

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

**NOTICE IS HEREBY GIVEN THAT A REGULAR MEETING OF THE
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS
WILL BE HELD AT:**

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

**Wednesday, February 5, 2014
7:00 P.M.**

AGENDA

- A.1 CALL TO ORDER**
- A.2 ROLL CALL**
- A.3 PLEDGE OF ALLEGIANCE**
- A.4 ADDITIONS TO AGENDA**

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

A.5 APPROVAL OF THE AGENDA

B. PUBLIC HEARINGS

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

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 8, 2014 **Pg. 5**

Attachment 1-Draft Minutes from January 8, 2014
Regular Meeting **Pg. 6**

- D.2 Consider approval of December, 2013 Treasurer's Report **Pg.11**

- D.3 No DCV Violations this month

- D.4 Approve conveyance for developments related to water and sewer facilities in referenced projects **Pg.35**

Attachment 1- Humboldt County Airport 17 Unit
T-Hanger System AP# 511-351-009 **Pg.36**
Attachment 2- The Club at Mill Creek System AP#
508-061-025 & 027 **Pg.37**

E. CONTINUED AND NEW BUSINESS

- E.1 Consider adopting Resolution 2014-02 honoring Bill Wennerholm for twelve (12) years of service **Pg.38**
Attachment 1 – Resolution 2014-02 **Pg.40**

- E.2 MCSD Employee of the year presentation to William McBroome **Pg.41**

- E.3 Letz sewer lift station pump upgrade **Pg.43**
Attachment 1 – Power Point Presentation **Pg.45**

- E.4 Access Humboldt creates programming for Sunshine Week **Pg.48**

- E.5 Consider Travel to the Association of California Water Agencies 2014 Spring Conference (May 6, 2014 – May 9, 2014) in Monterey, CA. **Pg.50**
Attachment 1 – ACWA Pricing Sheet for 2014 Spring Conference **Pg.52**

- E.6 Consider adopting Resolution 2014-06 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 2014/2015 and Resolution 2014-07 declaring Intention to Levy and Collect the Fiscal Year 2014/2015 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.53**

Attachment 1 – Resolution 2014-06 **Pg.56**

Attachment 2 – Resolution 2014-07 **Pg.58**

Attachment 3 – Fiscal Year 2014/2015 Engineer's Report **Pg.60**

E.7 Discussion of the Draft Capital Improvement Plan for the Parks & General Fund, Fiscal Year Ending June 30, 2015 **Pg.87**

Appendix 1 – Draft Capital Improvement Projects for the fiscal years ending June 30, 2015-2024 for Parks & General Fund **Pg.88**

Appendix 2 - Draft Budget Fiscal Year 2014-2015 CIP Narrative **Pg.92**

E.8 Consider Committee Appointments for 2014 Calendar Year **Pg.94**

Attachment 1 – worksheet for 2014 Committee Assignments **Pg.96**

E.9 Ruth Lake Briefing **Pg.97**

Attachment 1 - Power Point Presentation **Pg.98**

Attachment 2 – Press Release Ruth Lake CSD and Humboldt Bay MWD **Pg.104**

Attachment 3 – Rain Fall Data **Pg.109**

Attachment 4 – Water Shortage Plan **Pg.122**

E.10 Accept contract and budget amendment for WWMF Improvement Project **Pg.124**

Attachment 1 – Draft McKinleyville amendment No. 3 WWMF Improvement Project **Pg.126**

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 (VACANT/Edwards (alternate))
- d. McKinleyville Senior Center Advisory Committee (VACANT)
- e. Audit (Corbett/Edwards)
- f. Employee Negotiations (VACANT/ Edwards)
- g. Water Task Force (Mayo/Corbett (alternate))
- h. AdHoc No Drugs & Toxics Down the Drain (Couch/Mayo (alternate))
- i. McKinleyville Municipal Advisory Committee (Edwards/Corbett (alternate))

F.2. STAFF REPORTS

- a. Support Services Department (Colleen M.R.Trask) **Pg.133**
- b. Operations Department (James Henry) **Pg.134**
- c. Parks and Recreation Department (Jason Sehon) **Pg.136**
- d. General Manager (Greg Orsini) **Pg.141**

Attachment 1 – WWMF Report for December 2013

Pg.143

F.3. PRESIDENT'S REPORT

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

G. CLOSED SESSION DISCUSSION

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

NO CLOSED SESSION SCHEDULED

H. ADJOURNMENT

Posted 5:00 pm on January 31, 2014

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of Minutes from the Board of Directors' January 8, 2014 Regular 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 8, 2014 Regular Board Meeting, recommend edits and provide staff with direction.

Discussion:

The Draft Minutes are attached for the above listed meetings.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1-Draft Minutes from January 8, 2014 Regular Meeting

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, JANUARY 8, 2014 AT 6:00 PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

AGENDA ITEM A.1 CALL TO ORDER:

At 6:01 pm President Mayo called the meeting to order, after brief discussion regarding the order of the agenda General Manager Orsini asked Board Secretary Kathy Wilson to administer the oath of office to newly re-elected Directors Couch and Mayo and newly elected Director Wheeler. Secretary Wilson administered the oath of office and had each Director sign the certification of oath for County Elections.

AGENDA ITEM A.2 ROLL CALL: The following Directors and staff in attendance:

Dennis Mayo, President	Gregory Orsini, General Manager
David Couch, Vice-President	Jason Sehon, Parks and Recreation Director
Helen Edwards, Director	Kathy Wilson, Board Secretary
George Wheeler, Director	
Russ Gans, Legal Counsel	

- A.1.a** Introduce November 5, 2013, Election Results, Administer Oath of Office to Newly Elected Directors and Adopt Resolution No. 2014-04, Accepting Election Results and Seating Newly Elected Directors: No comments were made in regard to the certified election results.

MOTION: It was moved to adopt Resolution 2014-04 accepting Election Results and Seating Newly Elected Directors. Motion by Edwards; second by Couch

ROLL CALL VOTE: Ayes: Couch, Edwards, Mayo and Wheeler
Nays: None
Absent: Corbett
Abstain: None

MOTION SUMMARY: Motion Passed: 4 Ayes; 0 Nays

At 6:07 pm President Mayo announced that the Board would recess into closed session for discussion of the following item:

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

Director Corbett arrived at 6:08 pm

REPORT OUT OF CLOSED SESSION: Nothing to report.

AGENDA ITEM A.1 thru A.3 – CALL TO ORDER, ROLL CALL, And PLEDGE OF ALLEGIANCE: The regular meeting of the Board of Directors of McKinleyville Community Services District reconvened at 7:07 pm with the following Directors and staff in attendance:

Dennis Mayo, President	Gregory Orsini, General Manager
David Couch, Vice-President	Colleen M.R. Trask, Finance Director
Helen Edwards, Director	James Henry, Operations Director
John Corbett, Director	Jason Sehon, Parks and Recreation Director
George Wheeler, Director	Kathy Wilson, Board Secretary

Jack Durham led the pledge of allegiance.

AGENDA ITEM A.4 ADDITIONS TO THE AGENDA: There were no additions to the agenda. President Mayo asked for public input and no public input was offered.

AGENDA ITEM A.5 – APPROVAL OF THE AGENDA:

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

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM B – PUBLIC HEARINGS: No public hearings scheduled.

AGENDA ITEM C - PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Mayo opened public input and no public input was offered.

AGENDA ITEM D – CONSENT CALENDAR:

D.1 Consider approval of the minutes of the Board of Directors' Regular Meeting of December 4, 2013

D.2 Consider approval of November, 2013 Treasurer's Report

D.3 DCV Violations this month

MOTION: It was moved to adopt the consent calendar item D.1 through D.3 subject to objection by Board members, staff and public. No objections were made. Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed – 5 AYES; 0 NAYS

AGENDA ITEM E – CONTINUED AND NEW BUSINESS:

E.1 Consider adopting Resolution 2014-02 honoring Bill Wennerholm for twelve (12) years of service: It was agreed that this item would be moved to the end of the agenda.

E.2 MCSD Employee of the year presentation to William McBroome: It was agreed that this item would be moved to the end of the agenda.

E.3 Consider adopting Resolution 2014-03 recognizing, honoring and commending Jason Patton III for ten (10) years of service: Colleen Trask presented Jason Patton III with a trophy and certificate honoring his ten (10) years of service. Director Mayo commended Jason on his accomplishments and opened the floor for public input. David Baldosser, MCSD customer service supervisor expressed his sincere appreciation of Jason and pointed out that he has steadily grown in his abilities in the front office position and is well deserving of this commendation.

MOTION: It was moved to adopt Resolution 2014-03 honoring and commending Jason Patton III for ten (10) years of service. Motion by Corbett; second by Edwards

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.4 Accept the District's annual audit report for the fiscal year ending June 30, 2013: Colleen Trask introduced Donna L. Taylor and Kim Windsor from Hunter, Hunter & Hunt Certified Public Accountants. Kim Windsor gave a detailed synopsis of the McKinleyville Community Services District Management Letter, year ended June 30, 2013 and the McKinleyville Community Services District Basic Financial Statements and Required Supplementary Information, year ended June 30, 2013. The Directors' and General Manager Orsini commended Hunter, Hunter & Hunt on the very thorough audit that was conducted. President Mayo opened public input and no public input was offered.

MOTION: It was moved to accept the District's annual audit report for the fiscal year ending June 30, 2013.

Motion by Edwards; second by Corbett

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.5 Consider Approving Resolution 2014-05 Water Rate Evaluation and Initiate Proposition 218 process:

General Manager Orsini introduced Chris Fisher with Willdan Financial Services. Mr. Fisher presented pertinent information and an explanation of the deficiency resulting from 2012 Water Rate Adjustment. General Manager Orsini asked the Board to consider Resolution 2014-05 authorizing staff to proceed with Proposition 218 majority protest notice to consider the matter of adjusting water rates in accordance with the Willdan Water Rate Analysis to accurately reflect the cost to provide water and surcharge to recoup revenues not collected for water used. Director Mayo opened public input and no public input was offered.

MOTION: It was moved to adopt Resolution 2014-05 Water Rate Evaluation and Initiate the Proposition 218 Process. Motion by Corbett; second by Edwards

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.6 Election of Board Officers and Committee Appointments for 2014 Calendar Year:

1st MOTION: It was moved to appoint David Couch as President of the Board for year 2014. Motion by Corbett; second by Edwards.

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

2nd MOTION: It was moved to appoint John Corbett as Vice-President for year 2014. Motion by Edwards; second by Mayo.

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

Director Corbett thanked Chairman Mayo for his hard work getting trained and educated to be a good Chair. Director Edwards concurred. New President Couch and Vice President Corbett assumed their places at the table.

Discussion continued regarding committee assignments. Director Edwards indicated she is willing to continue with her current committee assignments which include; Redwood Region Economic Development Commission; Audit Committee; Employee Negotiations; and McKinleyville Municipal Advisory Committee. Director Mayo indicated that he is interested in the Redwood Region Economic Development Commission Committee and is willing to stay on the Recreation Advisory Committee if needed. He will also continue to be involved in the Humboldt Bay Municipal Water District Strategic Planning Committee. Director Corbett stated he is willing to stay on the Audit Committee for one more year.

It was agreed that the current committee assignments will continue through the month of January and be re-addressed at the February 5, 2014 Board meeting.

E.7 Review California Special District Association (CSDA) training “How to be an Effective Board Member” for interested Board members:

MOTION: It was moved to allow interested Board members to attend the CSDA training “How to be an Effective Board Member”. Motion by Director Mayo; second by Corbett.

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

Director Couch and Wheeler expressed interest in attending the training.

E.8 Consider adopting Resolution 2014-01 accepting the District's section of the Humboldt Operational Area Hazard Mitigation Plan: General Manager Orsini accounted for the numerous hours James Henry and Jason Patton have on this project making sure McKinleyville Community Services District's (MCSD's) section in the plan is accurate. He stressed the importance of adopting the plan so MCSD will be eligible for hazard mitigation funding.

MOTION: It was moved to adopt Resolution 2014-01 accepting the District's section of the Humboldt Operational Area Hazard Mitigation Plan. Motion by Mayo; second by Corbett.

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.9 4-year rotation schedule for Chair and Vice-Chair: General Manager Orsini opened for discussion the rotation schedule for Chair and Vice-Chair for the next four years.

MOTION: After brief discussion it was moved to:

1. Approve the rotation schedule reflecting Vice-Chair elect becomes the Chair the subsequent year;
2. 2014 Chair is Couch and Vice-Chair is Corbett;
3. 2015 Chair is Corbett and Vice-Chair is Wheeler;
4. 2016 Chair is Wheeler and Vice-Chair is to be determined

Motion by Edwards; second by Mayo

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

It was decided that items E.1 and E.2 be postponed until the February 5, 2014 Board meeting.

AGENDA ITEM F-REPORTS:

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

Director Couch said they talked about the Botanical Garden.

F.1.b Area Fund (John Kulstad)

Nothing to report.

F.1.c Redwood Region Economic Development Commission

((Wennerholm/Edwards (alternate))

Didn't meet.

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

Didn't meet.

F.1.e Audit (Corbett/Edwards)

The District's annual audit report for the fiscal year ending June 30, 2013 was just adopted.

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

Didn't meet.

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

Didn't meet.

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

Director Mayo reported that there wasn't a formal meeting, but he assisted with the disposal of a 55 gallon drum of toxic substance.

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

Director Edwards reported that there would be a preparatory meeting in preparation for the next MMAC meeting will be held on January 29, 2014 at 5:00 pm.

F.2.a - SUPPORT SERVICES DEPARTMENT: Finance Director Colleen Trask gave an update on the Document Management project, hardware is in and software has been installed by Coastal Business Systems. Training is ongoing for Support Staff, and is being scheduled for other departments. The preparation and scanning of the old easement files is underway.

F.2.b - OPERATIONS DEPARTMENT: Operations Director James Henry gave an update on the Streetlight project stating that 360 of the 387 streetlights are installed bringing the project very close to completion.

F.2.c - PARKS & RECREATION DEPARTMENT: Parks & Recreation Director Jason Sehon reported that they replaced the park lights with brighter ceramic metal halide bulbs which create a cost saving up front and in the future. Each December Azalea Hall and the Senior Center is closed for two weeks so staff can clean, repair and paint. Jason and General Manager Orsini highly praised the park staff on how amazing the facility looks.

F.2.d - GENERAL MANAGER: General Manager Orsini reported on the Letz Pump Station in house upgrade and the 26,000.00 cost savings to the District. The Operations crew salvaged discarded pump parts from Humboldt Community Services District. They were able to retro fit parts to upgrade Letz Pump Station. James will be bringing back a report at next months meeting.

There were technical difficulties with the Zoom audio recorder and no audio is available for the last portion of the meeting.

AGENDA ITEM F.3 PRESIDENT'S REPORT:

AGENDA ITEM F.4. BOARD COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:

AGENDA ITEM G – ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 9:10 pm. Motion by Edwards; second by Mayo

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted,

Kathy Wilson,
Board Secretary

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

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**McKinleyville Community Services District
Investments & Cash Flow Report
As of December 31, 2013**

Petty Cash & Change Funds 940.00

Cash

Operating & Money Market - Beginning Balance		186,734.19
Cash Receipts:		
Utility Billings	348,814.83	
Money Market Account Interest	24.71	
Transfers from County Funds #2560, #4240	150,000.00	
Other Cash Receipts	106,095.95	
Total Cash Receipts		604,935.49
Cash Disbursements:		
Payroll Related Expenditures	(173,459.84)	
Debt Service	(135,782.37)	
Capital & Other Expenditures	(224,318.90)	
Total Cash Disbursements		(533,561.11)
Operating & Money Market - Ending Balance		258,108.57
Total Cash		259,048.57

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

LAIF - Beginning Balance	128,181.14	
Interest Income	-	
LAIF - Ending Balance		128,181.14
Humboldt Co. #2560 - Beginning Balance	424,673.56	
Property Taxes	362,340.11	
Transfer to Operating Cash	(150,000.00)	
Interest Income	202.27	
Humboldt Co. #2560 - Ending Balance		637,215.94
Humboldt Co. #4240 - Beginning Balance	4,674,718.21	
Property Taxes	-	
Transfer to/from Operating Cash	-	
Interest Income	4,363.81	
Humboldt Co. #4240 - Ending Balance		4,679,082.02
Humboldt Co. #9390 - Beginning Balance	110,584.48	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		110,584.48
USDA Bond Reserve Fund - Beginning Balance	123,147.93	
Bond Reserve Payment	7,646.51	
Debt Service Payment	-	
Interest Adjustment	2.28	
USDA Bond Reserve Fund - Ending Balance		130,796.72
Market Valuation Account		(180.00)

Total Investments 5,685,680.30

Total Cash & Investments - Current Month 5,944,728.87

Total Cash & Investments - Prior Month 5,648,799.51

Net Change to Cash & Investments This Month 295,929.36

Cash & Investment Summary

Cash & Cash Equivalents	5,057,956.30
Davis-Grunsky Loan Reserve	597,305.39
Waste Water Capital Reserve	98,670.46
USDA Bond Reserve	130,796.72
I-Bank Loan Reserve	60,000.00
Total Cash & Investments	5,944,728.87

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
As of December 31, 2013

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Sewer	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 774,817.37	\$ 339,601.90	\$ (157,268.33)	\$ 785,113.74	\$ 3,315,486.02	\$ 5,057,750.70
Accounts receivable	3,009.21	-	4,000.61	234,471.62	166,138.42	407,619.86
Prepaid expenses & other current assets	15,695.29	-	1,308.41	80,386.45	43,298.50	140,688.65
Total Current Assets	793,521.87	339,601.90	(151,959.31)	1,099,971.81	3,524,922.94	5,606,059.21
Noncurrent Assets						
Restricted cash & cash equivalents	300,395.67	-	-	657,305.39	229,467.18	1,187,168.24
Other noncurrent assets	4,454.00	-	-	-	-	4,454.00
Capital assets (net)	-	-	-	6,967,728.40	11,813,479.33	18,781,207.73
Total Noncurrent Assets	304,849.67	-	-	7,625,033.79	12,042,946.51	19,972,829.97
TOTAL ASSETS	\$ 1,098,371.54	\$ 339,601.90	\$ (151,959.31)	\$ 8,725,005.60	\$ 15,567,869.45	\$ 25,578,889.18
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 73,279.63	\$ 11.00	\$ 2,872.51	\$ 193,354.80	\$ 42,836.27	\$ 312,354.21
Accrued payroll & related liabilities	86,673.11	-	-	36,451.18	36,451.18	159,575.47
Total Current Liabilities	159,952.74	11.00	2,872.51	229,805.98	79,287.45	471,929.68
Noncurrent Liabilities						
Long-term debt	-	-	-	3,217,441.00	1,086,512.70	4,303,953.70
Other noncurrent liabilities	4,454.00	-	-	204,042.01	205,498.16	413,994.17
Total Noncurrent Liabilities	4,454.00	-	-	3,421,483.01	1,292,010.86	4,717,947.87
TOTAL LIABILITIES	164,406.74	11.00	2,872.51	3,651,288.99	1,371,298.31	5,189,877.55
Fund Balance/Net Assets						
Fund balance	142,069.21	339,590.90	(154,831.82)	-	-	326,828.29
Net assets	791,895.59	-	-	1,323,429.21	3,469,604.51	5,584,929.31
Investment in capital assets, net of related debt	-	-	-	3,750,287.40	10,726,966.63	14,477,254.03
Total Fund Balance/Net Assets	933,964.80	339,590.90	(154,831.82)	5,073,716.61	14,196,571.14	20,389,011.63
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,098,371.54	\$ 339,601.90	\$ (151,959.31)	\$ 8,725,005.60	\$ 15,567,869.45	\$ 25,578,889.18
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	<u>\$ 3,495,968.54</u>					
General Long-term Liabilities						
OPEB Liability	147,783.23					
Accrued Compensated Absences	29,647.36					
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 177,430.59					

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

Department Summaries	December	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	135,884	1,049,693	1,054,545	(4,852)	-0.46%	
Other Revenues	160,065	345,211	129,525	215,686	166.52%	Includes Contributed Capital from completed subdivisions \$133,980.00
Total Operating Revenues	295,949	1,394,904	1,184,070	210,834	17.81%	
Salaries & Benefits	58,869	353,297	377,417	(24,120)	-6.39%	
Water Purchased	67,514	409,593	413,000	(3,407)	-0.82%	
Other Expenses	20,796	170,565	184,398	(13,833)	-7.50%	
Depreciation	25,250	150,350	145,000	5,350	3.69%	
Total Operating Expenses	172,429	1,083,806	1,119,815	(36,009)	-3.22%	
Net Operating Income	123,520	311,098	64,255	174,825		
Interest Income	2,826	5,968	6,000	(32)	-0.53%	County rate remains lower than anticipated at 0.67%
Interest Expense	(6,674)	(42,907)	(40,152)	2,755	6.86%	Budget spread evenly across 12 months, but actuals vary w/debt payments
Net Income (Loss)	119,673	274,159	30,103	244,056		
<u>Sewer</u>						
Sewer Service Charges	138,403	896,171	850,000	46,171	5.43%	
Other Revenues	245,406	338,634	149,075	189,559	127.16%	Includes Contributed Capital from completed subdivisions \$202,580.00
Total Operating Revenues	383,809	1,234,805	999,075	235,730	23.59%	
Salaries & Benefits	64,536	397,150	379,326	17,824	4.70%	
Other Expenses	30,576	213,257	297,492	(84,235)	-28.32%	Budget is spread evenly across 12 months, but actuals vary with payments
Depreciation	38,550	231,150	231,500	(350)	-0.15%	
Total Operating Expenses	133,662	841,557	908,318	(66,761)	-7.35%	
Net Operating Income	250,147	393,248	90,757	302,491		
Interest Income	3,837	10,213	10,000	213	2.13%	Interest returns remaining lower than expected - see note to Water Fund
Interest Expense	(3,910)	(23,906)	(29,372)	(5,466)	-18.61%	Budget spread evenly across 12 months, but actuals vary w/debt payments
Net Income (Loss)	250,074	379,555	71,385	308,170		
Enterprise Funds Net Income (Loss)	369,747	653,715	101,488	552,227		

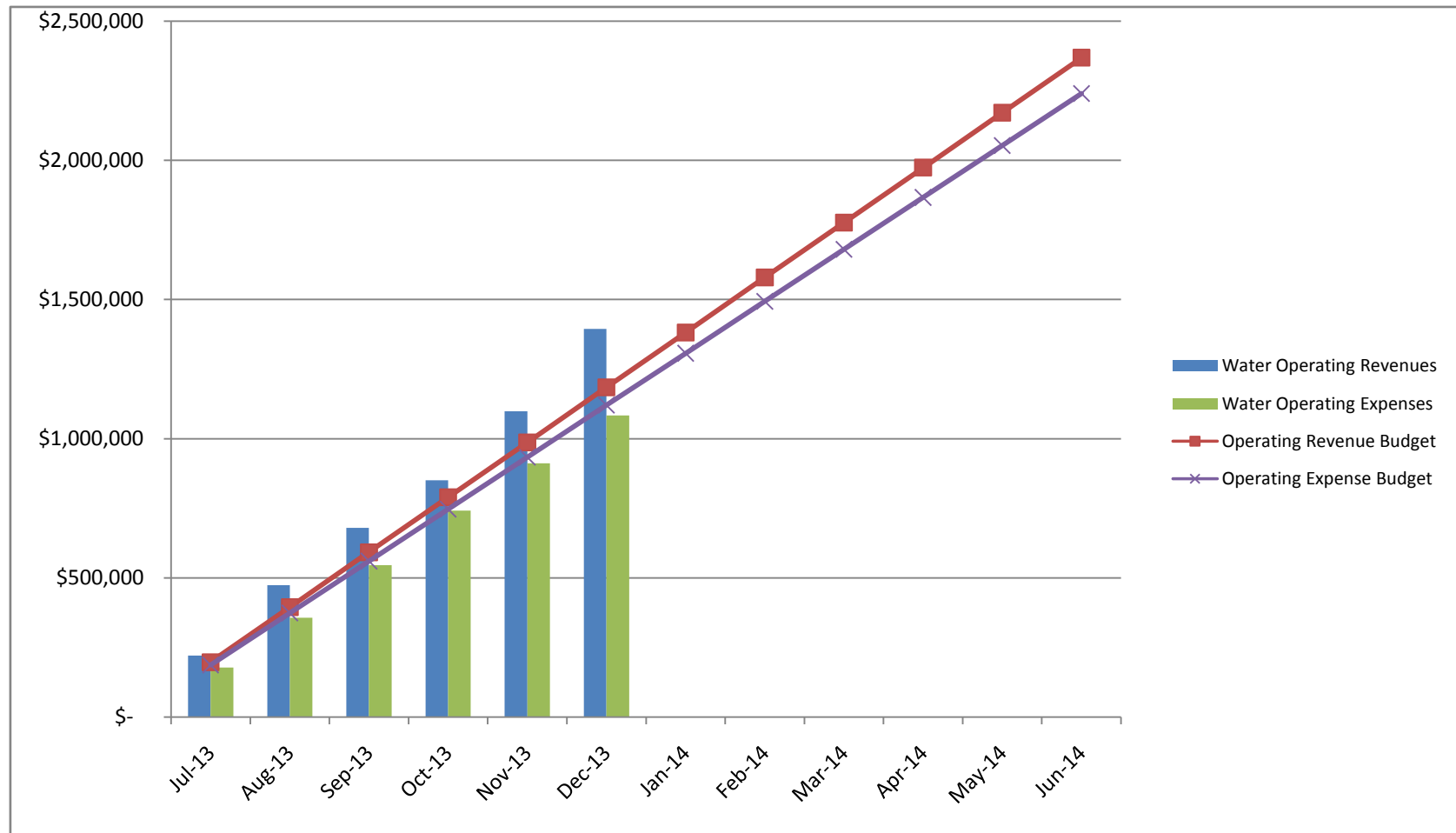
McKinleyville Community Services District
Activity Summary by Fund, Original Budget
December 2013

Department Summaries	December	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	27,928	155,935	167,150	(11,215)	-6.71%	
Rents & Related Fees	4,429	33,087	38,215	(5,128)	-13.42%	Facility rentals lower than expected YTD
Property Taxes	243,296	260,677	255,000	5,677	2.23%	County Tax remittance scheduled in December and April
Other Revenues	17,398	51,379	91,650	(40,271)	-43.94%	Revenue budget spread evenly across 12 months, but actuals vary w/receipts
Interest Income	371	1,517	1,575	(58)	-3.66%	Interest returns remaining lower than expected - see note to Water Fund
Total Revenues	293,421	502,596	553,590	(50,994)	-9.21%	
Salaries & Benefits	56,676	385,658	388,564	(2,906)	-0.75%	
Other Expenditures	20,304	128,504	113,520	14,984	13.20%	Expense budget spread evenly across 12 months, but actuals vary w/payments
Capital Expenditures	8,725	162,902	51,500	111,402	216.32%	Purchase of Washington Avenue parcel, playground equipment for Pierson Park
Total Expenditures	85,705	677,064	553,584	123,480	22.31%	
Excess (Deficit)	207,716	(174,469)	6	(174,475)		
<u>Measure B Assessment</u>						
Total Revenues	118,562	118,697	104,563	14,134	13.52%	County Tax remittance scheduled in December and April
Salaries & Benefits	10,377	38,937	47,980	(9,043)	-18.85%	Maintenance salary & supplies expended before Measure B revenue received
Other Expenditures	11	2,249	4,250	(2,001)	-47.09%	Expense budget spread evenly across 12 months, but actuals vary w/payments
Capital Expenditures	10,462	10,929	51,911	(40,982)	-78.95%	Vendor invoices not yet received for Teen Center design work
Total Expenditures	20,849	52,115	104,141	(52,026)	-49.96%	
Excess (Deficit)	97,713	66,582	422	66,160		
<u>Street Lights</u>						
Total Revenues	7,336	58,929	94,200	(35,271)	-37.44%	
Salaries & Benefits	3,904	24,600	19,900	4,700	23.62%	LED project - fixtures received and installation proceeding
Other Expenditures	2,993	21,475	22,005	(530)	-2.41%	Cost savings from Streetlights LED project not yet realized
Capital Expenditures	-	96,575	50,000	46,575	93.15%	LED project - fixtures received and installation proceeding
Total Expenditures	6,897	142,649	91,905	50,744	55.21%	
Excess (Deficit)	440	(83,720)	2,295	86,015		
Governmental Funds Excess (Deficit)	305,869	(191,607)	2,723	(194,330)		

McKinleyville Community Services District

December 2013

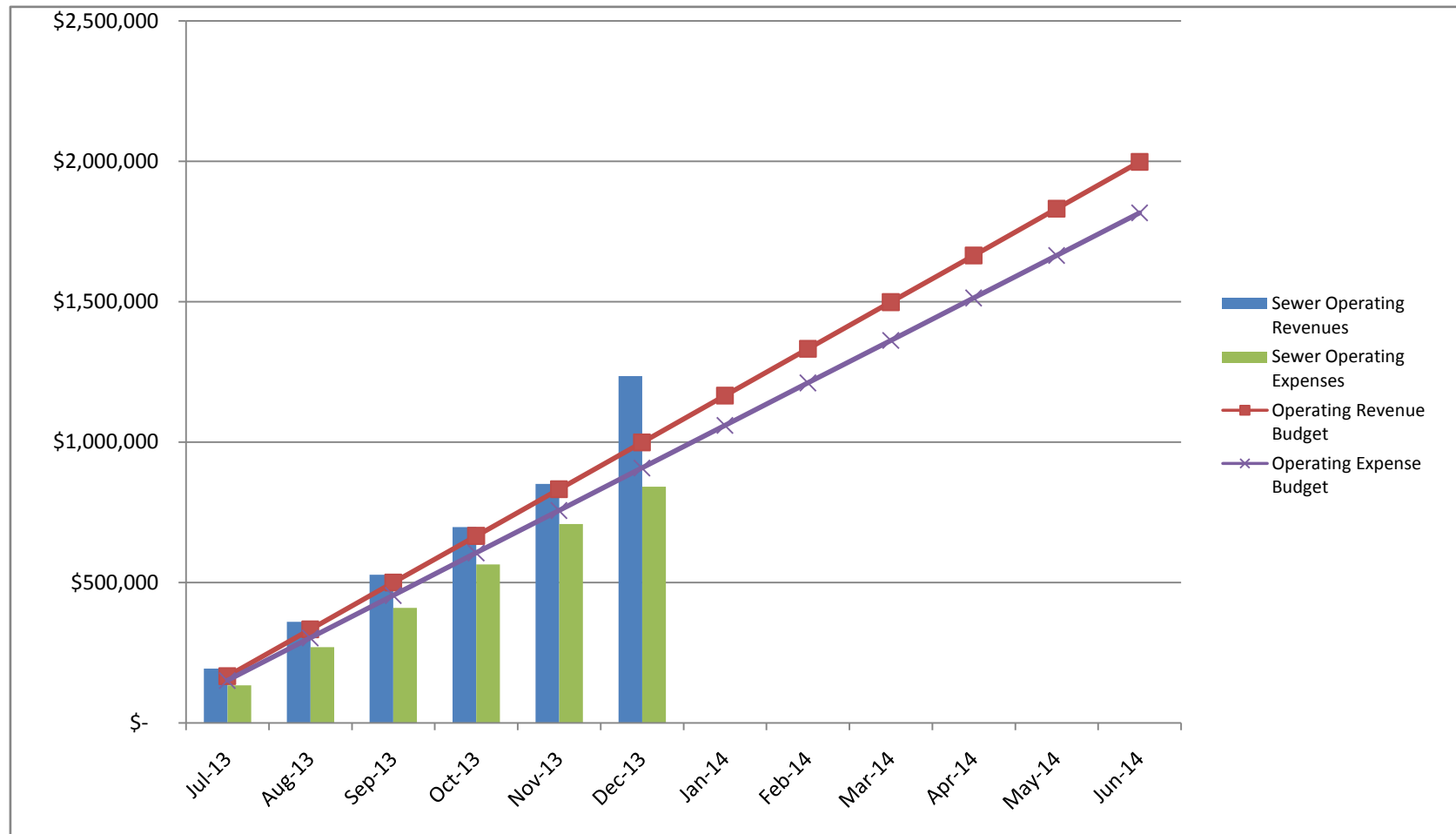
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

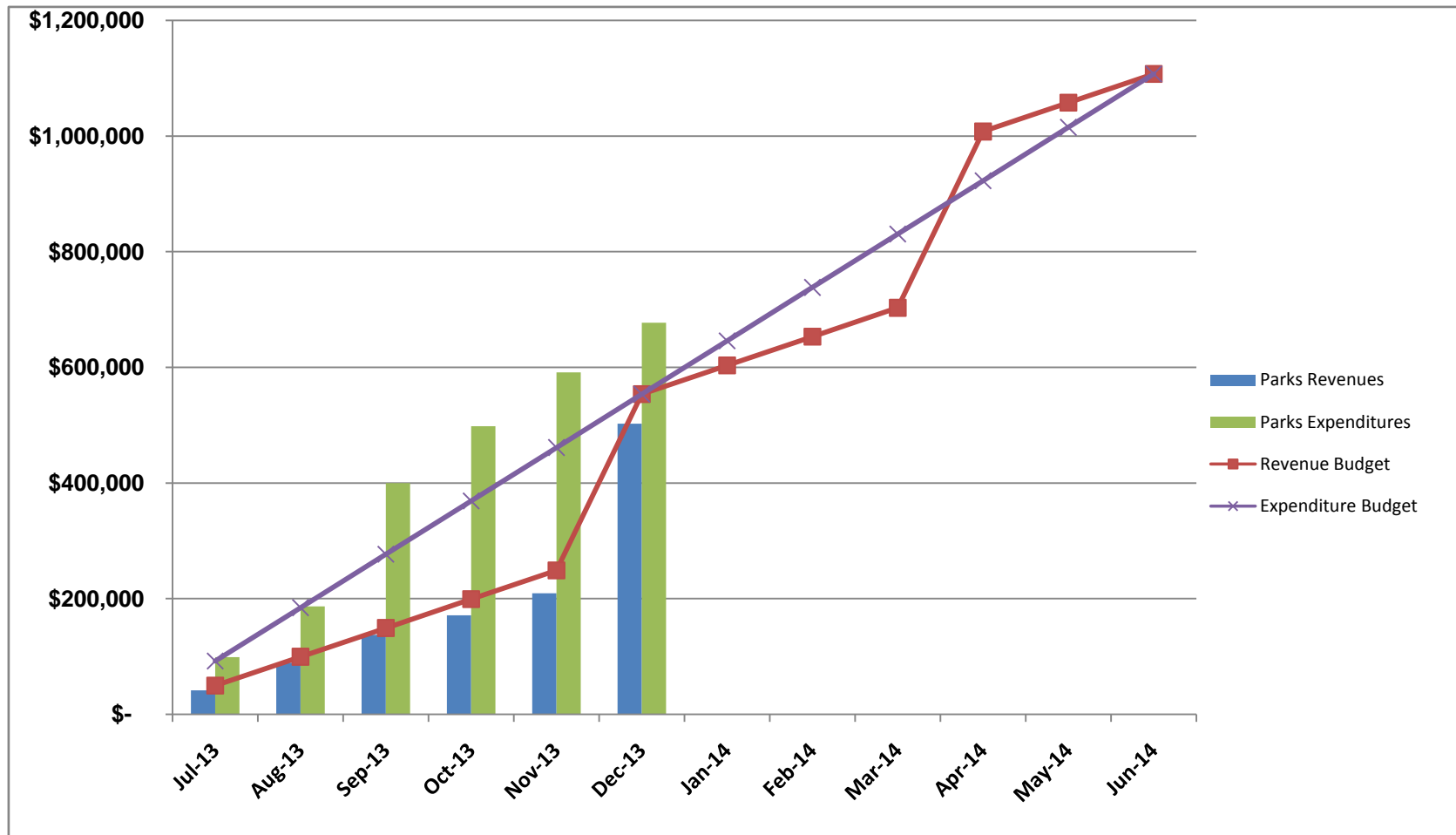
December 2013

Comparison of Sewer Fund Operating Revenues & Expenses to Budget



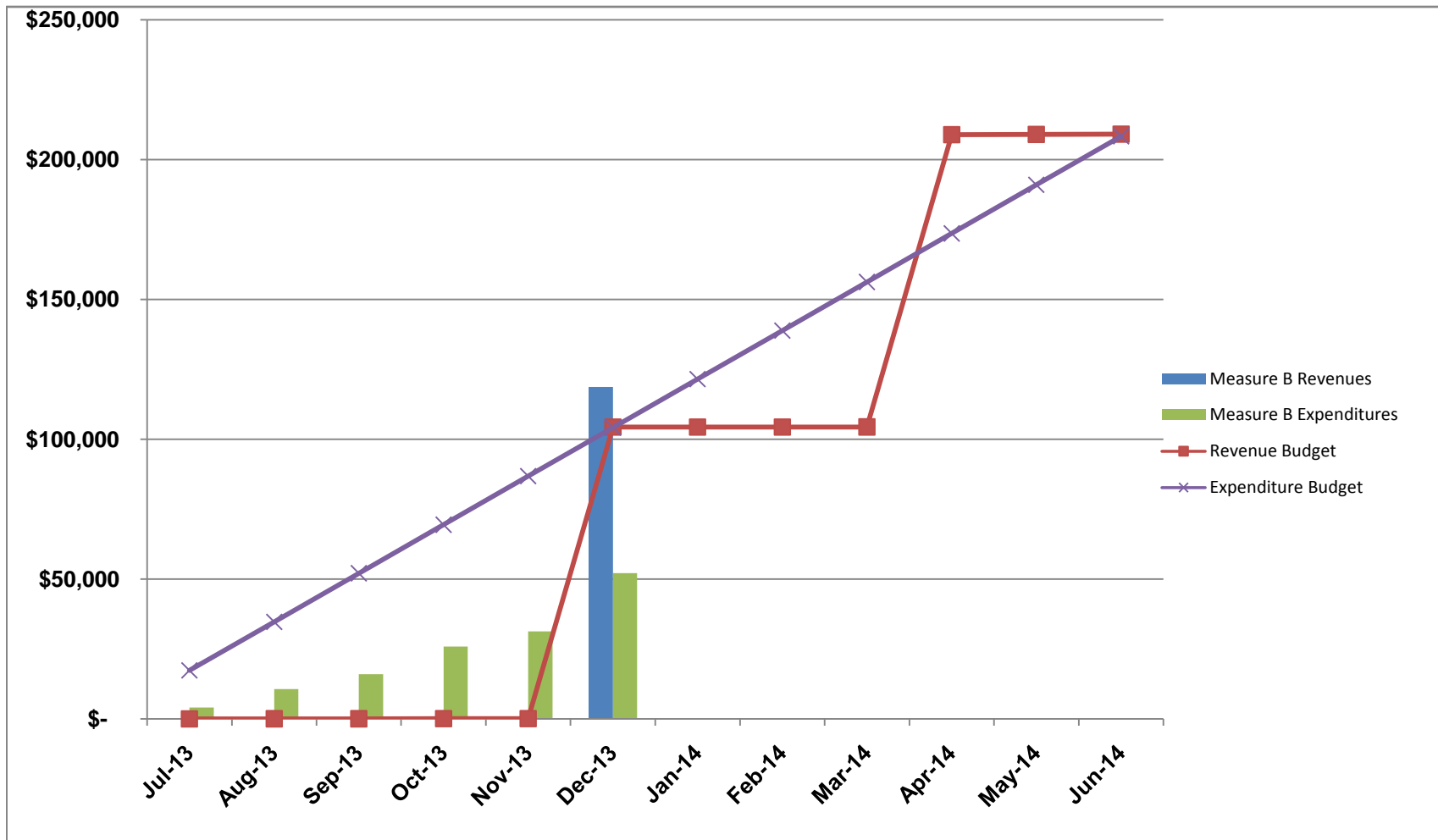
McKinleyville Community Services District December 2013

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



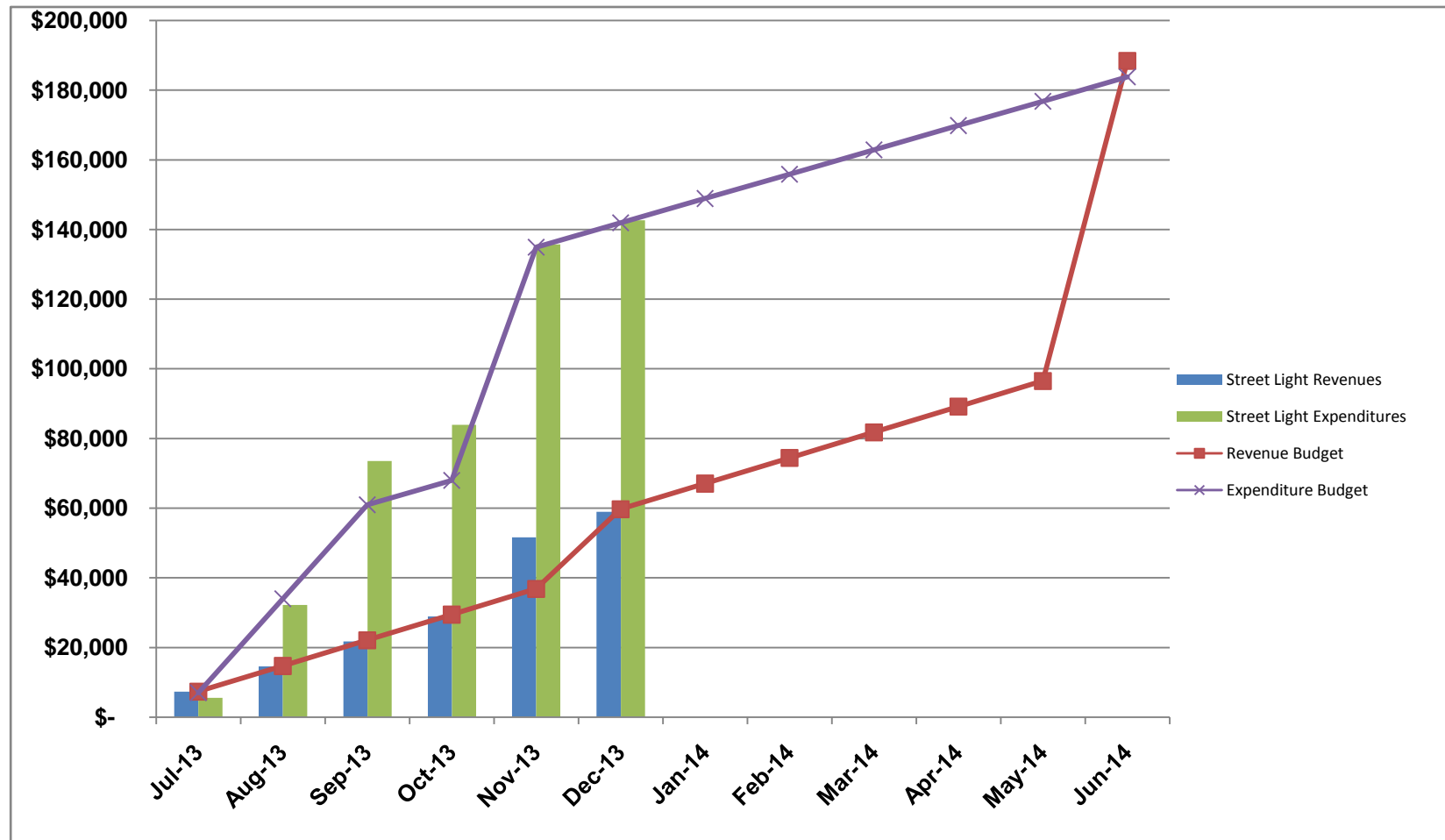
McKinleyville Community Services District December 2013

Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District December 2013

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



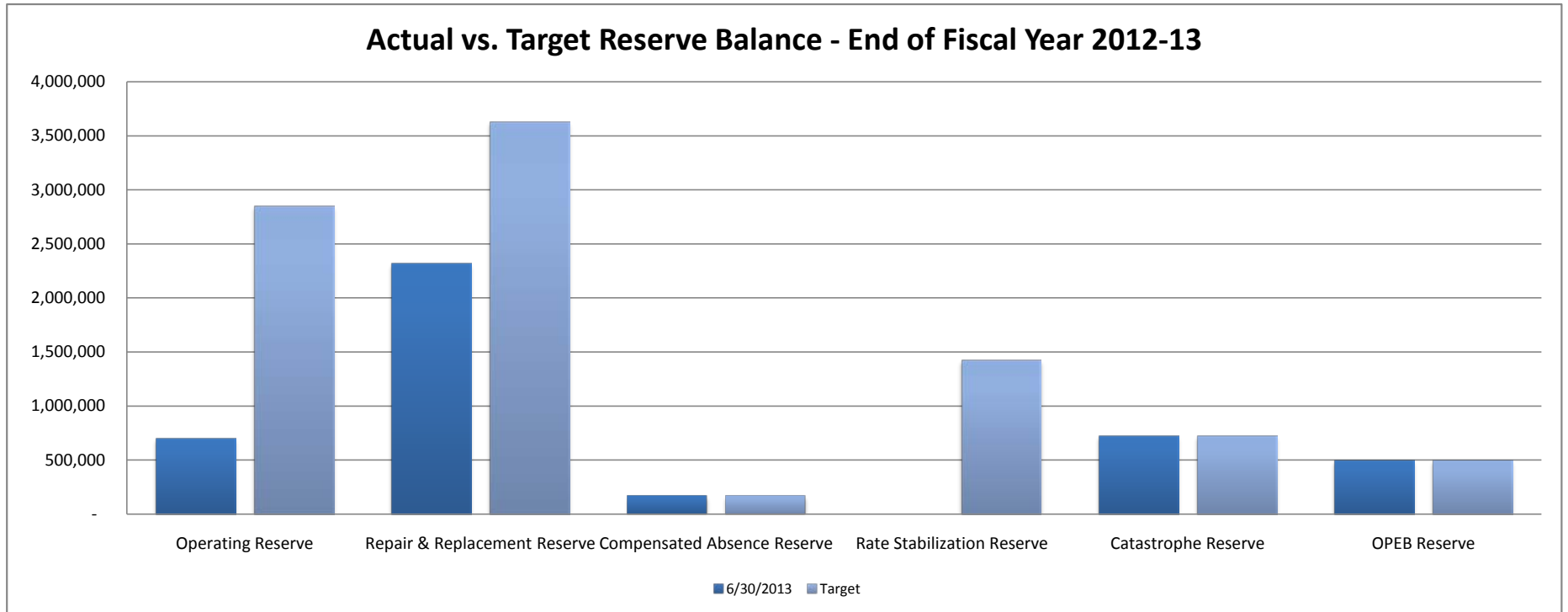
McKinleyville Community Services District
Capital Expenditure Report
As of December 31, 2013

	YTD		FY 13-14		Remaining		
	December	Total	Budget	Budget \$	Budget %	Notes	
<u>Water Department</u>							
Ramey Pump Upgrades	-	-	-	-	#DIV/0!		
Emergency Water Line River Crossing	115	3,556	2,000,000	1,996,444	100%	OLA Assoc - design work	
4.5m New Water Tank	91	91	-	(91)	#DIV/0!	Legal	
Fire Hydrant System Upgrade		-	8,000	8,000	100%		
Customer Meter Replacements		-	90,000	90,000	100%		
Radio Telemetry Upgrade	5,123	11,755	25,000	13,245	53%	Equipment purchased	
Meter Reading Equipment Replacement		-	6,000	6,000	100%		
Property Purchase & Improvements		-	6,000	6,000	100%		
Subtotal	5,329	15,402	2,135,000	2,119,598	99%		
<u>Sewer Department</u>							
Sewer Main Rehab & Replacement	-	-	50,000	50,000	100%		
WWMF Roof Replacement	-	-	10,000	10,000	100%		
WWMF Sludge Disposal & Handling	-	-	250,000	250,000	100%		
WWMF & Fischer Lift Stn Grinder Upgrade		-	15,000	15,000	100%		
Sewer Main Camera Unit		-	30,000	30,000	100%		
WWMF Upgrade/CEQA/Permitting	-	231,337	853,000	621,663	73%	WWMF design - Kennedy Jenks	
Radio Telemetry Upgrade		-	10,000	10,000	100%		
Sewer Lift Station Other Upgrades	2,488	2,488	5,000	2,512	50%		
Sewer Lift Station Pump/Gen Upgrades		-	20,000	20,000	100%		
Customer Radio Meter Replacements		-	90,000	90,000	100%		
Subtotal	2,488	233,825	1,333,000	1,099,175	82%		
<u>Water & Sewer Operations</u>							
Heavy Equipment	-	-	90,000	90,000	100%	Dump Truck	
Utility Vehicles	-	-	60,000	60,000	100%	Car, 3/4 or 1-ton Pickup Truck	
Computers & Software		21,243	20,000	(1,243)	-6%	Document Mgmt system impl	
GIS/SEMS/CADD Equipment/Software	-	-	4,000	4,000	100%		
Fischer Ranch - Undergr. Valving/Piping	-	-	8,000	8,000	100%		
Fischer Ranch -Disposal Site Upgrade	-	-	1,000,000	1,000,000	100%		
Small Equipment & Other	-	-	15,000	15,000	100%		
Subtotal	-	21,243	1,197,000	1,175,757	98%		
Enterprise Funds Total	7,817	270,471	4,665,000	4,394,529	94%		
<u>Parks & Recreation Department</u>							
Pierson Park Upgrades	5,964	24,294	25,000	706	3%	Playground Equipment	
Azalea Hall Projects	-	-	5,000	5,000	100%	Furnace Replacement	
McKinleyville Activity Center Upgrades	-	-	5,000	5,000	100%	Saber Floor Scrubber	
Projects Funded by Quimby/Other Funds	-	133,558	68,000	(65,558)	-96%	Washington Ave Parcel, Picnic Area	
Projects Funded by Measure B Renewal	13,223	13,863	104,000	90,137	87%	Teen Center Project	
Other Parks Projects & Equipment	-	1,400	-	(1,400)	#DIV/0!	Washington Parcel	
Subtotal	19,186	173,114	207,000	33,886	16%		
<u>Streetlights</u>							
LED	-	96,575	125,000	28,425	23%	LED Streetlights	
Subtotal	-	96,575	125,000	28,425	23%		
Governmental Funds Total	19,186	269,688	332,000	62,312	19%		
All Funds Total	27,004	540,159	4,997,000	4,456,841	89%		

McKinleyville Community Services District
Summary of Long-Term Debt Report
As of December 31, 2013

				Principal Maturities and Scheduled Interest							
				Maturity		Balance - Nov.	Balance - Dec.	Remaining			
				%	Date	30, 2013	31, 2013	for FY-14	FY-15	FY-16	Thereafter
Water Fund:											
I-Bank		8/1/30	P			881,333.57	881,333.57	-	39,248.69	40,571.37	801,513.53
Interest	3.37%		I					14,850.47	29,039.60	27,694.63	219,225.52
State of CA Energy Commission (ARRA)		12/22/26	P			156,860.62	151,421.65	10,856.01	11,018.72	11,125.84	123,806.70
Interest	1.0%		I					1,533.95	1,432.12	1,325.20	6,926.83
State of CA (Davis Grunsky)		1/1/33	P			1,936,845.81	1,861,023.85	75,821.96	77,717.50	79,660.44	1,703,645.91
State of CA (Davis Grunsky) Deferred Interest		1/1/33	P			340,697.05	323,661.93	17,035.12	17,035.12	17,035.12	289,591.69
Interest	2.5%		I					47,481.16	46,525.60	44,582.66	408,486.72
Total Water Fund-Principal						3,315,737.05	3,217,441.00	103,713.09	145,020.03	148,392.77	2,918,557.83
Total Water Fund-Interest								63,865.58	76,997.32	73,602.49	634,639.07
Total Water Fund						3,315,737.05	3,217,441.00	167,578.67	222,017.35	221,995.26	3,553,196.90
Sewer Fund:											
State of CA WRCB (SCEP I)		4/15/16	P			122,760.30	122,760.30	40,920.10	40,920.10	40,920.10	-
Interest	0.0%		I					-	-	-	
State of CA WRCB (SCEP II)		3/27/18	P			129,241.57	129,241.57	24,546.06	25,183.91	25,838.70	53,686.60
Interest	2.6%		I					3,360.28	2,722.43	2,067.64	2,102.41
Umpqua Bank		12/4/17	P			203,223.17	199,510.83	41,041.12	47,186.72	49,848.42	79,721.79
Interest	5.5%		I					10,048.63	8,547.04	5,885.34	3,506.57
USDA (Sewer Bond)		8/1/22	P			635,000.00	635,000.00	60,000.00	60,000.00	60,000.00	515,000.00
Interest	5.0%		I					33,250.00	30,250.00	27,250.00	90,875.00
Total Sewer Fund-Principal						1,090,225.04	1,086,512.70	166,507.28	173,290.73	176,607.22	648,408.39
Total Sewer Fund-Interest								46,658.91	41,519.47	35,202.98	96,483.98
Total Sewer Fund						1,090,225.04	1,086,512.70	213,166.19	214,810.20	211,810.20	744,892.37
Total Principal						4,405,962.09	4,303,953.70	270,220.37	318,310.76	324,999.99	3,566,966.22
Total Interest								110,524.49	118,516.79	108,805.47	731,123.05
Total						4,405,962.09	4,303,953.70	380,744.86	436,827.55	433,805.46	4,298,089.27

McKinleyville Community Services District
Board Designated Reserve Balances
As of December 31, 2013



- Utility Accounts Receivable Turnover Days	As of December 31, 2013					15.7	Days
	Beg. A/R	End A/R	Avg A/R	Net Util Sales	# of Times		
	125,362.76	143,654.36	169,508.56	194,5863.91	11.47944334		
- YTD Breakeven Revenue, Water Fund:	1,105,634.44					- YTD Actual Water Sales:	1,049,693.23
	501 Ops Exp	501 COGS	501 Wtr Sales				
	674,212.58	409,593	1,049,693.23				
- Days of Cash on Hand - Operations Checking Account			258,108.57	6,060.54		42.6	Days

McKinleyville Community Services District
Cash Disbursement Report
For the Period December 1 through December 31, 2013

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
Accounts Payable Disbursements						
27367	12/2/2013	*0013	AZALEA HALL DEPOSIT REFUND KT	100.00	B31202	AZALEA HALL DEPOSIT REFUND KT
27368	12/2/2013	*0014	AZALEA HALL DEPOSIT REFUND CS	100.00	B31202	AZALEA HALL DEPOSIT REFUND CS
27369	12/2/2013	*0015	AZALEA HALL DEPOSIT REFUND LS	100.00	B31202	AZALEA HALL DEPOSIT REFUND LS
27370	12/2/2013	AJI01	HAIDER AJINA	60.00	B31202	CONTRACTED FUTSAL REFEREE
27371	12/2/2013	AWW03	AMERICAN WATER WORKS ASSOCIATION	1,900.00	B31202	SUBSCRIPTIONS
27372	12/2/2013	BRU04	REBECCA J. BRUINEKOOL	1,418.62	B31202	CONTRACTED INSTRUCTOR
27373	12/2/2013	COR01	CORBIN WILLITS SYSTEMS, INC	858.42	B311151	MOMS SOFTWARE MAINTENANCE
27374	12/2/2013	COU02	HUMBOLDT COUNTY ASSESSOR	24.50	B31202	MEASURE B MAPS
27375	12/2/2013	CSD01	CSDA	4,919.00	B31115	MEMBERSHIP RENEWAL
27376	12/2/2013	EUR01	EUREKA BOILER WORKS	42.09	60569	REPAIRS/ SUPPLIES
27377	12/2/2013	FRI05	LESLEY FRISBEE	153.26	2	CPRS REGION 1 FALL FORUM
				91.00	B31202	EMPLOYEE REIMBURSEMENT
			Check Total:	<u>244.26</u>		
27378	12/2/2013	GAN01	GAN CONFERENCING	3.12	B31202	AUDIO CONFERENCES
27379	12/2/2013	HAR13	The Hartford - Priority A	1,244.23	B31202	GRP LIFE INSURANCE
27380	12/2/2013	KRE02	KEVIN BRADLEY	2,714.44	2577 2576	VEHICLE REPAIR
27381	12/2/2013	MEN01	MENDES SUPPLY CO.	174.60	M053755	SAFETY SUPPLIES

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27382	12/2/2013	MIT01	Mitchell, Brisso, Delaney	978.00	33406	LEGAL
27383	12/2/2013	NEC01	NEC FINANCIAL SERVICES,LLC	286.59	1666611	PHONE SYSTEMS
27384	12/2/2013	NOR36	NORTH COAST PARTS & SUPPLIES	56.88	B31202	REPAIRS/ SUPPLIES
27385	12/2/2013	NYL01	NYLEX.NET	474.99	74741	PROFESSIONAL SERVICES
				432.00	74807	PROFESSIONAL SERVICES
			Check Total:	<u>906.99</u>		
27386	12/2/2013	OSC01	OSCAR LARSON & ASSOCIATES	741.26	3826	NORTHERN INTERTIE PROJECT
27387	12/2/2013	PGE02	PACIFIC GAS & ELECTRIC	1,985.41	B31202	STREETLIGHTS
27388	12/2/2013	PRE08	PRECISION INTERMEDIA	30.00	RC1213177	WEB HOSTING
27389	12/2/2013	REM01	REMY, MOOSE AND MANLEY,LLP	512.50	97294	PROFESSIONAL SERVICES
27390	12/2/2013	USB01	U.S. BANK TRUST N.A.	7,645.83	B31202	SEWER BOND PAYMENT
27391	12/2/2013	\B047	MQ CUSTOMER REFUND FOR BI	59.26	000B31101	MQ CUSTOMER REFUND FOR BI
27392	12/2/2013	\F008	MQ CUSTOMER REFUND FOR FL	34.08	000B31201	MQ CUSTOMER REFUND FOR FL
27393	12/2/2013	\L001	MQ CUSTOMER REFUND FOR LA	9.83	000B31201	MQ CUSTOMER REFUND FOR LA
27394	12/2/2013	\M061	MQ CUSTOMER REFUND FOR MA	76.45	000B31201	MQ CUSTOMER REFUND FOR MA
27395	12/2/2013	\P005	MQ CUSTOMER REFUND FOR PR	65.04	000B31201	MQ CUSTOMER REFUND FOR PR
27396	12/2/2013	\S031	MQ CUSTOMER REFUND FOR SI	24.53	000B31201	MQ CUSTOMER REFUND FOR SI
27397	12/4/2013	DEL05	DELL MARKETING L.P.	1,099.59	B31204	COMPUTER SYSTEM
27398	12/4/2013	\M062	MQ CUSTOMER REFUND FOR MC	807.97	000B31201	MQ CUSTOMER REFUND FOR MC
27399	12/9/2013	*0016	JOSEPH NICKOLS	30.00	B31206	REC PROGRAM FINGERPRINTING
27400	12/9/2013	*0017	AZALEA HALL DEPOSIT REFUND BM	100.00	B31209	AZALEA HALL DEPOSIT REFUND BM
27401	12/9/2013	10102	101 NETLINK	347.08	B31204	BACKUP INTERNET SERVICES

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27402	12/9/2013	ADV01	ADVANCED SECURITY SYSTEM	123.75	246546	REPAIRS TO SECURITY SYSTEM
27403	12/9/2013	AGS01	AG SALES	16.67	B31206	REPAIRS/ SUPPLIES
27404	12/9/2013	ARC02	Arcata Stationers	942.56	B31204	OFFICE SUPPLIES
27405	12/9/2013	ASB01	ASBURY ENVIRONMENTAL SERVICE	278.04	130434633	GAS/OIL/LUBE
27406	12/9/2013	BEN02	BENTLEY SYSTEMS, INC.	734.00	47556223	WATERCAD SUBSCRIPTION
27407	12/9/2013	CAM01	CAMPTON ELECTRIC SUPPLY	829.23	S1125951	LED STREETLIGHTS
				96.38	S1126321	LED STREETLIGHTS
			Check Total:	<u>925.61</u>		
27408	12/9/2013	COA02	COASTAL BUSINESS SYSTEMS	20,091.75	89738A	DOCSTAR SYSTEM
27409	12/9/2013	COR07	JOHN W. CORBETT	125.00	B31206	DIRECTORS FEES
27410	12/9/2013	COS03	COSTCO WHOLESALE	246.91	B31204	SUPPLIES PURCHASED IN NOV
27411	12/9/2013	COU09	DAVID R. COUCH	125.00	B31206	DIRECTORS FEES
27412	12/9/2013	DOW01	DOWNEY BRAND ATTORNEYS LLP	1,994.90	460884	LEGAL
27413	12/9/2013	EDW01	HELEN L. EDWARDS	125.00	B31206	DIRECTORS FEES
27414	12/9/2013	EGG01	LYNN EGGINK	98.80	B31204	CONTRACTED INSTRUCTOR
27415	12/9/2013	EIC01	JENNIFER EICHSTEDT	1,004.25	B31206	CONTRACTED INSTRUCTOR
27416	12/9/2013	EUR05	Eureka Oxygen Co	-	A483530u	Ck# 027416 Reversed
27417	12/9/2013	FRE07	FRESHWATER ENVIRONMENTAL	880.00	760	PROFESSIONAL SERVICES
27418	12/9/2013	HAC01	HACH COMPANY	317.13	8570299	REPAIRS/SUPPLY
27418	12/9/2013	HAC01	HACH COMPANY	364.84	8572341	REPAIRS/SUPPLY
			Check Total:	<u>681.97</u>		
27419	12/9/2013	HAR03	HARVEY M. HARPER CO.	165.52	B31206	VEHICLE REPAIRS

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27420	12/9/2013	HFS01	HF SCIENTIFIC, INC.	214.89	188127	REPAIRS/ SUPPLIES
27421	12/9/2013	HUM01	HUMBOLDT BAY MUNICIPAL WATER DISTRICT	67,158.40	B31204	WTR PURCHASED
27422	12/9/2013	HUM08	HUMBOLDT SANITATION	1,077.20	B31205	TRASH SERVICE
27423	12/9/2013	IND02	Industrial Electric Service	129.87	IN10500	REPAIRS/SUPPLY
				173.42	IN10557	REPAIRS/SUPPLY
				46.55	IN10582	REPAIRS/SUPPLY
			Check Total:	<u>349.84</u>		
27424	12/9/2013	JAC04	JACKSON & EKLUND, INC.	4,181.00	177321	PROFESSIONAL SERVICES
				6,143.00	177476	PROFESSIONAL SERVICES
			Check Total:	<u>10,324.00</u>		
27425	12/9/2013	JOH07	JOHN'S USED CARS & WRECKERS	70.36	157561	VEHICLE REPAIRS
27426	12/9/2013	KEN02	KENNEDY/JENKS CONSULTANTS	25,498.00	B31202	PROFESSIONAL SERVICES-WWMF
27427	12/9/2013	LES01	LES SCHWAB TIRE CENTER	15.92	76943	REPAIRS/ SUPPLIES
27428	12/9/2013	MAN03	MANDELL MUNICIPAL COUNSELLING	94.00	B31202	PROFESSIONAL SERVICES
27429	12/9/2013	MCK04	MCK ACE HARDWARE	944.72	B31206	REPAIRS/SUPPLY
27430	12/9/2013	MIL01	Miller Farms Nursery	6,259.81	B31206	REPAIRS/SUPPLY
27431	12/9/2013	MUN01	Munnell & Sherrill, Inc.	12.69	74345	CONSTRUCTION EQUIP REPAIR
27432	12/9/2013	NOR03	NO. COAST VETERINARY HOSPITAL	155.75	6935	GOAT CARE, SUPPLIES
27433	12/9/2013	NOR13	NORTHERN CALIFORNIA SAFETY CONSORTIUM	80.00	19996	MONTHLY SUBSCRIPTION
27434	12/9/2013	PGE01	PG & E (Office & Field)	12,037.02	B31206	GAS & ELECTRIC
27435	12/9/2013	PRE08	PRECISION INTERMEDIA	30.00	RC1113039	WEB HOSTING
27436	12/9/2013	REN01	RENNER PETROLEUM	4,337.09	B31206	FUEL FOR NOV 2013
27437	12/9/2013	SAF04	SAFEWAY INC. FILE # 72905	71.76	B31206	SUPPLIES PURCHASED IN NOV

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27438	12/9/2013	STA01	STATEWIDE TRAFFIC	105.87	1695/9	SAFETY SUPPLIES
27439	12/9/2013	STA02	STATE OF CALIFORNIA ENERGY COMMISSION	6,225.42	B31206	ARRA LOAN PAYMENT
27440	12/9/2013	SUD01	SUDDENLINK	154.90	B31206	INTERNET SERVICES
27441	12/9/2013	THR01	THRIFTY SUPPLY COMPANY	-	B31209u	Ck# 027441 Reversed
27442	12/9/2013	UMP03	UMPQUA BANK--VISA	357.98	2	SUPPLIES PURCHASED IN NOV
				289.51	3	SUPPLIES PURCHASED IN NOV
				2,039.09	4	SUPPLIES PURCHASED IN NOV
				1,198.78	5	SUPPLIES PURCHASED IN NOV
				154.06	B31209	SUPPLIES PURCHASED IN NOV
			Check Total:	<u>4,039.42</u>		
27443	12/9/2013	VER01	VERIZON WIRELESS	103.95	B31209	CELL PHONES FOR NOV 2013
27444	12/9/2013	WEN01	WILLIAM WENNERHOLM, DC	125.00	B31206	DIRECTORS FEES
27445	12/9/2013	MAY02	DENNIS MAYO	125.00	B31209	DIRECTORS FEES
27446	12/9/2013	NOR23	NORTH COAST SECTION, CWEA	50.00	B31209	TRAINING
27447	12/16/2013	*0018	AZALEA HALL DEPOSIT REFUND AE	100.00	B31212	AZALEA HALL DEPOSIT REFUND AE
27448	12/16/2013	*0019	AZALEA HALL DEPOSIT REFUND SG	100.00	B31212	AZALEA HALL DEPOSIT REFUND SG
27449	12/16/2013	CAS01	CASH	232.15	B31216	POSTAGE,LAB SHIPMENTS, PETTY CASH
27450	12/16/2013	EUR05	Eureka Oxygen Co	29.76	A4835300	UNIFORMS
27451	12/16/2013	HEN03	JAMES G. HENRY	62.20	B31212	OFFICE SUPPLIES REIMB
27452	12/16/2013	IBS01	IBS OF THE REDWOODS	737.24	B31206	SUPPLIES/ REPAIRS
27453	12/16/2013	MAY03	DENNIS MAYO	36.00	B31216	TRAVEL REIMBURSEMENT
27454	12/16/2013	MIL03	THE MILL YARD	37.15	286382	REPAIRS/ SUPPLIES
27455	12/16/2013	NAT06	NATIONAL METER & AUTOMATION	840.00	S1049841	SUBSCRIPTIONS

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27456	12/16/2013	NOR01	NORTH COAST LABORATORIES	1,732.00	B31211	LAB TESTS
27457	12/16/2013	ROU01	ROUND TABLE DEVELOPMENT CORP	106.16	B31216	REC PROGRAM SUPPLIES
27458	12/16/2013	STA03	STATE OF CALIFORNIA	100,231.52	2	DAVIS GRUNSKY LOAN PAYMENT
				17,035.12	B31206	DAVIS GRUNSKY LOAN PAYMENT
			Check Total:	117,266.64		
27459	12/16/2013	STA09	S.W.R.C.B.	230.00	B31216	CERT RENEWAL-JH
27460	12/16/2013	STA11	STAPLES CREDIT PLAN	366.73	B31212	OFFICE SUPPLIES
27461	12/16/2013	STA13	S.W.R.C.B.	170.00	B31216	CERT RENEWAL-CJ
27462	12/16/2013	THR01	THRIFTY SUPPLY COMPANY	1,162.64	B31216	REPAIRS/ SUPPLIES
27463	12/16/2013	TRA01	COLLEEN TRASK	76.47	B31212	OFFICE SUPPLIES REIMB
27464	12/16/2013	UPS01	UPS	63.81	B31212	LAB SHIPMENT
27465	12/19/2013	*0020	AZALEA HALL DEPOSIT REFUND BM	100.00	B31219	AZALEA HALL DEPOSIT REFUND BM
27466	12/19/2013	ACW01	CB&T/ACWA-JPIA	8,796.47	B31219	GRP. HEALTH INS
27467	12/19/2013	AJI01	HAIDER AJINA	45.00	B31219	CONTRACTED REFEREE
27468	12/19/2013	ARC07	ARCATA FIRE PROTECTION DISTRICT	3,726.00	B31202	AFPD ASSESSMENTS FY13/14
27469	12/19/2013	ATT01	AT&T	581.59	B31219	PHONE SERVICES FOR DEC 2013
27470	12/19/2013	BOR01	BORGES & MAHONEY CO.	436.12	134840	LAB TESTING SUPPLIES
27471	12/19/2013	CPR01	CALIFORNIA PARK & RECREATION	480.00	B31205	SUBSCRIPTIONS
27472	12/19/2013	DEP05	DEPARTMENT OF JUSTICE	64.00	B31219	REC PROGRAM FINGERPRINTING
27473	12/19/2013	EUR07	Eureka Rubber Stamp Co.	13.53	A13316	OFFICE SUPPLIES
27474	12/19/2013	KEY01	KEY EQUIPMENT FINANCE	312.40	1401	EQUIPMENT LEASE
27475	12/19/2013	KRO03	KROUT & SCHNEIDER, INC.	20.00	35182	PROFESSIONAL SERVICES

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27476	12/19/2013	LDA01	LDA PARTNERS	10,461.56	12/635-1	MCK TEEN/COMMUNITY CENTER DESIGN
27477	12/19/2013	NOR35	NORTHERN HUMBOLDT	461.52	ES14-078	OPEN SPACE MAINTENANCE
27478	12/19/2013	RES05	RESERVE ACCOUNT	1,500.00	B31212	POSTAGE METER REFILL
27479	12/19/2013	SDR01	SDRMA	6,326.00	45617	WORKERS COMP
27480	12/19/2013	SEQ01	Sequoia Gas Co.	109.65	101451	HILLER SPORT SITE FUEL
27481	12/19/2013	SIE02	SIERRA CHEMICAL CO.	953.24	B31219	CHLORINE/ DEPOSIT
27482	12/19/2013	THO02	Thomas Home Center	105.06	B31219	REPAIRS/SUPPLY
27501	1/6/2014	NOR13	NORTHERN CALIFORNIA SAFETY CONSORTIUM	(200.00)	20012u	Ck# 027501 Reversed
				(200.00)	20020u	Ck# 027501 Reversed
				(300.00)	20029u	Ck# 027501 Reversed
				(400.00)	20035u	Ck# 027501 Reversed
				(200.00)	20040u	Ck# 027501 Reversed
			Check Total:	<u>(1,300.00)</u>		
27502	1/6/2014	NYL01	NYLEX.NET	(1,539.00)	74778u	Ck# 027502 Reversed
				(480.00)	74859u	Ck# 027502 Reversed
				(144.00)	74899u	Ck# 027502 Reversed
			Check Total:	<u>(2,163.00)</u>		
27503	1/6/2014	OSC01	OSCAR LARSON & ASSOCIATES	(63.34)	3846u	Ck# 027503 Reversed
27504	1/6/2014	PGE02	PACIFIC GAS & ELECTRIC	(1,982.62)	B40102u	Ck# 027504 Reversed
27505	1/6/2014	STA09	S.W.R.C.B.	(300.00)	B40102u	Ck# 027505 Reversed
27506	1/6/2014	WEN01	WILLIAM WENNERHOLM, DC	(125.00)	B40102u	Ck# 027506 Reversed
27507	1/6/2014	\A004	MQ CUSTOMER REFUND KA	(79.20)	000B40101u	Ck# 027507 Reversed
27508	1/6/2014	\A012	MQ CUSTOMER REFUND EA	(42.88)	000B40101u	Ck# 027508 Reversed
27509	1/6/2014	\B006	MQ CUSTOMER REFUND JB	(51.79)	000B40101u	Ck# 027509 Reversed

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27510	1/6/2014	\B048	MQ CUSTOMER REFUND CB	(36.33)	000B40101u	Ck# 027510 Reversed
27511	1/6/2014	\D020	MQ CUSTOMER REFUND JD	(58.60)	000B40101u	Ck# 027511 Reversed
27512	1/6/2014	\D021	MQ CUSTOMER REFUND FD	(8.88)	000B40101u	Ck# 027512 Reversed
27513	1/6/2014	\H017	MQ CUSTOMER REFUND JH	(38.33)	000B40101u	Ck# 027513 Reversed
27514	1/6/2014	\L013	MQ CUSTOMER REFUND HL	(71.98)	000B40101u	Ck# 027514 Reversed
27515	1/6/2014	\L014	MQ CUSTOMER REFUND DL	(8.70)	000B40101u	Ck# 027515 Reversed
27516	1/6/2014	\M001	MQ CUSTOMER REFUND MM	(28.33)	000B40101u	Ck# 027516 Reversed
27517	1/6/2014	\M025	MQ CUSTOMER REFUND GM	(44.47)	000B40101u	Ck# 027517 Reversed
27518	1/6/2014	\O002	MQ CUSTOMER REFUND CO	(71.25)	000B40101u	Ck# 027518 Reversed
27519	1/6/2014	\R012	MQ CUSTOMER REFUND KR	(14.89)	000B40101u	Ck# 027519 Reversed
27520	1/6/2014	\R013	MQ CUSTOMER REFUND MR	(51.46)	000B40101u	Ck# 027520 Reversed
27521	1/6/2014	\S001	MQ CUSTOMER REFUND JS	(57.23)	000B40101u	Ck# 027521 Reversed
27522	1/6/2014	\S032	MQ CUSTOMER REFUND JS	(79.71)	000B40101u	Ck# 027522 Reversed
27523	1/6/2014	\S033	MQ CUSTOMER REFUND KS	(68.48)	000B40101u	Ck# 027523 Reversed
27524	1/6/2014	\S064	MQ CUSTOMER REFUND CS	(68.68)	000B40101u	Ck# 027524 Reversed
27525	1/6/2014	\T016	MQ CUSTOMER REFUND KT	(80.34)	000B40101u	Ck# 027525 Reversed
27526	1/6/2014	\V005	MQ CUSTOMER REFUND TV	(6.24)	000B40101u	Ck# 027526 Reversed
27527	1/6/2014	NOR13	NORTHERN CALIFORNIA SAFETY CONSORTIUM	200.00	20012y	Ck# 027527->027501 Replaced
				200.00	20020y	Ck# 027527->027501 Replaced
				300.00	20029y	Ck# 027527->027501 Replaced
				400.00	20035y	Ck# 027527->027501 Replaced
				200.00	20040y	Ck# 027527->027501 Replaced
Check Total:				<u>1,300.00</u>		

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27528	1/6/2014	NYL01	NYLEX.NET	1,539.00	74778y	Ck# 027528->027502 Replaced
				480.00	74859y	Ck# 027528->027502 Replaced
				144.00	74899y	Ck# 027528->027502 Replaced
			Check Total:	<u>2,163.00</u>		
27529	1/6/2014	OSC01	OSCAR LARSON & ASSOCIATES	63.34	3846y	Ck# 027529->027503 Replaced
27530	1/6/2014	PGE02	PACIFIC GAS & ELECTRIC	1,982.62	B40102y	Ck# 027530->027504 Replaced
27531	1/6/2014	STA09	S.W.R.C.B.	300.00	B40102y	Ck# 027531->027505 Replaced
27532	1/6/2014	WEN01	WILLIAM WENNERHOLM, DC	125.00	B40102y	Ck# 027532->027506 Replaced
27533	1/6/2014	\A004	MQ CUSTOMER REFUND KA	79.20	000B40101y	Ck# 027533->027507 Replaced
27534	1/6/2014	\A012	MQ CUSTOMER REFUND EA	42.88	000B40101y	Ck# 027534->027508 Replaced
27535	1/6/2014	\B006	MQ CUSTOMER REFUND JB	51.79	000B40101y	Ck# 027535->027509 Replaced
27536	1/6/2014	\B048	MQ CUSTOMER REFUND CB	36.33	000B40101y	Ck# 027536->027510 Replaced
27537	1/6/2014	\D020	MQ CUSTOMER REFUND JD	58.60	000B40101y	Ck# 027537->027511 Replaced
27538	1/6/2014	\D021	MQ CUSTOMER REFUND FD	8.88	000B40101y	Ck# 027538->027512 Replaced
27539	1/6/2014	\H017	MQ CUSTOMER REFUND JH	38.33	000B40101y	Ck# 027539->027513 Replaced
27540	1/6/2014	\L013	MQ CUSTOMER REFUND HL	71.98	000B40101y	Ck# 027540->027514 Replaced
27541	1/6/2014	\L014	MQ CUSTOMER REFUND DL	8.70	000B40101y	Ck# 027541->027515 Replaced
27542	1/6/2014	\M001	MQ CUSTOMER REFUND MM	28.33	000B40101y	Ck# 027542->027516 Replaced
27543	1/6/2014	\M025	MQ CUSTOMER REFUND GM	44.47	000B40101y	Ck# 027543->027517 Replaced
27544	1/6/2014	\O002	MQ CUSTOMER REFUND CO	71.25	000B40101y	Ck# 027544->027518 Replaced
27545	1/6/2014	\R012	MQ CUSTOMER REFUND KR	14.89	000B40101y	Ck# 027545->027519 Replaced
27546	1/6/2014	\R013	MQ CUSTOMER REFUND MR	51.46	000B40101y	Ck# 027546->027520 Replaced

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
27547	1/6/2014	\S001	MQ CUSTOMER REFUND JS	57.23	000B40101y	Ck# 027547->027521 Replaced
27548	1/6/2014	\S032	MQ CUSTOMER REFUND JS	79.71	000B40101y	Ck# 027548->027522 Replaced
27549	1/6/2014	\S033	MQ CUSTOMER REFUND KS	68.48	000B40101y	Ck# 027549->027523 Replaced
27550	1/6/2014	\S064	MQ CUSTOMER REFUND CS	68.68	000B40101y	Ck# 027550->027524 Replaced
27551	1/6/2014	\T016	MQ CUSTOMER REFUND KT	80.34	000B40101y	Ck# 027551->027525 Replaced
27552	1/6/2014	\V005	MQ CUSTOMER REFUND TV	6.24	000B40101y	Ck# 027552->027526 Replaced
Total Disbursements, Accounts Payable:				<u>355,762.40</u>		

Payroll Related Disbursements

11510-11532	12/9/2013	Various Employees	13,303.27		Payroll Checks
11533	12/9/2013	CAL12 CalPERS 457 Plan	3,548.76	B31209	RETIREMENT
11534	12/9/2013	DIR01 DIRECT DEPOSIT VENDOR- US	24,057.94	B31209	Direct Deposit
11535	12/9/2013	EMP01 Employment Development	1,338.13	B31209	STATE INCOME TAX
			458.18	1B31209	SDI
		Check Total:	<u>1,796.31</u>		
11536	12/9/2013	HUM29 UMPQUA BANK--PAYROLL DEP.	4,798.01	B31209	FEDERAL INCOME TAX
11536	12/9/2013	HUM29 UMPQUA BANK--PAYROLL DEP.	6,274.44	1B31209	FICA
			1,467.44	2B31209	MEDICARE
		Check Total:	<u>12,539.89</u>		
11537	12/9/2013	ACW01 CB&T/ACWA-JPIA	40,414.95	B31130	MED & DENTAL INSUR
11538	12/9/2013	AFL01 AFLAC	43.30	B31130	AFLAC (PRE-TAX)
11539	12/9/2013	PUB01 Public Employees PERS	15,558.11	B31130	PERS PAYROLL REMITTANCE
			56.08	1B31130	PERS CONTRIBUTION
		Check Total:	<u>15,614.19</u>		
11540	12/13/2013	Various Employees	2,054.45		Final Checks/Vacation Buyouts

111,318.61

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
11541-11567	12/19/2013		Various Employees	16,426.32		Payroll Checks
11568	12/19/2013	CAL12	CalPERS 457 Plan	3,569.13	B31219	RETIREMENT
11569	12/19/2013	DIR01	DIRECT DEPOSIT VENDOR- US	24,854.70	B31219	Direct Deposit
11570	12/19/2013	EMP01	Employment Development	-	B31213	STATE INCOME TAX
				1,410.52	B31219	STATE INCOME TAX
				22.25	1B31213	SDI
				501.30	1B31219	SDI
			Check Total:	<u>1,934.07</u>		
11571	12/19/2013	HUM29	UMPQUA BANK--PAYROLL DEP.	-	B31213	FEDERAL INCOME TAX
				5,011.24	B31219	FEDERAL INCOME TAX
				275.86	1B31213	FICA
				6,358.58	1B31219	FICA
				64.52	2B31213	MEDICARE
				1,592.36	2B31219	MEDICARE
			Check Total:	<u>13,302.56</u>		
				<u>173,459.84</u>	60,086.78	
			Total Disbursements, Payroll:	<u>173,459.84</u>		
			Total Check Disbursements:	<u>529,222.24</u>		

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Approve conveyance for developments related to water and sewer facilities in referenced projects**

PRESENTED BY: **Greg Orsini**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Adopt acceptance of the facilities as recommended by staff included as attached and listed by name and Assessor's Parcel Number (APN).

Humboldt County Airport 17 Unit T-Hanger System AP # 511-351-009
The Club at Mill Creek System AP# 508-061-025 & 027

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

Discussion:

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

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

Exhibits/Attachments

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF:

- **Attachment 1** Humboldt County Airport 17 Unit T-Hanger System
AP# 511-351-009
- **Attachment 2** The Club at Mill Creek System AP# 508-061-025 & 027

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF
HUMBOLDT COUNTY AIRPORT 17 UNIT T-HANGER SYSTEM

This Agreement is made by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, hereinafter referred to as "McKinleyville", and County of Humboldt, hereinafter referred to as "Developer", this 20th day of January, 2014.

1. Developer hereby grants and conveys to McKinleyville that certain T-Hanger mainline system constructed and owned by Developer which system is described as follows:

Water System:

651'	6" Water Main
600'	4" Water Main
2	6" Gate Valves
2	4" Gate Valves
1	2" Gate Valve
1	Single Water Services

Sewer System:

1	Sewer Laterals
1	Sewer Laterals C.O

and all related appurtenances.

The facilities are located on AP# 511-351-009 and are more specifically described in the service application dated April 22, 2013.

Together with an easement 20 feet in width and the right to lay, construct, reconstruct, install, replace, operate, repair, remove, alter, inspect, and maintain pipes, pipelines, facilities and appurtenances for water, sewer and other public utility services and facilities, together with the free right of ingress and egress thereto, and such other rights and benefits necessary and convenient to GRANTEE'S full use and enjoyment of the rights herein granted.

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

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

Developer

McKinleyville Community Services District

David R. Couch, Board President

Kathy Wilson, Board Secretary

AGREEMENT FOR CONVEYANCE AND ACCEPTANCE OF
THE CLUB AT MILL CREEK (Betty Ct. Health Club) SYSTEM

This Agreement is made by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, hereinafter referred to as “McKinleyville”, and Big Lagoon Rancheria, hereinafter referred to as “Developer”, this 20th day of January, 2014.

1. Developer hereby grants and conveys to McKinleyville that certain Club at Mill Creek system constructed and owned by Developer which system is described as follows:

Water System:

1 6” Gate Valve

Sewer System:

1 Manhole

and all related appurtenances.

The facilities are located on AP# 508-061-025 & 027 and are more specifically described in the service application dated November 3, 2010.

Together with an easement 20 feet in width and the right to lay, construct, reconstruct, install, replace, operate, repair, remove, alter, inspect, and maintain pipes, pipelines, facilities and appurtenances for water, sewer and other public utility services and facilities, together with the free right of ingress and egress thereto, and such other rights and benefits necessary and convenient to GRANTEE’S full use and enjoyment of the rights herein granted.

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

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

Developer

McKinleyville Community Services District

David R. Couch, Board President

Kathy Wilson, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.1. Consider adopting Resolution 2014-02 honoring Dr. Bill Wennerholm for twelve (12) years of service

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends that the Board listen to the presentation honoring Dr. Bill Wennerholm for twelve (12) years of service to the community of McKinleyville, take public comment and adopt Resolution 2014-02.

Discussion:

Staff would like to present Dr. Bill Wennerholm with Resolution 2014-02 for his commitment and dedication to serve the community of McKinleyville. During his three (3) terms as a McKinleyville Community Services District (MCSD) Board Member Dr. Bill Wennerholm provided leadership, consenting votes and by participating in the:

- Development of the Hiller Sports Complex
- WWMF Treatment Marsh and Storm Water Marsh Upgrade
- Grant Ramey Booster Station Upgrade
- Adoption of the Wastewater 20 Year Facility Plan
- Enhancement of Pierson park to include a community garden, Bocci Ball Courts and an addition to the Library
- Work on the recently adopted Five Year Strategic Plan
- WWMF Improvement Project Design
- Work on the soon to be Teen Center and
- Acquisition of strategic land and development parcels

All of which serves the current and long-range needs of the citizenship and community he lives and works in.

He also chaired the MCSD Board of Director as President in 2005 and as Vice President in 2004, 2008 and 2009

Staff would also like to recognize Dr. Bill's active committee participation for:

- Redwood Region Economic Development Commission
- McKinleyville Senior Center Advisory and
- Employee Negotiations

As stated so eloquently by a McKinleyville resident during the November 2013 Election, "MCSD does not need a complete redo, just an occasional adjustment to remain performing at an optimum level". We express our deepest gratitude for the contributions and "adjustments" made for the betterment of the District and the future of McKinleyville.

MCSD hereby recognizes the service of Dr. Bill Wennerholm and the benefit that his service has brought to the District and would like to present to the Board of Directors for adoption Resolution 2014-02 honoring Dr. Bill Wennerholm for twelve (12) years of service.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 – Resolution 2014-02

RESOLUTON 2014-02**A RESOLUTION RECOGNIZING, HONORING, AND COMMENDING DR. BILL WENNERHOLM FOR SERVING ON THE BOARD OF DIRECTORS OF MCKINLEYVILLE COMMUNITY SERVICES DISTRICT FOR TWELVE (12) YEARS**

WHEREAS, Dr. Bill Wennerholm has served the McKinleyville Community Services District (MCSD) with distinction as an MCSD Board of Director from December 19, 2001 to December 5, 2013; and

WHEREAS, throughout his years of dedicated service he provided an insight into the future, benefitting McKinleyville in the present and for years to come; and

WHEREAS, he approached his duties in a logical straightforward manner always cognizant to represent the best interests of the ratepayers through consensus minus personal agenda; and

WHEREAS, his efforts extended to local service groups, various active committees, the McKinleyville community, and his continued support of MCSD's staff throughout the years will not soon be duplicated or forgotten; and

WHEREAS, we express our deepest gratitude for the contributions and "adjustments" made for the betterment of the District and the future of McKinleyville; and

NOW, THEREFORE, BE IT RESOLVED the McKinleyville Community Services District's desire to publically recognize and honor Dr. Bill Wennerholm for his leadership, communication, commitment and dedication of service to the citizens of McKinleyville Community Services District as an elected official over a term of twelve (12) years.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 5th day of February 2014 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

David R. Couch, Board President

Attest:

Kathy Wilson, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.2. MCSD Employee of the Year presentation to William McBroome

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: None

Recommendation:

Recognize William McBroome as Employee of the year and participate in the presentation of this award to him.

Discussion:

Each year, McKinleyville Community Services District (MCSD) employees vote for Employee of the Year. This award and recognition was started by Norman Shopay in 2009.

Sharon Denison was the first employee of the year for 2009, followed by Tony Rutten in 2010, James Henry in 2011 and Lesley Frisbee in 2012.

The employee of the year is a person who has brought about significant positive change, eliminates obstacles in achieving District goals and objectives, is resourceful, contributes constructively, innovative, exceeds expectations, inspires others, proactively identifies and resolves challenges. The 2013 Employee of the Year award went to Bill McBroome, Utility II.

In November 2013, the MCSD Board of Directors adopted Resolution 2013-26 recognizing and commended Bill for serving MCSD for ten (10) continuous years.

Throughout his years of service, Bill has demonstrated unwavering loyalty and dedication to MCSD. Bill lends his talents, experience and leadership to the development and service to the District having served in a variety of positions, such as Electrician (which he has earned multiple California Water Environment Association awards for), Treatment Plant Operator and Streetlight Technician.

Bill has taught several training classes on the subjects of Electrical troubleshooting and Chlorine Safety not only for MCSD employees, but also for surrounding organizations.

Bill has assisted in many projects resulting in substantial cost savings to the District for motor repairs, pump rehabilitation, and his gifted troubleshooting skills, which makes him a valuable asset to MCSD.

Bill will hold this distinction for the 2014 calendar year with a new employee of the year crowned at the end of 2014. The employee of the year is chosen through a secret ballot by their peers judged on merit.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.3. Letz Sewer Lift Station pump upgrade

PRESENTED BY: James Henry, Operations Director / Bill McBroome

TYPE OF ACTION: None

Recommendation:

Staff recommends that the Board participate in staff's presentation and take public comment.

Discussion:

The Humboldt Community Services District (HCSD) replaced two 6" and two 3" Gorman Rupp pumps with submersible pumps. The District received a call from them asking if we were interested in their inventory. The District gladly accepted and drove to their site with the dump truck to pick everything up. MCSD staff sandblasted, primed and painted the pump bodies. The pump interiors were ceramic coated. The rotating assemblies wear plates and other miscellaneous parts were placed on the shelf for stock.

The Letz Sewer Lift Station had two 4" pumps that needed an upgrade. One of the 4" pumps was removed and replaced with one of the 6" pumps. The motor was upgraded from a 15 hp to a 20 hp, also donated by HCSD. The pump was aligned to match the outlet piping and a suction coupler was fabricated to connect the suction pipe to the pump body. Other than the fabricated suction coupler, all work was done in house using donated materials resulting in a \$25,000 dollar cost savings to the District. The pump previously pumped 4.8 hours a day during dry weather flows and currently pumps 1.6 hours per day dry weather flows.

Alternatives:

Take Action

Fiscal Analysis:

Donated parts, materials and savings from outside labor = \$25,000 savings.

Pumping hours decreased 66% = lower energy costs and a more efficient pump. The efficiency of the pump is priceless when considering the volume it can now pump in the event that the station becomes overwhelmed with inflow and infiltration and could possibly prevent a sanitary sewer overflow.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 – Power Point Presentation

Letz Rd. Sewer Lift Station

A Tale of Two "Cities"
...helping each other out

Letz Rd. Sewer Lift Station



An unexpected boon...

- Humboldt CSD replaced two 6" and two 3" Gorman Rupp pumps with submersible versions, leaving this...



Your Average Humboldt County Winter Day

Even with our limited infiltration, these days were hard on our 4" pumps at Letz Station



A little prep work...

- The used parts were sanded and repainted.
- The interiors were ceramic coated.
- The rotating assembly was rebuilt largely from HCSD parts.

Ceramic Coating



Getting our hands dirty...

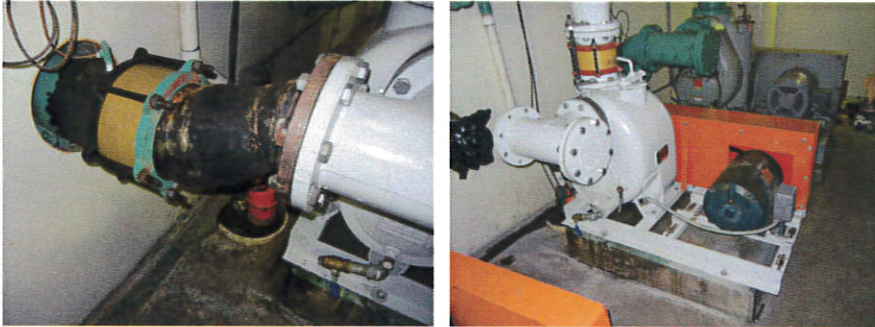
Pump ready to be aligned with existing outlet.



Starting to come together



Ready to start pumping



Not every part was donated...

- Offset Suction Coupler
- Suction Check Valve Seat
- 2 Mechanical Couplers
- Motor Starter Heaters



Proof is in the Pump Hours

After fine tuning, this is what we found:

Pump #1	Pump #2	Pump #3
15 hp	20 hp	50 hp
4.8 hrs/day	1.6 hrs/day	1.1 hrs/day

The crew saved the district approx.
\$25,000 on this project.



McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.4. Access Humboldt creates programming for Sunshine Week

PRESENTED BY: Sean McLaughlin, Executive Director of Access Humboldt

TYPE OF ACTION: None

Recommendation:

Staff recommends that the Board listen to the presentation by Sean McLaughlin, Executive Director of Access Humboldt on how Access Humboldt creates programming for Sunshine Week and take public comment.

Discussion:

Access Humboldt is a community media organization, providing free air time on four Access channels on Suddenlink cable system (8, 10, 11 & 12) as well as production training, equipment and TV studio space. Access Humboldt also broadcast local government meeting and advocate for free speech and broadband access.

During Sunshine Week, a national initiative to promote open government and the people's right to know, Access Humboldt airs short interviews (5-10 minutes) with local media representative and elected officials speaking about the importance of government transparency and their experience with requesting or providing information to the public.

Sean McLaughlin, Executive Director of Access Humboldt, will provide an overview of Access Humboldt services and Sunshine Week activities. As recipients of the Transparency Certificate of Excellence, Access Humboldt would love to record a representative from McKinleyville CSD speaking about the initiative, reasons, and steps this CSD took to become more transparent.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

-

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.5. Consider Travel to the Association of California Water Agencies 2014 Spring Conference (May 6, 2014 to May 9, 2014) in Monterey, CA.

PRESENTED BY: Kathy Wilson

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends that the Board review the information provided for the Association of California Water Agencies (ACWA) 2014 Spring Conference in Monterey, CA; take public comment and consider authorization for interested Board Member(s) to attend the ACWA 2014 Spring Conference.

Discussion:

Director Mayo is seated on the ACWA Region 1 Board. Region members serve for 2-year terms. The 2-year term ends December 31, 2015. As discussed at the June 12, 2013 Board meeting a Region Board Member will participate in at least two region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meeting done telephonically. The expenses incurred to attend the ACWA Conferences as a member of ACWA Region 1 Board shall be borne to the District.

This year's ACWA 2014 Spring Conference will be held in Monterey, CA from May 6, 2014 to May 9, 2014. This is being brought to the Board well in advance of the conference to facilitate the purchase of affordable airline tickets. Attached for your review is the ACWA 2014 Spring Conference Pricing Sheet. Regular registration and cancellation deadline is April 10, 2014 by 4:30pm.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The full cost for conference registration (meals sold separately) is \$510.00.

Special hotel rates (based on availability) range from \$195.00 to \$240.00 per night.

United Express/Sky West airfare at today's rate is approximately \$526.00 round trip from ACV Arcata/Eureka Airport to MRY Monterey Regional Airport.

Monterey Regional Airport is approximately 4 miles to the Marriott Hotel. Transportation from the airport to the hotel will be by cab.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 – ACWA Pricing Sheet for 2014 Spring Conference

PRICING REFERENCE SHEET



ACWA 2014 Spring Conference & Exhibition

REGISTRATION, MEALS & HOTEL PRICING

Portola & Marriott Hotels, Monterey

MAY
6-9
2014

Register online @ acwa.com

Regular registration and cancellation deadline is April 10, 2014 • 4:30 p.m. (PST)

REGISTRATION FEES & OPTIONS	REGULAR	ONSITE
Advantage (For ACWA public agency members, affiliates & associates ONLY) (ends 4/10/14)		
Full Conference Registration & Meals Package	\$695	Not Avail.
Full Conference Registration Only (meals sold separately)	\$510	\$540
Partial Conference Registration Only (meals sold separately): Tues 5/6 & Wed 5/7 -OR- Thur 5/8 & Fri 5/9	\$275	\$300
Standard (Applies to non-members of ACWA)		
Full Conference Registration Only (meals sold separately)	\$765	\$795
Partial Conference Registration Only (meals sold separately): Tues 5/6 & Wed 5/7 -OR- Thur 5/8 & Fri 5/9	\$395	\$450
Guest (Guest registration is not available to anyone with a professional reason to attend.)		
Guest Conference Registration Only (meals sold separately)	\$45	\$45
MEAL FUNCTIONS	REGULAR	ONSITE
Wednesday – May 7		
Opening Breakfast	\$45	\$50
Wednesday Luncheon	\$50	\$55
Thursday – May 8		
Networking Continental Breakfast	\$35	\$40
Thursday Luncheon	\$50	\$55
Thursday Dinner	\$65	\$70
Friday – May 9		
Friday Breakfast	\$45	\$50

HOTEL INFORMATION

You must be registered for the ACWA conference in order to receive hotel reservation information and conference special room rate. Conference special rate is available February 24 – April 14, based on availability.

Special Hotel Rates

Portola Plaza HotelSingle/Double \$209
Subject to 10.065% occupancy tax per room per night plus \$2 county tourism assessment fee.

Monterey Marriot Hotel.....Single/Double \$195
Subject to 10% occupancy tax per room per night plus \$2 county tourism assessment fee.

Hotel Pacific..... Junior Suite \$240
Subject to 10% occupancy tax per room per night plus \$1 county tourism assessment fee.

Important Dates:

For those **registering for conference prior to February 24**, hotel information will be provided via e-mail on February 24.

For those **registering for conference from February 24 to April 14**, your confirmation e-mail will include hotel reservation information and an opportunity to receive a conference special hotel rate.

Hotel Reservation Questions?

Email clientservices@seemonterey.com
or call 831.657.6437 (ask for Ellin)

If you select check or bill me payment option, to expedite the check-in process onsite, ACWA must receive payment two weeks prior to the event.

PAYMENT METHODS FOR CONFERENCE REGISTRATION

- ☒ Check payable to ACWA – 910 K Street, Ste. 100 • Sacramento, CA 95814
- ☒ Bill me
- ☒ Charge credit card: MasterCard or Visa

Questions? Contact us at 916.441.4545, toll free 888.666.2292.

Conference terms and conditions available at acwa.com in the event section.

McKinleyville Community Services District

BOARD OF DIRECTORS

February 05, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.6. Consider adopting Resolution 2014-06 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 2014/2015 and Resolution 2014-07 declaring Intention to Levy and Collect the Fiscal Year 2014/2015 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 adopt Resolution 2014-06 & 2014-07:

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 2014/2015;

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 2014/2015, accepts and approves the Engineer's Report regarding the assessments and sets the Public Hearing for March 5, 2014.

Discussion:

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

In 2011, a property owner protest ballot proceeding was conducted pursuant to the provisions of the California Constitution Article 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 (55.9% in favor, 45.1% opposed) and the new assessments were levied on the Humboldt County tax rolls for Fiscal Year 2011/2012 (first year's assessment)

In accordance with the provisions of the Landscaping and Lighting Act of 1972 (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 2014/2015 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 \$207,471. This assessment revenue represents approximately 37% of the total estimated \$551,500 budgeted for Fiscal Year 2014/2015 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 2014-06
- Attachment 2-Resolution 2014-07
- Attachment 3-Fiscal Year 2014/2015 Engineer's Report

RESOLUTION 2014-06

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 2014/2015.

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

Section 1: The Board of Directors has, by prior action, created its “**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”). In connection with the Assessment District, the McKinleyville Community Services District (“MCSD”) levies an annual assessment (the “Assessment”) to fund 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 (the “Activities”).

Section 2: The Board of Directors desires to initiate proceedings for the Fiscal Year 2014/2015 levy of the Assessment.

Section 3: MCSD has retained Willdan Financial Services (the “Engineer”) as Engineer of Work.

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 Fiscal Year 2014/2015 levy of the Assessment.

Section 5: The general nature of the Activities is unchanged from those in Fiscal Year 2013/14.

Section 6: The territory within the District includes all territory within the boundaries of MCSD.

PASSED, APPROVED AND ADOPTED this 5th day of February, 2014 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

David R. Couch, Board President

ATTEST:

Kathy Wilson, Board Secretary

RESOLUTION 2014-07

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 2014/2015; 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") ordered 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 2014/2015.

Section 2: 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 2014/2015. The Report is on files in the District's offices, available for public inspection, and incorporated herein by reference.

Section 3: The Board has carefully examined and reviewed the Report as presented, and approves the Report as filed.

Section 4: 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. Reference is made to the Report for a more complete description of the improvements.

Section 7: The boundaries of the Assessment District are 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 2014/2015 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 5, 2014**, 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 2014/2015, 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 5th day of February, 2014 by the following roll call vote:

AYES:

NOES:

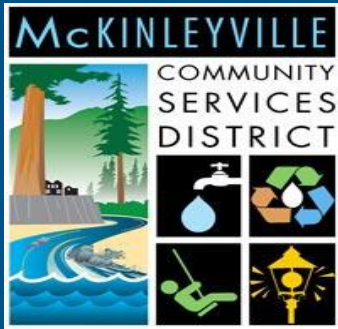
ABSTAIN:

ABSENT:

David R. Couch, Board President

ATTEST:

Kathy Wilson, Board Secretary



MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

MEASURE B MAINTENANCE ASSESSMENT DISTRICT (RENEWAL FOR PARKS, OPEN SPACE, AND RECREATIONAL FACILITIES)

2014/2015 PRELIMINARY ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: February 5, 2014

Public Hearing: March 5, 2014

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

Fiscal Year 2014/2015

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 2014/2015. 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 _____, 2014.

Willdan Financial Services

Assessment Engineer

On Behalf of the McKinleyville Community Services District

By: _____

Jose Ometeotl

Project Manager

By: _____

Richard Kopecky

R. C. E. # 16742

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I. 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 2014/2015 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 XIII D ("California Constitution" or "Article XIII D"). This Engineer's Report ("Report") has been prepared in connection with the proposed levy and collection of District assessments for Fiscal Year 2014/2015, 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 2014/2015. 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 2014/2015. 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 2014/2015 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 2014/2015. 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 2014/2015.

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 2014/2015 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 (23%) for park and sports complex maintenance; twenty-six percent (16%) for hall/activity center operation and maintenance; eleven percent (6%) for trail and open space maintenance; twenty-four percent (50%) for capital improvement projects; and eight percent (5%) 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 2014/2015 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 2014/2015 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 2014/2015.

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”.

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	4,841	6,572.00
	0.500 EBU per Bed ⁽¹⁾	1	28.00
	Residential Total	4,842	6,600
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 2014/2015 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 above as exempt, there are 75 parcels representing a total of 72.66 EBU that are currently identified as properties that will not be assessed on the County tax rolls (Including Non-taxable parcels generally owned by government agencies and/or parcels that are subject to annual assessments for the maintenance of District park and recreational improvements which are greater than their proportional assessment for this District). Because the proportional special benefit obligation for these parcels will not 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 parcels. Therefore, there are currently a total of 5,529 parcels representing 6,915.70 EBUS that are proposed to be applied to the tax rolls for Fiscal Year 2014/2015.

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 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 (7,027.26 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.

Fund Balance (Capital/Rehabilitation Improvements):

Provides a summary of District funds being collected and/or spent for capital improvement projects, major rehabilitation projects or to build a reserve for such projects over the life of the assessments. These fund balances incorporate and include the

amount of any surplus or deficit in the improvement fund to be carried over from a previous fiscal year.

District Budget

The following Budget shows the full estimated annual cost of the improvements and facilities for Fiscal Year 2014/2015 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 approximately \$210,821 at an assessment rate of \$30.00 per Equivalent Benefit Unit based on 7,027.36 EBU, of which approximately \$207,471 (6,915.70 EBU) is proposed to be collected on the County tax rolls based on current property information:

Mckinleyville CSD FY1415 District Budget		
Expenditures:		
Operation and Maintenance:		
Pierson Park	\$	50,000
Hiller Park West		36,500
Hiller Sports Complex		83,000
Larissa Park		11,500
Azalea Hall		73,000
McKinleyville Activity Center		76,400
Trails		57,000
Open Space		9,500
Future Parks & Facilities (including Teen/Family Center) ⁽¹⁾		11,000
Operation and Maintenance Sub-total:	\$	407,900
Capital Improvements ⁽²⁾		126,750
Total Program Budget	\$	534,650
Incidental Expenses		16,850
Total Annual Expenditures:	\$	551,500
Revenues:		
General Benefit Obligation		\$275,750
Additional Non-Assessed Funding ⁽³⁾		64,929
Non-Assessment Revenue Sub-total:	\$	340,679
Non-Taxable Special Benefit Assessment Revenue ⁽⁴⁾	\$	3,350
Taxable Special Benefit Assessment Revenue(Collected on Tax Rolls)	\$	207,471
Total Measure B Special Benefit Assessments	\$	210,821
Total Annual Revenues:	\$	551,500
Fund Balance (Capital/Rehabilitation Improvements):		
Estimated Beginning Fund Balance (As of 07/01/2014)		\$105,120
Estimated Fund Collection ⁽²⁾		\$126,750
Estimated Expenditures		(\$100,000)
Estimated Ending Fund Balance		\$131,870

- (1) The annual maintenance & operation of the Teen/Family Center is estimated to be approximately \$33,000 per year. However, since construction of the facility is anticipated to be completed in the fall of 2014, the amount budgeted for maintenance & operation reflects an estimate of the expenses for only a portion of the fiscal year. Any maintenance funding surplus or deficit will be applied to the funds collected for Capital Improvements.
- (2) The amount budgeted and collected for Capital Improvements includes funds collected for future Renovations/Rehabilitation Projects as well as funding for the design, acquisition, construction of the Teen/Family Center or other future District facilities, including, but not limited to the repayment of any future debt service issued and/or loan(s).
- (3) Additional Funding from sources other than assessments, necessary to fund the annual expenses above those identified as General Benefit funding.
- (4) Contribution from MCSD general fund to cover amount that would otherwise be assessed against 59 non-taxable parcels and 16 parcels already being assessed for park and recreational improvements through another revenue source, which that collectively represent approximately 111.66 EBU's.

Assessment Calculations

Applying the method of apportionment outlined in Part II of this Report and the budget estimates for Fiscal Year 2014/2015 results in the following calculation of assessments:

$$\text{\$210,821.45} \div 7,027.36 \text{ EBU's} = \text{\$30.00 per EBU}$$

Therefore, a single benefit unit or the Annual Assessment Rate for Fiscal Year 2014/2015 (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	111.66
Assessment Rate per EBU	x \$ 30.00
Non-Taxable Property Adjustment ⁽¹⁾	\$ 3,350.00

(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 MCSD general fund.

Assessment Breakdown of Taxable Properties

Total Equivalent Benefit Units	7,027.36
EBU of Non-Taxable Properties	- 111.66
Equivalent Benefit Units Levied on Tax Rolls	6,915.70
Assessment Rate per EBU	x \$ 30.00
Balance to be collected on Tax Rolls	\$ 207,471

(1) This amount represents the calculated special benefit assessment for the parcels identified as non-taxable or otherwise assessed for park and recreational improvements funded by this District. This amount shall be paid by a contribution from McKinleyville CSD general fund.

Therefore, the anticipated annual assessment revenue to be collected on the tax rolls is approximately \$207,471.

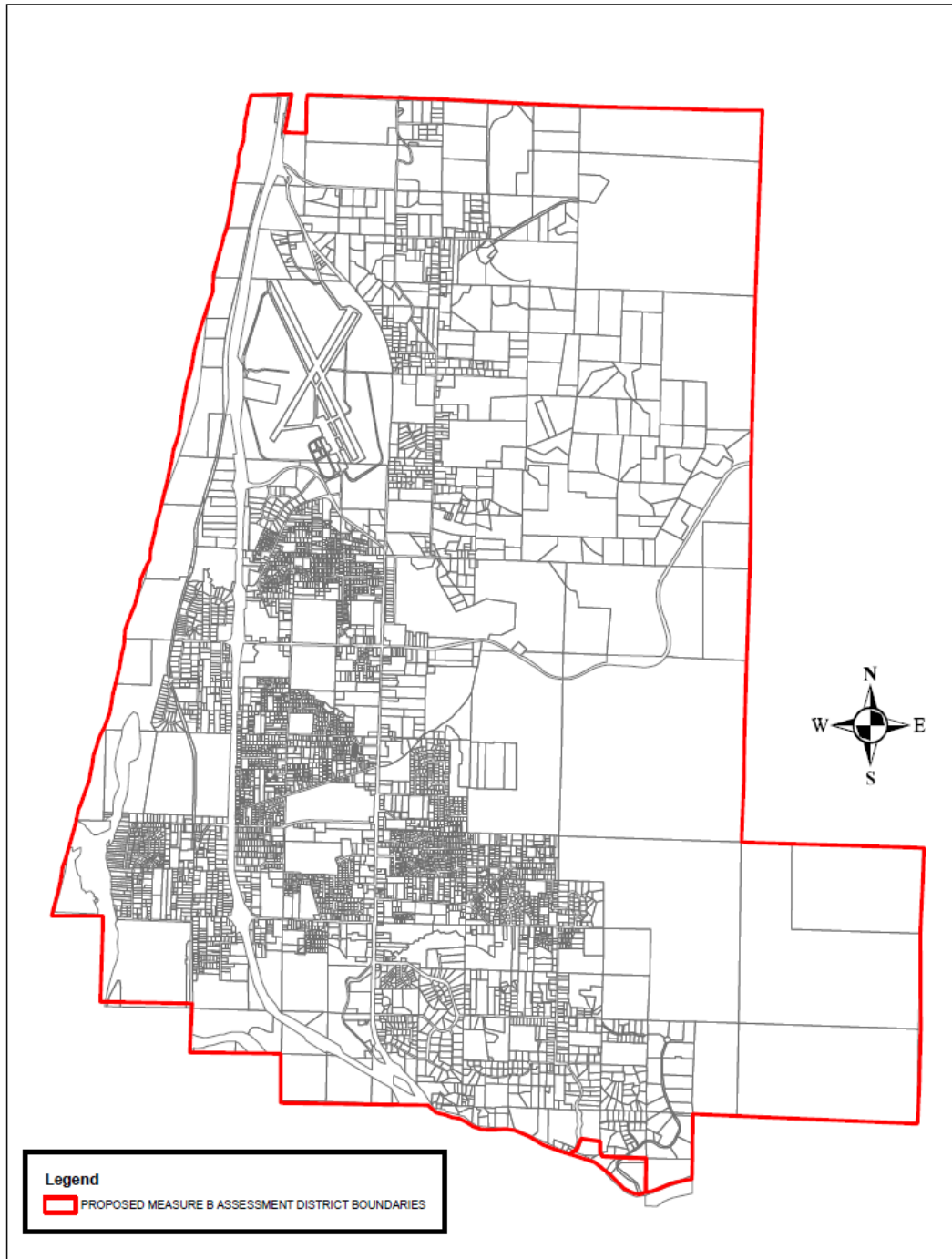
$$6,915.70 \text{ EBU's} \times \$30.00 \text{ per EBU} = \$207,471$$

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 the parcels within this District, along with each parcel's assessment amount to be levied for Fiscal Year 2014/2015 is provided under Appendix B ("Proposed Annual Assessments").

These assessments will be submitted to the County Auditor/Controller to be included on the property tax roll for Fiscal Year 2014/2015. 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 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.

	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
<i>subtotal:</i>	\$ 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
<i>subtotal:</i>	\$ 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
<i>subtotal:</i>	\$ 55,000	\$ 2,000	\$ -	\$ 57,000
OPEN SPACE				
Hewitt Ranch	\$ 8,000	\$ 1,500	\$ -	\$ 9,500
<i>subtotal:</i>	\$ 8,000	\$ 1,500	\$ -	\$ 9,500
FUTURE PARKS & FACILITIES ⁽¹⁾				
Renovations/Rehabilitation Projects	\$ -	\$ -	\$ 26,750	\$ 26,750
Teen/Family Center ⁽²⁾	10,000	1,000	100,000	111,000
<i>subtotal:</i>	\$ 10,000	\$ 1,000	\$ 126,750	\$ 137,750
Grand Totals:	\$ 375,000	\$ 32,900	\$ 126,750	\$ 534,650

(1) Future Parks & Facilities includes funds being collected for future Renovations/Rehabilitation Projects as well as funding for the design, acquisition, construction, operation and maintenance (wages and/or supplies) of future District facilities, including, but not limited to the Teen/Family Center. These expenses may include repayment of any future debt service issued and/or loan(s) utilized to finance such improvements.

(2) It is anticipated that the annual maintenance & operation of the Teen/Family Center will be approximately \$33,000 per year. However, construction of the facility is anticipated to be completed in the fall of 2014 and the amount budgeted for maintenance & operation reflects expenses for only a portion of a full fiscal year. Any maintenance funding surplus or deficit will be applied to the funds collected for Capital Improvements.

APPENDIX B: Proposed Annual Assessments

The following proposed assessments for each parcel within the District will be submitted to the County Auditor/Controller to be included on the property tax roll for Fiscal Year 2014/2015. If any parcel listed herein 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 method of apportionment and assessment rates as approved herein by the McKinleyville CSD Board of Directors.

(1) These assessments amounts represent the calculated special benefit assessment for the parcels identified as non-taxable or otherwise assessed. These assessment amounts shall be paid by a contribution from McKinleyville CSD general fund and collectively represent \$3,350.00

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.7 **Discussion of the Draft Capital Improvement Plan for the Parks & General Fund, Fiscal Year Ending June 30, 2015**

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 2014-2015 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 2014-2015 budget document in May/June 2014.

Alternatives:

Take Action

Fiscal Analysis:

See attached schedules.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Appendix 1: Draft Capital Improvement Projects for the fiscal years ending June 30, 2015-2024 for Parks & General Fund
- Appendix 2: Draft Budget Fiscal Year 2014-2015 CIP Narrative

Exhibit 10

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects - DRAFT
For the Fiscal Years Ending June 30, 2015 - 2024

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	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	June 30, 2024
1. Hiller Park & Sports Complex Projects										
Park landscaping & signage										
Misc. equipment & signage	5	5	5	5	5	6	6	6	6	6
Totals:	5	5	5	5	5	6	6	6	6	6
2. Pierson Park Projects										
Park landscaping & signage										
Misc. equipment & signage	5									
Totals:	5	0	0	0	0	0	0	0	0	0
3. Azalea Hall Projects										
Furnace replacement										
Replace flooring										
Miscellaneous equipment	5							5	5	5
Roof replacement										
Parking lot resurfacing		8								
Roof replacement										
Kitchen equipment replacement										
Replace tables & chairs										
P/A system and microphones		6								
Saber floor scrubber										
Totals:	5	14	0	0	0	0	0	5	5	5

Exhibit 10

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects - DRAFT
For the Fiscal Years Ending June 30, 2015 - 2024

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
4. McKinleyville Activity Center Projects										
Park landscaping & signage										
Flooring replacement										
Roof replacement										
Misc. equipment replacement	5	5	5	5	5	5	6	6	6	6
Parking lot resurfacing		15								
Bleacher replacement					10					
Tables & chairs										
Furnace replacement						5				
Saber floor scrubber										
Totals:	5	20	5	5	15	10	6	6	6	6
5. Other Park Projects & Equipment										
Computers & software & copiers									5	5
Security										
Playground equipment replacement										
Mower & landscaping equipment		15							15	
Utility truck				28		28				28
Light duty utility truck/van/car							20			
Mobile Radio Upgrade										
Emergency response equipment/supplies										
Miscellaneous/replacement equipment			8	8	8	8	8	8	9	9
Land Acquisition					120					
Totals:	0	15	8	36	128	36	28	8	29	42

Exhibit 10

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects - DRAFT
For the Fiscal Years Ending June 30, 2015 - 2024

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
6. Law Enforcement Facility Projects										
Furnace replacement										
Roof replacement										
LEF/Library sealing/paving			5						5	
Totals:	0	0	5	0	0	0	0	0	5	0
7. McKinleyville Library Projects										
Carpet replacement		8								
Roof replacement										
Furnace replacement			5							
Hot water heater replacement										
Roof replacement										
Totals:	0	8	5	0	0	0	0	0	0	0
8. Projects Funded With Measure B Renewal										
Facilities Design and Improvements - Teen Ctr	120	100	100							
Other Measure B projects + O&M										
Totals:	120	100	100	0	0	0	0	0	0	0
9. Projects Contingent Upon Grant Funding										
Covered Picnic Area at Pierson Park										
Totals:	0	0	0	0	0	0	0	0	0	0

Exhibit 10

**McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects - DRAFT
For the Fiscal Years Ending June 30, 2015 - 2024**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
10. Projects Funded by Quimby & Other Funds										
Library expansion project										
Hiller dog park										
Playground equipment replacement										
Pole Barn										
Skate park										
Hewitt Ranch improvements	25									
New Park Improvements	25									
Playground equipment replacement										
Covered Picnic Area	50									
Land acquisition										
Totals:	100	0	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures	240	162	128	46	148	52	40	25	51	59

***The Capital Improvement Program
Parks and General Fund
Fiscal Year 2014-15***

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities was renewed in FY12/13 for 20 years.

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 not planning to replace a utility truck this next fiscal year, but will be replacing it, and others, the following year as funds become available. 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 & Community Center** attached to the McKinleyville Activity Center. The facility will include two (2) classrooms, storage, an office, multi-purpose activity room, restrooms, lounge and a commercial kitchen. \$120,000 is the planned budget for the portion of this project expected to be completed in the coming fiscal year.

The aging furnace at the McKinleyville Library is scheduled to be replaced for \$5,000. Construction of the grant-funded covered picnic pavilion with group BBQ near the bocce ball courts at Pierson Park will proceed in FY2014-15 contingent on grant funding with matching Quimby Funds.

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 is planning on purchasing miscellaneous equipment for Hiller Sports Complex, Pierson Park, Azalea Hall and the McKinleyville Activity Center in the amounts of \$5,000 each.

Staff proposes to improve parking and river access on the acquired property that was purchased from Granite Construction along North Bank Road.

Staff has committed to greater use of MCSD's Quimby Funds, which are held in trust by the County, and is planning to spend \$25,000 in new park improvements with these funds.

The Board of Directors has encumbered \$25,000 in Quimby Funds for Hewitt Ranch improvements, contingent upon matching grant funding.

Staff anticipates spending \$50,000 in FY2014-15 to finish the Pierson Park Covered Picnic Area project.

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

Small Equipment, Contingency and Other

Staff is planning on purchasing miscellaneous equipment for the McKinleyville Activity Center in the amount of \$5,000.

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

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

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

McKinleyville Community Services District

BOARD OF DIRECTORS

February 4, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.8. Committee Appointments for 2014 Calendar Year

PRESENTED BY: Kathy Wilson

TYPE OF ACTION: Voice Vote

Recommendation:

Discuss and consider various committee assignments that will be appointed by the Board President and also designate committee chair/co-chair if appropriate. (Appointments by Board President)

Discussion:

After brief discussion at the January 8, 2014 meeting regarding committee assignments, the Board agreed to keep the current appointments through January and come back in February to continue discussion. At tonight's meeting the President shall appoint committee assignments for the 2014 Calendar Year as stated in the Board Policy Manual.

RULE 3-2: PRESIDENT -- The President shall perform the duties of presiding officer at all meetings of the Board of Directors and shall carry out the resolutions and orders of the Board of Directors and perform such other duties as the Board of Directors prescribes including appointment of members to serve on committees of the Board and designation of committee chairs, except for the Recreation Advisory Committee. The Board President is responsible for leadership at public meetings and for exerting every effort to unite the Board into a working, cohesive group by preserving order and decorum. The Board President shall decide questions of order subject to appeal to the Board. This requires the assistance and cooperation of all of the Board Members.

RULE 3-4: COMMITTEES -- Committees of the Board, whether standing or ad hoc, may, from time to time, be established by the President of the Board, subject to confirmation by the Board. Unless authority to perform a duty is expressly delegated by the Board to a committee, committee motions and recommendations shall be advisory to the Board. Committees shall not commit the District to any policy, act or expenditure nor may any committee direct staff to perform specific duties unless authorized by the Board. The Committee Chair is authorized to schedule committee meetings as deemed necessary and to preside at any such meeting.

Where the Board has agreed to designate a Director or Directors to serve on a non-District Committee, the President shall appoint said Directors for Board ratification.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1-worksheet for 2014 Committee Assignments

2014 ROSTER for MCSD

Attachment 1

2014 Board positions are as follows:

1. President David Couch
2. Vice-President John Corbett

Directors: Helen Edwards, Dennis Mayo and George Wheeler

Staff Member Officers

1. Treasurer Finance Director, Colleen M.R. Trask
2. Secretary Kathy Wilson

2014 Tentative Committee Assignments are as follows:

Notes in *italics* are simply a record of discussion at the January 8, 2014 meeting and are subject to change.

1. Recreation Advisory committee
David Couch; alternate Dennis Mayo (*will stay if needed*)
2. McKinleyville Area Fund
John Kulstad
3. Redwood Region Economic Development Commission
Vacant (*Director Mayo is interested*); alternate Helen Edwards (*will stay*)
4. McKinleyville Senior Center Advisory Committee
Vacant
5. Audit
John Corbett (*will stay*); Helen Edwards (*will stay*)
6. Employee Negotiations
Vacant ; Helen Edwards (*will stay*)
7. Water Task Force
Dennis Mayo (*will vacate*); alternate John Corbett
8. AdHoc No Drugs & Toxics Down the Drain
David Couch; alternate Dennis Mayo (*will vacate*)
9. McKinleyville Municipal Advisory Committee
Helen Edwards (*will stay*); alternate John Corbett

Director Mayo indicated that he will continue to participate on the Humboldt Bay Municipal Water District Strategic Planning Committee.

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.9. Ruth Lake Briefing

PRESENTED BY: Greg Orsini

TYPE OF ACTION: None

Recommendation:

Staff recommends that the Board review the information and participate in the presentation of information.

Discussion:

As everyone should be aware, our annual precipitation is well under the average for this time of year. MCSD staff have received light call volume with questions related to rationing and the drought decree by Governor Brown.

The majority of the information I am going to cover comes directly from Humboldt Bay Municipal Water District's historical and recent data for Ruth Lake.

I have prepared a brief Power Point as the majority of the information is visual.

Alternatives:

Direct staff to bring this back as an action item.

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 - Power Point Presentation
- Attachment 2 - Press Release Ruth Lake CSD and Humboldt Bay MWD
- Attachment 3 - Rain Fall Data
- Attachment 4 - Water Shortage Plan

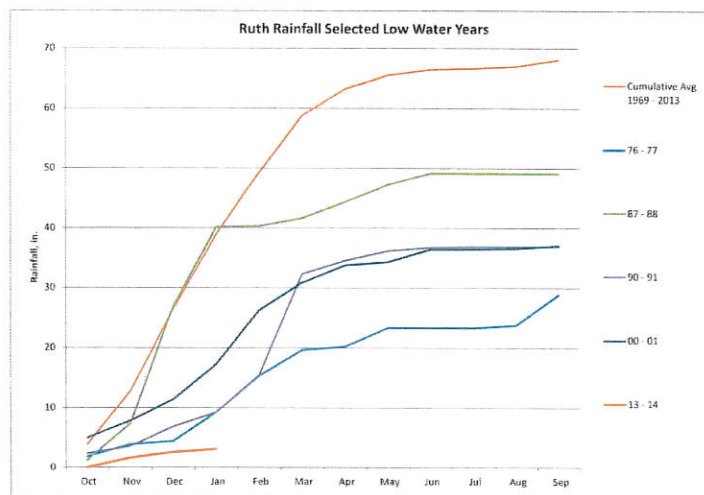
Briefing for the MCSD Board

Status of Ruth Lake
Long Term Forecast
Voluntary Conservation



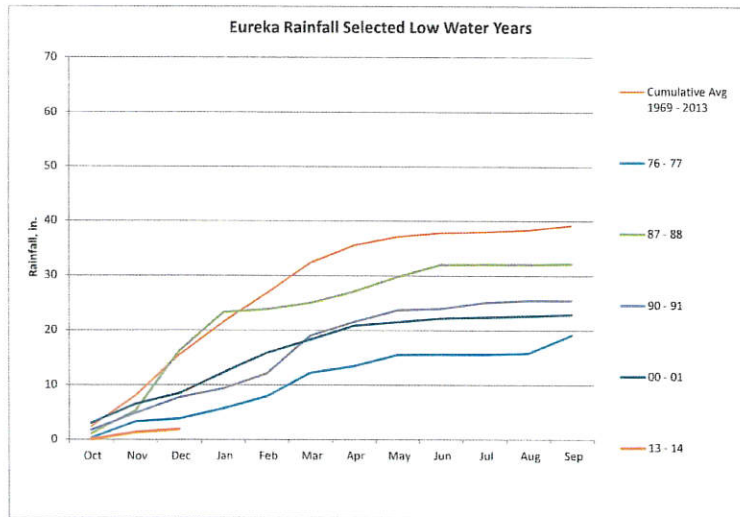
Current Rainfall Data @ Ruth

HBMWD Ruth Lake



Current Rainfall Data in Eureka

HBMWD



Rain Fall Comparison

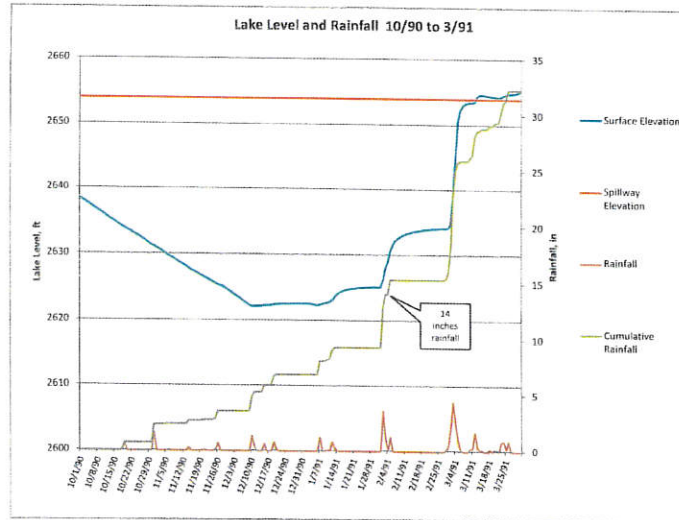
Eureka - Ruth Rainfall Comparison

Water Years '69/'70 through '12/'13

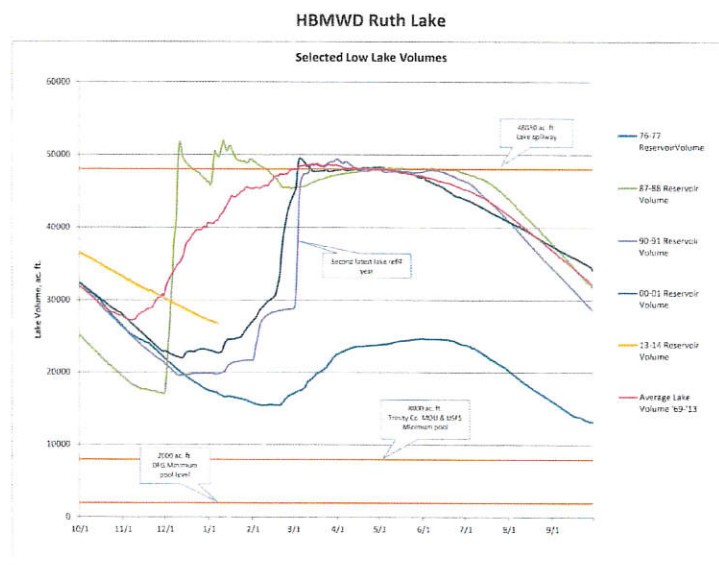
Eureka	October	November	December	January	February	March	April
Average	2.40	5.67	7.44	6.06	5.26	5.56	3.19
Min	0.04	1.35	0.52	0.66	0.54	1.16	0.35
Max	6.77	16.58	23.31	13.42	13.95	12.02	11.25
Current Water Year	0.05	1.29	0.58	0.73			

Ruth	October	November	December	January	February	March	April
Average	3.86	8.95	13.64	12.64	10.22	9.67	4.44
Min	0.00	1.23	0.07	0.59	0.16	1.04	0.38
Max	11.03	30.30	38.34	36.29	29.29	28.07	14.60
Current Water Year	0.00	1.60	0.95	0.56			

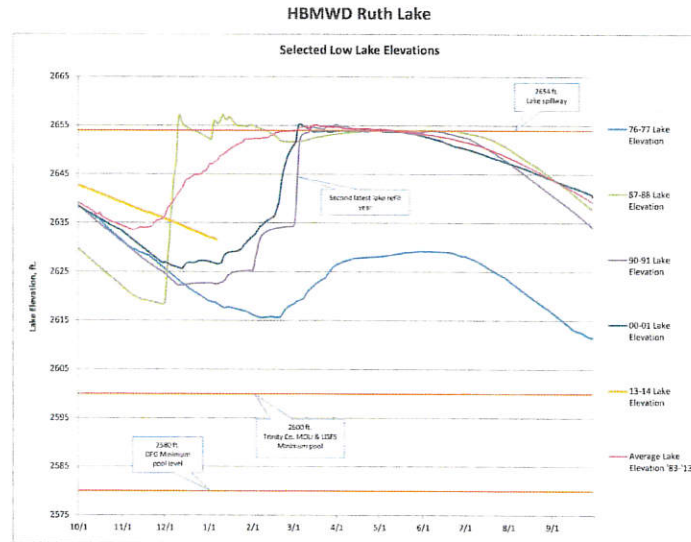
Relationship Between Rainfall and Lake Level



Selected Year Low Lake in Ac. Ft.



Selected Year Low Lake in Elevation



Long Range Forecast

- Over the past 30 years Ruth Lake has filled in February and March 30% of the time
- No definitive precipitation forecasts are being made, one source says wetter than normal spring and another source says no rain in the foreseeable forecast



Water Shortage Contingency Plan

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Overview of Water Shortage Contingency Plan

Action Stage	Reservoir Capacity	Accumulated Rainfall	Actions	Estimated Savings
I	Not specified	Not specified	Release from storage only those volumes needed for instream and diversion purposes. Hydro production is incidental to water supply needs and not justification for releases.	
II	65% of Capacity (31,200 AF)	70% or less of historical average	<ul style="list-style-type: none"> Voluntary domestic conservation Public education Reduce industrial peaking, if any 	
III	40% of Capacity (19,200 AF)	60% or less of historical average	<ul style="list-style-type: none"> 10% to 15% reduction by munis 10% to 15% reduction by industrial customer(s), if any 	
IV	30% of Capacity (14,400 AF)	50% or less of historical average	<ul style="list-style-type: none"> 16% to 30% reductions by munis 20% reduction by industrial customer(s), if any 	
V	25% of Capacity (12,000 AF)	50% or less of historical average	<ul style="list-style-type: none"> 30% to 50% reduction by munis Industrial deliveries limited to volumes required for fire protection, 100% curtailment of water for industrial use, if any 	



Voluntary Conservation

- Governor Brown has declared a statewide drought emergency and is calling for 20% reduction in water use
- Humboldt Bay MWD is requesting a 20% voluntary conservation
- Information of conservation:
 - www.mckinleyvillecsd.com
 - www.hbmwd.com
 - www.saveourh2o.org



Drought Facts for California

- On par to be the driest year since 1580
- Longest droughts of the 20th century occurred from 1987- 1992 and from 1928-1934
- Through the use of sediment and tree ring data, California has experienced droughts lasting 180 and 240 years from 1140 to 1320 and 850 to 1090 respectively



Recap

- We are at roughly 13% of our annual average rainfall
- Ruth Lake is currently at 55% capacity
- 90% full is average for this time of year
- Due to the lack of industrial demand we have supply for 12 more months
- It will take approximately 14" of rainfall before the ground saturates and the reservoir starts to fill



Date: January 27, 2014
Contact: Erica Sutherland
Business Name: CoxRasmussen & Co.
Marketing and Advertising
Tel: (707) 445-3101
Fax: (707) 445-2550
Email: erica@coxrasmusen.com

For Immediate Release:

Humboldt County Drought Situation— Ample Water Supply for Humboldt Bay Region, but Water Conservation Urged

3X Attachments: Photo 1: Ruth Lake Marina: Photo of Marina in 2013 and photo of Marina today. **Photo 2:** Ruth Spillway January 22, 2014. Water level is 23 feet below normal **Graph:** Comparative cumulative monthly rainfall totals

With drought conditions continuing into the foreseeable future, the Humboldt Bay Municipal Water District (HBMWD) is asking local residents and businesses to voluntarily reduce water use.

According to HBMWD General Manager Carol Rische, "Fortunately we are not in the same dire situation as the majority of California reservoirs. That said, the reservoir at Ruth Lake is low, currently 55% full, as opposed to the usual 90% at this time of year. However, when we compare levels historically, during the 1976-77 drought, Ruth Reservoir was only 35% full at the end of January."

Ms. Rische added, "The District's demands are significantly lower today than they were in 1976-77. We no longer supply water to two pulp mills. That means even if we receive no additional rain this year, the District has ample supply to meet its municipal demand for the next 12 months."

The National Weather Service Office shows Humboldt County's rainfall from October 2013 through December 2013 at 12% of normal at Woodley Island, Eureka and 15% of normal at the Eureka/Arcata Airport. Similar conditions exist throughout Humboldt County.

The accompanying graph shows monthly rainfall totals at Ruth Lake during Humboldt's driest years. From October 2013 – January 2014 Ruth Lake had less than 3 inches of rainfall, even lower than other dry years. Normal rainfall at Ruth Lake during this time frame is 24 inches. However, Rische said, "it is not uncommon to receive significant rainfall from February - April. A few good storms can recharge the reservoir. In fact, over the last 30 years Ruth Lake filled in February or March 30% of the time.

According to the Climate Prediction Center's one-month outlook for northwest California, there is an equal chance of wet or dry weather as opposed to just below normal precipitation, National Weather Service meteorologist Brian Garcia said. The

three-month outlook indicates above normal temperatures and below normal rainfall. *

"We are hoping for the best in terms of more rainfall this season, but planning for the potential of very little additional rain," said HBMWD board member Sheri Woo. "Earlier this month, HBMWD entered Action Stage 1 of the Water Shortage Contingency Plan. Under Action Stage 1, releases from Ruth Lake were reduced to the minimum levels necessary to meet the District's diversion and bypass flow requirements." Woo indicated that this is a very rare step to take during the winter season.

While Governor Brown declared a statewide drought emergency and has urged residents to reduce water use by 20%, Woo said HBMWD is currently calling for voluntary conservation. "HBMWD provides water to the following municipalities: City of Arcata, City of Eureka, City of Blue Lake, Fieldbrook-Glendale Community Services District, Humboldt Community Services District, Manila Community Services District, and McKinleyville Community Services District. At this time we are closely monitoring water levels to determine if and when mandatory conservation is required. If we believe it is, HBMWD will work closely with our customers to help implement conservation."

What can you do? Rische said there are a number of things individuals and businesses can do to conserve water. "Go to our web site, www.hbmwd.com and click the link to California's Save Our Water web site. There are a number of suggestions on reducing both inside and outside water use. We appreciate our community's willingness to work together to conserve water for the benefit of all."

HBMWD is located at 828 Seventh Street in Eureka, www.hbmwd.com.

**Times-Standard January 23, 2014*

Photo 1

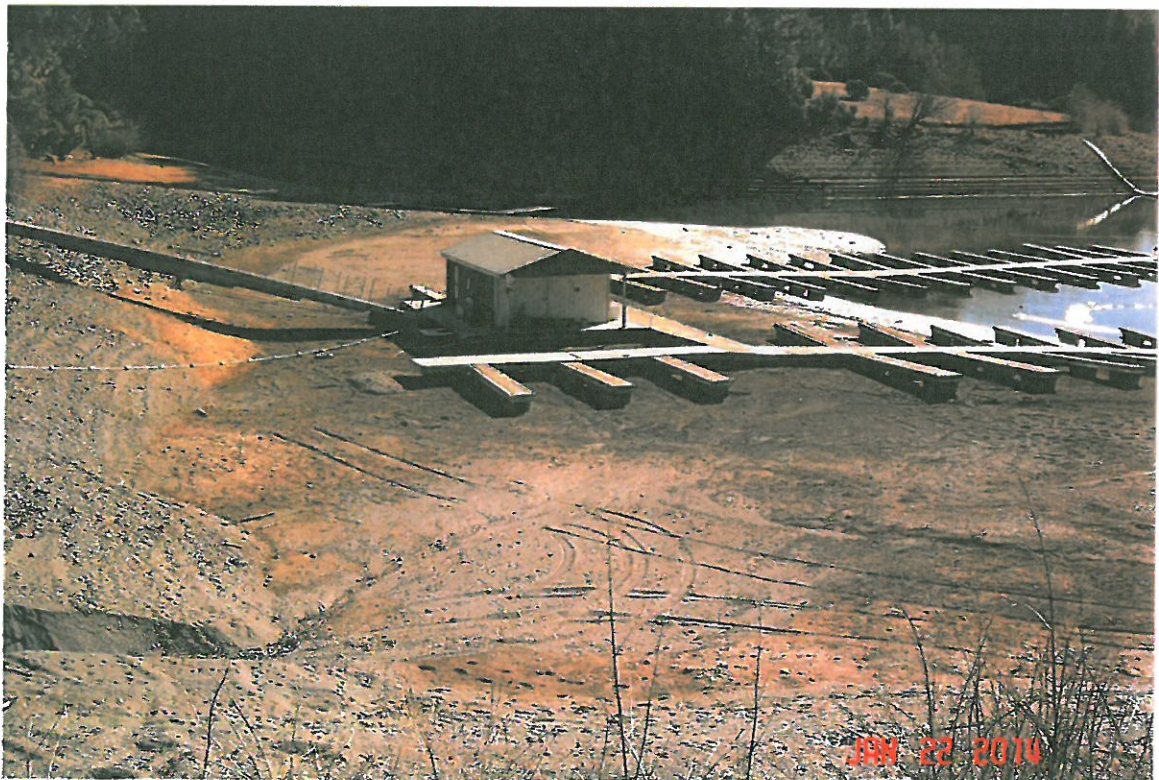
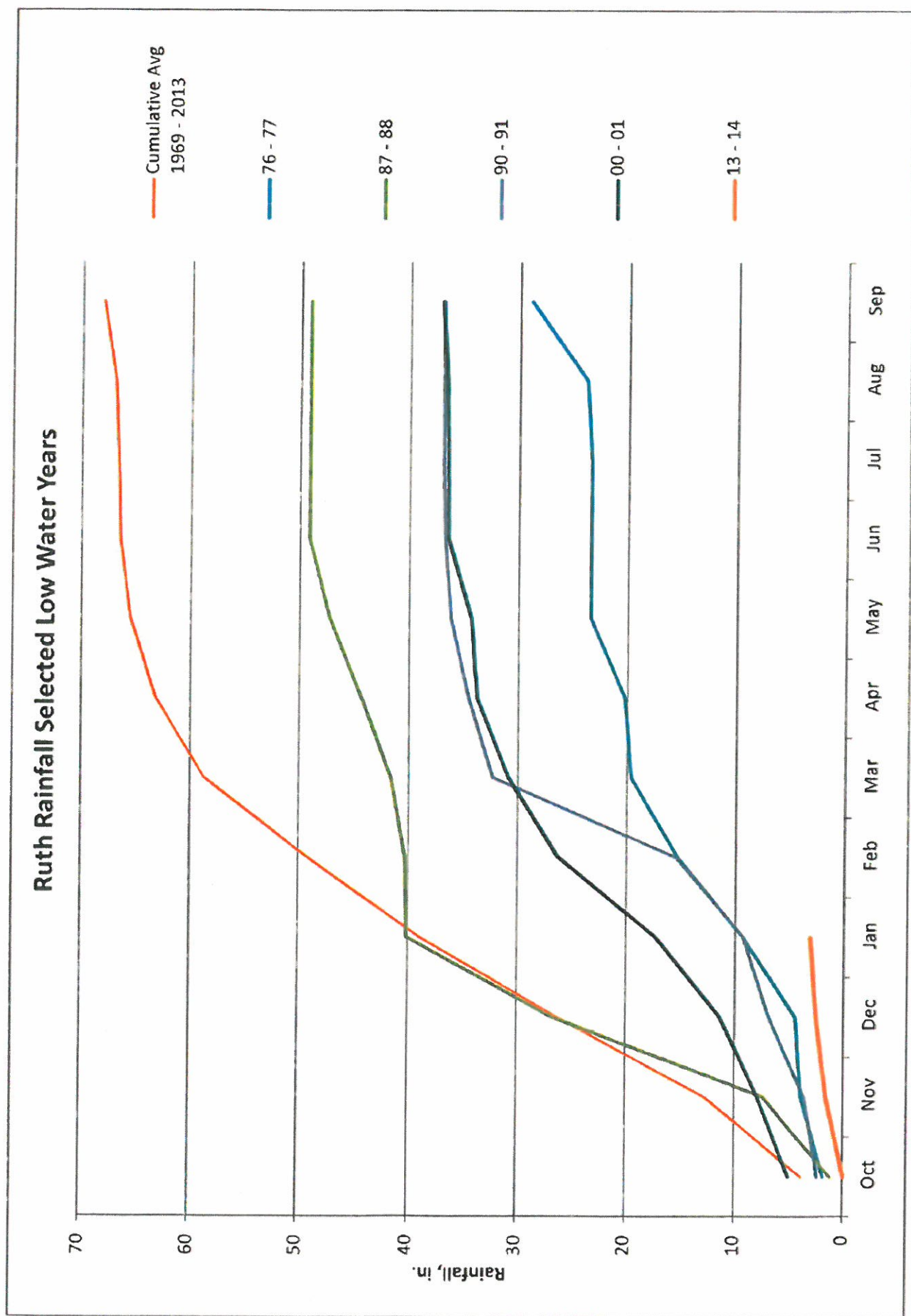


Photo 2



Graph

HBMWD Ruth Lake



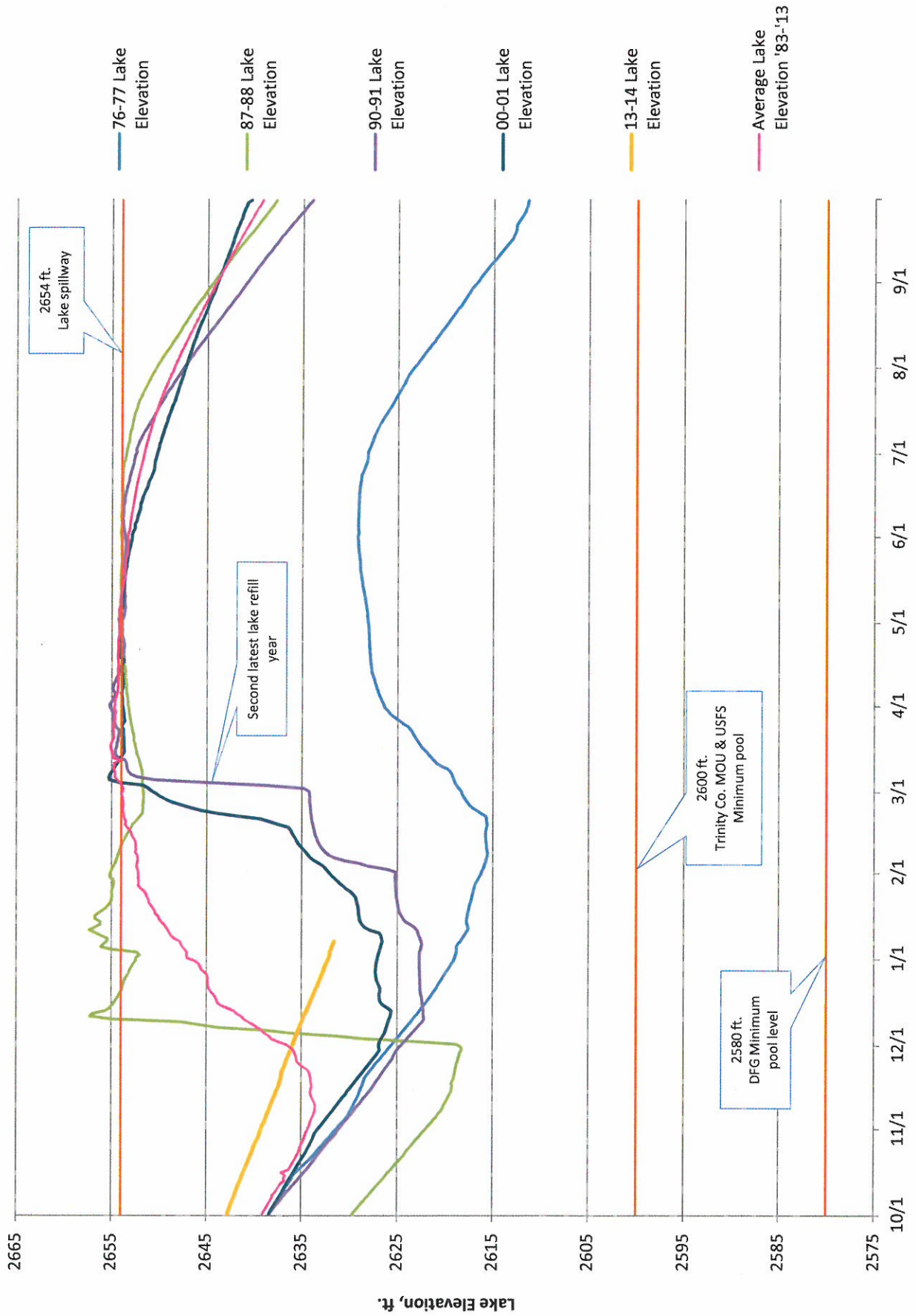
Humboldt Bay Municipal Water District

Ruth Lake Water Supply & Rainfall Data for Select Dry Years

- 1) Reservoir Elevation Data and Content
- 2) Rainfall Statistics for Eureka and Ruth Lake
- 3) Relationship between Lake Elevation & Rainfall
- 4) Ruth Lake Fill Dates –vs- Watershed Runoff and Storm Patterns by Type of Hydrological Year

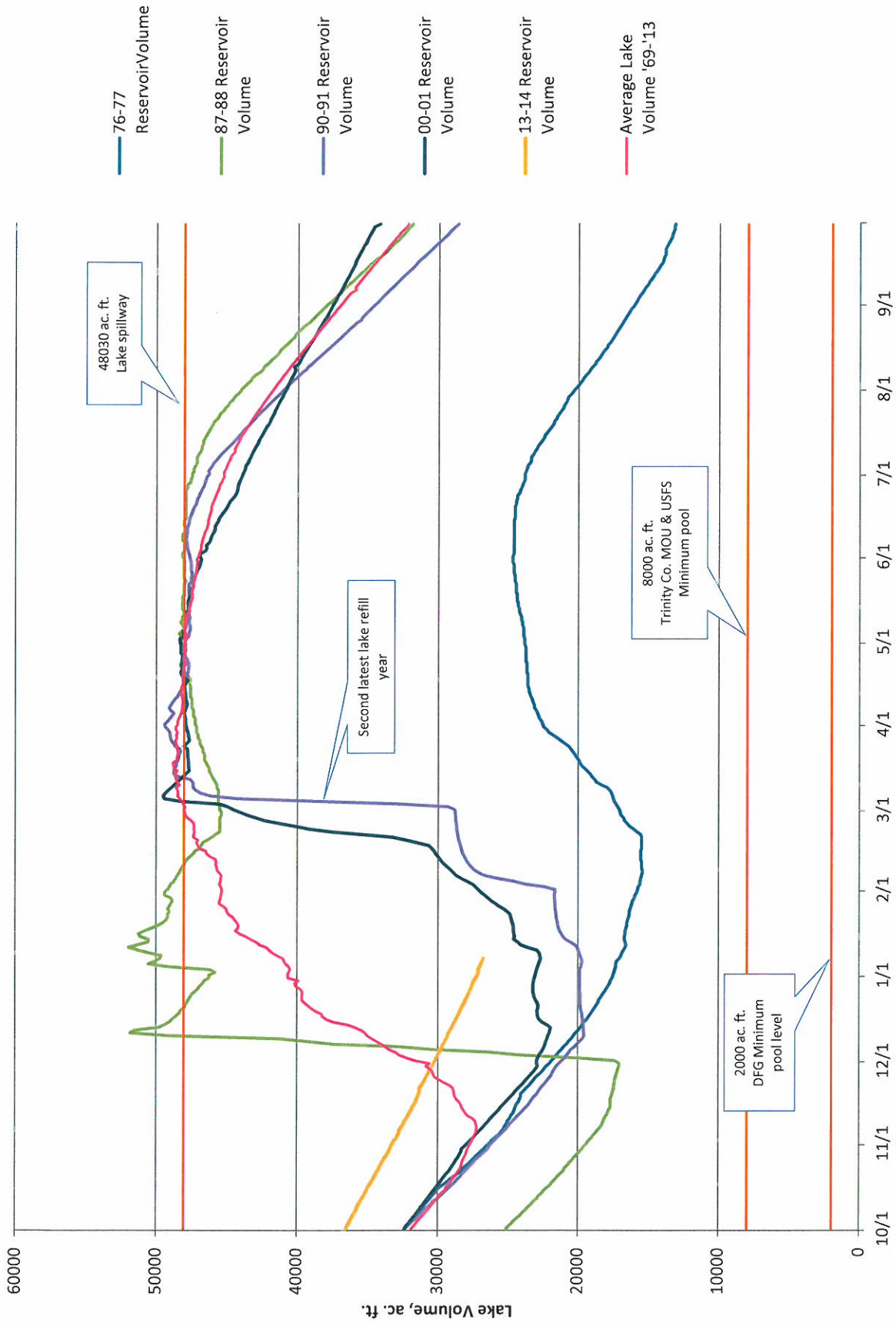
HBMWD Ruth Lake

Selected Low Lake Elevations



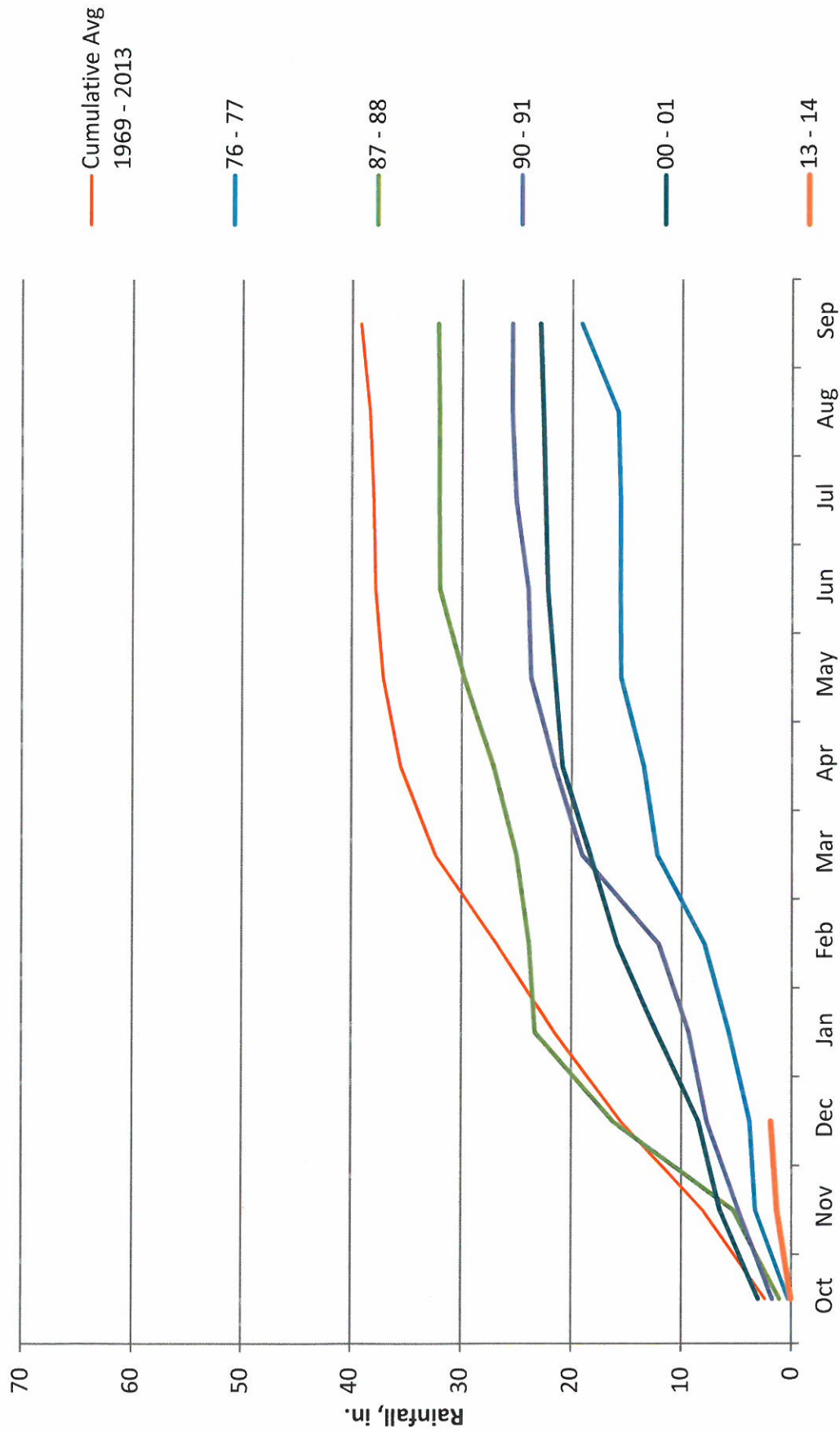
HBMWD Ruth Lake

Selected Low Lake Volumes

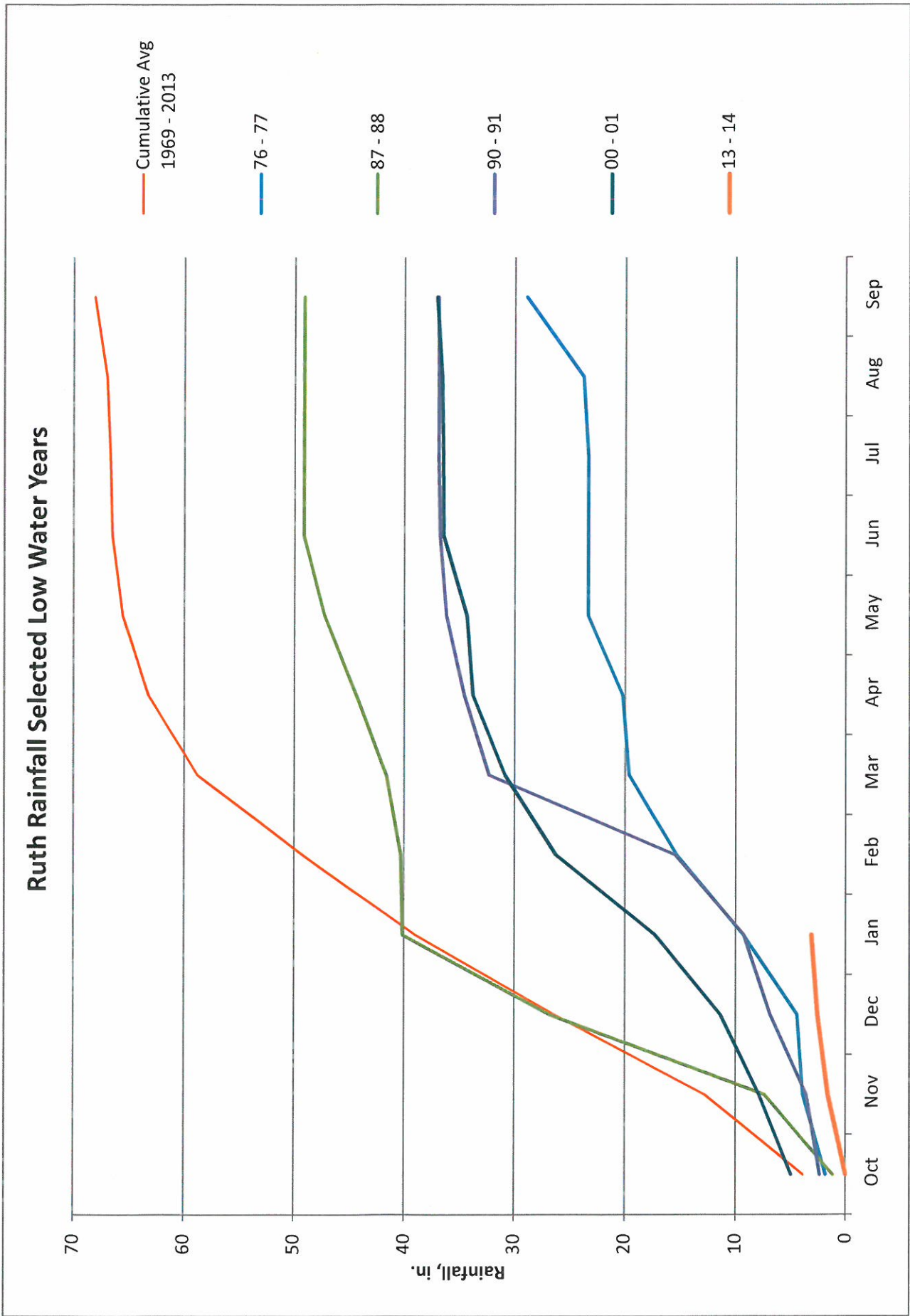


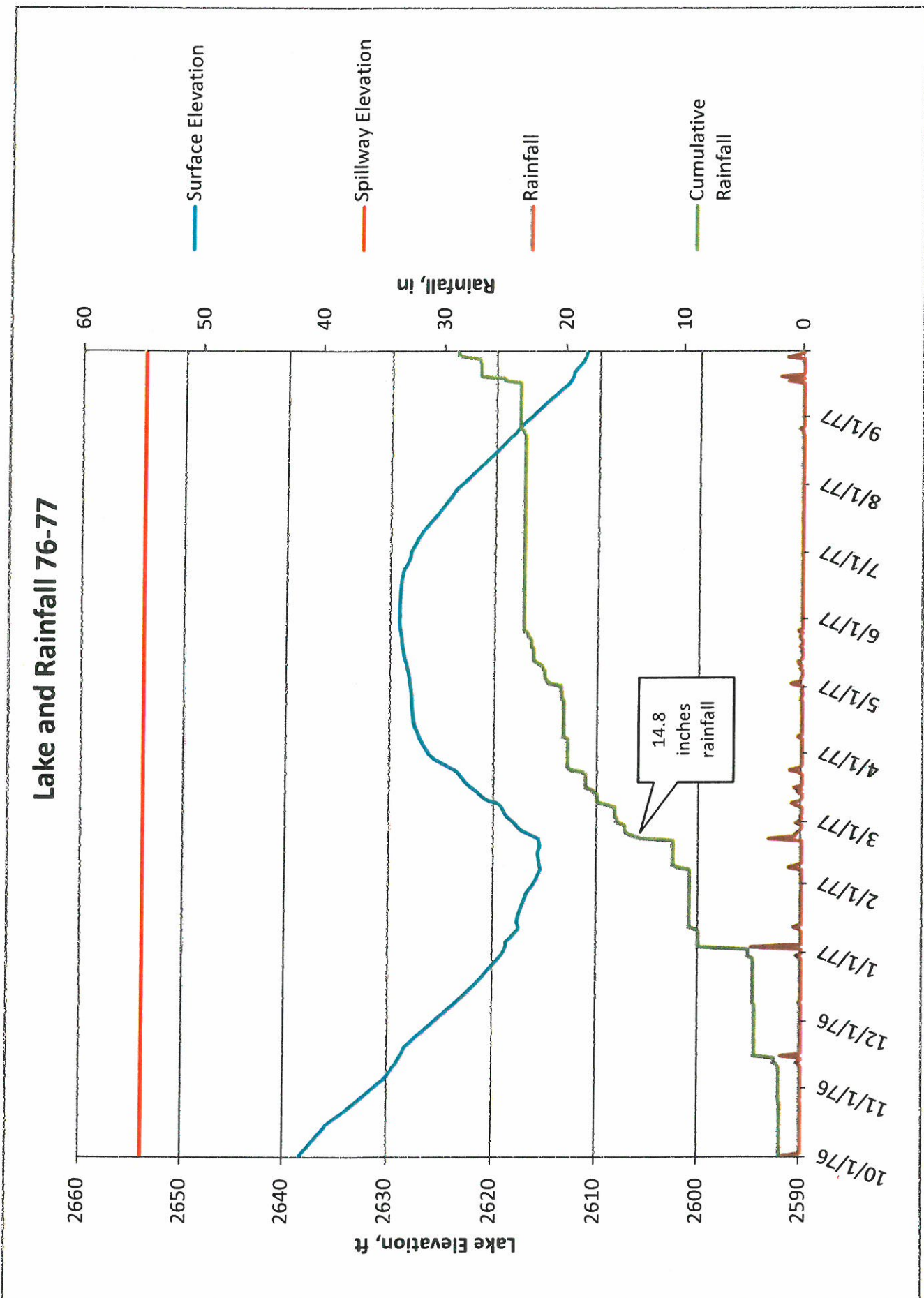
HBMWD

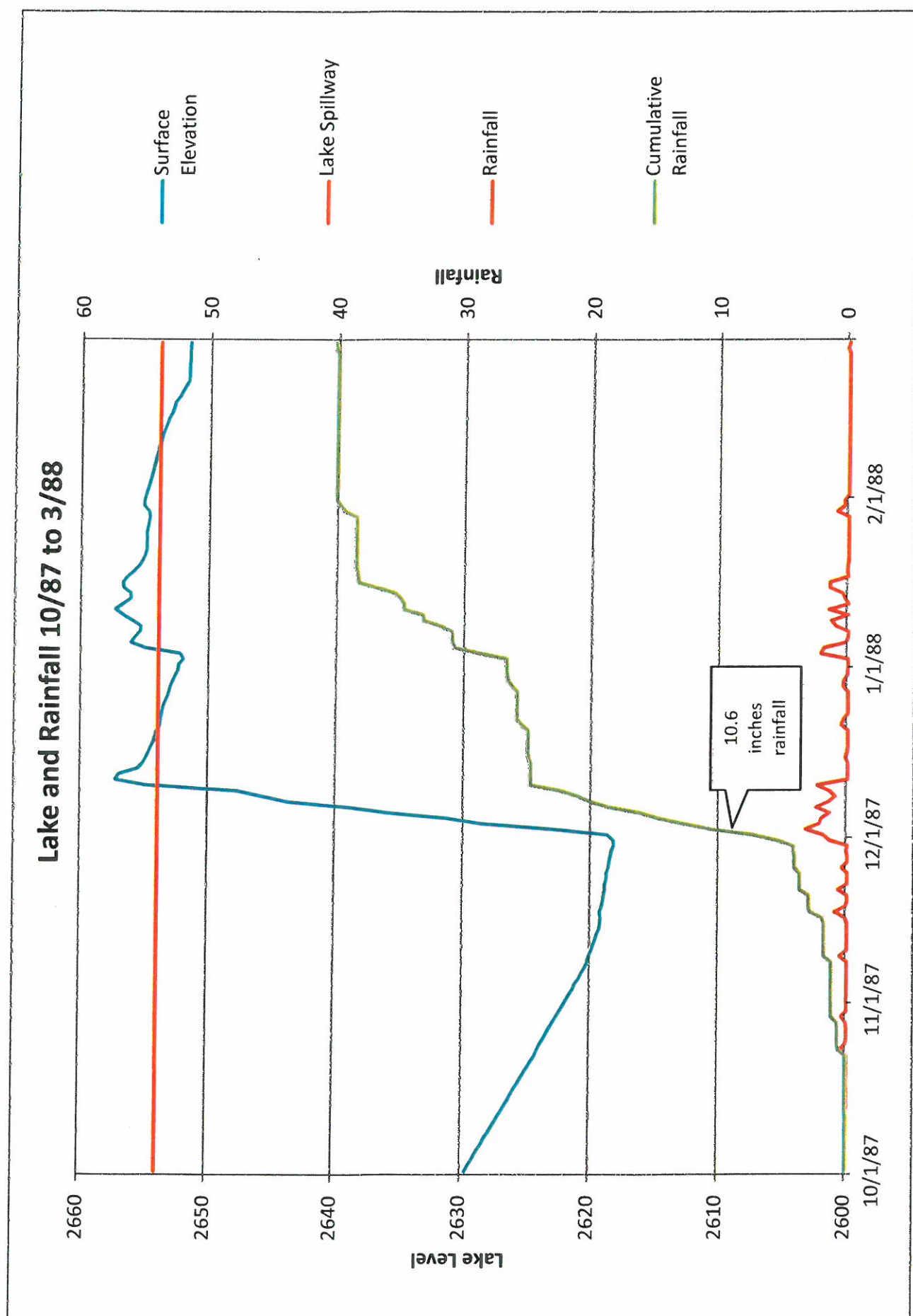
Eureka Rainfall Selected Low Water Years



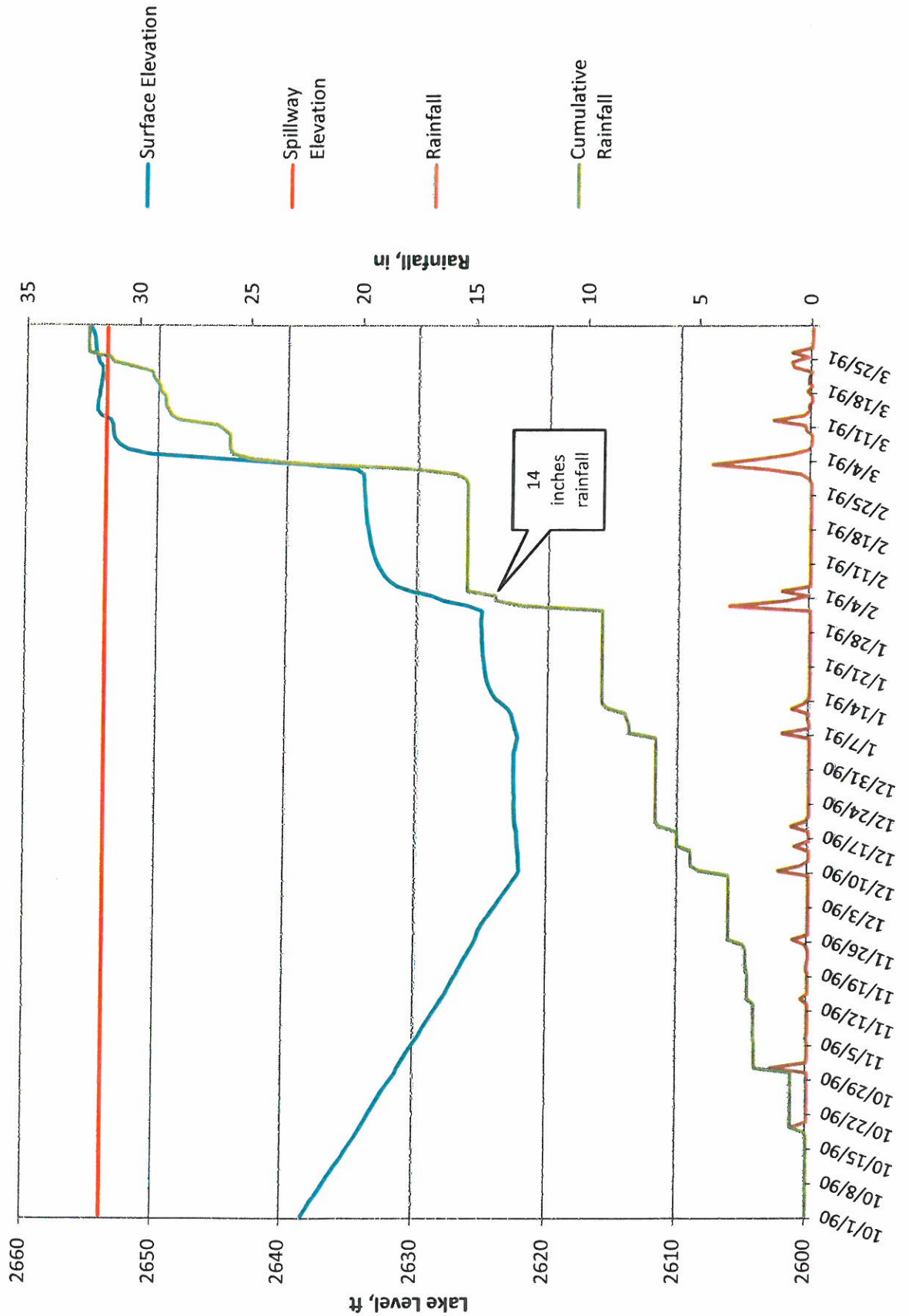
HBMWD Ruth Lake



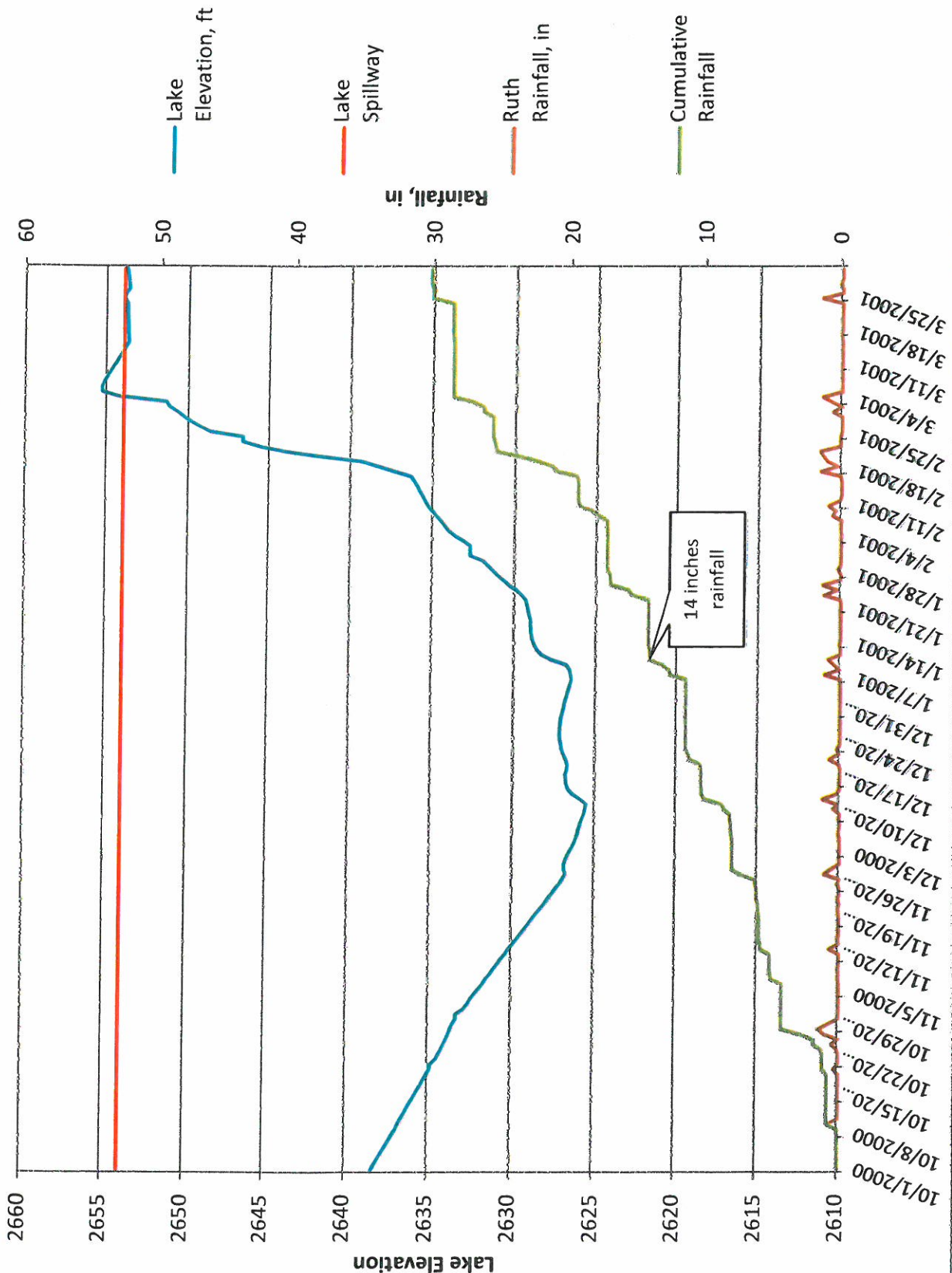




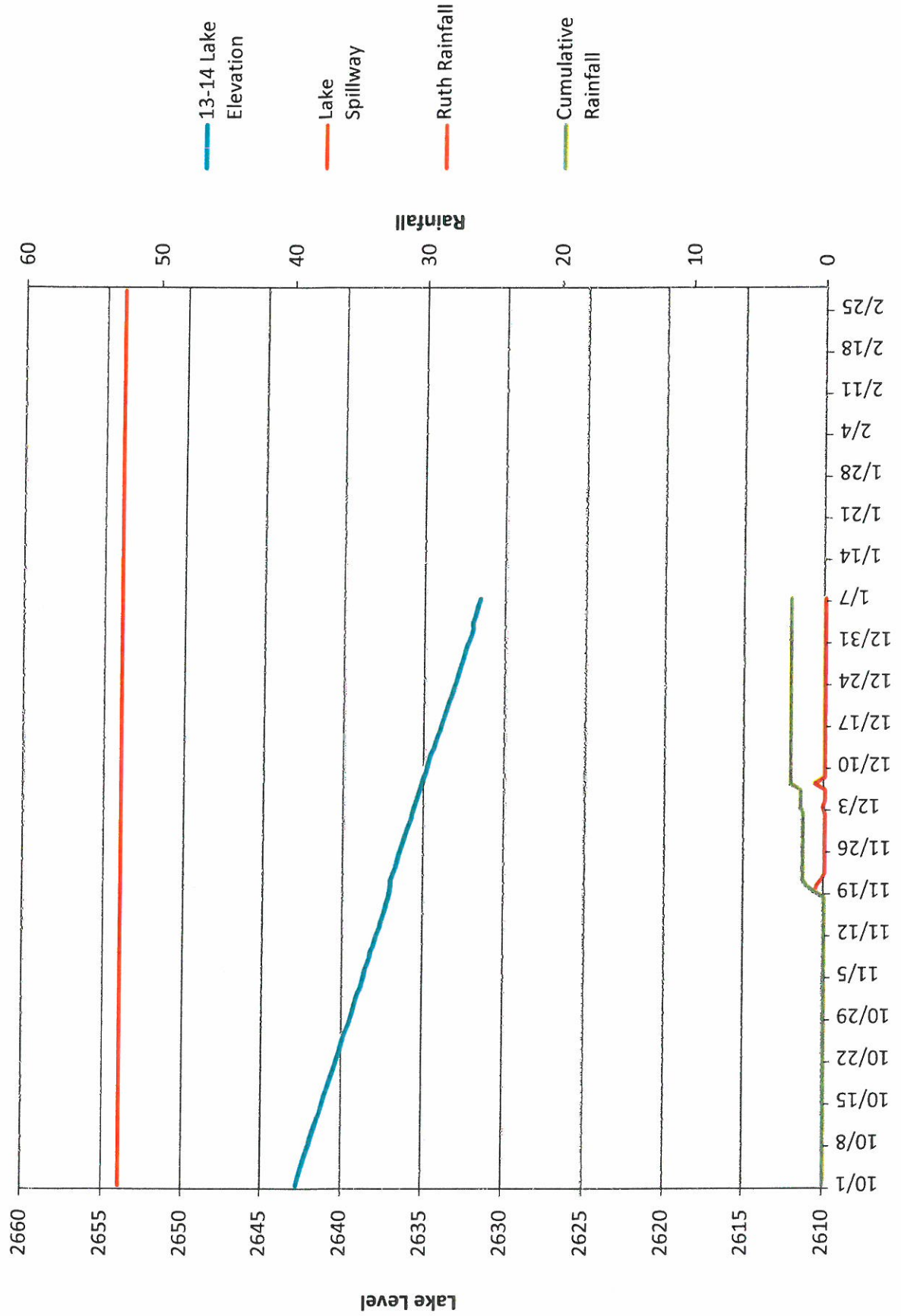
Lake Level and Rainfall 10/90 to 3/91



Lake and Rainfall 10/00 to 3/01



Lake and Rainfall 10/13 to 1/8/14



**Humboldt Bay Municipal Water District
Mad River Watershed Runoff and Ruth Lake Initial Fill Date**

Water Year	Watershed Runoff Magnitude(AF)	Ruth Lake Initial Fill Date
1983/84	1,365,860	no data available
1984/85	698,120	no data available
1985/86	1,144,088	no data available
1986/87	574,261	2/2/1987
1987/88	484,983	12/10/1987
1988/89	985,614	11/26/1988
1989/90	571,785	2/13/1990
1990/91	371,326	3/13/1991
1991/92	280,480	2/2/1992
1992/93	1,175,052	1/1/1993
1993/94	434,958	1/26/1994
1994/95	1,568,520	1/8/1995
1995/96	1,290,002	12/15/1995
1996/97	1,266,070	12/8/1996
1997/98	1,531,314	1/7/1998
1998/99	1,217,911	11/30/1998
1999/00	823,727	1/15/2000
2000/01	261,289	3/5/2001
2001/02	804,060	12/4/2001
2002/03	1,268,224	12/16/2002
2003/04	918,274	12/14/2003
2004/05	926,339	1/28/2005
2005/06	1,790,372	12/20/2005
2006/07	835,645	12/28/2006
2007/08	760,220	1/6/2008
2008/09	658,328	2/23/2009
2009/2010	864,591	1/20/2010
2010/11	1,310,416	12/7/2010
2011/12	859,993	3/16/2012

Note:

Mad River watershed runoff is measured by USGS Gage Station #1148100 near Arcata.

Observations:

Since water year 1986/87, Ruth Lake has filled as early as November and as late as March and typically fills in the December - January time frame.

Eureka - Ruth Rainfall Comparison

Water Years '69/'70 through '12/'13

Eureka	October	November	December	January	February	March	April
Average	2.40	5.67	7.44	6.06	5.26	5.56	3.19
Min	0.04	1.35	0.52	0.66	0.54	1.18	0.35
Max	6.77	16.58	23.31	13.42	13.95	12.02	11.25
Current Water Year	0.05	1.29	0.56	0.73			

Ruth	October	November	December	January	February	March	April
Average	3.86	8.95	13.54	12.64	10.22	9.57	4.44
Min	0.00	1.23	0.07	0.59	0.16	1.04	0.38
Max	11.03	30.30	38.34	36.29	29.29	28.07	14.60
Current Water Year	0.00	1.60	0.95	0.56			

Year	Type of Year	Storm Event Oct- Sep	Storms Events Feb-April	Storms Events May-June
1981	Drier-than-Normal	11	5	0
1982	Wetter-than-Normal	14	4	0
1983	Wetter-than-Normal	14	4	0
1984	Wetter-than-Normal	10	3	0
1985	Drier-than-Normal	7	3	0
1986	Normal	11	3	0
1987	Drier-than-Normal	12	4	0
1988	Drier-than-Normal	9	0	0
1989	Normal	14	7	0
1990	Drier-than-Normal	15	6	3
1991	Drier-than-Normal	8	6	0
1992	Drier-than-Normal	11	6	0
1993	Normal	16	9	0
1994	Drier-than-Normal	7	3	0
1995	Wetter-than-Normal	14	8	0
1996	Wetter-than-Normal	18	8	0
1997	Wetter-than-Normal	9	3	0
1998	Wetter-than-Normal	20	8	0
1999	Wetter-than-Normal	12	7	0
2000	Normal	12	7	0
2001	Drier-than-Normal	8	4	0
2002	Normal	17	5	0
2003	Wetter-than-Normal	15	7	0
2004	Normal	15	5	0
2005	Normal	15	6	3
2006	Wetter-than-Normal	14	7	0
2007	Normal	9	5	0
2008	Normal	10	4	0
2009	Drier-than-Normal	8	4	0
2010	Normal	14	7	0
2011	Wetter-than-Normal	17	7	0
2012	Normal	9	6	0

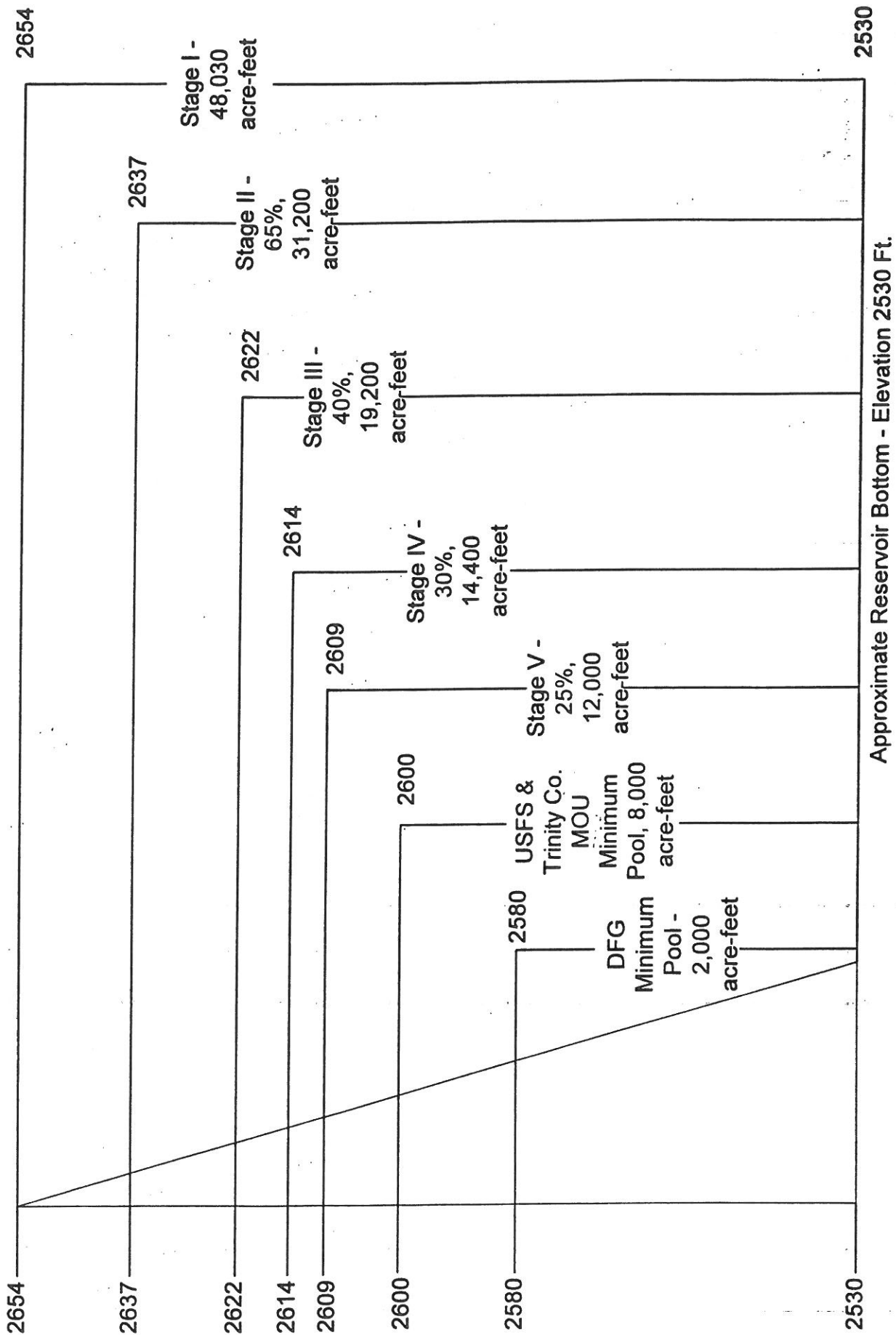
# Years	Type of Year	Storm Event Oct- Sep	Storms Events Feb-April	Storms Events May-June
10	Drier-than-Normal	9.6	4.1	0.3
11	Normal	12.9	5.8	0.3
11	Wetter-than-Normal	14.3	6.0	0.0
32	All Years	12.3	5.3	0.2

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Overview of Water Shortage Contingency Plan

Action Stage	Reservoir Capacity	Accumulated Rainfall	Actions	Estimated Savings
I	Not specified	Not specified	Release from storage only those volumes needed for instream and diversion purposes. Hydro production is incidental to water supply needs and not justification for releases.	
II	65% of Capacity (31,200 AF) <i>Water at 27,000 AF</i>	70% or less of historical average	<ul style="list-style-type: none"> Voluntary domestic conservation Public education Reduce industrial peaking, if any 	
III	40% of Capacity (19,200 AF)	60% or less of historical average	<ul style="list-style-type: none"> 10% to 15% reduction by munis 10% to 15% reduction by industrial customer(s), if any 	
IV	30% of Capacity (14,400 AF)	50% or less of historical average	<ul style="list-style-type: none"> 16% to 30% reductions by munis 20% reduction by industrial customer(s), if any 	
V	25% of Capacity (12,000 AF)	50% or less of historical average	<ul style="list-style-type: none"> 30% to 50% reduction by munis Industrial deliveries limited to volumes required for fire protection. 100% curtailment of water for industrial use, if any 	

Comparison of Ruth Lake Surface Elevation to Water Shortage Contingency Plan Action Stages



McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.10 **Accept contract and budget amendment for Wastewater Management Facility (WWMF) Improvement Project**

PRESENTED BY: **Greg Orsini**

TYPE OF ACTION: **Voice Vote**

Recommendation:

1. Staff recommends that the Board of Directors review Draft Contract Amendment No. 3 WWMF Improvement Project, take public comment,
2. Approve a total expenditure and budget modification not to exceed \$41,410 plus a 10% contingency of \$4,141 for a total of \$45,550 and
3. Authorize the General Manager to execute the Contract Amendment with Kennedy/ Jenks Consultants for the services described in Attachment 1.

Discussion:

The purpose of this agenda item is to brief the Board on a potential cost savings and contract amendment related to the WWMF. .

During the Value Engineering Review, Biosolids (sludge) portion of the project was reviewed for cost and efficiency. The proposed concept is to separate the biosolids removal into a more extended sequence so that only the biosolids removal required to construct the new facilities are dredged, dewatered and hauled off prior to award of the actual construction contract.

The proposed concept is to begin with the removal of all biosolids from Pond 1A in summer of 2014. This is the pond to be filled for construction of the improvement project. Upon completion of biosolids removal pond dewatering can be accomplished by district staff while still meeting permit on the existing treatment facilities, another cost savings. This will also allow a pilot study to determine how the treatment process will react while the pond is decommissioned for construction and no longer available.

Another reason this modification is favorable is consideration of converting Pond 3 into a treatment marsh and using the remaining biosolids in Ponds 1B and 2 as fill so the need to haul those biosolids to a land fill will potentially be unnecessary. The cost of hauling and landfill are substantial.

The contract amendment/ scope of work (Attachment 1) is for design and contract document creation for the biosolids removal. The Boards approval will allow staff to proceed with this portion of the project.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

\$41,410 plus a 10% contingency of \$4,141 for a total of \$45,550

Cost saving to be determined

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 Contract Amendment No. 3 WWMF Improvement Project

Kennedy/Jenks Consultants
Engineers & Scientists

200 Fourth Street, Suite 210
Santa Rosa, CA 95401
707-526-1064
FAX: 707-526-1261

27 January 2014

Greg Orsini
General Manager
McKinleyville Community Services District
1656 Sutter Road
McKinleyville, CA 95519

Subject: Request for Contract Amendment No. 3
WWMF Improvement Project
1368004*00

Dear Greg:

The purpose of this letter is to request additional budget and scope authorization for the subject project. The need for this unanticipated effort was identified during the value-engineering (VE) workshop when several alternative design concepts were recommended for further consideration.

This proposal is limited to the engineering services necessary to implement VE idea No. B-6, which consists of preparing separate bid documents (detailed design) to remove biosolids from Pond 1A during the dry season of 2014. Services to implement the remaining ideas will be covered under a separate proposal.

Attachment A, attached, describes our proposed scope of work for this effort. The budget estimate for this work is \$41,410, based on our approved rate schedule. A breakdown of hours and the associated costs is provided in Attachment B.

Table 1 - Estimated Schedule

Task/Activity	Estimated Duration	Estimated Completion Date (NTP on or before 2/3/14)
Task B.6.11 (B-6) – 50% submittal	4 weeks from NTP	2/28/14

Mr. Greg Orsini
McKinleyville Community Services District
19 December 2013
Page 2

Task B.6.11 (B-6) – 90% submittal	4 weeks from receiving 50% review comments	4/11/14
Task B.6.11 (B-6) – final bid docs	2 weeks from receiving 90% review comments	5/16/14

Please feel free to call me with any questions or concerns.

Very truly yours,

KENNEDY/JENKS CONSULTANTS



Rod Houser, P.E., BCEE
Project Manager

Enclosures:

- Attachment A - Scope of work
- Attachment B – Fee Estimate

cc: Craig Lichty, K/J
Monty Hazelhurst, K/J

McKinleyville Community Services District Wastewater Management Facility Improvements Scope of Services to Incorporate VE Concept B-6

Task B.6.11: Incorporation of VE Idea B-6 (Just Do Pond 1A Now)

Under this VE concept the biosolids in Pond 1A would be dredged, dewatered and hauled off-site during the dry season of 2014. This task develops a stand-alone set of bid documents separate from the WMF Improvements project bid documents. Work under this task consists of the following subtasks:

Task B.6.11.1: 50% Design Submittal

Drawings shall consist of the following:

- General drawings (2 sheets)
- Civil site plan showing the facility layout, all surface improvements, and site drainage, contractor staging area. (1 sheet)
- Civil section and details (1 sheet)
- Estimated construction schedule and sequencing plan
- A 50% project manual will be developed that includes following sections:
 1. Kennedy/Jenks' standard front-end documents consisting of Bidding Requirements, Contract Agreement, General and Supplementary Conditions of the Contract
 2. Division 1 (general requirements)
 3. Division 2 (site work)
 - a. Sludge Removal
 - b. Earthwork
 - c. Dewatering and Disposing Off-Site.
- Prepare engineer's estimate of probable construction costs. Accuracy of cost estimate shall conform to AACE's Recommended Practice 17R-97, Class 3.
- Update construction schedule and construction sequencing plan to reflect new constraints, critical-path activities and durations.

Deliverables

Submit one electronic copy and three print copies of the following documents:

- 50% plans and specifications.
- Written responses to all District and RWQCB review comments.
- Engineer's estimate of probable construction costs
- Construction schedule and sequencing plan.

Task B.6.11.2: 90% Design Submittal

Quality and completeness of 90% documents shall be ready for Engineers' seals. District's 50% review comments shall be incorporated into the 90% submittal.

Deliverables

Submit one electronic copy and three print copies of the following documents:

- 90% plans and specifications.
- Written responses to District's 50% review comments
- Pro forma copy of District's bid forms, construction agreement, and conditions of the construction contract.
- Updated copy of Engineer's estimate of probable construction costs. Accuracy of cost estimate shall conform to AACE's Recommended Practice 17R-97, Class 3.
- Updated construction schedule and sequencing plan.

District Responsibilities

- District will provide instructions to Consultant for purposes of establishing supplemental conditions of the contract, damage clauses, licensing and certification requirements, bonding and insurance requirements.

Task B.6.11.3: Final Bid Documents

Incorporate District review comments to the 90% submittal. Update engineer's estimate of probable construction costs. Accuracy of cost estimate shall conform to AACE's Recommended Practice 17R-97, Class 2.

Deliverables

Submit one electronic copy, three bound copies including half-size drawings, and one full-size unbound set of drawings.

- Sealed final bid documents.

- Updated copy of Engineer's estimate of probable construction costs.

District Responsibilities

- Reconcile conflicting internal comments to provide a single set of unified written review comments to the 50% and 90% design submittals.

Task B.6.11.4: Respond to Bidders' RFIs

Provide written responses to Bidders' questions and requests for information. Generally, questions that are limited to finding information in the bid documents can be answered via email without the need for an addendum. Kennedy/Jenks will promptly respond to questions and maintain a log of Bidders' Requests for Information (RFIs).

Deliverables

- Email correspondence for up to 10 RFIs.

Task B.6.11.5: Facilitate Pre-Bid Meeting and Job Walk

Project engineer will prepare an agenda, attend and facilitate one pre-bid meeting at the treatment plant site for purposes of orienting potential bidders with the construction site and answering their questions.

Deliverables

- Written summary of Bidders' questions and Engineer's responses. The responses will be included as an attachment to an addendum.
- Attendance list

Task B.6.11.6: Prepare Addenda

Prepare up to three addenda to clarify the design intent and contracting requirements. Addenda may consist of changes to bid forms, contract agreement, specifications and/or drawings.

Deliverables

- Up to three addenda will be prepared in .pdf format for electronic distribution to plan holders.

District Responsibilities

- All advertising activities including issuance of addenda.
- Reproduction and distribution of bid documents.
- Maintain a list of plan holders.

Task B.6.11.7: QA/QC

Provide QA/QC for all deliverables associated with Task B.6.11.

Task B.6.11.8: Project Management

Provide Project Management for duration of Task B.6.11.

CLIENT Name:McKinleyville Community Services District

PROJECT Description:Wastewater Treatment System Upgrade

Proposal/Job Number:1368004*00Date:1/27/2014

Special Rate Structure for MCSD	Eng-Sci-9 R. Ryder	Eng-Sci-9 G. Carlton	Eng-Sci-8 M. Joyce	Eng-Sci-8 T. Wakim	Eng-Sci-8 D. Wright	Eng-Sci-7 M. Cullington	Eng-Sci-7 D. Barazza	Eng-Sci-7 M. Clement	Eng-Sci-7 Z. Harris	Eng-Sci-6 M. Hazelhurst	Eng-Sci-6 R. Houser	Eng-Sci-6 A. Reantaso	Eng-Sci-6 A. Eder	Eng-Sci-5 P. Symonds	Eng-Sci-5 H. Vincent	Eng-Sci-4	Designer	Project Admin.		KJ	Sub	Sub	Sub	Sub	Sub	Sub	KJ	KJ	KJ				
Classification:	Eng-Sci-9 R. Ryder	Eng-Sci-9 G. Carlton	Eng-Sci-8 M. Joyce	Eng-Sci-8 T. Wakim	Eng-Sci-8 D. Wright	Eng-Sci-7 M. Cullington	Eng-Sci-7 D. Barazza	Eng-Sci-7 M. Clement	Eng-Sci-7 Z. Harris	Eng-Sci-6 M. Hazelhurst	Eng-Sci-6 R. Houser	Eng-Sci-6 A. Reantaso	Eng-Sci-6 A. Eder	Eng-Sci-5 P. Symonds	Eng-Sci-5 H. Vincent	Eng-Sci-4	Designer	Project Admin.	Total	Labor	Wastewater Soln (Brad Musick)	Haz-Mat Specialist	Planwest Partners	Wetland Solutions	LACO (geotech)	LACO (Surve	Sub-Markup	ODCs	ODCs Markup	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses
Hourly Rate:	\$185	\$185	\$235	\$235	\$235	\$225	\$225	\$225	\$225	\$185	\$185	\$185	\$185	\$180	\$180	\$165	\$135	\$95	Hours	Fees	Fees	Fees	Fees	Fees	Fees	Fees	10%	Fees	10%				Fees
Task B.6.11 - Incorporation of VE Idea B-6																																	
Just Do Pond 1A Now																																	
Subtask B.6.11.1 50% Design Submittal										28	8						20	6	62	\$9,930							\$0		\$0	\$9,930	\$0	\$0	\$9,930
Subtask B.6.11.2 90% Design Submittal										28	8						20	6	62	\$9,930							\$0		\$0	\$9,930	\$0	\$0	\$9,930
Subtask B.6.11.3 Final Bid Documents										20	8						8	8	44	\$7,020							\$0		\$0	\$7,020	\$0	\$0	\$7,020
Subtask B.6.11.4 Respond to Bidder's RFIs										24									24	\$4,440							\$0		\$0	\$4,440	\$0	\$0	\$4,440
Subtask B.6.11.5 Facilitate Prebid Meeting and Job Walk										16									16	\$2,960							\$0	\$600	\$60	\$2,960	\$0	\$660	\$3,620
Subtask B.6.11.6 Prepare Addenda										6	2								8	\$1,480							\$0		\$0	\$1,480	\$0	\$0	\$1,480
Subtask B.6.11.7 QA/QC											4								4	\$740							\$0		\$0	\$740	\$0	\$0	\$740
Subtask B.6.11.8 Project Management											20								20	\$3,700							\$0	\$500	\$50	\$3,700	\$0	\$550	\$4,250
Task B.6.11 - Subtotal	0	0	0	0	0	0	0	0	0	122	50	0	0	0	0	0	48	20	240	\$40,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,100	\$110	\$40,200	\$0	\$1,210	\$41,410
All Phases Total	0	0	0	0	0	0	0	0	0	122	50	0	0	0	0	0	48	20	240	\$40,200	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,100	\$110	\$40,200	\$-	\$1,210	\$41,410

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Support Services Department Report
05 February, 2014

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

DISTRICT FINANCIAL, AUDIT & BUDGET INFORMATION

The Audit Committee has met and approved a Request For Proposal from local accounting firms for a three-year audit cycle of the District.

The new budget cycle is starting with the Parks Capital Improvement Plan draft this month, followed by the Water/Wastewater Capital Improvement Plans next month. Draft operating budgets will be presented the two following months, with the final budget presentation to the Board in June.

The Water and Wastewater Funds are both showing revenue greater than expected in the budget due to capacity fees and contributed capital assets from completed subdivisions.

SUPPORT STAFF PROJECTS & OTHER CURRENT PROJECTS

An extension of the new copier lease agreement has been executed with Coastal Business Systems. We will be able to consolidate the multitude of different printers currently used at the District into fewer, more powerful machines, saving on the cost of repair and toner cartridges and keeping less inventory in stock.

We will be participating in a series of webinars from the California Department of Public Health for a State emergency response exercise that focuses on a Cascadia Subduction Zone Earthquake and Tsunami. We are also in the process of updating our emergency supplies.

We have assigned some of our bad debt accounts to a new collections agency online. Their percentage for collections is lower and the District will save additional money on reduced staff time. The online tools are providing better metrics and improved tracking on our bad debt collections.

We are continuing the process of analyzing costs for a possible revision of reconnection charges relating to the locking of customer accounts along with other adjustments to the Rules & Regs that reflect current legislative requirements.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Board Agenda Background: Department Report

January 28, 2014

To: MCSD Board

From: James Henry, Operations Director

Subject: Agenda Item: F.2.B. –February 5, 2014 Board Meeting
Operations Department – December 2013 Report

Water Department:

◇ Water Statistics:

The district pumped 35 million gallons of water in December.

Six water quality complaints were investigated and rectified.

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

◇ Double Check Valve Testing:

Annual calibration of the DCV test kit was performed by the factory in December.

◇ Average and Maximum Water Usage:

The maximum water usage day was 1.4 million gallons and the average usage per day was 1.1 million gallons.

Water Distribution Maintenance:

A water leak was reported on Tantara. After investigation and excavation, the leak was found to be at the pipe joint on the main. The leak was repaired, backfilled and paved. A leaking blow off valve was repaired on Kellner. A 2" mainline valve was replaced on Beau Pre Drive due to developing a leak.

An angle-stop was replaced due to water leaking past the valve while turned off.

The annual Valve Exercising Program started in December. Valves will be exercised and documented in the log book. Any discrepancies will be flagged to generate work orders for repairs.

Several valve cans were raised on School Road due to the County project. This work will continue into next month.

◇

◇ New Construction Inspections:

Airport 17 Hanger Unit, waiting for asbuilts to sign off on this project. Betty Court Health Club, Waiting on asbuilts to be delivered before signing off.

Sewer Department:

◇ Waste Water Statistics:

25.9 million gallons of wastewater was collected and pumped to the W.W.M.F. 29.9 million gallons of wastewater was treated and discharged to land disposal or reclamation in December. Daily, weekly and monthly inspections of all sewer facilities were conducted.

◇ Sewer Station Maintenance:

The Letz and Kelly Sewer Lift Station wet wells were washed. This is done quarterly to prevent grease and rags from plugging up the pumps. The grit removal prevents the build-up of hydrogen sulfide which is very destructive to concrete and steel.

A pump was upsized at the Letz Sewer Lift Station to improve pumping and efficiency. Most of the parts were given to the District by HCSD. Each part was sandblasted and either painted or ceramic coated. The pumping hours for that pump has decreased by 60%.

String trimming and site cleaning was completed at the Fischer Sewer Lift Station.

◇

◇ **Sewer Collection System:**

Quarterly hydro-cleaning was completed on 13,000 feet of sewer main in December. Customers were notified in advance. The hydro-cleaning is done to help prevent grease and rag build up in the sewer mains which could possibly cause a sewer overflow.

◇ **Wastewater Management Facility:**

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

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

Weekly well monitoring was conducted at the Fischer Ranch tree farm as part of the tree farm pilot study.

◇ **Street Light Department:**

40 LED conversions were completed in December. This project is 98% complete. The final 27 fixtures were ordered and should arrive the second week of February.

Promote Staff Training and Advancement: Weekly tailgate meetings and training associated with job requirements. Staff attended a CWEA lab safety training. Staff attended the annual HAZWOPER training at the Northern California Safety Consortium.

Special Notes:

The West Shop building located in the Corporation Yard had minor siding replacement due to rot found during the monthly inspection.

Operations assisted the Parks Department in removing holiday banners on Central Ave.

A radiator was replaced in Unit 9.

Tractors, Dump Truck and Vac-con were greased and lubed to prevent unnecessary wear.

The hoist that mounts in the back of the utility truck was sandblasted, primed, painted and is ready to be installed.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
February 5, 2014

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

TREES DONATED AT NORTON CREEK WILDLIFE AREA

On Wednesday, January 22, 2014, students from Pacific Union Elementary School in Arcata planted three (3) trees at Norton Creek Wildlife Area. 7th grade students Willow Rica and Ava Killoran planted the trees as part of a 7th grade school project. The trees are located at the north part of Norton Creek Wildlife Area along a pathway leading to the pond.



(Left to right): Willow Rica & Ava Killoran



Brad Hayman, Willow Rica & Ava Killoran



NEWSLETTER AND RECREATION ACTIVITY GUIDE:

The McKinleyville Newsletter and Recreation Activity Guide have been completed and mailed to more than 5,000 MCSD customers. It is also available to view on the MCSD website, and available to pick up at several locations throughout McKinleyville.

HILLER PARK IMPROVEMENTS:



On Wednesday and Thursday, January 22 & 23, 2014, a Sheriff Work Alternative Program (SWAP) crew cleared brush and debris from Hiller Park west of the playground area. MCSD has an agreement with Humboldt County to provide SWAP crews to work a minimum of one (1) day per month to assist with maintenance of Central Avenue landscaping. The county also provides between 4 and 6 SWAP workers each Saturday in trade for reduced rent at the Law Enforcement Facility.

Recently, SWAP has completed trail work, worked on the botanical garden, cleared brush and debris at various locations and worked on detention basins.

HILLER PARK BOTANICAL GARDEN:



(Above): Plants being staged



(Above): Don Wallace from Singing Tree Gardens and Sabra Steinberg



(Above): Panoramic view



Work continues at the Hiller Park Botanical Garden. Each of the three (3) initial beds have irrigation, a variety of plants and shredded Redwood bark for mulch. Wood chips are being donated by local businesses and will be installed soon. The garden will remain closed and fenced off until sometime in March. A grand opening ribbon cutting ceremony will be planned at a time that the plants are in bloom.

TEEN & COMMUNITY CENTER:

For several months, our staff has been doing community outreach to gather input about the exterior design of the teen & community center. The final opportunity was at our Junior High School Dance, held on Friday, January 24, 2014 at the McKinleyville

Activity Center. More than 350 students attended the dance and we received an overwhelming amount of comments and votes on their favorite design. After reviewing all the votes at community meetings, events and on Facebook, option A is the design with considerably more votes. The option A design is below:



RECYCLING BINS AND RED BIOHAZARD SHARPS CONTAINERS DONATED:

Humboldt Waste Management Authority (HWMA) received a CalRecycle Beverage Container Grant to purchase blue recycling bins. Karen Sherman from HWMA contacted me last month to see if we wanted any bins. Last week, they delivered five (5) bins to our parks department. If purchased, the bins would have cost \$1,475.00. The bins will be distributed to our parks and facilities.



HWMA also received grant funding to purchase red biohazard sharps containers. These containers allow for safe disposal of medical sharps (needles). Sharps are often found in our parks and open space maintenance zones. They are also commonly found in our water meter boxes. These containers are small enough to fit behind the seat of our vehicles. There are also a few larger boxes to be kept in our shop. Once collected, the containers can be delivered to various locations for disposal, such as Humboldt Sanitation and Recycling.

MCSD and HWMA have a long history of supporting each other. HWMA has donated recycling bins in the past for our parks & recreation department to use for large scale community and special events. In addition, MCSD and HWMA have partnered to provide hazardous waste disposal events at Pierson Park in an attempt to keep harmful waste from entering our Wastewater Management Facility.

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 annually.

SHERIFF WORK ALTERNATIVE PROGRAM (SWAP):

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

COMMUNITY SERVICE WORKERS:

Our Parks staff continues to utilize the Community Service Worker (CSW) program daily. This program helps us to maintain Pierson Park, Hiller Park, Hiller Sports Complex, Azalea Hall, and the McKinleyville Activity Center.

WORK EXPERIENCE (CalWORKS PROGRAM)

We currently have one (1) CalWORKS staff member working within the Parks Department. We are still seeking 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:

No major vandalism to report.

McKinleyville Community Services District

BOARD OF DIRECTORS

February 5, 2014

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D. General Manager's Report for January 2014

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: None

A summary of activity for the month of December, 2013

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

• Arcata Stationers Office Supply Discount	\$ 430
• Letz Diesel theft insurance reimbursement	\$909
• SWAP Crews	\$10,000
• California Conservation Corps	\$5,000
• CalWORKS	\$3,500
• Community Service Workers	\$1,000
• Donated recycle bins and sharps containers	\$1,600
• Tree donated for open space	\$150
• Scheduled geotech work while drill rig was in area	\$1,200
• Prep and paint in house on automotive and utility	\$800
• Automotive electrical troubleshooting	\$250
• West Shop Siding Repairs	\$600
• Touch up paint on water storage tanks	\$1,600
• Repaired district washing machine	\$200
• Install security lights and activate by alarm	\$600

Total cost savings for December is \$27,839

***The cumulative cost saving to the District to date
from July 1, 2013 is \$323,697***

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.

New Tank Site Procurement Process – In keeping with Board established policy MCSD will evaluate and procure property to build a 4.5- 5 million gallon water storage tank. The District has identified a location and is in the process of verifying it fits the seismic and geologic requirements. In January a geotechnical review was conducted and the preliminary reports are positive.

Rate Analysis- Proposition 218 notifications were mailed to all property owners in the MCSD water service area. As of the writing of this report we have only received 7 protests. Staff produced Frequently Asked Question and other information that was posted to our website.

Prop 50 Grant and MCSD/ City of Arcata Intertie- A preconstruction meeting for our portions of the project were held and schedules set. The Wymore portion of the intertie is scheduled to begin in early February, weather permitting. There has been an issue with one property owner on Wymore Road related to settling on compensation for a utility easement. Since we will be accepting that portion of the project into our inventory, MCSD will be involved in the negotiation for any cost beyond the amount funded by the grant. I a future meeting I will brief the Board related to this issue but at this time I have no definitive information.

Teen and Community Center- The survey for student input is now complete and staff has initiated environmental and permitting phase.

Waste Water Management Facility (WWMF) Improvement Project Design – Staff spent the majority of the month discussing alternatives for inclusion in the design. Some changes will result in substantive savings in initial construction costs. The VE Review should be reported in the March agenda. Work continues to finalize the initial application for the State Revolving Fund. This funding source has the potential to provide grant and very low interest funding for the project.

Patrick's Creek CSD- The GM attended the Patrick's Creek CSD Board on Thursday January 9th. The purpose of attendance was related to answering any questions their community may have had related to MCSD assuming road maintenance authorities and annexation of Patrick's Creek.

The community and Board members in attendance had many questions as to how the process would work. It was clear Patrick's Creek CSD nor are its citizenry interested in relinquishing their authority to govern the maintenance of their road.

Their main contention was that MCSD could not provide the same level of service they provide themselves, though they admitted our service for providing water to The m has always been excellent. I must admit it was not hostile but an undertone of tension. The decision of their Board was unanimous to continue maintenance authority for the road and to not support our annexation of PCCSD. I did reassure them afterward that I understood and if I was in their situation I would have had the same conclusion.

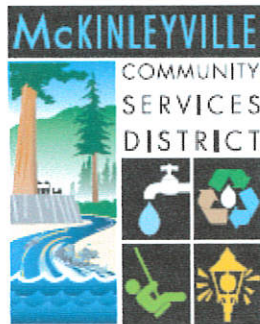
Meetings – The General Manager attended various meetings in January dealing to MCSD business including, meeting with City of Arcata staff related to Boyd Rd and a meeting with various interested parties related to the concept of a community forest in McKinleyville. I also attended the first 2014 CSDA Board of Director' meeting in Sacramento.

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PARKS & RECREATION OFFICE:

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FAX: (707) 839-5964

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

January 27, 2014

RE: MONTHLY MONITORING REPORT

Dear Lisa:

Enclosed is the Monthly Monitoring Report for December 2013 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number WQ 2011-0008-DWQ.

The normal discharge of effluent was 30 days discharge to reclamation M-004, 5, & 6 and land disposal M-003. The required monitoring and water quality constituents that were tested and reported were in compliance in December 2013.

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

The requirement for TSS is 83 mg/L monthly average with four weekly tests in December which represent one criteria. The TSS results for December 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. The Monthly Median not to exceed MPN of 23 and the daily maximum not to exceed MPN of 230. The reported results for the month of December are as follows. Median was <1.8 and a Maximum of <1.8. Five samples were collected in the month of December and were in compliance.

Monthly River Monitoring was conducted in December.

Semiannual Pollutants of Concern were tested in December.

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

December 2013

Discharge Monitoring	M-INF	M-001		002 M-003	002 M-003	004 M-005	003 M-004	006 M-007	005 M-006		001 M-002
DATE	INFLUENT MGD	EFFLUENT MGD	MAXIMUM GPM	N.POND MGD	S.POND MGD	FISCHER MGD UPPER	FISCHER MGD LOWER	PIALORSI MGD	HILLER MGD	IRRGATE TOTAL MGD	RIVER MGD
1	0.885	0.665	469		0.665					0.000	0.000
2	0.843	1.030	917		0.267	0.641			0.122	0.763	0.000
3	0.824	1.314	925			1.108			0.206	1.314	0.000
4	0.842	1.121	929			0.916			0.205	1.121	0.000
5	0.826	0.958	679			0.748			0.210	0.958	0.000
6	0.831	0.881	699		0.452	0.334			0.095	0.429	0.000
7	0.879	0.835	591		0.835					0.000	0.000
8	0.922	0.828	590		0.828					0.000	0.000
9	0.865	0.321	596		0.150	0.171				0.171	0.000
10	0.801	0.000	0							0.000	0.000
11	0.837	0.786	1349			0.591	0.076		0.119	0.786	0.000
12	0.816	1.160	1101			0.884	0.070		0.206	1.160	0.000
13	0.799	0.884	1069		0.334	0.433	0.027		0.090	0.550	0.000
14	0.858	0.632	445		0.632					0.000	0.000
15	0.908	0.632	445		0.632					0.000	0.000
16	0.838	1.210	1470		0.240	0.788	0.060		0.122	0.970	0.000
17	0.825	1.725	1476			1.445	0.078		0.202	1.725	0.000
18	0.833	1.725	1478			1.434	0.080		0.211	1.725	0.000
19	0.845	1.577	1338			1.295	0.075		0.207	1.577	0.000
20	0.816	1.014	1292		0.510	0.388	0.024		0.092	0.504	0.000
21	0.854	0.932	654		0.932					0.000	0.000
22	0.866	0.928	652		0.928					0.000	0.000
23	0.828	1.135	1360		0.877	0.176	0.048		0.034	0.258	0.000
24	0.841	0.946	669		0.946					0.000	0.000
25	0.792	0.952	674		0.952					0.000	0.000
26	0.817	1.340	1356		0.364	0.771	0.079		0.126	0.976	0.000
27	0.784	1.049	1297		0.351	0.582	0.024		0.092	0.698	0.000
28	0.808	0.636	450		0.636					0.000	0.000
29	0.835	0.636	454		0.636					0.000	0.000
30	0.819	1.232	1370		0.238	0.782	0.084		0.128	0.994	0.000
31	0.813	0.850	887		0.415	0.367			0.068	0.435	0.000
TOTAL	25.950	29.934		0.000	12.820	13.854	0.725	0.000	2.535	17.114	0.000
AVERAGE	0.837	0.966	893	0.000	0.583	0.729	0.060	0.000	0.141	0.552	0.000
MAXIMUM	0.922	1.725	1478	0.000	0.952	1.445	0.084	0.000	0.211	1.725	0.000
MINIMUM	0.784	0.000	0	0.000	0.150	0.171	0.024	0.000	0.034	0.000	0.000
DAYS	31	31		0	22	19	12	0	18	18	0
DAYS WITH NO DISCHARGE = 1											

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA

MONTH: DECEMBER

YEAR: 2013

DATE	INFLUENT FLOW M.G.D.	EFFLUENT FLOW M.G.D.	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING		pH	(C°) TEMP	B.O.D. mg/L	NFR mg/L	EFFLUENT MONITORING		RIVER CL ₂ RES	SETTLABLE SOLIDS	3X5 TOTAL COLIFORM
					B.O.D. mg/L	N.F.R. mg/L					AMMONIA	CL ₂ RES.			
1	0.885	0.665	469												
2	0.843	1.030	917				6.9	11.1			30	2.8			<1.8
3	0.824	1.314	925				7.2	10.7			32	1.8			
4	0.842	1.121	929				6.9	10.1			34	1.4			
5	0.826	0.958	679				7.1	9.8			36	3.3			
6	0.831	0.881	699		290	440	7.0	9.8	20	24	24	3.9		<0.1	
7	0.879	0.835	591												
8	0.922	0.828	590												
9	0.865	0.321	596				7.0	7.4			34	7.7			<1.8
10	0.801	0.000	0				Washed CCB								
11	0.837	0.786	1349				7.0	9.0			32	9.0			
12	0.816	1.160	1101				7.2	8.3			30	7.0			
13	0.799	0.884	1069		240	240	7.0	7.7	29	26	30	6.7		<0.1	
14	0.858	0.632	445												
15	0.908	0.632	445												
16	0.838	1.210	1470				7.2	7.5			34	5.8			<1.8
17	0.825	1.725	1476				7.2	7.1			30	5.8			
18	0.833	1.725	1478				6.7	8.8			32	3.4			
19	0.845	1.577	1338				7.2	8.6			26	3.1			
20	0.816	1.014	1292		320	380	7.3	7.9	37	34	28	6.1		<0.1	
21	0.854	0.932	654												
22	0.866	0.928	652												
23	0.828	1.135	1360				7.0	9.3			30	1.2			<1.8
24	0.841	0.946	669												
25	0.792	0.952	674												
26	0.817	1.340	1356				7.0	8.6			30	0.2			
27	0.784	1.049	1297		350	290	6.9	7.8	34	36	34	3.5		<0.1	
28	0.808	0.636	450												
29	0.835	0.636	454												
30	0.819	1.232	1370				7.2	8.4			34	3.1			<1.8
31	0.813	0.850	887				7.0	8.7			32	0.8			

DATE	MONTHLY TESTS			
	TDS	AMMONIA	NITRATE	BORON
12/31/2013	280	24.0	ND	310

Semi-Annual Tests	Value in ug/l
Bis phthalate	DNQ
alph-BHC	ND
4,4' -DDT	ND
carbon tetrachloride	ND

Quarterly Tests	Value in ug/l
Dichlorobromomethane	N/A
Bromoform	N/A
Chlorodibromomethane	N/A
Chloroform	N/A

SPILLS:

None to report

30 DAY AVERAGE	BOD mg/L	BOD LBS/DAY	BOD % Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal
	30	243	90	30	243	91

ACUTE TOXICITY

DATE	% Survival
	N/A
	N/A
	N/A

Rainbow Trout
C. dubia

CHRONIC TOXICITY

TESTED	SURVIVAL
Minnow	N/A
C. Dubia	N/A
Algae	N/A
	TUc

Total Coliform
Monthly
MEDIAN
<1.8
Daily
Maximum
<1.8

SIGNATURE: _____

REMARKS:

INDICATES PERMIT EXCEEDANCE Indicates Permit Exceedance