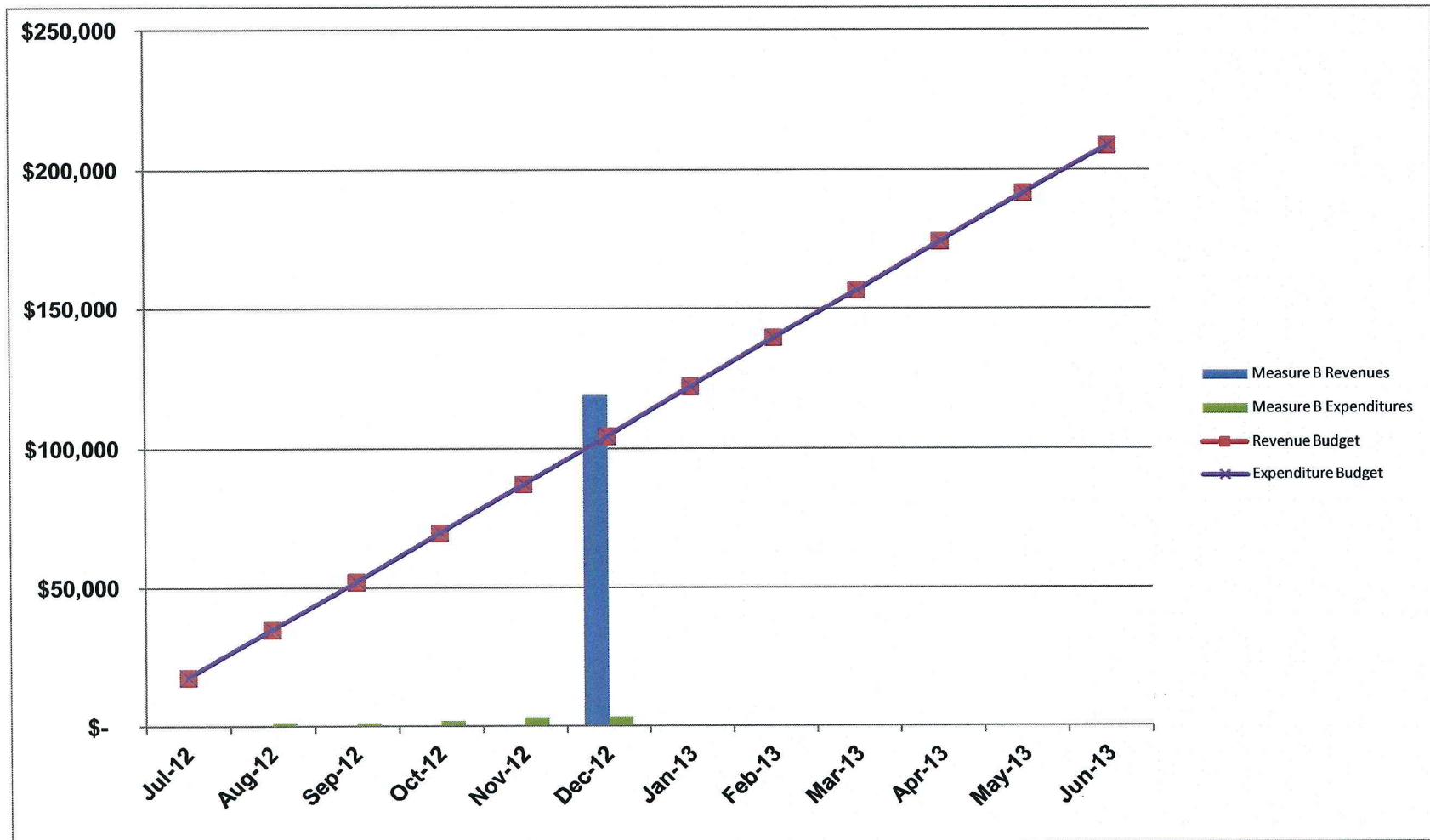
Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



McKinleyville Community Services District

December 2012

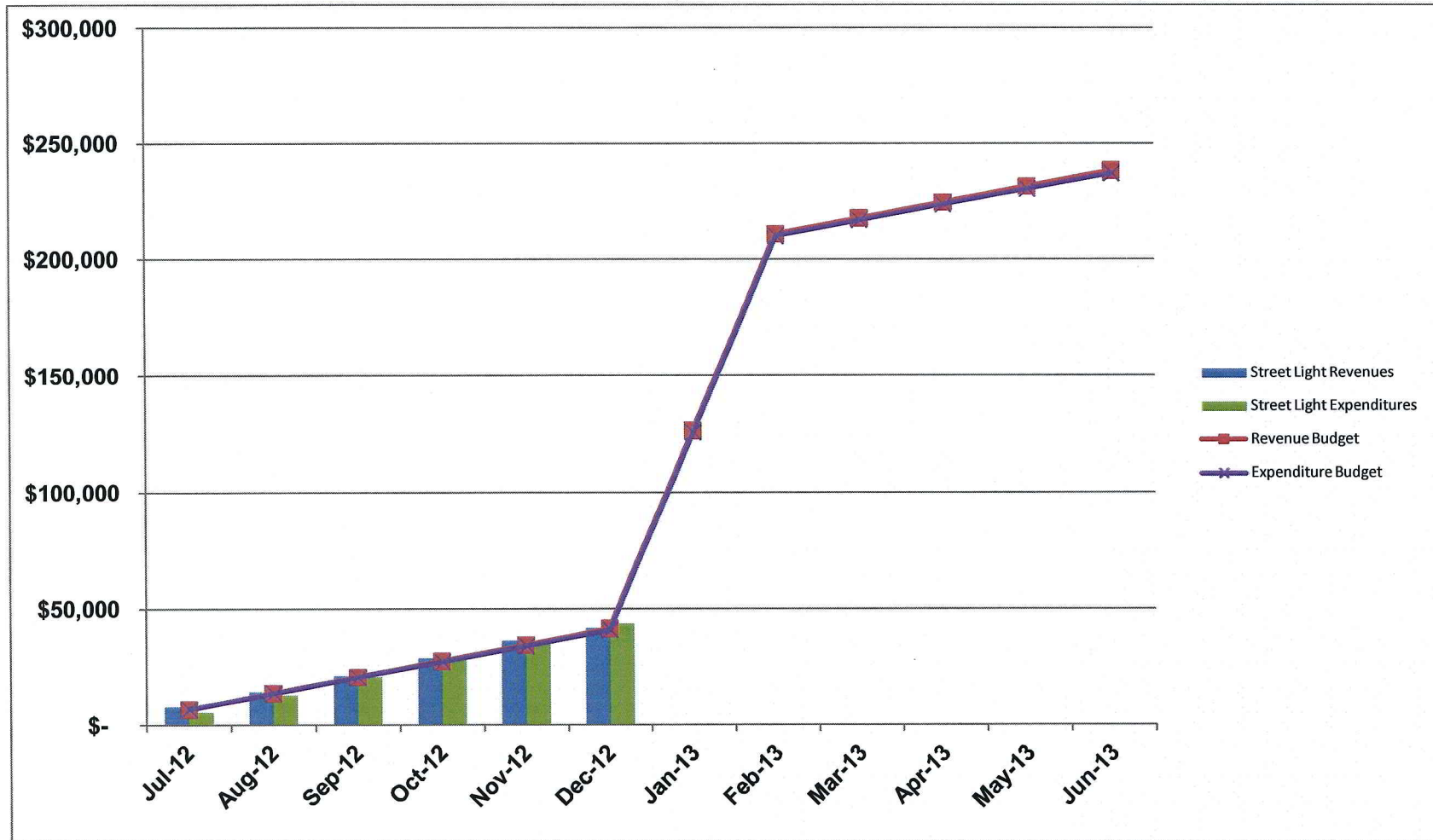
Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District

December 2012

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



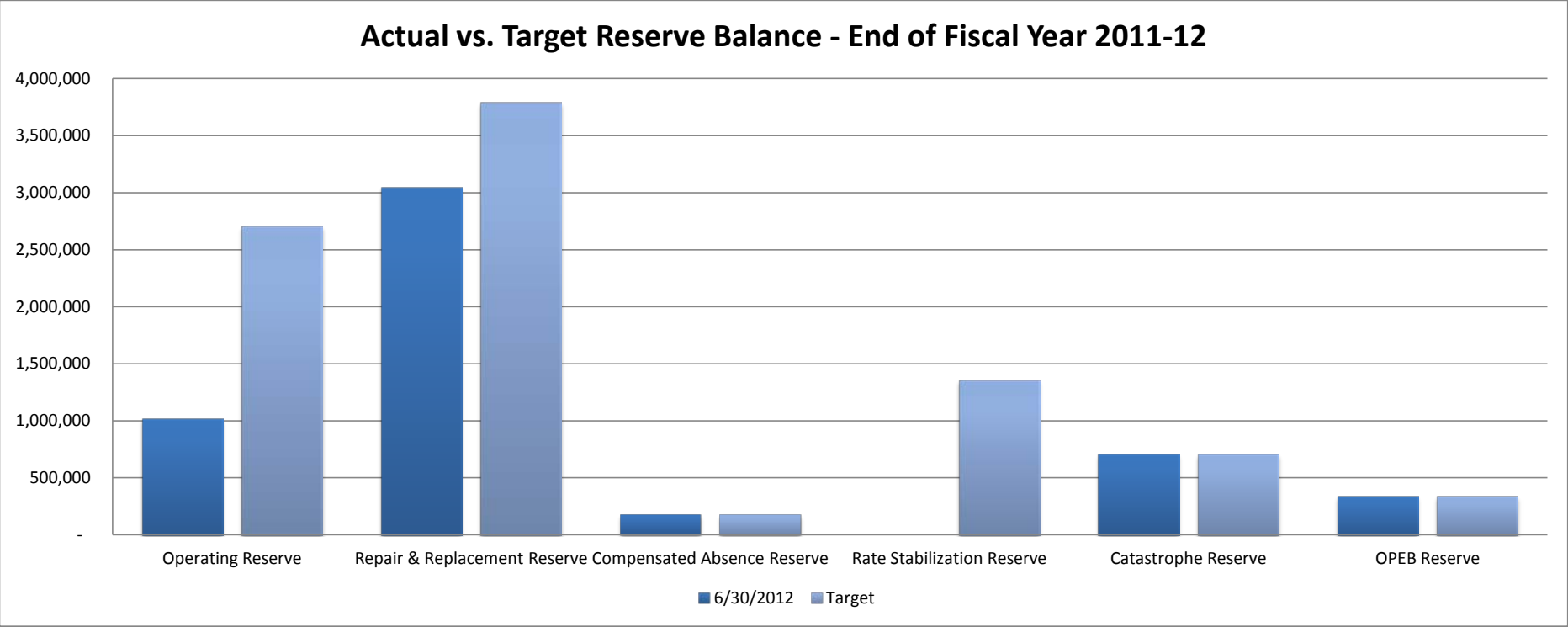
McKinleyville Community Services District
Capital Expenditure Report
As of December 30, 2012

	December	YTD Total	FY 13 Budget	Remaining		
				Budget \$	Budget %	Notes
<u>Water Department</u>						
Ramey Pump Upgrades	248	9,145	15,000	5,855	39%	Shipping charge for parts
Emergency Water Line River Crossing	18,730	31,886	77,500	45,614	59%	Approved adj: Design - OLA
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!	adj.per approved rev.proj.sched
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	18,977	61,125	5,002,500	4,941,375	99%	
<u>Sewer Department</u>						
Sewer Main Rehab & Replacement	-	-	50,000	50,000	100%	
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	2,057	19,127	750,000	730,873	97%	Project Mgmt - Brown&Caldwell
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	2,057	19,127	959,000	939,873	98%	
<u>Water & Sewer Operations</u>						
Heavy Equipment	-	-	100,000	100,000	100%	
Utility Vehicles	-	-	60,000	60,000	100%	
Office, Corporate Yard & Shops	632	6,757	227,000	220,243	97%	Office Kitchen
Computers & Software	-	4,681	35,000	30,319	87%	Doc Mgmt project
Fischer Ranch	-	-	13,000	13,000	100%	
Small Equipment & Other	-	-	42,000	42,000	100%	
Subtotal	632	11,438	477,000	465,562	98%	
Enterprise Funds Total	21,667	91,689	6,438,500	6,346,811	99%	
<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	37,408	150,000	112,592	75%	Granite Constr. Property purch.
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	37,408	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	37,408	57,450	498,000	440,550	88%	
All Funds Total	59,075	149,139	6,936,500	6,787,361	98%	

**McKinleyville Community Services District
Summary of Long-Term Debt Report
As of December 30, 2012**

				Principal Maturities and Scheduled Interest						
				Balance -	Balance -	Remaining for				
		Maturity		Nov.30, 2013	Dec.31, 2013	FY-13	FY-14	FY-15	FY-16	Thereafter
%	Date									
Water Fund:										
I-Bank	8/1/30	P	919,302.71	919,302.71	-	37,969.13	39,248.69	40,571.37	801,513.53	
Interest	3.37%	I			15,490.26	30,340.72	29,039.60	27,694.63	219,225.52	
State of CA Energy Commission (ARRA)	12/22/26	P	165,100.00	162,276.88	5,416.26	10,909.36	11,018.72	11,125.84	123,806.70	
Interest	1.0%	I			1,007.16	1,541.48	1,432.12	1,325.20	6,926.83	
State of CA (Davis Grunsky)	1/1/33	P	2,010,818.45	1,936,845.81	-	75,821.96	77,717.50	79,660.44	1,703,645.91	
State of CA (Davis Grunsky) Deferred Interest	1/1/33	P	357,732.17	340,697.05	-	17,035.12	17,035.12	17,035.12	289,591.69	
Interest	2.5%	I			-	48,421.14	46,525.60	44,582.66	408,486.72	
Total Water Fund-Principal			3,452,953.33	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			3,452,953.33	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)	4/15/16	P	163,680.40	163,680.40	40,920.10	40,920.10	40,920.10	40,920.10	-	
Interest	0.0%	I			-	-	-	-		
State of CA WRCB (SCEP II)	3/27/18	P	153,178.64	153,178.64	23,923.71	24,545.72	25,183.91	25,838.70	53,686.60	
Interest	2.6%	I			3,982.63	3,360.62	2,722.43	2,067.64	2,102.41	
Umpqua Bank	12/4/17	P	249,984.33	242,945.47	31,846.58	44,667.13	47,186.72	49,848.42	79,721.79	
Interest	5.5%	I			9,898.43	11,066.63	8,547.04	5,885.34	3,506.57	
USDA (Sewer Bond)	8/1/22	P	695,000.00	695,000.00	-	60,000.00	60,000.00	60,000.00	515,000.00	
Interest	5.0%	I			17,375.00	33,250.00	30,250.00	27,250.00	90,875.00	
Total Sewer Fund-Principal			1,261,843.37	1,254,804.51	96,690.39	170,132.95	173,290.73	176,607.22	648,408.39	
Total Sewer Fund-Interest					31,256.06	47,677.25	41,519.47	35,202.98	96,483.98	
Total Sewer Fund			1,261,843.37	1,254,804.51	127,946.45	217,810.20	214,810.20	211,810.20	744,892.37	
Total Principal			4,714,796.70	4,613,926.96	102,106.65	311,868.52	318,310.76	324,999.99	3,566,966.22	
Total Interest					47,753.48	127,980.59	118,516.79	108,805.47	731,123.05	
Total			4,714,796.70	4,613,926.96	149,860.13	439,849.11	436,827.55	433,805.46	4,298,089.27	

McKinleyville Community Services District
Board Designated Reserve Balances
As of December 30, 2012



McKinleyville Community Services District
Cash Disbursement Report
For the Period December 1 through December 31, 2012

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
22834	12/6/2012	\W016	Ck# 022834 Reversed - LW	(12.14)	000B10201u	Ck# 022834 Reversed - LW
22954	12/6/2012	\R011	Ck# 022954 Reversed - RR	(2.09)	000B10301u	Ck# 022954 Reversed - RR
23219	12/6/2012	\H015	Ck# 023219 Reversed - BH	(10.88)	000B10501u	Ck# 023219 Reversed - BH
23226	12/6/2012	\S021	Ck# 023226 Reversed - VS	(2.13)	000B10501u	Ck# 023226 Reversed - VS
23336	12/6/2012	\S024	Ck# 023336 Reversed - MS	(12.84)	000B10601u	Ck# 023336 Reversed - MS
25705	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25706	12/5/2012	*0023	AZ HALL DEPOSIT REFUND-CN	100.00	1	AZ HALL DEPOSIT REFUND
				50.00	B21127	CANCELLED FACILITY RENTAL
			Check Total:	<u>150.00</u>		
25707	12/5/2012	*0024	REISSUE OF CHECK - RR	73.58	B21127	REISSUE OF CHECK - RR
25708	12/5/2012	*0025	REISSUE OF CHECK - CI	44.76	B21128	REISSUE OF CHECK - CI
25709	12/5/2012	*0026	REFUND COURSE CANCELLED - IR	24.00	B21130	REFUND COURSE CANCELLED - IR
25710	12/5/2012	*0027	AZALEA HALL DEPOSIT REFUND-PM	100.00	B21203	AZALEA HALL DEPOSIT REFUND
25711	12/5/2012	ACW01	ACWA JOINT POWERS INSURAN	50,990.43	B21120	GRP. HEALTH INS
25712	12/5/2012	ACW02	ASSOC. OF CALIFORNIA	8,070.00	B21128	MEMBERSHIP DUES
25713	12/5/2012	BAL01	DAVID BALDOSSER	170.78	1	AFLAC REIMBURSEMENT
				317.58	B21127	TRAINING REIMBURSEMENT
			Check Total:	<u>488.36</u>		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25714	12/5/2012	BEN01	BEN MEADOWS	389.77	101916464	LAB TEST
25715	12/5/2012	BER04	BRIDGET BEREZNAK	160.39	B21204	PAYROLL CHECK REISSUE
25716	12/5/2012	BHI01	BHI MANAGEMENT CONSULTING	6,141.00	12-59	PROFESSIONAL SERVICES
				1,800.00	12-68	PROFESSIONAL SERVICES
			Check Total:	<u>7,941.00</u>		
25717	12/5/2012	CAL31	JOSEPH CALDWELL	29.56	B21204	PAYROLL CHECK REISSUE
25718	12/5/2012	CAL32	JESSICA CALLAHAN	44.23	B21204	PAYROLL CHECK REISSUE
25719	12/5/2012	CAM01	CAMPTON ELECTRIC SUPPLY	60.97	1107497	REPAIRS/SUPPLY
				220.14	S1107611	REPAIRS/SUPPLY
			Check Total:	<u>281.11</u>		
25720	12/5/2012	CAR01	CAROLLO	3,200.00	124988	PROFESSIONAL SERVICES
25721	12/5/2012	CAS01	CASH	296.98	B21127	PETTY CASH
25722	12/5/2012	COR01	CORBIN WILLITS SYSTEMS	858.42	B211151	MOMS SOFTWARE
25723	12/5/2012	COR07	JOHN W. CORBETT	375.00	B21128	DIRECTORS FEES
25724	12/5/2012	COU09	DAVID R. COUCH	375.00	B21128	DIRECTORS FEES
25725	12/5/2012	EDW01	HELEN L. EDWARDS	375.00	B21128	DIRECTORS FEES
				35.00	B21129	FUEL REIMBURSEMENT
			Check Total:	<u>410.00</u>		
25726	12/5/2012	FLA02	KRISTIN FLAVIN	29.00	B21204	PAYROLL CHECK REISSUE
25727	12/5/2012	GUA01	GUARDIAN - APPLETON	4,598.38	B21120	GRP DENTAL INSURANCE
25728	12/5/2012	HUM04	HUMBOLDT COUNTY	60.00	B21128	BAD DEBT TAX LIENS
25729	12/5/2012	JEN01	STEPHANIE JENKINS	165.00	B21127	CONTRACTED INSTRUCTOR
25730	12/5/2012	MIL03	THE MILL YARD	227.51	260240	REPAIRS/ SUPPLIES

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25731	12/5/2012	NOR13	NOR. CALIF. SAFETY CONSORTIUM	545.00	18868	HAZWOPER TRAINING
25732	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25733	12/5/2012	OSC01	OSCAR LARSON & ASSOCIATES	10,519.21	3577	PROFESSIONAL SERVICES
25734	12/5/2012	RED01	KRISTEN REDDY	186.81	2	PAYROLL CHECK REISSUED
				98.12	B21204	PAYROLL CHECK REISSUED
			Check Total:	<u>284.93</u>		
25735	12/5/2012	REY01	OSHA REYNOLDS	44.06	B21204	PAYROLL CHECK REISSUED
25736	12/5/2012	RUT01	ANTHONY B. RUTTEN	365.38	B21130	TRAVEL REIMBURSEMENT
25737	12/5/2012	UPS01	UPS	220.34	Y6R493472	LAB TEST
25738	12/5/2012	WEL02	VINCENT WELDON	53.45	2	PAYROLL CHECK REISSUE
				99.65	B21204	PAYROLL CHECK REISSUE
			Check Total:	<u>153.10</u>		
25739	12/5/2012	WEN01	WILLIAM WENNERHOLM, DC	375.00	B21128	DIRECTORS FEES
25740	12/5/2012	WIS01	HEATHER WISURI	67.94	B21204	PAYROLL CHECK REISSUED
25741	12/5/2012	\B011	MQ CUSTOMER REFUND FOR BA	50.84	000B21201	MQ CUSTOMER REFUND FOR BA
25742	12/5/2012	\C004	MQ CUSTOMER REFUND FOR CH	18.25	000B21201	MQ CUSTOMER REFUND FOR CH
25743	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25744	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25745	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25746	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25747	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25748	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25749	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25750	12/5/2012	VOID	VOIDED CHECK			VOIDED CHECK
25751	12/5/2012	*0022	AZALEA HALL DEPOSIT REFUND	100.00	B21127	AZALEA HALL DEPOSIT REFUND
25752	12/5/2012	\L021	MQ CUSTOMER REFUND FOR LI	75.88	000B21201	MQ CUSTOMER REFUND FOR LI
25753	12/5/2012	\M044	MQ CUSTOMER REFUND FOR MA	68.00	000B21201	MQ CUSTOMER REFUND FOR MA
25754	12/5/2012	\M045	MQ CUSTOMER REFUND FOR MC	433.56	000B21201	MQ CUSTOMER REFUND FOR MC
25755	12/5/2012	\M046	MQ CUSTOMER REFUND FOR MO	6.31	000B21201	MQ CUSTOMER REFUND FOR MO
25756	12/5/2012	\P013	MQ CUSTOMER REFUND FOR PR	28.17	000B21201	MQ CUSTOMER REFUND FOR PR
25757	12/5/2012	\S004	MQ CUSTOMER REFUND FOR SH	80.00	000B21201	MQ CUSTOMER REFUND FOR SH
25758	12/5/2012	\S014	MQ CUSTOMER REFUND FOR ST	50.12	000B21201	MQ CUSTOMER REFUND FOR ST
25759	12/5/2012	\T011	MQ CUSTOMER REFUND FOR TS	29.89	000B21201	MQ CUSTOMER REFUND FOR TS
25760	12/5/2012	NOR36	NORTH COAST PARTS & SUPPLY	2,008.97	B21205	REPAIRS/ SUPPLIES
25761	12/10/2012	*0028	MAC DEPOSIT REFUND FOR TC	100.00	B21205	MAC DEPOSIT REFUND FOR TC
25762	12/10/2012	*0029	GREANNA WILSON	30.00	B21205	FINGERPRINTING REC PROGRAM
25763	12/10/2012	BAY02	BAY WEST SUPPLY, INC.	537.51	B21203	OFFICE SUPPLIES
25764	12/10/2012	BEN02	BENTLEY SYSTEMS, INC.	751.28	47490327	EQUIPMENT MAINTENANCE
25765	12/10/2012	BRO01	BROWN AND CALDWELL	1,613.10	11180821	WWMF UPGRADE
25766	12/10/2012	CDW01	CDW GOVERNMENT, INC.	996.19	T014865	DOC MANAGEMENT
				327.42	T272570	DOC MANAGEMENT
			Check Total:	<u>1,323.61</u>		
25767	12/10/2012	COL05	COLANTUONO & LEVIN, PC	961.00	24246	PROFESSIONAL SERVICES

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25768	12/10/2012	COS03	COSTCO WHOLESALE	522.59	B21204	SUPPLIES/ MEMBERSHIP
25769	12/10/2012	COU06	COUNTY OF HUMBOLDT	1,329.48	B21206	WASHINGTON AVE PROPERTY
25770	12/10/2012	EUR05	Eureka Oxygen Co	256.03	464751	SUPPLIES/ REPAIRS
25771	12/10/2012	EUR06	EUREKA READY MIX	463.32	B28925	REPAIRS/SUPPLY
25772	12/10/2012	FLE01	FLEET PRIDE	6.69	50781671	REPAIRS/ SUPPLIES
25773	12/10/2012	FRE07	FRESHWATER ENVIRONMENTAL	560.00	645	PROFESSIONAL SERIVCES
25774	12/10/2012	HAR03	HARVEY M. HARPER CO.	678.63	B21204	VEHICLES REPAIRS
25775	12/10/2012	HAR13	The Hartford - Priority A	806.32	B21203	GRP LIFE INSURANCE
25776	12/10/2012	HUM01	HUMB BAY MUNI WATER DISTRICT	55,622.92	B21203	WTR PURCHASED
25777	12/10/2012	HUM08	HUMBOLDT SANITATION	832.60	B21207	TRASH SERVICE
25778	12/10/2012	KER01	KERNEN CONSTRUCTION	376.57	45110	REPAIRS/ SUPPLIES
25779	12/10/2012	KEY01	KEY EQUIPMENT FINANCE	311.67	B21207	EQUIPMENT LEASE
25780	12/10/2012	LDA01	LDA PARTNERS	1,220.00	5/635-1-1	PROFESSIONAL SERVICES
25781	12/10/2012	LES01	LES SCHWAB TIRE CENTER	12.75	24800	REPAIRS/ SUPPLIES
				862.17	26407	VEHICLE REPAIRS
			Check Total:	<u>874.92</u>		
25782	12/10/2012	MCK04	MCK ACE HARDWARE	1,653.50	B21205	REPAIRS/SUPPLY
25783	12/10/2012	MCK12	MCKINLEYVILLE UNION SCHOOL	136.50	B21203	REC PROGRAM TRANSPORTATION
25784	12/10/2012	MIL01	Miller Farms Nursery	607.11	B21205	REPAIRS/SUPPLY
25785	12/10/2012	MIT01	Mitchell, Brisso, Delaney	1,838.27	31534	LEGAL
25786	12/10/2012	NEC01	NEC FINANCIAL SERVICES,LL	285.92	1572658	PHONE SYSTEM

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25787	12/10/2012	NEL01	NELSON FLOOR COMPANY	66.00	71889	SUPPLIES
25788	12/10/2012	NOR01	NORTH COAST LABORATORIES	2,937.00	B21205	LAB TESTS
25789	12/10/2012	NOR35	NORTHERN HUMBOLDT	564.24	ES12-0064	OPEN SPACE MAINTENANCE
25790	12/10/2012	NYL01	NYLEX.NET	1,875.00	73196	SUBSCRIPTION FEE/ SERVICE
				96.00	73211	PROFESSIONAL SERVICES
			Check Total:	<u>1,971.00</u>		
25791	12/10/2012	OCC01	OCCUPATIONAL HEALTH	195.00	523-10-12	PROFESSIONAL SERVICES
25792	12/10/2012	PGE01	PG & E (Office & Field)	12,349.73	B21203	GAS & ELECTRIC
25793	12/10/2012	PRE08	PRECISION INTERMEDIA	308.75	17487	PROFESSIONAL SERVICES
25794	12/10/2012	REM01	REMY, MOOSE AND MANLEY,LL	15,520.58	95448	PROFESSIONAL SERVICES
25795	12/10/2012	REN01	RENNER PETROLEUM	3,891.37	B21205	GAS/OIL/LUBE
25796	12/10/2012	SIE02	SIERRA CHEMICAL CO.	2,596.94	243142	CHLORINE/DEPOSITS
25797	12/10/2012	STA02	STATE OF CALIFORNIA ENERGY	6,225.42	1	ARRA LOAN PAYMENT
25798	12/10/2012	SUD01	SUDDENLINK	173.95	B21130	INTERNET SERVICES
25799	12/10/2012	THO02	Thomas Home Center	6,311.38	B21206	REPAIRS/SUPPLY
25800	12/10/2012	THR01	THRIFTY SUPPLY COMPANY	1,200.16	1331781	REPAIRS/ SUPPLIES
25801	12/10/2012	USB01	U.S. BANK TRUST N.A.	7,895.83	B21206	SEWER BOND PAYMENT
25802	12/10/2012	VER01	VERIZON WIRELESS	135.68	B21206	CELL PHONES
25803	12/10/2012	WES09	WEST COAST PLUMBING	167.87	178873	REPAIRS/ SUPPLIES
25804	12/17/2012	*0030	AZALEA HALL DEPOSIT REFUND-SG	100.00	B21210	AZALEA HALL DEPOSIT REFUND-SG
25805	12/17/2012	*0031	AZALEA HALL DEPOSIT REFUND-SA	100.00	B21210	AZALEA HALL DEPOSIT REFUND-SA

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25806	12/17/2012	*0032	AZALEA HALL DEPOSIT REFUND-BP	20.00	B21214	AZALEA HALL DEPOSIT REFUND-BP
25807	12/17/2012	*0033	YBB REFUND - TR	49.50	B21214	YBB REFUND - TR
25808	12/17/2012	ATT01	AT&T	3,023.74	B21214	PHONE SYSTEM
25809	12/17/2012	CDW01	CDW GOVERNMENT, INC.	645.50	T581434	DOC MANAGEMENT
25810	12/17/2012	COU02	HUMBOLDT COUNTY ASSESSOR	10.60	B21205	MEASURE B MAPS
25811	12/17/2012	GUA01	GUARDIAN - APPLETON	4,498.38	B21205	GRP DENTAL INSURANCE
25812	12/17/2012	HUN01	HUNTER, HUNTER & HUNT	15,250.00	38938	PROFESSIONAL SERVICES
25813	12/17/2012	IBS01	IBS OF THE REDWOODS	205.81	B21207	REPAIRS/ SUPPLIES
25814	12/17/2012	JAC04	JACKSON & EKLUND	2,242.00	173942	PROFESSIONAL SERVICES
25815	12/17/2012	MAY02	DENNIS MAYO	305.03	B21217	DIRECTORS TRAINING
25816	12/17/2012	MIL01	Miller Farms Nursery	4,540.00	78086	HSS FIELD RENOVATIONS
25817	12/17/2012	NYL01	NYLEX.NET	48.00	73143	PROFESSIONAL SERVICES
25818	12/17/2012	ORE01	O'REILLY AUTOMOTIVE, INC.	374.11	B21205	REPAIRS/SUPPLY
25819	12/17/2012	PAC04	PACE INSPECTION SERVICES	250.00	201211120	PROFESSIONAL SERVICES
25820	12/17/2012	PRE08	PRECISION INTERMEDIA	190.00	17507	PROFESSIONAL SERVICES
25821	12/17/2012	SDR01	SDRMA	7,071.00	41911	WORKERS COMPENSATION
25822	12/17/2012	STA03	STATE OF CALIFORNIA	116,280.34	1301D5001	DAVIS-GRUNSKY LOAN
25823	12/17/2012	STA11	STAPLES CREDIT PLAN	948.48	B21217	OFFICE SUPPLIES
25824	12/17/2012	THR02	THREE G'S HAY & GRAIN	145.38	52295	REPAIRS/SUPPLY

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25825	12/17/2012	UMP03	UMPQUA BANK--VISA	1,547.44	B21217	SUPPLIES PURCHASED IN NOV
25826	12/17/2012	UPS01	UPS	108.21	Y6R493492	LAB SHIPMENT
25827	12/19/2012	ANS02	BRIAN ANSPACH	1,200.00	1011P	PROFESSIONAL SERVICES
25828	12/26/2012	*0034	AZALEA HALL DEPOSIT REFUND-MM	100.00	B21219	AZALEA HALL DEPOSIT REFUND-MM
25829	12/26/2012	CPR01	CALIFORNIA PARK & RECREATION	480.00	B21219	SUBSCRIPTIONS
25830	12/26/2012	DEN01	SHARON L. DENISON	355.00	B21217	TRAINING
25831	12/26/2012	EIC01	JENNIFER EICHSTEDT	292.50	B21219	CONTRACTED INSTRUCTOR
25832	12/26/2012	IND01	INDEPENDENT BUS. FORMS	114.48	24966	OFFICE SUPPLIES
25833	12/26/2012	SLO01	DIANE SLOANE	355.00	B21217	EMPLOYEE TRAINING TRAVEL EXP
25834	12/26/2012	UMP03	UMPQUA BANK--VISA	432.13	B21226	CREDIT CARD PAYMENT
25835	12/26/2012	UPS01	UPS	212.26	B21226	LAB SHIPMENT
25836	12/26/2012	USP02	USPS: ARCATA BMEU	1,169.02	B21226	PERMIT 239 NEWSLETTERS
25837	12/26/2012	WIL02	KATHY WILSON	355.00	B21217	EMPLOYEE TRAINING TRAVEL EXP
25838	12/31/2012	*0035	KEVEN HARDER	30.00	B21226	FINGERPRINTING
25839	12/31/2012	*0036	DEPOSIT BALANCE REFUND - WU	55.28	B21231	DEPOSIT BALANCE REFUND - WU
25840	12/31/2012	CAL10	CALIFORNIA HEATING	85.00	21922	REPAIRS/MAINTENANCE
25841	12/31/2012	COL05	COLANTUONO & LEVIN, PC	3,081.10	24405 04	PROFESSIONAL SERVICES RENDERED
25842	12/31/2012	EUR05	Eureka Oxygen Co	374.03	BO 64299	SAFETY SUPPLIES
25843	12/31/2012	IND02	Industrial Electric Serv	245.05	7467	REPAIRS/SUPPLY
				26.64	7709	REPAIRS/SUPPLY
				62.61	7723	REPAIRS/SUPPLY
				48.28	7773	REPAIRS/SUPPLY
			Check Total:	<u>382.58</u>		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
25844	12/31/2012	ISE01	I-SECURE INC.	45.00	20779	SHREDDING SERVICES
25845	12/31/2012	NOR13	NOR CALIFORNIA SAFETY CONSORTIUM	80.00	19102	SUBSCRIPTION
25846	12/31/2012	NOR35	NORTHERN HUMBOLDT	516.49	ES13-0088	OPEN SPACE MAINTENANCE
25847	12/31/2012	NYL01	NYLEX.NET	288.00	73260	PROFESSIONAL SERVICES
25848	12/31/2012	OSC01	OSCAR LARSON & ASSOCIATES	18,232.97	3610	NORTHERN INTERTIE
25849	12/31/2012	PGE02	PACIFIC GAS & ELECTRIC	2,455.77	B21226	STREETLIGHTS DEC. 2012
25850	12/31/2012	REM01	REMY, MOOSE AND MANLEY,LL	11,318.75	95565	PROFESSIONAL SERVICES
25851	12/31/2012	SIE02	SIERRA CHEMICAL CO.	2,703.16	244072	CHLORINE/ CONTAINER DEPOSIT
25852	12/31/2012	THR01	THRIFTY SUPPLY COMPANY	183.27	1333223	REPAIRS/ SUPPLIES
25853	12/31/2012	UPS01	UPS	201.11	Y6R493512	LAB SHIPMENT
25854	12/31/2012	USP02	USPS: ARCATA BMEU	190.00	1	PERMIT 239 RENEWAL
				434,319.21		
Total Disbursements, Accounts Payable:				434,319.21		

Payroll Related Disbursements

10679-10707	12/10/2012	Various Employees	14,708.29		EMPLOYEE PAYROLL CHECKS
10708	12/7/2012	CAL12	3,029.10	B21207	RETIREMENT
10709	12/7/2012	DIR01	26,548.79	B21207	Direct Deposit
10710	12/7/2012	EMP01	2.34	B21127	STATE INCOME TAX
			1,131.84	B21207	STATE INCOME TAX
			6.28	1B21127	SDI
			(2.74)	1B21130	SDI
10710	12/7/2012	EMP01	520.97	1B21207	SDI
			2.74	3B21130	SDI
Check Total:			1,661.43		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
10711	12/7/2012	HUM29	UMPQUA BANK--PAYROLL DEP.	38.92	B21127	FEDERAL INCOME TAX
				(2.61)	B21130	FEDERAL INCOME TAX
				4,122.71	B21207	FEDERAL INCOME TAX
				65.33	1B21127	FICA
				(28.50)	1B21130	FICA
				5,409.81	1B21207	FICA
				18.22	2B21127	MEDICARE
				(7.94)	2B21130	MEDICARE
				1,508.56	2B21207	MEDICARE
				2.61	3B21130	FEDERAL INCOME TAX
				28.50	4B21130	FICA
				7.94	5B21130	MEDICARE
			Check Total:	<u>11,163.55</u>		
10712	12/7/2012	AFL01	AFLAC	43.30	B21130	AFLAC (PRE-TAX)
10713	12/7/2012	PUB01	Public Employees PERS	16,667.27	B21130	PERS PAYROLL REMITTANCE
				56.08	1B21130	PERS CONTRIBUTION
			Check Total:	<u>16,723.35</u>		
10715-10741	12/21/2012		Various Employees	15,027.57		EMPLOYEE PAYROLL CHECKS
10742	12/20/2012	CAL12	CalPERS 457 Plan	2,990.49	B21220	RETIREMENT
10743	12/20/2012	DIR01	DIRECT DEPOSIT VENDOR- US	24,185.48	B21220	Direct Deposit
10744	12/20/2012	EMP01	Employment Development	1,312.31	B21220	STATE INCOME TAX
				2.27	1B21212	SDI
				509.96	1B21220	SDI
				(2.27)	3B21212	SDI
			Check Total:	<u>1,822.27</u>		

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
10745	12/20/2012	HUM29	UMPQUA BANK--PAYROLL DEP.	13.74	B21212	FEDERAL INCOME TAX
				4,950.32	B21220	FEDERAL INCOME TAX
				23.60	1B21212	FICA
				5,295.62	1B21220	FICA
				6.58	2B21212	MEDICARE
				1,476.74	2B21220	MEDICARE
				(13.74)	3B21212	FEDERAL INCOME TAX
				(23.60)	4B21212	FICA
				(6.58)	5B21212	MEDICARE
			Check Total:	11,722.68		
				129,626.30		
			Total Disbursements, Payroll:	129,626.30		
			Total Check Disbursements:	563,945.51		

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **Consent Calendar Item**

ITEM: D.3. 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	November 29, 2012
10 Day Notice	January 23, 2013
Board Meeting	February 13, 2013
Lock	March 18, 2013
ROUTE 19	

Account #	Address	Model of DCV	Date s/o out
19-418-000	4651 Aster	Febco	
19-600-054	5161 Dows Prairie	Wilkins	
19-760-005	1300 Clam Beach	Wilkins	

Updated: 1/30/13

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **ACTION**

ITEM: D.4. **Consider approval of Hiller Sports Complex Youth Sports Organization's Facility Use Agreement Contracts**

PRESENTED BY: **Jason Sehon, Parks & Recreation Director**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff Requests the Board review the attached Facility Use Agreement Contracts for McKinleyville Little League, McKinleyville Babe Ruth, and Mad River Girls Fast pitch Softball, take public comment, make edits as appropriate, provide staff with direction and approve the Facility Use Agreement Contracts.

Discussion:

Several organizations and leagues have requested the use of Hiller Sports Complex (HSC) for the spring and summer 2013. The District requires organizations using HSC annually to complete and sign a Facility Use Agreement Contract prior to the start of their season. This spring, McKinleyville Little league (MLL), McKinleyville Babe Ruth (MBR), and Mad River Girls Fast Pitch Softball (MRGFPS) will all be using the baseball and softball fields at HSC.

Attached, please find copies of the Facility Use Agreement Supplements (cover page) for the Facility Use Agreements for each organization. No changes have been made to the main body of the agreement from last year.

A complete Facility Use Agreement Contract is available at the District Office for any Board member who would like to review it.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

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

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

The District also offers youth organizations an opportunity to work off a portion of or all of their use fees by mowing the turf fields for a specific time period.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Facility Use Agreement Supplement (MLL)
- Facility Use Agreement Supplement (MBR)
- Facility Use Agreement Supplement (MRGFPS)

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Facility Use Agreement Supplement

User: McKinleyville Little League
Event: 2013 Regular Season Contract

This Cover Page is a supplement to the main body of the Agreement. This supplement further explains section 9, and describes the costs and responsibilities required for the maintenance of the two little league fields during the course of regular season usage. Furthermore, this supplement allows McKinleyville Little League (MLL) to work off their financial obligations for field use and defines the maintenance and responsibilities. This Agreement is between the McKinleyville Community Services District and the McKinleyville Little League Association contingent upon the following conditions:

1. That the McKinleyville Little League shall have first priority of Fields 1 & 2 (baseball), based on schedules submitted in advance to MCSD, from March 1 through July 31, 2013, of each year subject to the terms of Section 2 of this Supplemental Agreement for Maintenance and Operation.

MLL has indicated no need for the use of Field 3 (softball) for this season.

MCSD will provide additional practice field space beyond center field on Field # 4 at no cost to MLL.

2. McKinleyville Little League agrees to pay or reimburse the MCSD:
 - A. \$1,500.00 Key/Cleaning/Damage deposit prior to the start of the season (ongoing).
 - B. \$6.75 per hour for the use of each field.
 - C. \$5.00 per weekday for the use of the Concession Stand.
 - D. \$15.00 per weekend day for the use of the Concession Stand.
 - E. Electric and gas utility costs will be reimbursed at the end of the season.
3. The McKinleyville Little League agrees to perform all maintenance of the fields, including but not limited to, mowing grass once per week, trimming along the fence lines, field preparation before games, grounds cleanup, bathroom cleanup (based on schedule submitted by Parks & Recreation Director), re-stocking janitorial supplies, general cleanup of the Concession Stand & parking lot, and trash disposal. These operation and maintenance responsibilities are further explained in Exhibit D, and some may be in lieu of payment for field and concession use during the period of March 1 through July 31, 2013.
4. The McKinleyville Little League agrees to pay a Key/Cleaning/Damage deposit in the amount of \$1,500.00 to MCSD for the use of Hiller Sports Complex. MCSD may use

COVER PAGE

the Key/Cleaning/Damage deposit for reimbursement of any costs related to lost or stolen keys, additional cleaning requirements, additional turf maintenance, and/or field & turf damages during the use of McKinleyville Little League (see Exhibit D of Facility Use Agreement). This deposit must be paid prior to the start of each season.

5. The McKinleyville Little League agrees to return all keys issued for Hiller Sports Complex no later than July 31, 2013. The McKinleyville Little League agrees to remove equipment, clean storage unit and dugouts no later than July 31, 2013.
6. McKinleyville Little League agrees to submit a separate Facility Use Request form for any tournament or for events with estimated attendance of more than 500 persons per day, or for which off-road parking is required, or for which facility parking space is deemed inadequate; or for which street closures are required. Such an event is subject to MCSD Board Approval, as described in Article IV, section 45.01 - Parks & Recreation Rules & Regulations.
7. McKinleyville Little League agrees not to park any vehicles inside Hiller Sports Complex. All vehicles must be parked in the designated parking lot and/or overflow parking areas.
8. This Agreement Supplement titled "Cover Page" is an addendum to and to be considered a part of the main document. All other conditions in the main body of this document remain in place.

McKinleyville Community Services District

McKinleyville Little League

Dennis Mayo,
President, MCSD

Cathie Wainwright
President, McKinleyville Little League

Date:

Date:

FACILITY USE AGREEMENT SUPPLEMENT
Department of Parks & Recreation

User: McKinleyville Babe Ruth League
Event: 2013 Regular Season Contract

This Cover Page is a supplement to the main body of the Agreement. This supplement modifies and changes section 9 and section 10 describing costs and responsibilities in the maintenance of the McKinleyville Babe Ruth League fields during the regular seasons use. Further, this supplement allows the McKinleyville Babe Ruth League (MBR) to work off their financial obligations for fields use and defines the maintenance responsibilities. This Agreement is between the McKinleyville Community Services District and the McKinleyville Babe Ruth League contingent upon the following conditions:

1. That the McKinleyville Babe Ruth League shall have first priority of the fields, based on schedules submitted in advance to MCSD; from March 1 through August 31, 2013 of each year subject to the terms of Section 2 of this Supplemental Agreement for Maintenance and Operation.
2. McKinleyville Babe Ruth League agrees to pay or reimburse the MCSD:
 - A. \$1,500.00 Key/Cleaning/Damage deposit prior to the start of the season.
 - B. \$6.75 per hour for the use of each field.
 - C. \$5.00 per weekday for the use of the Concession Stand.
 - D. \$15.00 per weekend day for the use of the Concession Stand.
 - E. Electric and gas utility costs will be reimbursed at the end of the season.
3. The McKinleyville Babe Ruth League agrees to perform the following maintenance of the fields: Bathroom cleanup based on schedule submitted by Parks & Recreation Director, general cleanup of the kitchen, bleachers, dugouts, grounds, parking lot and trash disposal.
4. The McKinleyville Babe Ruth League agrees to pay a Key/Cleaning/Damage deposit in the amount of \$1,500.00 to MCSD for the use of Hiller Sports Complex. MCSD may use the Key/Cleaning/Damage deposit for reimbursement of any costs related to lost or stolen keys, additional cleaning requirements, additional turf maintenance, and/or field & turf damages during the use of McKinleyville Babe Ruth (see section 18, and Exhibit D of Facility Use Agreement). This deposit must be paid prior to the start of the season.
5. The McKinleyville Babe Ruth agrees to return all keys issued for Hiller Sports Complex within fifteen (10) days of the completion of their season. The

McKinleyville Babe Ruth agrees to remove equipment and clean dugout storage within fifteen (10) days of the completion of their season.

6. McKinleyville Babe Ruth League agrees to submit a separate Facility Use Request form for any tournament, or for events with estimated attendance of more than 500 persons per day, or for which off-road parking is required, or for which facility parking space is deemed inadequate; or for which street closures are required. Such an event is subject to MCSD Board Approval. (See Exhibit B of Facility Use Agreement – Article IV, section 45.01 – Parks & Recreation Rules & Regulations.)
7. This Agreement Supplement titled Cover Page is an addendum to and to be consider a part of the main document. All other conditions of the main body of the document remain in place.

McKinleyville Community Services District McKinleyville Babe Ruth League

Dennis Mayo, President of MCSD

President, Babe Ruth

Date

Date

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Facility Use Agreement Supplement

User: Mad River Girls Fast Pitch Softball League
Event: 2013 Regular Season Contract

This Cover Page is a supplement to the main body of the Agreement. This Agreement is between the McKinleyville Community Services District and the Mad River Girls Fast Pitch Softball (MRGFPS) contingent upon the following conditions:

1. That the Mad River Girls Fast Pitch Softball shall have exclusive use of the Field 3 (softball), based on schedules submitted in advance to MCSD, from March 1 through July 31, 2013, subject to the terms of Section 2 of this Supplemental Agreement for Maintenance and Operation.

MCSD will provide additional practice field space beyond center field on Field # 4 at no cost to MRGFPS.
2. Mad River Girls Fast Pitch Softball agrees to pay or reimburse the MCSD:
 - A. \$750.00 Key/Cleaning/Damage deposit prior to the start of the season.
 - B. \$6.75 per hour for the use of each field.
 - C. Electric and gas utility costs will be reimbursed at the end of the season (based on a percentage of use).
3. The Mad River Girls Fast Pitch Softball agrees to perform the following maintenance of the facility, including but not limited to, field preparation before games, grounds cleanup, daily bathroom cleanup (based on schedule submitted by the Parks & Recreation Director, general cleanup of the Concession Stand & parking lot, and trash disposal. These operation and maintenance responsibilities are further explained in Exhibit D.
4. The Mad River Girls Fast Pitch Softball agrees to pay a Key/Cleaning/Damage deposit in the amount of \$750.00 to MCSD for the use of Hiller Sports Complex. MCSD may use the Key/Cleaning/Damage deposit for reimbursement of any costs related to lost or stolen keys, additional cleaning requirements, additional turf maintenance, and/or field & turf damages during the use of McKinleyville Little League (see section 18, and Exhibit D of Facility Use Agreement). This deposit must be paid prior to the start of the season.
5. The Mad River Girls Fast Pitch Softball agrees to return all keys issued for Hiller Sports Complex within fifteen (10) days of the completion of their season. The

McKinleyville Babe Ruth agrees to remove equipment and clean dugout storage within fifteen (10) days of the completion of their season.

6. Mad River Girls Fast Pitch Softball agrees to submit a separate Facility Use Request form for any tournament or for events with estimated attendance of more than 500 persons per day, or for which off-road parking is required, or for which facility parking space is deemed inadequate; or for which street closures are required. Such an event is subject to MCSD Board Approval. (See Exhibit B of Facility Use Agreement - Article IV, section 45.01 - Parks & Recreation Rules & Regulations.)
7. This Agreement Supplement titled "Cover Page" is an addendum to and to be considered a part of the main document. All other conditions in the main body of this document remain in place.

McKinleyville Community Services District

Mad River Girls Fast Pitch Softball

Dennis Mayo , President of MCSD

President, Mad River Girls F/P Softball

Date:

Date:

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.1. **Present “Community Builder Award” to Norman Shopay, former General Manager of MCSD.**

PRESENTED BY: **Jason Sehon, Parks & Recreation Director**

TYPE OF ACTION: **None**

Recommendation:

Staff Requests the Board listen to a presentation of the “Community Builder Award” to Norman Shopay.

Discussion:

The “Community Builder Award” is an award the District presents to local individuals, businesses, and organizations for their volunteer service, sponsorship, promotion of programs and events, outstanding service in the interest of the District, and for other contributions significant to McKinleyville’s quality of life.

This month, staff would like to posthumously present the Community Builder Award to Norman Shopay, former General Manager of McKinleyville Community services District (MCSD).

Norman worked as General Manager for MCSD from 2010 until his untimely passing in November 2012. His vision for developing partnerships helped MCSD build relationships with many organizations such as the Sheriff Department, Service Clubs, California Conservation Corps, CalWORKS Welfare to Work, local businesses and many other organizations.

Under the direction of Norman as General Manager, District staff had many successes and accomplishments over the course of the last three (3) years.

Norman is certainly a worthy recipient of this prestigious award. His outstanding service was always in the best interest of the District and the McKinleyville community. We can all say that Norman brought on many contributions that are and will continue to be significant to McKinleyville’s quality of life.

Norman had a special talent for building partnerships and bringing people together for a common good. He had a positive outlook on the importance of developing relationships for the betterment of our community.

It is staff’s hope that Norman’s legacy will continue to live on for years to come and perhaps by presenting this Community Builder Award to him will serve as a

reminder of how much Norman contributed to our community in the short time he was with us.

Nancy Shopay received the award for Norman on February 1, 2013 while she was visiting McKinleyville.

Alternatives:

Not Applicable

Fiscal Analysis:

Not Applicable

Exhibits/Attachments

- Attachment A - Photo of Nancy Shopay being presented the Community Builder Award plaque



McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **DIRECTION**

ITEM: E.2. Work Shop to Develop a Vision and Mission Statement as Components for the Strategic Plan.

PRESENTED BY: Brent Ives, BHI Management Consulting

TYPE OF ACTION: Board Direction only

Recommendation:

Staff recommends that the Board work with Brent Ives, of BHI Management Consulting and take public comment to reach consensus on the beginning step for the creation of a District Strategic Plan. No formal Board action is requested this evening. The Mission and Vision statements proposed from tonight's meeting are draft only. These statements will be considered further in future meetings and approved as a component of the District Strategic Plan, anticipated to occur in May or June of this year.

Discussion:

In 2012 the Board retained BHI Management Consulting to assist the District in the creation of a 5-year Strategic Plan. At that time it was outlined that the process would proceed in three stages. Stage one was launched in November of 2012 with the consultant gathering input from various areas within the District including individual Board members, District staff and employees, while input from the public was gathered with an open public meeting conducted last evening. This input comprised stage one of the three stage process.

Stage two of the process is the work requested before the Board consideration this evening. The consultant will work with the Board to consider the current and/or develop a new Mission statement and develop a Vision statement. The process methodology is for the Board to be informed by the presentation of the input stage to be ready to consider and develop the Mission and Vision for the District.

Stage three of the process will develop the strategic plan document and present it with an implementation plan back to the Board for review and approval at a future meeting.

Alternatives:

Table or postpone

Fiscal Analysis:

The work of the Consultant is already authorized in a Services Agreement approved by the General Manager.

Environmental Requirements:

Not applicable

Exhibits/Attachments

Consultant will lead the workshop via PowerPoint which will be provided to the District upon completion of the workshop.

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **ACTION**

ITEM: E.3. Consider adopting Resolutions 2013-03 & 2013-04 initiating proceedings for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities annual levy and collection of assessments for fiscal year 2013/2014; Declaring Intention to Levy and Collect the Fiscal Year 2013/2014 Annual Assessments for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities, Accepting and approving the Engineer's Report and setting the Public Hearing

PRESENTED BY: Jason Sehon, Parks & Recreation Director

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends the Board review Resolutions 2013-03 & 2013-04:

A resolution initiating proceedings for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities annual levy and collection of assessments for fiscal year 2013/2014;

A resolution of Intention that declares the Board's intention to levy and collect the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities annual assessments for Fiscal Year 2013/2014, accepts and approves the Engineer's Report regarding the assessments and sets the Public Hearing for March 6, 2013.

Upon reviewing each of the resolutions, staff recommends the Board take public comment, make edits as appropriate, provide staff with direction and approve Resolutions 2013-13 & 2013-04.

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 FY1992/1993.

In 2011, a property owner protest ballot proceeding was conducted pursuant to the provisions of the California Constitution Article XIID for the levy of annual assessments for the Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities which would replace and extend for another 20-year duration the assessments previously approved by voters in 1992. The proposed assessments were approved by the property owners (54.9% 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 (Streets and Highway Code), the Board in addition to conducting a Public Hearing, must annually adopt a resolution Initiating Proceedings; and a resolution Declaring its Intention to levy assessments for the upcoming fiscal year.

The resolution Initiating Proceedings generally describes any proposed new improvements or any substantial changes in existing improvements and orders the engineer to prepare and to file a report.

The resolution of Intention basically includes the Board's approval of the report, either as filed or as modified; declares the intention of the Board to levy and collect assessments within the assessment district for the fiscal year stated in the report; and, give notice of the time and the place for the public hearing on the levy of the proposed assessment.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The Fiscal Year 2013/2014 Engineer's Report anticipates that Measure B collections from the existing 5,545 taxable parcels in the assessment district that benefit from the improvements and based on a proposed assessment rate of \$30.00 per equivalent benefit unit (unchanged from last year), the assessment revenue to be levied and collected on the tax rolls will be approximately \$209,571. This assessment revenue represents approximately 37% of the total estimated \$568,750 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.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 - Resolution 2013-03
- Attachment 2 - Resolution 2013-04
- Attachment 3 - Fiscal Year 2013/2014 Engineer's Report

RESOLUTION 2013-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT INITIATING PROCEEDINGS FOR THE MEASURE B MAINTENANCE ASSESSMENT DISTRICT — RENEWAL FOR PARKS, OPEN SPACE, AND RECREATIONAL FACILITIES ANNUAL LEVY AND COLLECTION OF ASSESSMENTS FOR FISCAL YEAR 2013/2014.

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

Section 1: The Board of Directors through previous resolutions has formed and levied annual assessments for the **“Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities”** (the “Assessment District”), pursuant to the provisions of the Landscaping and Lighting Act of 1972 (Streets & Highways Code Section 22500 *et. seq.*) (the “Act”), that provides for the collection of assessments by the County of Humboldt on behalf of the McKinleyville Community Services District (“MCSD”) to pay for the operation, maintenance, servicing, acquisition and construction of local parks, trails, open space and recreational facilities related thereto that provide special benefits to properties located in the Assessment District.

Section 2: The Board of Directors desires to initiate proceedings for the levy and collection of annual assessments for Fiscal Year 2013/2014 to fund in whole or in part the improvements and services that provide special benefit to the properties within the Assessment District pursuant to the provisions of the Act.

Section 3: MCSD has retained Willdan Financial Services (the “Engineer”) as Engineer of Work for the purpose of assisting with the Levy of the Assessment District for Fiscal Year 2013/2014.

Section 4: Pursuant to Section 22622 of the Act, the Board of Directors of MCSD hereby orders the Engineer to prepare and file with the Board Secretary the Report in accordance with Article 4 (commencing with Section 22565) of Chapter 1 of the Act, concerning the levy of assessments for the Assessment District for the Fiscal Year commencing July 1, 2013 and ending June 30, 2014.

Section 5: The proposed improvements may include all improvements, services and activities authorized by the Act for ongoing operation, maintenance, servicing, acquisition, construction, and installation and incidental expenses related to the parks, trails, open space and recreational facilities associated with the Assessment District.

Section 6: The territory within the proposed District shall consist of the lots, parcels and subdivisions of land within the boundaries of MCSD that will receive special benefits from the improvements.

PASSED, APPROVED AND ADOPTED this 13th day of February, 2013 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dennis Mayo, Board President

ATTEST:

Kathy Wilson, Board Secretary

RESOLUTION 2013-04

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DECLARING ITS INTENTION TO LEVY AND COLLECT THE ANNUAL ASSESSMENTS FOR THE MEASURE B MAINTENANCE ASSESSMENT DISTRICT — RENEWAL FOR PARKS, OPEN SPACE, AND RECREATIONAL FACILITIES FOR FISCAL YEAR 2013/2014; ACCEPTING AND APPROVING THE ENGINEER’S REPORT PREPARED IN CONNECTION THERETO; AND SETTING A TIME AND PLACE FOR THE PUBLIC HEARING ON THESE MATTERS.

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

Section 1: By prior resolution, 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”) did by previous resolution, order the preparation of an Engineer’s Report (the “Report”) for the annual levy and collection of assessments for the district known and designated as the **“Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities”** (the “Assessment District”) for fiscal year 2013/2014.

Section 2: Whereas, the Board proposes to levy and collect assessments against lots and parcels of land within the Assessment District to pay the annual costs and expenses of the improvements and services described in Section 6 of this resolution that provide special benefits to such lots and parcels of land, and herby declares its intention to levy such assessments on the County tax rolls for fiscal year 2013/2014 pursuant to the Act.

Section 3: The Assessment Engineer of Work (the “Engineer”) has prepared and filed with the Board Secretary an Engineer’s Report (the “Report”) in connection with the Assessment District and the levy of assessments for Fiscal Year 2013/2014 pursuant to Section 22623 of the Act and in accordance with Chapter 1, Article 4 of the Act and the provisions of the California State Constitution, Article XIID.

Section 4: The Board has carefully examined and reviewed the Report as presented, and is preliminarily satisfied with the Assessment District, each and all of the budget items and documents as set forth therein, and is satisfied that the proposed annual assessments have been spread in accordance with the special benefits received from the improvements, operation, maintenance and services to be performed within the Assessment District, and that the Assessment District consists of all parcels that receive such special benefits, as set forth in said Report.

Section 5: The Report is hereby accepted and approved as submitted and ordered to be filed in the offices of the MCSD as a permanent record and to remain open to public inspection.

Section 6: The proposed improvements may include all improvements, services and activities authorized by the Act for the ongoing operation, maintenance, servicing, acquisition, construction, and installation and incidental expenses, including any debt service issued to finance capital improvements, related to the parks, trails, open space and recreational facilities associated with the Assessment District. The Board of Directors states that it intends that, in future proceedings, it may issue bonds to fund work ordered in those proceedings. Such bonds will be issued pursuant to the Improvement Bond Act of 1915 (Streets & Highways Code Section 8500 *et seq.*) and shall bear a rate of interest not in excess of that permitted by law. MCSD will not obligate itself to advance available funds from MCSD's general fund to cure any deficiency which may occur in the bond redemption fund. The Report prepared in connection with these proceedings provides a more detailed description of the improvements and by reference is made part of this Resolution.

Section 7: The boundaries of the Assessment District shall be coextensive with those of MCSD.

Section 8: The Board of Directors hereby declares its intention to levy and collect an assessment against the lots and parcels of land within the Assessment District for Fiscal Year 2013/2014 at the same assessment rate applied in the previous fiscal year as more fully described in the Report.

Section 9: Notice is hereby given that a public hearing on these matters will be held by the Board on **Wednesday, March 6, 2013**, beginning at **7:00 P.M.**, or as soon thereafter as feasible, at **Azalea Hall, located at 1620 Pickett Road**, McKinleyville, California. At the Public Hearing, all interested persons shall be afforded the opportunity to hear and be heard.

Section 10: Pursuant to Section 22626(a) of the Act, the Board directs that the Board Secretary shall give notice of the time and place of the Public Hearing by causing the publishing of this resolution once in the local newspaper not less than ten (10) days before the date of the public hearing, and by posting a copy of this resolution on the official bulletin board customarily used by the Board for the posting of notices. For fiscal year 2013/2014, no new or increased assessments are proposed and a mailing of a notice and ballot to property owners is not required.

Section 11: The Board Secretary shall certify to the passage and adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 13th day of February, 2013 by the following roll call vote:

AYES:

NOES:

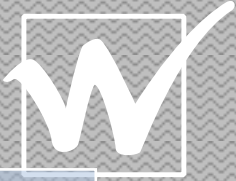
ABSTAIN:

ABSENT:

Dennis Mayo, Board President

ATTEST:

Kathy Wilson, Board Secretary



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

INTENT MEETING: FEBRUARY 13, 2013

PUBLIC HEARING: MARCH 6, 2013

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
1656 SUTTER ROAD
MCKINLEYVILLE, CA 95519

FEBRUARY 2013

PREPARED BY

WILLDAN FINANCIAL SERVICES



WILLDAN
Financial Services

*extending
your
reach*





ENGINEER'S REPORT AFFIDAVIT

McKinleyville Community Services District

Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities

Fiscal Year 2013/2014

County of Humboldt, State of California

This Report and the enclosed descriptions, budgets and diagram outline the proposed improvements and assessments associated with the McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities for Fiscal Year 2013/2014. Said District includes each lot, parcel, and subdivision of land within the boundaries of the McKinleyville Community Services District, as they existed at the time this Report was prepared and the passage of the Resolution of Intention. Reference is hereby made to the Humboldt County Assessor's maps for a detailed description of the lines and dimensions of parcels within the McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities. The undersigned respectfully submits the enclosed Report as directed by the McKinleyville Community Services District Board of Directors.

Dated this _____ day of _____, 2013.

Willdan Financial Services

Assessment Engineer

On Behalf of the McKinleyville Community Services District

By: _____

Jim McGuire

Senior Project Manager

By: _____

Richard Kopecky

R. C. E. # 16742



TABLE OF CONTENT

INTRODUCTION.....	1
PART I — PLANS AND SPECIFICATIONS	5
Improvements Authorized by the 1972 Act.....	5
District Improvements	6
PART II — METHOD OF APPORTIONMENT	9
Proposition 218 Benefit Analysis	9
Benefit Analysis	10
General Benefits	10
Special Benefit.....	12
Assessment Methodology	13
PART III — BUDGET	17
Description of Budget Items	17
Expenditures:.....	17
Revenues:	17
District Budget.....	18
Assessment Calculations	19
PART IV — DISTRICT DIAGRAM	20
PART V — ASSESSMENT ROLL	22
APPENDIX A: TOTAL PROGRAM BUDGET DETAIL.....	23



INTRODUCTION

The McKinleyville Community Services District (hereafter referred to as “CSD”), in the County of Humboldt, was established on April 14, 1970, pursuant to the Community Services District Law (California Government Code Section 61000 *et seq.*) (“CSD Law”), to provide water and sewer services. The services of the CSD were expanded in 1972 to include street and lighting; again in 1985 to include park and recreation; and then in 1995 to include the construction of the McKinleyville Library. The boundaries of the CSD include approximately 12,140 acres from North Bank Road to Patrick Creek.

In 1991, Measure B was passed by voters, authorizing the CSD to collect annual assessments in order to construct a new community center, to purchase land for sports fields and to provide for the maintenance and operation of park and recreational facilities. The 1991 Measure B Assessment District was formed to levy and collect annual assessments on the County tax rolls pursuant to the Landscape and Lighting Act of 1972 (California Streets and Highways Code §22500 *et seq.*) (hereafter referred to as “1972 Act”) for a period of twenty (20) years. With the original Measure B Assessment District and assessments set to expire (sunset) in 2012 (the end of Fiscal Year 2011/2012), the continued operation and maintenance of the park and recreational improvements and facilities provided to the community by the CSD including the McKinleyville Activity Center, Hiller Sports Complex and Azalea Hall, would be jeopardized.

Therefore in 2010, the McKinleyville CSD Board of Directors (“Board” or “Board of Directors”) initiated proceedings to reestablish a special benefit assessment district within the CSD designated as the:

McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities

for the purpose of providing and continuing a stable revenue source, coupled with available grants and donations from other sources, to fund the ongoing operation, maintenance, expansion, enhancement, construction, renovation and rehabilitation of the CSD park and recreational improvements including parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities (collectively referred to as “Improvements”) that provide special benefits to properties within the CSD, including incidental expenses and debt services for any bond(s), loans or other repayment plans incurred to finance capital improvements. The Board of Directors proposed to form (reestablish) the Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities (“District”) for another twenty (20) year period, and to levy and collect annual assessments on the County tax rolls to fund in whole or in part the improvements including related debt service on bonds that may be issued or loan agreements to finance the authorized improvements.

Pursuant to the requirements of the California Constitution, Article XIID Section 4 and the provisions of the 1972 Act, the Board of Directors called for an Engineer’s Report to be prepared regarding the proposed formation of the District and conducted a property owner protest ballot proceeding for the proposed levy of the new assessments. In conjunction with this ballot proceeding, a noticed public hearing was held on March 16, 2011 to consider public testimonies, comments and written protests regarding the formation of the District and the levy of assessments. Upon conclusion of the public hearing, protest ballots received were opened and tabulated to determine whether majority protest existed (with ballots weighted based on proportional assessment amounts), and the Board of Directors confirmed the results of that



ballot tabulation, with approximately 54.9% of the weighted ballots being in favor of the assessments and 45.1% being opposed. Finding that majority protest did not exist, the Board approved and adopted the formation of the District and order the levy and collection of assessments for fiscal year 2011/2012 (first year's annual assessments).

The assessment rate and method of apportionment established in the Engineer's Report at the time of formation of the District and as described herein, became effective commencing in Fiscal Year 2011/2012 and may be levied annually pursuant to the provisions of the 1972 Act for up to twenty (20) years (through Fiscal Year 2031/2032). The annual assessments each fiscal year are based on the estimated revenues needed to support the ongoing operational and maintenance costs of the Improvements (collectively referred to as "maintenance"); the long term repairs, renovations and rehabilitation costs associated with the improvements as well as possible acquisitions, expansion or construction of new improvements or facilities including a new Teen/Family Center (collectively referred to as "capital improvements"); and estimated incidental expenses associated with the administration of the assessments and of bonds or loans issued to finance improvements and facilities.

The authorized improvements may include, but are not limited to, operation, maintenance, acquisitions, upgrades and construction of existing and/or new facilities to enhance or expand the McKinleyville CSD park and recreational system, facilities and activities that will provide special benefits to properties within the District that would otherwise be reduced, postponed or abandoned due to limited funding sources. The improvements and annual District assessments for fiscal year 2013/2014 as outlined herein, have been established in accordance with the 1972 Act which may include the issuance of bonds pursuant to the Improvement Bond Act of 1915 (California Streets and Highways Code §8500 et seq.) ("1915 Act") and in compliance with the substantive and procedural requirements of the California State Constitution Article XIID ("California Constitution" or "Article XIID"). This Engineer's Report ("Report") has been prepared in connection with the proposed levy and collection of District assessments for fiscal year 2013/2014, pursuant to Chapter 2 Article 1 Sections §22585 and §22586 in accordance with Chapter 1, Article 4 beginning with §22565 of the 1972 Act.

The District includes all lots and parcels of land within the McKinleyville CSD as identified by the Humboldt County Assessor's Office at the time this Report was prepared. The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Humboldt County Assessor's Office. The Humboldt County Auditor/Controller uses Assessor's Parcel Numbers and a specified Fund Number to identify properties to be assessed on the tax roll for the special benefit assessments described herein.

This Report describes the District; identifies the improvements including any proposed changes to such improvements to be provided; the estimated expenditures; and the resulting special benefit assessments to be levied and collected on the County tax rolls for fiscal year 2013/2014. The total annual assessments presented herein is based on an estimated budget (estimated expenses) and the assessment revenues required to fund in whole or in part the park and recreational improvements, facilities and related activities deemed to be of special benefit to properties in the District and have been identified as essential recreational and conservation objectives which property owners and residents of the CSD have supported.

While the revenues generated by the annual assessments are currently being used primarily to fund the annual operation and maintenance of the existing park and recreational improvements within the CSD, a portion of the annual assessments (both now and in the future) may also be utilized and pledged to pay debt service and related costs associated with the issuance of bonds or other loans to finance capital improvement projects for the upgrade or renovation of existing improvements and facilities, or the acquisition and/or construction of new park and



recreational improvements or facilities for the special benefit of properties within the District. The allocation of assessment revenue funds amongst the various improvements, services and activities to be provided will be prioritized by the McKinleyville CSD staff based on available assessment revenues generated by the District, the total funding needed for each authorized improvement and projects, the impact each improvement will have on the overall park and recreational system that benefit properties in the District, and the timing of any outside revenues that may become available to offset the cost of such improvements or projects.

This Report pursuant to Chapter 1, Article 4 of the 1972 Act, consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. Generally the District improvements consist of each of the park and recreational improvements and facilities in McKinleyville CSD.

Part II

The Method of Apportionment: A discussion of the general and special benefits associated with the overall park and recreational improvements to be provided within the CSD (Proposition 218 Benefit Analysis). This part also includes a discussion of the proportional costs of the special benefits upon which the assessments are determined and separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property's proportional special benefit and annual assessment utilizing a weighted benefit comparison and proportionality among the different property types within the District.

Part III

Estimate of Improvement Costs: An estimate of the annual cost to fund the improvements for fiscal year 2013/2014. The District assessments are intended and will fund only a portion of the costs needed to provide the various improvements, and are not designated to fully fund any specific improvement. This estimate of the improvement costs (budget) includes an estimate of the total annual maintenance and operation costs for the existing park and recreational improvements within the CSD; an estimate of annual funding collected for planned capital improvement expenditures to fund expansion, enhancement, renovation or rehabilitation of the parks, trails and related recreational facilities within the CSD (including acquisitions and new construction); and authorized incidental expenses including, but not limited to county fees, professional services related to administration of the District and/or bonds. The estimated expenditures and assessment rate identified in this Report budget and the resulting parcel assessments for fiscal year 2013/2014 are based on the estimated net annual cost to fund the improvements and activities for the year (Balance to be Levied), and the method of apportionment established for the District, and such assessments shall not exceed the maximum assessment (Rate per Equivalent Benefit Unit) established when the District was formed.



Part IV

District Diagram: A Diagram showing the exterior boundaries of the District is provided in this Report and includes all parcels that will receive special benefits from the improvements. These boundaries are coterminous with the boundaries of the McKinleyville CSD. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels within the CSD as shown on the Humboldt County Assessor's Parcel Maps as they existed at the time this Report was presented to the Board of Directors for the adoption of the Resolution of Intention, and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the Humboldt County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount to be levied and collected for each parcel within the District for fiscal year 2013/2014. The assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and the assessment rate established in the budget for fiscal year 2013/2014.



PART I — PLANS AND SPECIFICATIONS

The boundaries of the District are coterminous with the McKinleyville CSD boundaries. The purpose of this District is to provide a stable revenue source, coupled with available grants and donations from other sources, to fund the ongoing operation, maintenance, expansion, enhancement, construction, renovation and rehabilitation of the McKinleyville CSD park and recreational improvements including parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities (collectively referred to as “Improvements”) that provide special benefits to properties within the CSD, including incidental expenses and debt services for any bond(s), loans or other repayment plans incurred to finance capital improvements.

Improvements Authorized by the 1972 Act

The 1972 Act permits assessments proceeds to be spent on the following:

- The installation or planting of landscaping.
- The installation or construction of statuary, fountains, and other ornamental structures and facilities.
- The installation or construction of public lighting facilities.
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof, including, but not limited to, grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities.
- The installation of park or recreational improvements, including, but not limited to, all of the following:
 - Land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks, and drainage.
 - Lights, playground equipment, play courts, and public restrooms.
- The maintenance or servicing, or both, of any of the foregoing.
- The acquisition of land for park, recreational, or open-space purposes.
- The acquisition of any existing improvement otherwise authorized pursuant to this section.
- The acquisition or construction of any community center, municipal auditorium or hall, or similar public facility for the indoor presentation of performances, shows, stage productions, fairs, conventions, exhibitions, pageants, meetings, parties, or other group events, activities, or functions, whether those events, activities, or functions are public or private.
- Incidental expenses associated with the improvements including, but not limited to:
 - The cost of preparation of the report, including plans, specifications, estimates, diagram, and assessment;
 - The costs of printing, advertising, and the publishing, posting and mailing of notices;
 - Compensation payable to the County for collection of assessments;



- Compensation of any engineer or attorney employed to render services;
 - Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - Any expenses incidental to the issuance of bonds or notes pursuant to Section 22662.5.
 - Costs associated with any elections held for the approval of a new or increased assessment.
- Where the cost of improvements (other than maintenance and operations) is greater than can be conveniently raised from a single annual assessment, the 1972 Act permits an assessment to be levied and collected in annual installments. In that event, the governing body may choose to do any of the following:
- Provide for the accumulation of the moneys in an improvement fund until there are sufficient moneys to pay all or part of the cost of the improvements.
 - Provide for a temporary advance to the improvement fund from any available and unencumbered funds of the local agency to pay all or part of the cost of the improvements and collect those advanced moneys from the annual installments collected through the assessments.
 - Borrow an amount necessary to finance the estimated cost of the proposed improvements. The amount borrowed, including amounts for bonds issued to finance the estimated cost of the proposed improvements.

District Improvements

The District assessments will fully or partially fund various improvements and activities that specially benefit properties within the District. It is the goal and intent for this District to provide a stable revenue source that will allow the McKinleyville CSD to partially fund the on-going maintenance of the various park and recreational facilities for the community and endeavors to improve the overall park and recreational system that directly affect the properties and quality of life for residents, tenants, employees and owners of properties within the CSD. To the full extent permitted by the 1972 Act, the improvements, projects and expenditures to be funded by the assessments may include:

- **Operation and Maintenance:** operation and maintenance of park and recreational improvements throughout the District.
- **Acquisitions:** The acquisition of land or facilities for park or recreational purposes.
- **Resource Development:** The construction, installation and/or expansion of various park sites, trails, open spaces, halls/activity centers ("community centers") and related recreational facilities within the District.
- **Facility Enhancements/Rehabilitation:** Periodic repairs and renovations of recreational sites and facilities (parks, trails, community centers) including but not limited signage, playground and tot-lot equipment; sports field fencing; portable soccer goals; ball fields; tennis courts; basketball courts; sports facility lighting; parking facilities; restrooms, kitchens and related equipment and amenities such electrical, irrigation and drainage systems, tables benches, etc.



- **Capital Improvements:** Major repairs of recreational buildings and facilities that may include repair or replacement roofs, interior building repairs, replacement of permanent fixtures, structural repairs, internal building remodels, as well as the construction and installation of new facilities.

Based on current facility needs and planned capital improvement projects (park and recreational enhancements), an estimated annual budget for fiscal year 2013/2014 has been developed for the overall McKinleyville CSD park and recreation improvement program, which has been prioritized based on the overall impact each improvement or facility will have on the overall park and recreational system within the CSD, and the timing and availability of any outside revenues that may be utilized to offset certain costs. Based on this budget, revenues collected through the annual assessments will be apportioned approximately thirty-one percent (31%) for park and sports complex maintenance; twenty-six percent (26%) for hall/activity center operation and maintenance; eleven percent (11%) for trail and open space maintenance; twenty-four percent (24%) for capital improvement projects; and eight percent (8%) for incidental expenses including administration and fees. However, it is likely this apportionment of assessment revenues may be altered over the proposed twenty-year duration of the District and may even be adjusted during the course of fiscal year 2013/2014 based on changing needs.

A summary of the improvements that have been identified by the CSD as planned park and recreational maintenance and/or enhancements that will be funded in whole or in part through the District assessments is provided below, as well as in Appendix A. Specific details regarding these improvements and projects are on file in the Office of the McKinleyville CSD District Manager and by reference these documents are made part of this Report.

Improvements to be maintained in whole or in part by District assessments for fiscal year 2013/2014 may include, but are not limited to:

- Maintenance, servicing and operation of existing parks and park facilities, including:
 - Landscape Maintenance of approximately 91,571 square feet of irrigated turf in Pierson Park, 75,000 square feet within Hiller Park West, and 498,112 square feet within the Hiller Sports Complex.
 - Landscape Maintenance of approximately thirty-five (35) acres of non-irrigated/natural vegetation within Hiller Park West.
 - Maintenance of eight (8) sports fields within the Hiller Sports Complex.
 - Maintenance of approximately 17,157 square feet of parking lot area within Pierson Park, 9,770 square feet within Hiller Park West, and 35,000 square feet within the Hiller Sports Complex.
 - Maintenance and operation of approximately 2 restroom facilities each, within Pierson Park, Hiller Park West, and the Hiller Sports Complex.
 - Maintenance of 4 playground structures within Pierson Park, and 3 playground structures within Hiller Park West.
- Operation, servicing and maintenance of existing halls/activity centers including:
 - Azalea Hall: including maintenance of approximately 200 square feet of landscaping area; 13,800 square feet of parking lot area maintenance; and operation and maintenance of an approximately 9,500 square foot hall, including men and women restroom facilities, commercial sized-kitchen, 3,000 square foot hall available as



reception area, stage, storage for social events. Azalea Hall is located along Pickett Road, within Pierson Park.

- McKinleyville Activity Center (“MAC”): including maintenance of approximately 19,174 square feet of landscaping and parking lot areas; operation and maintenance of an approximately 10,000 square foot hall, including men and women restroom facilities; and operation and maintenance of a 7,000 square foot gym, office, and storage space. MAC is located along Gwin Road within Pierson Park.
- Maintenance of existing trails:
 - Landscaping and trail maintenance of approximately 7,000 feet of trails, including maintenance/repairs to trails, benches, and asphalt.
- Maintenance of existing open space, including:
 - Hewitt Ranch: Landscaping and maintenance of open space area.
- Acquisition and/or development and construction of a Teen/Family Center.
- Operation and maintenance of future park and recreational facilities, including the Teen/Family Center and other park or recreational facilities that may be acquired or developed over the duration of the District assessments.

The improvements listed above are inclusive of the improvements and facilities identified in the Engineer’s Report prepared in connection with the formation of the District, and no significant changes are proposed or anticipated for fiscal year 2013/2014.



PART II — METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of park and recreational facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The method of apportionment described in this Report for allocation of special benefit assessments utilizes commonly accepted engineering practices and is the same method of apportionment utilized and established when the District was formed. The formulas used for calculating assessments reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion costs based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Article XIII D of the California Constitution.

Proposition 218 Benefit Analysis

The costs of the proposed improvements have been identified and allocated to properties within the District based on special benefit. The improvements to be provided by this District and for which properties will be assessed have been identified as essential recreational objectives for the CSD, which the property owners and residents have expressed a high level of support.

The District was formed to provide an overall park and recreational enhancement program that affects and will directly benefit all parcels to be assessed within the District. The assessments and method of apportionment is based on the premise that the assessments will be used for the annual maintenance, as well as expansion and enhancement of the CSD’s park and recreation system, and the revenues generated over the duration of the District will be used for park and recreational facilities throughout the District.

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2i defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”



Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

The method of apportionment (method of assessment) set forth in the Report is based on the premise that each assessed property receives special benefits from local park and recreational improvements that are funded by the assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as compared to other properties that receive special benefits.

To identify and determine the proportional special benefit to each parcel within the District, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District. The various public improvements and the associated costs have been identified as either “general benefit” (not assessed) or “special benefit”.

Benefit Analysis

General Benefits

Assessments are established on the basis of calculated proportional special benefit to properties within a district. Because general benefits are not assessable, the general benefit costs are excluded from the assessment calculation. With respect to this District, although the various McKinleyville CSD park and recreational improvements including designated parks, wilderness parklands, open space, trails, sports facilities, recreation and activity centers and facilities that will be maintained, expanded and/or enhanced through the District's assessment revenues are located throughout the CSD and clearly provide a special benefit to properties within the District, it is also recognized that these are public facilities that will occasionally be utilized by the general public and may even be in proximity to some properties outside the District boundaries that are not assessed. The fact that these improvements and facilities are available to the general public would suggest that at least a portion of the cost to provide the improvements is of general benefit.

When the District was formed in fiscal year 2011/2012 a detailed review and analysis of the improvements and surrounding properties revealed that all properties within the District boundaries were located within two and a half miles (2½ miles) of an existing park, wilderness parkland, open space, trail, sports facility, recreation and activity center and other facilities provided by the CSD, which is well within the broader 3-4 mile sphere of influence commonly associated with such improvements. This analysis revealed that properties within the broader 3-4 mile area, but outside the 2½ mile service area associated with District parcels was predominately undeveloped land consisting of agricultural, timber,



mining and open space properties. So, based on this information, it was reasonable to conclude that the improvements and facilities serve primarily the 2½ mile service area.

Within the 2½ mile service area, there were approximately 6,715 parcels of which, 5,638 parcels or eighty-four percent (84%) were identified in fiscal year 2011/2012 as being within the boundaries of the District, comprising roughly 12,140 acres of land. The remaining parcels (those parcels outside the District) represented approximately forty-two percent (42%) of the total acreage within the identified 2½ mile service area (approximately 8,800 acres of land). However, this area outside the District boundaries, but within the 2½ mile service area is, largely comprised of agricultural, timber production and gravel mining properties (approximately 6,835 acres or 78% of that total area) and these properties clearly have very limited direct utilization or need for the District improvements. In addition, approximately 575 acres, (6.5% of the total acreage outside the District, but within the 2½ mile service area), is identified as open space/public areas which offer similar recreational opportunities to the properties outside the District. The remaining developed properties (residential and non-residential) located outside of the District boundaries (approximately 1,390 acres) represent the equivalent of approximately six percent (6%) of the total developed residential and non-residential properties within the overall 2½ mile service area. While many of these parcels are likely served more directly by park and recreational facilities outside of the CSD, these properties have proximity to the improvements associated with the District and it can be assumed that the owners, residents and employees of these parcels may occasionally utilize or reasonably have access to the improvements within the CSD. These overall statistics have not changed significantly since fiscal year 2011/2012 and therefore, it was and still is, reasonable to assume that six percent (6%) of the total cost to provide the improvements is non-assessable and of general benefit.

In quantifying other general benefit considerations, it is more difficult to quantify benefits to people living and working outside of the 2½ mile service area (benefits to the general public). While the parks, trails and open space areas, and, to a lesser extent the community centers, are certainly available and may be utilized by the general public, the overall McKinleyville CSD area is clearly considered a rural area and not typically a destination point for tourism and travel. This observation is supported by the limited amount of non-residential development (commercial enterprises) in the area, comprising less than three percent (3%) of the parcels within the District and represents less than 4% of the acreage, of which less than 10% have been identified as travel related business (i.e. hotels, motels and service stations). As such, it is reasonable to conclude that the District improvements provide very limited general benefit to the public at large, statistically, less than 0.4% of the total acreage (10% of the 4%) and less than 0.3% of the total parcels (10% of the 3%). Based on this analysis, conservatively, the general benefit to the public at large is certainly no greater than four percent (4%) of the cost to provide the improvements. Therefore based on the preceding analysis, collectively, the benefit to properties outside the District and to the public at large represents no more than ten percent (10%) of the total cost to provide the improvements.



As noted above, the District improvements clearly provide some measure of general benefit to properties outside the District and to the public at large, but it is also recognized that park and recreational improvements inherently provide general benefit to properties and people within the District. While much of the benefits to people are more directly tied to Recreational Programs (which are not part of the funding provided by the District or contemplated by this Report), the park and recreational facilities themselves provide general benefits to properties and people within the District such as:

- ❖ Health, social and self-improvement benefits derived from utilizing the facilities;
- ❖ Increased social opportunities and active involvement for children, teens and senior citizens;
- ❖ Group participation, character building, mentoring, and coaching for the youth in the community, that provides a positive atmosphere and reduces idle time that might otherwise result in criminal activities;
- ❖ Family and group activities that help to strengthen family value and reduce ethnic and social tensions.

These indirect benefits may be considered more general than special, but are difficult to measure quantitatively. The need for, and the utility of, park and recreational improvements is created by the development of residential and non-residential land uses. The facilities extend the utility of concentrated land development, such as occurs in the McKinleyville CSD (which is an island of developed land uses largely surrounded by large areas of undeveloped land). Benefits to people are largely secondary benefits created by the primary benefits of increased recreational access of more concentrated developments and conservatively, it is estimated that no more than one-third (33%) of the cost to provide and maintain such improvements is attributable or considered a general benefit to properties and people within the District.

Based on the preceding discussion, collectively, it has been determined that approximately forty-three percent (43%) of the costs to provide the District improvements is attributable to general benefit, but for purposes of establishing proportional special benefit costs, it was established at the time of the District formation in fiscal year 2011/2012 and this Report assumes a more conservative approximation of general benefit to be fifty percent (50%) or half of the total annual cost to provide the improvements.

Special Benefit

McKinleyville CSD's recreational system (parks, wilderness parkland, trails, community centers, and recreational facilities and equipment) provide properties within the District the special benefit of nearby access to recreational facilities and spaces which are too specialized and/or large to be maintained within the individual properties and would be cost prohibitive to include within individual property development, including:

- ❖ Exercise facilities/space such as sports complexes, parkland areas and trails not typically found on individual parcels.



- ❖ Substantial outdoor areas increase the available recreational space and outdoor facilities, (picnic areas, playground equipment, open turf areas, sports fields and full size courts, etc.), that are typically limited on individual parcels.
- ❖ Facilities (activity centers, parks) available for large gatherings, meetings and community events that could otherwise not be accommodated by the individual properties.

These facilities expand the use of each property within the CSD by providing these properties with access to desirable recreational facilities beyond those that can conveniently be included on a home or businesses lot. The common-use development of these facilities by the CSD, frees property-owners from the burden of having to provide extensive privately owned recreation facilities or having a property that lacks access to such facilities. The availability and proximity of the facilities is a distinct special benefit to the assessed parcels because the assessed parcels, unlike most parcels outside the District are within the immediate service area of the facilities and can easily use the facilities as a substitute for (and enhancement of) recreational facilities that would otherwise need to be provided on the parcel (or simply foregone). Because each assessed parcel is within the service area of the improvements and facilities offered by the McKinleyville CSD, these park and recreation improvements are like an extension of the front and back lawns of the parcels. They are not remote, but available for frequent and everyday use with minimal travel. We estimate this special benefit to represent at least half (1/2) of the total benefits created by the facilities.

Assessment Methodology

The method of apportionment (method of assessment) developed for this District is based on the premise that each of the property to be assessed receives a direct and special benefit from the improvements and recreational facilities to be financed by the District assessments.

To assess benefits equitably it is necessary to calculate each property's relative share of the special benefits conferred by the funded service. The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The special benefit received by each lot or parcel is equated to the overall land use of parcels within the District based on the parcel's actual land use or proposed development. All costs associated with the improvements are distributed among the parcels based upon a calculation of the proportional special benefit received by each parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the use and relative characteristics of each property as compared to other parcels that benefit from those specific improvements.

The Equivalent Benefit Unit (EBU) method of assessment apportionment establishes a basic unit (base value) of benefit and then calculates the benefit derived by each assessed parcel as a multiple (or a fraction) of the basic unit.

For the purposes of this Engineer's Report, an EBU is the quantum of benefit derived from the funded programs and facilities by a single family residential parcel or unit. Thus, the "benchmark" property (the single family residential parcel/unit) derives one (1.0) EBU of benefit. All other land uses are proportionately weighted (assigned an EBU) based on an assessment formula that equates the property's specific development to that of the benchmark property (single-family residential unit). This proportional weighting may be based on several factors that may include, but are not limited to: the type and status of development (land use), size of the property, development plans or restrictions, typical development densities, population densities



or other property related factors. Generally for most districts the calculation of each parcel's proportional special benefit can be reasonably determined by applying one or more of these factors.

Based on an overall evaluation of the properties within the District and the proposed annual cost of providing the improvements, it has been determined that several key property related factors should be considered in the determination of the proportional special benefit of each parcel. These factors include: the various land uses within the District and the relative size (units or acreage) of each parcel. The following discussion provides a summary of these factors and basis upon which each property's proportional special benefit and EBU has been determined.

Residential Property (Developed) — This land use is defined as fully developed residential property which includes single-family residential properties, mobile/manufactured residential properties, apartments, duplexes, and triplexes or other multi-family residential developments. For purposes of establishing equivalent benefit units for all other land uses in this District, the residential land use is designated as the basic unit of assessment and is assigned a land use benefit of 1.0 EBU per residential unit. Convalescent and long term-care facilities (of which there is currently one in the District), will be classified as residential land use, however, this unique residential property will be assigned 0.5 EBU per bed to reflect the quasi-residential nature/use of the property and the fact that a bed represents a smaller increment of measure (both in size and population) than a residential unit.

Non-Residential/Commercial Property (Developed) — This land use is defined as a developed property with structures that are used or may be used for non-residential purposes, whether those structures are occupied or not. This land use does not include parcels for which the primary use of the property is considered residential. This land use classification includes all types of non-residential uses and commercial enterprises including but not limited to, commercial retail; food services; shopping centers; office buildings, and professional buildings, churches, as well as industrial properties including warehousing and manufacturing. This land use classification also includes any parcel that may incorporate a single residential unit, but is also used in whole or in part for commercial purposes.

Based on the average development densities for residential properties in the District, (the average single-family residential property being approximately 1.06 units per Acre), it is reasonable to assume that non-residential properties if developed as residential, would have resulted in approximately 1.00 benefit unit per Acre. Therefore, it has been determined that assigning this land use classification 1.0 EBU per gross acre provides a proportional representation of benefit for this land use type with some limitations:

- ❖ Because each non-residential parcel typically represents a separate and independent commercial enterprise or business, parcels less than one acre shall be assigned 1.0 EBU (minimum EBU).
- ❖ It is also recognized that larger non-residential properties typically have portions of the property that have less intense use/development (such as parking areas, private landscaped areas, outdoor storage, areas with development restrictions etc.) and it is reasonable to assume that the benefit derived from the Improvements does not necessarily increase by the same proportion as the size of property.

As such, parcels identified as Non-Residential Property shall be assigned 1.00 EBU for the first two (2) acres with a minimum of 1.00 EBU assignment; 0.5 EBU per Acre for the next two (2) acres (acreage between 2 and 4 Acres); 0.25 EBU per Acre for the following



two (2) acres (acreage between 4 and 6 acres), 0.125 EBU per Acre for the next two (2) acres (acreage between 6 and 8 acres), and 0.00 EBU per Acre for acreage above eight (8) acres. Further, for commercial properties providing private recreation, such as golf properties, the acreage of outdoor recreation space (such as the golf course itself) will be excluded from the calculation of assessable acreage.

Vacant Property — This land use is defined as undeveloped property. Such parcels benefit from the existence of the funded facilities because park and recreational improvements improve the potential development of such parcels. Recognizing this benefit to property, but also its immediate need for such improvements, each Vacant Property is assigned 1/3 of an EBU per parcel (\$10.00 per parcel).

Exempt Property — This land use identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include but is not limited to:

- ❖ Lots or parcels identified as public streets and other roadways (typically not assigned an APN by the County);
- ❖ Dedicated public easements including open space areas, utility rights-of-way, greenbelts, parkways, parks or other publicly owned properties that are part of the District improvements or may provide similar or other public services or benefits to private properties within the District; and
- ❖ Private properties that cannot be developed independently from an adjacent property, such as common areas, sliver parcels or bifurcated lots or properties with very restrictive development use;

Because these properties either provide a public service that is comparable to public recreation or are dependent on another property or development, these types of parcels have no direct need for public recreational facilities and are considered to receive little or no special benefit from the improvements. Therefore these properties are exempted from assessment, but shall be reviewed annually by the assessment engineer to confirm the parcels current development status.

Government owned properties, quasi-government entity owned properties, or public properties (collectively referred to as “Public Property”) are not necessarily exempt properties and will be allocated special benefit unless the parcel otherwise qualifies for exempt status. The proportional special benefit and resulting assessment obligation for such parcels will be calculated as if the parcel were not Public Property. However, because Public Property, often is identified by the County as non-taxable (tax bills are not generated on the regular tax rolls), the McKinleyville CSD will provide a contribution from other available revenue sources to pay those assessments.

The following table provides a summary of each land use described above and related EBU's. The determination of each parcel's land use and property characteristics shall be based on the data available from the most recent Humboldt County Assessor's Secured Roll, or as identified by the McKinleyville CSD, if the information is different than that provided by the Humboldt County Assessor's Office.



Land Use Description	Assessment Formula	No. of Parcels	EBU Units
Residential	1.000 EBU per Unit 0.500 EBU per Bed ⁽¹⁾ Residential Total	4,841 <u>1</u> 4,842	6,572.00 <u>28.00</u> 6,600.00
Non-Residential (Commercial)	1.000 EBU per Acre for first 2 Acres (minimum 1 EBU per parcel); 0.500 EBU per Acre for next 2 acres (between 2 and 4 acres); 0.250 EBU per Acre for next 2 acres (acreage between 4 and 6 Acres); 0.125 EBU per Acre for next 2 acres (acreage between 6 and 8 Acres); 0.000 EBU per Acre for Remaining Acres (acreage exceeding 8 acres)	154	224.72
Vacant	(1/3) EBU per Parcel (0.333 EBU)	608	202.65
Exempt	0.000 EBU per Parcel	66	0.00
Totals ⁽²⁾		5,670	7,027.36

(1) For fiscal year 2013/2014 there is one parcel in the District identified as a Convalescent/long term-care facility, and this residential property although classified as a Residential Property, is assigned 0.5 EBU per bed for a total of 28.00 EBU (refer to method of apportionment).

(2) Of the total 5,670 parcels in the District representing a total of 7,027.36 EBU, in addition to the 66 parcels identified as exempt, there are 59 parcels representing a total of 41.66 EBU that are currently identified as non-taxable properties by the County (Properties typically owned by government agencies). Because the proportional special benefit obligation for these parcels cannot be collected on the tax rolls, the CSD will annually pay from its general fund an amount equal to the assessment obligation that would otherwise accrue to these non-taxable parcels. Therefore, there are currently a total of 5,545 parcels representing 6,985.70 EBUS that are proposed to be applied to the tax rolls for fiscal year 2013/2014.

The total assessment amount for each parcel in the District will be collected on the County tax rolls pursuant to the 1972 Act. The amount that may be collected annually cannot exceed the amount that may be levied at the Maximum Assessment Rate, which was presented to property owners of record in a balloting process.



PART III — BUDGET

Description of Budget Items

The following provides a brief description of the various line items on the District Budget that follows:

Expenditures:

Operation and Maintenance: The estimated annual costs associated with the operation and maintenance of the improvements, including, maintenance wages and supplies.

Capital Improvements: An estimate of funds required annually for costs associated with the design, construction of the Teen/Family Center, as well as costs of major rehabilitation projects of existing facilities. These funds may be used for debt service or to build a reserve for projects to occur over the life of the assessment.

Incidental Expenses: The estimated annual costs related to administration of the assessment, such as contracting with professionals to provide legal, or engineering services for preparation of the annual report and resolutions; conducting noticing or balloting; creation and submission of the annual levy; County Fees for the collection of assessments; and similar administrative costs.

Revenues:

General Benefit Funding: These are funds to be contributed by the McKinleyville CSD for the portion of the District Budget determined to be General Benefit. These funds are from revenue sources available to the CSD other than the Measure B Maintenance Assessment District assessments.

Additional Funding From Sources Other Than Assessment: Additional funds contributed by the McKinleyville CSD from other available revenue sources that are necessary to meet the difference between the annual expenditures and revenues supported by the General Benefit Obligation and the Measure B assessments.

Measure B Special Benefit Assessments: The proportional special benefit obligation and proposed annual assessment revenue calculated for the Measure B Maintenance Assessment District. This amount divided by the Total Equivalent Benefit Units calculated for all benefiting parcels (7,027.36 EBU) establishes the proposed maximum annual assessment rate ("Assessment Rate per EBU") of \$30.00.

Non-Taxable Property Adjustment: Funds to be contributed by the McKinleyville CSD from other revenue sources to pay the calculated assessment obligation for benefiting non-taxable parcels. As noted previously, 59 parcels representing 41.66 EBU are currently identified as non-taxable parcels and the assessments for these parcels (\$1,250.00) cannot be collected on the tax rolls. Therefore, in addition to other contributions, the CSD will annually pay the assessment obligation for the identified non-taxable parcels that receive special benefits.



District Budget

The following Budget shows the full estimated annual cost of the improvements and facilities for fiscal year 2013/2014 that will be partially funded with the assessment. The total special benefit assessment amount to be collected for the improvements is based on the following budget information and results in a total annual assessment obligation of \$210,821.45 at an assessment rate of \$30.00 per Equivalent Benefit Unit based on 7,027.36 EBU, of which \$209,571.45 (6,985.70 EBU) is proposed to be collected on the County tax rolls based on current property information:

Expenditures:

<i>Pierson Park</i>	\$ 50,000
<i>Hiller Park West</i>	36,500
<i>Hiller Sports Complex</i>	83,000
<i>Larissa Park</i>	11,500
<i>Azalea Hall</i>	73,000
<i>McKinleyville Activity Center</i>	76,400
<i>Trails</i>	57,000
<i>Open Space</i>	9,500
<i>Future Parks & Facilities (including Teen/Family Center) ⁽¹⁾</i>	33,000
Operation and Maintenance Sub-total:	\$ 429,900
Capital Improvements ⁽¹⁾	122,000
Total Program Budget	\$ 551,900
Incidental Expenses	16,814
Total Annual Expenditures:	\$ 568,714

Revenues:

General Benefit Obligation	\$284,357
Additional Non-Assessed Funding ⁽²⁾	75,617
Non-Assessment Revenue Sub-total:	\$ 359,974
Total Measure B Special Benefit Assessments	208,740
Total Annual Revenues:	\$ 568,714

(1) Once the Teen/Family Center is constructed, it is anticipated that maintenance & operation of Teen/Family Center will cost approximately \$33,000 per year. In each year prior to the construction of the Teen/Family Center, the \$33,000 allocated towards maintenance & operation of future improvement will be applied to the funds collected for capital improvements.

(2) Additional Funding from sources other than assessments, necessary to fund the annual expenses above those identified as General Benefit funding.

(3) Includes \$1,250.00 contribution from MCSD general fund to cover amount that would otherwise be assessed against 59 non-taxable parcels representing 41.66 EBU's.



Assessment Calculations

Applying the method of apportionment outlined in Part II of this Report and the budget estimates for fiscal year 2013/2014 results in the following calculation of assessments:

$$\text{\$210,821} / \text{210,821.45 EBU's} = \text{\$30.00 per EBU}$$

Therefore, a single benefit unit or the Annual Assessment Rate for fiscal year 2013/2014 (Applicable to a typical Residential Dwelling Unit) will be \$30.00.

Assessment Summary

Total Measure B Special Benefit Assessments		\$ 210,821.45
Total Equivalent Benefit Units	÷	7,027.36
Assessment Rate per EBU		\$ 30.00

Assessment Breakdown of Non-Taxable Properties

EBU of Non-Taxable Properties		41.66
Assessment Rate per EBU	x \$	30.00
Non-Taxable Property Adjustment ⁽¹⁾		\$ 1,250.00

(1) This amount represents the calculated special benefit assessment for the parcels identified as non-taxable. This amount shall be paid by a contribution from McKinleyville CSD general fund.

Assessment Breakdown of Taxable Properties

Total Equivalent Benefit Units		7,027.36
EBU of Non-Taxable Properties	-	41.66
Equivalent Benefit Units Levied on Tax Rolls		6,985.70
Assessment Rate per EBU	x \$	30.00
Balance to be collected on Tax Rolls		\$ 209,571.45

Therefore, the anticipated annual assessment revenue to be collected on the tax rolls is approximately \$209,571.45.

$$\text{6,985.70 EBU's} \times \text{\$30.00 per EBU} = \text{\$209,571.45}$$



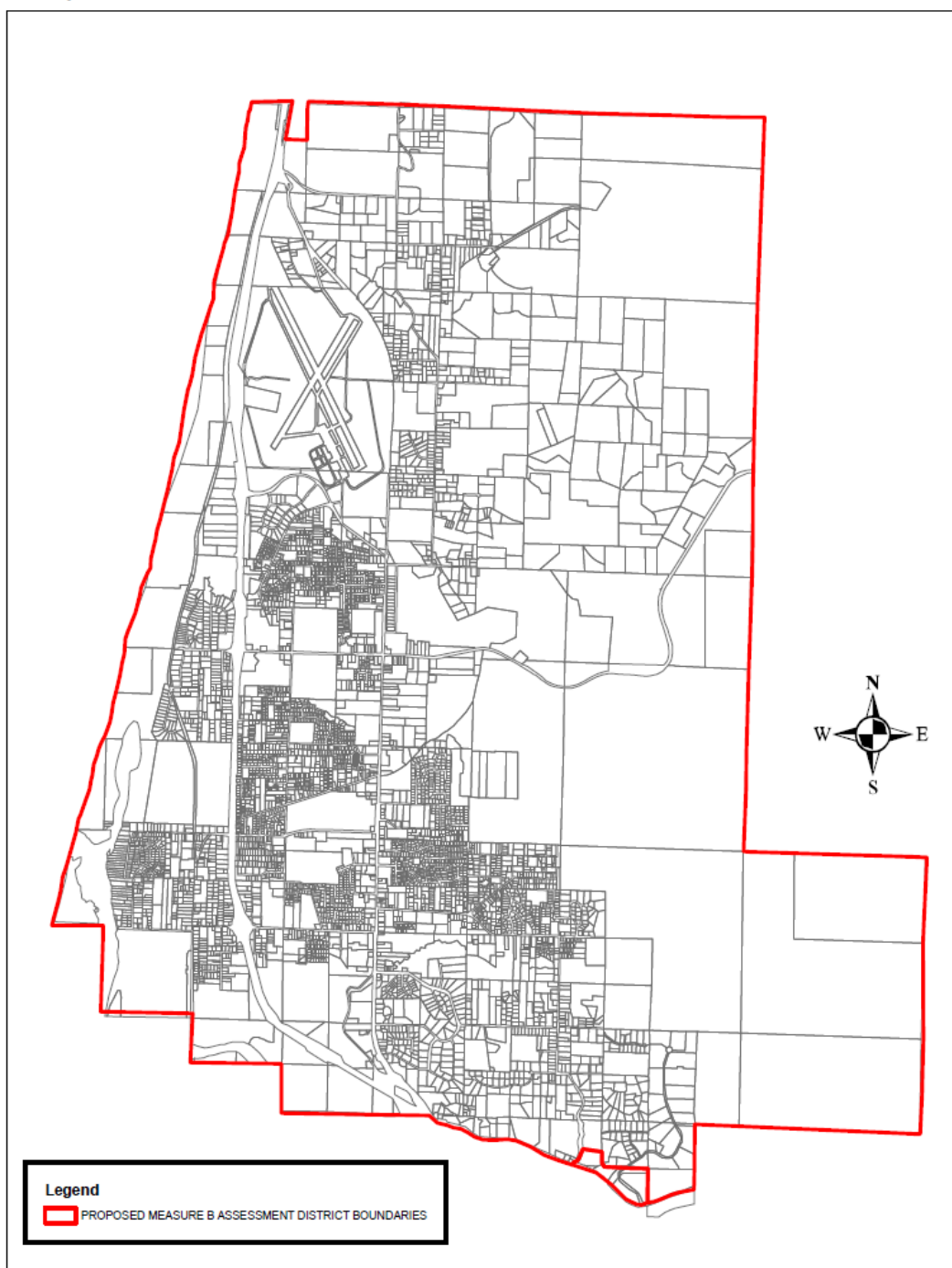
PART IV — DISTRICT DIAGRAM

The following is a Diagram showing the boundaries of the McKinleyville Community Services District Measure B Maintenance Assessment District — Renewal for Parks, Open Space, and Recreational Facilities, which is coterminous with the McKinleyville CSD boundaries. The dimensions of all lots, parcels and subdivisions of land within the District are the same as the lines and dimensions of the parcels shown on the Humboldt County Assessor's Parcel Maps (APN Maps) and by reference these Maps are made part of this Report and Assessment Diagram as they existed at the time of the passage of the Resolution of Intention. Each of the subdivisions of land, parcels, or lots on the Assessment Diagram subject to the annual assessment are identified by an Assessor's parcel Number (APN) by the Humboldt County Assessor's and these APN's corresponds with the assessment number shown on the Assessment Roll (Part V of this Report).

The Boundary Map and Assessment Diagram in a reduced-scale format follows.



McKinleyville CSD Proposed Boundaries of Measure B Assessment District





PART V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District, shall be the parcel as shown on the Humboldt County Secured Roll for the year in which the Report is prepared and reflective of the Assessor's Parcel Maps. A complete listing of all parcels within this District, along with each parcel's assessment amount to be levied for fiscal year 2011/2012 is provided under Appendix B ("Proposed Annual Assessments"). These assessments shall be submitted to the County Auditor/Controller to be included on the property tax roll for each parcel within the District for fiscal year 2013/2014. If any parcel submitted for collection is identified by the County Auditor/Controller to be an invalid parcel number for the fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be recalculated based on the parcel's land use, the method of apportionment and assessment rates as approved herein by the McKinleyville CSD Board of Directors.



APPENDIX A: TOTAL PROGRAM BUDGET DETAIL

Below is the Total Program Budget, a portion of which will be funded by the Measure B Assessment District assessments, with the remainder being funded by other revenue sources.

Improvement Expenditure Detail

	Maintenance Wages	Maintenance Supplies	Planned Capital Improvement Funding	Totals
PARK ENHANCEMENTS				
Pierson Park	\$ 45,000	\$ 5,000	\$ -	\$ 50,000
Hiller Park West	35,000	1,500	-	36,500
Hiller Sports Complex	75,000	8,000	-	83,000
Larissa Park	10,000	1,500	-	11,500
subtotal:	\$ 165,000	\$ 16,000	\$ -	\$ 181,000
HALLS/ACTIVITY CENTERS				
Azalea Hall	\$ 65,000	\$ 8,000	\$ -	\$ 73,000
McKinleyville Activity Center	72,000	4,400	-	76,400
subtotal:	\$ 137,000	\$ 12,400	\$ -	\$ 149,400
TRAILS				
School Road Trail	\$ 10,000	\$ 1,000	\$ -	\$ 11,000
Hiller Loop Trail	40,000	1,000	-	41,000
Other Trails	5,000	-	-	5,000
subtotal:	\$ 55,000	\$ 2,000	\$ -	\$ 57,000
OPEN SPACE				
Hewitt Ranch	\$ 8,000	\$ 1,500	\$ -	\$ 9,500
subtotal:	\$ 8,000	\$ 1,500	\$ -	\$ 9,500
FUTURE PARKS & FACILITIES ⁽¹⁾				
Renovations/Rehabilitation Projects	\$ -	\$ -	\$ 26,725	\$ 26,725
Teen/Family Center ⁽²⁾	30,000	3,000	95,275	128,275
subtotal:	\$ 30,000	\$ 3,000	\$ 122,000	\$ 155,000
Grand Totals:	\$ 395,000	\$ 34,900	\$ 122,000	\$ 551,900

(1) Capital Improvements includes expenses including the repayment of any future debt service issued and/or loan(s) utilized to finance the acquisition, construction, operation and maintenance (wages and/or supplies) of future District facilities, including, but not limited, to future parks and recreational facilities, the Teen/Family Center.

(2) Once the Teen/Family Center is constructed, it is anticipated that maintenance & operation of Teen/Family Center will cost approximately \$33,000 per year. In each year prior to the construction of the future improvements, the \$33,000 allocated towards maintenance & operation of future improvement is anticipated to be applied to increasing the \$122,000 budgeted and annually accumulated for capital improvement costs.

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **ACTION**

ITEM: E.4. Consider Resolution 2013-06 to change the Public Employees Retirement Benefit pre-tax contributions for new employees.

PRESENTED BY: Greg Orsini, Interim General Manager

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends that the Board review changes to the percentage of District paid employee contribution to PERS as per the Public Employees' Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement Law (PERL) amendments in Assembly Bill (AB) 340, passed by the California Legislature on August 31, 2012, and signed by the Governor on September 12, 2012, take public comment, recommend edits if any, provide staff with direction and accept Resolution 2013-06.

Discussion:

Section 414(h)(2) of the Internal Revenue Code (IRC) deals with the pick-up of contributions by an employer. Specifically, the Section provides contributions, made under a plan (a government plan) that are picked-up by the employing unit, such contributions are treated as employer contributions. As a result, the contributions are made pre-tax and exempt from income tax requirements until distributed to the employee. The contributions, however, continue to be subject to FICA taxes.

Board approval of Resolution 2013-06 will allow employees hired after January 2013 to have their PERS member contributions deducted pre-tax and put MCSD in compliance with current legislation until a time when it is appropriate for new employee benefits package to be negotiated. This Resolution will require employees hired after January 1, 2013 to contribute 6.25% of their PERS benefit. This is subject to change annually dictated by PERS.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

No fiscal impact at this time.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Resolution 2013-06 – Resolution of MCSD to Tax Defer Member Paid Contributions-IRC 414(h)(2) Employer pick up

RESOLUTION 2013-06

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT TO TAX DEFER MEMBER PAID CONTRIBUTIONS-IRC 414(h)(2) EMPLOYER PICK UP

WHEREAS, the governing body of the McKinleyville Community Services District has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the McKinleyville Community Services has determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to all employees hired after January 1, 2013 who are members of the California Public Employees' Retirement System:

NOW, THEREFORE, BE IT RESOLVED:

- I. That the McKinleyville Community Services District will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code Section 20691 to the California Public Employees' Retirement System on behalf of all its employees or all its employees in a recognized group or class of employment who are members of the California Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.
- II. That the contributions made by the McKinleyville Community Services District to the California Public Employees' Retirement System, although designated as employee contributions, are being paid by the McKinleyville Community Services District in lieu of contributions by the employees who are members of the California Public Employees' Retirement System.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the McKinleyville Community Services District to the California Public Employees' Retirement System.
- IV. That the McKinleyville Community Services District shall pay to the California Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.
- V. That the amount of the contributions designated as employee contributions and paid by the McKinleyville Community Services District to the California Public Employees'

Retirement System on behalf of an employee shall be the entire contribution required of the employee by the California Public Employees' Retirement Law (California Government Code Sections 2000, et seq.).

- VI. That the contributions designated as employee contributions made by the McKinleyville Community Services District to the California Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the California Public Employees' Retirement System.

PASSED AND ADOPTED by the governing body of the McKinleyville Community Services District on this day February 13, 2013 by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dennis Mayo, Board President

Attest:

Kathy A. Wilson, Board Secretary

Return Address:

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.5 **Discussion of the Draft Capital Improvement Plan for the Parks & General Fund, Fiscal Year Ending June 30, 2014**

PRESENTED BY: **Colleen Trask**

TYPE OF ACTION: **None**

Recommendation:

Review information provided and contact MCSD staff with any questions or clarification that you may have.

Discussion:

Attached is the draft of the Fiscal Year 2013-2014 Capital Improvement Program (CIP) covering the next ten fiscal years. The majority of budgeted expenditures for Parks and General fund are anticipated to be covered by assessments and user fees. The smaller projects are anticipated to be paid from operating funds. This will allow a more structured approach to future rate setting as these projects are undertaken.

The attached narrative further explains the underlying details. The Final CIP will be brought back to the Board for review and approval with the complete Fiscal Year 2013-2014 budget document in May/June 2013.

Alternatives:

Take Action

Fiscal Analysis:

See attached schedules.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Appendix A: Draft Capital Improvement Projects for the fiscal years ending June 30, 2014-2023 for Parks & General Fund
- Appendix B: Draft Budget Fiscal Year 2012-2013 CIP Narrative

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects
For the Fiscal Years Ending June 30, 2014 - 2023

		1	2	3	4	5	6	7	8	9	10
		June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
1.	Hiller Park & Sports Complex Projects										
	Totals:	0	5	5	5	5	5	6	6	6	6
2.	Pierson Park Projects										
	Totals:	0	0	0	0	0	0	0	0	0	0
3.	Azalea Hall Projects										
	Totals:	18	0	6	0	0	0	0	0	5	5
4.	McKinleyville Activity Center Projects										
	Totals:	20	5	5	5	5	15	10	6	6	6
5.	Other Park Projects & Equipment										
	Totals:	27	139	0	8	36	128	36	28	8	14
6.	Law Enforcement Facility Projects										
	Totals:	0	0	0	5	0	0	0	0	0	5
7.	McKinleyville Library Projects										
	Totals:	5	8	0	0	0	0	0	0	0	0
8.	Projects Funded With Measure B Renewal										
	Totals:	100	100	100	100	0	0	0	0	0	0
9.	Projects Contingent Upon Grant Funding										
	Totals:	0	0	0	0	0	0	0	0	0	0
10.	Projects Funded by Quimby & Other Funds										
	Totals:	30	0	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures		200	257	116	123	46	148	52	40	25	36

Appendix B

The Capital Improvement Program Parks and General Fund Fiscal Year 2013-14

MCSD's Capital Improvement Program (CIP) is a multi-year plan that identifies capital assets to be purchased or constructed during a 10-year planning horizon. Additionally, the CIP identifies the year in which the capital asset purchase or construction is anticipated as well as the amount of funds expected to be spent.

Capital assets include tangible and intangible assets used in the operations of the District and that have an initial useful life extending beyond one year (i.e. land, improvements to land, easements, buildings, vehicles, machinery, equipment, infrastructure, etc.).

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

Another primary consideration in developing the CIP is to prioritize current and future needs to fit within the anticipated level of financial resources. In this way, the CIP will also assist MCSD in reviewing and evaluating facility rentals and program fees so that MCSD can maintain cash reserves and debt capacity to insure the long-term preservation of District assets. In FY 12/13, some of the previously deferred CIP projects have been started, with costs expected to accumulate over multiple fiscal years.

During FY 11/12 the Board approved a designated funds policy which included a capital asset repair and replacement reserve. The repair and replacement reserve is designed to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. The District recognizes that the repair and replacement reserve will only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future rates.

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities is being renewed in FY12/13. As Proposition 1A made clear, the State's ability to redirect property tax revenues make that annual revenue source less secure and predictable than previously thought. The State is again in a deficit position and is looking for more local revenues to balance the State's budget. Local property tax remains one of the few only revenue sources left along with redevelopment funds and higher fees.

Capital Improvement Program Project Discussion

UTILITY VEHICLES

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. At present, the Parks Fund is planning to replace one utility truck this next fiscal year, with others being replaced later. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs.

BUILDING PROJECTS

With the successful passing of Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities, staff has begun the design for construction of a **Teen/Family center** attached to the McKinleyville Activity Center. The facility will include a large space that can be sectioned off, storage, offices, multi-purpose activity room, restrooms, and a commercial kitchen.

The parking lots at Azalea Hall and the McKinleyville Activity Center will be resurfaced in FY 13/14. The aging furnaces at Azalea Hall and at the Library are scheduled to be replaced. Staff has been awarded a matching grant to construct a covered picnic pavilion with group BBQ near the bocce ball courts at Pierson Park.

PARKS AND TRAILS PROJECTS

The implementation of Proposition 1A reduced the General Fund property tax receipts in previous years. This seriously limited the viability of future capital projects. Since that period the District has been able to build the reserves for matching funds for available parks grants.

Staff proposes to improve parking and river access on the newly acquired property purchased from Granite Construction along North Bank Road. Staff also proposes to create access and remove invasive and non-native plants and shrubs after the completion of the purchase of property at Washington and School Road from the McKinleyville Unified School District. If McKinleyville continues to grow as anticipated, other regular acquisitions of new parkland are planned throughout the 10-20 year planning horizon.

Staff has committed to greater use of MCSD's Quimby Funds, which are held in trust by the County, and will continue to pursue grant funding for new projects. These projects are in the budget, but are contingent upon successfully receiving grants.

SMALL EQUIPMENT, CONTINGENCY AND OTHER

Staff is planning on purchasing a new Saber floor scrubber for use at Azalea Hall and the McKinleyville Activity Center. Smaller and less expensive (more than \$500 but less than \$2,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated. These are considered expenditures, rather than capital assets, and will be included in the repairs/maintenance/supplies line of the Parks Budget.

Note on Appendix A – Parks & General Fund Capital Improvement Program

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

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.6. Technical, Managerial and Financial (TMF) tune-up

PRESENTED BY: James Henry, Acting Operations Director

TYPE OF ACTION: None

Recommendation:

Staff recommends that the Board review the TMF tune-up for Public Water Systems, take public comment, recommend edits if any and provide staff with direction to submit to the appropriate agency.

Discussion:

McKinleyville Community Services District prides itself on customer service and meeting the needs of each citizen by serving quality water. Our goal is to proactively seek feedback which may be used to identify areas of improvement, or simply a snapshot of how we are perceived. As you can see by the answers to the questions, the District is expecting a positive IDP due to the highly trained and certified staff along with an excellent maintenance program.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment A – Technical, Managerial and Financial (TMF) tune-up IDP



Technical, Managerial and Financial (TMF) Tune-up for Public Water Systems (PWS)

[FAQ/Help](#)**Free Training****Free Assistance**

Welcome to the TMF Tune-up!

This TMF Tune-up is intended to assist you in determining the technical, managerial, and financial (TMF) capacities of your public water system.

Upon completion of this TMF Tune-up, an individualized development plan (IDP) will be designed for your water system. This IDP will identify available training and assistance intended to increase your system's TMF capacity. The goal is to help your water system ensure that it will continue to provide safe water that meets all drinking water standards over an extended period of time.

You are encouraged to print the TMF Tune-up and review its content prior to entering your system information. The partially completed information will be saved for only 30 days.

[Printable TMF Tune-up Blank Form](#)

Please use the navigation bars at the top or bottom of the page for navigating. Do not use the Back and Forward functions on your browser's navigation tools, or your entries may be lost.

[Sign in >](#)

Drinking Water Capacity Development Program
California Department of Public Health
P.O. Box 997377, MS 7418
Sacramento, CA 95899-7377

Physical: 1616 Capitol Avenue, Sacramento, CA
Phone: (916) 449-5600 Fax: (916) 449-5656

Web: www.cdph.ca.gov/certlic/drinkingwater

For technical issues with this form, please contact
Rob Coman
Phone: (530) 754-6212
Email: rmcoman@ucdavis.edu

**TMF Tune-up
For Public Water Systems**

Form ID CD2006-1

Name of System MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

County HUMBOLDT

Name of Person Completing the Survey JAMES HENRY

Contact Phone Number 707-839-3251

PWS ID: 1210016
[This 7-digit number is available from an inspection report or from the regulating agency.]

Regulating Agency CDPH

Water System Email Address OPERATIONS@MCKINLEYVILLECSD.COM

1. What are the sources of raw water for your water system? (Check any that apply.)
- ☐ Groundwater from a well
 - ☐ Groundwater from a spring
 - ☐ Surface water (includes groundwater under the direct influence of surface water)
 - ☐ Purchased water requiring treatment
 - ☒ Purchased water from another public water system which requires no further treatment
 - ☐ Don't know
2. Does your water system have an emergency or supplemental water supply available such as an inter-tie with a neighboring system?
- ☐ Yes
 - ☒ No IN PROCESS
 - ☐ Don't know
3. If your water system uses surface water such as a river, stream, lake, reservoir, or ditch, does your water system have a water right for this source from the State Water Resources Control Board or a contract with a State or federal agency?
- ☐ Yes
 - ☐ No
 - ☒ Does not apply, use only groundwater
 - ☐ Don't know
- If yes, do you know the type of water right or contract?
- ☐ Riparian
 - ☐ Pre-1914 appropriation
 - ☐ Adjudicated
 - ☐ Registration, permit, or license
 - ☐ Contract for State or federal water
 - ☐ Other
 - ☐ Don't know

TMF Tune-up For Public Water Systems

4. Does your water system have either estimates or actual records of the water needed to meet both annual and maximum day demand?
- ☒ Actual records
 - ☐ Estimates
 - ☐ No records
 - ☐ Don't know
5. Does your water system keep records on how much drinking water it produces each year?
- ☒ Yes
 - ☐ No
 - ☐ Have no means to measure source production
 - ☐ Don't know
6. In the previous three (3) years, has your water system experienced any source outages lasting more than eight (8) hours due to pump failures, electrical power outages, or other causes?
- ☐ Yes
 - ☒ No
 - ☐ Don't know
7. In the previous ten (10) years, have you imposed any water use restrictions on your customers due to drought, inadequate source capacity, moratoriums on service connections placed on your water system by a regulatory agency, or any other reasons?
- ☐ Yes
 - ☒ No
 - ☐ Don't know
- If yes, has the reason for such restrictions been addressed and the restriction lifted?
- ☐ Yes
 - ☐ No
8. If you use groundwater from a well, what is the approximate age of your oldest operating well?
- ☐ Less than 5 years
 - ☐ 5 to 15 years
 - ☐ More than 15 and less than 25 years
 - ☐ 25 years or more
 - ☒ Does not apply
 - ☐ Don't know
- Is your oldest groundwater source the primary source of water for your system?
- ☐ Yes
 - ☐ No
 - ☐ Don't know
9. If your water system uses a surface water source, have your treatment facilities been upgraded to meet the current requirements for surface water treatment?
- ☐ Yes
 - ☐ No
 - ☐ Using untreated surface water
 - ☒ Does not apply
 - ☐ Don't know

TMF Tune-up For Public Water Systems

10. If your water system uses a surface water source, have you completed a watershed sanitary survey in the last five (5) years?
- ☒ Yes *BY HEMWD*
 - ☐ No
 - ☐ Does not apply
 - ☐ Don't know
11. Are you currently treating any of your groundwater sources in order to meet a primary drinking water standard?
- ☐ Yes
 - ☐ No
 - ☒ Does not apply
 - ☐ Don't know
12. If your water system treats its groundwater or surface water, does it use the services of a Certified Water Treatment Plant Operator?
- ☒ Do not treat water
 - ☐ Yes, water system employee
 - ☐ Yes, contract operator
 - ☐ No
 - ☐ Don't know
- What grade?
- ☒ T1
 - ☒ T2
 - ☐ T3
 - ☐ T4
 - ☐ T5
 - ☐ Don't know
13. Has your water system exceeded a drinking water standard for a chemical or microbial contaminant in the previous three (3) years?
- ☐ Yes
 - ☒ No
 - ☐ Don't know
14. Has your water system forgotten to monitor or report the results of a required chemical or microbial analysis within the previous three (3) years?
- ☐ Yes
 - ☒ No
 - ☐ Don't know
15. Does your water system have an emergency or stand-by electrical power source sufficient to run source pumps, treatment works, and other critical system components?
- ☒ Yes
 - ☐ No
 - ☐ Don't know
16. Does your water system have accurate maps or as-built drawings of the complete transmission, storage, and control features for the water distribution system that indicate the sizes and locations of sources, pipes, control and isolation valves, pressure and air-relief valves, booster pump stations, and other distribution components?
- ☒ Yes
 - ☐ No
 - ☐ Don't know

TMF Tune-up For Public Water Systems

17. Does your water system have a program to regularly inspect and exercise distribution control and isolation valves?

- ☒ Yes
- ☐ No
- ☐ Don't know

18. Does your water system have a regular program to flush water mains and dead-end lines in your distribution system?

- ☐ Yes
- ☒ No ONLY WHEN WE RECEIVE WATER QUALITY COMPLAINTS OR DURING ANNUAL FIRE HYDRANT INSPECTION
- ☐ Don't know

19. Does your water system have the services of Certified Distribution Operator?

- ☐ No, Transient-Noncommunity System
- ☒ Yes, system employee
- ☐ Yes, contract operator
- ☐ No
- ☐ Don't know

What grade?

- | | |
|-------------------------------------|-------------------------------------|
| <input checked="" type="radio"/> D1 | <input checked="" type="radio"/> D4 |
| <input checked="" type="radio"/> D2 | <input type="radio"/> D5 |
| <input checked="" type="radio"/> D3 | <input type="radio"/> Don't know |

20. What percentage of your total water production is lost to leaks or other unaccounted water losses?

- ☒ Less than 15%
- ☐ 15% to 30%
- ☐ More than 30%
- ☐ Don't know

21. Does your water system have an active cross-connection control program?

- ☒ Yes
- ☐ No
- ☐ Don't know

22. If your water system could not pump or treat water from your sources, how long do you estimate that your water system's current storage capacity could sustain your users during normal demand conditions?

- ☐ Less than 4 hours
- ☐ 4 to 8 hours
- ☐ More than 8 and less than 24 hours
- ☒ 24 hours or more
- ☐ Pressure tank only; no significant storage when unable to pump water
- ☐ Don't know

TMF Tune-up For Public Water Systems

23. What is the age of your distribution system? Use the table below to estimate the percentage of your distribution system that is within the age ranges provided. Please check to see that the total adds up to 100%. If you do not know, check that box and leave the top portion blank.

Age of Pipes and Valves	Percentage of Distribution System
Less than 5 years	4 %
5 years or more and less than 15 years	10 %
15 years or more and less than 25 years	12 %
25 years or more and less than 50 years	74 %
50 years or more	0 %
Don't know <input type="checkbox"/>	

24. What types of water storage tanks does your water system have? If more than three (3), list only your three (3) oldest tanks.

Type	Age	Capacity	Condition
WELDED STEEL	40	1.5, 1.5, 1, 1 MILLION GALLONS	FAIR - GOOD
REDWOOD	40	100,000 & 150,000 GALLONS	FAIR - GOOD

Condition Key

Good -- Conditions around the tank are generally dry, the tank surfaces are free of rust or corrosion, and the tank is structurally sound.

Fair -- The area around the tank is generally dry and any leaks are minor or easily repairable. The surface of the tank shows some signs of rust or deterioration, but the tank is otherwise sound.

Poor -- The area around the tank is wet enough to promote the growth of algae or moss, the tank has significant leaks, rust has caused significant surface pitting, or the tank has deteriorated to the point where it cannot be easily repaired.

25. What type of ownership best describes your water system?

- ☐ Federal government
- ☐ State government
- ☒ Local government
- ☐ Regulated by the Public Utility Commission
- ☐ Mutual water company
- ☐ Sole ownership
- ☐ Partnership
- ☐ User group or association
- ☐ Corporation (non-profit)
- ☐ Corporation (for profit)
- ☐ Don't know

TMF Tune-up For Public Water Systems

26. What type of governance best describes your water system?
- ☒ Elected board or council
 - ☐ Appointed
 - ☐ Sole ownership
 - ☐ Don't know
27. Does your system have organizational charts and duty statements for elected or appointed positions that describe the roles and reporting relationships of key water system management personnel?
- ☒ Yes
 - ☐ No
 - ☐ No, sole owner or proprietor
 - ☐ Don't know
28. Does your water system provide regular training for operators and other employees in order to enable them to maintain their skills and to provide them with information on changes in the Safe Drinking Water Act?
- ☒ Yes
 - ☐ No
 - ☐ Don't know
29. Does your governing board or ownership review a monthly or quarterly summary of revenues and expenses?
- ☒ Yes
 - ☐ No
 - ☐ Don't know
30. If your water system serves a community, have you adopted formal policies on payments, collections, water rates, connection charges, and customer complaints?
- ☒ Yes
 - ☐ No
 - ☐ Does not apply; not a community water system
 - ☐ Don't know
31. Does your water system have written employee personnel policies and job descriptions signed by employees?
- ☒ Yes
 - ☐ No
 - ☐ No paid staff
 - ☐ No, sole owner
 - ☐ No, all work is performed under contract
 - ☐ Don't know
32. Does your water system have a written plan for the operation and maintenance of system facilities that includes treatment equipment, pumps, line flushing, inspecting and exercising control valves, inspecting sources and storage tanks, and other operation and maintenance activities?
- ☒ Yes
 - ☐ No
 - ☐ Don't know
33. Does your water system have a Disaster and Emergency Response Plan?
- ☒ Yes
 - ☐ No
 - ☐ Don't know

TMF Tune-up For Public Water Systems

34. Has your water system been issued an administrative citation, administrative order, or notice of violation in the last three (3) years?
- ☐ Yes
 - ☒ No
 - ☐ Don't know
35. Has your water system been inspected by the DHS District Office or Local Primacy Agency (local environmental health department) in the last three (3) years?
- ☒ Yes
 - ☐ No
 - ☐ Don't know
36. Does your water system operate under a prepared annual budget?
- ☒ Yes
 - ☐ No
 - ☐ Don't know
37. Does your water system have an audit committee or do you hire outside auditors to regularly review your financial records?
- ☒ Yes
 - ☐ No
 - ☐ No, sole owner or proprietor
 - ☐ Don't know
38. Does your water system have a financial plan that includes setting aside funds ahead of time for capital improvements such as the replacement of outdated sources, storage tanks, pipes, and other equipment?
- ☒ Yes
 - ☐ No
 - ☐ Fund through user fees or assessments at the time of replacement
 - ☐ Don't know
39. Does your water system set aside financial reserves to cover unanticipated costs or revenue shortfalls?
- ☒ Yes
 - ☐ No
 - ☐ Don't know
40. In the last five (5) years has your water system postponed for financial reasons any preventative maintenance or the replacement of major system components such as sources, treatment plants, storage tanks, or distribution lines?
- ☐ Yes
 - ☒ No
 - ☐ Don't know
41. What is the primary method that your water system uses to charge for the water it provides to customers?
- ☒ Metered rate
 - ☐ Flat rate
 - ☐ Property assessment or other tax
 - ☐ Owner association dues
 - ☐ Included in rent or facility use fee
 - ☐ Business overhead
 - ☐ Don't know

TMF Tune-up For Public Water Systems

42. What is your average monthly charge to a customer obtaining water from your water system? If your water system's user charges are included in rent, owner association dues, or similar user fees, estimate the portion of those charges used to support your water system.
- ☐ \$15 per month or less
 - ☐ More than \$15 and less than \$25 per month
 - ☒ \$25 or more and less than \$50 per month
 - ☐ \$50 or more and less than \$75 per month
 - ☐ \$75 per month or more
 - ☐ Business expense; no user charges for water (Non community systems only)
 - ☐ Don't know
43. When was the last time your water system calculated the costs of providing water and/or adjusted your water rates?
- ☒ Less than 3 years ago
 - ☐ 3 to 5 years ago
 - ☐ More than 5 and less than 10 years ago
 - ☐ 10 years ago or more
 - ☐ Don't know
44. Does your water system's current rate structure produce income to cover these items? (Check all that apply.)
- ☒ Current expenses
 - ☒ Replacement costs
 - ☒ Reserves
 - ☒ Loan repayments
 - ☐ None of the above
 - ☐ Don't know
45. Has your governing board reviewed the survey before you submitted it?
- ☐ Yes
 - ☐ No
 - ☐ Don't know

If you have any questions, please call George Faggella at (916) 449-5652.

**George Faggella
Capacity Development
Technical Programs Branch
Drinking Water and Environmental Management Division
California Department of Public Health
1616 Capital Avenue, MS 7418
Sacramento, CA 95899-7377**

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **ACTION**

ITEM: E.7. **Consider approving update of MCSD Records Retention Policy adding “Claim” information to the policy.**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends that the Board review the update adding to the McKinleyville Community Service District (MCSD) Record Retention Policy “CLAIM” information, take public comment, make edits where appropriate, provide staff with direction and approve update. The language will be added to the District’s current records retention policy in the “Current + 5 years category” keeping with the State guidelines.

Discussion:

The MCSD Records Retention Policy had not specifically listed claims information. Government code § 60201(b)(2) allows a Special District to adopt the guidelines provided by the Secretary of State pursuant to § 12236, that classifies all of the district’s records by category, and establishes a standard protocol for destruction or disposition of records. The Secretary of State guidelines require that records regarding claims be retained for 5 years following closure of the claim.

These guidelines are fairly specific as to required time, but the Board could consider retaining these records longer as they have done in the past with Board Meeting Audio. We are presenting this to you for your consideration.

Alternatives:

Staff’s analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment A – Updated MCSD Records Retention Policy

MCSO RECORDS RETENTION POLICY

PERMANENT

1. Capital Acquisitions, Deed, Bills of Sale, Easements
2. Audited Financial Statements
3. Minutes of Board Meetings
4. Resolutions
5. Ordinances
6. Wastewater Treatment Plant Annual Reports
7. Records related to the Public Employees Retirement System, Social Security and State Disability Insurance
8. Records related to District Formation, change of organization and reorganization
9. New Service Installation Orders
10. Board Agendas and Board Packets
11. Development/Subdivision files

CURRENT YEAR + 9 YEARS

1. Detailed General Ledger Reports
2. Paid Accounts Payable Vouchers
3. Wastewater Treatment Plant Operating Data (retained at the Treatment Plant)
4. Contracts

CURRENT YEAR + 6 YEARS

1. Payroll Reports
2. Time Sheets

TERMINATION + 6 YEARS

1. Personnel Files-information related to length of employment and salary will be maintained indefinitely.

CURRENT YEAR + 5 YEARS

1. Cash Receipt Books
2. Claims

MEASURE INFORMATION (I.E. Measure B)

1. Retain for three (3) years after Measure end.

CURRENT YEAR + 2 YEARS

1. Customer Correspondence
2. Electronic Communications
3. Daily Service Orders
4. Billing Registers

1 YEAR

1. Audio Recordings will be maintained for one year and after that time periodically transferred to the McKinleyville Library.

6 MONTHS

1. Utility Billing Payment Stubs

PARK AND RECREATION

CURRENT YEAR + 4 YEARS

1. Liability Forms

CURRENT YEAR + 2 YEARS

1. Billing Forms
2. Daily Balance Forms
3. Open Space Maintenance Reports

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **ACTION**

ITEM: E.8 **Approve a possible budget modification for the Prop.50 Intertie Project with Humboldt Bay Municipal Water District**

PRESENTED BY: **Colleen M. R. Trask/Greg Orsini**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Review, take public comment, make edits where appropriate, provide staff with direction, and approve a possible additional budget modification not to exceed \$38,000 for the design work on the southern portion of the Prop. 50 Intertie Project. This will only be an actual expense if the Proposition 50 grant does NOT come through.

Discussion:

District staff worked with Caltrans to incorporate a 12" ductile iron water main within the north bound span of Mad River Bridge project. The sole purpose of the line is to act as an emergency main in case of a seismic or flood event disrupting our 18" water main beneath the river at Hunt's Drive. The river undercrossing is MCSD's sole source of domestic water. The pipe line in the bridge is complete and the Board has approved projects to design interties on either side of the bridge.

The Proposition 50 Grant application for design and construction of the interties is being shepherded through the state approval process with a strong possibility of a funding award. This would cover the cost of interties on both sides and render the additional budget modification unnecessary. However, the grant application requires a certain percentage of project completion and if the funding does not come through, both MCSD and Arcata will need to have funding available to cover the portion of our projects that exceed Humboldt Bay Municipal Water District's (HDMWD) original budget.

The preliminary permitting and design work was paid for with \$125,000 of capital money contributed from HDMWD. Commitment to supplement the remainder of the design work was made by staff from MCSD and Arcata during the preliminary stages of the project but we did not bring this to the Board until it was determined to be necessary.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The District's original project budget was \$50,000. In October, 2012, the Board approved an additional \$41,300 for design of the northern intertie. With this modification for the design of the southern intertie, the total project budget will be \$129,300. However, given the Board's approval for temporary postponement of certain other Capital Projects in November 2012, the net impact for this fiscal year will be zero.

These funds are potentially reimbursable through Proposition 50 and we have had commitment from Department of Health Staff that this is very promising.

Environmental Requirements:

A Mitigated Negative Declaration is required and was included in the scope for design of the southern intertie and will be carried out by GHD. A Phase 1 Environmental Assessment was completed on the portion of the project MCSD was responsible for.

Exhibits/Attachments

- N/A

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Support Services Department Report
13 February, 2013

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

LEGAL UPDATES

CalPERS has made official resolution language for the PEPRA Pension Reform legislation available and a resolution applying to new employees only has been presented for Board consideration.

COLA information has become available – the expected COLA for FY2013-14 is 2.3%.

DISTRICT FINANCIAL & BUDGET INFORMATION

The first draft of the Parks CIP budget has been presented to the Board at this meeting. Drafts of the Water, Sewer, and Streetlights CIP budgets are expected to follow in March with draft operating budgets presented to the Board in April and May.

A prior period adjustment has been made to the District Balance Sheet to show the Quimby funds that are being held in trust by the County for the District. These are restricted funds that must be spent according to Quimby guidelines, but the money belongs to the District and our balance sheet now reflects that.

SUPPORT STAFF PROCEDURES & PROJECTS

With the procedural review complete, Staff IDPs (Individual Development Plans) and evaluations have been scheduled.

A Scope of work was developed for the Succession Planning & Cross-Training Initiative that includes:

- Documentation of emergency succession and operational decision-making
- Training parameters and a schedule for training implementation
- Coordination and support of written operational procedure documents for each Department
- Presentation to the Board of completed Succession Plan

The RFP was sent out at the end of January. Proposals are due to the District by February 15th.

Salary Survey update: a draft of the complete report has been submitted by Bryce Consulting. The Interim General Manager, Finance Director, and Human Resources Manager will be reviewing the results for accuracy and conferencing with the consultants for any adjustments that need to be made.

STAFF DEVELOPMENT & TRAINING

Having received solid quote from Laserfiche systems and trained our staff on the basics of document management, we are reviewing other comparable document management systems. The server hardware has been upgraded to meet the new requirements.

The Finance Director has finished an AB1234 Mandatory Ethics Training webinar.

OTHER CURRENT PROJECTS

The process for PG&E financing of the LED Streetlight Replacement project has been started. PG&E has had a turnover in staff and the new contact for the loan has sent forms back to the District requesting our streetlight information in a different format.

Hazard Mitigation Plan/EOPS update: Support Staff is working with Operations to complete “situation boards” by March 2013. A tabletop exercise is planned for April 2013.

WATER & SEWER RATE INCREASE

While we are seeing the rate increase impact what we collect per CCF, overall revenue is still not increasing as predicted in the original rate study. Aside from seasonal or billing fluctuations, customers are continuing the trend of using less water to keep their bills lower. Analysis has so far shown no clear single reason for the change. The rates in the study were based on FY2010-11; but there was also a sharp drop in cumulative usage during FY2011-12 that could have been used to revise figures for that year but were not included.

The original rate study as approved by the Board predicted that the District would continue to take operating losses through FY2013-14. Losses originally predicted would have totaled more than \$1,000,000. Concerted cost-saving efforts by District staff and the Capital Project revision proposed by the Interim General Manager and Finance Director and approved by the Board in November 2012 have kept losses to less than half of that figure to date. We are now looking into possible demographic shifts in the District that might have impacted water use.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Board Agenda Background: Department Report

February 6, 2013

To: MCSD Board

From: James Henry, Interim Operations Director

Subject: Agenda Item: F.2.B. –February 13, 2013 Board Meeting
Operations Department – December 2012 Report

Water Department:

◇ **Water Statistics:**

The district pumped 36 million gallons of water in December.

Two water quality complaints were investigated and rectified.

One service line leak was reported and repaired.

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

◇ **Double Check Valve Testing:**

Annual routine testing was completed in December and a minimal number of retests were conducted. The testing device was sent to the factory for its annual calibration but would not calibrate. A new testing device was purchased for DCV testing.

◇ **Average and Maximum Water Usage:**

The maximum water usage day was 2.0 million gallons and the average usage per day was 1.2 million gallons.

Water Distribution Maintenance:

One leaking angle meter stop was replaced. Expansion joint inspections were conducted at all water stations. A leaking fire hydrant was repaired on Dena Drive. The transducer at the Norton Tank site was repaired due to giving false water levels. North Bank Pump Station building and piping was pressure washed. A site tube was replace on the Blake Station hydro pneumatic tank.

◇ **Hydrant Painting and Inspection Program.**

Hydrant painting was completed in December. The 435 hydrants will now be exercised and inspected according to written procedures. The condition of each hydrant is logged and any deficiencies are noted to generate a work order for repairs. 200 (46%) completed.

◇ **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 weather clears; Loren Ave Mainline, Paving is completed and a punch list will be provided upon request and Santos Subdivision, All of the facilities are completed and paving is near completion. Waiting on PG&E to move poles.

Sewer Department:

◇ **Waste Water Statistics:**

36.4 million gallons of wastewater was collected and pumped to the W.W.M.F. 43.7 million gallons of waste water was treated and reclaimed for irrigation in December.

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

◇ **Sewer Station Maintenance:**

The wet wells were washed at the Letz and Kelly 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 removal of grit prevents the build-up of hydrogen sulfide which is very destructive to steel and concrete.

Bad power from PG&E destroyed the two motors at the Kelly Sewer Lift Station. Staff was called out due to a power fail alarm. After extensive troubleshooting between staff and PG&E, it was found that we were being supplied with bad power. PG&E repaired the service and staff installed a spare motor to get the station running. One new motor was purchased and the second motor was rewound. A claim to PG&E has been filed for reimbursement.

Graffiti was removed from the Letz Sewer Lift Station due to taggers. Pictures of the tagging were taken to the Sheriff's Department. A clogged pump was also cleared at this station and at the Hiller Lift Station.

A leaking fuel pump was repaired at the Fischer Station. The leak was found during the daily inspections. Expansion joint inspections were conducted at the sewer facilities.

◇ **Wastewater Management Facility:**

The Chlorine Contact Chamber was drained and cleaned with high pressure water from fire hoses. Staff replaced the SO2 room ventilation roof cap.

◇ **Sewer Collection System:**

The sewer main was inspected with the sewer camera due to a sink hole that had developed on Railroad. The main was found to be intact. County was notified of our findings and to inform them that their storm drain may be the cause of the sink hole.

Quarterly hydro-cleaning 11,800 feet of sewer main was completed in December. Problem areas that have presented problems in the past are cleaned with 3000 psi of water using the Vac-con. These areas tend to collect grease which could possibly cause a sewer spill. Sand was found during in the main during the cleaning. The camera van was taken out to inspect the condition of the main. The main was found to be intact.

◇ **Daily Irrigation and Observation of Reclamation Sites:**

Weekly well monitoring has been being conducted in the tree farm as part of the tree farm pilot study. Weekly samples have been collected from the tree farm to be tested for Nitrate and TDS.

◇ **Street Light Department:**

Five street lights were reported and repairs conducted in December.

Promote Staff Training and Advancement: Weekly tailgate meetings and training associated with job requirements. James Henry and Erik Jones passed the written and hands on tests to recertify their backflow certifications. Staff attended their annual 8 hour HAZWOPER refresher class.

Special Notes:

Discrepancies were found with the electrical at Azalea Hall. Operations and Parks staff teamed up to troubleshoot and correct the wiring, outlets and switches.

County Environmental Health along with their Vector control team from Redding and Colorado toured the WWMF to verify accurate treatment was being performed on the ponds for mosquito control. Redding Vector explained to Humboldt County that our treatment was acceptable. They recommended a different product to space the treatment cycle from every 10 days to possibly every 14 days. A report of the meeting will be delivered to MCSD when completed.

A ballast was replaced in the East Shop at the Corporation Yard.

String trimming was conducted around the Hiller Marsh fence line in December.

The Fischer Ranch irrigation vault was replaced due to damage from farm equipment.

Safety and service was performed on Units 5

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
February 13, 2013

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

TEEN & COMMUNITY CENTER UPDATE:

Staff has reviewed the budget for Measure B in order to determine what portion of the funds will be used for debt services for the construction of the Teen and Community Center as well as what portion of the funds will be used for the operation and maintenance of new and existing parks and facilities.

This is important so that LDA Partners, the Architect firm responsible for the design of the new facility, will have an estimated budget to work with.

Staff has scheduled a phone conference with LDA Partners to discuss the budget and design. The next step will be to hold public meetings to gain input from teenagers and community members on the design.

PIERSON PARK COVERED PICNIC AREA:

Staff received \$25,000 in matching grants for the construction of a covered picnic area at Pierson Park. After submitting Requests for Proposal and receiving bids, it was determined that the estimated cost for construction was over budget.

Staff is working with the Architect to redesign the structure. Staff has also met with a local contractor to consider cost saving measures. It has been determined that the most cost effective way to proceed is for MCSD to complete much of the work in-house and subcontract certain portions of the construction.

Since this is a Federal grant, the process for securing funds is fairly lengthy. Staff is in the process of working on the required Post-Selection Federal Requirements so that we can receive a fully executed contract securing the grant funds.

PARKS & RECREATION STAFF APPRECIATION:

At the January 17, 2013 Recreation Advisory Committee Meeting, parks & recreation employees were appreciated and given awards for accomplishments made throughout 2012.

BMX BIKE TRACK:

At its November 7, 2012 meeting, the MCSD Board of Directors approved updating the Parks & Recreation Master Plan to include a BMX Bike track as potential park development and as an unmet need in McKinleyville. A large group of BMX bike track supporters attended the meeting in support.

Staff has since met with a smaller group of individuals with the intention of forming a smaller “working” group of individuals to pursue the possibility of building a track in McKinleyville.

One possibility is to utilize the three (3) acre parcel MCSD is in the process of purchasing from the McKinleyville Union School District to build a track. The idea is to work with the group to secure funds (donations, fundraisers and grants, etc.) to fund improvements to the park such as, access, parking, restrooms and concessions. These improvements would be designed so that if the bike track was removed in the future, they could still support additional park improvements, such as sports fields, playgrounds, open space, etc.

The bike track itself could also be funded by the group, and the American Bicycle Association (ABA) would provide the design of the track and a heavy equipment operator to build it.

Before staff brings this item to the Board for consideration, we want to be sure that three (3) acres is sufficient space to build a BMX Bike track including support facilities. A track designer from ABA will be in town in May to make improvements to the track in Eureka and has agreed to meet with staff and do a site visit of the property to let us know if there is sufficient space.

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: Staff is working on the application.

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:

None to report.

McKinleyville Community Services District

BOARD OF DIRECTORS

February 13, 2013

TYPE OF ITEM: **INFORMATION**

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

PRESENTED BY: Gregory Orsini, Interim General Manager

TYPE OF ACTION: None

A summary of activity for the month of January, 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 \$ 350 (avg. monthly)
- FiServe electronic Payments \$ 590 (avg. monthly)
- Volunteers: \$ 400 (labor)
- Volunteers for Teen Center Fundraiser \$ 250
- Community Service Worker \$ 300
- SWAP crews: \$ 6,400
- In House Repairs for Toro Mower \$ 1,200
- In House Repairs to Playground Eqp. \$ 500
- Donations \$ 700
- Letz fuel tank and gate retro-fit \$ 400
- Hiller pump seal repair \$ 200
- Kohler gasket replacement \$ 1,200
- Fischer Generator Radiator R&R \$ 400
-

Total cost savings for January is \$12,890

The cumulative cost saving to the District to date from July 1, 2012 is \$96,620

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.

Local Groundwater Assistance (LGA) Grant Program– LGA grants provide local public agencies with up to \$250,000 to conduct groundwater studies or carry out groundwater monitoring and management activities. Approximately \$4.7 million in funding from Proposition 84 is anticipated for the fiscal year 2011-2012 LGA Grant Program. Grant administrative staff are in the process of reviewing applications at this time with Department of Water Recourses approval scheduled

for March. If this grant comes through it would provide funding for a ground water management plan and potential test wells.

Prop 50 Grant and Northern Intertie- Review of 30% design drawings, standards and specifications were reviewed and the environmental documentation has been reviewed and submitted. Humboldt Bay, MCSD, City of Arcata, and two consulting firms continue the process in this very time sensitive and coordination intensive endeavor. Our goal for the application process is to have final documentation submitted in March.

Wage and Earning Survey/ Employee Negotiations – The second draft of the survey was delivered to management and is being reviewed. A conference is scheduled with the consultant to discuss staff comments prior to final submission. The survey will then be used to assess MCSD total compensation package and gauge it against market standards. Management will then have the information to finalize the compensation matrix.

Waste Water Management Facility (WWMF) Improvement Project Design – Scheduled to start work March 1, 2013

HCAOG and RHNA Methodology – Management and Director Corbett produced talking points and a letter for public comment in line with direction received at our January Meeting. HCAOG Staff and Board Members appreciated our input and Supervisor Bass who was alternate for Supervisor Sundberg voiced support for our recommendation for Alternative 3, but ultimately the motion was for their staff recommendation of Alternative 1 and passed with one no vote from Supervisor Bass. Staff will continue to maintain a presence with HCAOG and we intend to sit in on the Technical Advisory Committee (TAC) meeting and at some point request a seat on the TAC.

Strategic Plan – The mission and vision statements will be the next piece of this project and is scheduled for February.

Arcata, Boyd Road Annexation – MCSD management prepared a letter commenting on Arcata Initial Draft Study related to the annexation. As of yet we have not received a response to our comments. We also met in person with public works and planning staff from Arcata. We requested clarification on several items including a timeline for us to discontinue service should the annexation proceed. Would we be reimbursed for our infrastructure and how would they serve our customers to the east that are outside the annexation area? As of yet we have not received responses to those questions. We have also extended an offer for Arcata staff to present to our board at February meeting and the planning department declined, but indicated they might present at the March meeting. Management and Director Mayo attended the January LAFCO meeting and gave public input regarding this issue. We are continuing to work toward a solution to these issues.

CSDA Board – I have been appointed to Region 1, Seat B for the remainder of this term. I will also be on the Elections and By-Laws Committee. Not my first choice, but there were slim pickens due to the late nature of my nomination. My

intent is to represent our area and advocate for the north coast regarding relevant matters.

WWMF Monitoring Results – In the past we have had issues with ammonia toxicity due to higher than standard ammonia levels in our sewer influent. We have given much consideration to this issue but we have not been able to find a reason for these high concentrations other than our very low levels of groundwater in our influent. This issue is being addressed in the upgrade project but there is a potential the Regional Board will require midterm solutions.

Attachment A: WWMF December 2012 Report

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McKINLEYVILLE, CA 95519

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PARKS & RECREATION OFFICE:

PHONE: (707) 839-9003
FAX: (707) 839-5964

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

February 1, 2013

RE: MONTHLY MONITORING REPORT

Dear Lisa:

Enclosed is the Monthly Monitoring Report for December 2012 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 December except for *C. dubia* Acute Toxicity.

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 December, 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 December, 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 December 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 December are as follows. Median was <1.8 and a Maximum of <1.8. Four samples were collected and were in compliance.

Acute Toxicity testing was conducted in December. The result for Rainbow Trout was 100% survival and the survival of *C. dubia* was 75, 85, 85%. The mortality rate of *C. dubia* in November triggered accelerated testing in December. Two accelerated tests were conducted and were both 85% survival and subsequent monthly test was conducted with a survival of 75%. In affect the monthly median was 85%. MCSD is in communication with Region 1 staff to rectify the situation.

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

Semiannual Pollutants of Concern were tested in December.

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

DECEMBER 2012

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	1.189	1.737	1389							0.000	1.73
2	1.508	1.884	1384							0.000	1.88
3	1.153	1.712	1357							0.000	1.71
4	1.125	1.660	1444							0.000	1.66
5	1.180	2.046	1431							0.000	2.04
6	1.094	1.739	1426							0.000	1.73
7	1.056	1.421	1042							0.000	1.42
8	1.052	1.803	1414							0.000	1.80
9	1.094	1.980	1402							0.000	1.98
10	1.034	1.571	1352							0.000	1.57
11	1.022	1.128	973							0.000	1.12
12	1.028	1.111	786							0.000	1.11
13	1.002	1.126	799							0.000	1.12
14	0.966	0.893	800							0.000	0.89
15	1.019	0.761	761							0.000	0.76
16	1.075	1.084	765							0.000	1.08
17	1.080	1.064	749							0.000	1.06
18	1.056	1.076	766							0.000	1.07
19	1.030	1.089	763							0.000	1.08
20	1.196	1.077	759							0.000	1.07
21	1.366	1.054	739							0.000	1.05
22	1.508	1.393	1227							0.000	1.39
23	1.385	1.773	1245							0.000	1.77
24	1.295	1.795	1262							0.000	1.79
25	1.266	1.798	1256							0.000	1.79
26	1.433	0.839	1294							0.000	0.83
27	1.341	0.779	1421							0.000	0.77
28	1.261	0.976	700							0.000	0.97
29	1.234	1.547	1327							0.000	1.54
30	1.228	1.904	1338							0.000	1.90
31	1.173	1.905	1337							0.000	1.90
TOTAL	36.449	43.725		0.000	0.000	0.000	0.000	0.000	0.000	0.000	43.72
AVERAGE	1.176	1.410	1120	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.41
MAXIMUM	1.508	2.046	1444	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.04
MINIMUM	0.966	0.761	700	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	
DAYS WITH NO DISCHARGE = 0											

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA**

MONTH: DECEMBER

YEAR: 2012

DATE	INFLUENT FLOW M.G.D.	EFFLUENT FLOW M.G.D.	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING		EFFLUENT MONITORING		pH	(C°)	TEMP	B.O.D. mg/L	NFR mg/L	AMMONIA	CL ₂ RES.	CL ₂ RES	RIVER CL ₂ RES	SETTLABLE SOLIDS	3X5 TOTAL COLIFORM
					B.O.D. mg/L	N.F.R. mg/L													
1	1.189	1.737	1389	5080					7.3	14.4	13.6				2.4	0.00			
2	1.508	1.884	1384	92100					7.0	13.6	13.6			30	2.2	0.00			<1.8
3	1.153	1.712	1357	9200					7.3	13.6	13.6			24	2.5	0.00			
4	1.125	1.680	1444	5530					7.4	13.6	13.6			22	0.3	0.00			
5	1.180	2.046	1431	10500					7.0	12.9	12.9			28	1.8	0.00			
6	1.094	1.739	1426	7400					7.2	11.2	11.2	52	36	32	3.0	0.00		<0.1	
7	1.056	1.421	1042	4510	240	250			7.2	10.8	10.8				2.2	0.00			
8	1.052	1.803	1414	3280					7.2	11.2	11.2			28	2.1	0.00			<1.8
9	1.094	1.980	1402	2450					7.2	11.6	11.6			26	1.8	0.00			
10	1.034	1.571	1352	1940					7.2	11.4	11.4			20	1.6	0.00			
11	1.022	1.128	973	1620					7.3	10.7	10.7			36	2.5	0.00			
12	1.028	1.111	786	1950					6.9	10.5	10.5			24	2.1	0.00			
13	1.002	1.126	799	1620					7.5	9.8	9.8	41	35	24	2.5	0.00		<0.1	
14	0.968	0.893	800	1370	260	180			7.9	10.7	10.7			28	2.2	0.00			<1.8
15	1.019	0.761	761	1180					7.3	10.7	10.7			28	2.2	0.00			
16	1.075	1.084	765	1180					7.1	10.7	10.7			28	2.2	0.00			
17	1.080	1.064	749	4610					7.2	9.4	9.4			30	2.3	0.00			
18	1.056	1.076	766	4450					7.3	10.3	10.3			32	2.4	0.00			
19	1.030	1.089	763	3270					7.1	10.1	10.1			26	2.4	0.00			
20	1.196	1.077	759	2600					7.3	9.8	9.8	45	30	26	2.4	0.00		<0.1	
21	1.366	1.054	739	6450	280	250			7.1	9.5	9.5			24	2.4	0.00			
22	1.508	1.393	1227	11900					7.3	9.2	9.2			21	2.1	0.00			
23	1.385	1.773	1245	8500					7.2	9.1	9.1			22	2.3	0.00			
24	1.295	1.795	1262	7220					7.2	10.9	10.9			26	2.4	0.00			
25	1.266	1.798	1256	5180					7.2	8.6	8.6			28	1.9	0.00			<1.8
26	1.433	0.639	1294	6790					7.2	9.7	9.7	42	28	28	1.7	0.00			
27	1.341	0.779	1421	5570					7.2	9.8	9.8			20	2.0	0.00			
28	1.261	0.976	700	4100	270	480			7.0	8.3	8.3			24	2.0	0.00			
29	1.234	1.547	1327	3220															
30	1.228	1.904	1338	2600															
31	1.173	1.905	1337	2170															

MONTHLY TESTS			
DATE	TDS	AMMONIA	NITRATE
12/20/2012	240	31.0	ND
			BORON
			210

Semi-Annual Tests		Value in ugi
Bis phthalate		ND
alpha BHC		ND
4,4' -DDT		ND
carbon tetrachloride		ND

Quarterly Tests		Value in ugi
Dichlorobromomethane		ND
Bromochloromethane		ND
Chlorobromomethane		ND
Chloroform		ND

ACUTE TOXICITY		% Survival
DATE	12/1/2012	100%
Median		85%

CHRONIC TOXICITY		SURVIVAL
TESTED	Millinow	N/A
	C. Dubia	N/A
	Algae	N/A
	TUC	

REMARKS: Indicates Permit Exceedance

SIGNATURE: 