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, June 15th, 2011
7:00 P.M.

AGENDA

A. CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

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.

B. APPROVAL OF THE AGENDA

C. PUBLIC HEARINGS

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

NO PUBLIC HEARING SCHEDULED

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 May 18, 2011	**Pg. 4**
D.2	Consider approval of April 2011 Treasurer's Report	**Pg. 10**
D.3	DCV Violations this month	**Pg. 27**

D.4 Approve the selection of Hunter, Hunter & Hunt to perform the District's annual financial audit for the years ending June 30, 2011, 2012 and 2013; and authorize the General Manager to enter in to a professional services agreement. **Pg. 29**

D.5 Consider renewal of Memorandum of Understanding of California Conservation Corps Contract for the use of the trailer and parking lot at Pierson Park. **Pg. 43**

E. CONTINUED AND NEW BUSINESS

E.1 Introduction of new full time Parks and Recreation employee, Ms. Kellene Tomlinson **Pg. 47**

E.2 Employee recognition - Sharon Denison and David Baldosser significant accomplishment in training and obtaining Board Secretary Certificate **Pg. 48**

E.3 Adopt Resolution of Support to nominate Dennis Mayo for ACWA Region 1 Board Member **Pg. 52**

E.4 Update on Fischer Ranch Herbicide spraying **Pg. 54**

E.5 Consider financial support for the Household Hazardous Waste Collection day scheduled for July 9, 2011 at Pierson Park by Humboldt Waste Management Authority **Pg. 68**

E.6 Consider adoption of Resolution 2011-14 to revise Water and Sewer Capacity Fees fee charged when new water and sewer services are installed for new construction and new hookup to the water and sewer system. This capacity fee revision <u>will not</u> adjust (increase or decrease) what is currently charged to customers for their monthly water and sewer bills **Pg. 71**

E.7 Waste Water Management Facility (WWMF) Annual Report review for the Board of Directors **Pg. 108**

E.8 Consider adoption of Resolution 2011-12 for the preparation and submission of two applications for grant funds through Proposition 84 – Statewide Park Development Program **Pg. 119**

E.9 Consider adoption of Resolution 2011-15 updating Article IV of the Rules and Regulations **Pg. 121**

E.10 Consider adoption of Resolution 2011-11, adopting the final FY 09-10 appropriations limit; 2011-16, adopting the FY 10-11 budgeted appropriations limit; and 2011-17 adopting the FY 11-12 budgeted appropriations limit. **Pg. 137**

F. REPORTS

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

F.1. ACTIVE COMMITTEE REPORTS

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

F.2. STAFF REPORTS

a. Support Services Department (Steve Edmiston) **Pg. 170**
b. Operations Department (Greg Orsini) **Pg. 175**
c. Parks and Recreation Department (Jason Sehon) **Pg. 177**
d. General Manager (Norman Shopay) **Pg. 179**

F.3. PRESIDENT'S REPORT

F.4. BOARD MEMBERS' COMMENTS, ANNOUNCEMENTS, REPORTS

G. 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.*

H. 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**

I. ADJOURNMENT

Posted 5:00 pm on Friday, June 10th, 2011

EXHIBIT D.1

MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, MAY 18, 2011 AT 7:00PM AT AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE

The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 7:00pm with the following Directors and staff in attendance:

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

Norman Shopay, General Manager
Gregory Orsini, Operations Director
Steve Edmiston, Finance Director
Sharon Denison, Board Secretary
Jason Sehon, Park & Recreation Director

AGENDA ITEM A-CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE, ADDITIONS TO THE AGENDA:
At 7:00pm President Edwards called the meeting to order. Directors Corbett, Couch, Mayo and Wennerholm were present. There were no additions to the agenda. Director Wennerholm led the pledge of allegiance.

AGENDA ITEM B-APPROVAL OF THE AGENDA:
MOTION: It was moved to approve the agenda. Motion by Corbett; second by Wennerholm.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM C-PUBLIC HEARINGS-none

AGENDA ITEM D-CONSENT CALENDAR:

1. **Consider approval of minutes of the Board of Directors' Regular Meeting of April 20, 2011**
2. **Consider approval of April 2011 Treasurer's Report**
3. **No DCV Violations this month**
4. **Consider Approval of the Sewer System Management Plan (SSMP)**
5. **Consider approval of the Summer Newsletter and Recreation Activity Guide**
6. **Consider approval of Senior Center Lease Agreement**
7. **Consider approval of mainline extension agreements for Fudali and McKinleyville Middle School**

Director Couch made a request to pull item D.4 from the consent calendar and David Elsebusch made a request to pull Item D.6.

MOTION: It was moved to approve consent calendar items D.1, D.2, D.3 & D.5 & D.7. Motion by Mayo; second by Corbett.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

Consent Calendar Item D.4-Consider Approval of the Sewer System Management Plan (SSMP): Director Couch had a concern with the generic list of prohibited discharges included in the permit. Operations Director Orsini assured him that would be addressed in combination with an update to the Sewer Ordinance and would be brought to the Board in the next few months.
MOTION: It was moved to approve consent calendar item D.4. Motion by Corbett; second by Mayo.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

Consent Calendar Item D.6-Consider approval of Senior Center Lease Agreement: David Elsebusch expressed his concerns with the contract.
MOTION: It was moved to approve the Senior Center Lease Agreement. Motion by Corbett; second by Mayo.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.1-RESOLUTION 2011-09 TO HONOR CHERYL MALIN UPON HER RETIREMENT FROM MCSD:
MOTION: It was moved to adopt Resolution 2011-09 to honor retired employee Cheryl Malin. Motion by Corbett; second by Mayo.
MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.2-PRESENT COMMUNITY BUILDER AWARD TO THE MCKINLEYVILLE PRESS: Both General Manager Shopay and Park & Recreation Director Sehon praised the McKinleyville Press and Jack Durham for their continued support and contributions to the District and community. President Edwards presented a plaque to Mr. Durham. The Directors offered their thanks to the McK Press for their years of coverage of McKinleyville news.

AGENDA ITEM E.3-UPDATE ON THE RECENTLY RENEWED NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) AND STATUS OF 20-YEAR FACILITY PLANNING PROCESS FOR THE WASTE WATER MANAGEMENT FACILITY (WWMF): General Manager Shopay reported that the District along with the help of SHN Engineers had spent a lot of time and effort working on the NPDES permit and that the approved renewal of the permit was a major accomplishment for the District. He introduced Lisa Stromme from SHN who was here tonight to participate in discussion and answer questions. Lisa gave a powerpoint presentation and update on the twenty year facility plan and NPDES permit renewal and reviewed the important changes negotiated with the Regional Water Quality Control Board. She then reviewed the tentative timeline leading to update and approval of the twenty

year facility plan by December of this year if all went according to schedule. There was a brief Board discussion ending with Director Corbett complementing Ms. Stromme on the structure of the permit submitted to the RWQCB.

AGENDA ITEM E.4-UPDATE ON THE RECENTLY PREPARED GROWTH PROJECTIONS FOR THE MCSD SERVICE AREA AND THE HUMBOLDT COUNTY NOTICE OF PREPARATION (NOP) FOR THE PROPOSED MULTI-FAMILY PROPERTY REZONING. REVIEW SERVICE ANALYSIS APPROACH FOR ASSESSING IMPACTS: Lisa Stromme, from SHN gave a brief introduction and explained that this agenda item was in response to a notice of preparation received from Humboldt County and a list of identified parcels. She introduced Kirk Girard, Community Service Development Director and Senior Planners Michael Richardson and John Miller. Mr. Girard gave some background on the rezoning process and the potential impact on the District. He reported that community meetings to address the proposed changes would be held at several venues, including McKinleyville, and the dates and times for those meetings would be advertised far and wide. County Senior Planner Michael Richards addressed the Board to explain the County-wide goal was a total of 980 additional units, with a portion of those to be allocated to McKinleyville. General Manager Shopay along with the MCSD Directors expressed concern with the impact on growth in McKinleyville and MCSD's ability to provide services to the additional units. There was an extensive discussion and five public members addressed the Board their various concerns with the proposal. The Board thanked Lisa Stromme and the representatives from Humboldt County Planning Department for attending the meeting and addressing concerns, feeling it was essential to have a collaborative relationship with the County.

At this time, 8:40PM President Edwards adjourned the meeting for a short break.
At 8:50PM President Edwards called the meeting back to order.

AGENDA ITEM E.5-REVIEW AND APPROVAL OF PROPOSAL TO CONDUCT AN INDEPENDENT EVALUATION, ANALYSIS AND REVIEW MCSD'S CURRENT UTILITY USER RATE STRUCTURES IN ORDER TO DEVELOP AN EQUITABLE SYSTEM OF UTILITY RATES THAT RECOVER THE DISTRICT'S COSTS OF PROVIDING SERVICE: General Manager Shopay reviewed the process and staff recommendations.
MOTION: It was moved to approve Willdan Financial Services as the lowest and most responsive bidder; approve an expenditure of $27,324 and authorize the General Manager to enter into a professional services agreement with Willdan Financial Services. Motion by Mayo; second by Wennerholm.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion Passed-5 AYES; O NAYS

AGENDA ITEM E.6-IN CONNECTION WITH POTENTIAL ACQUISITION OF PROPERTY FROM THE MCKINLEYVILLE UNION SCHOOL DISTRICT (MUSD) AT/NEAR WASHINGTON AVENUE AND SCHOOL ROAD IN MCKINLEYVILLE, CALIFORNIA, CONSIDER AND ENTER FINDING THAT EXISTING PUBLIC LANDS IN THE VICINITY OF THE MUSD PROPERTY ARE ADEQUATE TO MEET THE EXISTING FORESEEABLE NEEDS OF THE COMMUNITY FOR PLAYGROUNDS, PLAYING FIELDS, OR OTHER OUTDOOR RECREATIONAL AND OPEN SPACE PURPOSES PURSUANT TO CALIFORNIA EDUCATION CODE SECTION 17492:

MOTION: It was moved to make the finding that public lands in the vicinity of the McKinleyville Union School District Property (MUSD) on Washington and School Road are inadequate to meet the existing and foreseeable needs of the community for playgrounds, playing fields, or other outdoor recreational and open space purposes pursuant to California Education Code § 17492. Motion by Corbett; second by Wennerholm.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.7-ADOPT A PLAN FOR THE PURCHASE OF THE MCKINLEYVILLE UNION SCHOOL DISTRICT (MUSD) PROPERTY AT/NEAR WASHINGTON AVENUE AND SCHOOL ROAD IN MCKINLEYVILLE, CALIFORNIA, PURSUANT TO CALIFORNIA EDUCATION CODE SECTION 17493:
MOTION: It was moved to approve staff's recommendation to adopt the plan for acquisition of McKinleyville Union School District (MUSD) Property at/near Washington Avenue and School Road pursuant to California Education code § 17493. Motion by Corbett; second by Couch.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.8-REVISE DISTRICT'S WATER LEAK ADJUSTMENT POLICY: As there were no comments by Directors, President Edwards opened public input and 4 people addressed the Board in favor of the changes but felt an appeal process needed to be included in the policy. The Directors discussed amending the Ordinance to add an appeal process.
MOTION: It was moved to approve Resolution 2011-10-A resolution establishing a policy for billing adjustments due to water leaks with the following changes:
Condition #5-"The maximum amount of any single adjustment by the General Manager shall not exceed $500.00".
Condition #6-"The decision by the General Manager shall be final unless the Chair finds there would be good cause for a Board hearing".
Motion by Corbett; second by Wennerholm.
MOTION VOTE: ROLL CALL VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion Passed-5 AYES; O NAYS

AGENDA ITEM E.9-DECIDE PARAMETERS FOR NOVEMBER BOARD OF DIRECTORS ELECTION: Director Corbett abstained from discussion as his term was expiring and he announced his intention to run for re-election.
MOTION: It was moved to approve staff recommendation that each candidate would pay all publishing costs for their candidate statements and the statements would be limited to 200 words. Motion by Mayo; second by Couch.
MOTION VOTE: Ayes: Couch, Mayo, Wennerholm, Edwards / Abstain: Corbett
MOTION SUMMARY: Motion Passed-4 AYES; 0 NAYS; 1 ABSTAIN

AGENDA ITEM E.10-CONSIDER APPROVAL OF FISCAL YEAR 2011/2012 BUDGET:
MOTION: It was moved to adopt the District budget for the fiscal year ending June 30, 2012. Motion by Couch; second by Wennerholm.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards
MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM F-REPORTS:
F1a-RAC: Director Couch reported they had met and are continuing to work on the Parks Master Plan Update.
F1b-McK Area Fund: President Edwards reported that the fund had not met.
F1c-RREDC: Director Wennerholm reported that RREDC did not meet due to lack of a quorum.
F1d-McK Senior Center: Director Wennerholm reported the seniors had met and he reviewed the minutes of the meeting. He added he had not been notified of the meeting.
F1e-Audit: Director Corbett reported that the audit committee planned to meet in the near future and would be reviewing the three RFP's received for auditor services.
F1f-Water Task Force: Director Mayo reported the task force was scheduled to meet next week.
F1g-AdHoc No Drugs & Toxics down the Drain: Director Mayo reported that he was still working on a grey water seminar.
F1h-Humboldt County Advisory: President Edwards reported no meeting was held.
F1i-McKinleyville Area Planning Commission Formation: President Edwards reported they had not met. General Manager Shopay added that he had heard from Supervisor Sundberg today regarding the request to place the MAC consideration on the Supervisor's agenda. He reported a meeting was scheduled for Tuesday, May 23rd and Directors Corbett and Mayo and President Edwards reported that they planned to attend this meeting.
F2a-Support Services Department: Finance Director Edmiston had nothing to add to his written report.
F2b-Operations Department: Operations Director Orsini reported that the Department of Health had done their annual inspection and that no deficiencies were noted in the inspection report. He added this was a testament to the Operations staff and the good job they do. He also reported, in response to a question earlier tonight, that the cost savings for reduced testing and potential fines as per the District's new NPDES permit could amount to over $40,000 annually.
F2c-Park & Recreation Department: Park and Recreation Director Sehon reported that staff was busy preparing for Pony Express Days and the CCC had been working on Central Avenue in preparation for the parade. President Edwards complemented him on the Banners placed along Central Avenue advertising Pony Express Days.
F2d-General Manager: General Manager Shopay had nothing to add to his written report.
F3-President's Report: No report was given.
F4-Board Members comments, Announcements and Reports: No comments were made.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public input and the following people addressed the Board:

1. David Elsebusch expressed concern with the proposal for District to become a member of HCOAG.

2. George Wheeler expressed concern with recent herbicide spraying done at the Fischer Ranch.
3. Jeff Dunk gave the Board and staff a thumbs up for the room set-up and the discussion and interaction with County staff.

President Edwards closed public input and after a brief Board discussion directed staff to look into the report of herbicide spraying and to report back to the Board on this issue. Director Corbett felt it would be appropriate to post information about this on the District's website.

AGENDA ITEM H-CLOSED SESSION DISCUSSION: NONE

AGENDA ITEM I-ADJOURNMENT:
MOTION: It was moved to adjourn the meeting at 10:00PM. Motion by Corbett; second by Couch.
MOTION VOTE: Ayes: Corbett, Couch, Mayo, Wennerholm, Edwards,
MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted,

Sharon L. Denison,
Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: D.2. **Consider Approval of May, 2011 Treasurer's Report**

PRESENTED BY: **Steven Edmiston, Finance Director**

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

Recommendation:

Staff Requests the Board accept the May, 2011 Treasurer's Report as presented.

Discussion:

The May, 2011 Treasurer's Report is attached.

Alternatives:

Take no action.

Fiscal Analysis:

See attached May, 2011 Treasurer's Report.

Environmental Requirements:

Not applicable

Exhibits/Attachments

May, 2011 Treasurer's Report.

EXHIBIT D.2.

McKinleyville Community Services District
Treasurer's Report
May 2011

Page 2	Investments and Cash Flow Report
Page 3	Capital Expenditure Report
Page 4	Activity Summary by Fund
Page 6	Selected Graphic Comparisons
Page 12	Consolidated Balance Sheets
Page 13	Debt Summary
Page 14	Cash Disbursement Report

McKinleyville Community Services District
Investments and Cash Flow Report
May 2011

General Disbursement and Money Market Account:			
Beginning Balance		225,733.32	
Utility Billing (inc. $39,600.58 in CC, EFT, web pay)	235,031.26		
New Services & Capacity Fees: Water	2,759.68		
New Services & Capacity Fees: Sewer	31,557.12		
Money Market Account Interest	49.65		
Other Cash Receipts	79,605.06		
Transfer from Humboldt Co. #2560	0.00		
Total Cash Receipts		349,002.77	
Cash Expenditures:			
Payroll, Taxes, etc.	(125,955.33)		
Capital Expenditures	(43,576.33)		
Debt Service	(4,644.48)		
Other Expenditures	(272,385.80)		
Total Cash Expenditures		(446,561.94)	Estimated Annual Interest Rate
Total Cash in Umpqua Bank		128,174.15	0.64%
Petty Cash & Change Funds		940.00	
Investment Funds:			
LAIF	127,085.55		
Interest Income	0.00		
Balance in LAIF		127,085.55	0.54%
Humboldt Co. #2560 - Beginning Balance	716,450.73		
Interest Income	734.37		
Secured Property Tax & Measure B Assessment	0.00		
Transfer to Operating Account	0.00		
Balance in Humboldt Co. #2560		717,185.10	1.23%
Humboldt Co. #4240 - Beginning Balance	5,182,510.40		
Interest Income	5,312.08		
Transfer from Fund #2560	0.00		
Balance in Humboldt Co. #4240		5,187,822.48	1.23%
Balance in Humboldt Co. #9390		110,584.48	
USDA Bond Reserve Fund	142,943.88		
Bond Reserve Payment	7,500.00		
Interest Income	14.08		
Debt Service Payment	0.00		
Balance in USDA Reserve Funds		150,457.96	0.21%
Total Investments		6,293,135.57	
Total Cash and Investments		6,422,249.72	
Total Cash and Investments Last Month		6,506,248.36	
Net Change to Cash and Investments This Montl		(83,998.64)	
Recap:			
Cash and Cash Equivalents		5,601,466.10	
Davis-Grunsky Loan Reserve		592,110.66	
Waste Water Capital Reserve		96,555.00	
USDA Bond Reserve Fund		150,457.96	
Market Valuation Account		(18,340.00)	
Total Cash and Investments		6,422,249.72	

McKinleyville Community Services District
Capital Expenditure Report
May 2011

	May	YTD Total	FY 11 Budget	Remaining Budget	Budget %
Water Department					
Ramey Pump Upgrades	730	813,288	1,100,000	286,712	26%
Emergency Water Line River Crossing	-	1,030	200,000	198,970	99%
Murray Road Tank	-	-	80,000	80,000	100%
Meter Replacements	9,433	81,647	65,000	(16,647)	-26%
Emergency Water Supply	-	-	45,000	45,000	100%
Radio Telemetry Upgrades	-	-	20,000	20,000	100%
Misc. Replacements	-	4,569	9,000	4,431	49%
Subtotal	**10,163**	**900,534**	**1,519,000**	**618,466**	41%
Sewer Department					
WWMF Upgrade and Capital Maintenance	3,073	59,332	113,000	53,668	47%
NPDES Permit	12,775	69,972	80,000	10,028	13%
Industrial Discharge Permit	-	4,025	25,000	20,975	84%
Radio Telemetry Upgrades	-	-	20,000	20,000	100%
Meter Replacements	-	-	20,000	20,000	100%
Misc. Replacements	1,314	15,642	24,000	8,358	35%
Subtotal	**17,162**	**148,971**	**282,000**	**133,029**	**47%**
Water and Sewer Operations					
Dump Truck	-	-	20,000	20,000	100%
Air Compressor	-	16,879	17,000	121	1%
3/4 or 1 Ton Pickup	-	55,612	59,000	3,388	6%
Emergency Response Equipment and Supplies	-	5,200	6,000	800	13%
Office, Corperation Yard and Shops	-	616	36,000	35,384	98%
Computer Replacement and Upgrades	5,817	22,214	41,000	18,786	46%
Small Equipment & Other	3,880	32,866	41,000	8,134	20%
Streetlight Pole Replacements	1,857	1,857	7,000	5,143	73%
Subtotal	**11,554**	**135,244**	**227,000**	**91,756**	**40%**
Enterprise Fund Total	**38,879**	**1,184,749**	**2,028,000**	**843,251**	**42%**
Parks and Recreation Department					
Projects contingent upon grant funding	-	-	4,379,000	4,379,000	100%
Projects funded by Quimby/Other Funds	-	14,643	185,000	170,357	92%
Other Parks Projects & Equipment	4,697	25,284	65,000	39,716	61%
General Fund Total	**4,697**	**39,927**	**4,629,000**	**4,589,073**	**99%**
All Funds Total	**43,576**	**1,224,676**	**6,657,000**	**5,432,324**	**82%**

McKinleyville Community Services District
Activity Summary by Fund
May 2011

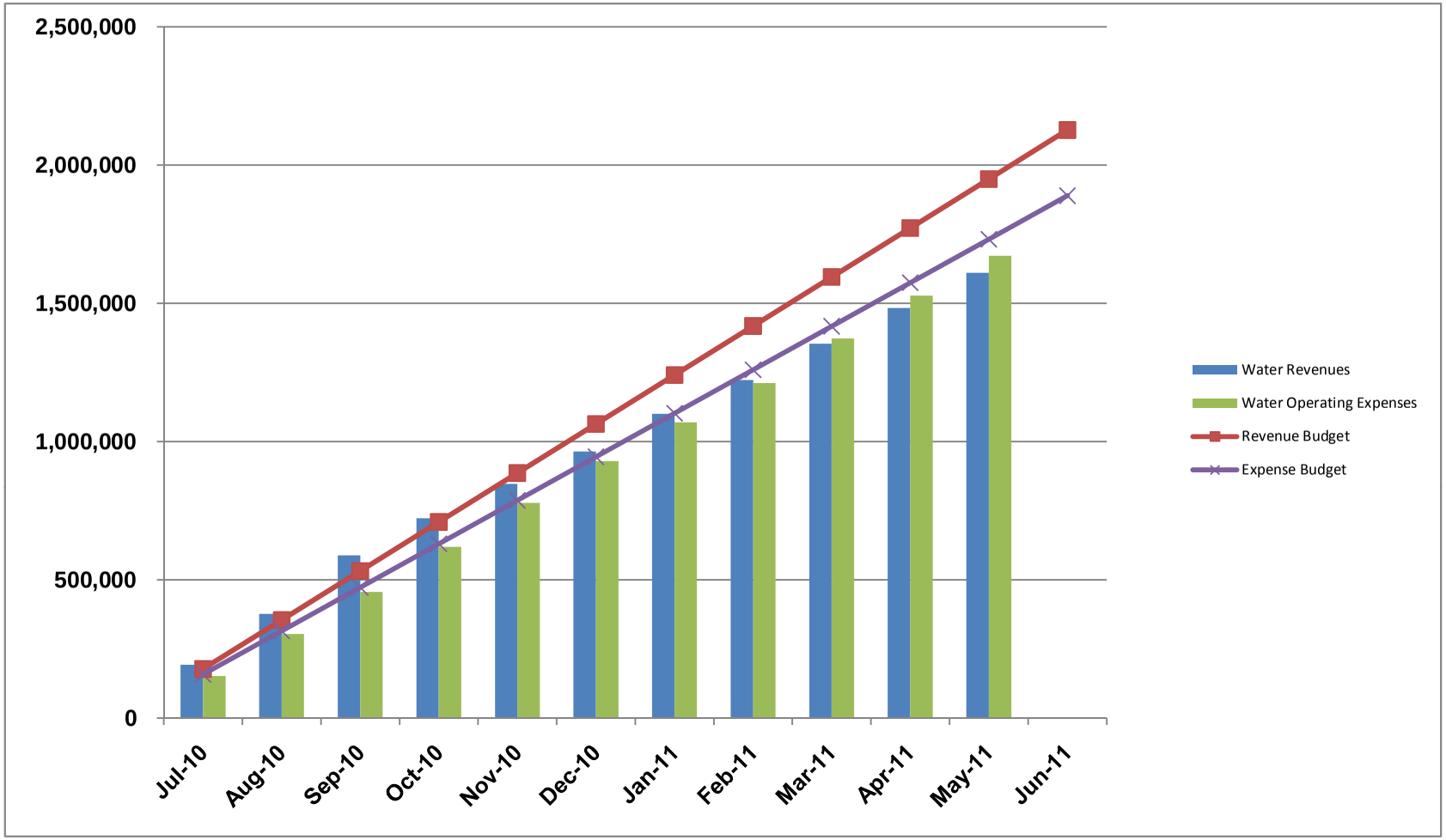
Department Summaries	May	FY10 YTD	YTD Budget	YTD Budget Variance	% Variance	FY10 Budget	Remaining Budget	Remaining Budget %	Notes
						% Year Remaining:		8.33%	
Water:									
Water Sales	110,718	1,436,833	1,822,242	(385,409)	-21.15%	1,987,900	(551,067)	-27.72%	Water sales continue to be below
Other Water Revenues	17,001	173,430	127,129	46,301	36.42%	138,686	34,744	25.05%	expectations.
Total Operating Revenue	127,719	1,610,263	1,949,371	(339,108)	-17.40%	2,126,586	(516,323)	-24.28%	
Salaries & Benefits	56,787	641,278	653,157	11,879	1.82%	712,535	71,257	10.00%	
Water Cost	50,464	570,535	577,390	6,855	1.19%	629,880	59,345	9.42%	
Other Expenses	17,394	250,566	292,135	41,569	14.23%	318,693	68,127	21.38%	
Depreciation	19,000	209,000	209,000	-	0.00%	228,000	19,000	8.33%	
Total Operating Expenses	143,645	1,671,379	1,731,682	60,303	3.48%	1,889,108	217,729	11.53%	
Net Operating Income	(15,926)	(61,116)	217,689	(278,805)		237,478	(298,594)		
Interest Income	2,311	30,287	44,917	14,630	32.57%	49,000	18,713	38.19%	
Interest Expense	(4,486)	(50,768)	(79,822)	29,054	-36.40%	(87,078)	(36,310)	41.70%	
Net Income (Loss)	**(18,101)**	**(81,597)**	**182,784**			**199,400**			
Sewer:									
Sewer Service Charges	113,470	1,309,087	1,318,115	(9,028)	-0.68%	1,437,944	(128,857)	-8.96%	
Other Sewer Revenues	41,126	237,523	268,258	(30,735)	-11.46%	292,645	(55,122)	-18.84%	
Total Operating Revenue	154,596	1,546,610	1,586,373	(39,763)	-2.51%	1,730,589	(183,979)	-10.63%	
Salaries & Benefits	59,492	655,088	653,157	(1,931)	-0.30%	712,535	57,447	8.06%	Sewer testing expenses are greater
Other Expenses	29,384	341,262	495,160	153,898	31.08%	540,174	198,912	36.82%	during the winter months when
Depreciation	34,000	374,000	374,000	-	0.00%	408,000	34,000	8.33%	discharging treated effluent in the Mad River.
Total Operating Expenses	122,876	1,370,350	1,522,317	151,967	9.98%	1,660,709	290,359	17.48%	
Net Operating Income	31,720	176,260	64,056	112,204		69,880	106,380		
Interest Income	2,942	36,843	50,417	13,574	26.92%	55,000	18,157	33.01%	Interest income is below projections
Interest Expense	(6,020)	(71,475)	(59,149)	(12,326)	20.84%	(64,526)	6,949	-10.77%	due to depressed rate pressures.
Net Income (Loss)	**28,642**	**141,628**	**55,324**			**60,354**			
Enterprise Funds Net Income (Loss)	**10,541**	**60,031**	**238,108**			**259,754**			

McKinleyville Community Services District
Activity Summary by Fund
May 2011

Department Summaries	May	FY10 YTD	YTD Budget	YTD Budget Variance	% Variance	FY10 Budget	Remaining Budget	Remaining Budget %	Notes
						% Year Remaining:		8.33%	
Parks & Recreation:									
Programs	22,355	239,794	301,864	(62,070)	-20.56%	329,306	(89,512)	-27.18%	Programs are seasonal in nature and
Rentals	3,766	54,767	57,200	(2,433)	-4.25%	62,400	(7,633)	-12.23%	will increase as summer approaches.
Property Tax Assessments	-	464,620	476,667	(12,047)	-2.53%	520,000	(55,380)	-10.65%	The balance of property tax and
Measure B Assessment	-	206,769	196,167	10,602	5.40%	214,000	(7,231)	-3.38%	measure B assessments were
State Bonds & Grants	-	12,000	4,014,083	(4,002,083)	-99.70%	4,379,000	(4,367,000)	-99.73%	collected in April, 2011.
Other Revenue	6,222	69,863	253,161	(183,298)	-72.40%	276,176	(206,313)	-74.70%	
Interest Revenue	854	11,274	18,333	(7,059)	-38.50%	20,000	(8,726)	-43.63%	
Total Revenue	33,197	1,059,087	5,317,475	(4,258,388)	-80.08%	5,800,882	(4,741,795)	-81.74%	
Salaries & Benefits	62,066	669,981	734,055	64,074	8.73%	800,787	130,806	16.33%	Other expenditures were higher in April due to the Measure B and prop 218
Other Expenditures	11,121	244,285	200,879	(43,406)	-21.61%	219,141	(25,144)	-11.47%	compliance costs.
Debt Service	-	127,881	234,441	106,560	45.45%	255,754	127,873	50.00%	Principal and interest payment on
Capital Expenditures	4,697	34,818	4,243,250	4,208,432	99.18%	4,629,000	4,594,182	99.25%	oustanding debt was made in July, 2010.
Total Expenditures	77,884	1,076,965	5,412,625	4,335,660	80.10%	5,904,682	4,827,717	81.76%	The balance will be paid in June, 2011.
Excess (Deficit)	**(44,687)**	**(17,878)**	**(95,150)**			**(103,800)**			
Street Lights:									
Total Revenue	6,776	77,590	73,333	4,257	5.81%	80,000	(2,410)	-3.01%	
Salaries & Benefits	3,419	36,238	32,854	(3,384)	-10.30%	35,841	(397)	-1.11%	
Other Expenditures	4,737	36,422	69,878	33,456	47.88%	76,231	39,809	52.22%	
Debt Service	-	11,547	21,173	9,626	45.46%	23,098	11,551	50.01%	Principal and interest payment on
Total Expenditures	8,156	84,207	123,905	39,698	32.04%	135,170	50,963	37.70%	oustanding debt was made in July, 2010. The balance will be paid in June, 2011.
Excess (Deficit)	**(1,380)**	**(6,617)**	**(50,572)**			**(55,170)**			
Governmental Funds Excess (Deficit)	**(46,067)**	**(24,495)**	**(145,722)**			**(158,970)**			

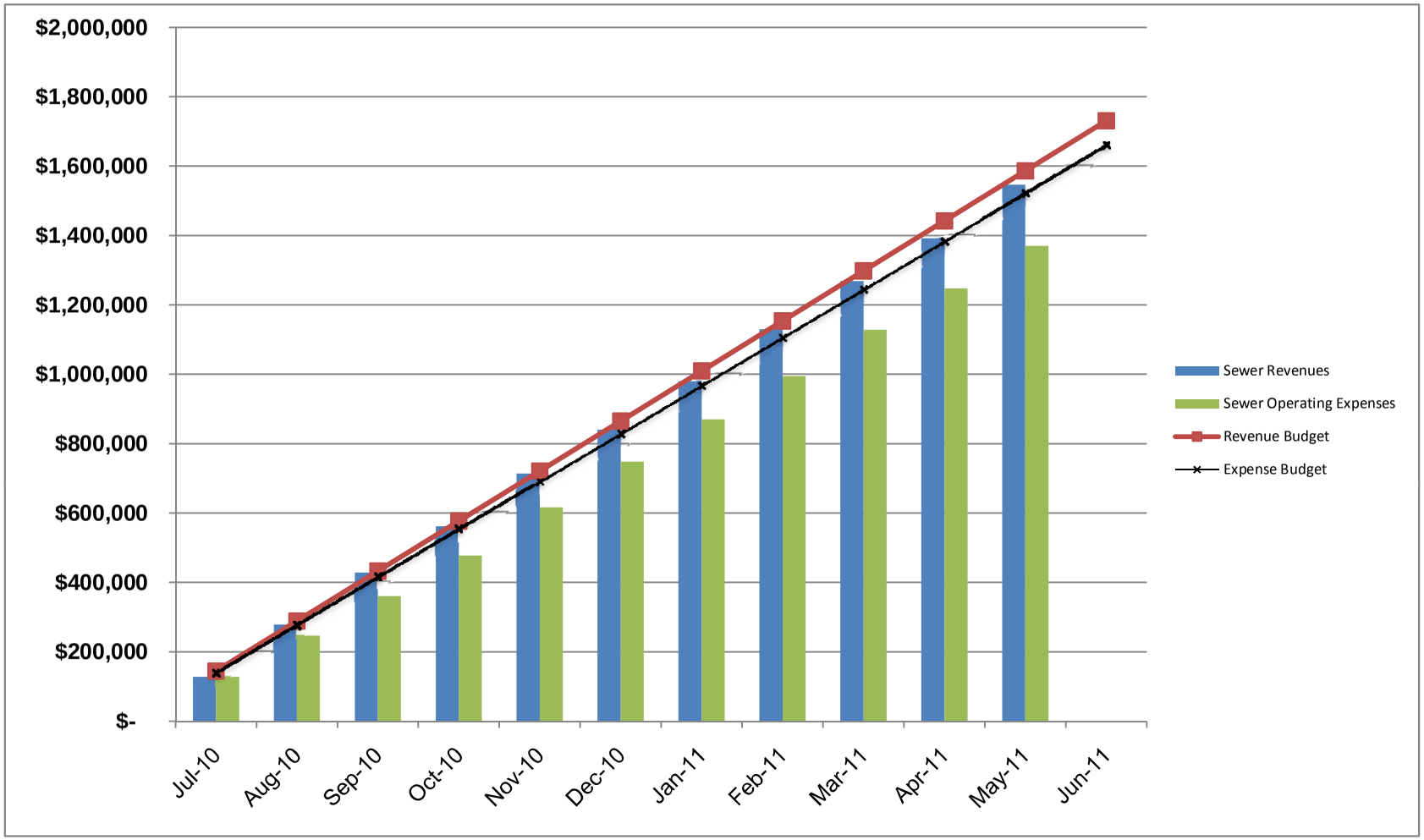
McKinleyville Community Services District
May 2011

Comparison of Water Fund Operating Revenues and Expenses to Budget



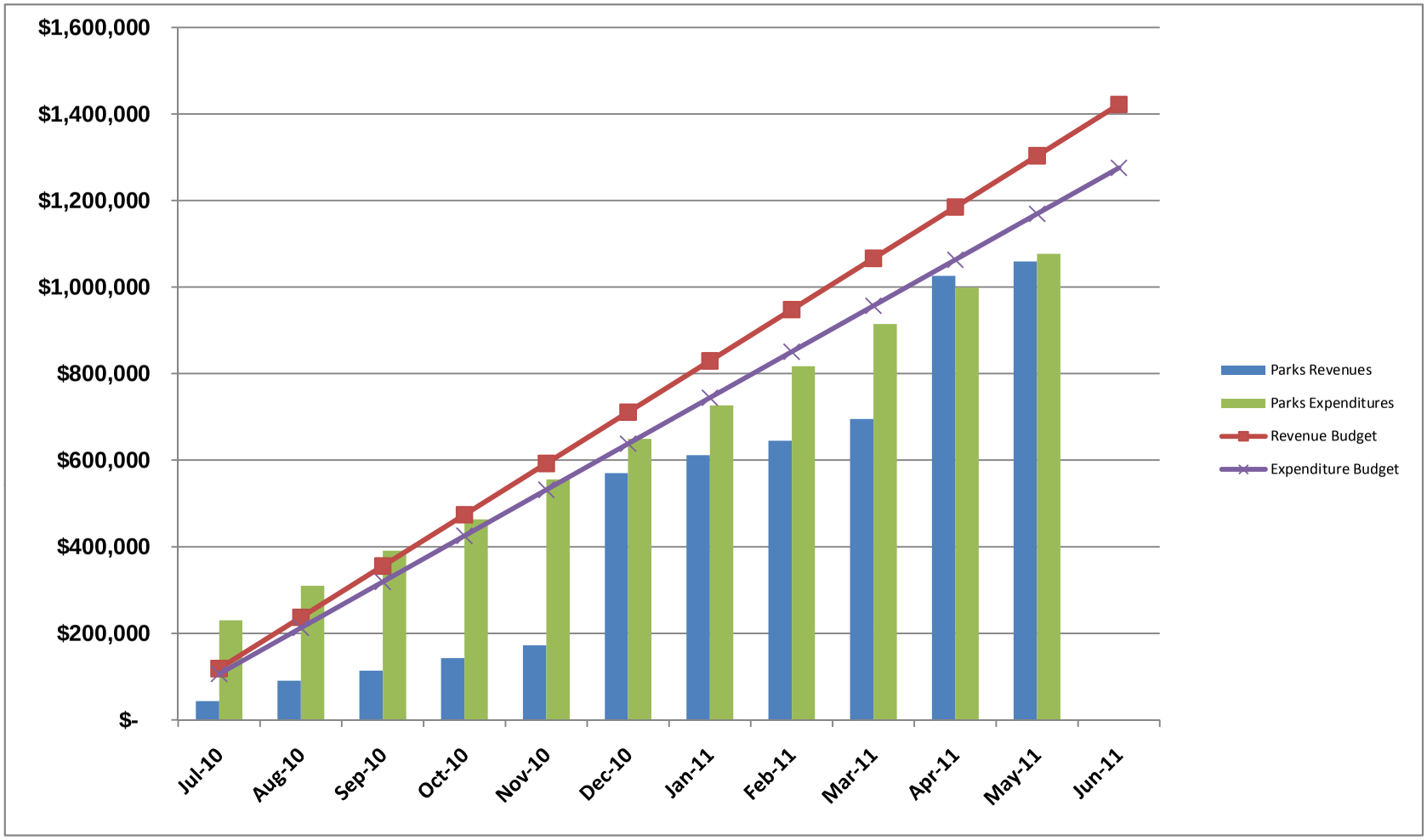
McKinleyville Community Services District
May 2011

Comparison of Sewer Fund Operating Revenues and Expenses to Budget



McKinleyville Community Services District
May 2011

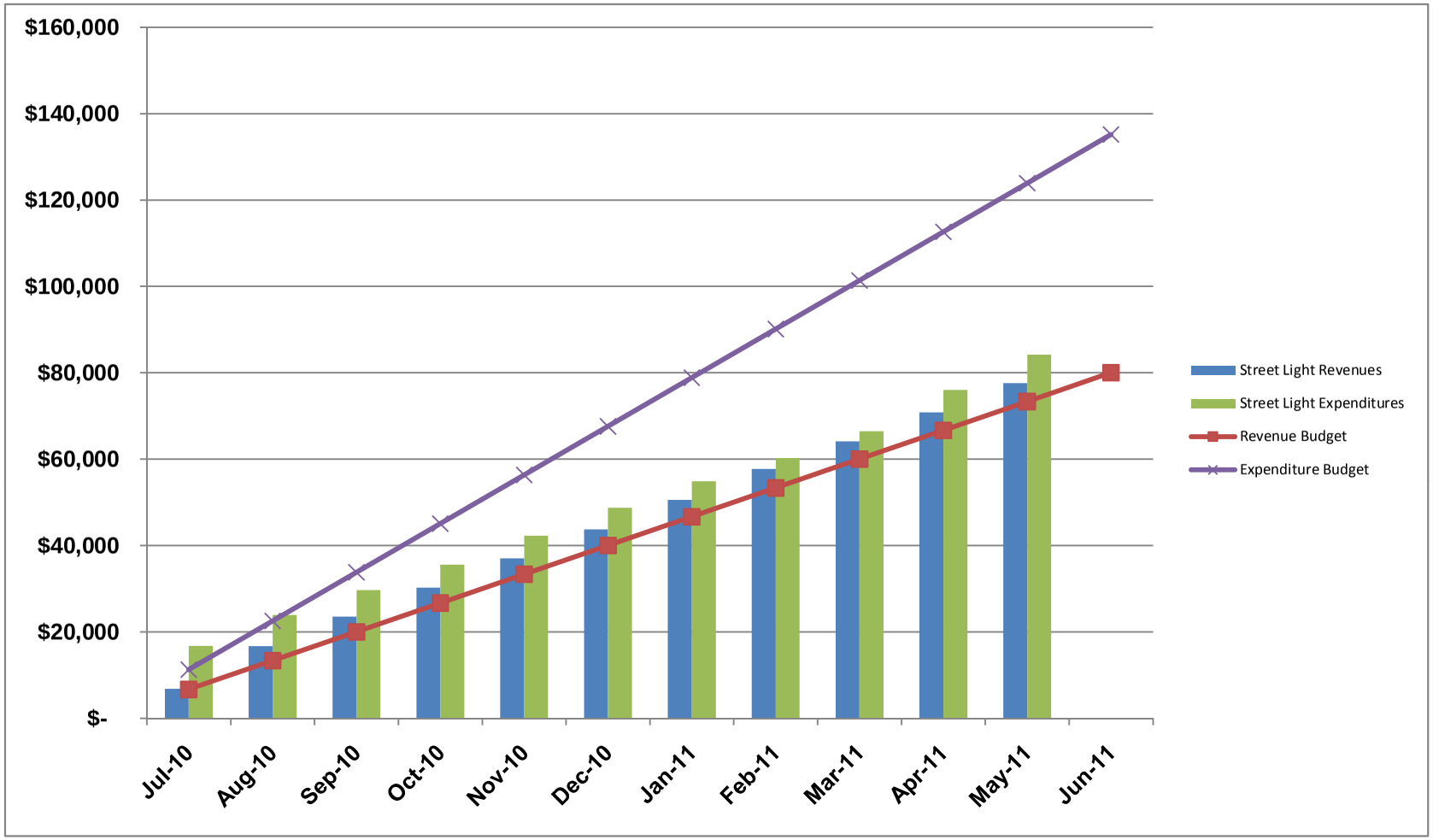
Comparison of Parks Operating Revenues and Expenditures to Budget



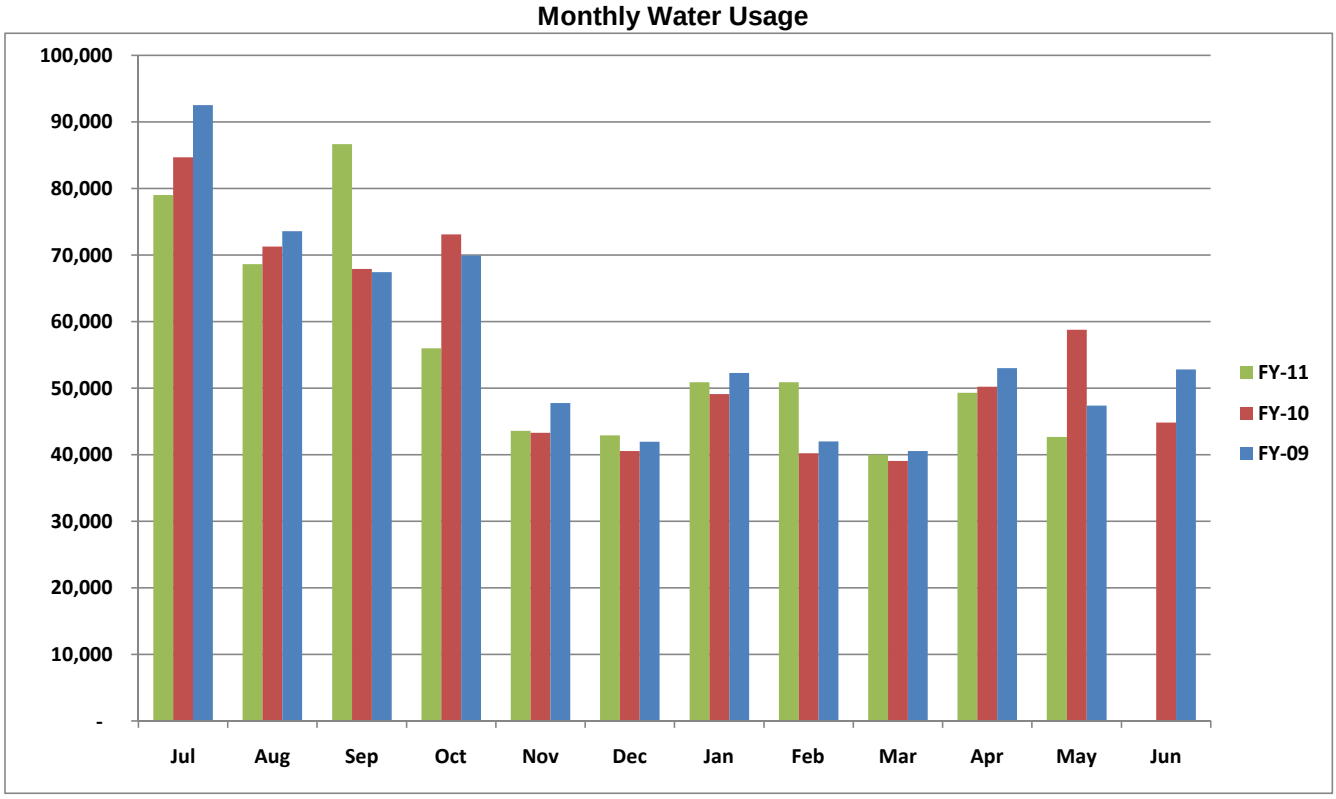
Note - Excludes effects of grant funded activities.

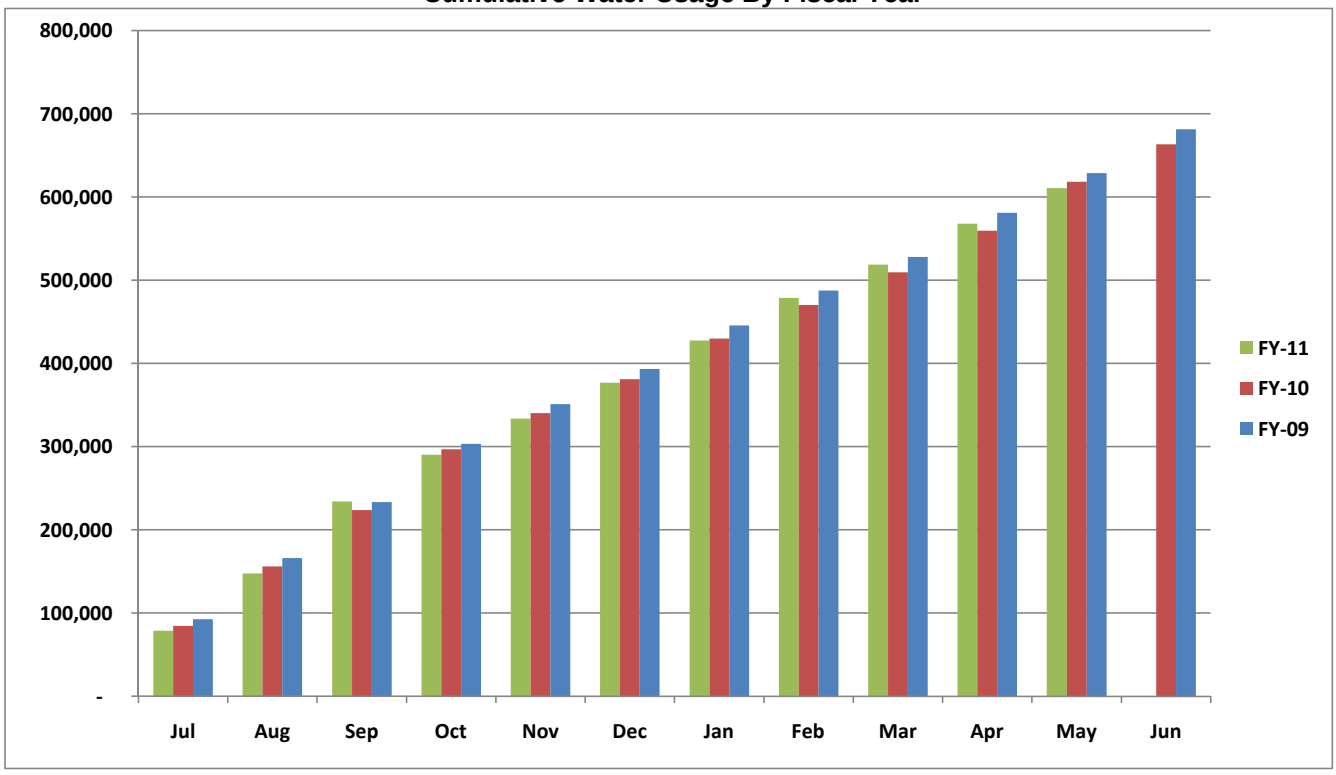
McKinleyville Community Services District
May 2011

Comparison of Street Light Fund Revenues to Budget

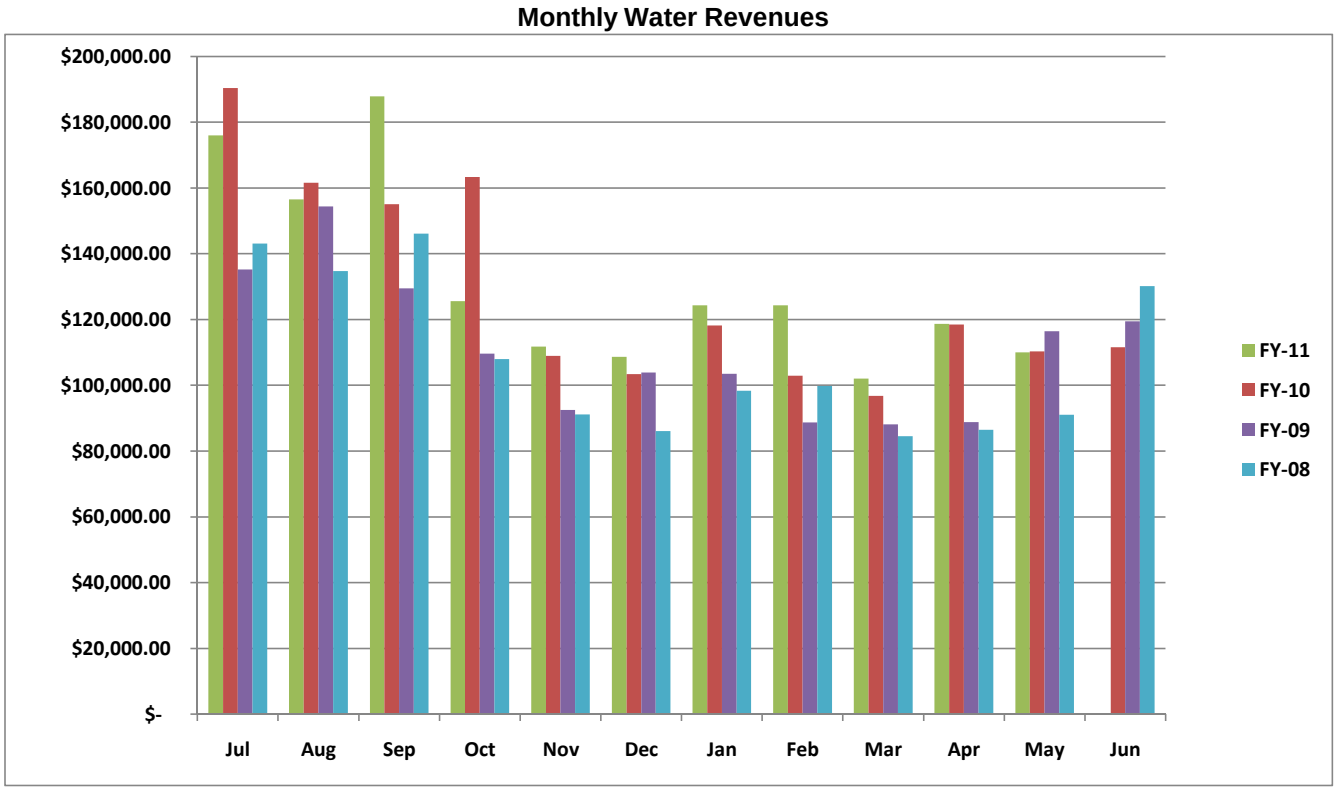


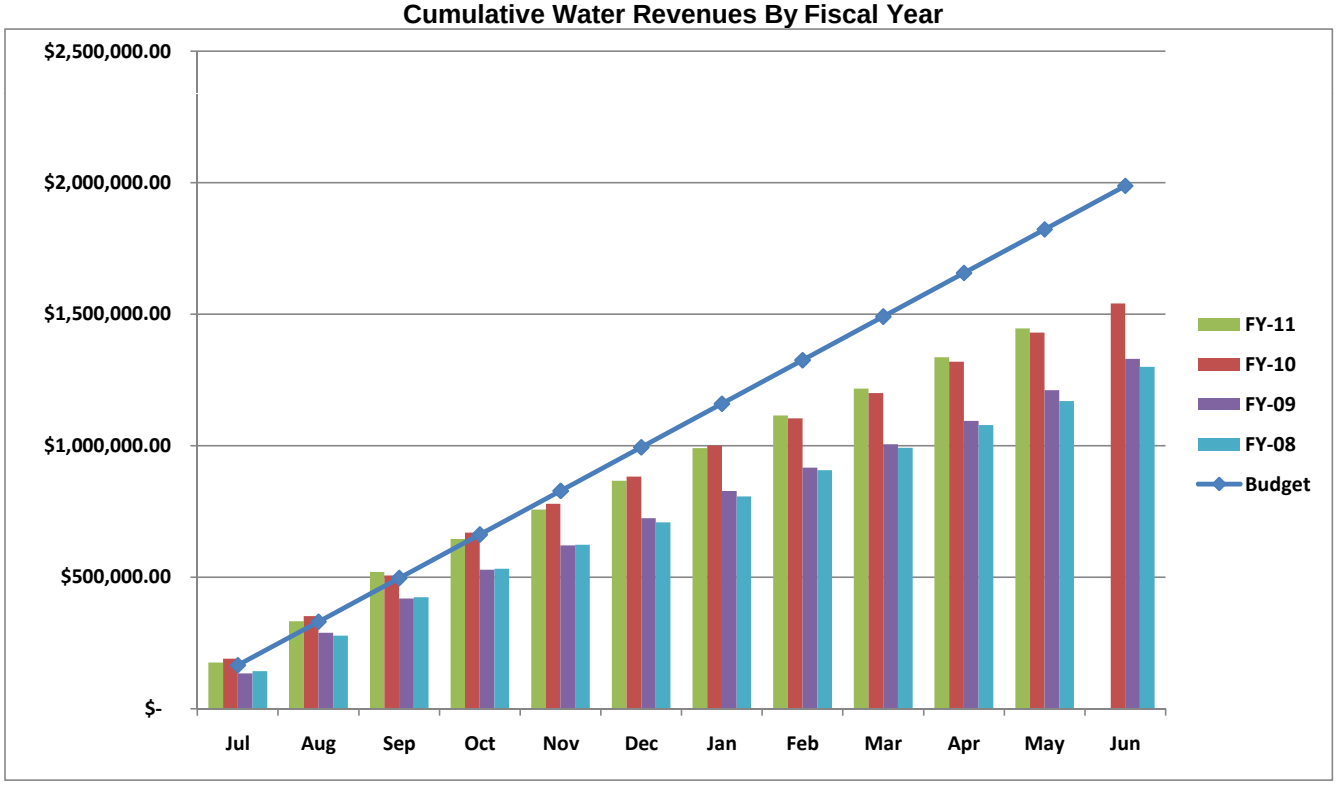
McKinleyville Community Services District
Analysis of Water Volume Usage by Fiscal Year





McKinleyville Community Services District
Analysis of Water Revenues by Fiscal Year





McKinleyville Community Services District
Consolidated Balance Sheet by Fund
as of May 31, 2011

ASSETS	Parks & General	Streetlights	Water	Sewer	Total (Memorandum Only)
Unrestricted cash and cash equivalents	$ 1,138,033.53	$ 7,799.67	$ 1,164,279.06	$ 3,291,353.84	$ 5,601,466.10
Receivable from utility ratepayers	2,060.77	3,413.96	59,570.75	40,473.26	105,518.74
Prepaid and other current assets	7,268.70	470.41	103,402.83	48,339.44	159,481.38
Total current assets	$ 1,147,363.00	$ 11,684.04	$ 1,327,252.64	$ 3,380,166.54	$ 5,866,466.22
Total noncurrent assets	49,118.84	125.76	6,691,174.26	12,145,260.51	18,885,679.37
TOTAL ASSETS	$ 1,196,481.84	$ 11,809.80	$ 8,018,426.90	$ 15,525,427.05	$ 24,752,145.59
LIABILITIES AND FUND BALANCE & RETAINED EARNINGS					
Accrued payroll and related liabilities	$ 96,233.83	$ -	$ 29,774.88	$ 29,774.88	$ 155,783.59
Trade and other current liabilities	7,653.94	4,247.68	148,879.64	58,943.02	219,724.28
Total current liabilities	$ 103,887.77	$ 4,247.68	$ 178,654.52	$ 88,717.90	$ 375,507.87
Long term debt	-	-	2,606,344.17	1,493,121.26	4,099,465.43
Other noncurrent liabilities	39,325.43	-	79,460.88	79,460.88	198,247.19
Long term debt and noncurrent liabilities	$ 39,325.43	$ -	$ 2,685,805.05	$ 1,572,582.14	$ 4,297,712.62
TOTAL LIABILITIES	$ 143,213.20	$ 4,247.68	$ 2,864,459.57	$ 1,661,300.04	$ 4,673,220.49
Fund balance & retained earnings	$ 1,071,146.12	$ 14,179.78	$ 5,235,564.05	$ 13,722,499.14	$ 20,043,389.09
Current earnings	(17,877.48)	(6,617.66)	(81,596.72)	141,627.87	35,536.01
TOTAL FUND BALANCE & RETAINED EARNINGS	$ 1,053,268.64	$ 7,562.12	$ 82,693.51	$ 295,710.86	$ 20,078,925.10
TOTAL LIABILITIES AND FUND BALANCE & RETAINED EARNINGS	$ 1,196,481.84	$ 11,809.80	$ 8,018,426.90	$ 15,525,427.05	$ 24,752,145.59
	-	-	-	-	-
INVESTMENT IN GENERAL FIXED ASSETS	$ 3,368,503.58				
WestAmerica Bank Obligation	164,937.36				
OPEB Liability	23,902.00				
Accrued Compensated Absences	11,927.79				
TOTAL GENERAL LONG TERM DEBT	$ 200,767.15				

McKinleyville Community Services District
Summary of Long-Term Debt

					Principal Maturities and Scheduled Interest					
	Maturity	Balance -	Balance -	Remaining						
	%	Date	July 1, 2010	May 31, 2011	for FY-11	FY-12	FY-13	FY-14	FY-15	FY-16	FY-17
WestAmerica Bank		8/1/11	324,201.20	164,937.36	-	164,937.36	-	-	-	-	-
Interest	3.5%				-	2,886.40	-	-	-	-	-
State of California WRCB (SCEP I)		4/15/16	245,520.60	204,600.50	-	40,920.10	40,920.10	40,920.10	40,920.10	40,920.10	-
Interest	0.0%				-	-	-	-	-	-	-
State of California WRCB (SCEP II)		3/27/18	199,222.15	176,496.09	-	23,329.99	23,924.03	24,546.06	25,184.26	25,844.70	26,511.01
Interest	2.6%				-	4,576.35	3,982.31	3,360.28	2,722.08	2,061.64	1,395.33
Umpqua Bank		12/4/17	341,674.66	307,024.67	3,237.28	40,024.42	42,282.10	44,667.13	47,186.72	49,848.42	52,660.26
Interest	5.5%				1,407.20	15,709.34	13,451.66	11,066.63	8,547.04	5,885.34	3,073.50
Sewer Bond (USDA)		8/1/22	855,000.00	805,000.00	-	50,000.00	60,000.00	60,000.00	60,000.00	60,000.00	70,000.00
Interest	5.0%				-	39,000.00	36,250.00	33,250.00	30,250.00	27,250.00	24,000.00
ARRA (Total obligation will be $165,100)		12/22/26	-	148,590.00	-	-	9,006.49	10,856.01	10,964.84	11,071.24	11,185.76
Interest	1.0%				-	-	3,383.47	1,533.95	1,425.12	1,318.72	1,204.20
Davis Grunsky		1/1/33	2,153,395.10	2,082,986.88	-	72,168.43	73,972.64	75,821.96	77,717.50	79,660.44	81,651.96
Davis Grunsky deferred interest		1/1/33	391,802.41	374,767.29	-	17,035.12	17,035.12	17,035.12	17,035.12	17,035.12	17,035.12
Interest	2.5%				-	52,074.67	50,270.46	48,421.14	46,525.60	44,582.66	42,591.14
Total			**4,510,816.12**	**4,264,402.79**	**4,644.48**	**522,662.18**	**374,478.38**	**371,478.38**	**368,478.38**	**365,478.38**	**331,308.28**
Principal & Interest Recap:											
Principal			4,510,816.12	4,264,402.79	3,237.28	408,415.42	267,140.48	273,846.38	279,008.54	284,380.02	259,044.11
Interest					1,407.20	114,246.76	107,337.90	97,632.00	89,469.84	81,098.36	72,264.17
Recap by Fund:											
General Long Term Debt Fund (001)			324,201.20	164,937.36	-	164,937.36	-	-	-	-	-
Water Fund (501)			2,545,197.51	2,606,344.17	-	89,203.55	100,014.25	103,713.09	105,717.46	107,766.80	109,872.84
Interest					-	52,074.67	53,653.93	49,955.09	47,950.72	45,901.38	43,795.34
					-	141,278.22	153,668.18	153,668.18	153,668.18	153,668.18	153,668.18
Sewer Fund (551)			1,641,417.41	1,493,121.26	3,237.28	154,274.51	167,126.23	170,133.29	173,291.08	176,613.22	149,171.27
Interest					1,407.20	59,285.69	53,683.97	47,676.91	41,519.12	35,196.98	28,468.83
					4,644.48	213,560.20	220,810.20	217,810.20	214,810.20	211,810.20	177,640.10
Total			**4,510,816.12**	**4,264,402.79**	**4,644.48**	**519,775.78**	**374,478.38**	**371,478.38**	**368,478.38**	**365,478.38**	**331,308.28**

McKinleyville C.S.D.
Cash Disbursement Detail Report
Check Listing for 05-11 Bank Account.: 10011

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information Invoice #	Payment Information Description
023147	05/06/11	ANE01	AN ELECTRICIAN INC.	1110.89	.00	1110.89	3382 3395	MAINTENANCE SUPPLIES
023148	05/06/11	ANS02	BRIAN ANSPACH	588.00	.00	588.00	0006	GIS SYSTEM
023149	05/06/11	BAY02	BAY WEST SUPPLY, INC.	626.34	.00	626.34	B10504	JANITORIAL SUPPLIES
023150	05/06/11	BEN01	BEN MEADOWS	385.37	.00	385.37	101721822	SUPPLIES
023151	05/06/11	CAS01	CASH	332.55	.00	332.55	B10503	PETTY CASH FOR APRIL 2011
023152	05/06/11	COA02	COASTAL BUSINESS SYSTEMS	140.08	.00	140.08	76223A	TONER FOR PRINTERS
023153	05/06/11	COL05	COLANTUONO & LEVIN, PC	435.00	.00	435.00	21568	PROFESSIONAL SERVICES
023154	05/06/11	COM01	COMMERCIAL RADIO & ELECT.	242.07	.00	242.07	53851	REPAIRS AND SUPPLIES
023155	05/06/11	COS03	COSTCO WHOLESALE	436.69	.00	436.69	B10503	SUPPLIES FOR APRIL 2011
023156	05/06/11	COU02	HUMBOLDT COUNTY ASSESSOR	6.56	.00	6.56	B10504	MEASURE B MAPS
023157	05/06/11	CUM01	CUMMINS WEST, INC.	798.02	.00	798.02	95848	REPAIRS/SUPPLY INV 95850
023158	05/06/11	EIC01	JENNIFER EICHSTEDT	731.25	.00	731.25	B10428	CONTRACTED INSTRUCTOR
023159	05/06/11	ELS01	DAVID ELSEBUSCH	1.85	.00	1.85	B10428	P/R ACTUAL COST LESS THEN
023160	05/06/11	EUR06	EUREKA READY MIX	901.72	.00	901.72	B10505	REPAIRS/SUPPLY
023161	05/06/11	FRE07	FRESHWATER ENVIRONMENTAL	210.00	.00	210.00	448	CONSULTING
023162	05/06/11	HAR03	HARVEY M. HARPER CO.	338.06	.00	338.06	703732	TRUCK INSPECTIONS
023163	05/06/11	HIG01	HIGH YIELD IND. PRODUCTS	542.92	.00	542.92	134139	MAINTENANCE SUPPLIES
023164	05/06/11	HUM01	HUMBOLDT BAY MUNICIPAL WA	50303.53	.00	50303.53	B10504	WTR PURCHASED
023165	05/06/11	HUM08	HUMBOLDT SANITATION	829.00	.00	829.00	B10505	TRASH SERVICE FOR APRIL 2
023166	05/06/11	HUM22	HUMBOLDT COUNTY SHERIFF	92.00	.00	92.00	B10505	ALARM PERMIT FEES
023167	05/06/11	IND02	Industrial Electric Serv	143.65	.00	143.65	IN3352	REPAIRS/SUPPLY
023168	05/06/11	MCC04	LONNIE E. MCCULLEY	850.00	.00	850.00	607032	WATER & SEWER ASBUILTS
023169	05/06/11	MCK02	MCKINLEYVILLE GLASS CO.	40.00	.00	40.00	39342	REPAIR UNIT 13
023170	05/06/11	MCK03	MCKINLEYVILLE OFFICE SUPP	10.15	.00	10.15	42775	COPIES MADE TO A CD
023171	05/06/11	MCK04	MCK ACE HARDWARE	526.30	.00	526.30	B10504	REPAIRS/SUPPLY
023172	05/06/11	MCK12	MCKINLEYVILLE UNION SCHOO	522.00	.00	522.00	33011	KIDSCLUB SUPPLIES
023173	05/06/11	MEN01	MENDES SUPPLY CO.	212.00	.00	212.00	M018782-0	SAFETY SUPPLIES
023174	05/06/11	MER03	MERCER, FRASER COMPANY	352.49	.00	352.49	39835	MAINTENANCE SUPPLIES
023175	05/06/11	MIL01	Miller Farms Nursery	812.91	.00	812.91	B10504	REPAIRS/SUPPLY
023176	05/06/11	NAT06	NATIONAL METER & AUTOMATI	2982.10	.00	2982.10	1032019	MAINTENANCE SUPPLIES
				64931.60	.00	64931.60	S1032079	SUPPLIES
			Check Total.....:	67913.70	.00	67913.70		
023177	05/06/11	NEC01	NEC FINANCIAL SERVICES,LL	288.59	.00	288.59	1436175	MONTHLY SUBSCRIPTION
023178	05/06/11	NOR01	NORTH COAST LABORATORIES	5569.00	.00	5569.00	B10505	LAB TESTS
023179	05/06/11	NOR36	NORTH COAST PARTS & SUPPL	36.10	.00	36.10	B10504	MAINTENANCE SUPPLIES
023180	05/06/11	NOV01	NOVALYNX CORPORATION	26.99	.00	26.99	41936	MAINTENANCE SUPPLIES
023181	05/06/11	NYL01	NYLEX.NET	90.00	.00	90.00	70127	ALTERNATE PRINTER DRIVERS
				135.00	.00	135.00	B10505	P/R MAINTENANCE
			Check Total.....:	225.00	.00	225.00		
023182	05/06/11	OCC01	OCCUPATIONAL HEALTH	170.00	.00	170.00	523*03-11	DMV PHYSICALS
023183	05/06/11	ORE01	O'REILLY AUTOMOTIVE, INC.	56.21	.00	56.21	B10506	REPAIRS/SUPPLY
023184	05/06/11	PAT03	JASON M. PATTON III	230.72	.00	230.72	B10504	UWMP WORKSHOP
023185	05/06/11	PRE08	PRECISION INTERMEDIA	433.75	.00	433.75	14151	PROFESSIONAL DUES
023186	05/06/11	REN01	RENNER PETROLEUM	3685.66	.00	3685.66	B10504	FLEEY FUEL APRIL 2011
023187	05/06/11	SHN01	SHN ENGINEERING	6183.07	.00	6183.07	74251	NPDES COMPLIANCE
023188	05/06/11	SIE01	SIERRA FOOTHILL LAB, INC.	700.00	.00	700.00	96421	LAB TESTS
023189	05/06/11	SIE02	SIERRA CHEMICAL CO.	915.34	.00	915.34	215226	CHLORINE/CONTAINER DEPOSI

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information: Invoice #	Payment Information: Description
023190	05/06/11	SOU01	SOUND ADVICE	299.75	.00	299.75	49257	REPAIRS MAINTENANCE
023191	05/06/11	STA09	S.W.R.C.B.	95.00	.00	95.00	B10503	TRAINING/CERT.
023192	05/06/11	THO02	Thomas Home Center	218.24	.00	218.24	B10504	REPAIRS/SUPPLY
023193	05/06/11	THR01	THRIFTY SUPPLY COMPANY	360.65	.00	360.65	1298083	REPAIRS AND SUPPLIES
023194	05/06/11	UMP02	UMPQUA BANK	980.39	.00	980.39	B10506	SUPPLIES IN APRIL 2011
023195	05/06/11	UNI05	UNITED RENTALS NORTHWEST	487.13	.00	487.13	93235098	MAINTENCE AND SUPPLIES
023196	05/06/11	UNI08	UNITED DISTRIBUTING COMPA	398.80	.00	398.80	196261	MAINTENANCE AND REPAIRS
023197	05/06/11	UPS01	UPS	227.28	.00	227.28	Y6R493181	LAB SHIPPMENT
023198	05/06/11	USP02	USPS: ARCATA BMEU	1500.00	.00	1500.00	B10504	POSTAGE PERMIT 202
023199	05/06/11	VER01	VERISON WIRELESS	203.49	.00	203.49	B10504	CELL PHONE MONTHLY PAYMEN
023200	05/06/11	WAH02	WAHLUND CONSTRUCTION INC.	66505.64	.00	66505.64	10	RAMEY PUMP STATION UPGRAD
				2755.00	.00	2755.00	7.11.01	ASBESTOS ABATEMENT
			Check Total.....:	69260.64	.00	69260.64		
023201	05/06/11	WBC01	WBCO ELECTRIC SERVICE CO.	184.02	.00	184.02	82040	REPAIRS AND SUPPLIES
023202	05/06/11	WIN02	Winzler & Kelly	3408.00	.00	3408.00	57923	RAMEY PUMP STATION UPGRAD
023203	05/06/11	*0017	ARCATA & ROONEY-MCK CHILD	100.00	.00	100.00	B10506	AZ HALL DEPOSIT REFUND
023204	05/06/11	*0018	DINISSE PIMENTEL	100.00	.00	100.00	B10506	AZ HALL DEPOSIT REFUND
023205	05/06/11	*0019	KAY FRAZEL	148.64	.00	148.64	B10506	KIDSCLUB REFUND
023206	05/06/11	*0020	MOONSTONE QUILTERS	186.00	.00	186.00	B10505	AZ HALL EVENT CANCELLED
023207	05/06/11	COR01	CORBIN WILLITS SYSTEMS	833.42	.00	833.42	B104151	MOM SOFTWARE
023208	05/06/11	FRE02	MICHAEL FREEMAN	58.05	.00	58.05	B10506	REIMBURSE SUPPLIES PURCHA
023209	05/06/11	GUA01	THE GUARDIAN	3863.95	.00	3863.95	B10506	GRP DENTAL INS.
023210	05/06/11	HAR13	The Hartford - Priority A	558.09	.00	558.09	B10506	GRP LIFE INS.
023211	05/06/11	HUM17	HUMBOLDT COUNTY DEPT. HHS	3060.00	.00	3060.00	B10506	ANNUAL HAZMAT FEES
023212	05/06/11	NOR13	NORTHERN CALIFORNIA SAFET	80.00	.00	80.00	17755	MONTHLY SUBSCRIPTION
023213	05/06/11	SUD01	SUDDENLINK	173.95	.00	173.95	B10506	INTERNET FOR MAY 2011
023214	05/06/11	USB01	U.S. BANK TRUST N.A.	7500.00	.00	7500.00	001B105011	SEWER BOND PAYMENT
023215	05/06/11	\B003	BAUTISTA, FRANCISCO	55.99	.00	55.99	000B10501	MQ CUSTOMER REFUND FOR BA
023216	05/06/11	\B004	BERNET, KATHLEEN	8.97	.00	8.97	000B10501	MQ CUSTOMER REFUND FOR BE
023217	05/06/11	\C017	CEDERGREEN, LAURA	36.97	.00	36.97	000B10501	MQ CUSTOMER REFUND FOR CE
023218	05/06/11	\H014	HASH, RYAN	15.53	.00	15.53	000B10501	MQ CUSTOMER REFUND FOR HA
023219	05/06/11	\H015	HONE, BRIAN	10.88	.00	10.88	000B10501	MQ CUSTOMER REFUND FOR HO
023220	05/06/11	\M019	MIZOGUCHI, MICHAEL	70.92	.00	70.92	000B10501	MQ CUSTOMER REFUND FOR MI
023221	05/06/11	\P001	PEEPLES, PAUL	25.38	.00	25.38	000B10501	MQ CUSTOMER REFUND FOR PE
023222	05/06/11	\R004	RANKIN, RACHAEL	73.58	.00	73.58	000B10501	MQ CUSTOMER REFUND FOR RA
023223	05/06/11	\R012	ROTH, PADRE	25.92	.00	25.92	000B10501	MQ CUSTOMER REFUND FOR RO
023224	05/06/11	\S009	SALVADOR, CHELSEA	25.96	.00	25.96	000B10501	MQ CUSTOMER REFUND FOR SA
023225	05/06/11	\S020	SEARS, RILEY	49.28	.00	49.28	000B10501	MQ CUSTOMER REFUND FOR SE
023226	05/06/11	\S021	SOUZA, VANESSA	2.13	.00	2.13	000B10501	MQ CUSTOMER REFUND FOR SO
023227	05/06/11	\S022	SPITZNAGEL, CHRISTOPHER	93.65	.00	93.65	000B10501	MQ CUSTOMER REFUND FOR SP
023228	05/06/11	\S023	SWEANEY, FAVIOLA	17.46	.00	17.46	000B10501	MQ CUSTOMER REFUND FOR SW
023229	05/06/11	\V004	VIEIRA, ABEL	40.17	.00	40.17	000B10501	MQ CUSTOMER REFUND FOR VI
023230	05/19/11	*0021	SOMER SCHREIBER	100.00	.00	100.00	B10509	AZ HALL DEPOSIT REFUND
023231	05/19/11	*0022	FORD LOGGING INC.	100.00	.00	100.00	B10518	AZALEA HALL DEPOSIT REFUN
023232	05/19/11	*0023	SHELLY MORTENSEN	75.00	.00	75.00	B10518	DOG OBEDIENCE PROGRAM CAN
023233	05/19/11	*0024	CLAUDIA MAST	80.00	.00	80.00	B10519	KIDS CLUB DEPOSIT REFUND

McKinleyville C.S.D.
Cash Disbursement Detail Report
Check Listing for 05-11 Bank Account.: 10011

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Payment Information: Invoice #	Payment Information: Description
023234	05/19/11	*0025	JERRY GREER	100.00	.00	100.00	B10519	AZALEA HALL DEPOSIT REFUN
023235	05/19/11	ACW01	ACWA HEALTH BENEFITS AUTH	39268.65	.00	39268.65	B10511	GRP. HEALTH INS
023236	05/19/11	ADA03	DANIEL ADAMSKI	75.00	.00	75.00	B10512	CONTRACTED REFEREE
023237	05/19/11	ATT01	AT&T	1149.75	.00	1149.75	B10516	PHONE SYSTEM
023238	05/19/11	CAR12	TOMMY CARDOZA	15.00	.00	15.00	B10512	CONTRACTED REFEREE
023239	05/19/11	CDW01	CDW GOVERNMENT, INC.	4594.63	.00	4594.63	XFM6202	SUPPLIES
023240	05/19/11	COA02	COASTAL BUSINESS SYSTEMS	839.73	.00	839.73	76772A	SUPPLIES
023241	05/19/11	COR07	JOHN W. CORBETT	100.00	.00	100.00	B10519	DIRECTORS FEES
023242	05/19/11	COU09	DAVID R. COUCH	100.00	.00	100.00	B10519	DIRECTORS FEES
023243	05/19/11	CRO03	CROWN TROPHY PETALUMA	49.05	.00	49.05	13955	SUPPLIES FOR COMMUNITY BU
023244	05/19/11	DEP05	DEPARTMENT OF JUSTICE	128.00	.00	128.00	846977	FINGERPRINTING REC PROGRA
023245	05/19/11	DOW01	DOWNEY BRAND ATTORNEYS LL	274.55	.00	274.55	411600	SERVICES RENDERED
023246	05/19/11	EDW01	HELEN L. EDWARDS	100.00	.00	100.00	B10519	DIRECTORS FEES
023247	05/19/11	EUR05	Eureka Oxygen Co	103.94	.00	103.94	372162	MAINTENANCE
023248	05/19/11	FAL01	BRIAN FALLON PAINTING	2200.00	.00	2200.00	10-100	AZALEA HALL CORRIDOR AN R
023249	05/19/11	FRO02	FRONTIER ANALYTICAL LABOR	900.00	.00	900.00	15239	LAB TESTING
023250	05/19/11	HEL01	KEVIN HELD	300.00	.00	300.00	B10518	SERVICES/STIPND JHS DANCE
023251	05/19/11	ISE01	I-SECURE INC.	45.00	.00	45.00	13004	SHREDDING
023252	05/19/11	JAC04	JACKSON & EKLUND	255.00	.00	255.00	00168723	SERVICES RENDERED
023253	05/19/11	KEN02	KENNEDY/JENKS CONSULTANTS	182.83	.00	182.83	56003	SERVICES RENDERED
023254	05/19/11	KEY01	KEY EQUIPMENT FINANCE	314.57	.00	314.57	1106	EQUIPMENT LEASE
023255	05/19/11	MAY02	DENNIS MAYO	100.00	.00	100.00	B10519	DIRECTORS FEES
023256	05/19/11	MIT01	Mitchell, Brisso, Delaney	2915.28	.00	2915.28	28800	LEGAL
023257	05/19/11	NOR35	NORTHERN HUMBOLDT	243.56	.00	243.56	ES11-0197	SERVICES/STIPND OPEN SPAC
023258	05/19/11	PEC03	KRISTOPHER PECKOSH	30.00	.00	30.00	B10512	CONTRACTED REFEREE
023259	05/19/11	PGE01	PG & E (Office & Field)	11852.28	.00	11852.28	B10517	GAS & ELECTRIC
023260	05/19/11	PRO03	PROFESSIONAL CREDIT MGMT	31.55	.00	31.55	B10511	REC. BAD DEBTS
023261	05/19/11	SAF04	SAFEWAY INC. FILE # 72905	3.69	.00	3.69	434800-04	SUPPLIES
023262	05/19/11	SOC01	SOCCER ONE	72.51	.00	72.51	245624	ATHLETIC SUPPLY REC PROGR
023263	05/19/11	SOU01	SOUND ADVICE	1528.18	.00	1528.18	49265	MICROPHONES FOR BOARD MEE
023264	05/19/11	UPS01	UPS	537.19	.00	537.19	Y6R493191	LAB SHIPMENT
023265	05/19/11	USP02	USPS: ARCATA BMEU	1235.24	.00	1235.24	B10517	POSTAGE FOR PERMIT 239 NE
023266	05/19/11	WEN01	WILLIAM WENNERHOLM, DC	100.00	.00	100.00	B10519	DIRECTORS FEES
			Cash Account Total.....:	313893.99	.00	313893.99		
			Total Disbursements.....:	313893.99	.00	313893.99		

McKinleyville Community Services District

Board Agenda Background

AGENDA ITEM: **D.3.**

AGENDA TITLE: **Compliance with State Double Check Valve Law**

MEETING DATE: **June 15, 2011**

PRESENTED BY: **Greg Orsini, Operations Director**

TYPE OF ITEM: **Consent Calendar**

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

1st Notice	April 22, 2011
10 Day Notice	June 1, 2011
Board Meeting	June 15, 2011
Lock	July 18, 2011
ROUTES 5 & 6	

Account #	Address	Model of DCV	Date s/o out
5-249-986 (1)	1550 (1500) Heartwood	Wilkins RPP	
5-249-986 (2)	1550 (1500) Heartwood	Wilkins RPP	
5-249-990	1550 (1500) Heartwood	Febco	
5-670-000	1697 Henry Lane	Febco	5/23/11
6-261-000	1739 Washington	Wilkins	
6785-000	1100 Griffith	Wilkins	6/1/11
6-950-314	1480 Central	Febco	5/20/11
	Updated	6/2/2011	

1st Notice	May 13, 2011
10 Day Notice	June 1, 2011
Board Meeting	June 15, 2011
Lock	July 18, 2011
ROUTES 7, 8 & 9	

Account #	Address	Model of DCV	Date s/o out
7-330-000	1442 Whitmire	Watts	
7-690-000	1565 Anderson	Wilkins	
8-070-000	749 Montana	none	
8-515-000	581 School	Febco	
9-385-000	1813 Ashdown	Febco	
	Updated	6/2/2011	

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

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: D.4. **Approve the selection of Hunter, Hunter & Hunt to perform the District's annual financial audit for the years ending June 30, 2011, 2012 and 2013; and authorize the General Manager to enter in to a professional services agreement.**

PRESENTED BY: **Steven Edmiston, Finance Director**

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

Recommendation:

Staff recommends that the Board approve the Audit Committee recommendation of Hunter, Hunter & Hunt, Certified Public Accountants, to perform the District's annual financial audit for the years ending June 30, 2011, 2012 and 2013; and authorize the General Manager to enter in to a professional services agreement.

Discussion:

Request For Proposals were sent to seven firms and posted on the District's website. Three valid proposals were received and considered by the Audit Committee. The Audit Committee has recommended engaging the firm of Hunter, Hunter & Hunt, Certified Public Accountants, to perform the District's annual financial audit for the years ending June 30, 2011, 2012 and 2013.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The proposed annual fee for the annual audit is as follows:

Year ending June 30, 2011	$14,000
Year ending June 30, 2012	$14,000
Year ending June 30, 2013	$14,500

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Audit proposal from Hunter, Hunter & Hunt dated May 13, 2011,

John B. Hunter, CPA
James A. Hunter, CPA
Scott E. Hunt, CPA/ABV
Donna L. Taylor, CPA, CFE

Hunter, Hunter & Hunt
CERTIFIED PUBLIC ACCOUNTANTS

Members of the AICPA

Eileen Sacra Capaccio, CPA
Carol Mayes, CPA, CFE
Kim Windsor, CPA/ABV
Jennifer J. Hillegeist, CPA

May 13, 2011

Board of Directors, Audit Committee
McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA 95519-2037

This letter is in response to your request for a proposal to perform audits of the financial records of McKinleyville Community Services District., for the fiscal years ending June 30, 2011, 2012, and 2013.

AUDIT SCOPE AND STANDARDS

We will audit the financial statements of the governmental activities and the business-type activities, which collectively comprise the basic financial statements of McKinleyville Community Services District, as of June 30, 2011, 2012, and 2013. Included in your basic financial statements will be the following:

1. Management's Discussion and Analysis
2. Basic Financial Statements
3. Required Supplementary Information
4. Report on Internal Control over Financial Reporting

Accompanying the basic financial statements may be a management letter, including comments on internal control weaknesses and suggestions for improvement, if deemed necessary. At the completion of the audit, a letter will be sent to the Board of Directors, including required information related to the audit.

Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the Minimum Audit Requirements for California Special Districts issued by the California State Controller's Office for Special Districts. The audits will include tests of accounting records and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the report on internal controls and compliance opinion is other than unqualified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Although we will advise you regarding generally accepted accounting principles and may assist you in the preparation of your financial statements, the financial statements are the responsibility of management. Our responsibility is to express an opinion on the financial statements based on our audit.

QUALITY CONTROL

Our firm is enrolled in one of the AICPA's practice monitoring programs. We are committed to periodic peer reviews as a part of our membership in the AICPA. We are also members of the California Society of CPAs, the statewide organization whose purpose is to promote high standards and serve the accounting profession.

Our firm participates in the AICPA practice-monitoring program. We have successfully completed our seventh independent peer review of our accounting and auditing practice. The review concluded that we

comply with the stringent quality control standards set by the AICPA. The review was administered by the California Society of Certified Public Accountants, in coordination with the AICPA. We have enclosed a copy of our most recent review letter for your information.

INDEPENDENCE

The firm of Hunter, Hunter & Hunt is independent with respect to its relationship with McKinleyville Community Services District.

QUALIFICATIONS OF THE FIRM

Our firm offers a broad base of audit experience in the area of nonprofit organizations and special districts and consists of the following individuals:

NAME	TITLE
John B. Hunter, CPA	Partner
James A. Hunter, CPA	Partner
Scott E. Hunt, CPA, ABV	Partner
Donna L. Taylor, CPA, CFE	Partner
Eileen Sacra Capaccio, CPA	Principal
Carol L. Mayes, CPA, CFE	Principal
Kim B. Windsor, CPA, ABV	Principal
Jennifer J. Hillegeist, CPA	Senior Accountant
Kris Keller	Staff Accountant
Jeremy Van Gurp	Staff Accountant

The following is the list of partners and staff along with their qualifications that will be directly responsible for the audit (* designates Single Audit):

James A. Hunter - James is a Certified Public Accountant who graduated from Humboldt State University in 1977 with a Bachelor of Arts Degree in Business Administration with an emphasis in accounting. The following is a list of nonprofit entities and special districts James has audited:

Humboldt State University Center
Arcata School District*
Blue Lake Union School District
Humboldt Bay Municipal Water District

Scott E. Hunt - Scott is a Certified Public Accountant who graduated from Fresno State University in 1983 with a Bachelor of Science Degree in Business Administration with an emphasis in accounting. The following is a list of nonprofit entities and special districts Scott has audited:

Associated Students of Humboldt State University
Humboldt State University Children's Center
North Humboldt Recreation & Park District
North Coast Clinics Network
The City of Rio Dell*
Arcata Community Recycling Center, Inc.
Humboldt Bay Housing Development Corporation*
Fieldbrook Glendale Community Services District
Humboldt State University Foundation*
HSU Advancement Foundation

Donna L. Taylor - Donna is a Certified Public Accountant who joined our firm in January 1994. She graduated from Humboldt State University in 1992 with a Bachelor of Science Degree in Business

Administration with an emphasis in accounting. The following is a list of nonprofit entities and special districts Donna has audited:

Associated Students of Humboldt State University
Humboldt State University Center
North Humboldt Recreation & Park District
Arcata School District*
Blue Lake Union School District
North Coast Clinics Network
The City of Rio Dell*
Arcata Fire Protection District
Community Health Alliance of Humboldt - Del Norte, Inc.*
Mobile Medical Office*
Humboldt State University Advancement Foundation
Dell'Arte, Inc.
Conservation Strategy Fund
Northcoast Regional Land Trust
Humboldt Bay Municipal Water District

Eileen Sacra Capaccio is a Certified Public Accountant who joined our firm in May of 2006. Eileen graduated from Humboldt State University with a Bachelor of Science Degree in Business Administration with an emphasis in accounting. The following is a list of nonprofit entities and special districts Eileen has audited:

City of Arcata
City of Blue Lake
Conservation Strategy Fund
Consumer Credit Counseling Services
Dell'Arte, Inc.*
Humboldt Area Foundation
Humboldt Child Care Council
McKinleyville Community Services District
Northcoast Children's Services*
Transitional Residential Treatment Facilities, Inc.
Weott Community Services District
Access Humboldt

Carol L. Mayes - Carol is a Certified Public Accountant who joined our firm in January 1995. She graduated from Arizona State University in 1972 with a Bachelor of Science Degree in Sociology. She then attended Humboldt State University and completed the courses necessary to sit for the CPA exam in 1993. The following is a list of nonprofit entities and special districts Carol has audited:

Humboldt State University Children's Center
Arcata Community Recycling Center, Inc.
North Coast Clinics Network
Blue Lake Union School District
North Humboldt Recreation and Park District
McKinleyville Community Services District*
Community Health Alliance of Humboldt - Del Norte, Inc. *
Humboldt State University Advancement Foundation
Humboldt State University Center
Associated Students of Humboldt State University
Humboldt Bay Municipal Water District

Kim B. Windsor - Kim is a Certified Public Accountant who joined our firm in November 2000. She graduated from California State University Sacramento in 1990 with a Bachelor of Science Degree in Business Administration with an emphasis in accounting. The following is a list of nonprofit entities and special districts Kim has audited:

Redwood Region Economic Development Commission*
Humboldt Community Services District
Area I Agency on Aging*
North Coast Rape Crisis Team*
Humboldt Senior Resource Center*
Humboldt Open Door Community Health Center*
Arcata Fire Protection District
Fieldbrook Glendale Community Services District
Humboldt State University Foundation*
Hospice of Humboldt
Humboldt Area Foundation
Seventh Generation Fund for Indian Development
The Mobile Medical Office*

Jennifer J. Hillegeist - Jennifer is a Certified Public Accountant who joined our firm in June 2006. She graduated from Humboldt State University in 1977 with a Bachelor of Science Degree in Business with an emphasis in marketing. She later completed the courses necessary to sit for the CPA exam. Jennifer has worked in public accounting since 1980.

Kris Keller - Kris is a staff accountant who joined our firm in December 2009. She graduated from University of Pittsburgh in 2004 with a Bachelor of Science Degree in Business with an emphasis in accounting, and she graduated from Humboldt State University in 2010 with a Master of Business Administration. She is preparing for the CPA exam.

Jeremy Van Gurp – Jeremy is a staff accountant who joined our firm in January 2010. He graduated from San Diego State University in 2006 with a Bachelor of Science Degree in Business Administration with an emphasis in management. He is working toward a Master of Business Administration from Humboldt State University and preparing for the CPA exam.

OTHER SERVICES

As part of the engagement, we will also prepare the annual State Controller's Local Government Compensation Report for the years ended June 30, 2011, 2012 and, 2013.

FEES FOR SERVICES

Donna L. Taylor will be the partner in charge and Kim Windsor and Carol Mayes will be the audit managers.

The following is a rate schedule for our firm as of the present date:

	Hourly Rate
• Partner	$160-195
• Principal	$110-155
• Senior and Staff Accountants	$75-125
• Clerical	$46

A breakdown of costs per year including the estimated hours to complete the engagement by the level of staff is as follows:

Fiscal year ending June 30,	2011	2012	2013
Estimate	$ 19,000	$ 18,500	$ 17,500
Adjustment	(5,000)	(4,500)	(3,000)
Proposed Fee	$ 14,000	$ 14,000	$ 14,500
Estimated Hours	185	175	160

The above rates are subject to an annual review. The above fees will be revised if subsequent new standards are issued that require substantial unanticipated procedures. In the event that disclosures in the audit indicate extraordinary circumstances which warrant more intensive and detailed services, we will provide in advance all pertinent facts relative to the extraordinary circumstances, together with our fee basis for such additional services.

We will provide professional assistance and advice during the audit engagement as well as consultations during the year regarding audit and accounting issues. If we determine that the consultations are outside the scope of customary audit advice, we will discuss it with you and bill you for the time at the hourly rates which are detailed above.

The above fees are quoted with the understanding that your internal controls and bookkeeping procedures are sufficient to provide us with auditable financial records and that there have been no substantial changes in the scope of the audit including new standards that significantly impact your organization or the management of your organization since the prior year audit which would result in significant unanticipated audit procedures. Should such changes occur, we reserve the right to adjust our fee accordingly or be released from the engagement.

The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits, including but not limited to delays in providing auditable financial records and financial statements. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Our invoices for these fees will be rendered upon completion of the audit and are payable on presentation.

We hereby confirm that our firm is covered by professional liability insurance including errors and omissions coverage, with a limit of $1,000,000 per claim.

MANAGEMENT RESPONSIBILITIES

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with the preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonattest services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the business-type activities of the McKinleyville Community Services District and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants, and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

RECORD RETENTION POLICY

It is our policy to keep records related to this engagement for seven years. However, Hunter, Hunter & Hunt does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

ASSISTANCE AND ACTIVITIES EXPECTED FROM STAFF

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request, will locate any documents selected by us for testing and provide schedules, as needed, to reconcile general ledger account balances to the financial statements.

You will prepare and submit the Management Discussion and Analysis (MD&A) within the time frame noted below at Schedule of Completion. Question 55 of the Government Accountability Office "Answers to Independence Standard Questions", notes that auditor preparation of the audited entity's MD&A goes beyond providing routine advice. You will complete a Financial Statement Preparation Disclosure Checklist that we will provide to you.

SCHEDULE OF COMPLETION

We expect to schedule our fieldwork during the months of August and September subject to the availability of your records during these periods of time, to provide a draft copy of the audited financial statements by the second week of October, and to complete and issue our reports no later than November 30 of each fiscal year. This schedule is based upon the anticipated receipt of an adjusted trial balance and the majority of the reconciling schedules by August 31, of each year. Delays in the receipt of the adjusted records will result in a delay of other scheduled items. If this schedule does not meet with your approval please let us know and we can adjust it accordingly.

If your organization decides to accept this bid, please communicate to us no later than June 17, 2011. The audit partner and principal will be available to meet with you at a date and time that is convenient to all parties.

We appreciate the opportunity to submit this bid, and hope to hear from you in the near future.

Sincerely,

Scott E. Hunt, CPA/ABV
Partner

Kim Windsor, CPA/ABV
Principal

Enclosure

CERTIFIED PUBLIC ACCOUNTANT
BUSINESS & PERSONAL CONSULTANT

2019 Westwind Drive, Suite B
Bakersfield, California 93301

Richard J. Phillips

(661) 633-9844 • (661) 633-9493 Facsimile

Member of American Institute
of Certified Public Accountants

The California Society
of Certified Public Accountants

System Review Report

January 14, 2010

To the Partners
Hunter, Hunter & Hunt
And the Peer Review Committee of California Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of Hunter, Hunter & Hunt (the firm) in effect for the year ended October 31, 2009. My peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and firm's compliance therewith based on my review. The nature, objectives, scope, limitations of and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In my opinion, the system of quality control for the accounting and auditing practice of Hunter, Hunter & Hunt in effect for the year ended October 31, 2009 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Hunter, Hunter & Hunt has received a peer review rating of pass.

Richard J. Phillips

Richard J. Phillips
Certified Public Accountant

John B. Hunter, CPA
James A. Hunter, CPA
Scott E. Hunt, CPA/ABV
Donna L. Taylor, CPA, CFE

Hunter, Hunter & Hunt
CERTIFIED PUBLIC ACCOUNTANTS
Members of the AICPA

Eileen Sacra Capaccio, CPA
Carol Mayes, CPA, CFE
Kim Windsor, CPA/ABV
Jennifer J. Hillegeist, CPA

June 6, 2011

Board of Directors
McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA 95519-2037

We are pleased to confirm our understanding of the services we are to provide McKinleyville Community Services District for the years ended June 30, 2011, 2012 and 2013. We will audit the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information which, collectively comprise the basic financial statements of McKinleyville Community Services District as of and for the years ended June 30, 2011, 2012 and 2013. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement McKinleyville Community Services District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to McKinleyville Community Services District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule
3. Schedule of Funding Progress – Other Postemployment Benefits

Accompanying the basic financial statements may be a management letter, including comments on internal control weaknesses (if any) and suggestions for improvement, if deemed necessary. Our audit communication letter, to those charged with governance, will advise the board members of our responsibilities and the policies and procedures to which we are to adhere.

As part of the engagement, we will also prepare the annual State Controller's Local Government Compensation Report for the calendar years ended December 31, 2010, 2011, and 2012.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles and to report on the fairness of the supplementary information when considered in relation to the financial statements as a whole. The objective also includes reporting on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions and to render the required reports.

If our opinions on the financial statements or the report on internal controls are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the McKinleyville Community Services District and the respective changes in financial position and where applicable, cash flows, in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the ensuring that management and financial information is reliable and properly recorded. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or

illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further auditing procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of McKinleyville Community Services District's compliance with applicable laws and regulations and the provisions of contracts and agreements including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

Donna L. Taylor will be the partner in charge and Kim Windsor will be the audit manager.

We understand that your employees will prepare all balance sheet and material other general ledger account reconciliations. In addition, if requested, your employees will prepare confirmations, will locate any documents selected by us for testing, and provide schedules, as needed, to reconcile general ledger account balances to the financial statements.

You will prepare and submit the Management Discussion and Analysis (MD&A) within the time frame noted below. Question 55 of the Government Accountability Office "Answers to Independence Standard Questions", notes that auditor preparation of the audited entity's MD&A goes beyond providing routine advice.

Management or Management's designee will complete a Financial Statement Preparation Disclosure Checklist that we will provide to you.

The maximum amounts we will charge for the audits of McKinleyville Community Services District for the fiscal years ended June 30, 2011, 2012 and 2013, and the preparation of the annual State Controller's Local Government Compensation Report for the calendar years ended December 31, 2010, 2011, and 2012, including out-of-pocket expenses, will be $14,000, $14,000, and $14,500, respectively.

You may also be billed for out-of-pocket expenses such as report production, travel, postage, etc. Out-of-pocket expenses are not expected to exceed $250. Our invoices for these fees will be rendered upon completion of the audit and are payable on presentation.

The above fees are quoted with the understanding that your internal controls and bookkeeping procedures are sufficient to provide us with auditable financial records. As discussed in our meeting with the audit committee on June 2, 2011, the above fees may be revised if subsequent new standards are issued that require substantial unanticipated procedures or if there is significant change in staffing and/or management from the prior year which would significantly impact your organization. Should such changes occur, we reserve the right to adjust our fee accordingly or be released from the engagement.

The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits, including but not limited to delays in providing auditable financial records and financial statements. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We expect to begin our audit in June 2011 and to issue a draft report by October 14, 2011, and our final report no later than November 15, 2011**.** Any delay in receiving requested information may result in a later completion date than noted above.

We will provide professional assistance and advice during the audit engagement as well as consultations during the year regarding audit and accounting issues. If we determine that the consultations are outside the scope of customary audit advice, we will discuss it with you and bill you for the time at our hourly rates which are presently:

	Hourly Rate
• Partner	$160-195
• Principal	$110-155
• Senior and Staff Accountants	$75-125
• Clerical	$46

The above rates are subject to an annual review. In the event that disclosures in the audit indicate extraordinary circumstances which warrant more intensive and detailed services, we will provide in advance all pertinent facts relative to the extraordinary circumstances, together with our fee basis for such additional services.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period we shall be free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to McKinleyville Community Services District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Donna L. Taylor CPA,CFE
Partner

Kim Windsor, CPA/ABV
Principal

Enclosure

RESPONSE:
This letter correctly sets forth the understanding of McKinleyville Community Services District.

Signature _____

Title _____

Date _____

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: D.5. **Consider renewal of Memorandum of Understanding of California Conservation Corps Contract for the use of the trailer and parking lot at Pierson Park.**

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

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

Recommendation:

Staff Requests the Board approve the Memorandum of Understanding (MOU) with the California Conservation Corps (CCC) for the use of the trailer and parking lot at Pierson Park.

Discussion:

The McKinleyville Community Services District (MCSD) and the California Conservation Corps (CCC) has worked on several projects over the course of the last several years.

In 2009, MCSD and the CCC entered an agreement where the CCC could utilize the Pierson Park Trailer and parking lot in exchange for providing four (4) weeks of CCC work crews annually to MCSD to work on various projects at MCSD's Parks, Facilities, trails, and open space maintenance zones.

After meeting with representatives from the CCC, they would like to extend the MOU, and staff is recommending extending it through December 31, 2012. The CCC has also agreed to increase the number of weeks per year from 4 weeks to 4 ½ weeks.

In addition to the 4 ½ weeks annually, the CCC representatives have agreed to schedule additional time with MCSD any time their CCC crews are available. The estimated value of 4.5 weeks is $31,500.

Over the course of the last year, the CCC crew has assisted MCSD with the removal of invasive plants at Pierson Park and MCSD's detention basins, completed trail work at Pierson Park and Hiller Park loop trails, and also worked at Hiller Sports Complex.

This MOU with the CCC has proved to be a huge cost savings to the District and its tax payers.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The estimated value of a CCC Crew working five (5) weeks annually is $31,500.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Memorandum of Understanding

Memorandum of Understanding

McKinleyville Community Services District, Parks and Recreation Department and California Conservation Corps Regarding Provision Use of Trailer at Pierson Park

The McKinleyville Community Services District (MCSD) and the California Conservation Corps (CCC) do agree to the following Memorandum of Understanding (MOU) for the operation of the CCC Humboldt Bay Non-Residential Crew (HBNR) at Pierson Park, 1620 Picket Road, McKinleyville, California. This MOU is subject to the following terms, conditions and requirements:

1. MCSD and CCC agree that the operation of HBNR at the Pierson Park site is in the best interest of both organizations. The staff of each organization will do all possible to provide for the suitable, harmonious and cooperative operation of both sites and agree to work with respect and cooperative understanding of each organization's goals and objectives.

2. Each organization shall inform the other of the name and title of each on-site lead person and will advise each other of any changes. It is intended that, so far as possible, all operational needs will be settled on-site. Any issues that arise will be handled by the MCSD General Manager and CCC Conservation Supervisor. The MCSD Board President and the CCC Fortuna Center Director are the final levels of review for unsolved areas of conflict.

3. The CCC site is described as the Parks Office at 1620 Picket Road, McKinleyville. It is agreed that all improvements and property, including the responsibility for repairs, located at this site will be the sole concern of MCSD except as otherwise noted in this MOU.

4. MCSD and CCC agree to mutually indemnify and hold harmless the other, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this MOU, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by MCSD and/or CCC in the performance of this MOU.

5. CCC will pay all charges associated with installation and monthly usage of a telephone line in the back office of the trailer. All other utility costs, including waste removal and disposal, will be the responsibility of MCSD.

6. MCSD will provide space for the CCC's 8' x 10' tool shed to be housed south of the trailer.

7. CCC will provide 4.5 weeks of crew work annually (valued at approximately $31,500) in exchange for use of the facility. This crew work may be scheduled by contacting Larry Notheis at the CCC Fortuna Campus. The crew work may be used for park and facility maintenance, grounds keeping, or other MCSD priorities.

8. Each organization will have the responsibility for compliance with all applicable Federal, State or local rules, ordinances, codes and laws in their designated areas. CCC will enforce the Corpsmember Discipline Policy.

9. No administrative charges will be incurred as a result of this MOU.

10. No funding or transfer of funds is intended, except as noted elsewhere in this MOU.

11. This MOU will take effect on the first business day after it is signed by all parties and will expire on December 31, 2012 unless amended or extended in writing and mutually agreed to by all parties.

12. This MOU stands independent of any other agreement or MOU between the CCC and MCSD in force now or in the future.

13. Either party may cancel this MOU with at least three (3) months written notice to the other.

The undersigned have the authority to represent their organizations and by signing set this Memorandum of Understanding in force:

McKinleyville Community Services District	California Conservation Corps
_____	_____
Helen Edwards President, Board of Directors	Michelle Rankin Fortuna Center Director
Attest:	
_____	_____
Sharon Denison Secretary to the Board of Directors	Erin Healy, Chief Administrative Services Division

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.1. **Introduction of new full time Parks and Recreation employee, Ms. Kellene Tomlinson**

PRESENTED BY: **Jason Sehon & Tony Rutten**

TYPE OF ACTION: **None**

Recommendation:

Listen to presentation by staff.

Discussion:

Kelle Tomlinson has recently been hired as a Maintenance Worker for the Parks Department. Kelle began employment with the District through the CalWORKS program. After the typical 6 month placement with the Parks Department, Kelle's employment was extended and she also began working for the Operations Department.

After about 1 ½ years, Kelle's employment through the CalWORKS program was ended and she was then hired as a Seasonal Laborer position, which she held for five (5) months.

In May 2011, Kelle was hired as a full time Maintenance Worker for the Parks Department. Kelle was selected out of over fifty (50) applicants.

Kelle has brought a wealth of knowledge to our maintenance team, and is a huge asset to the District. She has previous experience pouring structural and decorative concrete, construction and roofing, painting, landscaping, park and facility maintenance, meter reading, and various other maintenance work.

In addition, Kelle is currently certified in 40-hour Hazwopper, CPR, and First Aid.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.2 **Significant accomplishment for MCSD employees**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **None**

Recommendation:

Recognize Customer Service Representative David Baldosser and Board Secretary Sharon Denison for obtaining a Certificate of Completion by attending the Special District Board Secretary/Clerk Foundations Program sponsored by the California Special District Association (CSDA).

Discussion:

Recently two staff members attended the first annual California Special District Association (CSDA) Board Secretary/Clerk Foundations training. This was a comprehensive overview of the legal, administrative and customer service roles of a Board Secretary/Clerk.

Classes included:

- Understanding Fundamental Special District Laws;
- Rules of Order & Facilitating Board Protocols;
- Role of Board Secretary Minutes, Agendas, Resolutions & Ordinances;
- Best Practice in Agenda & Taking/Recording Minutes;
- Board Member liability Issues;
- How to assist the Board in running a meeting;
- Records Retention and Management;
- Public Records Act; Brown Act.

Customer Service Representative David Baldosser and Board Secretary Sharon Denison attended three (3) days of classes, and at the end of the conference were both awarded a certificate of completion.

Normally the CSDA series of courses were offered individually over the year with the requirement that you had to complete all required courses within two years of taking the first course to receive a certificate.

I would like to bring to the Board's attention and acknowledge David and Sharon on their successful completion of this training.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Certificates of Completion

California Special Districts Association

Certificate of Completion

CSDA

Special District Board Secretary / Clerk Program

Monterey, CA - March 3-4, 2011

Mr. David Baldosser

McKinleyville Community Services District

Neil C. McCormick, CSDA Executive Director

Jo Mackenzie, CSDA Board President

Co-Sponsored By:

California Special Districts Alliance
CSDA CSDA Finance Corp SDRMA

SDRMA
Special District Risk Management Authority

California Special Districts Association

Certificate of Completion

Special District Board Secretary / Clerk Program

Monterey, CA - March 3-4, 2011

Ms. Sharon Denison

McKinleyville Community Services District

Neil C. McCormick, CSDA Executive Director

Jo Mackenzie, CSDA Board President

Co-Sponsored By:

California Special Districts Alliance
CSDA CSDA Finance Corp SDRMA

SDRMA
Special District Risk Management Authority

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: E.3. **Adopt Resolution of support to nominate Dennis Mayo for ACWA Region 1 Board Member**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board adopt Resolution **2011-13** nominating Director Mayo to be considered by the Associated California Water Agencies (ACWA) Region 1 Nominating Committee.

Discussion:

The Region 1 Nomination Committee is looking for members who are interested in leading the direction of the ACWA Region 1 for the 2012-2013 term. The five-member Board meets quarterly, subject to the call of the chair. Director Mayo has expressed interest in being selected for the nomination process and the Board must act by Resolution to nominate him.

Timeline:

1. June 30, 2011-Resolution and Nomination Form due.
2. August 1, 2011-Nomination Committee will announce recommended slate.
3. September 30, 2011-Election completion date.
4. October 5, 2011-election results will be announced.
5. January 1, 2012-start of term for newly elected Board.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Resolution 2011-13

EXHIBIT 1

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
RESOLUTION 2011-13

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT PLACING IN NOMINATION DENNIS MAYO AS A MEMBER OF ACWA REGION 1

WHEREAS, the leadership of the ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 1 serve on the ACWA's Statewide Board of Directors and recommend all committee appointments of Region 1;

WHEREAS, members of the Region 1 Board determine the direction and focus of the region issues and activities, additionally they support fulfillment of the ACWA's goals on behalf of the members;

WHEREAS, each candidate must submit a completed and signed "Candidate Nomination Form" on or before the filing deadline in June in order for the candidate's name to be considered;

WHEREAS, there are occasional phone meetings and a Spring and Fall Conference which should be attended. All expenses are covered by the District and no reimbursement is provided from ACWA;

WHEREAS, Dennis Mayo has indicated a desire to serve as Board Member of ACWA Region 1;

NOW THEREFORE, BE IT RESOLVED the Board of Directors of McKinleyville Community Services District does offer its unreserved support in nomination of Dennis Mayo for Board Member of ACWA Region 1 and file the application on or before the June 30, 2011 filing deadline.

PASSED, APPROVED AND ADOPTED on this 15th day of June, 2011 by the following Roll Call Vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Helen Edwards, Board President

ATTEST:

_____
Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.4. **Update on Fischer Ranch Herbicide spraying**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **None**

Recommendation:

Staff will distribute the report prepared by Humboldt County Department of Agriculture, when it is released to the public. Based on the findings in that report, this item may be brought back to the Board for additional discussion

Discussion:

The District was informed by a neighbor that they observed what appeared to be chemical spraying on the Fischer Ranch property on May 14, 2011.

On Tuesday, May 17, 2011 MCSD staff contacted the tenant by phone. He stated that he had applied Weedar 64 to the property. Since that time staff has been in contact with the tenant on numerous occasions.

The District also received additional emails and one letter from a concerned citizen.

The District then contacted the Humboldt County Department of Agriculture and asked them to investigate the incident. They are currently in the process of completing their investigation. We will distribute that information when it is final and available to the public.

Section 3.2.2 of MCSD's Lease Agreement states the following: "*Lessee shall not operate in any manner to cause a waste discharge violation or violation of any state, federal or local law or regulation affecting the environment or the storage, handling, use or discharge of any hazardous material, pollutant or substance.*"

On May 26, 2001 the District sent a letter to the tenant. A copy of that letter is attached.

A number of issues were identified as a result of this incident as follows:

1. We informed the tenant that it is important and mandatory that he provide notices and obtain District approval prior to the application of any chemicals

for the purpose of ensuring that District employees and the public do not enter a treated area during the time that a restricted entry interval is in effect.

2. We informed the tenant that we have requested the Department of Agriculture to investigate the incident and we will distribute their report when it is completed and final

3. We informed the tenant that we all need to be good neighbors and sensitive to the needs and concern of the residents living adjacent to this land and the community in general. It is important that we inform the community about any actions that may potentially impact them or cause them concern. In the future we asked the tenant to take a more proactive approach by first informing MCSD of any actions that may potentially cause concern. Also we asked that the tenant be proactive in providing advance notice and posting. We offered that MCSD could assist the tenant by mailing the appropriate notices to residents in the area as well as posting the information on our WEB site. Advance posting should also be done at regular intervals on the property.

4. We were informed via email from a neighbor that uncontrolled pets were accessing and visiting the fields.

   We were also informed by letter dated May 18th that "the pastures are regularly visited by neighborhood folks and their pets" and "several adults, teens, children, and their pets may have been exposed". The District provided a response in a letter dated May 19th that stated in part as follows:

   > *Your statement that "These pastures are regular visited by neighborhood folks and their pets" and that "several, adults, teen, children and their pets may have been exposed to harmful herbicide without their knowledge." is cause for extreme concern. The reason for my concern is that this land is not a park or available for general public access. If unauthorized members of the public and their pets were inside locked gates in a fenced in area it would be helpful for MCSD to contact them as the entire reclamation area and parcel is restricted to authorized personnel and no pets or people should be using the reclamation area as a recreation area or for any other use. The Regional Water Quality Control Board (RWQCB) has made this determination, and MCSD must maintain compliance with these requirements. The site is clearly marked as a reclamation area and warning signs to not drink the water are posted at regular intervals. I have instructed staff to purchase and add additional "no trespassing" signage to further reinforce that this area is not intended to be used as a public access area. I would appreciate you letting me know if you observe any additional unauthorized access in this area so that we are not in any potential violation of our permit with the RWQCB.*

MCSD has purchased and posted additional signage around the property on June 7, 2011.

5 As to the severity of the incident and any resulting repercussions, MCSD will defer any potential action until we receive further information from the Humboldt County Department of Agriculture as they are the experts and the appropriate regulatory agency to conduct an investigation and provide feedback to MCSD.

The tenant farmer indicated that he applied a very dilute mixture. According to the Humboldt County Department of Agriculture, the tenant farmer may have over diluted the mixture concentration to such a degree that it was not showing impact to the seeds that were sprayed.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Letter dated May 26, 2011
- Letter dated May 20, 2011 to Wheelers
- Marvin Peachey permit application with Dept. of Ag.
- Map identifying spray zone and weather for May 14, 2011

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

mckinleyvillecsd.com

MAIN OFFICE:

PHONE: (707) 839-3251
FAX: (707) 839-8456

PARKS & RECREATION OFFICE:

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

Marvin Peachey
567 Singley Road
Loleta, CA 95551

May 26, 2011

Re: Chemical Application on MCSD Fischer Ranch Property

Dear Mr. Peachey;

We were disappointed to learn from the neighbors in the area that they observed what appeared to be chemical spraying on the property on May 14, 2011.

Section 3.2.2 of the Lease Agreement states the following: *"Lessee shall not operate in any manner to cause a waste discharge violation or violation of any state, federal or local law or regulation affecting the environment or the storage, handling, use or discharge of any hazardous material, pollutant or substance."*

On Tuesday, May 17, 2011 MCSD staff contacted you by phone and you stated that you had applied Weedar 64 to the property. We understand that the Humboldt County Department of Agriculture is currently investigating this incident and when they have concluded their investigation and have prepared a final report it will be available for our review and distribution.

Attached is a copy of the California Code of Regulations pertaining to the Notification of Applications. This section pertains primarily to notifications that Pest Control Businesses that apply pesticides commercially must provide to property owners. You may find this information useful to you in the future.

It is important and mandatory that you provide notices to the District prior to the application of any chemicals for the purpose of ensuring that District employees and the public do not enter a treated area during the time that a restricted entry interval is in effect.

We all need to be good neighbors and sensitive to the needs and concerns of the residents living adjacent to this land and the community in general. It is important that we inform the community about any actions that may potentially impact them or cause them concern. In the future I would like you to take a more proactive approach by first informing MCSD of any

actions that may potentially cause concern. Also I would like you to be proactive in providing advance notice and posting. MCSD can assist you by mailing the appropriate notices to residents in the area as well as posting the information on our WEB site. Advance posting should also be done at regular intervals on the property. I believe that the Department of Agriculture can provide you with additional suggestions regarding notice requirements.

Please coordinate with James Henry, MCSD at 707-839-3251 or 707-496-2295 if you have any questions.

Sincerely,

Norman Shopay

Norman Shopay
General Manager
Cc: James Henry, MCSD

Attachment: California Code of Regulations, Section 6618

Attachment

6618. Notice of Applications.

(a) This subsection applies to the use of any pesticide for the commercial or research production of an agricultural plant commodity. Notifications required by this subsection must be given orally or in writing and completed prior to the use of any pesticide and in ample time for all subsequent notifications to be made and for all persons notified to take appropriate action. This time will differ depending on the circumstances of each notification.

(1) Each person performing pest control shall assure that the operator of the property to be treated receives notice of the scheduled application. The notice must be in a manner the person can understand and include:

(A) The date of the scheduled application;

(B) The location and description of the field to be treated;

(C) The pesticide product name(s), U.S. EPA registration number(s), and active ingredient(s);

(D) Spray adjuvant product name(s) and California registration number(s), if applicable;

(E) The applicable restricted entry interval;

(F) If the pesticide product labeling requires the posting of treated fields-and

(G) Any other precautions printed on the pesticide product labeling, or included in applicable laws and regulations, related to the protection of employees or other persons during or after application.

(2) If there is a change in the date of the scheduled application specified in (a)(1)(A), each person performing pest control shall assure that the operator of the property receives notice of this change prior to the application.

(3) The operator of the property shall assure that notice of the scheduled application is given to employees covered under section 6700 (which includes fieldworkers) and their employers working on the operator's property except as provided in (a)(5). The operator of the property is not required to provide notice to persons who will apply the pesticide(s) or supervise the application for which the notice is intended.

(4) Any employer notified of a scheduled application by the operator of the property shall assure that notice of the scheduled application is given to his or her employees working on the operator's property except as provided in (a)(5).

(5) The notice specified in subsections (a)(3) and (4) is not required to be given to an employee covered under section 6700 (which includes fieldworkers) or their employer if the operator of the property can assure that:

(A) The field to be treated is posted pursuant to section 6776(b-f), unless the pesticide product labeling requires both oral notification and the posting of treated fields; or

(B) From the start of the application and until the notice of completion pursuant to section 6619(c) is received, the employee or employer will not enter or walk within ¼ mile of the field to be treated.

(6) The operator of the property shall assure that notice is given to persons, other than those specified in subsection (a)(3), whom the operator of the property has prior knowledge that he or she will likely enter the field to be treated on the date of the application or while the restricted entry interval is in effect. This notice is not required when a field to be treated is posted as specified in section 6776(b-f).

(7) The notices specified in subsection (a)(3), (4), and (6) must be in a manner the person can understand and include:

(A) The date of the scheduled application;

(B) The location and description of the field to be treated: and

(C) Instructions not to enter the field to be treated until authorized by the operator of the property.

(8) If there is a change in the date of the scheduled application specified in (a)(7)(A), then a new notice must be provided to persons specified in (a)(3), (4), and (6) prior to the application.

(b) This subsection applies to the use of any pesticide for purposes other than the commercial or research production of an agricultural plant commodity. Notifications required by this subsection must be given orally or in writing and be completed prior to the use of any pesticide and in ample time for all subsequent notifications to be made and for all persons notified to take appropriate action. This time will differ depending on the circumstances of each notification.

(1) Each person performing pest control shall assure that the operator of the property receives notice of the scheduled application. The notice must be in a manner the person can understand and include:

(A) The date of the scheduled application;

(B) The identity of the pesticide (including spray adjuvants, if applicable) by brand or common chemical name; and

(C) Any other precautions printed on the pesticide product labeling or included in applicable laws or regulations related to the protection of employees or other persons during the application.

(2) The operator of property shall assure that notice is given to all persons who are on the property to be treated, or who may enter during the application or the period of time that any restrictions on entry are in effect, except for the persons who made or supervised the application for which the notice is intended. The notice must be in a manner the person can understand and include:

(A) The date of the scheduled application;

(B) The identity of the pesticide (including spray adjuvants, if applicable) by brand or common chemical name; and

(C) Precautions to be observed as printed on the pesticide product labeling or included in applicable laws or regulations related to the entry of the treated area.

(3) Compliance by licensed Structural Pest Control Operators with the notice requirements of Section 8538 of the Business and Professions Code meets the requirements of this subsection.

(4) Compliance by public agencies with the notice or barrier requirements of Section 12978 of the Food and Agricultural Code meets the notice requirements of this subsection.

NOTE: Authority cited: Sections 12976 and 12981, Food and Agricultural Code.

Reference: Sections 11501, 12980, and 12981, Food and Agricultural Code; and Section 8538, Business and Professions Code.

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PARKS & RECREATION OFFICE:

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FAX: (707) 839-5964

George and Jennifer Wheeler and family
1807 Cliff Avenue
McKinleyville, CA 95519

May 19, 2011

Dear George and Jennifer Wheeler and family,

This letter responds to your letter dated May 18, 2011. I appreciate the information that you have provided and understand your concerns. McKinleyville Community Services District (MCSD) has previously contacted the tenant farmer and also Humboldt County Department of Agriculture regarding this matter. Humboldt County Department of Agriculture will be meeting with the tenant farmer by the end of next week. After that meeting the Department of Agriculture will be providing additional information to MCSD. The contact at the Department of Agriculture is David Juliano and his number is 445-7223.

Your statement that "These pastures are regular visited by neighborhood folks and their pets" and that "several, adults, teen, children and their pets may have been exposed to harmful herbicide without their knowledge." is cause for extreme concern. The reason for my concern is that this land is not a park or available for general public access. If unauthorized members of the public and their pets were inside locked gates in a fenced in area it would be helpful for MCSD to contact them as the entire reclamation area and parcel is restricted to authorized personnel and no pets or people should be using the reclamation area as a recreation area or for any other use. The Regional Water Quality Control Board (RWQCB) has made this determination, and MCSD must maintain compliance with these requirements. The site is clearly marked as a reclamation area and warning signs to not drink the water are posted at regular intervals. I have instructed staff to purchase and add additional "no trespassing" signage to further reinforce that this area is not intended to be used as a public access area. I would appreciate you letting me know if you observe any additional unauthorized access in this area so that we are not in any potential violation of our permit with the RWQCB.

As to the severity of the incident and any resulting repercussions, MCSD will defer any potential action until we receive further information from the Humboldt County

Department of Agriculture as they are the experts and the appropriate regulatory agency to conduct an investigation and provide feedback to MCSD.

I appreciate your suggestion of notifying the public as more information becomes available and will make every effort include the public in the process. If you are able to provide me with your email address I can forward information to you as I receive it.

Again thank you for your input and concerns. Please call me if you have any additional questions.

Sincerely,

McKinleyville Community Services District

Norman Shopay
General Manager

Humboldt County Agricultural Commissioner
Restricted Materials Permit/Operator Identification Number
Conditions & Notifications

Permittee Marvin Peachey **Permit/OIN** 1200010

NA 1. Restricted Material Permit Conditions
Employee(s): ☒ No ☐ Yes If yes: ☐ Handler ☐ Field Worker

✓ 2. Groundwater Protection: Wellhead Protection - 3CCR 6609
Artificial Recharge Basin - 3CCR 6487.1
Inside Canal and Ditch Banks – 3CCR 6487.2

✓ 3. Endangered Species: Consult PRESCRIBE online database at http://www.cdpr.ca.gov/docs/endspec/prescint.htm for any restrictions.

NA 4. Bee Protection Policy

NA 5. Non-Agricultural uses of a restricted material: a NOI shall be submitted for each use of a restricted material and an annual inspection is required.

NA 6. Special Registration/Other: ☐ Section 18 documentation form ☐ Special Local Need
☐ Other_____

Fumigant Conditions & Requirements

Accurate maps are required for field fumigations, showing actual distances to property lines, residential areas, sensitive sites or other areas determined by the Commissioner. Required buffers shall also be indicated on the map. If a structure will be vacated for the application and REI, please make sure this is indicated on the NOI, recommendation and map submitted. *A pre-site inspection is required for all fumigations.*

NA 7. Fumigant Management Plan submitted prior to application.

NA 8. Telone: DPR Recommended Permit Conditions

NA 9. Chloropicrin: Fumigation /Application Conditions

NA 10. Metam Sodium: DPR Recommended Permit Conditions

NA 11. Methyl Bromide Commodity Fumigations: DPR Recommended Permit Conditions,
Worksite Plan completed and approved on file prior to application

The above marked conditions and notifications have been issued to you and shall be followed for the use of pesticides within Humboldt County.

Marvin Peachey
Permittee signature

Gabriel Allen
Issuing Officer

5-26-11
Date

HUMBOLDT COUNTY DEPARTMENT OF AGRICULTURE
5630 SOUTH BROADWAY
EUREKA, CA 95503
Office: (707)441-5260 Recorder (NOI) ( ) - FAX: (707)445-7220

==========

OPERATOR/SITE IDENTIFICATION NUMBER

OPERATOR/SITE I.D. #: 12-11-1200010
County HQ District #:

MARVIN PEACHEY
567 SINGLEY ROAD
LOLETA, CA 95551

Expiration Date: 12/31/2011
Effective Date : 05/26/2011

MARVIN PEACHEY
567 SINGLEY ROAD
LOLETA, CA 95551

Business: (707)601-8776
Shop:
Mobile/PGR: (707)601-8776
FAX: (707)768-3601

Employees handle pesticides (Y or N) |N|

Contact People:	Phone	PCO	PCA	PCD	Other
MARVIN PEACHEY	(707)601-8776	| |	| |	| |	| |

Numb	Pesticide	Pest(s)	Form.	Method(s)	Applicator(s)
99900	NON-RESTRICTED	BROADLEAF	All Reg	Ground	Grower

Permit Applicant: Marvin D. Peachey Sign: Marvin D. Peachey

Title: Owner Lessee Issue Date: 5-26-11

Issuing Officer: Gabriel Allen Issue Date: 5/26/2011

MARVIN PEACHEY Operator/Site #: 12-11-1200010

Site #	Location/Site Narrative Crop	Dist	Sect Quant	Town Unit	Range Condition	Meridian
10-1	SCHOOL RD AND FISCHER		11	07N	01E	H
	RANGELAND (Code: 28045- 0) 99900		100.00	A		

*** Last Page ***

Herbicide Spray Zone

McKinleyville CSD Ranch

Herbicide was applied
from 7am - 11am
May 14, 2011

Max Wind Speed 3.45 mph

Avg. Wind Speed 1.72 mph

Wind Direction, May 14, 2011

Dominant wind direction
for 7am -11am
was from the Northwest
(compass direction 310)

Weather data originated from
the Eureka Weather Station
for May 14, 2011
from 7am - 11am

School Rd Trails

Spray Zone

Map Created By:
Brian Anspach
North Coast Mapping Solutions
(707)-601-7405
May 2011

The weather data provided by Weather Source originates exclusively from agencies of the US Government's National Oceanic and Atmospheric Administration (NOAA), including the National Climatic Data Center (NCDC) and the National Weather Service (NWS). The data is quality controlled by both NCDC and Weather Source and is reliable and authoritative.

0 400 800 Feet

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: E.5. **Consider participation in household hazardous waste collection event to be held at Pierson Park on Saturday July 9, 2011**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Approve participation in the household hazardous waste collection event to be held at Pierson Park on Saturday July 9, 2011 by approving a 30% cost share not to exceed $10,000 for those households that can be actually identified and verified to be within the MCSD service area.

Discussion:

The previous household hazardous collection event held at Pierson Park in July 2010 saw 59% participation by 264 households within the MCSD service area. That previous event was made possible by a cost sharing agreement between MCSD and Humboldt Waste Management Authority (HWMA).

HWMA is planning another event in McKinleyville on Saturday, July 9, 2011 at Pierson Park. Last year McKinleyville contributed $10,000 toward the event. The total cost of the event was $43,748.25.

Benefits of this participation included diverting potential hazardous chemicals and medications from the MCSD waste water management facility to an approved disposal facility.

HWMA is requesting that the Board approve a 30% cost share.

Mr. Brent Whitener from HWMA is present this evening and would like to provide some additional information on the program benefits.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action
- Approve an amount less than $10,000 and/or reduce the maximum percentage cost share

Fiscal Analysis:

- The sewer fund would be charged the amount approved by the Board.
- The recently approved budget included an amount not to exceed $10,000 in anticipation of this event.

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- May 26, 2011 correspondence from Humboldt Waste Management Authority

hwma

RECEIVED

MAY 31 2011

McK. C.S.D.

May 26, 2011

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

Dear Mr. Shopay:

The household hazardous collection event held at Pierson Park in July 2010 saw 59% participation by 264 households within the MCSD service area, set against a huge participation of over 450 vehicles. For a second year, the event was made possible by the cost share agreement between MCSD and HWMA.

We are planning another McKinleyville event, currently slated for Saturday, July 9th at Pierson Park, and would again ask for a thirty percent cost share allocation from MCSD. Last year your contribution totaled $10,000, meeting the district's 30% or $10K contribution cap for an event with a total cost of $43,748.25.

Although expensive, these events yield two obvious benefits. MCSD households attending these events pay no fee for disposal and the hazardous chemicals and medications are diverted from the MCSD treatment works and the Mad River.

We thank you for proving to be such gracious hosts, and look forward to another successful event in July.

Sincerely,

Brent Whitener
Programs Manager

Humboldt Waste Management Authority
1059 West Hawthorn Street
Eureka, California 95501

707-268-8680
FAX 707-268-8927
www.hwma.net

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: E.6 **Revised water and sewer capacity fee rates for new service connections**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Adopt resolution number 2011-14 adjusting the current water and wastewater capacity assessed for new customers by the amounts presented in the Final Capacity Fee Study dated May 25, 2011 as presented on table 2-6 for water capacity fees and on table 3-7 for sewer capacity fees

Discussion:

Water capacity fees were last adjusted in 1991 and wastewater capacity fees were last adjusted in 1999.

The current fees are low, and do not adequately fund previous project debt service, reflect updated system demands, and/or needs for expanded or additional facilities.

Current MCSD water capacity fee rates were:

- Established in 1991 at $154 per Equivalent Residential Unit (ERU)

Current wastewater capacity fee rates were:

- Established in 1999 at $1,761 per ERU.

1. An initial “draft” study was presented to the Board at the February 16, 2011 Board meeting.
2. An updated revised “draft” study dated March 11, 2011 was prepared and distributed based on initial Board comments and suggestions and comments received.
3. An updated revised “draft” study dated April 5, 2011 was prepared and distributed.
4. MCSD conducted discussions with interested development stakeholders during the last week of April
5. An updated revised “draft” study dated May 5, 2011 was prepared and distributed.

6. A general workshop was noticed in the newspaper and conducted on May 12, 2011 during the afternoon and the evening.
7. A “final” study dated May 25, 2011 was prepared, distributed and posted on our Web site.

If capacity fees are not adjusted, current customers will need to share a greater burden of future costs related to water and sewer improvements when water and sewer rates are revised.

Chris Fischer and Pierce Rossum from Willdan Financial Services are here this evening and will be providing a more detailed overview presentation.

Alternatives:

Take No Action

Adjust the total amount of water and sewer capacity fees to new customers

Phase in the amount of capacity fees assessed over a period of time

Fiscal Analysis:

From 1991 the District added 1,993 new water connections and since 1993 the District added 1,469 new sewer connections.

If capacity fees were adjusted to $2,358 for water and $ 4,840 for sewer in 1991 and 1993 the District could have accumulated an additional:

$4.4 million into our capital water reserve fund: and

$4.5 Million into our sewer reserve fund.

This amount would have been available to use to fund future water and sewer improvements.

Shifting a portion or all the proposed capacity fee amount would result in adding increased cost to current rate payers.

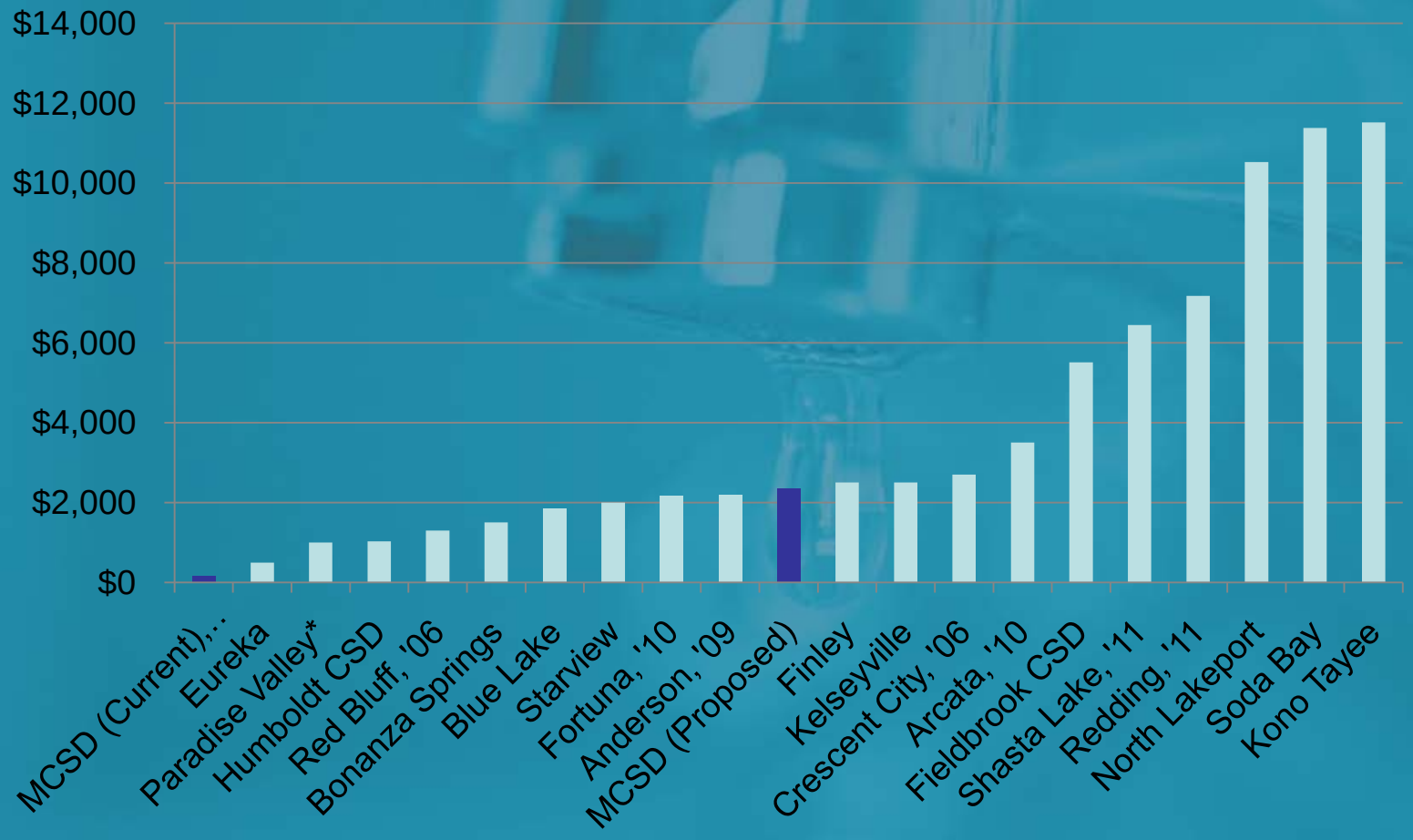
Environmental Requirements:

Not applicable

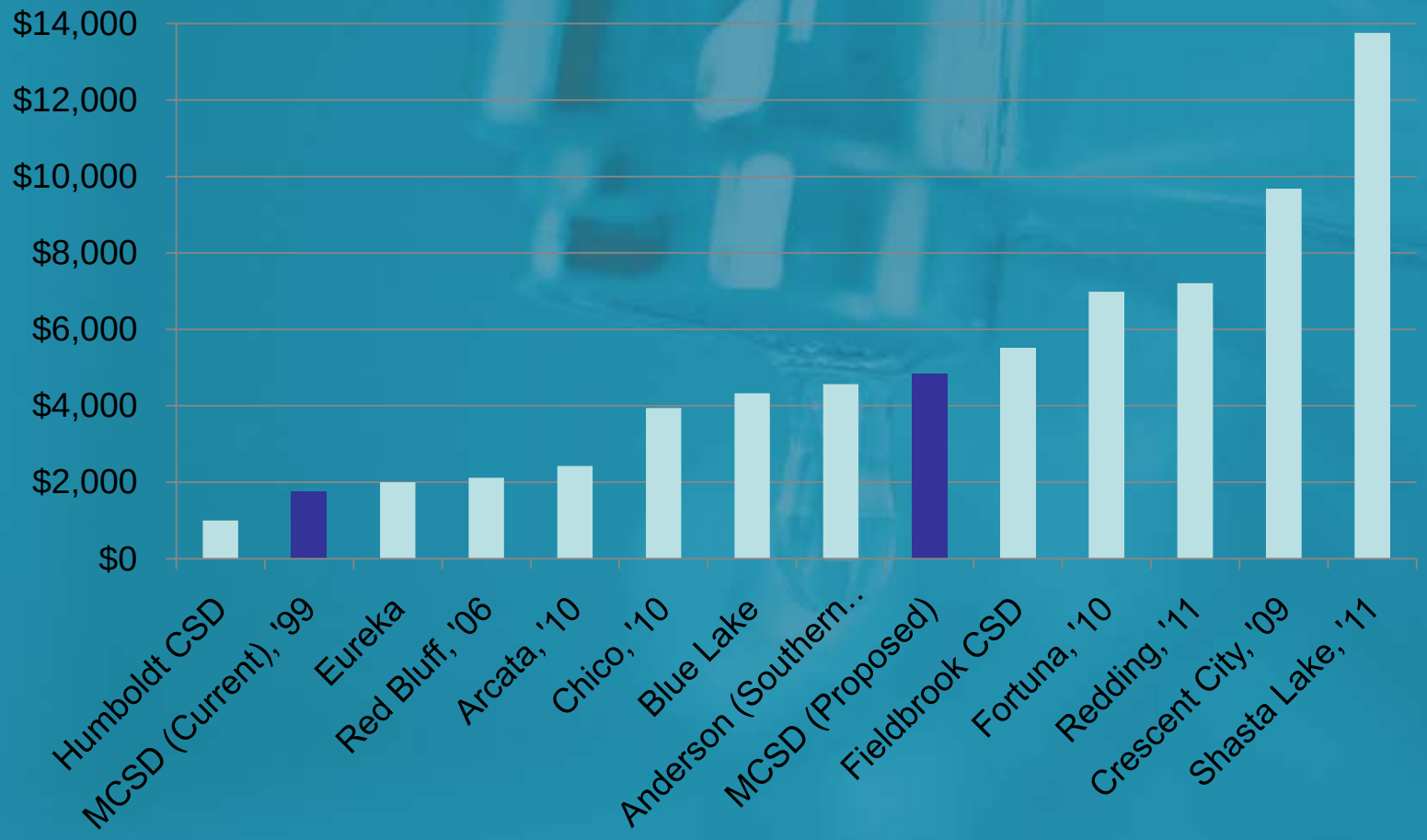
Exhibits/Attachments

- Water and Sewer Comparison with other Districts
- Final Capacity fee study dated May 25, 2011
- Willdan Presentation Handouts
- Resolution Number 2011-14

Single Family – Water Comparison



Single Family – Wastewater Comparison



FINAL

WATER AND SEWER CAPACITY FEE STUDY

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

MAY 25, 2011

WILLDAN Financial Services
extending your reach

OVERVIEW

McKinleyville Community Services District (the District) retained Willdan to prepare a capacity fee study for District's water and sewer utility systems. Capacity fees are one-time charges used to fund capital improvements necessary for the expansion of a utility system. The recommended capacity fees for the District are proportionate and reasonably related to the capital facility demands of new development. This report documents the data, methodology, and results of the capacity fee study.

The District applies two types of one-time fees to its water and wastewater system users: Capacity Fees and Connection Fees. A capacity fee is a one-time fee that is charged for new, additional, or larger connections to the District's utility system. Capacity fees recover the costs associated with providing additional facility capacity to new users and existing users requiring additional capacity. Connection fees are used to recover costs associated with the physical installation of lateral connections to the utility system, and can be thought of as "plumbing charges". The scope of this study is limited to a review of the capacity fees.

It has been some time since the District last updated the current water and wastewater capacity fees in 1991 and 1999 respectively. The current fees do not adequately reflect updated system demands and needs for expanded or additional facilities. In addition, several anticipated projects (Ramey Pump Station Upgrade, Murray Road Water Tanks, Waste Water Management Facility upgrade, Mad River Bridge crossing pipeline) will improve water and wastewater services.

EXISTING CAPACITY FEES

The District's existing capacity charge, for both water and sewer is based on Equivalent Residential Units (ERU) and is a one-time charge determined per District *Rule 1.21*. An ERU is defined as any single-family residential structure. Other types of structures are evaluated by the District on an individual basis with respect to average monthly flows, and the capacity charge imposed thereon is adjusted to be appropriately proportionate to the standard charged imposed on ERU

Current water capacity fee rates were established in 1991 at $154 per Equivalent Residential Unit (ERU). Current wastewater capacity fee rates were established in 1999 at $1,761 per ERU. Consequently, the District's existing water and sewer capacity charges are insufficient and do not adequately cover the costs associated with serving new development.

OBJECTIVE AND REGULATORY REQUIREMENTS

The primary objectives of establishing a full cost recovery capacity fee are to achieve equity in distributing costs and to provide a means by which new users can pay for the costs of the facilities required to serve them without burdening existing users.

The legal requirements for enactment of development impact fee program (capacity fees) are set forth in Government Code §§ 66000-66025 (the "Mitigation Fee Act"), the bulk of which were adopted as 1987's AB 1600 and thus are commonly referred to as "AB 1600 requirements." A development impact fee is not a tax or special assessment; by its definition, a fee is voluntary and must be reasonably related to the cost of the service provided by the local agency. If a development impact fee does not relate to the impact created by development or exceeds the reasonable cost of providing the public service, then the fee may be declared a special tax and must then be subject to a two-thirds voter approval.

CALCULATION METHODOLOGIES

Anyone of several legitimate methods may be used to calculate utility capacity fees. The choice of a particular method depends primarily on the service characteristics and planning requirements for the facility type being addressed.

Reduced to its simplest form, the process of calculating capacity fees involves two steps: determining the cost of development-related capital improvements, and allocating those costs equitably to various types of development. However, the calculation of capacity fees can become complicated due to the many variables involved in defining the relationship between development and the needs for facilities.

There are three basic methods used to calculate the components of the District's capacity fees. The methodologies are used to determine the best measure of demand created by new development for each component of the capacity fees. The methodologies can be classified as looking at the past, present, and future capacities of infrastructure.

- In instances where infrastructure has been built in advance of new development and there is excess capacity available to be utilized by new development, the **buy-in methodology** is utilized. Under this methodology, new development repays the community for previous capacity investments via the capacity fee.
- The **incremental expansion methodology** is used when a community plans to provide new development the same level-of-service (LOS) that is currently being provided to existing development in increments. Generally, utility infrastructure does not lend itself to this methodology given its nature of having to be in place prior to new development and capacity being constructed in large segments.
- The **plan-based methodology** utilizes the District's capital improvement plan (CIP) and related master plans to determine new development's share of planned projects. Projects that do not add capacity, such as routine maintenance or replacement of existing facilities, are not included in the fees. Projects that add capacity are further evaluated as to the percentage of the project attributable to existing development versus new development. Only the portion of planned projects attributable to new development is included in the capacity fees.

Based on the available data, the majority of the facility components analyzed and incorporated into the proposed capacity fees utilize the plan-based methodology, with the buy-in methodology used to recover costs associated with excess distribution and treatment capacity. A summary of the capacity fee components and methodologies are shown in the Figure 1-2:

Figure 1-2: Capacity Fee Component Methodology

Water Capacity Fee Components	Calculation methodology
Resources	Plan-Based
Storage	Plan-Based
Distribution	Plan-Based
Distribution	Buy-In
Planning and Study Efforts	Plan-Based
Wastewater Capacity Fee Components	**Calculation methodology**
Treatment	Plan-Based & Buy-In
Interceptors	Plan-Based
Collection lines	Plan-Based
Planning and Study Efforts	Plan-Based
Joint Cost Components	**Calculation methodology**
Water	Plan-Based
Sewer	Plan-Based

DEVELOPMENT & DEMAND DATA

Both existing and planned development must be addressed as part of the analysis required to support the establishment of capacity fees. This section of the report organizes and correlates the information to provide a framework for the capacity fee analysis. The information in this section forms a basis for establishing levels of service, analyzing facility needs, and allocating capital facilities costs between existing and future development and among various customer types.

Currently the District has 6,042 lateral water connections, serving approximately 5,315 active water accounts. The district has fewer sewer connections, at 4,495. As part of the Humboldt County general plan update, the County has provided the District with a variety of new development projections. Based on these projections the mid-point additional development potential for McKinleyville CSD is approximately 1,800 development units, with maximum additional development units of approximately 5,500. **The capital improvement projects listed in this study, as developed by the District, reflect the required CIP associated with the County's mid-point development projection**. An adjustment to the development projections would correspondingly affect the amount of required CIP necessary to serve further development.

A future projection of customer demand is necessary in evaluating the capacity of the District's current systems and analyzing plans for future capacity expansions. The District plans and sizes its utility infrastructure needs based on all potential users and possible demands. Thus, the capacity fees analysis utilizes projections of peak daily demands, as these are the factors attributed to design and implementation of the utility infrastructure.

WATER CONSUMPTION CHARACTERISTICS

As the composition (single family vs. commercial) of future build-out is unknown; Willdan performed a detailed consumption analysis which revealed that each new unit of growth is expected to demand an average of 9.7 units, or hundred cubic feet (HCF), per month, based on historical averages. As a result, the forecasted 1,800 development units will generate an annual water demand of nearly 185,000 HCF. A 30% increase in consumption from current levels.

Figure 1-3: Water Connection and Consumption Projections

	Existing	Growth	Projected Build-out
Total Annual Consumption (hcf)	619,326	209,744	829,070
Total Potable Water Active Connections	5,315	1,800	7,115
Consumption per Connection (hcf)	116.5	116.5	116.5
Monthly Consumption per Connection (hcf)	9.7	9.7	9.7

SEWER DISCHARGE CHARACTERISTICS

Similarly, Willdan applied, and confirmed the validity of, industry standard discharge factors to determine the amount of water being discharge to the sewer system. As sewer discharge is not metered, it is necessary to apply a discharge factor to account for water used for irrigation – Industry standards, dictate that Single Family Residential units discharge approximately 70% of water use, while all other customer classes discharge approximately 90% of water consumption. The discharge-weighted average for the entire system was determined to be 76%. These figures were reconciled against the District's treatment records to confirm the appropriate application of industry standards.

With the discharge factors applied, average monthly discharge is 7.4 HCF per account. Consequently, the forecasted 1,800 units will generate an annual sewer discharge of 159,405 HCF annually, a 34% increase in discharge from current levels.

Figure 1-4: Sewer Discharge Factor Projections

	Existing	Growth	Projected Build-out
Total Annual Consumption (hcf)	619,326	209,744	829,070
Total Potable Water Active Connections	5,315	1,800	7,115
Consumption per Connection (hcf)	116.5	116.5	116.5
Monthly Consumption per Connection (hcf)	9.7	9.7	9.7
Discharge Factor	76%	76%	76%
Total Annual Discharge (hcf)	470,688	159,405	630,093
Monthly Discharge per Connection(hcf)	7.4	7.4	7.4

WATER CAPACITY FEES

Figure 2-1 below lists water related CIP items. Capacity fees can only recover costs directly attributable to new development. Accordingly, with the assistance of Willdan, District staff reviewed CIP projects, project by project and determined a percent of the project total cost that is directly related to new development. The portions of project costs not attributable to growth are then allocated to existing users as part of the monthly water rates.

The CIP presented below represents the capital projects necessary to meet the demands of projected growth. Additionally, as the list includes CIP projects that are to be completed over the next ten years (through June 30, 2021), all CIP projects have had an annual inflation factor (the Engineering News Record Construction Index) applied so that the cost in the year of projected completion best approximates then-current costs.

Figure 2-1: Water System Capital Improvement Program Allocation

Water System	Total Cost (Inflated)	% Attributed to Growth	(Inflated $) Attributed to Growth	Component
Murray Road Tank	3,710,745	15%	556,612	Storage
Property Purchase	542,882	65%	352,873	Distribution
Emergency Water Line River Crossing	928,346	30%	278,504	Distribution
Water Tank Upgrade	1,109,391	30%	332,817	Storage
Ramey Pump Upgrades	1,105,210	80%	884,168	Distribution
Emergency Water Supply	300,331	50%	150,166	Distribution
Radio Telemetry Upgrade	143,045	0%	-	N/A
Meter Reader Upgrade	46,594	0%	-	N/A
Generator Testing	11,869	25%	2,967	Distribution
McCluski Tank 3A Roof Upgrade	5,429	0%	-	N/A
Tank Seismic Actuators	-	0%	-	N/A
Fire Hydrant System Upgrade	100,761	50%	50,380	Distribution
Water Main Rehabilitation and Replacement	2,311,497	25%	577,874	Distribution
Meter Replacements	1,497,333	0%	-	N/A
Total Water	**11,813,433**		**3,186,362**	

WATER STORAGE

The District plans to spend $4,820,136 on the Murray Road water storage tank over the next ten years. Of which, fifteen percent or $889,429 of the cost/need is attributable to new growth. A new 3-million gallon tanks is planned for construction on the District's Murray Road site. The new tank at that location would increase the District's storage capacity, enhance fire flows during peak summer usage and provide additional system capacity for new growth, especially in northern McKinleyville. Staff has determined it would be advantageous to initiate phased construction of two tanks at this location in order to spread the cost over a longer period, and to enhance the operational flexibility of the system by having two tanks to allow for maintenance and redundancy.

Figure 2-2: Water Storage Projects Allocated to New Growth

Water System	Total Cost	Cost Allocated to Growth
Murray Road Tank	3,710,745	556,612
Water Tank Upgrade	1,109,391	332,817
Total Water	**4,820,136**	**889,429**
	Ten Year Total	**889,429**
	Gallons of Capacity per Day	450,000
	Cost Per Gallon	$ 1.98

WATER DISTRIBUTION

The District purchases all of its water from Humboldt Bay Municipal Water District. Water is pumped from HBMWD's facility on the Mad River to the Ramey Pump Station. Water is then pumped to MCSD's six storage tanks where it is gravity fed to MCSD's customers.

Given the ability for new development to utilize excess distribution capacity, the buy-in methodology is used to calculate the portion of the proposed Water Capacity Fee attributable to distribution facility costs.

In order to determine the appropriate buy-in charge, the total cost of the existing plants assets were reviewed. The records revealed the original cost of the District's utility system was $10.1 million, $8.8 million less Grant funded and Developer contributed capital. This cost ($8,859,436) was divided by the distribution capacity of the existing infrastructure (5,250,000 gallons per day) yielding a buy-in cost of $1.69 per gallon.

In addition, the District is planning on seven water distribution projects over the next ten years. Discussions with District staff indicate that these projects will provide sufficient capacity for forecasted mid-point build-out. Based on projections of peak water demand from new development, new development over this period is projected to place a demand of 689,936 gallons daily (Average Daily Use * Peak * Number of Accounts).

Additionally, allocated to water distribution are costs related to securing and constructing an emergency water supply. Although currently deficient, the proposed emergency water supply is being sized to accommodate existing and future growth. As such, the cost of the project is being split equally between existing and future users.

Figure 2-3: Water Distribution Projects Allocated to New Growth

Water System	Total Cost	Cost Allocated to Growth
Property Purchase	542,882	352,873
Emergency Water Line River Crossing	928,346	278,504
Ramey Pump Upgrades	1,105,210	884,168
Emergency Water Supply	300,331	150,166
Generator Testing	11,869	2,967
Fire Hydrant System Upgrade	100,761	50,380
Water Main Rehabilitation and Replacement	2,311,497	577,874
Total Water	**5,300,896**	**2,296,933**
	Ten Year Total	**2,296,933**
	Gallons of Capacity per Day	689,936
	Cost Per Gallon	$ **3.33**

JOINT COSTS

To ensure adequately supply water and sewer for new development, the District also needs non-capacity items such as administrative building space. These costs are allocated to cost per connection, since connections are the best proxy for estimating demand. These costs reflect the additional demand on administrative and overhead costs associated with an increased service population. Joint costs total $2,421,473 with new growth being allocated $682,663. As these are joint costs between the two services, costs were halved, with each being apportioned $341,331. As shown in Figure 2-4, the cost per new account for the joint costs is $189.63.

Figure 2-4: Joint Cost Capital Improvement Program Allocation

Joint System	Growth's Cost	% Attributed to Growth	Cost Allocated to Growth	% to Water	Cost to Water	% to Sewer	Cost to Sewer
Backhoe	80,025	20%	16,005	50%	8,002	50%	8,002
Dump Truck	126,003	20%	25,201	50%	12,600	50%	12,600
Tractor and Attachments	150,194	20%	30,039	50%	15,019	50%	15,019
Air Compressor and appurtenances	48,047	20%	9,609	50%	4,805	50%	4,805
3/4 or 1-Ton Pickup	420,346	20%	84,069	50%	42,035	50%	42,035
Van/Car	72,253	20%	14,451	50%	7,225	50%	7,225
Light Duty Utility Truck	110,854	20%	22,171	50%	11,085	50%	11,085
Facility Upgrades and sealcoat	197,714	20%	39,543	50%	19,771	50%	19,771
ADA Upgrade	12,518	0%	-	50%	-	50%	-
Office Building	359,714	80%	287,771	50%	143,885	50%	143,885
Property Purchase - Joint	-	50%	-	50%	-	50%	-
Building Roofs	37,281	0%	-	50%	-	50%	-
PCs, Software, & Printers	138,898	30%	41,670	50%	20,835	50%	20,835
File Server Upgrade	57,258	30%	17,177	50%	8,589	50%	8,589
MOM Upgrade and Replacement	143,505	30%	43,051	50%	21,526	50%	21,526
Office Equipment	62,548	20%	12,510	50%	6,255	50%	6,255
GIS/SEMS/CADD Equipment and Software	65,004	20%	13,001	50%	6,500	50%	6,500
Misc./ Emergency Equipment Replacement	179,729	0%	-	50%	-	50%	-
GPS Surveying Equipment	52,515	30%	15,754	50%	7,877	50%	7,877
Office Emergency Generator	53,859	0%	-	50%	-	50%	-
Emergency Response Equipment and Supplies	53,208	20%	10,642	50%	5,321	50%	5,321
Total Joint	**2,421,473**		**682,663**		**341,331**		**341,331**
Ten Year Total			**682,663**		**341,331**		**341,331**
Projected Development (Units)					1,800		1,800
Cost Per Unit					$ **189.63**		$ **189.63**

Water use for residential and nonresidential customers was determined using data from the District's billing records. The figure below summarizes the demand factors and each components cost per gallon for additional water capacity (figures 2-2 through 2-4).

Figure 2-5: Water Capacity Fee Demand and Cost Summary

Water Demand and Cost Summary

Demand Summary	Factors
Annual Residential Consumption (hcf)	439,909
Annual Residential Consumption (gallons)	329,051,932
Residential Accounts	4,658
Daily Residential Consumption (gallons)	**194**
Average Month Consumption	36,659
Max Month Consumption	57,666
Residential Peaking Factor	**1.6**
Gallons per Peak day per Single Family Connection	**310**

Water Component Cost Summary	Planned	Buy-in
Storage	$1.98	
Distribution	$3.33	$1.69
Net Capital Cost per Gallon of Capacity	**$6.99**	
Joint Costs (per connection)	$189.63	
Net Capital Cost per Connection	**$189.63**	

WATER CAPACITY FEES

Beyond updating the fee, Willdan is recommending the District update the existing fee structure. Currently, the District's capacity fee is calculated by ERU – where each new connection equivalents units have to be manually calculated based on a variety of factors. The proposed water connection fees are based on the size of the installed water meter, as recommended by the American Water Works Association (AWWA). A capacity ratio, based on the meters flow rating (in gallons per minute), is used to determine a capacity ratio from a standard 5/8 inch meter into a proportionate fee for larger meter sizes. The capacity ratios are consistent with industry standards and are an accurate reflection of the possible demand of different meter sizes.

For the smallest meter size, 5/8 inch water meter, the fee is derived by multiplying the gallons per day per residential connection (figure 2-5) by the total capital cost per gallon of capacity (figure 2-5). The next step in the fee calculation is to add the average cost per water customer for joint costs. For example, 310 peak gallons per residential connection (from Figure 2-5) multiplied by $6.99 (cost per gallon of capacity - Figure 2-5) equals $2,168 Adding $189.63 (capital cost per connection) yields a capacity fee of $2,358 for a 5/8 inch meter. For larger meter sizes, include the capacity ratio in the formation fee (before adding the capital cost per connection)

FIGURE 2-6: WATER CAPACITY FEES

Component Unit Cost	$1.98	$5.02	$189.63	
Component Mutliplier	310	310	1	
Water Meter Size	**GPM**	**Capacity Ratio**	**Storage**	**Distribution**	**Joint Costs (per account)**	**Total**
5/8"	20	1.0	$ 613	$ 1,555	$ 189.63	**$ 2,358**
3/4"	30	1.5	919	2,333	189.63	**3,441**
1"	50	2.5	1,532	3,888	189.63	**5,609**
1 1/2"	100	5.0	3,064	7,776	189.63	**11,029**
2"	160	8.0	4,902	12,441	189.63	**17,533**
3"	300	15.0	9,191	23,328	189.63	**32,708**
4"	500	25.0	15,318	38,880	189.63	**54,387**
6"	1000	50.0	30,636	77,759	189.63	**108,585**
8"	1600	80.0	49,017	124,414	189.63	**173,621**
10"	2300	115.0	70,463	178,846	189.63	**249,498**

Please note, due to recent changes in building code regulations, new single-family homes are to be sized with a 1" meter because of fire protection systems, rather than the typical 5/8" meter. It is recommended that all new single-family residential units, with meter sizes 5/8" up to 1", be charged the 5/8" meter rate to reflect their typical demand on the system.

The District has been taking steps to identify and project the affects of growth in central McKinleyville. Until the District knows the full extent of the County's development plan for McKinleyville, upgrades have been placed on hold. The figure below lists the sewer CIP attributable to new development as prepared by District staff. As part of the rate setting process, CIP projects are identified as growth-related, existing needs (O&M), or a percentage of both. The CIP presented below represents the capital project requirements needed to meet projected growth. The O&M portion will be utilized in the revenue requirements analysis in future rate analyses.

Figure 3-1: Sewer Capital Improvement Program Allocation

Sewer System	Total Cost (Inflated)	% Attributed to Growth	(Inflated $) Attributed to Growth	Component
NPDES Permit	194,352	30%	58,305	Planning and Study Efforts
Industrial Permit Discharge	128,264	25%	32,066	Treatment
WWMF Upgrade/CEQA/Permitting	13,580,063	30%	4,074,019	Treatment
WWMF Driveway Repaving and Sealcoating	26,526	0%	-	N/A
WWMF Fencing and Gate	88,756	0%	-	N/A
WWMF SO2/Chlorine Injector Controllers	61,286	50%	30,643	Treatment
WWMF SO2/Chlorine Shut Off	64,050	50%	32,025	Treatment
WWMF Security Upgrades/ Cameras	16,790	20%	3,358	Treatment
WWMF Building Maintenance	34,018	0%	-	N/A
WWMF Grinder Maintenance	32,338	0%	-	N/A
WWMF Sludge Maintanence	142,065	30%	42,620	Treatment
Property Purchase/Improvements	556,446	10%	55,645	Collection Lines
Collection System Upgrades	739,274	100%	739,274	Collection Lines
Sewer Main Rehabilitation and Replacement	-		-	N/A
Sewer Lift Sta. Pump Maint. and Replacement	143,673	50%	71,836	Interceptors
Radio Telemetry Upgrade - Sewer	117,172	0%	-	N/A
Meter Replacement: WWMF, FIS	20,960	0%	-	N/A
Fischer Lift Station Grinder Maint.	51,735	0%	-	Interceptors
Sewer Main Camera Unit	74,266	50%	37,133	Collection Lines
Underground Pipe Locater & Camera	13,135	50%	6,568	Collection Lines
Generator Upgrades Maintenance	623,201	25%	155,800	Interceptors
SCBA Apparatus and Bottles	22,059	0%	-	N/A
Hydrocleaner (Sewer Fund) and appurtenances	387,123	50%	193,561	Collection Lines
Barn and Fence Maintenance	14,324	0%	-	N/A
Repairs and Maintenance	25,339	0%	-	N/A
Total Sewer	**17,157,214**		**5,532,853**	

TREATMENT

In order to determine the cost associated with the remaining plant capacity, Willdan reviewed the Districts Property, Plant, and Equipment (PPE) schedule. The analysis revealed that throughout the years, the District has invested $19.98 million in PPE costs related to the wastewater management facility. The plant is currently operating at approximately 85% of committed capacity. Given the available capacity for new development to utilize, the buy-in methodology is used to calculate this component of the Sewer Capacity Fee.

Only the cost to the District can be utilized during the buy-in method. As a result, $5,706,209 of Grant funded and Developer Contributed Capital were excluded. Thus, the sewer remaining PPE ($14,820,094) is divided by the maximum daily capacity of the plant (1,610,000 gpd) which yields a buy-in cost of $9.21 per gallon. By recovering this amount, the District will be reimbursed by new development for remaining system capacity.

The District plans to spend $13,992,517 overall on treatment related CIP. Specifically, the District has identified $4,214,730 of costs related to treatment projects to serve additional demand of new development. Based on projections of peak sewer demand from growth, new development is projected to add an additional 522,694 gallons of wastewater daily through mid-point build-out. (Average Daily Discharge * Peak * Accounts)

Figure 3-2: Sewer Treatment Projects Allocated to New Growth

Sewer System	Total Cost	Cost Allocated to Growth
Industrial Permit Discharge	128,264	32,066
WWMF Upgrade/CEQA/Permitting	13,580,063	4,074,019
WWMF SO2/Chlorine Injector Controllers	61,286	30,643
WWMF SO2/Chlorine Shut Off	64,050	32,025
WWMF Security Upgrades/ Cameras	16,790	3,358
WWMF Sludge Maintanence	142,065	42,620
Total Sewer	**13,992,517**	**4,214,730**
	Ten Year Total	**4,214,730**
	Gallons of Capacity per Day	522,694
	Cost Per Gallon	$ **8.06**

INTERCEPTORS

The District plans to spend $818,609 on interceptor projects over the next ten years, $227,637 of which is allocable to new development. Based on projections of peak sewer demand from new development, new development is projected to add an additional 522,694 gallons of wastewater daily through mid-point build-out, resulting in a cost per gallon of $0.44 as shown in Figure 3-3.

Figure 3-3: Sewer Interceptor Projects Allocated to New Growth

Sewer System	Total Cost	Cost Allocated to Growth
Sewer Lift Sta. Pump Maint. and Replacement	143,673	71,836
Fischer Lift Station Grinder Maint.	51,735	-
Generator Upgrades Maintenance	623,201	155,800
Total Sewer	**818,609**	**227,637**
	Ten Year Total	**227,637**
	Gallons of Capacity per Day	522,694
	Cost Per Gallon	$ **0.44**

COLLECTION

Of $1,770,244 in collection related costs, the District plans to spend $1,032,180 on projects that are the result of new development. Based on projections of peak sewer demand from new development, new development is projected to add an additional 522,694 gallons of wastewater daily through mid-point build-out, resulting in a cost per gallon of $1.97 as shown in Figure 3-4.

Figure 3-4: Sewer Collection Projects Allocated to New Growth

Sewer System	Total Cost	Cost Allocated to Growth
Property Purchase/Improvements	556,446	55,645
Collection System Upgrades	739,274	739,274
Sewer Main Camera Unit	74,266	37,133
Underground Pipe Locater & Camera	13,135	6,568
Hydrocleaner (Sewer Fund) and appurtenances	387,123	193,561
Total Sewer	**1,770,244**	**1,032,180**
	Ten Year Total	**1,032,180**
	Gallons of Capacity per Day	522,694
	Cost Per Gallon	$ **1.97**

PLANNING AND STUDY EFFORTS

According the District's CIP, 30% of planned studies and planning efforts, 194,352 in total, are allocated to of new development. Based on projections of peak sewer demand, new development is projected to an additional 522,694 gallons of wastewater daily through mid-point build-out, resulting in a cost per gallon of $0.11 as shown in Figure 3-5.

Figure 3-5: Sewer Planning and Study Efforts Allocated to New Growth

Sewer System	Total Cost	Cost Allocated to Growth
NPDES Permit	194,352	58,305
Total Sewer	**194,352**	**58,305**
	Ten Year Total	**58,305**
	Gallons of Capacity per Day	522,694
	Cost Per Gallon	$ **0.11**

COST SUMMARY

Figure 3-6 summarizes the demand factors and cost per gallon for additional sewer capacity.

Figure 3-6: Sewer Capacity Fees Demand and Cost Summary

Demand Summary	Factors
Gallon per Peak day per Single Family Connection	310
Percentage of Water Returned to Sewer System	76%
Gallons per Peak day per Single Family Connection	235

Sewer Cost Summary	Planned	Buy-in
Treatment	$8.06	$9.21
Interceptors	$0.44	$0.00
Collection Lines	$1.97	$0.00
Planning and Study Efforts	$0.11	$0.00
Net Capital Cost per Gallon of Capacity	**$19.79**	
Joint Costs (per connection)	$189.63	
Net Capital Cost per Connection	**$189.63**	

SEWER CAPACITY FEES

The sewer capacity fees are based on water meter sizes. A capacity ratio by meter size is used to convert the residential equivalent fee for a 5/8 inch meter into a proportionate fee for larger meter sizes.

Using a 5/8 inch water meter as an example: 235 gallons per peak day per residential connection (from Figure 3-6) multiplied by $19.79 per gallon (net capital cost per gallon - Figure 3-6) equals $4,650 per equivalent residential unit (ERU) plus $189.63 for a total fee of $4,840. Please note, an additional $189.34 related to joint costs (capital cost per connection) is applied only once, not per ERU. Contrary to water, meter size is not directly correlated with the sewer discharge (effluent). Consequently, Willdan recommends the District maintain *Rule 1.21,* as ERUs are appropriately utilized to equitably allocate capacity related to the impact of a new sewer connection.

Figure 3-7: Sewer Capacity Fees

Component Unit Cost	$17.27	$0.44	$1.97	$0.11	$189.63	
Component Mutliplier	235	235	235	235	1	
	Treatment	**Interceptor**	**Collection**	**Planning and Study Efforts**	**Joint Costs (per account)**	**Total**
1 ERU	$ 4,058.10	$ 102.34	$ 464.06	$ 26.21	$ 189.63	**$ 4,840**

REGIONAL CAPACITY FEE SURVEY

A comparison survey of local and similarly sized agencies is a common tool utilized by policy makers. Figure 4-1 provides a comparison the water capacity fees of a typical new single family home, including the District's current and proposed fees.

Figure 4-1: Water Capacity Fee Comparison

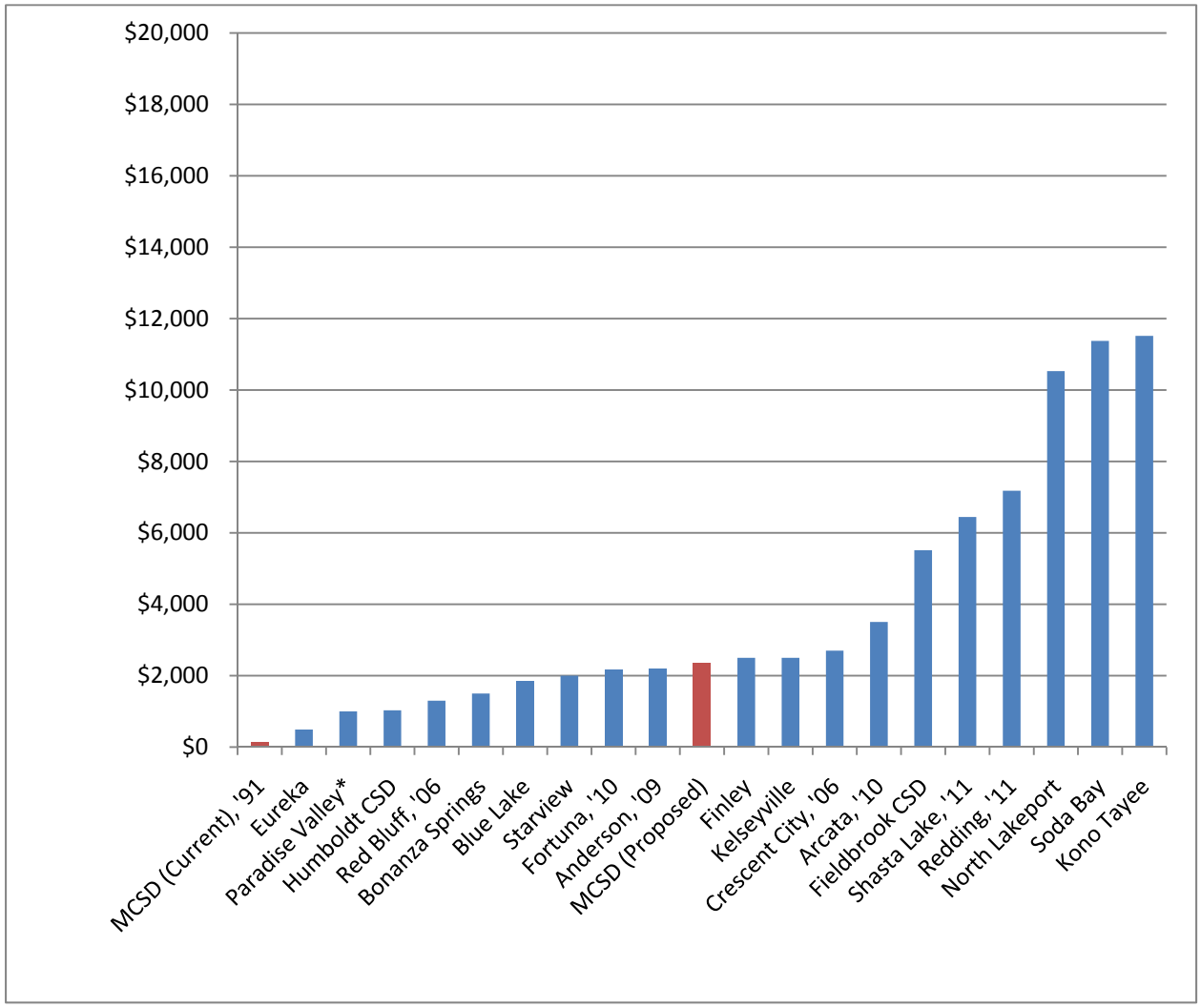
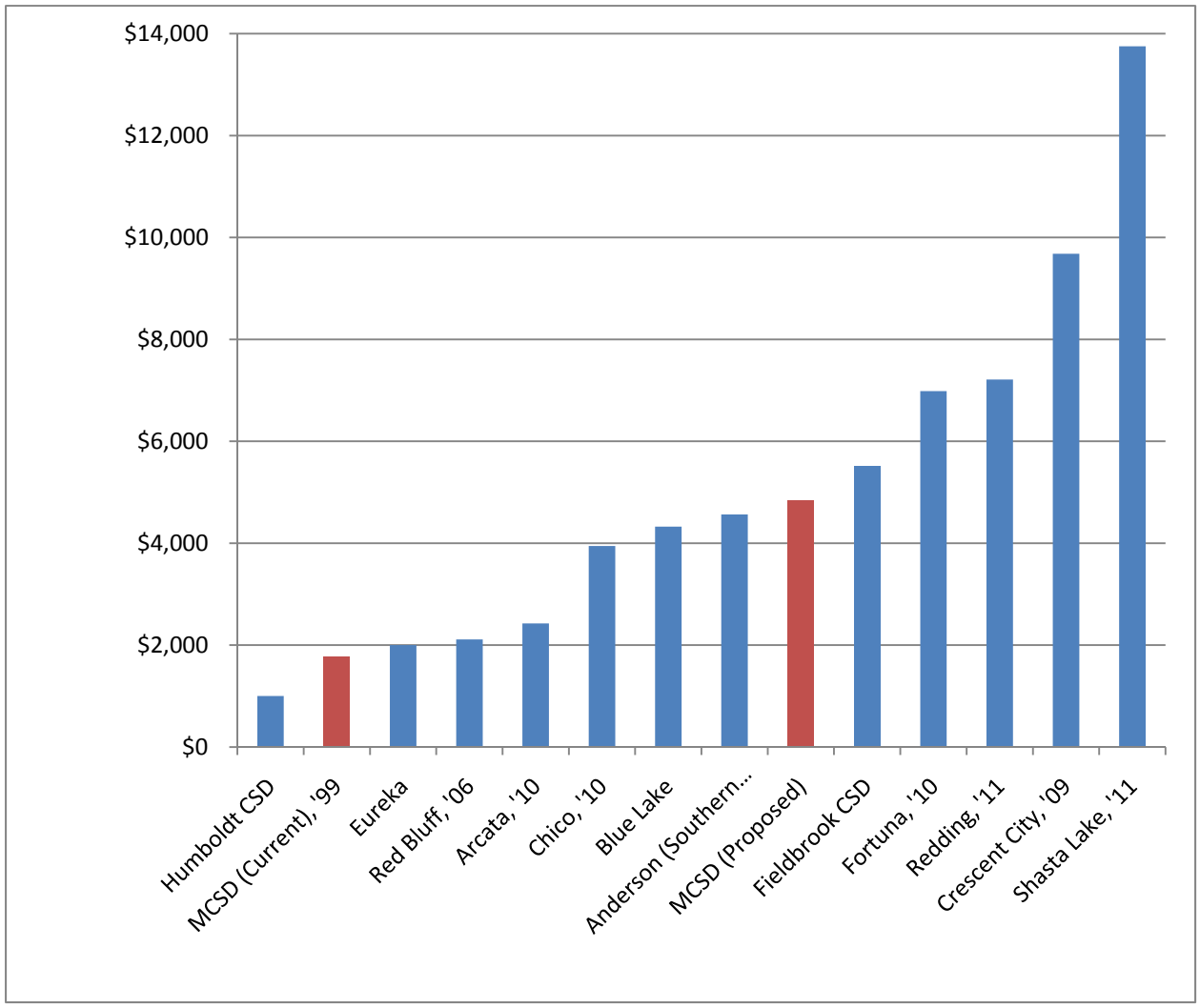


Figure 4-2 compares the District's current and proposed sewer capacity charges for a typical new single-family home with those of other agencies.

Figure 4-2: Sewer Capacity Fee Comparison



As both graphs demonstrate, the District's existing fees are well below the survey's average. The proposed full cost recovery fees put the District's rate in line with the regional average. Please note, however, capacity charges can vary widely from agency to agency depending on a wide range of factors, such as cost, subsidy, level of service, even the date previous update.

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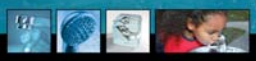
Water & Sewer Connection Fee Analysis

McKinleyville CSD
June 15, 2011



What we'll cover today

- Project Overview
- What is a capacity fee?
- What does the capacity fee cover?
- Why the increase is needed?
- How are connection fees calculated?
- Cost projections
- Local comparisons

Project Overview

Background
- Water capacity fee, set in 1991, $154 per ERU
- Wastewater capacity fee, set in 1999, $1,761 per ERU
- Fees have not been updated to reflect additional capital needs

Purpose
- To identify appropriate fee levels for maximum cost recovery

Implications
- Inadequate funding for previous project debt service, updated system demands, and/or needs for expanded or additional facilities
- Maintaining low rates for new development has impacted rates charged to current users

What Does the Capacity Fee Cover?

- Cost to serve new development
- Wastewater treatment
- Water resources
- Water & sewer infrastructure

Why the Increase is Needed?

- Current fees do not:
  - Adequately fund previous project debt service
  - Reflect updated system demands
  - Cover needs for expanded or additional facilities
- Would prevent existing rate payers from incurring the cost
- Prevents reduced levels of service

How is the Capacity Fee calculated?

- To equitably and fairly allocate costs, one of two methodologies are used:
  1. Buy-in methodology - used when existing system components have excess available capacity
  2. Plan-based methodology – Allocates future costs related to the District's Capital Improvement Plan (CIP) via a growth and existing needs basis

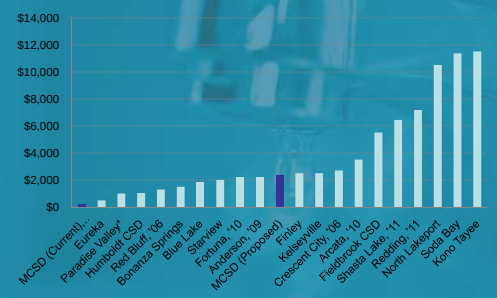
Proposed Water Capacity Fees

		Component Unit Cost	$1.98	$5.02	$189.63	
		Component Mutliplier	310	310	1	
Water Meter Size	GPM	Capacity Ratio	Storage	Distribution	Joint Costs (per account)	Total
5/8"	20	1.0	$ 613	$ 1,555	$ 189.63	$ 2,358
3/4"	30	1.5	919	2,333	189.63	3,441
1"	50	2.5	1,532	3,888	189.63	5,609
1 1/2"	100	5.0	3,064	7,776	189.63	11,029
2"	160	8.0	4,902	12,441	189.63	17,533
3"	300	15.0	9,191	23,328	189.63	32,708
4"	500	25.0	15,318	38,880	189.63	54,387
6"	1000	50.0	30,636	77,759	189.63	108,585
8"	1600	80.0	49,017	124,414	189.63	173,621
10"	2300	115.0	70,463	178,846	189.63	249,498

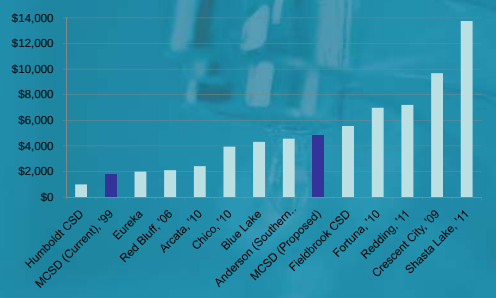
Proposed Wastewater Capacity Fees

		Component Unit Cost	$17.27	$0.44	$1.97	$0.11	$189.63	
		Component Mutliplier	235	235	235	235	1	
			Treatment	Interceptor	Collection	Planning and Study Efforts	Joint Costs (per account)	Total
	1 ERU		$ 4,058.10	$ 102.34	$ 464.06	$ 26.21	$ 189.63	$ 4,840

Single Family – Water Comparison



Single Family – Wastewater Comparison



Questions & Answers

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Water & Sewer Connection Fee Analysis

McKinleyville CSD

June 15, 2011

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What Does the Capacity Fee Cover?

- Cost to serve new development
- Wastewater treatment
- Water resources
- Water & sewer infrastructure

Why the Increase is Needed?

- Current fees do not:
  - Adequately fund previous project debt service
  - Reflect updated system demands
  - Cover needs for expanded or additional facilities
- Would prevent existing rate payers from incurring the cost
- Prevents reduced levels of service

How is the Capacity Fee calculated?

- To equitably and fairly allocate costs, one of two methodologies are used:
  1. Buy-in methodology - used when existing system components have excess available capacity
  2. Plan-based methodology – Allocates future costs related to the District's Capital Improvement Plan (CIP) via a growth and existing needs basis

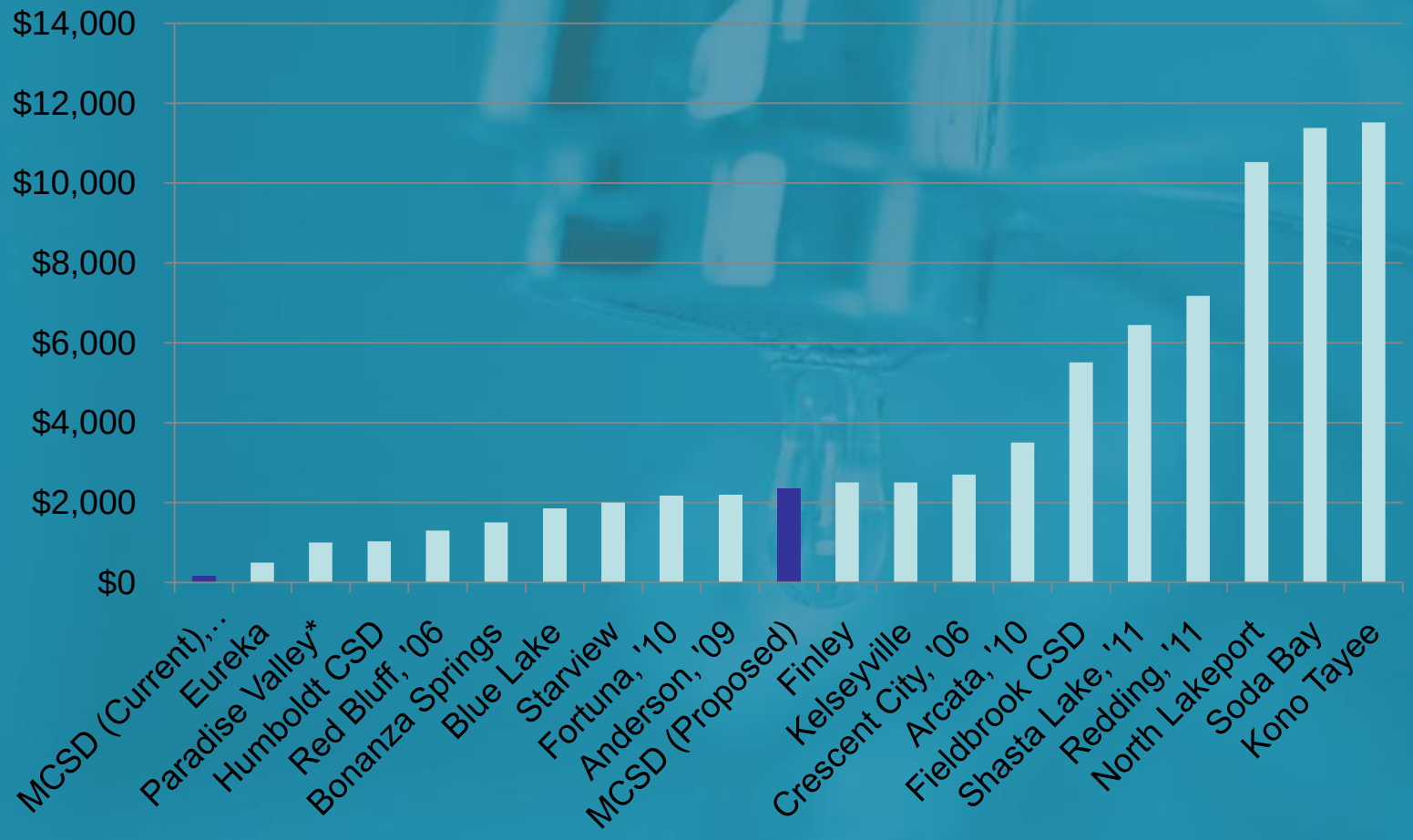
Proposed Water Capacity Fees

	Component Unit Cost		$1.98	$5.02	$189.63	
	Component Mutliplier		310	310	1	
Water Meter Size	GPM	Capacity Ratio	Storage	Distribution	Joint Costs (per account)	Total
5/8"	20	1.0	$ 613	$ 1,555	$ 189.63	$ 2,358
3/4"	30	1.5	919	2,333	189.63	3,441
1"	50	2.5	1,532	3,888	189.63	5,609
1 1/2"	100	5.0	3,064	7,776	189.63	11,029
2"	160	8.0	4,902	12,441	189.63	17,533
3"	300	15.0	9,191	23,328	189.63	32,708
4"	500	25.0	15,318	38,880	189.63	54,387
6"	1000	50.0	30,636	77,759	189.63	108,585
8"	1600	80.0	49,017	124,414	189.63	173,621
10"	2300	115.0	70,463	178,846	189.63	249,498

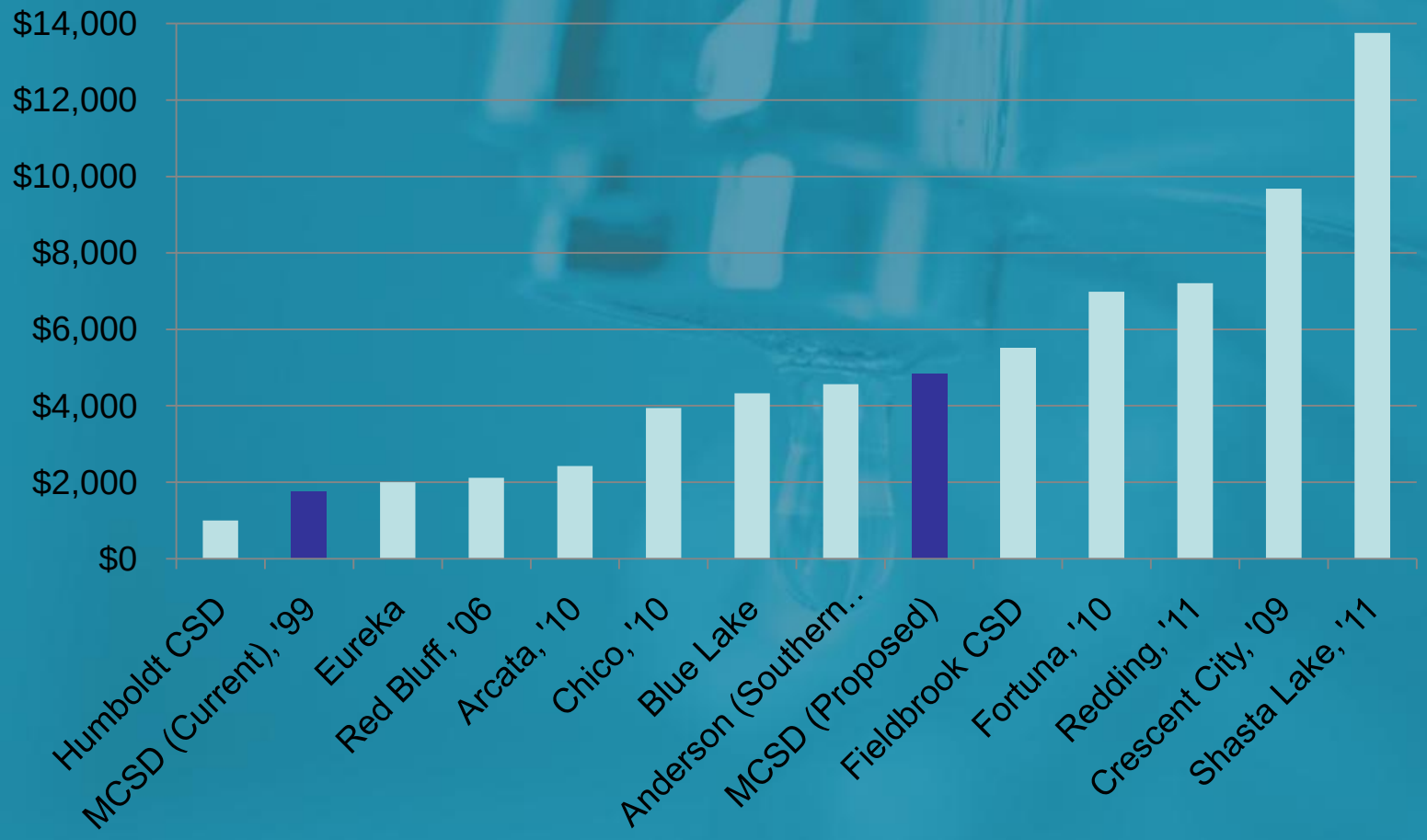
Proposed Wastewater Capacity Fees

Component Unit Cost	$17.27	$0.44	$1.97	$0.11	$189.63	
Component Mutliplier	235	235	235	235	1	
	Treatment	Interceptor	Collection	Planning and Study Efforts	Joint Costs (per account)	Total
1 ERU	$ 4,058.10	$ 102.34	$ 464.06	$ 26.21	$ 189.63	$ 4,840

Single Family – Water Comparison



Single Family – Wastewater Comparison



Questions & Answers

RESOLUTION 2011-14

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING THE MCSD RULES AND REGULATIONS TO INCREASE FEES AND CHARGES

WHEREAS, The Board has approved a ten year Capital Improvement Program to fund needed water and sewer system improvements;

WHEREAS, This Capital Improvement Program requires an increased level of investment in MCSD water and sewer facilities to provide for foreseeable system and equipment replacement;

WHEREAS, The recent and foreseeable rate of growth in McKinleyville (60 to 70 residences per year) and the resultant water and sewer revenues have slowed dramatically from the growth rates experienced historically (200 to 250 residences per year);

WHEREAS, The County has projected a mid-point Growth Projection of 1,800 Development units over the next ten years;

WHEREAS, The District has committed to adjusting water and sewer capacity fees periodically;

WHEREAS, It is in the interest of the District to revise its water and sewer capacity fees at this time as the last water capacity increase took effect in 1991, and the last sewer capacity increase took effect in 1999;

WHEREAS, The Board finds that an increase in both water and sewer connection charges described in this Ordinance are needed and necessary to provide a reasonable level of service to MCSD's customers and constituents;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY AMEND THE MCSD RULES AND REGULATIONS EFFECTIVE JUNE 16, 2011 AS FOLLOWS:

Rule 5.11 WATER CAPACITY FEE. A Water Capacity fee shall be collected from each applicant requesting a new water service in addition to any processing fees and/or installation charges. The capacity fees are based on the size of the installed water meter, as recommended by the American Water Works Association (AWWA). A capacity ratio, based on the meters flow rating (in gallons per minute), is used to determine a capacity ratio from a standard 5/8 inch meter into a proportionate fee for larger meter sizes. The capacity ratios are consistent with industry standards and are an accurate reflection of the possible demand of different meter sizes. The capacity fee charge per meter size are listed below:

Size	GPM	Capacity Ratio	Storage	Distribution	Joint Costs	Total
5/8"	20	1.0	$ 613	$ 1,555	$ 189.63	$2,358
3/4"	30	1.5	919	2,333	189.63	3,441
1"	50	2.5	1,532	3,888	189.63	5,609
1 ½"	100	5.0	3,064	7,776	189.63	11,029
2"	160	8.0	4,902	12,441	189.63	17,533
3"	300	15.0	9,191	23,328	189.63	32,708
4"	500	25.0	15,318	38,880	189.63	54,387
6"	1000	50.0	30,636	77,759	189.63	108,585
8"	1600	80.0	49,017	124,414	189.63	173,621
10"	2300	115.0	70,463	178,846	189.63	249,498

Please note, due to recent changes in building code regulations, new single-family homes are to be sixed with a 1" meter because of fire protection systems, rather than the typical 5/8" meter. It is recommended that all new single-family residential units, with meter sizes 5/8" up to 1", be charged the 5/8" meter rate to reflect their typical demand on the system.

RULE 21.02 (d) SEWER CAPACITY CHARGE The Sewer capacity fees are based on water meter size. A capacity ratio by meter size is used to convert the residential equivalent fee for a 5/8 inch meter into a proportionate fee for larger meter sizes.

Using a 5/8 inch water meter as an example: 235 gallons per peak day per residential connection multiplied by $19.79 per gallon equals $4650 per equivalent residential unit (ERU) plus $189.63 for a total of $4,840. Please note, an additional $189.34 related to joint costs (capital cost per connection) is applied only once, not per ERU. Contrary to water, meter size is not directly correlated with the sewer discharge (effluent). Consequently, Willdan recommends the District maintain Rule 1.21, as ERUs are appropriately utilized to equitably allocate capacity related to the impact of a new service connection.

Sewer Capacity Fees:

Component Unit Cost	$17.27	$0.44	$1.97	$0.11	$189.63
Component Multiplier	235	235	235	235	235

	Treatment	Interceptor	Collection	Planning/Study Efforts	Joint Costs	Total
1ERU	$4058.10	$102.34	$464.06	$26.21	$189.63	$4840

RULE 21.02 (F) EXAMPLE OF APPLICATION OF ABOVE DESCRIBED CHARGE-For a one-half acre parcel of normal shape that falls entirely within the local and general area with a single dwelling unit constructed thereon, cost will be:

General Area Charge ($180.00 x .5 acre)	=	$90.00
Local Charge ($540.00 x .5 acre)	=	270.00
4 inch lateral Installation Charge	=	1,200.00
Sewer Availability	=	405.00
Capacity Charge	=	4,840.00
Subtotal	=	6,805.00

PASSED, APPROVED AND ADOPTED this 15th day of June 2011 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____

Helen Edwards, Board President

ATTEST:

_____

Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.7 **Waste Water Management Facility (WWMF) Annual Report review for the Board of Directors**

PRESENTED BY: **Greg Orsini**

TYPE OF ACTION: **None**

Recommendation:

Informational item provided to the Board

Discussion:

Annually the District is required to submit a report to the Regional Water Quality Control board for each calendar year.

The report shall be submitted by March 1st of the following year. The report shall, at a minimum, include the following.

- Both tabular and, where appropriate, graphical summaries of the monitoring data and disposal records from the previous year. If the Discharger monitors any pollutant more frequently than required by this Order, using test procedures approved under 40 CFR Part 136 or as specified in this Order, the results of this monitoring shall be included in the calculation and report of the data submitted Self Monitoring Report.
- A comprehensive discussion of the facility's compliance (or lack thereof) with all effluent limitations and other Waste Discharge Requirements, and the corrective actions taken or planned, which may be needed to bring the discharge into full compliance with the order.

The presentation been prepared to summarize the annual report for the Board.

Alternatives:

N/A

Fiscal Analysis:

None

Environmental Requirements:

N/A

Exhibits/Attachments

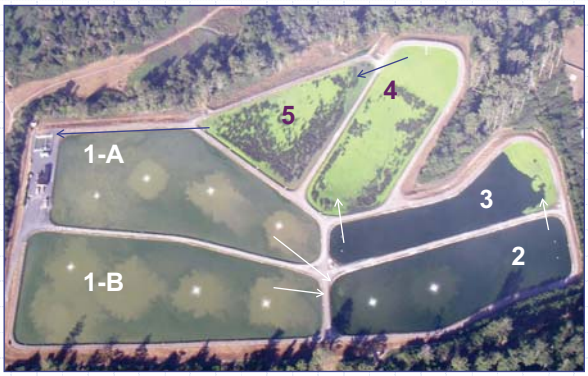
- WWMF Report to the Board PowerPoint Presentation

McKinleyville Community Services District

ANNUAL WASTEWATER MANAGEMENT FACILITY MONITORING & DISCHARGE REPORT FOR 2010
TO THE BOARD OF Directors

Welcome to the McKinleyville WWMF

Aerial View of McKinleyville WWMF



Head Works

Control Structure #1

Control Structure #2

Pond #4 in 2007

Pond #4 in 2011

Pond #5 in 2007

Pond #5 in 2007

Pond #5 Outlet Structure in 2007

Pond #5 Outlet Structure in 2007

Disinfection at Chlorine Contact Basin

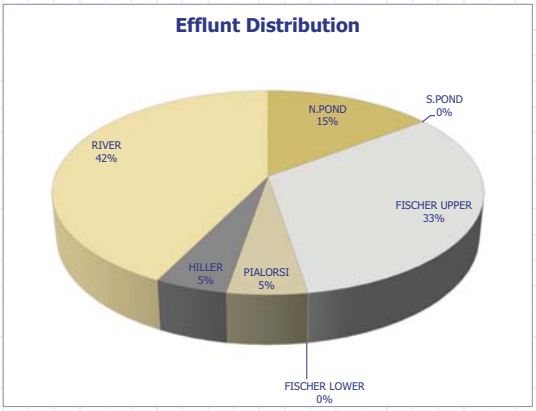
Influent and Effluent Monthly Flow Totals for 2010

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
EFFLUENT DISCHARGE DISPOSAL

TOTALS 2010

DATE	M-INF INFLUENT MGD	M-001 EFFLUENT MGD	M-003 N.POND MGD	M-003 S.POND MGD	M-005 FISCHER MGD UPPER	M-004 FISCHER MGD LOWER	M-007 PIALORSI MGD	M-006 HILLER MGD	IRRGATE TOTAL MGD	M-002 RIVER MGD
JANUARY	36.6	40.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.1
FEBRUARY	32.0	35.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.7
MARCH	38.0	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	40.3
APRIL	38.1	38.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	38.5
MAY	35.7	38.4	3.4	0.0	12.0	0.0	0.0	2.7	14.7	20.3
JUNE	33.5	32.8	6.6	0.0	21.8	0.0	1.0	3.4	26.3	0.0
JULY	28.8	26.9	8.0	0.0	14.1	0.0	3.3	1.5	18.9	0.0
AUGUST	28.8	24.7	6.3	0.0	13.3	0.0	3.6	1.5	18.4	0.0
SEPTEMBER	26.5	29.0	7.0	0.0	15.4	0.0	3.9	2.7	22.0	0.0
OCTOBER	29.3	31.2	9.4	0.0	17.4	0.0	2.5	1.9	21.8	0.0
NOVEMBER	31.6	32.8	9.5	0.0	17.7	0.0	3.4	2.2	23.3	0.0
DECEMBER	39.2	43.7	0.0	0.0	0.4	0.0	0.0	0.0	0.4	43.2
Totals	398.2	414.1	50.2	0.0	112.0	0.0	17.7	16.0	145.8	218.1

Effluent Distribution for 2010



Effluent Limits

Effluent Limitations for Discharge Point 001

Parameter	Units	Effluent Limitations				
		Average Monthly	Average Weekly	Maximum Daily	Instantaneous Minimum	Instantaneous Maximum
Biochemical Oxygen Demand 5-day @ 20°C	mg/L	45	65			
	lbs/day	441	637			
Total Suspended Solids	mg/L	83				
	lbs/day	931				
pH	pH Units				6.5	8.5
Settleable Matter	mg/L	0.1		0.2		
Chlorine Residual	mg/L	0.01		0.02		
Nitrate as Nitrogen	mg/L	10				
Copper	ug/L	[1]		[1]		
Lead	ug/L	[1]		[1]		
α-BHC	ug/L	0.0039		0.0078		
4,4'-DDT	ug/L	0.00059		0.0012		
bis(2-ethylhexyl) phthalate	ug/L	1.8		3.6		
2,3,7,8-TCDD equivalents	pg/L	0.013		0.026		

[1] Lead and Copper Limitations are calculations of hardness and concentration derived from a table of Hardness Dependant Metals

BOD Permit Requirements for 2010:

Biological Oxygen Demand or BOD is the demand for oxygen by bacteria to degrade organic matter and is used to measure the level of organic removal in the treatment process

The requirement for BOD is 45 mg/L and a minimum of 65% removal for the 30-day average and a daily maximum 441 pounds of BOD. The weekly average for BOD is 65 mg/L and a daily maximum 637 pounds of BOD. The effluent limitations for BOD testing are the same for Discharge Point 001 Mad River, 002 Percolation Ponds, 003 Lower Fischer Ranch, 004 Upper Fischer Ranch, 005 Hiller Storm water Marsh and 006 Pialorsi Ranch.

BOD limitations for 2010 were not exceeded.

NFR/ TSS Permit Requirements for 2010:

Non Filterable Residue or NFR is a the dry-weight of particles trapped by a filter in a from a given volume of water.

The district's WWMF effluent permitted "total suspended solids" requirement is 95 mg/L, 931 lbs./day and 65 % removal. The effluent limitations for NFR testing are the same for Discharge Point 001 Mad River, 002 Percolation Ponds, 003 Lower Fischer Ranch, 004 Upper Fischer Ranch, 005 Hiller Storm water Marsh and 006 Pialorsi Ranch.

NFR limitations for 2010 were not exceeded.

3x5 Total Coliform Testing for 2010:

Coliform bacteria are a commonly-used bacterial indicator of sanitary quality of water and verify the effectiveness of disenfection.

The effluent limitations for coliform 3x5 testing is a maximum monthly median, a most probable number (MPN) of 23 per 100 milliliters and a daily maximum of 230 MPN. and are the same for Discharge Point 001 Mad River, 002 Percolation Ponds, 003 Lower Fischer Ranch, 004 Upper Fischer Ranch, 005 Hiller Storm water Marsh and 006 Pialorsi Ranch.

Coliform limitations for Monthly Median and Daily Maximum in compliance with the exception on May 2010.

Acute Toxicity Monitoring for 2010

The acute toxicity monitoring bioassay criteria for Discharge Point 001 Mad River requires a 96-hour fish bioassay test conducted at M-001 WWMF Effluent. If the results of any 96-hour bioassay test are not in compliance a follow up test is required within 7 day of notification. The compliance for testing results are 90 percent survival 70 percent of the time based on any monthly median, and not less than 70 percent survival 100 percent of the time. Two test species were required, Ceriodaphnia dubia and Rainbow Trout. It was determined that the C. dubia was too sensitive to the buffering agent used to maintain the pH and mortality rates were beyond the limits set forth in the permit so pH control of the C. dubia was discontinued.

The testing results for Acute Testing were in compliance in 2010

Chronic Toxicity Monitoring:

The chronic toxicity monitoring bioassay criteria for Discharge Point 001 Mad River requires a 96-hour static renewal or 96-hour static non-renewal testing, the samples is a 24-hour composite and is representative of the volume and quality of the discharge. The sampling is conducted at M-001 WWMF Effluent. Test species for chronic testing are a vertebrate, the fathead minnow, Pimephales promelas (larval survival and growth test), an invertebrate, the water flea, Ceriodaphnia dubia (survival and reproduction test), and a plant, the green alga, Selanastrum capricornutum (growth test). The District conducted chronic toxicity testing one time during the 2010 discharge season. The testing results for Acute Testing are detailed in the next slide.

Chronic Toxicity Testing for 2010

Dilution Water	Date	Test Species				
		Flathead minnow		Water flea		Algea
		Survival	Growth	Survival	Reproduction	Growth
Diluted w/ Lab Control Water	Feb. 2010	TUc = 2	TUc = 2	TUc = 1	TUc =8	1

Accelerated Monitoring Requirements:

If the result of any chronic toxicity test exceeds the chronic toxicity trigger of 1.0 TUc and the testing meets all test acceptability criteria, the District shall initiate accelerated monitoring. Accelerated monitoring shall consist of four additional effluent samples, one test conducted approximately every week, over a four–week period. Testing shall commence within 14 days of receipt of the sample results of the exceedance of the chronic toxicity effluent limitation. The following protocol was used for accelerated monitoring and the TRE implemented and detailed in a study submitted during the 2009 discharge season.

Main Area of Concern:

Ammonia has been identified as the main area of concern as demonstrated through biological testing and the appearance of Nitrate in the ground water adjacent to the irrigation sites. Though our permit does not directly limit ammonia we recognize the importance of addressing the concern. The District with the help of our consultants are in the process of exploring alternatives to upgrade or augment our process to aid in the removal of ammonia and this issue will be addressed in the 20 Year Facilities Plan scheduled for completion in December of 2011

Other Required Tests for 2010

Settable Matter Testing:

The effluent limitations for Settable Matter testing are listed in the previous table for Discharge Point 001 Mad River.

Settable Matter limitations for 2010 were not exceeded.

Chlorine Residual Testing:

The effluent limitations for Chlorine Residual testing are listed in the previous table for Discharge Point 001 Mad River.

Residual limitations for 2010 were not exceeded.

Nitrate as Nitrogen Testing:

The effluent limitations for Nitrate as Nitrogen testing are listed in the previous table for Discharge Point 001 Mad River and 002 Percolation Ponds.

Nitrate as Nitrogen limitations for 2010 were not exceeded.

Other Required Tests for 2010

Settable Matter Testing:

The effluent limitations for Settable Matter testing are listed in the previous table for Discharge Point 001 Mad River.

Settable Matter limitations for 2010 were not exceeded.

Chlorine Residual Testing:

The effluent limitations for Chlorine Residual testing are listed in the previous table for Discharge Point 001 Mad River.

Residual limitations for 2010 were not exceeded.

Nitrate as Nitrogen Testing:

The effluent limitations for Nitrate as Nitrogen testing are listed in the previous table for Discharge Point 001 Mad River and 002 Percolation Ponds.

Nitrate as Nitrogen limitations for 2010 were not exceeded.

Other Required Tests for 2010

Copper and Lead Testing:

The interim effluent limitations for Copper and Lead testing are listed in the table of effluent limits and are for Discharge Point 001 Mad River.

Copper and Lead interim limitations for 2010 were not exceeded.

α-BHC; 4,4'-DDT; bis(2-ethylhexyl) phthalate; 2,3,7,8-TCDD equivalents Testing:

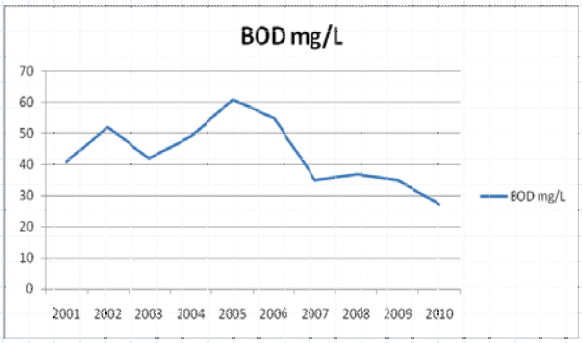
The interim effluent limitations for these constituents are listed in the table of effluent limits for Discharge Point 001 Mad River.

The limitations for 2010 were in compliance with the exception of 4,4'-DDT in February and March.

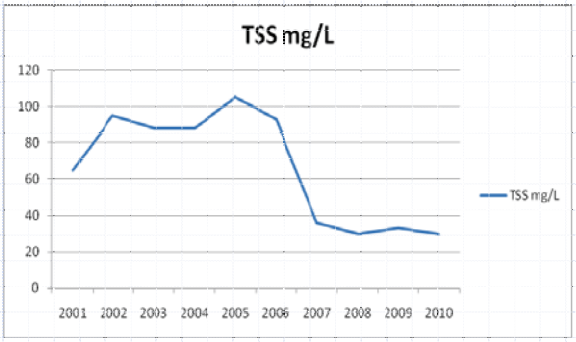
Treatment Process Improvements:

The success of the Marsh Project is demonstrated by the charts illustrating BOD and TSS performance over the past ten years. Chart 1 demonstrates average BOD concentration in mg/L from 2001 through 2010. The average BOD in 2010 was 27 mg/L and is below 41 mg/L, the level it was in 2001.

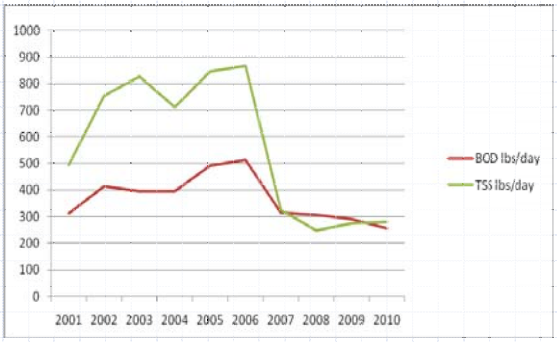
Annual Average BOD Concentrations for 2001-2010



Annual Average TSS Concentrations for 2001-2010



Annual Average BOD and TSS Mass Loading for 2001- 2010



Summary of Work Plan and Special Studies Completed in 2010

Submerged Aquatic Vegetation (SAV) Pilot Study:

In December 2009, the District submitted an aquatic plant establishment plan to the RWQCB for the proposed development of a Submerged Aquatic Vegetation (SAV) pilot study. The intent of the pilot study was to determine if SAV could provide a short-term solution for dealing with effluent ammonia toxicity issues at the MCSD Wastewater Management Facility (WWMF).

CDO Request for Priority Pollutants:

The current NPDES permit for the WWMF includes a schedule for compliance for the final effluent limitations. Starting May 18, 2010, treated effluent discharged from the WWMF to the Mad River was subject to final effluent limitations for select priority pollutants. The select priority pollutants, and the interim and final effluent limits for the designated constituents were based on the results of a Reasonable Potential Analysis (RPA) conducted on the WWMF effluent. The select priority pollutants included copper, lead, bis(2-Ethylhexyl) phthalate, 4,4'-DDT, a-hexachloro-cyclohexane, and 2,3,7,8-TCDD equivalents (dioxins).

Water Effects Ratio (WER) Analysis:

As part of an investigation to determine the appropriate discharger-specific WER for use in the District copper discharge limitations, Staff enlisted the services of Winzler and Kelly and Pacific EcoRisk Laboratory (PER) to conduct two rounds of WER testing. In order to assess the sensitivity of the C. dubia test organisms to toxic stress, a reference toxicant test was performed concurrently with each round of testing. Two rounds of sampling and testing were conducted and the results are as follows. Round 1 had a WER of 29.5 and Round 2 had a WER of 31.6 for a Geometric Mean of 30.5. In summery our copper limitation has the potential to go from a monthly average 3.6 micrograms/ Liter to approximately 34 micrograms/ Liter. This is well above the copper concentration in our effluent which averages <20 micrograms/ Liter. This limit is an actual measurement of the concentration of copper that is toxic in our unique treated effluent and not an assumption from laboratory tests conducted with laboratory water which is how the limits were set originally. The RWQCB has considered this analysis and has made changes to our permit to reflect the outcome of the tests.

MRP Revision Requests/NPDES Permit Renewal:

In August 2010 MCSD submitted an updated request for revisions to the Monitoring and Reporting Program (MRP) based on the results of the WER analysis and other changes in the regulatory program. The request included proposed modifications to the receiving water monitoring locations defined for the WWMF, as well as a request for a reduction in sample frequency for select constituents at the main effluent monitoring location (M-001).

In October 2010 MCSD met with the RWQCB to discuss the proposed MRP revisions and the CDO request submitted in June. During the meeting and throughout subsequent conversations with RWQCB staff, it was suggested that rather than just modify the MRP, MCSD should renew the current NPDES permit for another 5 year term. In order to facilitate the permit renewal process, RWQCB staff requested MCSD provide an updated RPA based on data collected under the current permit term. The revised RPA was submitted to the RWQCB in November 2010.

The RWQCB provided MCSD with a draft of the revised NPDES permit for review and comment on November 17, 2010. MCSD provided comments on the draft permit in December 2010. The draft permit is currently listed on the consent calendar for adoption at the next SWRCB hearing.

Local Limits Work Plan:

During an inspection by Tetra Tech on behalf of the RWQCB it was determined the District local limits were not adequate. As part of the process to update the local limits it was also determined the District Sewer Use Ordinance would also need to be updated to better give the District authority to enforce new local limits and to establish individual discharge permits of commercial customers that have the potential to discharge other than domestic sewerage. The District has enlisted services of Freshwater Environmental and has drafted a sewer use ordinance that will be reviewed and has submitted a local limits work plan to the RWQCB for concurrence.

Special Studies

Under WDR Order No. R1-2008-0039, MCSD is required to complete two special studies, a water reclamation study and a summer effluent disposal alternatives review. During 2010, MCSD completed work on both special studies. The reclamation study was due February 1, 2011 and the summer effluent disposal alternatives review is due in January 2012. In addition to the special studies, MCSD is also currently working on a 20-year facilities plan for the WWMF to be completed later this year.

Work Related to Facilities Plan

In April 2010, MCSD conducted a public scoping workshop to kick off the WWMF feasibility study planning process. The goal of the feasibility study planning process was to identify the final alternatives to be considered in the 20-Year Facilities Plan for the WWMF. The District and SHN staff presented an update on the facilities planning process during the District's board meeting on July 21, 2010. The presentation covered the progress the District has made on the study and included review of the following:

1. The outcome from the public scoping workshop conducted in April 2010.
2. The results of the process scoring exercise conducted by the technical review committee in June 2010.
3. The compilation and ranking of the project alternatives indentified for further study in the20-year Facilities Plan

Ongoing Wastewater Marsh Rehabilitation and Tactics

- Using the storm water marsh as a nursery for restocking the wastewater marsh.
- Transplanting bulrush in large bunches to increase the chances the plants will thrive.
- Transplant in late spring and early summer when plant growth is most hardy.
- Keep the levels low through out the spring and summer months to promote more vigorous growth and to promote propagation.

This strategy will enable us to complete the infill project in the summer of 2011

OTHER ONGOING and COMPLETED PROJECTS at the WWMF

- Security gate upgrade in completed 2011
- New tile floor in lab completed in 2011
- Final year for bulrush replanting
- SCADA upgrade
- Counter top replacement in lab
- Security System Upgrades

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: E.8. **Consider adoption of Resolution 2011-12 for the preparation and submission of two applications for grant funds through Proposition 84 – Statewide Park Development Program**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Adopt Resolution 2011-12 in order to submit an application for grant funds through a Statewide Park Program.

Discussion:

Staff may be interested in submitting two applications for a grant funds through a Statewide Park Program. In order to apply for funding, the program requires that the MCSD Board of Directors approve Resolution 2011-12.

The deadline for grant submission is July 1, 2011, therefore the Resolution would need to be approved at the June 15, 201 Board meeting in order to apply for funds.

The grant we are considering is the Proposition 84 - Statewide Park Development and Community Revitalization Program of 2008. The emphasis for funding is for projects that include land acquisition to create a new park.

In addition, funding will be prioritized to serve underserved communities, based on park acres per 1,000 residents, and also the average household income.

Staff is currently working on two projects to submit applications, Northern McKinleyville Park Development and Southwestern McKinleyville Park Development. In order to better understand the needs and desires of community members, staff has held a series of Park Development meetings to consider certain amenities to be placed at the two park locations.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

None

Environmental Requirements:

None at this time.

Exhibits/Attachments

- Resolution 2011-12

RESOLUTION 2011-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, HUMBOLDT COUNTY, CALIFORNIA APPROVING THE APPLICATION FOR STATEWIDE PARK PROGRAM GRANT FUNDS

WHEREAS the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development Program, setting up necessary procedures governing the Application; and

WHEREAS said procedures established by the State Department of Parks and Recreation require the applicant to certify by resolution the approval of application(s) before submission of said application(s) to the State; and

WHEREAS the applicant will enter into a contract with the State of California to complete the grant scope project;

WHEREAS MCSD said has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and the

WHEREAS MCSD has or will have sufficient funds to operate and maintain the project(s), and

WHEREAS MCSD has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and

WHEREAS MCSD delegates the authority to Norman Shopay, General Manager, to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the grant scope; and

WHEREAS MCSD agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

NOW, THEREFORE, BE IT RESOLVED that the McKinleyville Community Services District Board of Directors hereby approves the filing of an application for two projects, Northern McKinleyville Park Development and Southwestern McKinleyville Park Development.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 15th day of June 2011 by the following polled vote:

AYES:

NOES:

ABSENT:

_____ _____

Helen Edwards, Board President Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: E.9. Consider adoption of Resolution 2011-15 updating Article IV of the Rules and Regulations

PRESENTED BY: Jason Sehon, Parks & Recreation Director

TYPE OF ACTION: Roll Call Vote

Recommendation:
The Recreation Advisory made a unanimous recommendation to the Board of Directors to make changes to Article IV of the Rules and Regulations by adopting Resolution 2011-15.

Discussion:

Staff met with the Recreation Advisory Committee to consider updating Article IV of the Rules and Regulations. Some of the changes include, increase the number of members to ten (10), add a McKinleyville Middle School Member to the roster, no longer require Board approval to accept donations, and no longer require Board approval to establish recreation program fees.

In addition, staff removed information that was outdated.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Article IV – Rules and Regulations
- Resolution 2011-15

ARTICLE IV - PARKS AND RECREATION

REGULATION 40. - RECREATION AND PARKS ADVISORY COMMITTEE

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

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

(b) One (1) member shall be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors.

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

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

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

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

Rule 40.03. MEMBER QUALIFICATIONS. All members, other than the student members, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of the MCSD and a student of a McKinleyville School.

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

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

b. Appointment of McKinleyville Area Fund members and community members shall be for a term of four (4) years.

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

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

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

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

Rule 40.07. ELECTION OF OFFICERS. The Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

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

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

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

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

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

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

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

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

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

(d) To recommend to the Board of Directors a comprehensive recreation and park services program for the inhabitants of the District, to promote and

stimulate public interest therein, and to solicit to the fullest extent the cooperation of school authorities and other public and private agencies interested therein;

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

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

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

REGULATION 41. -RECREATION AND PARK SYSTEM

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

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

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

(c) Remove any soil, rock, stones, turf, trees, shrubs, or plants, down timber or other wood or materials or make any excavations by tool, equipment or any other means or agency.

(d) Construct or erect any building or structure of whatever kind, whether permanent or temporary in character, or run or string any public utility into, upon or across such land except by District permit.

(e) Trespass upon any area where prohibited.

(f) Hunt, molest, or otherwise harm wildlife and plant life within the recreation and parks system.

(g) Announce, advertise or call the public attention in any way to any article or service for sale or hire, except by District permit.

(h) Paste, glue, tack or otherwise post any sign, placard, advertisement, or inscription whatever, nor shall any person erect or cause to be erected any

sign whatever within the recreation and parks system without permission from the District.

(i) Use any system for amplifying sounds, whether for speech or music or otherwise within the recreation and parks system unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit is first secured from the District.

(j) Discharge any weapon of any type within the recreation and park system boundaries for any reason.

(k) Make fires of any type for any reason in any area that is not properly equipped and designated to contain a fire.

(L) Use model rockets and remote control model airplanes in McKinleyville Parks and Open Space without prior written approval from the District's General Manager.

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

(a) Throw, discharge, or otherwise place or cause to be placed in the waters of any fountain, pond, stream or any other body of water in or adjacent to any component of the recreation and park system or any tributary, stream, storm sewer or drain flowing into such waters any substance, matter or things, liquid or solid, which will or may result in the pollution of said waters.

(b) Dump, deposit, or leave any trash not created within the boundaries of the recreation and park system.

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

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

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

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

(d) Operate a motorized vehicle, other than MCSD-authorized vehicles, within the boundaries of the facility except in those areas designated as driveways.

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

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

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

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

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

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

Rule 41.05. CONDUCT - ALCOHOLIC BEVERAGES:

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

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

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

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

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

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

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

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

REGULATION 42. - OPERATION OF PIERSON PARK

Rule 42.01. GROUP BARBECUE COMPLEX. The group barbecue complex is defined as the area encompassed by the gazebo located in the central portion of the park. Individuals or organizations desiring organized use of any portion of the group

barbecue complex for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

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

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

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

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

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

REGULATION 43. - OPERATION OF HILLER PARK

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

Rule 43.02. PETS. The designated off leash area is defined as the area of the park west of the split rail fence (approximately 100 yards from the parking lot). Horses are prohibited in the picnic area.

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

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

REGULATION 44. - OPERATION OF LARISSA PARK

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

REGULATION 45. - PERMITS, FEES AND DEPOSITS

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

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

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

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

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

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

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

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

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

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

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

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

An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required at the discretion of the Recreation Supervisor and/or Parks & Recreation Director. Facility Hosts are required at all events where alcoholic beverages will be served or sold.

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

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

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

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

ACTIVITY CENTER	
Non-Profit Groups/Vendors	$24.00/hour
Private Citizen/Business	$34.00/hour
AZALEA HALL-ENTIRE FACILITY	
Non-Profit Groups/Vendors	$41.00/hour
Private Citizen/Business	$54.00/hour
AZALEA HALL-HEWITT ROOM	
Non-Profit Groups/Vendors	$31.00/hour
Private Citizen/Business	$39.00/hour

All Day Rate	$346.00
Half Day Rate	$203.00

AZALEA HALL-MEETING ROOM

Non-Profit Groups/Vendors	$11.00/hour
Private Citizen/Business	$15.00/hour

LIBRARY CONFERENCE ROOM

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

PARKS

Special Events Only	$58.00/day
Large Scale Community Events	$125.00/day
Commercial Events	$225.00/day

SPECIAL EVENT SERVICES

Event Setup:

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

Event Cleanup:

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

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

Rule 45.03.d. RECREATION PROGRAM FEES. The District shall charge participants program fees based on the direct expenses associated with each individual program. Program fees shall be determined each year and as programs are added to the Department's current services index. ~~Program fees shall be established and adopted by the Board prior to registration being accepted for said programs.~~

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

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

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

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

(a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the facility usage permit is requested:

(b) The expected attendance does not exceed the capacity of the facility or area.

(c) The use for which the facility usage permit is sought complies with the use established for the facility or area requested,

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

(a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a facility usage permit request for the facility in which use of the sound amplification system is requested.

(b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users.

(c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations.

(d) The use for which permission is sought complies with the use established for the facility or area requested.

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

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

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

(a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a facility usage permit request for the facility in which the sale of alcoholic beverages is requested;

(b) If applicable, the individual or organization seeking permission has a valid permit from the Alcohol Beverages Commission to sell alcohol;

(c) If applicable, the individual or organization seeking permission has secured outside security services;

(d) The use for which permission is sought complies with the use established for the facility or area requested.

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

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

(b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

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

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

(a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;

(b) The Individual or organization must file, with the District, a facility usage permit request for the facility in which the equipment will be utilized;

(c) The requested equipment is available during the period for which use of the equipment is requested;

(d) The individual or organization requesting use of MCSD-owned equipment furnishes the District with appropriate liability coverage.

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

REGULATION 46. - ENFORCEMENT

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

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

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

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

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

~~**a)** All local sports organizations with a valid and current IRS non-profit identification number and who have and maintain a current Hiller Sports Site~~

Development, Funding, Maintenance and Use Agreement with District are invited to nominate one member and one alternate member to the Committee. Such nominations shall be made in writing to the Director of Parks and Recreation. Recommendations for appointment shall be made by the Committee to the Recreation Advisory Committee who shall in turn recommend nominees to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.

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

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

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

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

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

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

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

Rule 47.05. REMOVAL. Members of the Committee may be removed by a majority vote of the District Board of Directors.

Rule 47.06. ABSENCES. If any member of the Committee is absent without prior notification to the Director of Parks and Recreation for two (2) regular consecutive meetings, the Director of Parks and Recreation shall certify that fact to the organization for whom the individual is a representative and to the District's Board of Directors. The District's Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position as outlined in 47.02. Should the vacated position have a designated alternate, said alternate shall be appointed to full membership status. The organization of which the alternate is a member shall be authorized to nominate a designated alternate.

Rule 47.07. ELECTION OF OFFICERS. The Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

~~**Rule 47.08. OFFICERS.** The member of the Committee who is a representative of the District's Recreation Advisory Committee shall be designated as Chairperson of the Committee. The member of the Committee who is a representative of the general public shall be designated as Vice-Chairperson.~~

~~**Rule 47.09. RECORDS.** Written records of all proceedings, findings, determinations, and transactions shall be kept, which record shall be a public record and a copy of which record shall be filed with the District's secretary.~~

~~**Rule 47.10. POWERS AND DUTIES.** The Committee shall have the power and duty to serve in an advisory capacity to the District's Recreation Advisory Committee and the Board of Directors in all matters pertaining to the development, scheduling, maintenance, and use of the Hiller Sports site.~~

RESOLUTION 2011-15

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING ARTICLE IV-PARKS AND RECREATION REGULATIONS

WHEREAS, The Recreation Advisory Committee has unanimously recommended to the Board of Directors adoption of this Resolution to update Article IV of the Rules and Regulations;

WHEREAS, The Recreation Advisory Committee membership shall be increased to ten (10) members to include one (1) middle school nominee;

WHEREAS, Changes to clarify and update portions of Rules and Regulations, Article IV-Parks and Recreation are needed, including deletion of Regulation 47 in regards to Hiller Sports Site Development and Management;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DOES HEREBY AMEND THE RULES AND REGULATIONS WITH THE FOLLOWING CHANGES TO TAKE EFFECT ON JUNE 16, 2011:

PASSED, APPROVED AND ADOPTED this 15th day of June 2011 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____

Helen Edwards, Board President

ATTEST:

_____

Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **ACTION**

ITEM: E.10. **Consider adoption of Resolution 2011-11, adopting the final FY 09-10 appropriations limit; 2011-16, adopting the FY 10-11 budgeted appropriations limit; and 2011-17 adopting the FY 11-12 budgeted appropriations limit.**

PRESENTED BY: **Steven Edmiston, Finance Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends adoption of Resolution 2011-11, Resolution 2011-16 and Resolution 2011-17 (separately).

Discussion:

State law requires the District to set an appropriation limit for each fiscal year. Only certain annual District budget appropriations from proceeds of taxes, as defined by the law and accepted statewide guidelines, are subject to the limit.

The methodology is such that budgeted amounts are used to calculate the appropriations limit for unaudited years and subsequently recalculated as financial information becomes finalized. Resolution 2011-11 recalculates the appropriations limit as adopted per Resolution 2010-14 when FY-10 final amounts were unavailable.

Resolution 2011-16 calculates the appropriations limit for FY 10-11 using budgetary information. Similarly, Resolution 2011-17 calculates the appropriations limit for FY 11-12 using budgetary information for that corresponding fiscal year.

All the above calculations were based on the percentage change in annual non-residential valuation growth to total growth in the assessed valuation of real and business property within the District, and the percent change in District population year to year.

Adoption of the appropriations limit has been determined to be a legislative act of the District Board of Directors and the limit can be adjusted or updated to correct previous errors in calculations or reflect new appropriations. Generally the required resolution is adopted with or just after the annual

budget resolution and reflects the amounts from the adopted budget. In addition, it is common practice for to update the resolution with the actual final appropriations of the prior year to insure that the District did not exceed the appropriations limit.

There are no penalties under Article XIII-B for failure to adopt a limit. Compliance with the law is intended to be locally enforced by citizens. The State Government Code limits challenges in civil court to the appropriations limit calculation to a 45-day period after adoption.

PUBLIC NOTICE:

As required by State Law, detailed worksheets supporting the appropriation limit calculations are available for review by the public at the District Office.

The appropriation limit resolution is required to be adopted by the District Board at a regularly scheduled meeting.

Attached are summary schedules of the FY 09-10 actual, and FY 10-11 and FY 11-12 budgeted calculations and the supporting detail worksheets.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

None, since the Appropriations Limit is higher than the Appropriations subject to Limit.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- See accompanying summary and detail schedules.

RESOLUTION 2011-11

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT ADOPTING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2009/2010

WHEREAS, the people of California on November 6, 1979 added Article XIII-B to the State Constitution and amended said Article on June 5, 1990; and

WHEREAS, the State Legislature adopted Chapters 1205/80 and 60/90 which implemented Article XIII-B and amendments; and

WHEREAS, Article XIII-B placed various limitations on the appropriations of the State and local governments, including Community Services Districts; and

WHEREAS, guidelines have been issued by a coalition of statewide organizations and Section 7902 and 7910 of the Government Code provides the process in which to calculate the appropriations limit and requires agencies adopt a resolution setting the annual appropriations limit; and

WHEREAS, the McKinleyville Community Services District has complied with the provisions of Article XIII-B in determining the appropriations limits for Fiscal Year 2009/2010; and

NOW THEREFORE IT BE RESOLVED by the Board of Directors of the McKinleyville Community Services District that:

1. The Fiscal Year 09-10 appropriations limit and appropriations subject to limit is calculated as follows:
    a. The prior year appropriations limit was adopted at $540,411.
    b. The annual factors used to adjust the appropriations limit shall be the change in Non-Residential Assessed Valuation (12.020 %) and January 2009 Unincorporated County population (.57%).
    c. The appropriation limit shall be $608,820.
    d. The budget appropriations subject to the appropriation limit is $268,253.
    e. See Attached Exhibit A for summary of Fiscal Year 09-10 appropriations limit and appropriations subject to limit.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 15th of June, 2011 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____ _____
Helen Edwards, Board President

Attest:

_____
Sharon L. Denison, Board Secretary

Schedule A

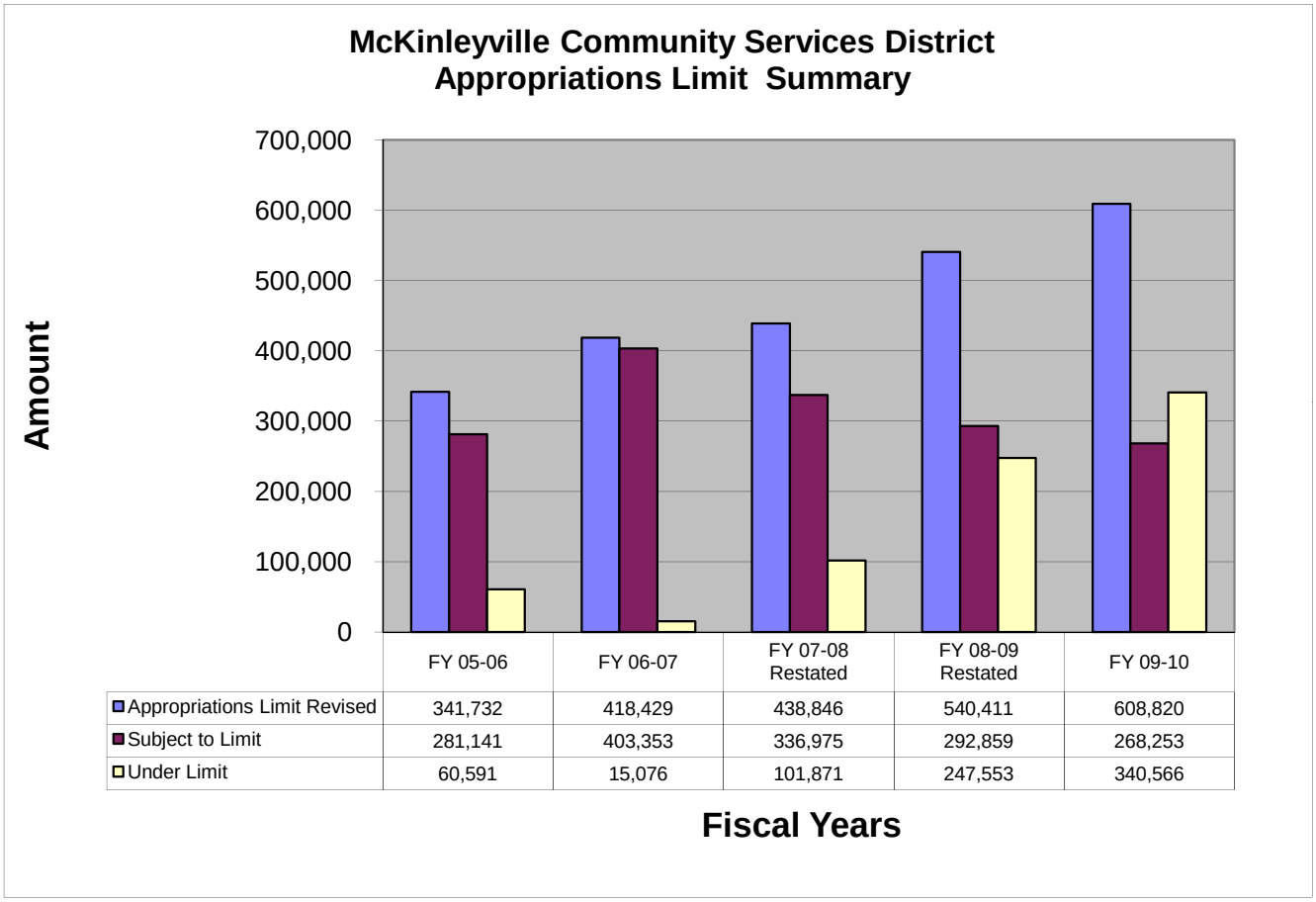
McKinleyville Community Services District
Appropriations Limit Calculation Summary
FY 09-10 Final

Prior Year Final Appropriation Limit		$ 540,411
Allowed Compounded Percentage Increase from Prior Year (1)		
Non-Residential Assessed Valuation Percent Change	12.020%	
MCSD Unicorporated County Population Percent Change	0.570%	
Compounded Percentage as an Adjustment Factor	12.659%	
Annual Adjustment Amount to Appropriation Limit		68,408
Current Year Appropriation Limit		608,820
Current Year Adopted Budget Appropriations From Proceeds of Taxes (2)		
Proceeds of Taxes From Adopted Budget (3)	468,703	
Less Allowable Exclusion of Certain Appropriations (3)	(200,450)	
Current Year Appropriations Subject to Appropriation Limit		268,253
Current Year Appropriations Under the Appropriation Limit (3)		$ (340,566)
Percentage Under the Limit		-56%

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under Limit
FY 00-01	262,852	256,052	6,800
FY 01-02	284,654	272,089	12,565
FY 02-03	282,163	281,973	190
FY 03-04	308,121	291,306	16,815
FY 04-05	321,919	217,475	104,444
FY 05-06	341,732	281,141	60,591
FY 06-07	418,429	403,353	15,076
FY 07-08 Restated	438,846	336,975	101,871
FY 08-09 Restated	540,411	292,859	247,553
FY 09-10	608,820	268,253	340,566



McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Final

User Fees in Excess of Costs Analysis (Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	313,937	313,937			
Miscellaneous Fees & Reimbursements	23,965	23,965			
Total General Fund	**337,902**	**337,902**	**-**	**-**	**-**
Street Lighting Fund	81,317		81,317		
Water Operations Fund	1,886,569			1,886,569	
Wastewater Operations Fund	1,787,314				1,787,314
Total Estimate of User Fees	**4,093,102**	**337,902**	**81,317**	**1,886,569**	**1,787,314**
Current Year Adopted Budget					
Operations & Equipment	**4,381,072**	**907,055**	**81,025**	**1,778,242**	**1,614,750**
Allocations for Improvements	**-**				
User Fees (Under) or in Excess of Costs	**(287,970)**	**(569,153)**	**292**	**108,327**	**172,564**

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Final

Calculation of Proceeds of Taxes and Interest Allocation (Worksheets #2 & #3 of Guidelines)

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	460,625				460,625	-	460,625
Special Assessment	201,114				201,114	201,114	-
Charges for Services	313,937				313,937	313,937	-
Grants	9,873				9,873	9,873	-
Development Fees	73,385				73,385	73,385	-
Interest (4)	18,992				18,992	10,914	-
Miscellaneous Fees & Reimbursements	23,965				23,965	23,965	8,078
Other Financing Sources					-	-	
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	**1,101,891**	**0**	**0**	**0**	**1,101,891**	**633,188**	**468,703**
Street Lighting Fund	81,317					81,317	
Water Fund	1,886,569					1,886,569	
Wastewater Fund	1,787,314					1,787,314	
Debt Service Fund	-					-	
Total All Funds	**4,857,091**	**-**	**-**	**-**	**1,101,891**	**4,388,388**	**468,703**

(1) See Worksheet 2.1 for Detail to all Funds
(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be relfected in the final budget appropriations.

(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.

(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 09-10 Final

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct		Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks						
41050		ADMIN FEE	3,950	3,950		Reimbursement for Services
42020		PROC. FEES	1,260	1,260		User Fees for Services
42030		BAD CHECK FEES	61	61		Miscellaneous Fees and Reimbursements
43002		REFUNDS/REBATES	-	-		Miscellaneous Fees and Reimbursements
43195		OTHER OP. REV.	4,436	4,436		Miscellaneous Fees and Reimbursements
43197		LEASE REVENUE	-	-		Use of Property fees
44000		OPEN SPACE FEES	52,885	52,885		Development Fees
45000		OPEN SPACE FEES	20,500	20,500		Development Fees
47050		MSC PAYROLL REM	4,240	4,240		Miscellaneous Fees and Reimbursements
47999		EVENT RENTALS	17,715	17,715		User Fees for Services
48000		COMM. EVENTS	2,202	2,202		User Fees for Services
48001		VENDOR CONTRACT	29,842	29,842		User Fees for Services
48002		EVENT SERVICES	4,480	4,480		User Fees for Services
48010		INSURANCE FEES	947	947		User Fees for Services
48020		AD INCOME	1,255	1,255		User Fees for Services
48040		COMMISSIONS VND	514	514		User Fees for Services
48050		REC. PROGRAMS	261,449	261,449		User Fees for Services
48051		FRF DISCOUNT	(5,727)	(5,727)		User Fees for Services
48055		PROGRAM GRANTS	9,873	9,873		Related to Restricted Grants
48070		SALE OF SCRAP	.	.		Use of Property fees
50001		INT. REVENUE	18,992	10,914	8,078	Allocated
51001		SECURED TAXES	460,625		460,625	
51060		MEASURE B ASSMT	201,114	201,114		Special Assessment Restricted Specific Use
53001		CONTRIBUTIONS	10,478	10,478		Donations
53002		QUIMBY FEES	-	-		Development fees
54001		STATE GRANTS	-	-		Related to Restricted Grants
56000		GAIN ON DISPOSAL	800	800		Miscellaneous Fees and Reimbursements
Total General Fund			**1,101,891**	**633,188**	**468,703**	
Street Lighting						
41050		ADMIN FEE	12,942	12,942		
42020		PROC. FEES	3,464	3,464		
47001		ST. LIGHT CHGS	64,883	64,883		
47001		ST. LIGHT CHGS	.	.		
50001		INT. REVENUE	28	28		
Total Street Lighting			**81,317**	**81,317**	**-**	User Fees for Services
Water Fund						
40000		WATER BASE CHG	613,423	613,423		
40001		MTR. WATER SALE	952,601	952,601		
41001		NEW SVC. FEES	14,655	14,655		
41020		PL. CK. FEE DEP	2,191	2,191		
42001		PERMIT FEES	3,819	3,819		
42010		CONN. FEES	13,077	13,077		
42020		PROC. FEES	17,443	17,443		
42030		BAD CHECK FEES	325	325		
42040		RECONN. FEES	11,222	11,222		
42050		DCV INSPECTION	20,117	20,117		
43010		REC. BAD DEBTS	706	706		
43190		CELL TOWER REV.	14,821	14,821		
43195		OTHER OP. REV.	10,190	10,190		

McKinleyville Community Services District
Revenue Estimates Detail
FY 09-10 Final

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct		Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43198		PAVING FEES	3,250	3,250		
43199		SERVICE UPGRADE	1,411	1,411		
46000		AFTER HRS CHGS	920	920		
48060		EQUIP USAGE FEE	233	233		
48070		SALE OF SCRAP	6	6		
50001		INT. REVENUE	39,897	39,897		
50005		LATE CHARGES	14,192	14,192		
51011		CONTRIB CONST	153,225	153,225		
56000		GAIN ON DISPOSAL	(1,155)	(1,155)		
Total Water			**1,886,569**	**1,886,569**	**0**	User Fees for Services
Wastewater Fund						
40002		SWR SVC CHGS.	1,404,897	1,404,897		
40010		STORM WATER FEE	297	297		
41001		NEW SVC. FEES	25,326	25,326		
41020		PL. CK. FEE DEP	3,116	3,116		
41040		SWR CONST PRMT	7,271	7,271		
42010		CONN. FEES	106,729	106,729		
42020		PROC. FEES	60	60		
42030		BAD CHECK FEES	285	285		
42040		RECONN. FEES	-	-		
42050		DCV INSPECTION	.	.		
43010		REC. BAD DEBTS	662	662		
43190		CELL TOWER REV.	14,821	14,821		
43195		OTHER OP. REV.	4,486	4,486		
43197		LEASE REVENUE	18,000	18,000		
43198		PAVING FEES	350	350		
46000		AFTER HRS CHGS	.	.		
48060		EQUIP USAGE FEE	390			
48070		SALE OF SCRAP	6			
50001		INT. REVENUE	46,165	46,165		
50005		LATE CHARGES	12,746	12,746		
51011		CONTRIB CONST	142,825			
56000		GAIN ON DISPOSAL	(1,118)			
Total Wastewater			**1,787,314**	**1,645,211**	**0**	User Fees for Services
Debt Service						
Total Debt Service			**-**	**-**	**-**	Debt Related
Total All Funds			**4,857,091**	**4,246,285**	**468,703**	

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 09-10 Final

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)

		Adopted Budget
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	**$**	**468,703**
Less Allowed Exclusions (From Worksheet #7)		**(200,450)**
Current Year Appropriations Subject to Limit	**$**	**268,253**
Current Year Appropriations Limit (From Worksheet #		**608,820**
Current Year Appropriations Over or (Under) Limit	**$**	**(340,566)**
Percentage Over or (Under) Limit		**-56%**

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 09-10 Final

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indicies		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unicorporated County)	Humbolt County Total		
FY 00-01	**4.91**	N/A	**1.64**	1.35	**106.63052%**	**262,852**
FY 01-02	**7.82**	N/A	**0.44**	0.34	**108.29441%**	**284,654**
FY 02-03	**-1.27**	N/A	**0.40**	0.33	**99.12492%**	**282,163**
FY 03-04	2.31	**8.14**	**0.98**	0.77	**109.19977%**	**308,121**
FY 04-05	**3.28**	-0.10	**1.16**	0.94	**104.47805%**	**321,919**
FY 05-06	**5.26**	-42.46	**0.85**	0.70	**106.15471%**	**341,732**
FY 06-07	3.96	**21.98**	0.10	**0.38**	**122.44352%**	**418,429**
FY 07-08	**4.42**	-14.41	0.17	**0.44**	**104.87945%**	**438,846**
FY 08-09	4.29	**22.13**	**0.83**	0.64	**123.14368%**	**540,411**
FY 09-10	0.62	**12.02**	**0.57**	0.45	**112.65851%**	**608,820**

[1] From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSD may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The**Bold type** indicate Factor used in calculation for the individual Fiscal Year.

[2] Appropriations Limit calculation have been revised to correct factors and mathematical calculations. Previous Appropriations limits and combined percentage growth from June 20, 2007 Board Agenda report.

[3] PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance.

[4] Percent of annual growth in non-residential assessed valuation is from information provided by the Humbolt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Final

Appropriations Limit Calculation (Worksheet #6 of Guidelines)

Prior Year Appropriations Limit (From Worksheet #5)	**$**	**540,411**
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		**12.02%**
MCSD Unicorporated County Population Percent Change		**0.57%**
Compounded Total Percentage Adjustment Factor		**12.659%**
Current Year Annual Adjustment Amount	**$**	**68,408**
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibilty of Services		0
Total Adjustments to Limit	$	-
Current Year Appropriations Limit	**$**	**608,820**

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 09-10 Final

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)

	Exclusions
Court Orders	-
Federal Mandates	
FICA and Medicare Payments	27,875
Unemployment Payments	8,096
Total Federal Mandates	**35,971**
Qualified Capital Outlays (Assets of over $100,000)	
Total Qualified Capital Outlays Paid From Proceeds of Taxes	**-**
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	**164,479**
Total Exclusions	**200,450**

RESOLUTION 2011-16

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT ADOPTING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2010/2011

WHEREAS, the people of California on November 6, 1979 added Article XIII-B to the State Constitution and amended said Article on June 5, 1990; and

WHEREAS, the State Legislature adopted Chapters 1205/80 and 60/90 which implemented Article XIII-B and amendments; and

WHEREAS, Article XIII-B placed various limitations on the appropriations of the State and local governments, including Community Services Districts; and

WHEREAS, guidelines have been issued by a coalition of statewide organizations and Section 7902 and 7910 of the Government Code provides the process in which to calculate the appropriations limit and requires agencies adopt a resolution setting the annual appropriations limit; and

WHEREAS, the McKinleyville Community Services District has complied with the provisions of Article XIII-B in determining the appropriations limits for Fiscal Year 2010/2011; and

NOW THEREFORE IT BE RESOLVED by the Board of Directors of the McKinleyville Community Services District that:

1. The Fiscal Year 10-11 appropriations limit and appropriations subject to limit is calculated as follows:
    a. The prior year appropriations limit was adopted at $608,820.
    b. The annual factors used to adjust the appropriations limit shall be the change in Non-Residential Assessed Valuation (37.77 %) and January 2010 Unincorporated County population (.69%).
    c. The appropriation limit shall be $844,558.
    d. The budget appropriations subject to the appropriation limit is $312,246.
    e. See Attached Exhibit A for summary of Fiscal Year 10-11 appropriations limit and appropriations subject to limit.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 15th of June, 2011 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____ _____
Helen Edwards, Board President

Attest:

_____
Sharon L. Denison, Board Secretary

Schedule A

McKinleyville Community Services District
Appropriations Limit Calculation Summary
FY 10-11 Budget

Prior Year Final Appropriation Limit		$ 608,820
Allowed Compounded Percentage Increase from Prior Year (1)		
Non-Residential Assessed Valuation Percent Change	37.770%	
MCSD Unicorporated County Population Percent Change	0.690%	
Compounded Percentage as an Adjustment Factor	38.721%	
Annual Adjustment Amount to Appropriation Limit		235,739
Current Year Appropriation Limit		844,558
Current Year Adopted Budget Appropriations From Proceeds of Taxes (2)		
Proceeds of Taxes From Adopted Budget (3)	521,800	
Less Allowable Exclusion of Certain Appropriations (3)	(209,554)	
Current Year Appropriations Subject to Appropriation Limit		312,246
Current Year Appropriations Under the Appropriation Limit (3)		$ (532,312)
Percentage Under the Limit		-63%

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 10-11 Budget

User Fees in Excess of Costs Analysis (Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	375,206	375,206			
Miscellaneous Fees & Reimbursements	30,076	30,076			
Total General Fund	**405,282**	**405,282**	**-**	**-**	**-**
Street Lighting Fund	80,000		80,000		
Water Operations Fund	2,175,586			2,175,586	
Wastewater Operations Fund	1,785,589				1,785,589
Total Estimate of User Fees	**4,446,457**	**405,282**	**80,000**	**2,175,586**	**1,785,589**
Current Year Adopted Budget					
Operations & Equipment	**4,381,072**	**907,055**	**81,025**	**1,778,242**	**1,614,750**
Allocations for Improvements	**-**				
User Fees (Under) or in Excess of Costs	**65,385**	**(501,773)**	**(1,025)**	**397,344**	**170,839**

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 10-11 Budget

Calculation of Proceeds of Taxes and Interest Allocation (Worksheets #2 & #3 of Guidelines)

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	520,000				520,000	-	520,000
Special Assessment	214,000				214,000	214,000	-
Charges for Services	375,206				375,206	375,206	-
Grants	4,397,100				4,397,100	4,397,100	-
Development Fees	244,500				244,500	244,500	-
Interest (4)	20,000				20,000	18,200	-
Miscellaneous Fees & Reimbursements	30,076				30,076	30,076	1,800
Other Financing Sources					-	-	
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	**5,800,882**	**0**	**0**	**0**	**5,800,882**	**5,279,082**	**521,800**
Street Lighting Fund	80,000					80,000	
Water Fund	2,175,586					2,175,586	
Wastewater Fund	1,785,589					1,785,589	
Debt Service Fund	-					-	
Total All Funds	**9,842,057**	**-**	**-**	**-**	**5,800,882**	**9,320,257**	**521,800**

(1) See Worksheet 2.1 for Detail to all Funds
(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be relfected in the final budget appropriations.

(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.

(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 10-11 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct		Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks						
41050		ADMIN FEE	8,000	8,000		Reimbursement for Services
42020		PROC. FEES	1,600	1,600		User Fees for Services
42030		BAD CHECK FEES	100	100		Miscellaneous Fees and Reimbursements
43002		REFUNDS/REBATES	-	-		Miscellaneous Fees and Reimbursements
43195		OTHER OP. REV.	-	-		Miscellaneous Fees and Reimbursements
43197		LEASE REVENUE	6,276	6,276		Use of Property fees
44000		OPEN SPACE FEES	52,000	52,000		Development Fees
45000		OPEN SPACE FEES	7,500	7,500		Development Fees
47050		MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999		EVENT RENTALS	17,500	17,500		User Fees for Services
48000		COMM. EVENTS	-	-		User Fees for Services
48001		VENDOR CONTRACT	36,100	36,100		User Fees for Services
48002		EVENT SERVICES	7,300	7,300		User Fees for Services
48010		INSURANCE FEES	500	500		User Fees for Services
48020		AD INCOME	1,000	1,000		User Fees for Services
48040		COMMISSIONS VND	-	-		User Fees for Services
48050		REC. PROGRAMS	314,756	314,756		User Fees for Services
48051		FRF DISCOUNT	(3,550)	(3,550)		User Fees for Services
48055		PROGRAM GRANTS	18,100	18,100		Related to Restricted Grants
48070		SALE OF SCRAP	-	-		Use of Property fees
50001		INT. REVENUE	20,000	18,200	1,800	Allocated
51001		SECURED TAXES	520,000		520,000	
51060		MEASURE B ASSMT	214,000	214,000		Special Assessment Restricted Specific Use
52000		OTHER INCOME	650	650		Miscellaneous Fees and Reimbursements
53001		CONTRIBUTIONS	15,050	15,050		Donations
53002		QUIMBY FEES	185,000	185,000		Development fees
54001		STATE GRANTS	4,379,000	4,379,000		Related to Restricted Grants
56000		GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund			**5,800,882**	**5,279,082**	**521,800**	
Street Lighting						
41050		ADMIN FEE	12,500	12,500		
42020		PROC. FEES	3,400	3,400		
47001		ST. LIGHT CHGS	64,000	64,000		
47001		ST. LIGHT CHGS	.	.		
50001		INT. REVENUE	100	100		
Total Street Lighting			**80,000**	**80,000**	**-**	User Fees for Services
Water Fund						
40000		WATER BASE CHG	648,900	648,900		
40001		MTR. WATER SALE	1,339,000	1,339,000		
41001		NEW SVC. FEES	7,200	7,200		
41002		INSTALLATION FEES	5,800	5,800		
41020		PL. CK. FEE DEP	3,000	3,000		
42001		PERMIT FEES	2,000	2,000		
42010		CONN. FEES	11,500	11,500		
42020		PROC. FEES	20,000	20,000		
42030		BAD CHECK FEES	400	400		
42040		RECONN. FEES	11,000	11,000		
42050		DCV INSPECTION	19,876	19,876		
43010		REC. BAD DEBTS	782	782		
43190		CELL TOWER REV.	16,000	16,000		
43195		OTHER OP. REV.	20,450	20,450		
43197		LEASE REVENUE	3,600	3,600		

McKinleyville Community Services District
Revenue Estimates Detail
FY 10-11 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct		Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43198		PAVING FEES	1,300	1,300		
43199		SERVICE UPGRADE	-	-		
46000		AFTER HRS CHGS	1,400	1,400		
48060		EQUIP USAGE FEE	-	-		
48070		SALE OF SCRAP	-	-		
50001		INT. REVENUE	49,000	49,000		
50005		LATE CHARGES	14,378	14,378		
51011		CONTRIB CONST	-	-		
56000		GAIN ON DISPOSAL	-	-		
Total Water			**2,175,586**	**2,175,586**	**0**	User Fees for Services
Wastewater Fund						
40002		SWR SVC CHGS.	1,437,944	1,437,944		
40010		STORM WATER FEE	300	300		
41001		NEW SVC. FEES	25,000	25,000		
41002		INSTALLATION FEES	6,000	6,000		
41020		PL. CK. FEE DEP	5,000	5,000		
41040		SWR CONST PRMT	-	-		
42001			3,900	3,900		
42010		CONN. FEES	176,000	176,000		
42020		PROC. FEES	-	-		
42030		BAD CHECK FEES	300	300		
42040		RECONN. FEES	-	-		
42050		DCV INSPECTION	-	-		
43010		REC. BAD DEBTS	700	700		
43190		CELL TOWER REV.	16,000	16,000		
43195		OTHER OP. REV.	18,800	18,800		
43197		LEASE REVENUE	26,400	26,400		
43198		PAVING FEES	1,000	1,000		
46000		AFTER HRS CHGS	-	-		
48060		EQUIP USAGE FEE	-			
48070		SALE OF SCRAP	-			
50001		INT. REVENUE	55,000	55,000		
50005		LATE CHARGES	13,245	13,245		
51011		CONTRIB CONST	-			
56000		GAIN ON DISPOSAL	-			
Total Wastewater			**1,785,589**	**1,785,589**	**0**	User Fees for Services
Debt Service						
Total Debt Service			**-**	**-**	**-**	Debt Related
Total All Funds			**9,842,057**	**9,320,257**	**521,800**	

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 10-11 Budget

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)

		Adopted Budget
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	**$**	**521,800**
Less Allowed Exclusions (From Worksheet #7)		**(209,554)**
Current Year Appropriations Subject to Limit	**$**	**312,246**
Current Year Appropriations Limit (From Worksheet #(		**844,558**
Current Year Appropriations Over or (Under) Limit	**$**	**(532,312)**
Percentage Over or (Under) Limit		**-63%**

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 10-11 Budget

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indicies		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unicorporated County)	Humbolt County Total		
FY 00-01	**4.91**	N/A	**1.64**	1.35	**106.63052%**	**262,852**
FY 01-02	**7.82**	N/A	**0.44**	0.34	**108.29441%**	**284,654**
FY 02-03	**-1.27**	N/A	**0.40**	0.33	**99.12492%**	**282,163**
FY 03-04	2.31	**8.14**	**0.98**	0.77	**109.19977%**	**308,121**
FY 04-05	**3.28**	-0.10	**1.16**	0.94	**104.47805%**	**321,919**
FY 05-06	**5.26**	-42.46	**0.85**	0.70	**106.15471%**	**341,732**
FY 06-07	3.96	**21.98**	0.10	**0.38**	**122.44352%**	**418,429**
FY 07-08	**4.42**	-14.41	0.17	**0.44**	**104.87945%**	**438,846**
FY 08-09	4.29	**22.13**	**0.83**	0.64	**123.14368%**	**540,411**
FY 09-10	0.62	**12.02**	**0.57**	0.45	**112.65851%**	**608,820**
FY 10-11	-2.54	**37.77**	**0.69**	0.53	**138.72061%**	**844,558**

[1] From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSD may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The**Bold type** indicate Factor used in calculation for the individual Fiscal Year.

[2] Appropriations Limit calculation have been revised to correct factors and mathematical calculations. Previous Appropriations limits and combined percentage growth from June 20, 2007 Board Agenda report.

[3] PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance.

[4] Percent of annual growth in non-residential assessed valuation is from information provided by the Humbolt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 10-11 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)

Prior Year Appropriations Limit (From Worksheet #5)	**$**	**608,820**
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		**37.77%**
MCSD Unicorporated County Population Percent Change		**0.69%**
Compounded Total Percentage Adjustment Factor		**38.721%**
Current Year Annual Adjustment Amount	**$**	**235,739**
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibilty of Services		0
Total Adjustments to Limit	$	-
Current Year Appropriations Limit	**$**	**844,558**

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 10-11 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)

	Exclusions
Court Orders	-
Federal Mandates	
FICA and Medicare Payments	40,456
Unemployment Payments	4,619
Total Federal Mandates	**45,075**
Qualified Capital Outlays (Assets of over $100,000)	
Total Qualified Capital Outlays Paid From Proceeds of Taxes	**-**
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	**164,479**
Total Exclusions	**209,554**

RESOLUTION 2011-17

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT ADOPTING THE APPROPRIATION LIMIT FOR FISCAL YEAR 2011/2012

WHEREAS, the people of California on November 6, 1979 added Article XIII-B to the State Constitution and amended said Article on June 5, 1990; and

WHEREAS, the State Legislature adopted Chapters 1205/80 and 60/90 which implemented Article XIII-B and amendments; and

WHEREAS, Article XIII-B placed various limitations on the appropriations of the State and local governments, including Community Services Districts; and

WHEREAS, guidelines have been issued by a coalition of statewide organizations and Section 7902 and 7910 of the Government Code provides the process in which to calculate the appropriations limit and requires agencies adopt a resolution setting the annual appropriations limit; and

WHEREAS, the McKinleyville Community Services District has complied with the provisions of Article XIII-B in determining the appropriations limits for Fiscal Year 2011/2012; and

NOW THEREFORE IT BE RESOLVED by the Board of Directors of the McKinleyville Community Services District that:

1. The Fiscal Year 11-12 appropriations limit and appropriations subject to limit is calculated as follows:
    a. The prior year appropriations limit was adopted at $844,558.
    b. The annual factors used to adjust the appropriations limit shall be the change in Non-Residential Assessed Valuation (10.50 %) and January 2011 Unincorporated County population (.72%).
    c. The appropriation limit shall be $939,956.
    d. The budget appropriations subject to the appropriation limit is $326,017.
    e. See Attached Exhibit A for summary of Fiscal Year 11-12 appropriations limit and appropriations subject to limit.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 15th of June, 2011 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____ _____
Helen Edwards, Board President

Attest:

_____
Sharon L. Denison, Board Secretary

Schedule A

McKinleyville Community Services District
Appropriations Limit Calculation Summary
FY 11-12 Budget

Prior Year Final Appropriation Limit		**$ 844,558**
Allowed Compounded Percentage Increase from Prior Year (1)		
Non-Residential Assessed Valuation Percent Change	10.500%	
MCSD Unicorporated County Population Percent Change	0.720%	
Compounded Percentage as an Adjustment Factor	11.296%	
Annual Adjustment Amount to Appropriation Limit		95,398
Current Year Appropriation Limit		**939,956**
Current Year Adopted Budget Appropriations From Proceeds of Taxes (2)		
Proceeds of Taxes From Adopted Budget (3)	536,861	
Less Allowable Exclusion of Certain Appropriations (3)	(210,844)	
Current Year Appropriations Subject to Appropriation Limit		**326,017**
Current Year Appropriations Under the Appropriation Limit (3)		**$ (613,939)**
Percentage Under the Limit		**-65%**

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 11-12 Budget

User Fees in Excess of Costs Analysis (Worksheet #1 of Guidelines)

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	359,350	359,350			
Miscellaneous Fees & Reimbursements	13,676	13,676			
Total General Fund	**373,026**	**373,026**	**-**	**-**	**-**
Street Lighting Fund	82,000		82,000		
Water Operations Fund	2,147,699			2,147,699	
Wastewater Operations Fund	2,082,255				2,082,255
Total Estimate of User Fees	**4,684,980**	**373,026**	**82,000**	**2,147,699**	**2,082,255**
Current Year Adopted Budget					
Operations & Equipment	**4,381,072**	**907,055**	**81,025**	**1,778,242**	**1,614,750**
Allocations for Improvements	**-**				
User Fees (Under) or in Excess of Costs	**303,908**	**(534,029)**	**975**	**369,457**	**467,505**

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 11-12 Budget

Calculation of Proceeds of Taxes and Interest Allocation (Worksheets #2 & #3 of Guidelines)

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	530,000				530,000	-	530,000
Special Assessment	210,000				210,000	210,000	-
Charges for Services	359,350				359,350	359,350	-
Grants	10,200				10,200	10,200	-
Development Fees	267,260				267,260	267,260	-
Interest (4)	18,000				18,000	11,139	-
Miscellaneous Fees & Reimbursements	13,676				13,676	13,676	6,861
Other Financing Sources					-	-	
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	**1,408,486**	**0**	**0**	**0**	**1,408,486**	**871,625**	**536,861**
Street Lighting Fund	82,000					82,000	
Water Fund	2,147,699					2,147,699	
Wastewater Fund	2,082,255					2,082,255	
Debt Service Fund	-					-	
Total All Funds	**5,720,440**	**-**	**-**	**-**	**1,408,486**	**5,183,579**	**536,861**

(1) See Worksheet 2.1 for Detail to all Funds
(2) Use of reserves or fund balances are considered non-proceeds of taxes due to prior year appropriation of all fund balances to reserves. A (negative) amount reflects a budgetary increase to reserves or ending fund balance which will be relfected in the final budget appropriations.

(3) Includes all appropriations from all funds to reconcile to adopted budget resolutions.

(4) Interest is allocated between Proceeds and Non-Proceeds on a proportional basis.

McKinleyville Community Services District
Revenue Estimates Detail
FY 11-12 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct		Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks						
41050		ADMIN FEE	8,000	8,000		Reimbursement for Services
42020		PROC. FEES	2,500	2,500		User Fees for Services
42030		BAD CHECK FEES	200	200		Miscellaneous Fees and Reimbursements
43002		REFUNDS/REBATES	-	-		Miscellaneous Fees and Reimbursements
43195		OTHER OP. REV.	-	-		Miscellaneous Fees and Reimbursements
43197		LEASE REVENUE	2,076	2,076		Use of Property fees
44000		OPEN SPACE FEES	64,760	64,760		Development Fees
45000		OPEN SPACE FEES	7,500	7,500		Development Fees
47050		MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999		EVENT RENTALS	17,950	17,950		User Fees for Services
48000		COMM. EVENTS	-	-		User Fees for Services
48001		VENDOR CONTRACT	32,000	32,000		User Fees for Services
48002		EVENT SERVICES	4,500	4,500		User Fees for Services
48010		INSURANCE FEES	1,000	1,000		User Fees for Services
48020		AD INCOME	1,200	1,200		User Fees for Services
48040		COMMISSIONS VND	-	-		User Fees for Services
48050		REC. PROGRAMS	306,200	306,200		User Fees for Services
48051		FRF DISCOUNT	(6,000)	(6,000)		User Fees for Services
48055		PROGRAM GRANTS	10,200	10,200		Related to Restricted Grants
48070		SALE OF SCRAP	-	-		Use of Property fees
50001		INT. REVENUE	18,000	11,139	6,861	Allocated
51001		SECURED TAXES	530,000		530,000	
51060		MEASURE B ASSMT	210,000	210,000		Special Assessment Restricted Specific Use
52000		OTHER INCOME	-	-		Miscellaneous Fees and Reimbursements
53001		CONTRIBUTIONS	3,400	3,400		Donations
53002		QUIMBY FEES	195,000	195,000		Development fees
54001		STATE GRANTS	-	-		Related to Restricted Grants
56000		GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund			**1,408,486**	**871,625**	**536,861**	
Street Lighting						
41050		ADMIN FEE	12,900	12,900		
42020		PROC. FEES	3,400	3,400		
47001		ST. LIGHT CHGS	65,700	65,700		
47001		ST. LIGHT CHGS	.	.		
50001		INT. REVENUE	-	-		
Total Street Lighting			**82,000**	**82,000**	**-**	User Fees for Services
Water Fund						
40000		WATER BASE CHG	672,000	672,000		
40001		MTR. WATER SALE	1,135,779	1,135,779		
41001		NEW SVC. FEES	14,000	14,000		
41002		INSTALLATION FEES	-	-		
41020		PL. CK. FEE DEP	3,000	3,000		
42001		PERMIT FEES	3,000	3,000		
42010		CONN. FEES	175,000	175,000		
42020		PROC. FEES	17,000	17,000		
42030		BAD CHECK FEES	360	360		
42040		RECONN. FEES	15,345	15,345		
42050		DCV INSPECTION	20,615	20,615		
43010		REC. BAD DEBTS	-	-		
43190		CELL TOWER REV.	14,200	14,200		
43195		OTHER OP. REV.	22,000	22,000		
43197		LEASE REVENUE	3,600	3,600		

McKinleyville Community Services District
Revenue Estimates Detail
FY 11-12 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct		Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43198		PAVING FEES	2,600	2,600		
43199		SERVICE UPGRADE	600	600		
46000		AFTER HRS CHGS	600	600		
48060		EQUIP USAGE FEE	-	-		
48070		SALE OF SCRAP	-	-		
50001		INT. REVENUE	35,000	35,000		
50005		LATE CHARGES	13,000	13,000		
51011		CONTRIB CONST	-	-		
56000		GAIN ON DISPOSAL	-	-		
Total Water			**2,147,699**	**2,147,699**	**0**	User Fees for Services
Wastewater Fund						
40002		SWR SVC CHGS.	1,443,000	1,443,000		
40010		STORM WATER FEE	300	300		
41001		NEW SVC. FEES	30,000	30,000		
41002		INSTALLATION FEES	5,050	5,050		
41020		PL. CK. FEE DEP	-	-		
41040		SWR CONST PRMT	9,000	9,000		
42001		INSPECTION FEES	-	-		
42010		CONN. FEES	500,000	500,000		
42020		PROC. FEES	-	-		
42030		BAD CHECK FEES	280	280		
42040		RECONN. FEES	-	-		
42050		DCV INSPECTION	-	-		
43010		REC. BAD DEBTS	-	-		
43190		CELL TOWER REV.	14,200	14,200		
43195		OTHER OP. REV.	3,500	3,500		
43197		LEASE REVENUE	18,125	18,125		
43198		PAVING FEES	-	-		
46000		AFTER HRS CHGS	-	-		
48060		EQUIP USAGE FEE	-			
48070		SALE OF SCRAP	-			
50001		INT. REVENUE	45,000	45,000		
50005		LATE CHARGES	13,800	13,800		
51011		CONTRIB CONST	-			
56000		GAIN ON DISPOSAL	-			
Total Wastewater			**2,082,255**	**2,082,255**	**0**	User Fees for Services
Debt Service						
Total Debt Service			**-**	**-**	**-**	Debt Related
Total All Funds			**5,720,440**	**5,183,579**	**536,861**	

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 11-12 Budget

Calculation of Appropriations Subject to Limit (Worksheet #4 of Guidelines)

		Adopted Budget
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	**$**	**536,861**
Less Allowed Exclusions (From Worksheet #7)		**(210,844)**
Current Year Appropriations Subject to Limit	**$**	**326,017**
Current Year Appropriations Limit (From Worksheet #		**939,956**
Current Year Appropriations Over or (Under) Limit	**$**	**(613,939)**
Percentage Over or (Under) Limit		**-65%**

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 11-12 Budget

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indicies		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unicorporated County)	Humbolt County Total		
FY 00-01	**4.91**	N/A	**1.64**	1.35	**106.63052%**	**262,852**
FY 01-02	**7.82**	N/A	**0.44**	0.34	**108.29441%**	**284,654**
FY 02-03	**-1.27**	N/A	**0.40**	0.33	**99.12492%**	**282,163**
FY 03-04	2.31	**8.14**	**0.98**	0.77	**109.19977%**	**308,121**
FY 04-05	**3.28**	-0.10	**1.16**	0.94	**104.47805%**	**321,919**
FY 05-06	**5.26**	-42.46	**0.85**	0.70	**106.15471%**	**341,732**
FY 06-07	3.96	**21.98**	0.10	**0.38**	**122.44352%**	**418,429**
FY 07-08	**4.42**	-14.41	0.17	**0.44**	**104.87945%**	**438,846**
FY 08-09	4.29	**22.13**	**0.83**	0.64	**123.14368%**	**540,411**
FY 09-10	0.62	**12.02**	**0.57**	0.45	**112.65851%**	**608,820**
FY 10-11	-2.54	**37.77**	**0.69**	0.53	**138.72061%**	**844,558**
FY 11-12	2.51	**10.50**	**0.72**	0.66	**111.29560%**	**939,956**

[1] From State Department of Finance per Article XIII B of the California Constitution every May 1st for following Fiscal Year Appropriations Calculation. A 1991 amendment to Article XIII-B dropped use of the CPI and allowed for revising limit with PCI or Growth in non-residential assessed valuation and City or County population growth factors back to FY 87-88. The MCSD may selection by resolution the growth factors to be used to calculate the annual Appropriations Limit. The**Bold type** indicate Factor used in calculation for the individual Fiscal Year.

[2] Appropriations Limit calculation have been revised to correct factors and mathematical calculations. Previous Appropriations limits and combined percentage growth from June 20, 2007 Board Agenda report.

[3] PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance.

[4] Percent of annual growth in non-residential assessed valuation is from information provided by the Humbolt County Assessor's office on values and property classifications and is calculated as the percent of change in non-residential property valuation to the change in total valuation. Application of the percent change in non-residential valuation is from the prior fiscal year change. For example, the percent change in FY 03-04 of 8.14% was the change in non-residential assessed valuation in FY 02-03 from FY 01-02.

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 11-12 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)

Prior Year Appropriations Limit (From Worksheet #5)	**$**	**844,558**
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		**10.50%**
MCSD Unicorporated County Population Percent Change		**0.72%**
Compounded Total Percentage Adjustment Factor		**11.296%**
Current Year Annual Adjustment Amount	**$**	**95,398**
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibilty of Services		0
Total Adjustments to Limit	$	-
Current Year Appropriations Limit	**$**	**939,956**

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 11-12 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)

	Exclusions
Court Orders	-
Federal Mandates	
FICA and Medicare Payments	40,590
Unemployment Payments	5,775
Total Federal Mandates	**46,365**
Qualified Capital Outlays (Assets of over $100,000)	
Total Qualified Capital Outlays Paid From Proceeds of Taxes	**-**
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	**164,479**
Total Exclusions	**210,844**

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Monthly Report
June 15, 2011

AGENDA ITEM: **F.2.a.**
PRESENTED TO: **MCSD Board of Directors**
FROM: **Steven Edmiston, Finance Director**
SUBJECT: **Monthly Report**

INFRASTRUCTURE BANK FINANCING APPROVED

The Board of Directors of the California Infrastructure and Economic Development Bank (IBank) approved the District for a $1 million loan to finance the Ramey Pump Station Upgrade project. The General Manager attended their Board of Directors meeting on March 1, and met with the program managers afterward. Loan documents and additional resolutions have been received and are in the process of being reviewed by staff and counsel. Loan documents and related resolutions should be on the agenda for the July 20, 2011, MCSD Board meeting.

INTEREST EARNINGS ON FUNDS INVESTED AS PART OF THE COUNTY TREASURER'S INVESTMENT PORTFOLIO

The District presently maintains over $6 million in funds invested as part of the County of Humboldt Treasurer's investment portfolio. Quarterly returns were 1.23% on invested funds for the quarter ended March 31, 2011. The accompanying letter from John Bartholomew, Humboldt County Treasurer-Tax Collector, provides further discussion of the portfolio and his opinion of the future outlook.

WATER AND SEWER BUDGET

Revenues for water sales for the month of May continue to be below expectations for the eighth consecutive month by $54,940, resulting in a fiscal year to date negative budget variance of $551,067 (27.72%). The District has engaged Wildan Financial Services to undertake a study of the District's water and sewer rate structure with the intent of providing the District with an appropriate rate structure going forward. An adjustment to the District's water rate structure is necessary as this trend continues. The graphs on the following pages (reprinted from this month's Treasurer's Report) indicate a trend toward lower water usage as compared with the two most recent fiscal years. Net Operating Income for the District's water and sewer enterprise funds is below budget by $166,600.

PARKS AND RECREATION BUDGET

Secured property tax and Measure B assessments are collected by the County Treasurer-Tax Collector in December and April of each year and deposited to the District's Trust account. Secured property tax collections in the amount of $211,898, and Measure B assessments in the amount of $88,300, were collected and deposited during April, 2011. The District's share of certain portions of the property tax rolls (supplemental taxes, escapements, etc.) will be

deposited before June 30, 2011. The aggregate collections were 85% of total expectations for the fiscal year.

The annual interest and principal debt service payment for the General Fund was disbursed in advance of the August 1, 2010, due date in order to avoid delinquent payment penalties. An interest payment on this obligation was disbursed in February, 2011. The final payment on the WestAmerica Bank obligation will be disbursed prior to the end of the current fiscal year.

COST OF PUBLIC INFORMATION REQUESTS AND CORRESPONDENCE

The District received correspondence from the public during May, 2011. The cost to the District for this is $512.73 for May, 2011; bringing the total cost for FY-11 to $19,397.95. Staff hours for this totaled 7 hours in May, 2011, bringing the total to 212 hours for FY-11.

COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450
FAX: 707-445-7608
TOLL FREE: 877-448-6829
EMAIL: taxinfo@co.humboldt.ca.us

Subject: Interest Apportionment Rate, and Factors Affecting That Rate June 3, 2011

Honorable Board Members,

Your fund balances in the County Treasury from January through March 2011 earned an interest rate of **1.23%.** This is 22 basis points better than last quarter and yes it does compare favorably to the LAIF rate of .51%; but is still well short of long term averages.

Last quarter I mentioned that our Federal Government avoided a shut down through some last minute compromises, this quarter the bickering involves agreeing to increase the debt ceiling so the government doesn't default on its financial obligations. No, we are not having fun yet.

The current 'Quantitative Easing' program (QE2) is set to expire at the end of this month which means the Feds will stop flooding the market with additional dollars which theoretically should have been used for enhancing the availability of credit. Another intended effect was to keep interest rates artificially low, in which it has succeeded. In addition, this increase in the availability of dollars decreases its value relative to other currencies, and helps US exports compete in world markets.

The May jobs report came out this morning and highlighted the weakness of the US economic recovery by showing just 54,000 new payroll jobs were added last month, the worst report since last September. This low number of job increases caused the "official" unemployment rate to tick up to 9.1%; not a good sign. When one adds these figures to last weeks report that US housing starts in April dropped by 10.6% relative to March it leads to the familiar feeling that the economy really doesn't seem to be getting better.

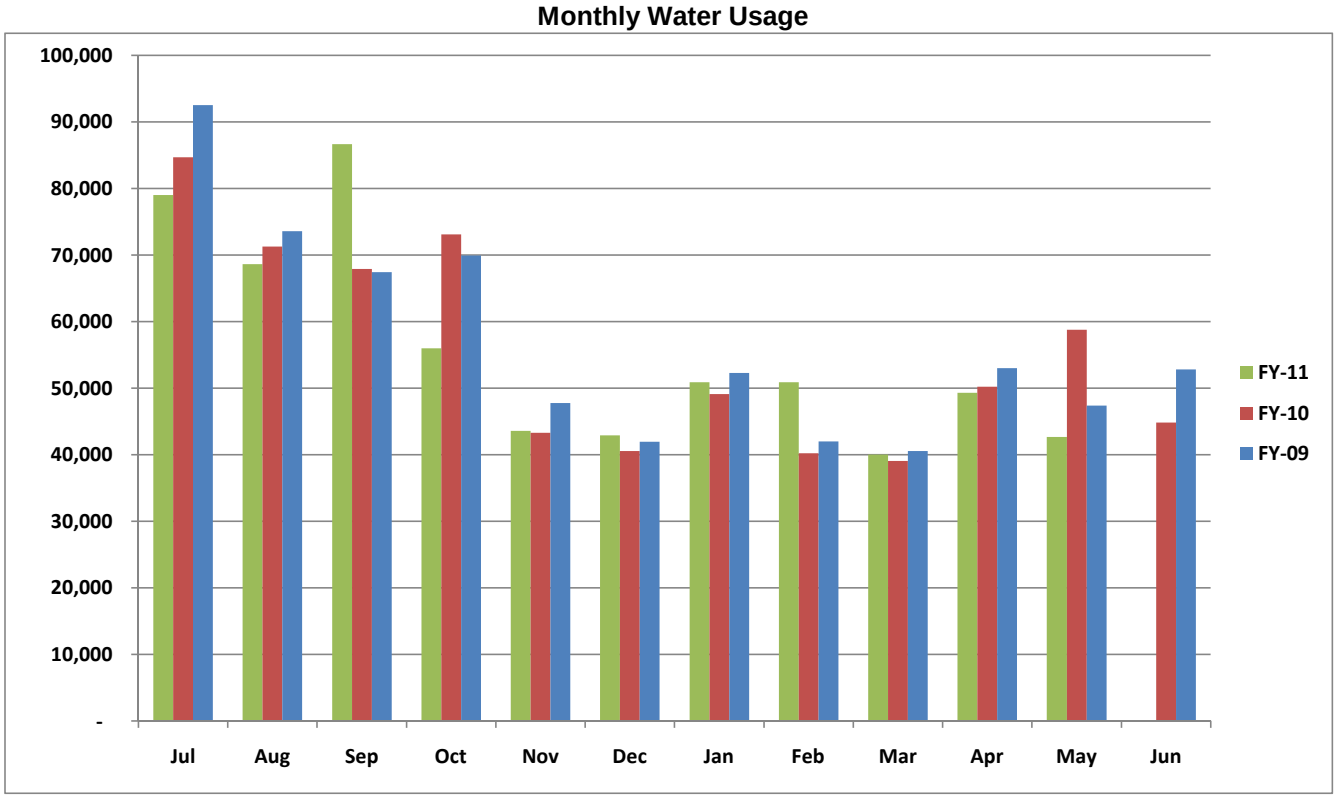
My job is to manage the County portfolio the best I can no matter the economic conditions in which we find ourselves. I strive for that objective every day. This means being forward looking and trying to anticipate when interest rates will begin rising. The ending of QE2 may cause rates to begin an upward bias, but current news is not supportive that this will occur. Time will tell.

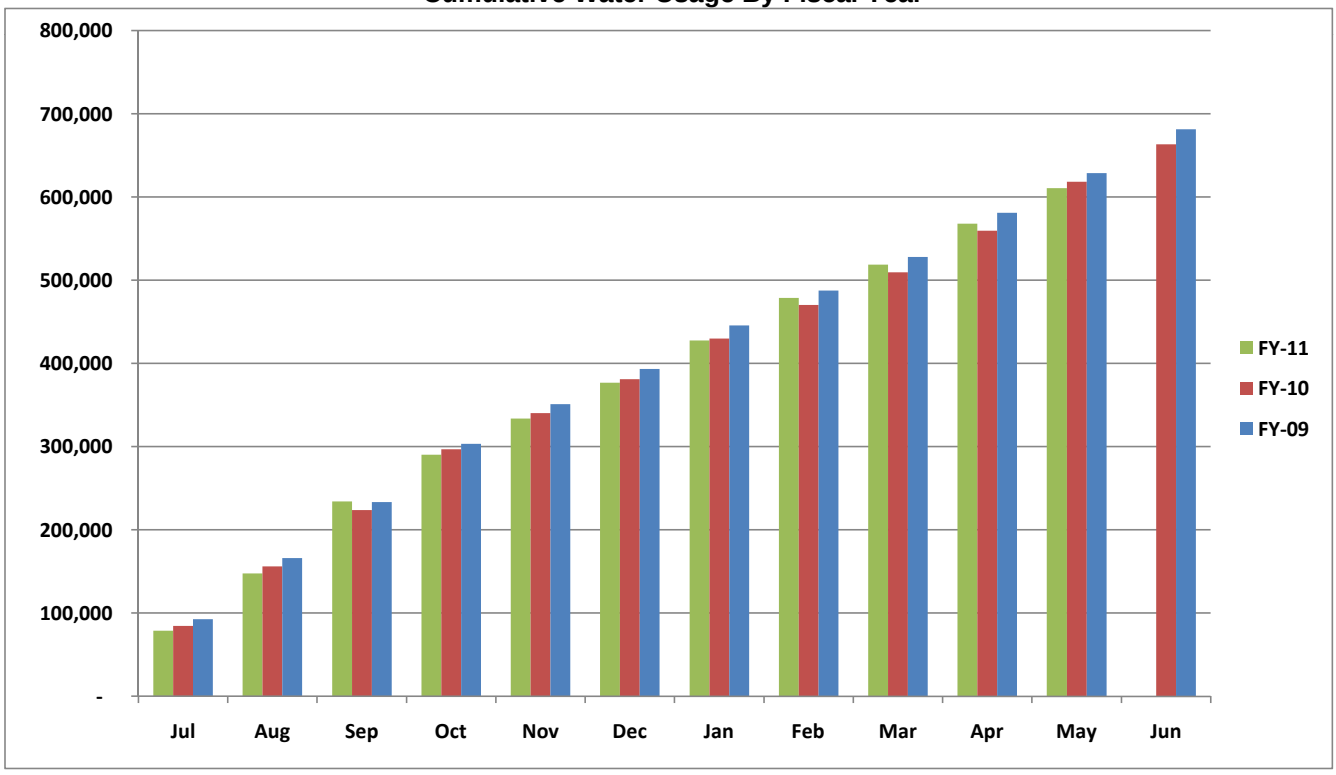
As your Treasurer-Tax Collector it would be my pleasure to with meet you. So don't hesitate to contact me if you have any questions about how your funds are being invested, or if you'd like me to attend one of your Board meetings and/or for me to give a brief presentation. Let me know how I may be of service.

Sincerely,

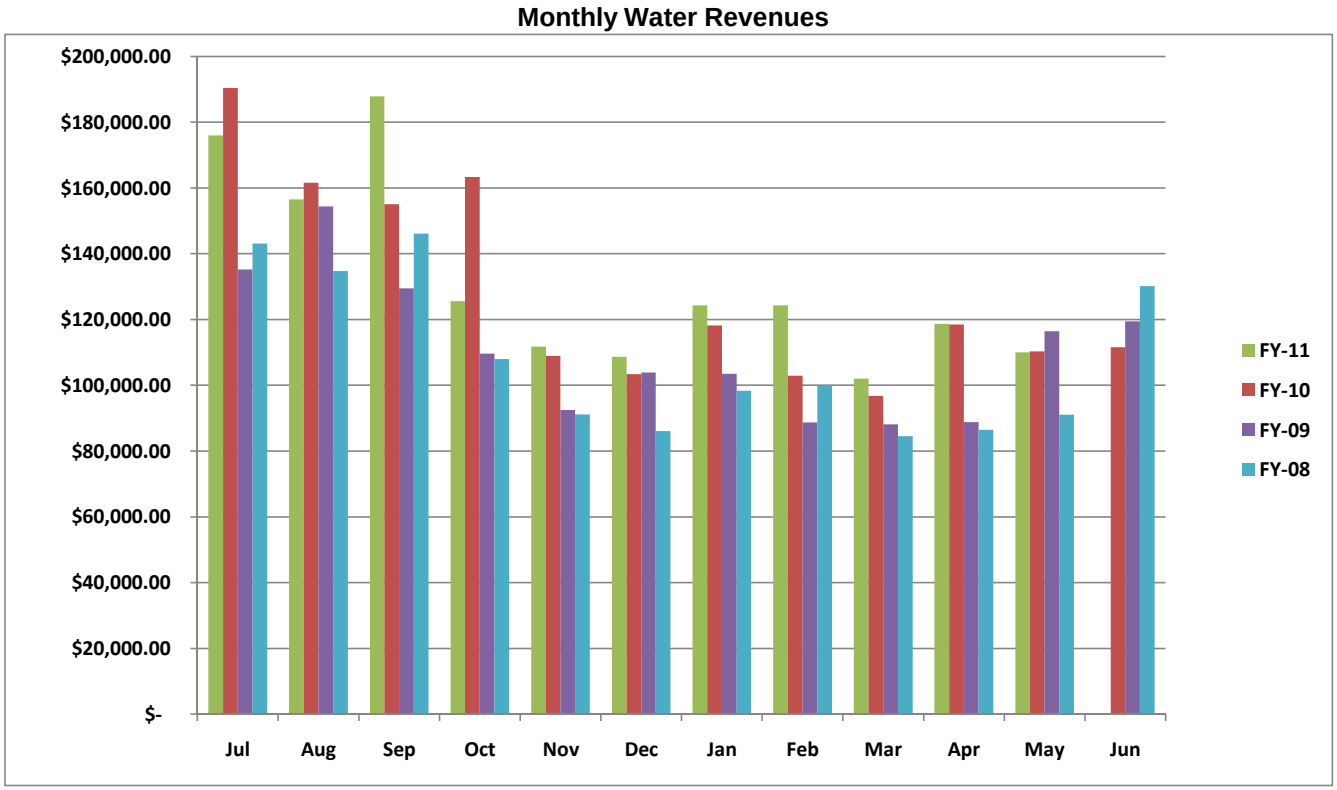
John Bartholomew
Treasurer-Tax Collector

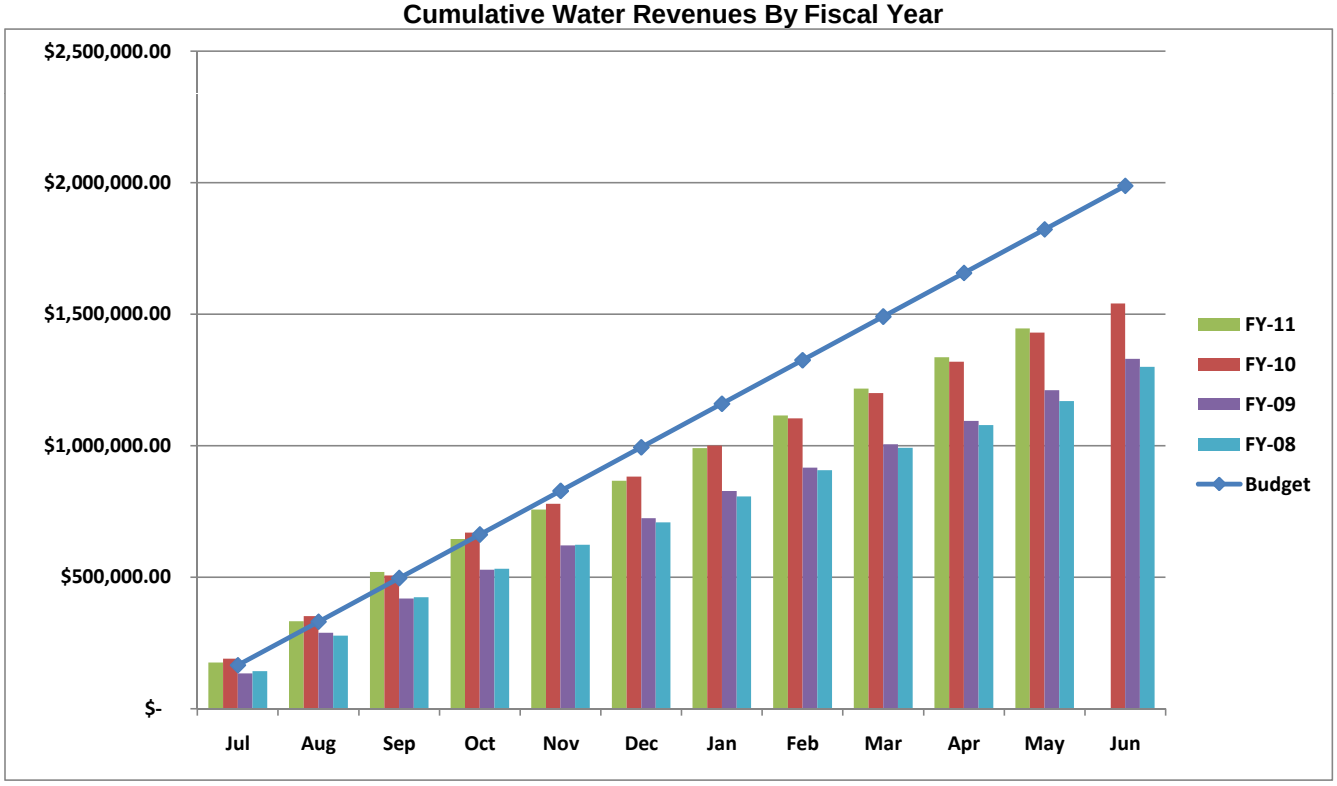
McKinleyville Community Services District
Analysis of Water Volume Usage by Fiscal Year





McKinleyville Community Services District
Analysis of Water Revenues by Fiscal Year





McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background: Department Report
June 9, 2011

To: MCSD Board

From: Gregory P Orsini, Operations Director

Subject: Agenda Item: F.2.B. –June 15, 2011 Board Meeting
Operations Department – May 2011 Report

Progress in achieving the Board's adopted FY10-11 Goals are summarized in the following narrative:
Water Department:

◊ **Water Statistics:**
The district pumped 39.9 million gallons of water in May.
33 water quality complaints were investigated and rectified in May.
Two service line leaks were reported and repaired in May.
One water service installation was completed in May.
Daily, weekly and monthly inspections of all water facilities were conducted.

◊ **Double Check Valve Testing:**
Routes 9 and 11 testing was completed in May accounting for 49 devices.

◊ **Global Positioning System (GPS):**
GPS collection at stations is completed. Building corners and fence corners were shot for inclusion in our master maps and to be included in the Asset Management Software. Staff is collecting points on all streetlights that were not included in the streetlight inspections due to being located on a PG&E pole or being installed less than 5 years ago. When completed, the District will have streetlight locations included in a layer on the master facility map.

◊ **Water Site Maintenance:**
Site clearing was conducted at North Bank and Blake Rd. Booster Stations to ease in the inspection of the facilities and for aesthetic purposes.

◊ **Heavy Equipment Maintenance:**
Semi-annual oil changes began on all equipment and station generators. This includes changing oil and oil filters, fuel and air filters, and coolant. This will continue and be completed in June. This maintenance is conducted in house to reduce operating costs and to maintain familiarity with the equipment.

◊ **New Construction Inspections:**
Central Estates Phase 2A and B, No work on facilities, project will restart in June; Fudali LLC, Project continues but no work on our facilities; VanEaton Subdivision has been completed but awaiting as-builds and Santos Subdivision, no work due to weather.

Waste Water Statistics:
32.9 million gallons of wastewater were collected and pumped to the W.W.M.F in May.
25.5 million gallons of waste water was treated, 14 million gallons discharged to the Mad River and 11.5 million gallons discharged to land disposal and reclamation in May.
No sewer services were completed in May.
Daily, weekly and monthly inspections of all sewer facilities were conducted.

◊ **Irrigation Season:**
Preparation for the irrigation season takes place every year in early May. Trimming Hiller irrigation lanes and marshes were completed and irrigation pipe was then placed in lanes 2 and 3. Irrigation pipe was set up at several other locations to begin irrigation. Pipe will then be moved on a daily basis and sites will be monitored to maintain compliance with regulation and be good stewards of the land. Irrigation pipe and sprinklers were installed at the tree nursery. We will begin irrigating the Black Cottonwoods after monitoring wells are installed. Two irrigation heads were repaired at the Fischer Ranch. During start up, they were identified as being broken below the surface. They were dug up, repaired and put back in service.

◊ **Hydro-Cleaning:**
Notification and Hydro-cleaning the semi-annual routine of sewer mains is complete. These trouble spots that have had blockages in the past are cleaned semiannually due to them clogging once every few years. The mains are cleaned with 3000 psi of water by means of our Vac-con truck. Approximately 8200 feet of sewer main was cleaned.

◊ **Sewer lift Station Maintenance:**

Fischer, B Street, Kelly, and Hiller Sewer Lift Station trimming was completed in May. This maintenance is important to maintain the aesthetics of the site and to allow staff to more efficiently evaluate the condition of District Facilities.

◊ **WWMF Maintenance:**

The floor tile at the WWMF was removed and an air test was performed and passed to allow entry back into the lab due to detection of asbestoses in the adhesive. A moisture test on the slab was performed to determine if the floor would need to be sealed prior to laying the new floor. The moisture test was conducted over a weekend with good results. The new heat welded vinyl floor has been installed and all equipment including lockers, toilet and partitions have been reinstalled. District personnel participated in this project where appropriate to reduce the total cost.

The chlorine injector was upgraded from 200 lbs/day to 400 lbs/day allow for a higher dose of chlorine. This included upsizing a section of pipe from ¾" to 1", changing injector and upsizing the roto-meter to 400 lbs/day. This project was completed entirely with District staff at a considerable cost savings.

The Chlorine Contact Basin was drained and washed with high pressured water to remove sediment from the disinfection process.

The aerator in Pond 1B was removed after trouble shooting determined the motor needed to be rewound. The rewind of the motor will be conducted in house for a superior job at a reduced cost.

◊ **Wet Weather Flow Monitoring:**

The sewer flow tote has been set to monitor wet weather flow. It will be moved to preselected manholes which will take a flow read every 5 minutes. This information will then be compared to the dry weather flow data collected to determine Inflow or Infiltration areas. This project will continue for several months but the information will be used for dry weather flow.

◊ **Station Pump Maintenance:**

Semi-annual lubing of pumps and motors was completed in May. Fluid levels are checked and grease is added where needed. This process maintains the life of motors and pumps and allows field personnel to evaluate the condition the District equipment.

◊ **Street Light Department:**

No streetlight problems were reported or repaired in May. A new street light pole was set on Lonestar Ave. to replace t a pole that was taken out of service last November.

◊ **Promote Staff Training and Advancement:** Weekly safety meetings were conducted.

Special Notes:

Ramey Project: Bollards were set, diesel tank was anchored, electrical is near completion and generator fuel piping was tested for leaks. Testing for start-up took place. Representatives of the manufactures were present to participate in the start up of their equipment. Pumps and motors were tested to 100%, which caused many cloudy water complaints. Staff responded quickly to the complaints and addressed the problem by flushing fire hydrants. Testing is still in process and will continue for several weeks.

Every 5 years the Environmental Protection Agency (EPA) requires a Risk Management Plan (RMP) be resubmitted with updated information for entities that meet certain regulatory criteria. EPA regulations are to ensure facilities take steps to prevent oil spills, chemical accidents, and other emergencies, and implement planning and response requirements to mitigate the impact of incidents. The County of Humboldt is responsible for making sure the District stays in compliance with the California Accidental Release Program (CalARP). District staff completed and resubmitted the RMP in May.

Mad River Bridge Project: Encroachment Permit for the water line was completed and submitted to Cal Trans. Precast Pipe supports have been ordered and all submittals for materials have been reviewed by staff and accepted. The District Facilities Inspector is familiarizing himself with the specification of the project to conduct the construction inspections. Staff is conducting project management, materials acceptance and construction inspection in house to lower the cost of the project.

The Sewer System Management Plan (SSMP) has been self certified and public notification was completed by creating a web page specific to it.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
June 15, 2011

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

PONY EXPRESS DAYS:
Pony Express Days was a huge success this year. The parade had the most entries in the last several years and the activities held at Pierson Park were very well attended.

The Pony Express Days banners were removed from the streetlights on Tuesday, June 7th along Central Avenue.

GRANT AWARD:
Staff received notice that we were successful in grant funding in the amount of $18,932.00 for the installation of recycled rubber safety surface for a new swing set at Pierson Park Playground, a new swing set at Hill Park Playground, and for a new playground at Larissa Park.

GRANTS:
Staff is currently working on four (4) grant applications, which are as follows:

Proposition 84 – Statewide Park Development
Build a park 3-acre community park in the southern area of McKinleyville.

Proposition 84 – Statewide Park Development
Acquire 60-acres in the north area of town and construct a trail system through the forest.

Stewardship Council:
$200,000 for building parks and playgrounds. Staff is researching projects for the grant application.

Stewardship Council:
$15,000 - $50,000 to support youth-serving organizations by providing resources to get underserved youth connected to the outdoors. Staff is researching projects for the grant application.

TEEN/FAMILY CENTER:
Staff is working on a timeline for the Teen/Family Center project at Pierson Park.

PLAYGROUND REPLACEMENT PROJECTS:
Staff is receiving quotes for replacing tot lot playgrounds at Larissa Park and Pierson Park. Staff has also budgeted to install swing sets at Pierson Park and Hiller Park. These projects are in the FY2011/12 budget and will be paid for through Quimby Inland

Park Dedication Funds as well as from a grant in the amount of $18,932 from the CalRECYCLE program.

NEW BANNERS ALONG CENTRAL AVENUE:
We have installed three (3) new banners along the streetlights on Central Avenue.

CALIFORNIA CONSERVATION CORPS (CCC):
The CCC will be assisting Parks staff in renovating several areas of the soccer fields at Hiller Sports Complex.

There is no cost to the District as per our agreement with the CCC to use our trailer at Pierson Park.

McKINLEYVILLE SKATE PARK UPDATE:
Current Right of Entry Agreement with the McKinleyville Skate Park Organization expires September 8, 2011. The item will be brought before the Board at the August 2011 Board meeting.

At the time this report was due, I had not received a monthly report from the McKinleyville Skate Park Organization.

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

COMMUNITY SERVICE WORKERS:
Our Parks staff continues to utilize the Community Service Worker (CSW) program daily. This program helps us to maintain Pierson Park, Hiller Park, Hiller Sports Complex, Azalea Hall, the McKinleyville Activity Center, and several of our Open Space Maintenance Zones.

WORK EXPERIENCE (Cal Works PROGRAM)
We currently have one (1) position through the Cal Works program that is working with the Parks & Recreation Department. 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:
Graffiti was found inside the restrooms at Pierson Park. Staff took photos, cleaned painted over the graffiti, and forwarded the photos to the Sheriff's Department.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 15, 2011 TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D. General Manager's Report

PRESENTED BY: Norman Shopay

TYPE OF ACTION: None

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

- Received Cal-Recycle grant for playground safety surface $18,931
- CalWorks employees are currently working at the District, resulting in a cost savings of $4,100 for the month of May
- SWAP Crew maintenance of detention basin $1,430
- Rewind the electrical motor for aerator $500
- Negotiated reduced per gallon fuel cost from Renner

Total cost savings for May is $24,967

The cumulative cost saving to the District to date since tracking began from July 1, 2010 through May 31, 2011 is $341,882

District staff should be commended for their continued efforts in looking for cost savings opportunities that result in real savings for the District and rate payers.

2. 20-year Facility plan – A draft of the facility plan is anticipated by the end of June. The preliminary schedule for the review process is estimated as follows:

- Draft on June 30, 2011 for internal review.
- Staff review and comments back to SHN on July 8, 2011
- Revised Draft to District August 1, 2011
- Present revised draft to the Board at the August 17, 2011 board meeting.
- Request a 45- to 60-day public review period with a public workshop to be scheduled for September.
- Staff will consider comments and provide an update and revised draft to the Board in October.
- Present final facility plan to the Board at the November board meeting for approval.
- Submit the approved facility plan to the Regional Board in December.

3 Emergency Water Line Crossing over the Mad River – The District finalized the contract with Golden State Bridge for the installation of the emergency water line piping in the new Mad River Bridge. Construction will start on June 9, 2011. It will be some time before they lay the pipe.

4. Water Rate increase from HBMWD – We were recently notified that HBMWD will be increasing rates to McKinleyville by 12.4 %. Prior year rate increases were 16.4%, 25.6% 15.7% and 6.6 %. MCSD's rate increases have not kept pace and will be evaluated in the near future. Over the next 10 years HBMWD has indicated to expect a 100% increase in rates.

5. Street Light Pole Replacement – Approximately 15 light poles require replacement due to their structural weakness and failure potential. Light poles have been ordered and will start to be installed beginning in July based on the availability of the installation contractor.

6. Ramey Pump Station upgrade – Upgrades to the pump Station are anticipated to be completed on June 24, 2011. We are in the process of testing to make sure the station will work as designed. The pumps and motors were required to be run at full speed to verify they operate as designed. Due to the considerable change in flow and pressure the testing caused sediment in the water mains to be agitated which discolored the water from Azalea to Central Ave. MCSD staff quickly responded and flushed the water mains to correct this issue and the calls we received were a big help to determine the extent and direction of cloudy water. MCSD understands that cloudy water is inconvenient. Staff is alert and working to prevent such from occurring again. The cloudy water presented no health risk and as soon as the water cleared up it was ok to use.

The station was designed to deliver 3,500 gpm, so the test proved the design plus an additional 500 gpm capacity. When the station upgrade is complete, we will have a new up to date station with pumps that will run more efficiently and fill the tanks faster to help meet demands during fire flow and future growth while still running during off peak hours saving pumping costs.

We are asking anyone who observes cloudy water to call 268-4778.

7. Fischer Ranch Chemical Spraying – Humboldt County Department of Agriculture is investigating. When their report is available we will distribute.

8. Housing Element General Plan Amendment – MCSD provided a response to the Notice of Preparation (NOP) in a letter dated May 27, 2011. A copy of the letter is attached.

9. School Road Project – MCSD was notified on June 6, 2011 of a kick-off meeting that will be held on June 14, 2011 that MCSD will attend.

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

mckinleyvillecsd.com

MAIN OFFICE:

PHONE: (707) 839-3251
FAX: (707) 839-8456

PARKS & RECREATION OFFICE:

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

May 26, 2011

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

RE: MONTHLY MONITORING REPORT

Dear Lisa:

Enclosed is the Monthly Monitoring Report for April 2011 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 the Mad River. The required monitoring and water quality constituents that were tested and were reported were in compliance in April withteh exception of Acute Toxicity Testing.

The requirement for BOD is 45 mg/L, a maximum of 604 lb/day for the monthly average, a minimum of 65% removal and a weekly average of 65 mg/L and 873 lb/day. With five weekly tests in April, that constitutes eight criteria. The BOD results for April are in compliance.

The requirement for NFR is 83 mg/L, a maximum of 1108 lb/day and a minimum of 65% removal for the monthly average. With five weekly tests in April, that constitutes three criteria. The NFR results for April 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 April 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 April are as follows. Median was <1.8 and a Maximum of <1.8. Four samples were collected in the month of April and were in compliance.

Monitoring of the Mad River was conducted in April.

Semiannual testing for constituents of Concern was conducted in April and all were in compliance.

The Requirement for Acute Toxicity testing is a minimum of 70% survival for any one test and median for all tests in one month of 90%. Four tests were conducted for April and are as follows; 15%, 60%, 90% and 100% survival. Testing in April resulted in two exceedances for minimum of 70% survival and one exceedance for median of 75% survival.

Quarterly Well Testing and Disinfection by-products testing was conducted in April.

EXHIBITS:

A. April 2010 Wastewater Management Facilities spreadsheet with the daily, weekly, monthly, quarterly and annual monitoring records for monitoring location M-001.
B. Disposal Flows and Location Data Sheet
C. River CFS and Effluent Flow Data Sheet
D. BOD and TSS work sheet
E. Laboratory Analysis for Constituents of Concern
F. Laboratory Analysis for Acute Toxicity Testing
G. River Monitoring worksheet for R-001 and R-002
H. Monitoring Well worksheets

"I CERTIFY UNDER PENALTY OF LAW THAT THIS DOCUMENT AND ALL ATTACHMENTS WERE PREPARED UNDER MY DIRECTION OR SUPERVISION IN ACCORDANCE WITH A SYSTEM DESIGNED TO ASSURE THAT QUALIFIED PERSONNEL PROPERLY GATHER AND EVALUATE THE INFORMATION SUBMITTED. BASED ON MY INQUIRY OF THE PERSON OR PERSONS WHO MANAGE THE SYSTEM, OR THOSE PERSONS DIRECTLY RESPONSIBLE FOR GATHERING THE INFORMATION, THE INFORMATION SUBMITTED, IS, TO THE BEST OF MY KNOWLEDGE AND BELIEF, TRUE, ACCURATE, AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION, INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT FOR KNOWING VIOLATIONS."

If you have any questions, please contact this office.

Norman Shopay

NORMAN SHOPAY, GENERAL MANAGER

ENCLOSURES

FILE

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA MONTH: APRIL YEAR: 2011

DATE	INFLUENT FLOW M.G.D.	EFFLUENT FLOW M.G.D.	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING B.O.D. mg/L	INFLUENT MONITORING N.F.R. mg/L	EFFLUENT MONITORING pH	(C°) TEMP	B.O.D. mg/L	NFR mg/L	AMMONIA	CL_2 RES.	RIVER CL_2 RES	SETTLEABLE SOLIDS	3X5 TOTAL COLIFORM
1	1.400	1.526	1244	6490	150	130	6.6	13.5	22	30	28	1.3	0.00	<0.1	
2	1.405	1.816	1281	6680			6.9	13.0				0.2	0.00		
3	1.420	1.836	1288	5770			6.8	12.5				0.4	0.00		
4	1.380	1.836	1293	4450			6.4	13.2			26	0.7	0.00		
5	1.282	1.840	1293	4040			6.8	13.1			20	3.3	0.00		<1.8
6	1.289	1.738	1281	3580			6.7	13.4			20	2	0.00		
7	1.289	1.662	1179	3280			6.7	12.7			28	3.7	0.00		
8	1.272	1.623	1139	2860	180	190	6.9	13.3	19	33	20	2.0	0.00	<0.1	
9	1.290	1.621	1148	2400			6.8	12.7				2.5	0.00		
10	1.324	1.621	1138	2040			6.9	13.0				2.2	0.00		
11	1.246	1.619	1133	2010			7.0	13.6			24	3.4	0.00		<1.8
12	1.203	1.626	1137	1910			6.7	13.8			20	3.6	0.00		
13	1.206	1.628	1147	1870			7.2	13.6			20	4.1	0.00		
14	1.165	1.473	1140	1720			7.1	13.6			20	3.5	0.00		
15	1.339	1.213	854	1680	210	220	7.2	14.1	28	47	20	4.2	0.00	<0.1	
16	1.441	1.184	831	7770			6.9	14.0				1.8	0.00		
17	1.622	1.191	833	7280			6.8	14.1				0.3	0.00		
18	1.615	1.191	1006	8420			6.9	13.4			20	3.2	0.00		<1.8
19	1.437	1.451	1019	6420			7.1	13.3			18	1.1	0.00		
20	1.395	1.459	1025	4470			6.7	14.5			20	0.6	0.00		
21	1.349	1.466	1032	2570			7.0	13.7			18	2.7	0.00		
22	1.362	1.466	1031	2530	210	200	6.9	14.0	24	38	20	3.8	0.00	<0.1	
23	1.311	1.464	1027	2570			6.7	13.9				2.2	0.00		
24	1.309	1.471	1078	2530			6.6	13.9				2.1	0.00		
25	1.265	1.463	1025	2720			6.8	14.4			16	1.3	0.00		<1.8
26	1.224	1.461	1028	3210			7	14.3			16	1.7	0.00		
27	1.195	1.465	1031	2570			7	14.1			16	1.2	0.00		
28	1.176	1.474	1032	2260			7.1	14.6			16	1.3	0.00		
29	1.150	1.470	1037	2020	240	350	7.1	14.7	24	40	14	2.3	0.00	<0.1	
30	1.167	1.461	1027	1790								2.7	0.00		
31															

DATE	MONTHLY TESTS TDS	AMMONIA	NITRATE	BORON
4/13/2011	210	29.0	ND	150

SPILLS:
None to report

	BOD mg/L	BOD LBS/DAY	BOD % Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal
30 DAY AVERAGE	23	284	88	38	456	82

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

Quarterly Tests	Value in ug/l
Dichlorobromomethane	DNQ
Bromoform	ND
Chlorodibromomethane	ND
Chloroform	0.91

ACUTE TOXICITY

	DATE	% Survivial	
Rainbow Trout	April	75%	Median
C. dubia	N/A		

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:

Indicates Permit Exceedance

REMARKS:

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519

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May 27, 2011

Mr. Michael Richardson
Senior Planner
County of Humboldt
3015 H Street
Eureka, CA 95501-4484

MCSD RESPONSE TO THE NOTICE OF PREPARATION OF A DRAFT SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR THE 2010 HUMBOLDT COUNTY HOUSING ELEMENT GENERAL PLAN AMENDMENT, ZONE RECLASSIFICATION, AND LOCAL COASTAL PLAN AMENDMENT

Mr. Richardson:

Thank you for submitting the Notice of Preparation for the 2010 Humboldt County Housing Element General Plan Amendment, Zone Reclassification, and Local Coastal Plan Amendment (project) for review and comment by the McKinleyville Community Services District (MCSD). We are providing comments in this letter regarding the scope and content of the environmental information to be addressed in the Supplemental Environmental Impact Report (SEIR) as they relate to MCSD's statutory responsibilities in connection with the proposed project.

MCSD heavily relies on the County's zoning and density designations when evaluating our water and wastewater infrastructure. It appears that County Staff has changed the densities up to 300% and the priorities of development in order to facilitate development of low and moderate income housing. This creates uncertainty as to what level of density MCSD should actually plan and provide for. We may have some flexibility in our water and wastewater planning, but increases of 300% in some areas are much beyond our limits of flexibility. This could result in service capacity being used up so that in-filling cannot occur, shortfalls in service levels, and voter concerns about funding an unquantifiable expansion.

Significant high density housing is being recommended for McKinleyville. McKinleyville is being asked to provide more than 54% of the high density housing for the unincorporated area of Humboldt County. McKinleyville's population represents approximately 11% of the total population in the County. Thus, it only seems fair and appropriate that McKinleyville provide its proportionate share of high density housing (i.e., 11% of the County's total). An additional concern is that this may cause MCSD to expend significant funds to upgrade our existing infrastructure. We understand that the County will not assist MCSD in funding these improvements, and thus this would be an "unfunded mandate".

Although the MCSD has no land use planning authority, we must and do plan for sewer and water infrastructure as well as Parks and Recreation.

MCSD considers economic planning to insure that we can pay for our current system, upgrade it as needed, and eventually replace it. Our planning also includes the physical systems (water, sewer, parks and recreation) as they currently are, and as they will need to be as McKinleyville's population continues to increase. It is therefore critical that all entities charged with, or influencing land use planning and MCSD work together so that we understand the limits, issues, and rationale of each other.

General Services Review

MCSD is responsible for providing wastewater, water, street lighting and parks, library and recreation services for the McKinleyville Community Planning Area (CPA). While no specific building permits or grading permits are currently required by MCSD for developments that will occur in the McKinleyville CPA, project approval by MCSD is required before a development can tie into our existing wastewater and water services networks. MCSD is currently in the process of preparing a 20-year facilities plan for the wastewater collection, treatment and disposal system so any changes to the anticipated growth rates in the McKinleyville CPA are of particular interest for this planning effort.

It is our understanding that as part of the Housing Element update, the McKinleyville CPA and Coastal Zone Area Plan (CZAP) areas have been targeted by the County for an significant increase in residential development that will help meet the County's future needs for lower income households. The project will result in properties in these areas being re-zoned to increase the total amount of land that is planned and zoned for multifamily residential uses. We have reviewed the affected parcels listed in the County's Neighborhood Study Areas (NSAs) for the McKinleyville area and have developed the following specific comments regarding the information to be addressed in the SEIR.

Specific Comments on the SEIR Development Process

Land Use/Socio-Economic Impacts **-** The County should evaluate the proposed project's socio-economic impacts as they relate to the current community demographics and surrounding community character in the proposed rezone areas. Specifically, this analysis should address the consistency with adjacent neighborhood uses. It is unclear what is the rationale and justification for the selection of the various parcels widely distributed throughout McKinleyville. There does not appear to be any nexus with jobs or locating the proposed multi-family developments close to available amenities, such as near the town center. How were these factors evaluated?

While it is understood updating associated Community Plans is a future stage in the General Plan Update process, the County should address how the proposed rezone project is and/or is not consistent with the existing McKinleyville Community Plan. The County should also present anticipated changes to the Community Plan as a result of this project so that MCSD can clearly understand the full scope of proposed changes in land use planning density. MCSD is also interested in the County addressing cumulative impacts

associated with the type of development and rezoning proposed in the NOP, specifically how this project will impact the future growth alternatives being considered as part of the General Plan Update process. We would also like the analysis to address the cumulative impacts of potential additional development options that will affect the land use density in McKinleyville, such as the development of 2nd units and the use of density bonuses in new development areas and how they will apply.

Traffic Impacts - MCSD is interested in an environmental analysis that evaluates the proposed project's impacts on traffic. McKinleyville is commonly referred to as a "bedroom community" since a majority of residents commute to other areas for employment. Increases in traffic due to the rezone could impact the current road conditions and Level of Service (LOS) received by residents. The County should also evaluate the impacts of the proposed project in the event that funding resources for anticipated traffic improvements are not allocated and/or plans are not adopted or updated in a timely manner. If the County cannot guarantee the funding or implementation of associated required road improvements or maintain the existing LOS currently provided, then these potential traffic impacts need to be fully addressed in the SEIR. We would also like to request a review of major intersections and access routes in McKinleyville and how these areas would be impacted by the proposed project. We are also interested in how the project will impact services such as Fire protection and the Sherriff's Law enforcement facility in McKinleyville. What increased demands will be placed on these services so that we can evaluated the potential impacts and increased demands on our water, sewer, parks and recreation, library and street light services.

Furthermore, specific studies need to be conducted that address the employment opportunities in McKinleyville and the potential project effects on transportation and consequential trip generation for affordable housing residents. The County should evaluate the needs of families with children (e.g., create a walkable/bikeable transit-oriented community), and those individuals who cannot afford cars (e.g., encouraging public transportation as a mode of commute). An increase in traffic can create other environmental impacts, such as increase in noise and greenhouse gases. Based on the accepted current understanding of global warming effects due to increased traffic, impacts on greenhouse gases and the associated economic and demographic effects of the proposed project should be thoroughly evaluated in the SEIR.

Finally, an evaluation of potential road improvements and how they may impact or water and sewer lines should be conducted. The evaluation needs to include a method for the County to fund the relocation of water and sewer lines as a result of the improvements. The County should not simply defer costs to MCSD rate payers for the relocation of water and sewer lines as a result of the County determining that they do not wish to fund the effort.

Utility Service-Related Impacts – As noted previously, MCSD is currently in the process of preparing a 20-year facilities plan for our wastewater collection, treatment and disposal system. Any appreciable changes to the anticipated growth rates (above those articulated in the McKinleyville Community Plan) due to rezoning of parcels in the McKinleyville CPA may affect the capacity of the system. The County should address whether the proposed project could impact MCSD's ability to provide wastewater and water supply services for McKinleyville residents and provide an update of the previously completed studies with current data. MCSD also provides park and recreation services and is dedicated to maintaining adequate recreation opportunities for McKinleyville residents. The proposed project's impacts on the ratio of available open space for recreation and the number of residents the parks are intended to serve should be thoroughly evaluated and addressed in the SEIR.

We would also like a determination of what capacities and impacts will potentially occur related to the existing drainage facilities in McKinleyville, and an assessment of the anticipated new stormwater facilities that would be required to service the increased development, where they will be located and how the stormwater will be discharged.

Conclusion

MCSD is unique in that we provide many of the typical community services that a City would generally be responsible for providing, with the exception of law enforcement, the ability to conduct planning level reviews and govern building permit approval for proposed developments in the McKinleyville area. Since the MCSD planning area is the most populated unincorporated town in the County (and either the second or third largest community overall), we ask the County to thoroughly consider all of the impacts this project will have on MCSD's ability to continue to provide services for McKinleyville residents. We hope the County is able to conduct the specific studies necessary to adequately evaluate the anticipated impacts of the proposed project in the McKinleyville planning areas and clearly address these concerns in the SEIR developed for the proposed project.

Sincerely,

McKinleyville Community Services District

Norman Shopay
General Manager

Cc: MCSD Board of Directors
Ryan Sundberg, Supervisor 5th District, Humboldt County Board of Supervisors, 825 5th Street, Eureka CA 95501
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