

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

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

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

**Wednesday, July 2, 2014
7:00 P.M.**

AGENDA

A.1 CALL TO ORDER

A.2 ROLL CALL

A.3 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

A.4 PLEDGE OF ALLEGIANCE

A.5 ADDITIONS TO AGENDA

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

A.6 APPROVAL OF THE AGENDA

B. PUBLIC HEARINGS

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

NO PUBLIC HEARING SCHEDULED

C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

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

D. CONSENT CALENDAR

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

- D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of June 4, 2014. **Pg. 5**
Attachment D.1- Board Meeting Minutes June 4, 2014 **Pg. 6**
- D.2 Consider approval of May 2014 Treasurer's Report **Pg. 13**
Exhibit D.2 – May 2014 Treasurer's Report
- D.3 DCV Violations this month. **Pg. 34**
- D.4 Consider approval of Independent Contractor Agreement for Hiller Park **Pg. 35**
Attachment 1 – Letter from Malins **Pg. 37**
Attachment 2 – 2014 Caretaker Agreement **Pg. 38**
- D.5 Consider Approval of a Memorandum of Understanding with McKinleyville Union School District for the KidsClub Afterschool Program **Pg. 40**
Attachment 1 – MUSD MOU **Pg. 41**

E. CONTINUED AND NEW BUSINESS

- E.1 Consider developing a policy for requests for removal and replacement of trees along Central Avenue Open Space Maintenance Zone. **Pg. 45**
Attachment 1 – Tree Removal Policy **Pg. 48**

- | | | |
|-----|---|---------------|
| E.2 | Consider extension of General Manager's Employment Contract | Pg. 51 |
| | Attachment 1 – GM Contract Extension | Pg. 52 |
| E.3 | Consider authorization to attend ACWA Region 1 Program & Tour, North Coast Water Forum July 10 th & 11 th in Eureka | Pg. 63 |
| | Attachment 1- ACWA Region 1 Program Schedule | Pg. 65 |
| E.4 | Consider the Regular Board Meeting Dates, Time and Location for the 2015 Calendar Year | Pg. 66 |
| | Attachment 1 – Proposed 2015 Board Mtg Schedule | Pg. 67 |
| E.5 | Consider travel to the CSDA's 2014 Annual Conference & Exhibitor Showcase (September 29 - October 2) in Palms Springs, CA | Pg. 68 |
| | Attachment – 1 CSDA Conference Schedule | Pg. 70 |
| E.6 | Adopt Resolution 2014-20 to Modify Rules and Regulations | Pg. 72 |
| | Attachment 1 – Fee Schedule | Pg. 74 |
| | Attachment 2 – Resolution 2014-20 | Pg. 75 |
| | Exhibit 1 – Rules & Regs Proposed Changes | Pg. 77 |
| E.7 | Consider Approval to Execute Construction Contract and Construction Management Agreement for Biosolids Removal Project | Pg. 82 |
| | Attachment 1 – Engineer's Letter Recommendation to Award 061814 | Pg. 85 |
| | Attachment 2 – Contract Amendment #4 | Pg. 88 |
| | Attachment 3 – Bid for Biosolids Removal | Pg. 93 |

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

F.2. STAFF REPORTS

- a. Support Services Department (Colleen M.R.Trask) **Pg. 119**
- b. Operations Department (James Henry) **Pg. 120**
- c. Parks and Recreation Department (Jason Sehon) **Pg. 121**
- d. General Manager (Greg Orsini) **Pg. 123**

F.3. PRESIDENT'S REPORT

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

H ADJOURNMENT

Posted 5:00 pm on June 27, 2014

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of Minutes from the Board of Directors' June 4, 2014 Regular Meeting.**

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

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

Recommendation:

Staff recommends that the Board review the draft minutes from the June 4, 2014 Regular Board Meeting, recommend edits and provide staff with direction.

Discussion:

The Draft Minutes are attached for the above listed meetings.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment D.1-Draft Minutes from June 4, 2014 Board Meeting

**MINUTES OF THE REGULAR BOARD MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, JUNE 4, 2014 AT 6:00PM
AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA.**

AGENDA ITEM A.1 thru A.2 - CALL TO ORDER And ROLL CALL: The regular meeting of the Board of Directors of McKinleyville Community Services District convened at 6:04 p.m. with the following Directors and staff in attendance:

David Couch, President
John Corbett, Vice President
Helen Edwards, Director
Dennis Mayo, Director
George Wheeler, Director

Gregory Orsini, General Manager
Russ Gans, Attorney at Law
Jason Sehon, Parks & Recreations Director
Becky Schuette, Board Secretary
Sharon Denison, Ret. Board Secretary

There was no comment or discussion and at 6:05 p.m. President Couch announced that the Board would adjourn into closed session for discussion of the following:

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

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

At 7:00 P.M. the Board adjourned out of closed session and called the regular meeting of the Board of Directors of McKinleyville Community Services District at 7:02 p.m. with the following Directors and Staff in Attendance:

David Couch, President
John Corbett, Vice President
Helen Edwards, Director
Dennis Mayo, Director
George Wheeler, Director

Gregory Orsini, General Manager
Colleen Trask, Finance Director
James Henry, Operations Director
Jason Sehon, Parks & Recreations Director
Becky Schuette, Board Secretary
Sharon Denison, Ret. Board Secretary

AGENDA ITEM A.4 - REPORT OUT OF CLOSED SESSION: President Couch announced that there were no reportable actions taken during closed session.

AGENDA ITEM A.5 - PLEDGE OF ALLEGIANCE: Helen Edwards led the Pledge of Allegiance

AGENDA ITEM A.6 - ADDITIONS TO THE AGENDA: There were no additions to the Agenda.

AGENDA ITEM A.7 - APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda.

Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed –5 Ayes; 0 Nays

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

AGENDA ITEM C - PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Couch opened public input. General Manager Orsini asked Operations Director James Henry introduce his new employee, Brian Anspach. He added that Brian has a degree in cartography, GIS (Geographic Information System) and Natural Resource Planning from Humboldt State University and is in the process of updating structure and system maps for the District. There were no additional comments received.

AGENDA ITEM D - CONSENT CALENDAR:

- D.1 Consider approval of the minutes of the Board of Directors' Regular Meeting of May 7, 2014
- D.2 Consider approval of April 2014 Treasurer's Report
- D.3 No DCV Violations this month
- D.4 Approve recreation program fees as presented in the 2014 Summer Recreation Activity Guide
- D.5 Approve Consumer Confidence Report for inclusion in June Newsletter

MOTION: It was moved to adopt the consent calendar item D.1 through D.5.

Motion by Corbett; second by Edwards

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

MOTION SUMMARY: Motion Passed –5 Ayes; 0 Nays

AGENDA ITEM E - CONTINUED AND NEW BUSINESS:

E.1 Adopt Resolution 2014-18 Proclaiming July as Parks Make Life Better! Month: Parks and Recreation Director Sehon presented information that the Legislature has approved a resolution officially declaring July as Parks Make Life Better! Month and that access to parks, trails, open space, facilities and programs are important to the health of California residents. Sehon referred to statewide public opinion research regarding Californian's use and access to parks and recommended the Board adopt the resolution.

MOTION: It was moved to adopt Resolution 2014-18 proclaiming July as Parks Make Life Better! Month.

Motion by Edwards; second by Corbett

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.2 Review and consider authorizing approval and execution of the First Amendment to the Special Facilities Agreement between McKinleyville Community Services District, Humboldt Bay Municipal Water District, City of Arcata and City of Eureka: Due to his employment by the City of Arcata, President Couch disqualified himself from participating in any Board discussion or action on this item and excused himself from the room. President Couch passed the gavel to Vice President Corbett who took over as chair for this agenda item. General Manager Orsini presented the information regarding the First Amendment to the Special Facilities Agreement reporting that the City of Arcata has determined that it would be appropriate for them to own and maintain the portion of the intertie due to their sphere of influence, but that MCSD would still own and maintain the area from across the bridge to the pump station. There was no comment by the public.

MOTION: It was moved to approve staff recommendations and authorize General Manager Orsini to execute the First Amendment to the Special Facilities Agreement between McKinleyville Community Services District, Humboldt Bay Municipal Water District, City of Arcata and City of Eureka.

Motion by Edwards; second by Wheeler

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

MOTION SUMMARY: Motion Passed – 4 Ayes; 0 Nays; 1 Abstain

At 7:17 p.m. President Couch returned to chair the meeting.

E.3 Consider Local Agency Formation Commission (LAFCo) Election for Special District Representative:

General Manager Orsini provided information, history and structure of LAFCo and recommended the Board review the list of nominees for the three Representative vacancies on the LAFCo Board, take public comment and place a single vote for their nominee of choice. There was a brief Board discussion with each Director stating their choice for the best qualified representative.

1st MOTION: It was moved cast MCSD's vote for Frank Scolari as Special District Representative to serve on LAFCo.

Motion by Edwards; second by Mayo

VOICE VOTE: Ayes: Edwards, Mayo
Nays: Corbett, Wheeler, Couch
Absent: None
Abstain: None

MOTION SUMMARY: Motion Failed – 2 Ayes; 3 Nays

After additional discussion regarding the varied roles of LAFCo, including regulatory and planning responsibilities and detailed review of law. A second motion was made after which President Couch opened public discussion and Megan O'Brien offered her support for Director Wheeler.

2nd MOTION: It was moved to cast MCSD's vote for George Wheeler as the LAFCo Special District Representative to serve on LAFCo.

Motion by Corbett; second by Wheeler

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

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.4 Consider Adopting Procedure to Draft Integrated Pest Management Plan for MCSD: General Manager Orsini reviewed the history of past discussion and direction taken in consideration of developing an Integrated Pest Management Plan (IPM). He then reviewed staff recommendations which included development of a district wide plan. Parks and Recreation Director Sehon led a Power Point presentation regarding the definition of an IPM and its importance to the public, property and the environment.

1st MOTION: It was moved to direct staff to work on developing a district wide Integrated Pest Management Plan and to bring the plan back to the Board for public input and Board discussion and approval as the sections are completed.

Motion by Mayo; second by Edwards

Director Wheeler expressed concern with the public having adequate time for input and comments throughout the process. General Manager Orsini provided options for public input and stressed that the process needed to be 100% transparent and the outcome needed to represent a consensus. President Couch opened the item up to the public. Three members of the public spoke:

1. Megan O'Brien provided her opinion that members of the public do not want pesticides and asked the Board to broadly discuss the IPM and allow public participation.
2. Ken Miller recommended forming a committee composed of a Board member and public members and that they invite public comment. He would like a task force similar to that of the City of Arcata's.

3. Catherine Hanafi (Dr. Catherine Briggs) would like more public involvement and supported a workshop or committee format.

President Couch closed public comment or input.

General Manager Orsini explained his desire for wanting to handle the IPM as an agenda item so that all of the Board members could be present and the public provide their input. Additionally, he suggested that the MCSD website be used to provide information and review to the public as well as allow for the public to provide input to the process. All public input would then be included as part of the board packet so that it could be memorialized as part of the public record.

After a brief discussion, Director Mayo withdrew his motion and Director Edwards withdrew her second.

2ND MOTION: It was moved to approve staff recommendations to develop a district wide pest management plan, develop a public access program to allow website comments to be included in the Board packet and to bring each section of the plan to the Board in workshop format to allow maximum public comment and Board review and discussion.

Motion by Corbett; second by Mayo

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

E.5 Approve FY 2014/15 Final Budget and Strategic Plan: Finance Director Trask reviewed the final 2014/15 fiscal year Budget and Strategic Plan, updated revenue assumptions and budget components. General Manager Orsini requested that “Other Charges” in the streetlights budget be explained and clarification was provided.

MOTION: It was moved to approve the 2014/15 Final Budget, Strategic Plan and adopt Resolution 2014-19 Establishing Appropriations Limits for FY 2014/15

Motion by Edwards; second by Corbett

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

Nays: None

Absent: None

Abstain: None

MOTION SUMMARY: Motion Passed – 5 Ayes; 0 Nays

AGENDA ITEM F- REPORTS:

F1. ACTIVE COMMITTEE REPORTS

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

Director Wheeler reported the committee had met; Teen Center would be going to bid in July if not sooner; picnic area is opening later this summer; kids are enjoying Peewee basketball league; Youth Leadership Summit went well and they want planned to do it again.

b. Area Fund (John Kulstad)

Nothing to report.

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

Director Mayo reported they did not meet because of the holiday; there was a pulp mill tour; they are still trying to raise money to entice an airline or other large transportation company here; cash mob to meet at 5:30 at the Java Stop this Friday.

d. McKinleyville Senior Center Advisory Committee (Edwards)

Nothing to report.

e. Audit (Corbett/Edwards)

Director Edwards reported a meeting was scheduled for June 5.

f. Employee Negotiations (Couch/Edwards)

Negotiations complete until next year.

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

Director Wheeler reported they did not meet, however he had received an email about an ACWA event happening in July that is hosted by Humboldt Bay Municipal Water District. General Manager Orsini added that information will be in Board packet in July and decision about attending can be authorized by the Board at that time. Director Mayo clarified that HBMWD and MCSD are actually hosting ACWA Region 1 event and that it will be educational.

h. AdHoc No Drugs & Toxics Down the Drain (Wheeler/Couch (alternate))

Nothing to report.

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

Director Edwards reported that they did not meet.

F.2 STAFF REPORTS:

a. Support Services Department:

Colleen Trask, Finance Director reported that a check was just sent to the County Trust Fund for the Reserves Recovery; Audit Committee meeting tomorrow; water and wastewater are showing greater than expected revenue; an overview of the Capital Projects and Debt Status was given.

b. Operations Department:

James Henry, Operations Director reported that the streetlights LED project is 100% complete. He advised that Arcata Fire Department used their ladder truck to assist with the last light near Pierson Park. Director Edwards queried Operations Director Henry about the word "megging" and a definition was provided by General Manager Orsini.

c. Parks & Recreations Department:

Jason Sehon, Parks & Recreations Director reported the lights inside Pierson Park were also switched to LED; Pony Express Days began Wednesday night with the Chili Cook-Off which was occurring simultaneously with the Board Meeting. Sehon also reviewed the events for the Pony Express Days planned for the remainder of the week. He reported that six bat boxes created by an Eagle Scout have been installed at the Waste Water Treatment Plant in an effort to help with the mosquitoes; wood duck boxes are being relocated; tree swallow boxes being installed along loop trails; Youth Leadership Summit group is meeting every two weeks and they have decided on two projects; they would like a mural somewhere in McKinleyville, location still undecided and they would also like a book exchange program (bring a book and take a book).

d. General Manager:

Greg Orsini, General Manager reported that the Photovoltaic Feasibility study is now complete, is consistent with the strategic plan and that he is hoping to have a presentation at the next Board Meeting; locations, return on investments, upfront costs and finance availability were all part of the study. Director Wheeler advised he would not be present at the July meeting and he asked the presentation be postponed until the August meeting.

F.3 PRESIDENT'S REPORT:

President Couch reported that Legislative Days in Sacramento were great; the keynote speaker was reassured the attendees that he was not going to allow reserve funds to be accessed. General Manager Orsini advised that the heavily lobbied bill, AB 1897 was shot down and that was important; President Couch advised that he had received a letter from Nancy Horrell with the McKinleyville Land Trust asking for Board support of the Environmental Enhancement and Mitigation Program (EEMP) application for the Chah-GAH-Cho Enhancement Project by Redwood Community Action Agency (RCAA) in partnership with the property owner McKinleyville Land Trust (MLT). General Manager Orsini advised that he was going to draft a letter if the Board was in agreement. There was discussion about whether she needed

individual support letters or if the entire Board could sign one letter; General Manager Orsini will find out which one she needs and draft a letter for Board approval.

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

Director Mayo reported that he planned to attend an ACWA Meeting in Sacramento on September 5. He also advised that he met with Assemblyman McGuire and discussed the water facility, alternate energy and funding; General Manager Orsini advises that he will be extending an invitation to the new Assemblymen and Senator to come to McKinleyville after the November elections.

AGENDA ITEM G - ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 9:20 P.M.

Motion by Edwards; second by Corbett

MOTION VOTE: Ayes; Corbett, Edwards, Wheeler, Mayo and Couch
Nays; None
Absent; None
Abstain; None

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Becky Schuette, Board Secretary

PHYSICAL ADDRESS:

1656 SUTTER ROAD
MCKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
MCKINLEYVILLE, CA 95519



mckinleyvillesd.com

MAIN OFFICE:

PHONE: (707) 839-3251
FAX: (707) 839-8446

PARKS & RECREATION OFFICE:

PHONE: (707) 839-9803
FAX: (707) 839-5966

**CONFLICT OF INTEREST CODE
DISQUALIFICATION STATEMENT**

I HEREBY DISQUALIFY MYSELF FROM PARTICIPATING IN ANY BOARD DISCUSSION
OR ACTION PERTAINING TO:

E.2 REVIEW AND CONSIDER AUTHORIZING APPROVAL AND EXECUTION OF THE
FIRST AMENDMENT TO THE SPECIAL FACILITIES AGREEMENT BETWEEN
MCKSD, HBMWD, CITY OF ARCATA AND CITY OF EUREKA.

THIS WRITTEN RECORD IS HEREBY FILED WITH THE SECRETARY OF THE DISTRICT,
TO BECOME A PART OF THE PUBLIC RECORD (MINUTES) IN ACCORDANCE WITH
THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT CONFLICT OF INTEREST
CODE APPROVED APRIL 24, 1980.

DATE: June 4, 2014

SIGNED: David R. Cook

**McKinleyville Community Services District
Treasurer's Report
May 2014**

Table of Contents

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

**McKinleyville Community Services District
Investments & Cash Flow Report
As of May 31, 2014**

Petty Cash & Change Funds 940.00

Cash

Operating & Money Market - Beginning Balance		318,283.28
Cash Receipts:		
Utility Billings	329,366.20	
Money Market Account Interest	36.14	
Transfers from County Funds #2560, #4240	-	
Other Cash Receipts	84,691.74	
Total Cash Receipts		414,094.08
Cash Disbursements:		
Payroll Related Expenditures	(179,728.13)	
Debt Service	(12,290.31)	
Capital & Other Expenditures	(215,884.77)	
Total Cash Disbursements		(407,903.21)
Operating & Money Market - Ending Balance		324,474.15
Total Cash		325,414.15

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

LAIF - Beginning Balance	128,263.73	
Interest Income	72.91	
LAIF - Ending Balance		128,336.64
Humboldt Co. #2560 - Beginning Balance	954,760.52	
Property Taxes	-	
Transfer to/from Operating Cash	-	
Interest Income	477.38	
Humboldt Co. #2560 - Ending Balance		955,237.90
Humboldt Co. #4240 - Beginning Balance	4,689,551.42	
Property Taxes	-	
Transfer to/from Operating Cash	-	
Interest Income	2,075.86	
Humboldt Co. #4240 - Ending Balance		4,691,627.28
Humboldt Co. #9390 - Beginning Balance	157,447.12	
Reserves Recovery Deposits	23,671.89	
Interest Income	-	
Humboldt Co. #9390 - Ending Balance		181,119.01
USDA Bond Reserve Fund - Beginning Balance	145,518.13	
Bond Reserve Payment	15,083.50	
Debt Service Payment	-	
Interest Adjustment	2.28	
USDA Bond Reserve Fund - Ending Balance		160,603.91
Market Valuation Account		(180.00)

Total Investments 6,116,744.74

Total Cash & Investments - Current Month 6,442,158.89

Total Cash & Investments - Prior Month 6,401,745.75

Net Change to Cash & Investments This Month 40,413.14

Cash & Investment Summary

Cash & Cash Equivalents	5,525,195.90
Davis-Grunsky Loan Reserve	597,442.15
Waste Water Capital Reserve	98,916.93
USDA Bond Reserve	160,603.91
I-Bank Loan Reserve	60,000.00
Total Cash & Investments	6,442,158.89

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
As of May 31, 2014

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Wastewater	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 908,120.87	\$ 306,835.69	\$ (164,772.79)	\$ 1,009,737.52	\$ 3,457,312.49	\$ 5,517,233.78
Accounts receivable	2,843.63	-	4,687.89	307,898.35	186,111.93	501,541.80
Prepaid expenses & other current assets	10,234.49	-	218.06	69,598.26	32,328.91	112,379.72
Total Current Assets	921,198.99	306,835.69	(159,866.84)	1,387,234.13	3,675,753.33	6,131,155.30
Noncurrent Assets						
Restricted cash & cash equivalents	171,213.67	-	-	657,442.15	259,570.30	1,088,226.12
Other noncurrent assets	4,454.00	-	-	-	-	4,454.00
Capital assets (net)	-	-	-	6,925,418.80	11,716,927.37	18,642,346.17
Total Noncurrent Assets	175,667.67	-	-	7,582,860.95	11,976,497.67	19,735,026.29
TOTAL ASSETS	\$ 1,096,866.66	\$ 306,835.69	\$ (159,866.84)	\$ 8,970,095.08	\$ 15,652,251.00	\$ 25,866,181.59
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 65,940.52	\$ 10,733.50	\$ 4,563.55	\$ 233,762.92	\$ 51,968.61	\$ 366,969.10
Accrued payroll & related liabilities	77,009.13	-	-	36,451.18	36,451.18	149,911.49
Total Current Liabilities	142,949.65	10,733.50	4,563.55	270,214.10	88,419.79	516,880.59
Noncurrent Liabilities						
Long-term debt	-	-	-	3,211,970.62	986,234.16	4,198,204.78
Other noncurrent liabilities	4,454.00	-	-	204,042.01	205,498.16	413,994.17
Total Noncurrent Liabilities	4,454.00	-	-	3,416,012.63	1,191,732.32	4,612,198.95
TOTAL LIABILITIES	147,403.65	10,733.50	4,563.55	3,686,226.73	1,280,152.11	5,129,079.54
Fund Balance/Net Assets						
Fund balance	157,567.42	296,102.19	(164,430.39)	-	-	289,239.22
Net assets	791,895.59	-	-	1,570,420.17	3,641,405.68	6,003,721.44
Investment in capital assets, net of related debt	-	-	-	3,713,448.18	10,730,693.21	14,444,141.39
Total Fund Balance/Net Assets	949,463.01	296,102.19	(164,430.39)	5,283,868.35	14,372,098.89	20,737,102.05
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,096,866.66	\$ 306,835.69	\$ (159,866.84)	\$ 8,970,095.08	\$ 15,652,251.00	\$ 25,866,181.59
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	\$ 3,536,273.06					
General Long-term Liabilities						
OPEB Liability	147,783.23					
Accrued Compensated Absences	29,647.36					
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 177,430.59					

McKinleyville Community Services District
Activity Summary by Fund, Original Budget
May 2014

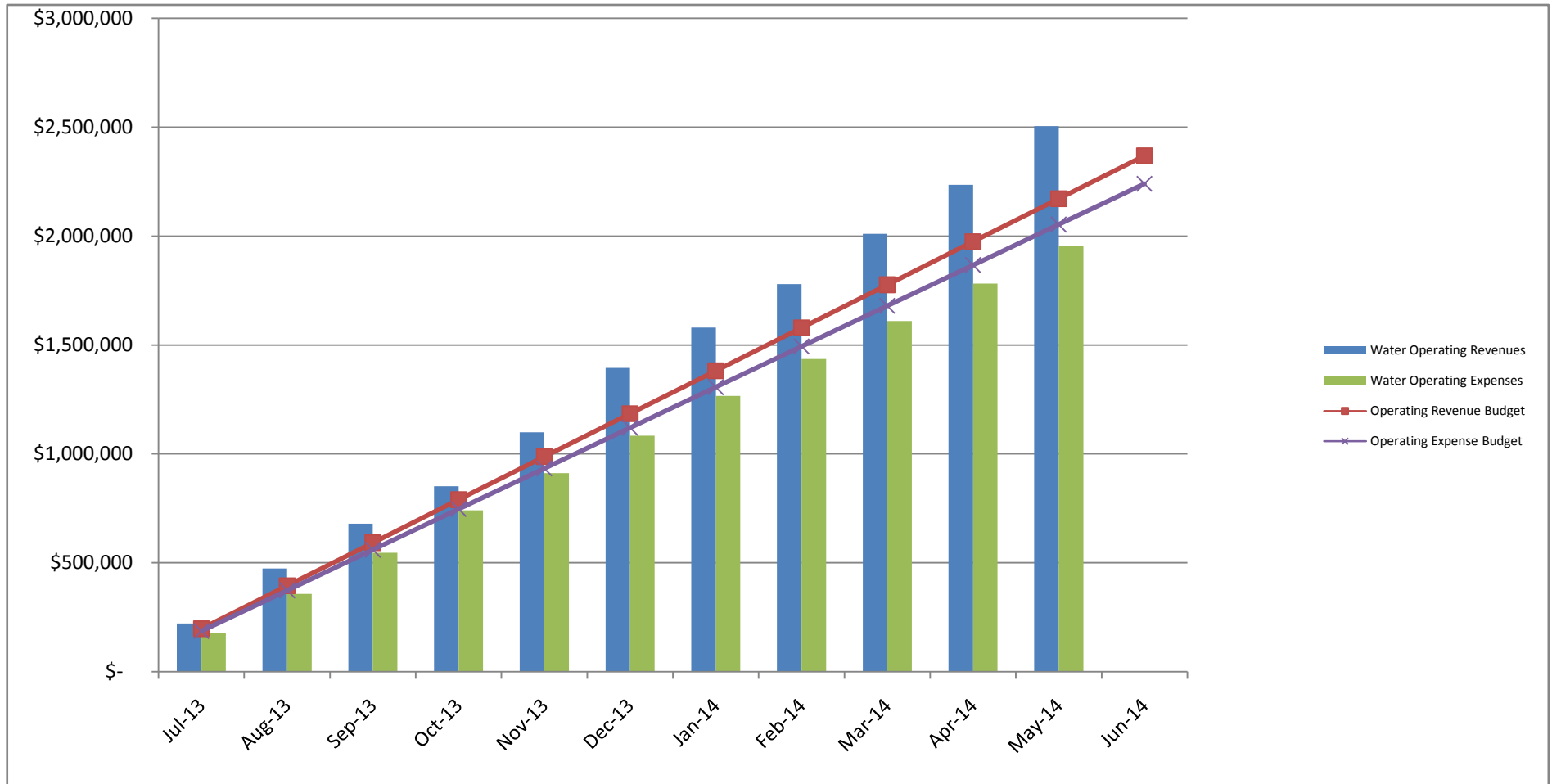
Department Summaries	May	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	246,434	1,968,864	1,933,332	35,532	1.84%	YTD Includes Contributed Capital \$181,815 and Capacity Fees \$138,190
Other Revenues	23,834	536,277	237,463	298,814	125.84%	
Total Operating Revenues	270,268	2,505,141	2,170,795	334,346	15.40%	
Salaries & Benefits	58,870	641,833	691,931	(50,098)	-7.24%	Budget is spread evenly across 12 months, but actuals vary with payments
Water Purchased	65,324	735,926	757,167	(21,241)	-2.81%	
Other Expenses	25,199	301,806	338,062	(36,256)	-10.72%	
Depreciation	25,250	276,600	265,833	10,767	4.05%	
Total Operating Expenses	174,644	1,956,165	2,052,993	(96,828)	-4.72%	
Net Operating Income	95,624	548,976	117,802	237,518		
Interest Income	749	10,483	11,000	(517)	-4.70%	
Interest Expense	(6,447)	(75,148)	(73,611)	1,537	2.09%	
Net Income (Loss)	89,926	484,311	55,191	429,120		
<u>Sewer</u>						
Sewer Service Charges	153,966	1,610,601	1,558,333	52,268	3.35%	Includes Contributed Capital \$206,580 and Capacity Fees \$205,710
Other Revenues	27,379	504,827	273,304	231,523	84.71%	
Total Operating Revenues	181,345	2,115,428	1,831,637	283,791	15.49%	
Salaries & Benefits	75,277	725,785	695,431	30,354	4.36%	Budget is spread evenly across 12 months, but actuals vary with payments
Other Expenses	30,708	387,692	545,401	(157,709)	-28.92%	
Depreciation	38,550	423,900	424,417	(517)	-0.12%	
Total Operating Expenses	144,534	1,537,377	1,665,249	(127,872)	-7.68%	
Net Operating Income	36,811	578,051	166,388	411,663		
Interest Income	1,493	18,779	18,333	446	2.43%	Budget spread evenly across 12 months, but actuals vary w/debt payments
Interest Expense	(2,926)	(41,747)	(53,849)	(12,102)	-22.47%	
Net Income (Loss)	35,378	555,083	130,872	424,211		
Enterprise Funds Net Income (Loss)	125,304	1,039,394	186,063	853,331		

McKinleyville Community Services District
Activity Summary by Fund, Original Budget
May 2014

Department Summaries	May	YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	30,324	303,042	306,442	(3,400)	-1.11%	
Rents & Related Fees	6,212	61,910	70,061	(8,151)	-11.63%	Rental activity has fallen short of budgeted expectations
Property Taxes	-	489,106	467,500	21,606	4.62%	County Tax remittance scheduled in December and April. 100% now received.
Other Revenues	7,611	87,313	168,025	(80,712)	-48.04%	Revenue budget spread evenly across 12 months, but actuals vary w/receipts
Interest Income	477	4,292	2,888	1,404	48.61%	
Total Revenues	44,625	945,664	1,014,916	(69,252)	-6.82%	
Salaries & Benefits	66,073	702,525	712,366	(9,841)	-1.38%	
Other Expenditures	19,520	231,504	208,120	23,384	11.24%	Expense budget spread evenly across 12 months, but actuals vary w/payments
Capital Expenditures	1,007	170,606	94,417	76,189	80.69%	Purchase of Washington Avenue parcel, playground equipment for Pierson Park
Total Expenditures	86,601	1,104,634	1,014,903	89,731	8.84%	
Excess (Deficit)	(41,976)	(158,971)	13	(158,984)		
<u>Measure B Assessment</u>						
Total Revenues	-	209,522	191,698	17,824	9.30%	County Tax remittance scheduled in December and April. 100% now received.
Salaries & Benefits	7,462	77,954	87,963	(10,010)	-11.38%	Maintenance salary & supplies expended before Measure B revenue received
Other Expenditures	334	3,043	7,792	(4,749)	-60.95%	Expense budget spread evenly across 12 months, but actuals vary w/payments
Capital Expenditures	10,400	105,451	95,170	10,281	10.80%	Teen Center design is nearly complete - see Capital Projects page
Total Expenditures	18,196	186,447	190,925	(4,478)	-2.35%	
Excess (Deficit)	(18,196)	23,075	773	22,302		
<u>Street Lights</u>						
Total Revenues	8,362	97,252	172,700	(75,448)	-43.69%	PG&E loan proceeds will not be received until LED project is complete
Salaries & Benefits	4,223	42,996	36,482	6,514	17.85%	LED project - fixtures received and installation proceeding
Other Expenditures	3,578	39,383	40,343	(961)	-2.38%	
Capital Expenditures	7,080	108,192	91,667	16,525	18.03%	LED project - fixtures received and installation proceeding
Total Expenditures	14,881	190,570	168,492	22,078	13.10%	
Excess (Deficit)	(6,519)	(93,319)	4,208	97,527		
Governmental Funds Excess (Deficit)	(66,691)	(229,214)	4,994	(234,208)		

McKinleyville Community Services District May 2014

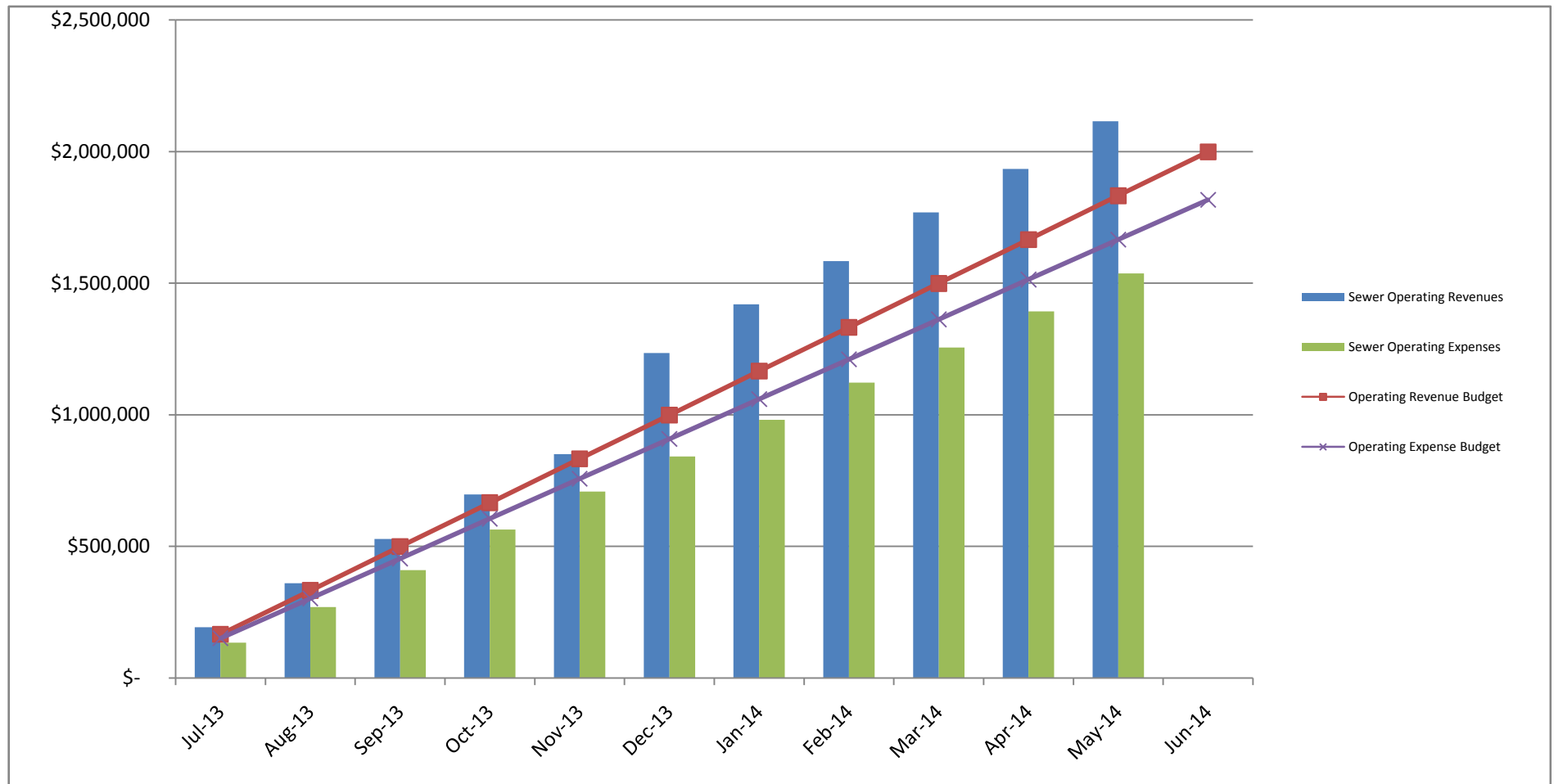
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

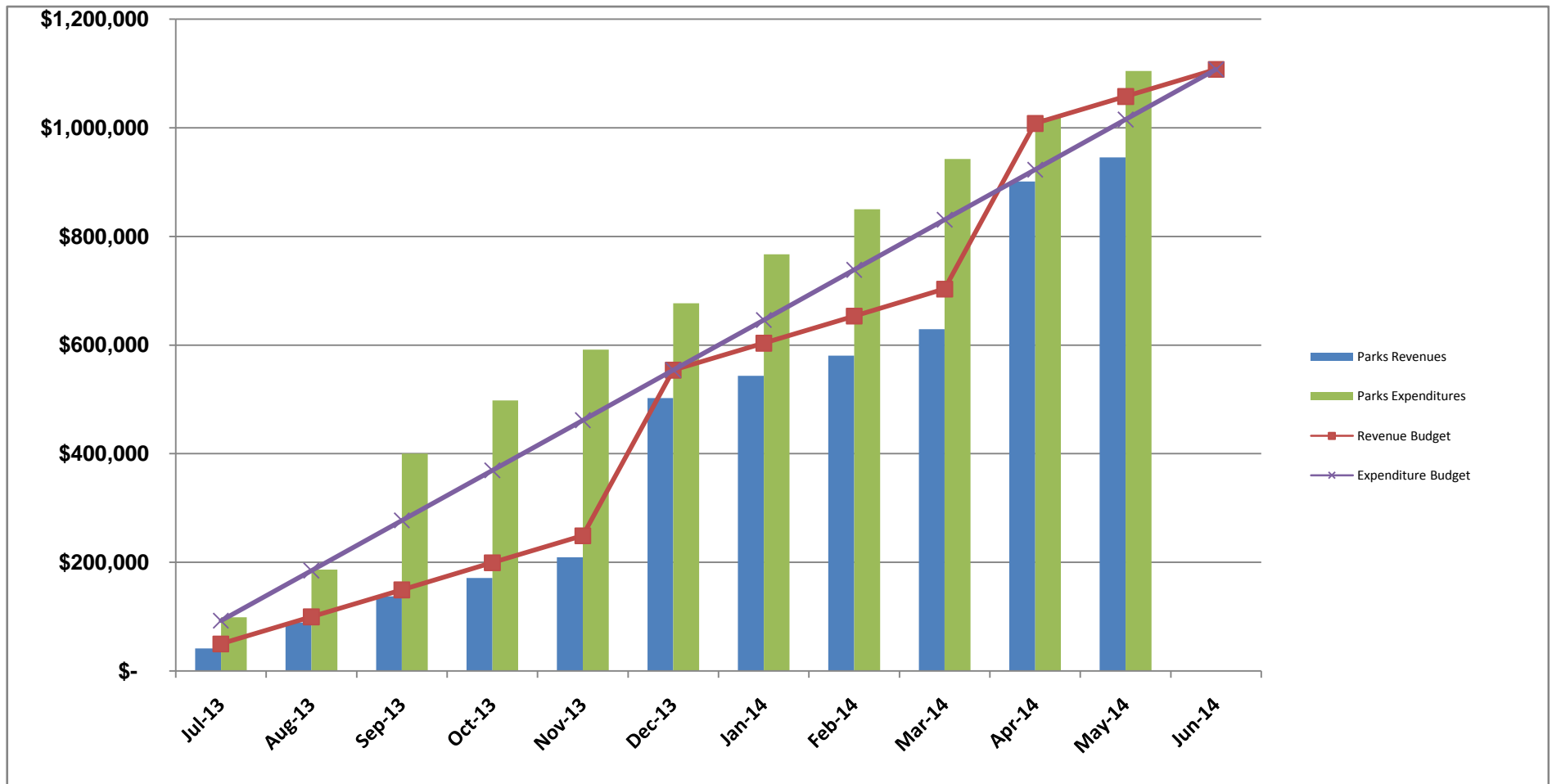
May 2014

Comparison of Sewer Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District May 2014

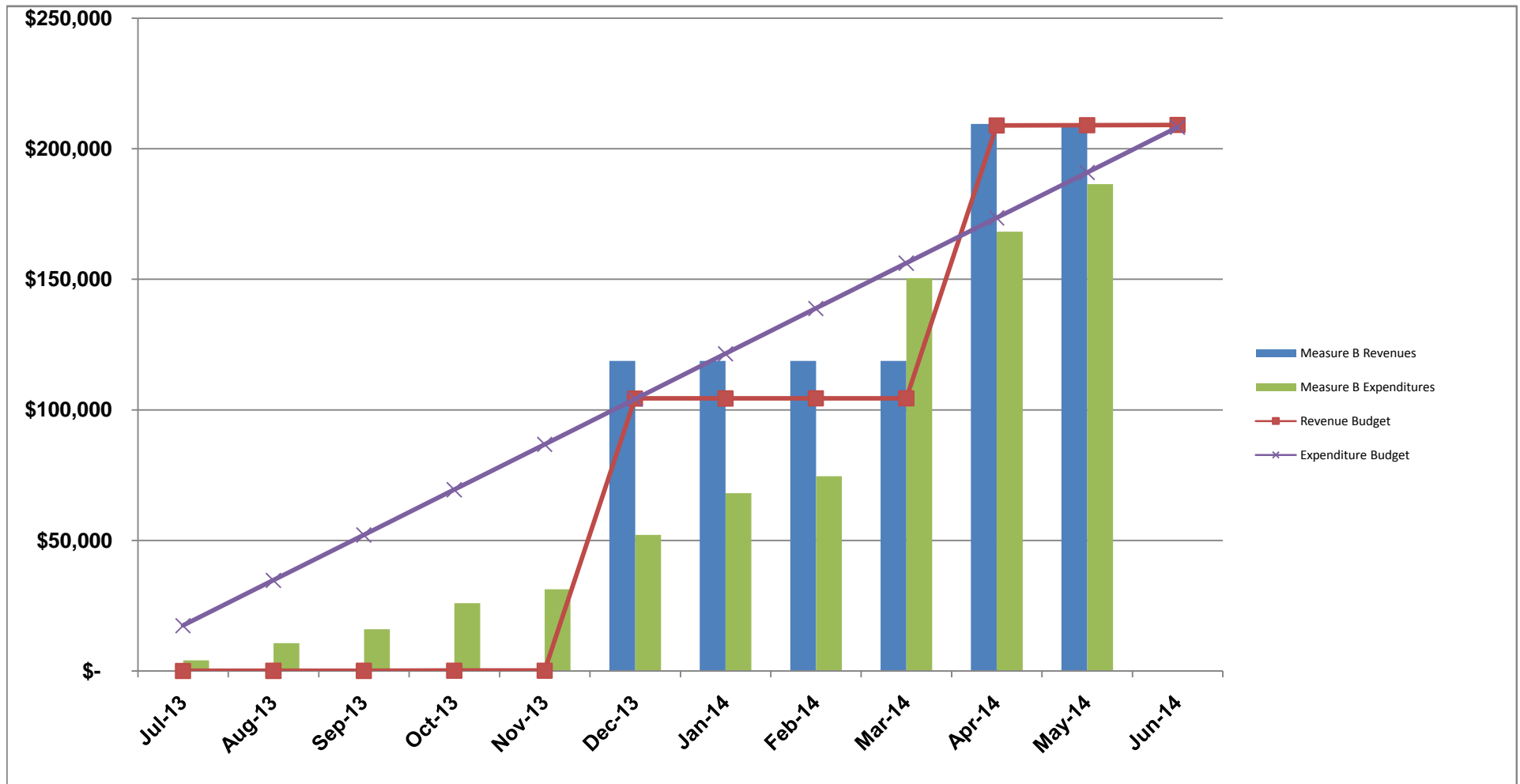
Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



McKinleyville Community Services District

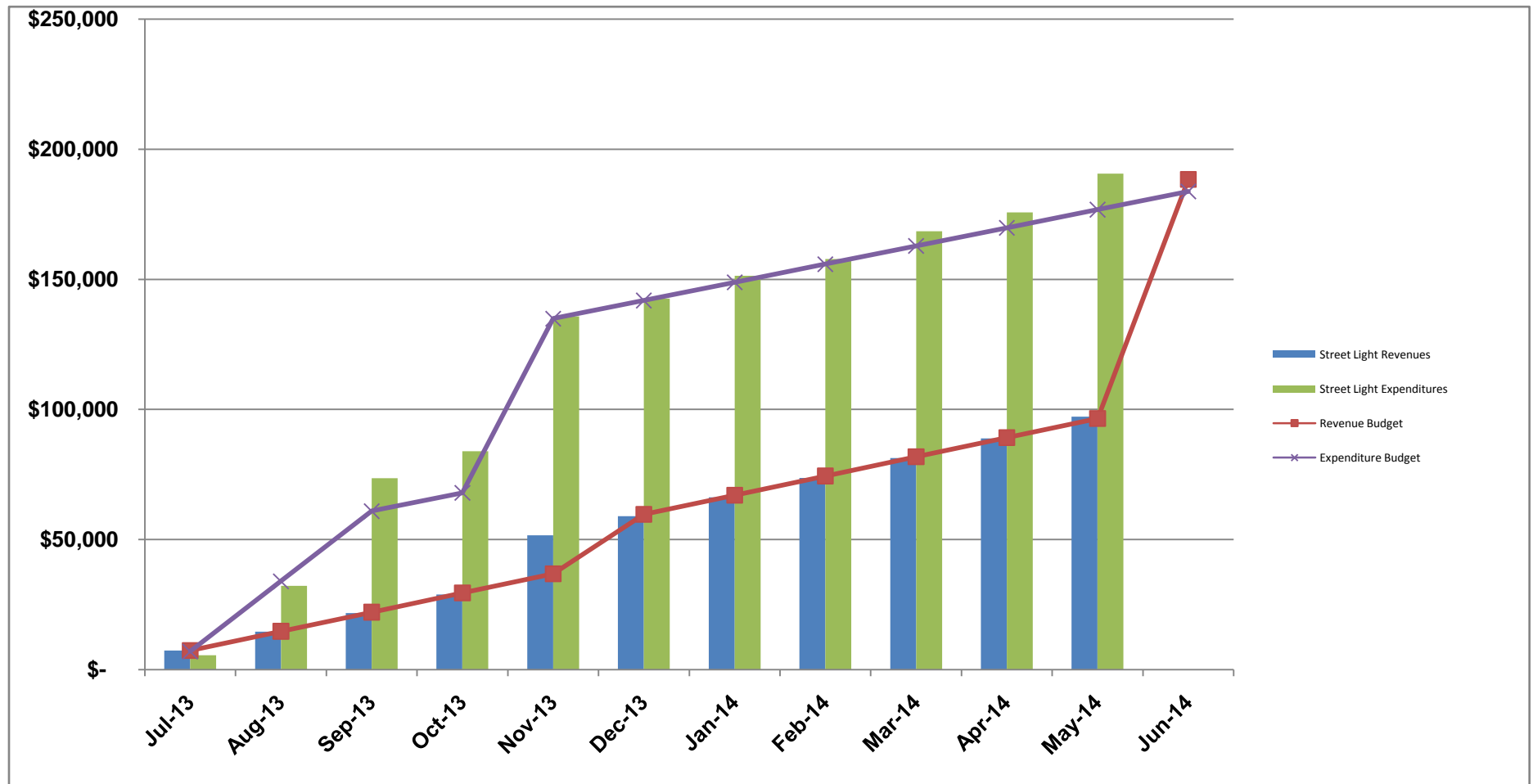
May 2014

Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District May 2014

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



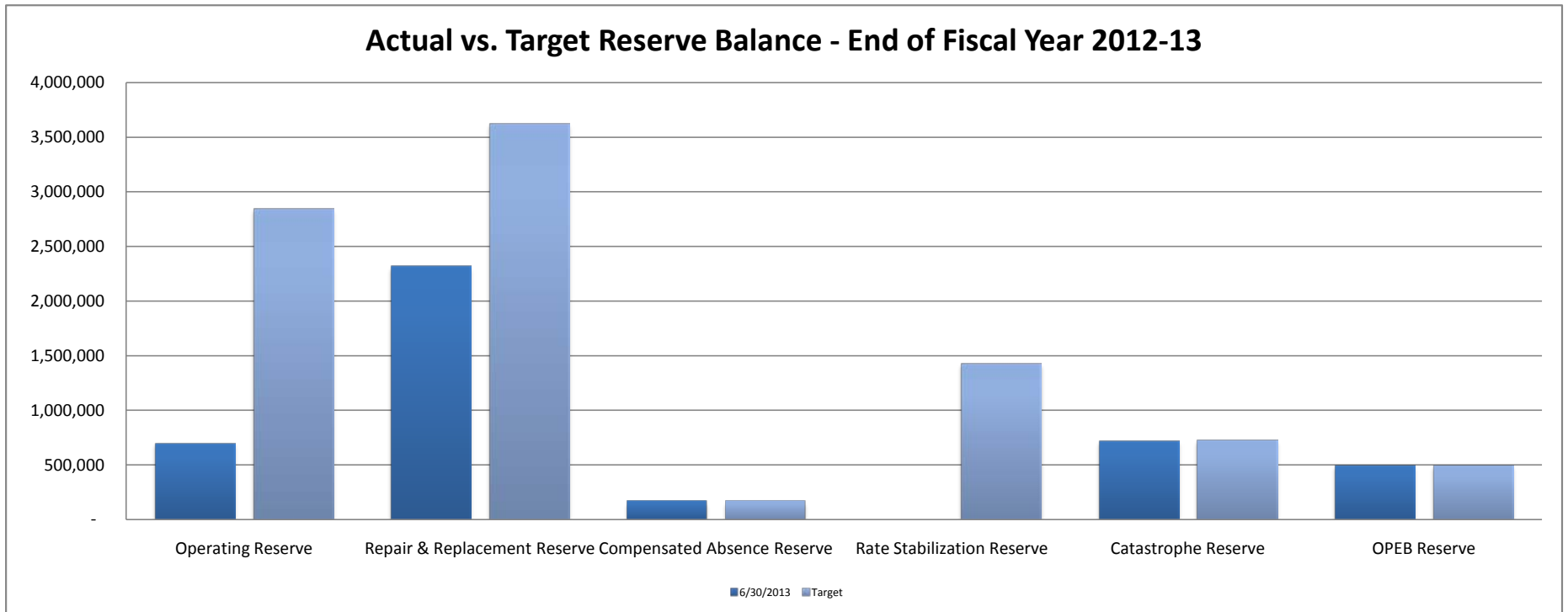
McKinleyville Community Services District
Capital Expenditure Report
As of May 31, 2014

				Remaining		
	May	YTD Total	FY 13-14 Budget	Budget \$	Budget %	Notes
<u>Water Department</u>						
Ramey Pump Upgrades	-	-	-	-	#DIV/0!	
Emergency Water Line River Crossing	-	4,094	2,000,000	1,995,906	100%	Legal services: easement
Water Tank Upgrade	-	-	-	-	#DIV/0!	
4.5m New Water Tank	-	15,098	-	(15,098)	#DIV/0!	Drilling, LACO Assoc.
Fire Hydrant System Upgrade	-	-	8,000	8,000	100%	
Customer Radio Meter Replacements	-	-	90,000	90,000	100%	
Radio Telemetry Upgrade	-	17,630	25,000	7,370	29%	Equipment purchased
Meter Reading Equipment Replacement	-	-	6,000	6,000	100%	
Property Purchase & Improvements	-	-	6,000	6,000	100%	
Subtotal	-	36,822	2,135,000	2,098,178	98%	
<u>Sewer Department</u>						
Sewer Main Rehab & Replacement	-	-	50,000	50,000	100%	
WWMF Roof Replacement	-	-	10,000	10,000	100%	
WWMF Chlorine Injector/Sontroller	1,510	1,510	250,000	248,490	99%	
WWMF & Fischer Lift Stn Grinder Upgrade	-	-	15,000	15,000	100%	
Sewer Main Camera Unit	-	-	30,000	30,000	100%	
WWMF Upgrade/CEQA/Permitting	58,389	301,416	853,000	551,584	65%	WWMF design & value engr
Radio Telemetry Upgrade	-	-	10,000	10,000	100%	
Sewer Lift Station Other Upgrades	-	3,333	5,000	1,667	33%	
Sewer Lift Station Pump/Gen Upgrades	-	-	20,000	20,000	100%	
Customer Radio Meter Replacements	-	-	90,000	90,000	100%	
Subtotal	59,899	306,259	1,333,000	1,026,741	77%	
<u>Water & Sewer Operations</u>						
Heavy Equipment	-	-	90,000	90,000	100%	Dump Truck
Utility Vehicles	-	-	60,000	60,000	100%	Car, 3/4 or 1-ton Pickup Truck
Computers & Software	-	21,243	20,000	(1,243)	-6%	Document Mgmt system impl
GIS/SEMS/CADD Equipment/Software	-	-	4,000	4,000	100%	
Fischer Ranch - Undergr.Valving/Piping	-	-	8,000	8,000	100%	
Fischer Ranch -Disposal Site Upgrade	-	-	1,000,000	1,000,000	100%	
Small Equipment & Other	-	-	15,000	15,000	100%	
Subtotal	-	21,243	1,197,000	1,175,757	98%	
Enterprise Funds Total	59,899	364,323	4,665,000	4,300,677	92%	
<u>Parks & Recreation Department</u>						
Pierson Park Upgrades	1,007	28,787	25,000	(3,787)	-15%	Playground Equipment
Azalea Hall Projects	-	-	5,000	5,000	100%	Furnace Replacement
McKinleyville Activity Center Upgrades	-	-	5,000	5,000	100%	Saber Floor Scrubber
Projects Funded by Quimby/Other Funds	-	133,558	68,000	(65,558)	-96%	Washington Ave Parcel, Picnic Area
Projects Funded by Measure B Renewal	10,400	37,598	104,000	66,402	64%	Teen Center Project
Other Parks Projects & Equipment	-	6,395	-	(6,395)	#DIV/0!	Washington Parcel, Hiller Proj
Subtotal	11,407	206,338	207,000	662	0%	
<u>Streetlights</u>						
LED	7,080	103,655	125,000	21,345	17%	LED Streetlights
Subtotal	7,080	103,655	125,000	21,345	17%	
Governmental Funds Total	18,487	309,993	332,000	22,007	7%	
All Funds Total	78,386	674,316	4,997,000	4,322,684	87%	

McKinleyville Community Services District
Summary of Long-Term Debt Report
As of May 31, 2014

				Principal Maturities and Scheduled Interest							
				Maturity		Balance - Apr.	Balance - May.	Remaining			
				%	Date	30, 2014	31, 2014	for FY-14	FY-15	FY-16	Thereafter
Water Fund:											
I-Bank		8/1/30	P			881,333.57	881,333.57	-	39,248.69	40,571.37	801,513.53
Interest	3.37%		I					0.00	29,039.60	27,694.63	219,225.52
State of CA Energy Commission (ARRA)		12/22/26	P			151,421.65	145,951.27	(0.00)	11,018.72	11,125.84	123,806.70
Interest	1.0%		I					0.00	1,432.12	1,325.20	6,926.83
State of CA (Davis Grunsky)		1/1/33	P			1,861,023.85	1,861,023.85	-	77,717.50	79,660.44	1,703,645.91
State of CA (Davis Grunsky) Deferred Interest		1/1/33	P			323,661.93	323,661.93	-	17,035.12	17,035.12	289,591.69
Interest	2.5%		I					23,071.60	46,525.60	44,582.66	408,486.72
Total Water Fund-Principal						3,217,441.00	3,211,970.62	(0.00)	145,020.03	148,392.77	2,918,557.83
Total Water Fund-Interest								23,071.60	76,997.32	73,602.49	634,639.07
Total Water Fund						3,217,441.00	3,211,970.62	23,071.60	222,017.35	221,995.26	3,553,196.90
Sewer Fund:											
State of CA WRCB (SCEP I)		4/15/16	P			81,840.20	81,840.20	-	40,920.10	40,920.10	-
Interest	0.0%		I					-	-	-	
State of CA WRCB (SCEP II)		3/27/18	P			104,695.85	104,695.85	0.00	25,183.91	25,838.70	53,686.60
Interest	2.6%		I					0.00	2,722.43	2,067.64	2,102.41
Umpqua Bank		12/4/17	P			188,183.32	180,573.11	3,844.80	47,186.72	49,848.42	79,721.79
Interest	5.5%		I					799.68	8,547.04	5,885.34	3,506.57
USDA (Sewer Bond)		8/1/22	P			619,125.00	619,125.00	-	60,000.00	60,000.00	515,000.00
Interest	5.0%		I					-	30,250.00	27,250.00	90,875.00
Total Sewer Fund-Principal						993,844.37	986,234.16	3,844.80	173,290.73	176,607.22	648,408.39
Total Sewer Fund-Interest								799.68	41,519.47	35,202.98	96,483.98
Total Sewer Fund						993,844.37	986,234.16	4,644.48	214,810.20	211,810.20	744,892.37
Total Principal						4,211,285.37	4,198,204.78	3,844.80	318,310.76	324,999.99	3,566,966.22
Total Interest								23,871.28	118,516.79	108,805.47	731,123.05
Total						4,211,285.37	4,198,204.78	27,716.08	436,827.55	433,805.46	4,298,089.27

McKinleyville Community Services District
Board Designated Reserve Balances
As of May 31, 2014



- Utility Accounts Receivable Turnover Days As of May 31, 2014 17.6 Days
- YTD Breakeven Revenue, Water Fund: 1,948,584.97 - YTD Actual Water Sales: 1,968,864.25
- Days of Cash on Hand - Operations Checking Account 26.7 Days

McKinleyville Community Services District
Cash Disbursement Report
For the Period May 1 through May 31, 2014

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
Accounts Payable Disbursements						
28053	5/6/2014	*0021	AZALEA HALL DEPOSIT REFUND BJ	50.00	B40505	AZALEA HALL DEPOSIT REFUND BJ
28054	5/6/2014	ACW01	CB&T/ACWA-JPIA	13,720.37	B40428	GRP. HEALTH INS
28055	5/6/2014	ADA02	ADAPCO,INC	609.32	96432	REPAIRS/ SUPPLIES
28056	5/6/2014	BOR01	BORGES & MAHONEY CO.	988.59	135065	REPAIRS/ SUPPLIES
				675.84	135281	LAB TESTING SUPPLIES
			Check Total:	<u>1,664.43</u>		
28057	5/6/2014	COA01	COASTAL BUSINESS SYSTEMS	328.46	15208627	SHARP COPIER MONTHLY PAYMENT
28058	5/6/2014	COR01	CORBIN WILLITS SYSTEMS, INC	858.42	B404151	MOMS SYSTEM MONTHLY PAYMENT
28059	5/6/2014	COR07	JOHN W. CORBETT	125.00	B40501	DIRECTORS FEES
28060	5/6/2014	COU09	DAVID R. COUCH	125.00	B40501	DIRECTORS FEES
28061	5/6/2014	EDW01	HELEN L. EDWARDS	125.00	B40501	DIRECTORS FEES
28062	5/6/2014	EUR01	EUREKA BOILER WORKS	47.20	63255	REPAIRS/ SUPPLIES
28063	5/6/2014	HAR13	The Hartford - Priority A	1,225.85	B40428	GRP LIFE INSURANCE
28064	5/6/2014	HEL01	KEVIN HELD	375.00	B40421	HR HIGH DANCE-DJ SERVICES
28065	5/6/2014	HUM01	HUMBOLDT BAY MUNICIPAL WATER DISTR	64,706.96	B40505	WTR PURCHASED
28066	5/6/2014	HUM08	HUMBOLDT SANITATION	966.50	B40501	TRASH SERVICE

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
28067	5/6/2014	HUM42	HUMBOLDT OUTFITTERS	1,138.25	7621	REC PROGRAM SUPPLIES
28068	5/6/2014	LAC01	Laco Associates	371.25	33676	MURRAY ROAD TANK UPGRADE
28069	5/6/2014	MAI01	MARK MAILLIE	173.19	B40501	CLOTHING ALLOWANCE
28070	5/6/2014	MAY02	DENNIS MAYO	125.00	B40501	DIRECTORS FEES
28071	5/6/2014	NEC01	NEC FINANCIAL SERVICES,LL	373.92	1705508	PHONE SYSTEM
28072	5/6/2014	NOR01	NORTH COAST LABORATORIES	3,475.00	B40505	LAB TESTS
28073	5/6/2014	PGE01	PG & E (Office & Field)	11,362.84	B40505	GAS & ELECTRIC
28074	5/6/2014	SEQ01	Sequoia Gas Co.	1,385.09	B40506	FUEL PURCHASED
28075	5/6/2014	SUD01	SUDDENLINK	159.90	B40506	INTERNET SERVICES
28076	5/6/2014	THR01	THRIFTY SUPPLY COMPANY	1,041.64	B40421	REPAIRS/ SUPPLIES
28077	5/6/2014	USB01	U.S. BANK TRUST N.A.	7,645.83	B40428	SEWER BOND PAYMENT
28078	5/6/2014	USP02	USPS: ARCATA BMEU	1,500.00	B40428	REFILL PERMIT 202-BULK MAIL
28079	5/6/2014	WHE02	GEORGE A. WHEELER JR.	125.00	B40501	DIRECTORS FEES
28080	5/6/2014	\A015	MQ CUSTOMER REFUND FOR AD	57.41	000B40501	MQ CUSTOMER REFUND FOR AD
28081	5/6/2014	\B008	MQ CUSTOMER REFUND FOR BA	30.14	000B40501	MQ CUSTOMER REFUND FOR BA
28082	5/6/2014	\F009	MQ CUSTOMER REFUND FOR FR	29.08	000B40501	MQ CUSTOMER REFUND FOR FR
28083	5/6/2014	\G026	MQ CUSTOMER REFUND FOR GO	14.84	000B40501	MQ CUSTOMER REFUND FOR GO
28084	5/6/2014	\K006	MQ CUSTOMER REFUND FOR KI	89.16	000B40501	MQ CUSTOMER REFUND FOR KI
28085	5/6/2014	\L002	MQ CUSTOMER REFUND FOR LE	60.86	000B40501	MQ CUSTOMER REFUND FOR LE

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
28086	5/6/2014	\N007	MQ CUSTOMER REFUND FOR NE	30.24	000B40501	MQ CUSTOMER REFUND FOR NE
28087	5/6/2014	\P023	MQ CUSTOMER REFUND FOR PO	42.73	000B40501	MQ CUSTOMER REFUND FOR PO
28088	5/6/2014	\R014	MQ CUSTOMER REFUND FOR RO	9.33	000B40501	MQ CUSTOMER REFUND FOR RO
28089	5/6/2014	\S034	MQ CUSTOMER REFUND FOR SM	16.68	000B40501	MQ CUSTOMER REFUND FOR SM
28090	5/6/2014	\V007	MQ CUSTOMER REFUND FOR VI	19.15	000B40501	MQ CUSTOMER REFUND FOR VI
28091	5/6/2014	\W003	MQ CUSTOMER REFUND FOR WR	86.04	000B40501	MQ CUSTOMER REFUND FOR WR
28092	5/12/2014	*0022	AZALEA HALL DEPOSIT REFUND AR	100.00	B40507	AZALEA HALL DEPOSIT REFUND AR
28093	5/12/2014	10102	101 NETLINK	80.00	B40507	MONTHLY SUBSCRIPTION
28094	5/12/2014	ANS02	BRIAN ANSPACH	134.99	B40507	SAFETY BOOTS
28095	5/12/2014	ARC02	Arcata Stationers	539.05	B40505	OFFICE SUPPLIES
28096	5/12/2014	BAS01	BASIC LABORATORY INC.	1,849.75	1403708	LAB TESTING
28097	5/12/2014	BAY02	BAY WEST SUPPLY, INC.	586.98	B40501	JANITORIAL SUPPLIES FOR APRIL
28098	5/12/2014	COS03	COSTCO WHOLESALE	130.01	B40505	OFFICE SUPPLIES/ REC PROG
28099	5/12/2014	COU07	DAVID COUCH	158.00	B40414	CSDA LEGISLATIVE DAYS
28100	5/12/2014	CRO03	CROWN TROPHY PETALUMA	346.40	19574	OFFICE SUPPLIES
28101	5/12/2014	EDW03	HELEN EDWARDS	158.00	B40414	CSDA LEGISLATIVE DAYS
28102	5/12/2014	FRE02	MICHAEL FREEMAN	26.50	B40507	EMPLOYEE REIMBURSEMENT
28103	5/12/2014	HUB02	HUB INTERNATIONAL INSURANCE	233.38	B40506	SPECIAL EVENT INSURANCE
28104	5/12/2014	IND01	INDEPENDENT BUS. FORMS	23.50	27769	OFFICE SUPPLIES

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
28105	5/12/2014	KER01	KERNEN CONSTRUCTION	268.79	50533	REPAIR PROJECTS
28106	5/12/2014	MAI01	MARK MAILLIE	152.57	B40508	CLOTHING ALLOWANCE
28107	5/12/2014	MAY03	DENNIS MAYO	158.00	B40421	CSDA LEGISLATIVE DAYS
28108	5/12/2014	MCK04	MCK ACE HARDWARE	924.55	B40501	REPAIRS/SUPPLY
28109	5/12/2014	MIL01	Miller Farms Nursery	836.02	B40505	REPAIRS/SUPPLY
28110	5/12/2014	NOR13	NORTHERN CAL SAFETY CONSORTIUM	80.00	20382	SAFETY TRAINING
28111	5/12/2014	NYL01	NYLEX.NET	240.00	75462	PROFESSIONAL SERVICES
28112	5/12/2014	ORS01	GREG ORSINI	158.00	B40421	CSDA LEGISLATIVE DAYS
28113	5/12/2014	PRE08	PRECISION INTERMEDIA	30.00	14-1108	WEBSITE HOSTING-MONTHLY PMT
28114	5/12/2014	REN01	RENNER PETROLEUM	3,318.26	B40505	GAS/OIL/LUBE
28115	5/12/2014	S&S02	S & S WORLDWIDE, INC.	199.91	8070348	REC PROGRAM SUPPLIES
28116	5/12/2014	STA09	S.W.R.C.B.	230.00	B40506	CERT RENEWAL
28117	5/12/2014	THO02	Thomas Home Center	254.48	B40506	REPAIRS/SUPPLY
28118	5/12/2014	UMP03	UMPQUA BANK--VISA	28.14	APR01	REC PROGRAM SUPPLIES
				208.85	APR02	TRAINING/ TRAVEL MEALS
				55.15	APR03	OFFICE SUPPLIES/ EMPLOYEE
				1,933.82	APR04	TRAVEL/ MEALS/ TRAINING
				450.00	APR05	TRAINING
				241.28	APR06	OFFICE SUPPLIES
			Check Total:	<u>2,917.24</u>		
28119	5/12/2014	VER01	VERIZON WIRELESS	99.96	B40508	CELL PHONES FOR APRIL
28120	5/19/2014	A&L02	A & L FEED	208.51	B40505	OPEN SPACE MAINTENANCE

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
28121	5/19/2014	A&M02	A & M BODY SHOP & TOWING	60.00	25542	REPAIRS/ SUPPLIES
28122	5/19/2014	ANS02	BRIAN ANSPACH	1,220.00	14005	PROFESSIONAL SERVICES
28123	5/19/2014	ATT01	AT&T	552.51	B40512	PHONE SERVICES FOR MAY 2014
28124	5/19/2014	BRU04	REBECCA J. BRUINEKOOL	1,438.12	B40513	CONTRACTED INSTRUCTOR
28125	5/19/2014	COA01	COASTAL BUSINESS SYSTEMS	877.10	15270302	SHARP COPIER MONTHLY PAYMENT
28126	5/19/2014	DEP05	DEPARTMENT OF JUSTICE	96.00	B40512	REC PROGRAM FINGERPRINTING
28127	5/19/2014	DOW01	DOWNEY BRAND ATTORNEYS LLC	1,609.50	468559	LEGAL SERVICES
28128	5/19/2014	EUR06	EUREKA READY MIX	311.75	71589	REPAIRS/SUPPLY
				498.80	78132	REPAIRS/SUPPLY
			Check Total:	810.55		
28129	5/19/2014	HEN03	JAMES G. HENRY	168.00	B40512	CWEA ANNUAL CONFERENCE
28130	5/19/2014	IND02	Industrial Electric Service	79.40	12070	REPAIRS/SUPPLY
28131	5/19/2014	LDA01	LDA PARTNERS	9,350.00	17/635-1-	MCK TEEN/COMMUNITY CENTER
28132	5/19/2014	MCK03	MCKINLEYVILLE OFFICE SUPPLIES	44.04	47456	POSTAGE FOR BOND PAYMENT
				96.75	47461	P.PARK CONSTRUCTION PROJECT
			Check Total:	140.79		
28133	5/19/2014	MEL02	MELISSA DATA CORPORATION	1,290.00	1694924	ANNUAL INVOICE-POSTAGE
28134	5/19/2014	MIT01	Mitchell, Brisso, Delaney	1,286.92	34477	LEGAL SERVICES
28135	5/19/2014	NOR36	NORTH COAST PARTS & SUPPLIES	26.56	B40505	REPAIRS/ SUPPLIES
28136	5/19/2014	NOR40	NORTHCOAST EMPLOYER ADVISORY COUNCIL	18.00	B40519	TRAINING
28137	5/19/2014	OCC01	OCCUPATIONAL HEALTH	250.00	523*04-14	PROFESSIONAL SERVICES

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
28138	5/19/2014	PAR06	PARCEL QUEST	1,199.00	16827	SUBSCRIPTION RENEWAL
28139	5/19/2014	SAF04	SAFEWAY INC. FILE # 72905	56.73	B40519	REC PROGRAM SUPPLIES PURCHASE
28140	5/19/2014	SEC03	SECURITY LOCK & ALARM	62.73	85795	REPAIRS/ SUPPLIES
28141	5/19/2014	SIE02	SIERRA CHEMICAL CO.	3,199.16	B40513	CHLORINE/ CONTAINER DEPOSIT
				1,293.28	RDM338	CHLORINE/ CONTAINER DEPOSIT
			Check Total:	<u>4,492.44</u>		
28142	5/19/2014	STA01	STATEWIDE TRAFFIC	43.60	1833	SAFETY SUPPLIES
28143	5/19/2014	STA09	S.W.R.C.B.	230.00	B40519	CERT RENEWAL
28144	5/19/2014	THR01	THRIFTY SUPPLY COMPANY	36.60	1361768	REPAIRS/ SUPPLIES INV 136
				678.21	1361810	REPAIR PROJECTS/ REPAIRS
				1,847.28	1362109	REPAIR PROJECTS
			Check Total:	<u>2,562.09</u>		
28145	5/23/2014	*0023	PAVING DEPOSIT REFUND-JOB AF9, VS	293.86	B40519	PAVING DEPOSIT REFUND-JOB AF9, VS
28146	5/23/2014	*0024	PAVING DEPOSIT REFUND JOB AF6, PK	293.75	B40519	PAVING DEPOSIT REFUND JOB AF6, PK
28147	5/23/2014	*0025	AZALEA HALL DEPOSIT REFUND HUM	100.00	B40521	AZALEA HALL DEPOSIT REFUND HUM
28148	5/23/2014	*0026	AZALEA HALL DEPOSIT REFUND KV	100.00	B40521	AZALEA HALL DEPOSIT REFUND KV
28149	5/23/2014	CAM01	CAMPTON ELECTRIC SUPPLY	2,745.78	407034	LED STREETLIGHT PROJECT
28150	5/23/2014	EUR01	EUREKA BOILER WORKS	58.02	64244	REPAIRS/ SUPPLIES
				104.84	64374	REPAIRS SUPPLIES
			Check Total:	<u>162.86</u>		
28151	5/23/2014	EUR05	Eureka Oxygen Co	177.62	408296	REPAIRS/ SUPPLIES
28152	5/23/2014	HUM17	HUMBOLDT COUNTY DEPT.	4,143.98	9689	ANNUAL HAZMAT FEES
28153	5/23/2014	IND02	Industrial Electric Service	229.27	12177	REPAIRS/SUPPLY

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
28154	5/23/2014	KEN02	KENNEDY/JENKS CONSULTANTS	52,219.33	B40522	WWMF UPGRADE
28155	5/23/2014	MAN03	MANDELL MUNICIPAL COUNSELLING	141.00	B40522	LEGAL SERVICES
28156	5/23/2014	MEN01	MENDES SUPPLY CO.	174.60	M059906	SAFETY SUPPLIES
28157	5/23/2014	MER03	MERCER, FRASER COMPANY	439.15	46774	REPAIRS/ SUPPLIES
28158	5/23/2014	NOR35	NOR. HUMBOLDT EMPLOYMENT SERVICES	577.36	ES14-0161	OPEN SPACE MAINTENANCE
28159	5/23/2014	NYL01	NYLEX.NET	192.00	75519	PROFESSIONAL SERVICES
28160	5/23/2014	PGE02	PACIFIC GAS & ELECTRIC	2,095.68	B40522	STREETLIGHTS MAY 2014
28161	5/23/2014	PRE08	PRECISION INTERMEDIA	23.75	14-1291	PROFESSIONAL SERVICES
28162	5/23/2014	REM01	REMY, MOOSE AND MANLEY, LLC	1,806.00	98336	LEGAL SERVICES
28163	5/23/2014	RES05	RESERVE ACCOUNT	1,500.00	B40522	POSTAGE METER
28164	5/23/2014	ROU01	ROUND TABLE DEVELOPMENT CORP	106.16	875	REC PROGRAM SUPPLIES
28165	5/23/2014	SEM01	SEMS TECHNOLOGIES	5,675.00	A5608	SUBSCRIPTION RENEWAL
28166	5/23/2014	STA01	STATEWIDE TRAFFIC	95.54	1870/9	SAFETY SUPPLIES
28167	5/23/2014	WBC01	WBCO ELECTRIC SERVICE CO.	117.84	89984	REPAIRS/ SUPPLIES
				230,063.50		
Total Disbursements, Accounts Payable:				230,063.50		

Payroll Related Disbursements

11857-11885	5/8/2014	Various Employees	13,913.96		Payroll Checks
11886	5/8/2014	CALPERS 457 Plan	3,662.18	B40508	RETIREMENT
11887	5/8/2014	DIRECT DEPOSIT VENDOR- US	25,295.46	B40508	Direct Deposit

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
11888	5/8/2014	EMP01	Employment Development	1,473.08	B40508	STATE INCOME TAX
				529.23	1B40508	SDI
			Check Total:	<u>2,002.31</u>		
11889	5/8/2014	HUM29	UMPQUA BANK--PAYROLL DEP.	4,791.49	B40508	FEDERAL INCOME TAX
11889	5/8/2014	HUM29	UMPQUA BANK--PAYROLL DEP.	6,555.56	1B40508	FICA
				1,533.12	2B40508	MEDICARE
			Check Total:	<u>12,880.17</u>		
11890	5/8/2014	ACW01	CB&T/ACWA-JPIA	43,045.22	B40430	MED & DENTAL INSUR
11891	5/8/2014	AFL01	AFLAC	43.30	B40430	AFLAC (PRE-TAX)
11892	5/8/2014	PUB01	Public Employees PERS	16,251.66	B40430	PERS PAYROLL REMITTANCE
				56.08	1B40430	PERS CONTRIBUTION
			Check Total:	<u>16,307.74</u>		
11893-11925	5/21/2014		Various Employees	17,534.02		Payroll Checks
11926	5/21/2014	CAL12	CalPERS 457 Plan	3,665.55	B40521	RETIREMENT
11927	5/21/2014	DIR01	DIRECT DEPOSIT VENDOR- US	25,375.17	B40521	Direct Deposit
11928	5/21/2014	EMP01	Employment Development	1,517.96	B40521	STATE INCOME TAX
				574.36	1B40521	SDI
			Check Total:	<u>2,092.32</u>		
11929	5/21/2014	HUM29	UMPQUA BANK--PAYROLL DEP.	5,131.61	B40521	FEDERAL INCOME TAX
				7,115.16	1B40521	FICA
				1,663.96	2B40521	MEDICARE
			Check Total:	<u>13,910.73</u>		
				<u>179,728.13</u>		
			Total Disbursements, Payroll:	<u>179,728.13</u>		
			Total Check Disbursements:	<u>409,791.63</u>		

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: D.3 Compliance with State Double Check Valve Law

PRESENTED BY: James Henry, Operations Director

TYPE OF ACTION: Voice Vote-Consent Calendar

Recommendation:

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

Discussion:

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

1st Notice	May 19, 2014
10 Day Notice	June 18, 2014
Board Meeting	July 2, 2014
Lock	August 4, 2014
ROUTES 5 & 6	

Account #	Address	Model of DCV	Date s/o out
5-249-986	1550 Heartwood	Wilkins	
5-495-120	5301 Boyd Road	Febco	
5-680-000	1621 Henry	Watts	
6-251-000	1748 Edeline	Febco	
6-725-000	1110 School Rd	Febco	
6-950-115	1570 Betty Ct	Wilkins	

Updated: 06/18/14

Exhibits/Attachments

- Attachment 1 - Letter from Mike & Cheryl Malin
- Attachment 2 - 2014 Hiller Park Caretaker Agreement

RECEIVED
MAY 12 2014
McK. C.S.D.

May 11, 2014

Greg Orsini & Jason Sehon

MCSD

1656 Sutter Road

McKinleyville, CA 95519

Dear Greg & Jason,

We are writing concerning a request to go out of the area temporarily (length of time undetermined at the present). Our son Jonathan Malin, his wife and our three grandchildren are living at Travis AFB in Fairfield, California. They have asked for our assistance in helping with childcare for our three grandchildren ages 7, 2 and 1 years old.

The children currently go to three different places for childcare. They have also been sick alot and neither parent can take off from work easily. In other words, childcare is a hardship for them in many ways including financially. By moving there for a time and providing childcare we feel we can help our son and his family have a better quality of life.

Our daughter Julie and her husband Blake recently moved in with us about mid March out of necessity. Both of them are willing to perform our duties if we should be granted permission to relocate for this period of time. We are not charging them any rent. We do share the utilities costs.

Should we be able to go, we will periodically check in with you and Julie and Blake and make sure everything is going okay. We will continue to pay the property use tax and my taxes on the mobile as stated in the agreement. Our intention is to return to our home to live and take care of our responsibilities here. We are grateful for our living situation here for the past 26 years. We also know that it is important for the District to have someone reliable to look after things in the park. We feel our son-in-law and daughter would be able to do that in our absence. Both worked for the Parks division when they were younger. Our daughter Julie is 26 and our son-in-law Blake is 25 years old. Both are responsible, reliable individuals.

If given permission ,we will probably move at the end of June (2014). Our guess is that this temporary relocation will probably be at least one year but not more than two years. Our agreement has a provision under item 1.D.1. that says someone can take care of our duties in our absence if they are acceptable to the District. We hope that this can be applicable in this case.

Please let us know what you decide. If you have any questions please feel free to call us at home. Thank you for your time in considering this important request.

Sincerely,

Michael Malin
Cheryl Malin

INDEPENDENT CONTRACTOR AGREEMENT
Contract for Caretaking Services: Hiller Park

This AGREEMENT is entered into on July 2, 2014, by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, herein referred to as "DISTRICT", and Blake Vinum and Julie Vinum herein referred to as "CONTRACTOR".

1. CONTRACTOR agrees to perform services within the area outlined as follows:
 - A. Provide services ensuring and assisting in site safety and site access, including opening and closing the public restroom doors and the access gates to the facility at sunrise and sunset. Facilities and gates to be opened at sunrise and closed ½ hours after sunset.
 - B. Report promptly to the proper authority any misuse of DISTRICT property or facilities at the facility.
 - C. File reports as determined by situational need.
 - D. Notify DISTRICT's Director of Parks and Recreation when CONTRACTOR will be away from the site for more than twenty-four (24) hours.
 1. It is the CONTRACTOR'S sole responsibility to perform these functions, or have a substitute, acceptable to the DISTRICT, to perform these duties in the CONTRACTOR'S absence.
 - E. The DISTRICT will cover the duties of the CONTRACTOR due to absence up to but not to exceed 15 days per year.

2. The term of this AGREEMENT shall commence on the above date and shall terminate on July 30, 2016 unless either party exercises their rights under section 8.

DISTRICT and CONTRACTOR acknowledge and agree that CONTRACTOR is an independent contractor and not an employee of the DISTRICT in regard to this AGREEMENT. Worker's compensation or other insurance coverage or benefits will not be provided to the CONTRACTOR other than specific contractual payments described in this AGREEMENT.

3. DISTRICT and CONTRACTOR agree to mutually hold harmless, indemnify and defend the other party from and against any and all claims for personal injuries or property damages which arise out of the indemnifying party's performance of the terms of this agreement. CONTRACTOR agrees to provide proof to the DISTRICT of property and liability insurance coverage.

4. CONTRACTOR shall be paid, as full compensation for the services provided herein, the following:

- A. CONTRACTOR may occupy the mobile home pad at the facility provided by DISTRICT, with no rental charges by the DISTRICT.

5. In addition to the duties described herein, CONTRACTOR shall be required to provide a suitable trailer or mobile home for residential purposes on the DISTRICT's property at a location selected by the DISTRICT. All monthly utility costs will be

provided by the CONTRACTOR. The CONTRACTOR shall not violate any laws, codes, or regulations while on DISTRICT property throughout the terms of this AGREEMENT.

6. CONTRACTOR shall be solely responsible for payment of taxes resulting from the value of this AGREEMENT.

7. The CONTRACTOR shall not change, alter, place, or erect any permanent or temporary structure or object on the site without prior written approval by the DISTRICT. The CONTRACTOR shall keep the area of residence including yard area clean and neat at all times.

8. Personal Property Taxes, CONTRACTOR shall pay before they become delinquent all taxes, fees, assessments, or other charges levied or imposed by any governmental entity on any personal property placed by CONTRACTOR in, or about said premises, without limiting the generality of the other terms used in this agreement.

9. Either Party may terminate this agreement by providing written notice to the other party at least ninety (90) days prior to the effective date of termination. Where such notice is given, the two parties may agree to each prepare an appraisal of the Contractor's home and DISTRICT shall have the first right of refusal to purchase CONTRACTOR's home at a value equal to the mathematical average of the two appraisals. Should DISTRICT decide not to purchase CONTRACTOR's home or at the normal termination of this agreement, CONTRACTOR shall remove the place of residence and all personal property from the property of the DISTRICT within ninety (90) days of a written notice.

10. In the event of default by the CONTRACTOR, the DISTRICT will, by written notice, allow thirty (30) days to correct the defect. If not corrected within the thirty (30) day period, the AGREEMENT may be terminated.

11. In the event of any dispute arising out of the performance of this AGREEMENT, the prevailing party shall be entitled to reasonable attorney's fees and its cost of suit.

12. This AGREEMENT may not be assigned all or in part by either party, without prior written consent of the other party.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
Gregory P. Orsini, General Manager

By: _____
Blake Vinum, Contractor

By: _____
Julie Vinum, Contractor

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: D.5 **Consider Approval of a Memorandum of Understanding with McKinleyville Union School District for the KidsClub Afterschool Program**

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

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

Recommendation:

Staff recommends the Board approve the MOU as submitted, authorize the Board President to execute the agreement and direct staff to continue working closely with McKinleyville Union School District (MUSD) to ensure the success of the programs.

Discussion:

Over the course of the past several years, MUSD and MCSD have negotiated a collaboration to provide afterschool programs for the community of McKinleyville.

KidsClub afterschool program is offered at Morris Elementary School. MUSD will provide bus transportation for students at Dows Prairie Elementary School who would like to participate in the program.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 - Draft Memorandum of Understanding solidifying said collaboration

Memorandum of Understanding

McKinleyville Community Services District, Parks and Recreation
Department and McKinleyville Union School District Regarding
Provision of After School Program

This is a Memorandum of Understanding between the McKinleyville Community Services District (the DISTRICT) and the McKinleyville Union School District (MUSD).

It is expressly understood and agreed by both the DISTRICT and MUSD as follows:

- I. **Purpose:** The purpose of this Memorandum of Understanding is to establish and maintain an effective working relationship between parties.
- II. **Term:** The term of the Memorandum of Understanding shall commence on September 2, 2014, and shall extend through June 12, 2015. The term shall renew on an annual basis concurrent with each fiscal year (July-June) unless one party gives notice of termination as provided herein. No party shall make changes to the agreement during the term without the consent of the other.
- III. **Philosophy:** The parties agree that there is a need to provide youth with safe, fun, and healthy recreation opportunities that build self-esteem and teach social harmony, conflict resolution, wellness, and an appreciation of education. The parties agree that in order to provide necessary services a cooperative use agreement is in the best interest of the community.

IV. DISTRICT Description of services:

McKinleyville Community Services District will:

- A. Provide organizational structure for management of said programs; and
- B. Provide opportunities for MUSD to evaluate the viability of the Memorandum of Understanding and it's appreciation.

V. MUSD Description of Services:

McKinleyville Union Elementary School District will:

- A. Provide for and coordinate use of requested MUSD facilities during those programs, days, dates, and times outlined in Attachment 1 at no charge to the DISTRICT; and

- B. Attempt to accommodate, at no charge, all additional DISTRICT use requests for said programs at MUSD facilities provided those requests do not interrupt regularly scheduled school programs. School programs are defined as those programs offered at all MUSD school sites, which are sponsored by the school or school district.
 - C. Provide DISTRICT with a cleaning policy and procedure packet for staff to utilize in maintaining facilities.
 - D. Provide the DISTRICT with a secure storage area for equipment. Specifically, space for recreation and arts equipment.
 - E. Provide opportunities for the DISTRICT to evaluate the viability of the Memorandum of Understanding and it's application.
- VI. **Facility Orientation Policy:** Both parties agree that all employees or representatives who shall be supervising, leading, or offering programs described in Attachment 1 shall attend a facility orientation seminar arranged by MUSD.
- VII. **Facility Cleaning Policy:** Both parties agree that all employees or representatives who shall be supervising, leading, or offering programs described in Attachment 1, shall leave said facility in a clean, safe manner and in the same condition in which it was found.
- VIII. **Facility and Equipment Repairs/Damages Policy:** Both parties agree to share equally the costs incurred to either party for facility and equipment repairs or damages regardless of fault during DISTRICT sponsored program. Payment for repair or replacement shall be due thirty (30) days after presentation of bill by the party sustaining such damages to the other party.
- IX. **Termination:** The Memorandum of Understanding may be terminated by the failure of any party to comply with the terms of this agreement of standards set fourth in the facility orientation policy, cleaning policy, and facility equipment repairs/damages policy by a thirty (30) day written notice of cancellation by any party, or at the end of the term. This agreement may not be assigned in whole or in part by any without the express written consent of the others.
- X. **Contingencies:** It is expressly understood and agreed to by all parties that the DISTRICT, while carrying out and complying with any terms and conditions of this Memorandum of Understanding, is not an employee of MUSD; further that MUSD is not an employee of the DISTRICT. Therefore;
- A. The DISTRICT agrees to indemnify, defend and hold harmless MUSD, it's officers, agents, employees, and volunteers, from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, material men, laborers, and any other person, firm, or cooperation furnishing

or supplying work, services, materials, or supplies in connection with the performance of this agreement, and from any and all claims or losses accruing or resulting to any person, firm or cooperation who may be injured or damaged by the DISTRICT in the performance of this agreement.

MUSD agrees to indemnify, defend and hold harmless the DISTRICT, it's officers, agents, employees, and volunteers, from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, material men, laborers, and any other person, firm, or cooperation furnishing or supplying work, services, materials, or supplies in connection with the performance of this agreement, and from any and all claims or losses accruing or resulting to any person, firm or cooperation who may be injured or damaged by MUSD in the performance of this agreement.

- B.** The DISTRICT shall maintain throughout the period of this agreement, comprehensive General Liability insurance with a minimum coverage of \$1,000,000 combined single limit. The DISTRICT shall provide for thirty (30) days written notice of cancellation. Said coverage shall include MUSD as additional insured.

MUSD shall maintain throughout the period of this agreement, comprehensive General Liability insurance with a minimum coverage of \$1,000,000 combined single limit. MUSD shall provide for thirty (30) days written notice of cancellation. Said coverage shall include DISTRICT as additional insured.

- C.** In the Event of any litigation arising between the parties regarding the terms of this agreement, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to other relief provided by law.

McKinleyville Community Services District
District

McKinleyville Union School

David R. Couch
President, Board of Directors

Name: _____

Title: _____

Attest:

Becky Schuette
Secretary to the Board of Directors

Name: _____

Title: _____

KidsClub After School Program Description

Kids' Club offers a safe environment that provides peace of mind for late working parents, giving children a fun place to spend their time productively at the end of the school day.

Children attending Kids' Club, offered daily after school until 6:00 p.m., participate in a variety of activities designed to develop socialization and leadership skills while increasing self-esteem and self-confidence. Each day includes a scheduled homework period where participants receive assistance with their school projects. A nutritious snack is also provided.

At Kids' Club, we recognize that many parents have different scheduling needs, so we have several enrollment options available. Spaces can be reserved for as little as one day per week or up to as many as five days per week. Fees are reasonable and vary based on the grade of the participant and attendance option chosen.

Who: Any child who is in the K through 5th grades

Where: Morris Elementary Rooms 33, & 36

When: Monday through Friday, September 2, 2014 – June 12, 2015
After school until 6:00 p.m.

Fees: \$13.00/day for K- 2nd graders and \$11.00/day for 3rd-5th graders

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.1 **Consider developing a policy for requests for removal and replacement of trees along Central Avenue Open Space Maintenance Zone**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

- Staff recommends that the Board review the presented information, take public comment and
- Adopt Policy for Requests for Removal and Replacement of Trees along Central Avenue Open Space Maintenance Zone presented as Attachment 1

Discussion:

A business owner along Central Avenue Open Space Maintenance Zone (OSMZ) has requested that two (2) trees in front of their business be removed. This is not the first time we've received a request by business owners to remove trees. Several business owners have approached us with the same request for various reasons; such as the trees are blocking their business sign, the trees are messy when they bloom and in the fall, and the roots of the trees are causing the sidewalks to buckle up.

Background:

MCSD has maintained the landscaping along Central Avenue since June 1997. At some point, the zone was established with a five-year "sunset clause" and was last reformed in November 2010. In order for MCSD to continue maintaining the landscaping, MCSD needs to develop an Engineer's Report, Maintenance Cost Estimate and Maintenance Management Plan every five (5) years.

Property owners along Central Avenue then vote whether they are in favor of MCSD maintaining the zone or not. This process is conducted pursuant to Proposition 218 (Landscape and Lighting Act of 1972). The cost to property owners is based on the cost to MCSD to maintain the zone. The property owner is charged by the amount of linear footage they have along Central Avenue.

Humboldt County originally planted the landscaping along Central Avenue. After many years, property owners and residents felt the landscaping wasn't being maintained well. Ultimately, the McKinleyville Chamber of Commerce approached MCSD to see if we were interested in taking over the maintenance. MCSD began maintaining the landscape strip in 1997.

There are three (3) interesting factors to consider:

- The property owners own all the way to the curb along Central Avenue
- Humboldt County has an easement from the curb towards the business
- MCSD is responsible for the landscape maintenance

One of our concerns is that if property owners were allowed to remove trees without replacing them, there would be no more trees along Central Avenue. Staff understands why some businesses wish to remove trees from their property. We also feel it is in the best interest of our community that if a business removes a tree that they are required to replace it based on MCSD's specifications.

In order for a property owner to remove a tree, they are required to obtain an encroachment permit from Humboldt County. County staff indicated to us that they would not sign off on an encroachment permit without the consent of MCSD.

Several years ago, the MCSD Board developed a policy for the removal of trees located in our parks and OSMZ's. If a neighbor is concerned that a tree on MCSD property might fall on their property and wants it removed, the Board developed the following policy:

- The property owner is responsible for paying for a certified arborist to inspect the tree
- If the tree is deemed to be diseased or damaged (un-safe), it can be removed by a professional at the expense of the property owner
- If the tree is not deemed to be diseased or damaged (un-safe), it cannot be removed without the consent of MCSD management

The difference between this and Central Ave. OSMZ is that MCSD does not own nor have an easement on the property along Central Ave.

Staff is recommending the Board develop a policy for Requests for Removal and Replacement of Trees along Central Avenue Open Space Maintenance Zone. Attached is the policy staff has developed.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

- Direct staff to refer property owners to Humboldt County and MCSD would not deny any request for an encroachment permit

Fiscal Analysis:

In order to maintain the beauty of Central Avenue it is important to replace trees once they are removed. Humboldt County currently reimburses MCSD up to \$7,500 for project maintenance and to purchase plants, shrubs and shredded redwood mulch for Central Avenue OSMZ.

If property owners are not required to replace trees at their expense, a portion of the \$7,500 reimbursement from the County would go toward purchasing and installing a replacement tree instead of using the funds for other necessary purchases.

It is recognized that trees along Central Ave have an aesthetic and a monetary value. MCSD staff feels it is appropriate to require the replacement of the trees as a reimbursement.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 Policy for Requests for Removal and Replacement of Trees along Central Avenue Open Space Maintenance Zone

Attachment 1

POLICY FOR REQUESTS FOR REMOVAL AND REPLACEMENT OF TREES ALONG CENTRAL AVENUE OPEN SPACE MAINTENANCE ZONE

1. All requests shall be made by the property owner, not the business owner
2. Property owner must submit a request to MCSD in writing
3. MCSD staff to review request
4. Property Owner must obtain an Encroachment Permit from Humboldt County
5. Property owner is responsible for ordering an Underground Service Alert (USA)
6. MCSD staff to approve the type and size of tree to be replaced
7. Property owner is responsible for the removal of tree, stump and all roots
8. Property owner is to install a root barrier per MCSD staff recommendation
9. MCSD staff to conduct three (3) inspections:
 - 1) Initial tree inspection and determination for necessity of removal, prior to the removal of tree
 - 2) Inspect after removal of tree stump and roots, before planting tree
 - 3) Inspect after placement of root barrier and planting of the tree
10. Property owner must pay inspection fee deposit in the amount of \$100.00 prior to removing the tree. This process will be revenue neutral and will be billed on time and materials plus an administrative fee of 10%.
11. It is the responsibility of the property owner to have the tree installed by a professional. Trees must be installed in the late fall

Recommended tree species:

Medium Size Trees

Evergreen

- Strawberry Tree
- Coast Beefwood
- Atlas Cedar
- Italian Cypress
- Peppermint Gum
- Saratoga Laurel
- Fernleaf Catalina Ironwood
- Magnolia
- Mayten Tree
- Shore Pine
- Bishop Pine

- Japanese Black Pine
- Fern Pine
- New Zealand Chaste Tree

Deciduous

- Amur Maple
- Chinese Hackberry
- Washington Thorn
- Common Goldenchain Tree
- Sweet Gum
- Crabapple
- Purple Leaf Plum
- Japanese Flowering Cherry
- Flowering Cherry
- Red Maple

Small Size Trees

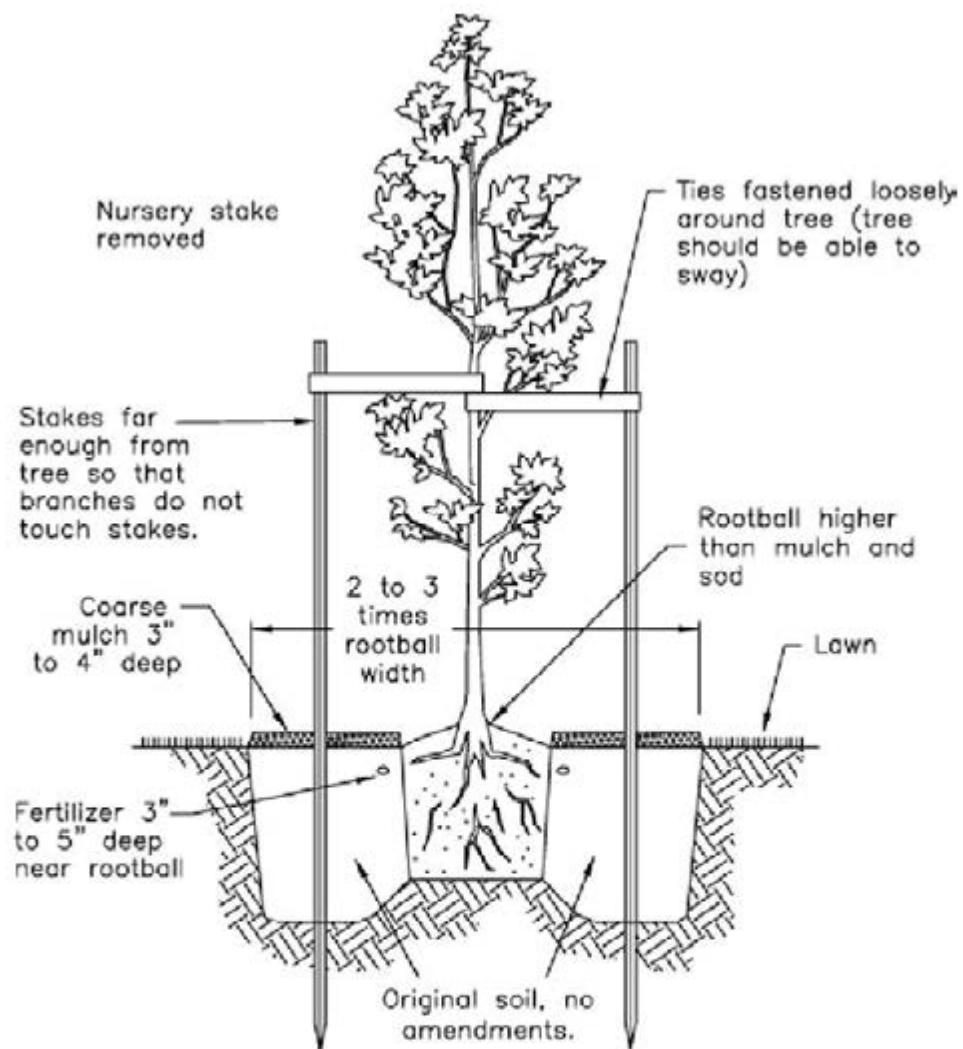
Evergreen

- Wilson Holly
- Karo Pittosporum
- Carolina Cherry
- Ornamental Pear
- Indian Hawthorn
- Mugo Pine

Deciduous

- Japanese Maple
- Goldenchain Tree
- Flowering Crabapple
- Flowering Cherry
- Flowering Weeping Cherry

Tree Planting Detail:



NOTE: The above diagram does not show the installation of a root barrier (which is required).

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.2 Consider Extension of General Manager's Contract

PRESENTED BY: Greg Orsini, General Manager

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends the Board take public comment, discuss in public and consider approval of the extension of the Employment Contract with Gregory Orsini effective July 1, 2014; authorizing MCSD Board President Couch to sign.

Discussion:

The Board has negotiated an Employment Contract extension with the General Manager (GM). The terms of the contract were discussed between the GM and the MCSD Board at a Special Closed Session Meeting held on June 4, 2014.

The Employment Contract is a standard MCSD GM Employment Contract and was reviewed by District Council and is acceptable.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Annual salary of \$117,936 plus benefits consistent with the District Employee Handbook.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1- General Manager Contract Extension with Gregory Orsini

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
GENERAL MANAGER EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made and effective as of July 1, 2014 by and between the McKinleyville Community Services District, a local public agency (hereinafter referred to as "District"), and Gregory P. Orsini (hereinafter referred to as "Employee," and also in pertinent part as "General Manager").

RECITALS

WHEREAS, the District desires to employ the services of Employee as General Manager of the McKinleyville Community Services District; and

WHEREAS, Employee has the necessary education, experience, skills and expertise to serve as the General Manager of the District; and

WHEREAS, it is the desire of the Board of Directors of the District ("Board") to provide certain benefits, establish certain conditions of employment, and set working conditions of Employee; and

WHEREAS, Employee desires to accept employment as General Manager of the McKinleyville Community Services District on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the following mutual promises, the foregoing recitals, and the covenants, conditions and agreements contained herein, the parties agree as follows:

1. Employment.

District hereby hires and appoints Employee to serve as its General Manager, upon the terms and conditions as hereinafter set forth. Employee hereby accepts such appointment upon the terms and conditions as hereinafter set forth.

2. Term.

The initial term of this Agreement is five (5) years, commencing July 1, 2014 and ending June 30, 2019, unless terminated earlier pursuant to Paragraph 9 of this Agreement. This Agreement may be amended and extended as the parties mutually agree in writing.

3. Duties and Responsibilities of the General Manager.

- a. Employee shall be the chief executive officer of the District and be responsible to the Board for the proper administration of the District's affairs.
- b. Employee shall perform all of the duties of the General Manager as set forth in section 61051 of the California Government Code, and District policies and procedures approved by the Board, as may be provided from time to time.
- c. Unless otherwise agreed to by the Board in writing, all services provided under this Agreement shall be rendered by Employee. Such services shall include, but not be limited to, the following:
 - (i) To perform all functions and duties of the General Manager, as set forth in the District codes, ordinances, resolutions, minute orders and written policies, and in state law;
 - (ii) To perform such services on an exclusive full-time basis for the District, and to be available as needed to properly perform such services, including attendance at all regular and special Board meetings and other meetings as needed for the conduct of District business;
 - (iii) To carry out all other legally permissible and proper assignments as the Board from time to time may direct. Employee, in exercising his best professional judgment, shall recommend policies, programs and budgets to the Board which he considers necessary to promote the best interests of the District; and
 - (iv) To keep the Board timely and regularly apprised of the status of operational and project activities of the District.

4. Duties and Responsibilities of Board.

- a. The Board sets policy for the governance and administration of the District, and implements its policies through the General Manager.
- b. The Board recognizes that to meet the challenges facing the District it must exercise decisive policy leadership. As one step in carrying out this leadership responsibility, the Board commits to spending time each year outside of regular District Board meetings to work with Employee and District staff on setting goals and

priorities for the District, and to work on those issues that may be inhibiting the maximal achievement of District goals.

- c. Except for the purposes of inquiry, the Board and its Members shall deal with all subordinate District employees, contractors, and consultants solely through the General Manager or the General Manager's designee, and neither the Board nor any members thereof shall give orders to any subordinates of the General Manager, either publicly or privately.
- d. The Board agrees none of its individual members will order the appointment or removal of any persons to any office or employment under the supervision and control of the General Manager.
- e. The Board agrees that any criticism of any District staff member shall be done privately through the General Manager.
- f. At least annually and as part of the General Manager's evaluation, the Board shall discuss with Employee the working relationships, expectations, goals, objectives, and priorities between Employee and the Board; and evaluate Employee's performance, as provided in Paragraph 8 of this Agreement.
- g. The Board shall provide General Manager with direction at Board meetings and support in implementing Board policies and objectives.

5. Compensation and Benefits.

The District shall pay or provide the following as total compensation to Employee:

- a. The District shall pay Employee for his services rendered pursuant hereto a monthly base salary of \$9,828.00 per month (\$117,936 annual) payable at the same intervals and in the same manner as applicable to full-time employees of the District. Deductions from this base salary will be made for withholding taxes, and any other deductions Employee authorizes in writing and/or that the District may be required to make under state or federal laws and regulations; provided that the District shall pay Employer's share of the FICA taxes on the same terms as it pays for such taxes for other full-time employees of the District.
- b. The District shall provide to Employee the benefits described below. The District may provide other benefits in the discretion of the Board, as are determined to be appropriate by the Board from time to time.

Benefits and benefits accruals will commence upon Employee's first day of employment with the District.

- (i) The District shall pay or provide Employee with a District credit card, which shall be used solely for District business, including travel, meetings, and training programs as are budgeted or approved in advance by the Board, and in accordance with adopted Board policies and procedures.
- (ii) The District shall pay for such institutional dues and service club dues as are budgeted or approved in advance by the Board. In addition, Employee shall be reimbursed for such conference, seminar or other meetings, travel, and subsistence expenses (lodging and meals) and other necessary job affiliated, non-personal expenses incurred in the conduct of District business ("District Business Expenses") as are budgeted or approved in advance by the Board. Meal expenses, not covered in registration fees as part of the meeting or conference, shall be reimbursed consistent with the provisions adopted Board policies and procedures regarding the reimbursement of meal expenses of other officials and employees of the District. Employee's expense reimbursement claims shall be supported by vouchers, receipts, statements or personal affidavits, and shall be submitted in accordance with adopted Board policies and procedures.
- (iii) Except when absent on scheduled vacation or other authorized leave, Employee is on call twenty-four hours per day, and shall be given use consistent with the District's Employee Handbook of a District vehicle selected by Employee from the District's fleet or purchased by the District specifically for the General Manager's use. The General Manager may reassign the vehicle for temporary use to other District staff members for District business purposes, as needed. Employee shall not loan the District vehicle to family members, acquaintances or other persons who are not District employees. Should the vehicle be unavailable, and Employee uses his own vehicle to attend District functions or to attend to other District business, the District shall reimburse use of Employee's personal vehicle at the mileage rate set by the Internal Revenue Service at the time of use. District shall be responsible for obtaining and paying for insurance on the District vehicle, and for the costs of operation, maintenance and repair of said vehicle. Employee shall ensure that maintenance of the District's

vehicle is performed as required to keep said vehicle in proper working order. Employee shall maintain insurance on his personal vehicle and provide proof of such insurance as may be required.

- (iv) The District shall provide Employee and eligible dependents with District paid health and dental insurance benefits, or other benefits on the same terms and conditions that such benefits are provided to other regular employees of the District, consistent with guidelines adopted by the Board and as set forth in the District's Employee Handbook or other personnel policies and regulations approved by the Board.
- (v) The District will provide the Employee term life insurance, and pay the premium on such policy, with coverage in the amount of 1.5 times base salary.
- (vi) Employee shall maintain the existing vacation that has been accrued from the District and shall continue to accrue vacation at a rate consistent with the District's Employee Handbook. Vacation accrual shall not be limited during the term of this Agreement.
- (vii) Employee shall be entitled to accrue and use sick leave and other leaves or benefits not otherwise provided in this Agreement as provided in the District's Employee Handbook.
- (viii) Employee shall receive paid holidays as provided in the District's Employee Handbook.
- (ix) Employee shall be entitled to ten (10) days of paid Administrative Leave per year.
- (x) Employee shall be entitled to participate in the District's retirement program through PERS, on the same basis as other regular employees of the District participate in such program.
- (xi) Employee shall be eligible to participate in the District's Section 457 Deferred Compensation Plan on the same basis as other regular employees of the District participate in such program.
- (xii) Employee shall be entitled to any and all benefits available to a regular full-time employee, consistent with the policies and procedures of the District, including, but not limited to,

any across-the-board annual Cost of Living (COLA) or benefits increases granted to regular full-time employees of the District.

On or about each anniversary date of the effective date of this Agreement, the Board shall consider a salary and/or benefits increase for Employee based on the results of the annual performance evaluation described in Paragraph 8 of this Agreement. The determination regarding whether or not to extend a salary and/or benefits increase to Employee is vested in the discretion of the Board, and may be withheld for any reason, including reasons not directly related to Employee's performance such as budget constraints and other circumstances. Employee shall not be entitled to any compensation other than that set forth in this Paragraph 5.

6. Time at Work.

Employee is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager's position.

It is recognized that Employee must devote a great deal of time to the business of the District outside the District's customary office hours, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. Employee acknowledges that he is a managerial employee who works on a salaried basis and is thus exempt from laws governing payment of overtime, and shall have no rights to accrue or receive overtime compensation. Employee shall spend sufficient hours on site to perform the General Manager's duties; however, Employee has the discretion over Employee's work schedule and work location.

7. Outside Activities.

Employee shall not engage in any activities which conflict with or are otherwise incompatible with his duties and responsibilities as the District's General Manager.

8. Performance Evaluation.

- a. The Board shall review and evaluate Employee's performance at least annually in advance of the anniversary of the effective date of this Agreement. In addition, during the first year of his employment, the Board will evaluate Employee's performance after three (3) months and six (6) months of service. Said reviews and evaluations shall be in accordance with specific criteria developed by the Board, utilizing the performance evaluation procedures established in the board policy manual. Guidelines published by California Special Districts Association (CSDA), International City Management Association (ICMA) or other recognized municipal governance association for evaluating executive level managers may be used where appropriate. The President of the Board shall

provide Employee with a written performance evaluation of the Board and provide an adequate opportunity for Employee to discuss his evaluation with the Board. Failure of the Board to provide an evaluation under this section shall not prevent the District from terminating Employee in accordance with Paragraph 9 of this Agreement.

- b. On or before each anniversary date of the effective date of this Agreement, the Board and Employee shall define in writing such goals and performance objectives as they deem necessary for the proper operation of the District, the attainment of the Board's policy objectives and the development of Employee's knowledge and skills.

9. Termination and Severance Pay, and Voluntary Resignation.

- a. Paragraph 2 of this Agreement provides for a fixed initial term of five (5) years, during which term the Board may terminate this Agreement and Employee's employment with the District as follows:

- i. Termination for "Good Cause." The District may terminate Employee's employment at any time for "good cause" without penalty or obligation to Employee other than payment of all accrued salary and benefits. In the event Employee is terminated for good cause following notice and the opportunity to be heard, the District shall have no obligation to pay any severance pay; provided, however, Employee shall be entitled to any salary and unused vacation and other benefits accruals earned up to the date of termination, consistent with the provisions of this Agreement. For the purposes of this Agreement, "good cause" for employment termination shall include, but not necessarily be limited to, any of the following:

- ai. A material breach of the terms of this Agreement, following notice and a reasonable opportunity to correct any noted deficiency or breach, if correction is feasible or reasonably possible;
- aii. Misfeasance or malfeasance in office, established pursuant to notice and an opportunity for Employee to respond in accordance with reasonable due process procedures and this Agreement; or

- aiii. A conviction of any felony, misdemeanor or other offense involving a violation of Employee's official duties, or any other offense the conviction of which by statute provides for Employee's removal from office or the forfeiture of his position. A criminal conviction entered against Employee which by statute provides for Employee's removal from office and/or forfeiture of his position shall be conclusive evidence of cause for termination of this Agreement, without further notice, hearing or severance pay. A conviction of any misdemeanor crime involving moral turpitude. A conviction of any misdemeanor or felony involving driving a District vehicle under the influence of alcohol, drugs or other intoxicants.
- ii. Termination "Without Cause." Alternatively, the Board may, in its discretion, terminate this Agreement and Employee's employment at any time without cause by paying the Employee severance, which shall constitute employee's exclusive remedy, as hereinafter set forth. The Board may terminate Employee's employment without cause at any time on three (3) months' advance written notice to Employee. Employee shall continue to work and receive his base salary and other compensation during the notice period. At the conclusion of the three (3) month notice period, employee shall receive a single lump sum cash payment equal to three (3) months' base salary (severance pay after notice) and any unused vacation and other benefits accruals accrued up to the last day of employment. In the alternative and at its sole discretion, the Board may terminate Employee's employment immediately, without notice and without cause at any time, in which event the District shall pay Employee a lump sum cash payment equal to six (6) months' base salary (severance pay without notice) and any unused vacation and other benefits accruals accrued up to the date of termination. Notwithstanding the foregoing, Employee's employment shall not be terminated without cause during the one hundred and twenty (120) day period preceding or following any election for membership on the Board of Directors, or during the one hundred and twenty (120) day period following any change in membership of the Board of Directors in the event an interim change occurs without an election.

- b. In the event of voluntary resignation in good standing, Employee shall give the Board three (3) months' advance written notice. During this three-month period, Employee shall, while continuing his management functions, summarize District operations and projects and provide the Board with a written report thereof, including professional observations and recommendations, and provide briefings and training to staff and any chosen successor. Nothing in this paragraph shall prevent the District from having the Employee separate before expiration of the three (3) month notice period, provided the District pays Employee for any remaining portion of the three (3) month period not worked, in addition to the severance pay as provided for hereinabove.

10. Defense and Indemnity.

District agrees to extend to Employee, as to any action or proceeding on account of any act or omission of Employee within the course and scope of services provided to the District pursuant to this Agreement, those rights of indemnification, as provided by law, and the right to provision for defense of actions or proceedings that are granted to employees of a public entity pursuant to the provisions of Part 7, Division 3.6 of Title 1 of the California Government Code.

The Board, in its sole discretion and within the limits of the law, may refuse such defense and indemnity as provided by law, including, but not limited to, where the act or omission in question falls within the purview of Government Code section 995.2 (i.e., not within the scope of employment, fraud, corruption, malice, or conflict of interest), Government Code section 995.4 (District action against Employee), Government Code section 995.6 (administrative proceedings), or Government Code section 995.8 (criminal actions).

11. Entire Agreement.

This Agreement is freely and voluntarily entered into by the parties. This Agreement constitutes the entire agreement between the parties relating to the subject matters hereof. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. Any amendment to this Agreement shall be of no force and effect unless it is in writing and approved by the Board and General Manager. To the extent any policies or procedures referenced or integrated in this Agreement, Employee acknowledges that the Board retains all rights to amend or modify said policies and procedures, from time to time, and Employee will observe and abide by said policies and procedures, as amended.

12. Waiver of Rights.

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

13. Remedies Not Exclusive.

The use by either party of any remedies specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

14. Headings.

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

15. Cooperation.

Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.

16. Interpretation.

The parties acknowledge that each party has reviewed, negotiated, and had an opportunity to discuss with counsel this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with transactions contemplated by this Agreement.

17. Notices.

Any notice to be given to Employee will be sufficiently served if given to him personally, or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the District payroll records. If mailed, notice shall be deemed received two (2) days following the date notice is delivered to and deposited in the custody of the United States Post Office. Any notice to be given to the District will be addressed and delivered or mailed to the District Board of Directors at the District office.

18. Counterparts and Signature.

This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument. Facsimile and/or electronically scanned signatures shall be deemed to constitute originals. A party will not be deemed to have consented to this Agreement or be bound by its terms until the party (or its authorized representative) has duly executed a counterpart of this Agreement.

WHEREFORE, the parties hereto have executed this Agreement as follows:

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
David R. Couch
President, Board of Directors

ATTEST:

By: _____
Becky Schuette
Secretary of the Board of Directors

EMPLOYEE

By: _____
Gregory P. Orsini

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider authorization to attend ACWA Region 1 Program & Tour, North Coast Water Forum July 10th & 11th in Eureka.**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends that the Board review the information provided for the Association of California Water Agencies (ACWA) Region 1 Program and Tour, North Coast Water Forum being held in Eureka on July 10th and; take public comment and consider authorization for interested Board Members to attend this local forum.

Discussion:

July 10 & 11 a North Coast Water Forum and tour will be co-hosted by ACWA Region 1 and Humboldt Bay Municipal Water District. Attendees will gather the evening of July 10 and board the historic Madaket for a Humboldt Bay Harbor Cruise. Following the cruise, a dinner, and a statewide water update program will take place at the Sea Grill Restaurant. On July 11, the program will begin at Humboldt Bay Municipal Water District and will include topics such as the impact of climate change on North Coast resources, illegal marijuana farms' impact on water quality and supply, and local area concerns. The morning program will be followed by lunch at the Carson Mansion and an afternoon local area facility tour. Director Mayo and General Manager Orsini will be presenting at the event and therefore will have their registration waived. Registration fee includes: meeting materials, tour transportation, breakfast, lunch, snacks, and refreshments.

Board Members require authorization for travel to conferences via motion and majority vote at a public meeting of the board.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Pre-Registration Fee: \$70.00. Onsite Registration Fee: \$75.00 (space permitting)

Environmental Requirements:

None

Exhibits/Attachments:

- Attachment 1 – ACWA Region 1 Program Schedule



**Association
of California
Water Agencies**
Since 1910
Leadership • Advocacy
Information • Service

Event co-hosted by
ACWA Region 1 and
Humboldt Bay MWD



Sponsored by



ACWA Region 1 Board
2014-2015

Chair:

Aldaron Laird, Humboldt Bay
MWD

Vice Chair:

Judy Mirbegian, Hidden
Valley Lake CSD

Board Members:

Grant Davis, Sonoma County
WA

David Guhin, City of Santa
Rosa

Krishna Kumar, Marin MWD

Dennis Mayo, McKinleyville
CSD

ACWA Region 1 Program & Tour *North Coast Water Forum*

Eureka, CA

July 10-11, 2014

PRELIMINARY ITINERARY & PROGRAM AGENDA

Thursday, July 10

**Cruise and dinner locations are walking distance from each other. Transportation is not provided. Warm clothing and flat shoes are suggested.*

- 5:00 p.m. Humboldt Bay Cruise on the Madaket
*Foot of "C" Street, Eureka – on the Eureka Boardwalk
Departs at 5:30 p.m.*
- 7:00 p.m. Dinner & Program at Sea Grill Restaurant
316 E Street, Eureka, CA 95501
- 9:00 p.m. Dinner & Program Concludes

Friday, July 11, 2014

Humboldt Bay MWD office, 828 7th Street, Eureka, 95501

- 9:00 a.m. Program Begins
 - Scott Bauer, CA Dept. of Fish & Wildlife – Illegal marijuana crops effects on water quality and quantity
 - Michael Furniss, U.S. Forest Service – Climate change effects on region's watersheds and rivers
 - Importance of CSDs to participate in County's General Plan Update – McKinleyville CSD General Manager Greg Orsini & Director Dennis Mayo
 - Regional Issues Roundtable Discussion
- 11:00 a.m. Depart on tour
 - Tour and Lunch at Carson Mansion - Ingomar Club
143 M Street, Eureka
 - See the Ranney Collectors
 - Dept. of Fish & Game Mad River Hatchery
- 3:00 p.m. Return to HBMWD office and conclude tour

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **INFORMATION**

ITEM: E.4 **Consider the Regular Board Meeting Dates, Time and Location for the 2015 Calendar Year**

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

TYPE OF ACTION: **None**

Recommendation:

Staff recommends the Board review and considers proposed 2015 Schedule for McKinleyville Community Services District Regular Board Meetings held on the first Wednesday of each month for the 2015 calendar year. Outside of the Board Meeting, Directors are requested to review the attachment and provide any conflicting dates to the Board Secretary either in person or in an email format. This item will be scheduled again for the September 3, 2014 Board Meeting at which time the Board members can make a final decision.

Discussion:

The Policy Manual of the Directors addresses this topic under Part 5 – Board Meeting Procedures, Rule 5-1: Regular Meetings – Regular meetings of the Board of Directors shall be held on the first Wednesday of each calendar month at 7:00 PM at either Azalea Hall 1620 Picket Road or the District Office 1656 Sutter Road as specified by the agenda. The date, time and place of the regular meetings shall be reconsidered annually.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action
- Change the meeting dates

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – 2015 Proposed MCSD Regular Board Meeting Schedule

2015 PROPOSED MCSD Board Meetings

First Wednesday's of the month for year 2015 – In the event the first Wednesday fell on a Holiday the meeting was moved to the second Wednesday of the month.

DATE	LOCATION
January 7, 2015	Azalea Hall
February 4, 2015	Azalea Hall
March 4, 2015	Azalea Hall
April 1, 2015	Azalea Hall
May 6, 2015	Azalea Hall
June 3, 2015	Azalea Hall
July 1, 2015	Azalea Hall
August 5, 2015	Azalea Hall
September 2, 2015	Azalea Hall
October 7, 2015	Azalea Hall
November 4, 2015	Azalea Hall
December 2, 2015	Azalea Hall

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.5 **Consider travel to the CSDA's 2014 Annual Conference & Exhibitor Showcase (September 29 - October 2) in Palms Springs, CA**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends that the Board review the information provided for the California Special Districts Association (CSDA) Annual Conference & Exhibitor Showcase in Palm Springs, CA; take public comment and consider authorization for interested Board Members to travel to the CSDA 2014 Annual Conference and Exhibitor Showcase.

Discussion:

The 2014 CSDA Annual Conference & Exhibitor Showcase will be held in Palm Springs, CA September 29 – October 2, 2014. The leadership conference for special districts will cover special district governance, trends, issues, and legislation.

The conference is designed to give special district's important and essential information. Education opportunity for district staff is available by attending specialized workshops and breakout sessions focused on your districts needs.

The keynote and super session speakers will deliver information to inspire innovative leadership and organizational transformation; enforce humor as a powerful leadership tool and show how character impacts business and community.

CSDA encourages Directors and General Managers to attend the annual conference. The opportunity to gain knowledge and inspiration is invaluable to our leadership and staff of special districts.

Board Members require authorization for travel to conferences via motion and majority vote at a public meeting of the board.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The full cost for early conference registration (some meals sold separately) is \$550.00 for members, \$750.00 for non-members, available on or before August 22, 2014. Regular registration is \$600 for members, \$800 for non-members, after August 22, 2014.

Conference Registration fees include:

President's Reception with the Exhibitors Monday evening

Keynote Sessions

Continental Breakfast with the Exhibitors on Tuesday

Lunch with the Exhibitors on Tuesday

SDRMA Full Plated Breakfast on Wednesday

Awards Luncheon on Wednesday

All Breakout Sessions on Tuesday, Wednesday, and Thursday

SDLF "Taste of the City" Reception on Wednesday

Closing Brunch on Thursday

Special hotel rates for the Renaissance Palm Springs Hotel (based on availability) are \$134 with a self parking fee of \$5.00 per night if needed.

United Express/Sky West airfare at today's rate is approximately \$562.00 round trip from ACV Arcata/Eureka Airport to PSP Palms Springs Airport.

Palm Springs Airport is approximately 1.6 miles from the Renaissance Palm Springs Hotel. Transportation from the airport to the hotel will be by cab.

An approximate total cost for travel and attendance to the conference is \$1892 per attendee if registration is made in advance of the deadline.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 – CSDA Conference Schedule of Events

CSDA CONFERENCE SCHEDULE SEPTEMBER 29 – OCTOBER 2, 2014

9/29/2014 8:00 AM **So You Want to be a General Manager**

A practical career development workshop for senior executives and emerging leaders in special districts.

Category: Preconference

Price: 100.00

Time: 8:00 AM - 3:45 PM

9/29/2014 8:00 AM **Full Conference Guest**

(Cannot be from a district or a company that does business with districts.)

Category: Attendee

Price: 260.00

Time: 9/29/2014 8:00 AM - 10/2/2014 12:00 PM

9/29/2014 9:00 AM **Governance Foundations**

Instructor: David Aranda, North of the River Municipal Water District Governance Foundations, the first of four modules and the core of the Special District Leadership Academy series, provides the basic information needed by board members, general managers and staff to build an effective and functional governance team. This course teaches the foundational knowledge and skills that identify and define the essential building blocks of a successful board. Directors will learn to develop a unity of purpose; understand the board's role in the district; build a strong, positive, functional board culture; and organize the formal structure of the board.

Category: Preconference

Price: 225.00

Time: 9:00 AM - 3:00 PM

9/29/2014 10:00 AM **CSDA Annual Golf Tournament**

CSDA Annual Golf Tournament Tahquitz Creek Golf Resort (pre-registration / payment required)

Transportation to/from on your own Join special district elected officials, staff and business affiliates at this optional fun annual event. Great golf skills not necessary! \$60 includes golf with cart, breakfast and lunch, and prizes! 10:00 a.m. – 3:00 p.m.

Category: Preconference

Price: 60.00

Time: 10:00 AM - 3:00 PM

9/29/2014 10:00 AM **Water Awareness Tour - Coachella Valley Water District**

This tour is designed to give attendees an inside look at Coachella Valley Water District's expansive water system. This informative tour will include visits to a groundwater replenishment facility, domestic water reservoir, waste water recycling plant and more!

Category: Preconference

Price: 45.00

Time: 10:00 AM - 3:00 PM

9/29/2014 12:00 PM **How to be a Great Decision Maker**

Once one gets elected or appointed to a Public Agency Board, the public has expectations. Being a great decision maker is certainly one of those expectations. This course will lead you through the process of how to make your passions into policy. It will review the Board processes in decision making as well as the opportunities and pitfalls of decision making as an individual and as a Board team. The course will review how staff and the executive play crucial roles in our ability to make informed decisions and how this team, the staff and Board, needs to optimize in order for the agency to optimize its performance.

Category: Preconference

Price: 125.00

Time: 12:00 PM - 3:00 PM

9/30/2014 7:30 AM **Tuesday Only**

Registration for Tuesday Only

Category: Attendee

Price: 260.00

Time: 7:30 AM - 9:00 PM

9/30/2014 6:00 PM **Hangar Party (Optional Offsite Event)**

Hangar Party at the Palm Springs Air Museum: Join us for a Hangar Party at the Palm Springs Air Museum. The Palm Springs Air Museum is home to one of the largest collections of flyable WWII aircraft housed in air-conditioned hangars with no ropes to keep you from interacting with exhibits. You'll feast on a USO themed buffet including mini corned beef ruben sliders, mac and cheese, a chicken and waffle station and hot fudge sundae bar. The fun doesn't stop there...attendees will be in for a treat when "Company B – The Andrews Sisters Tribute" takes to the Bob Hope Stage. You'll want to boogie woogie all night long. \$50 per person includes dinner, two drink tickets, entertainment and transportation.

TUESDAY ONLY

Category: Attendee

Price: 50.00

Time: 6:00 PM - 9:00 PM

10/1/2014 8:15 AM **Wednesday Only**

Registration for Wednesday Only

Category: Attendee

Price: 260.00

Time: 8:15 AM - 8:00 PM

10/1/2014 11:00 AM **SDRMA MEMBERS ONLY-Safety Specialist Certificate Program**

FOR SDRMA MEMBERS ONLY - SDRMA is offering a new General Safety Specialist Certificate Program for SDRMA members only during the CSDA Annual Conference. The Certificate Program is an all-day, specialized, training program being presented by Bob Lapidus, CSP and Mary Beth O'Connell, CSP of Lapidus Safety Consulting. Participants who complete the training will receive a Safety Certificate for their respective agency and will also receive Credit Incentive Points which will be applied to the agency to reduce program participation contribution amount. Pre-registration required.

Category: Attendee

Price: 0.00

Time: 11:00 AM - 4:45 PM

10/1/2014 12:30 PM **Awards Luncheon Guest**

The Awards Luncheon is included in Full Conference registration. Use this option to add a guest.

Category: Attendee

Price: 40.00

Time: 12:30 PM - 2:00 PM

10/1/2014 6:00 PM **Taste of the City Guest**

Taste of the City is included for Full Conference Attendees. Use this option to add a guest.

Category: Attendee

Price: 55.00

Time: 6:00 PM - 8:00 PM

10/2/2014 8:30 AM **Thursday Only**

Registration for Thursday Only

Category: Attendee

Price: 260.00

Time: 8:30 AM - 12:00 PM

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.6 Adopt Resolution 2014-20 to Modify Rules and Regulations

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

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends that the Board review the information provided, take public comment and approve Resolution 2014-20 amending the following to incorporate a current fee schedule, updated annually.

Regulation 5, Rule 5.01
Regulation 9, Rule 9.05
Regulation 10, Rule 10.03
Regulation 14, Rules 14.08 and 14.09

Discussion:

The Rules and Regulations, as currently written, have many different customer fees hard-coded into the text that must each be updated separately. Sometimes these fees go without review or update for years at a time. As District costs (particularly labor costs) gradually increase, the District fails to cover its costs each time it performs one of these services but collects an outdated, inadequate fee.

Staff proposes that a Fee Schedule be incorporated into the Rules and Regulations by reference. All fees will be listed on the schedule and updated annually once the budget is passed by the Board.

Fees based on labor costs will be changed to reflect changes in the average per hour cost of Operations payroll (including taxes and benefits).

Fees may be reduced if the District finds a way to offer the same quality service using less staff time, through technology or other means.

Deposit requirements should also be adjusted based on the original statement in Resolution 2009-08 that they should be two and one-half times the average monthly bill. Per the Board approved rate study, water rates are scheduled to adjust regularly, and failing to also adjust customer deposits according to the same schedule leaves the District exposed to a greater risk of bad debt.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Increased likelihood of full cost recovery as the Rules and Regulations do not have to be re-written and re-approved for each separate fee adjustment. The fees are revenue neutral and are purely a means of recouping expenses not covered.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 - Proposed Fee Schedule for FY2014-15
- Attachment 2 - Resolution 2014-20
- Exhibit 1 - Current text and proposed new text of Rules and Regulations listed above.

McKinleyville Community Services District

Item E.6, Attachment 1

Fee Schedule 2014

with calculations and parameters

\$ 8.00	Bulk Water (RR 14.09)	Rate: Use current rates per CCF Fee: 0.10 Hr times Loaded Ops P/R - avg per hour
	Customer Deposits:	2 1/2 times the monthly average for that class of customer
\$ 60.00	(RR 5.01, 10.03)	Residential - water only Mo.Avg: \$24.00
\$ 100.00		Residential - water/sewer Mo.Avg: \$40.00
\$ 550.00		Fire Hydrant Mo.Avg: \$220.00
Exempt	Regular call-outs for:	all sewer issues (no fee for these!) water quality issues: pressure, taste/odor/color
\$ 40.00	Special call-outs (during business hours):	0.50 hour, June2014
\$ 150.00	After-hours call-outs (no RR)	2.00 hours OT June2014 0.50 hours Utility Truck
\$ 53.00	Reconnection Fee (RR 10.03)	40 minutes, June2014
\$ 96.55	Meter Removal/Reinstallation (no RR)	1.00 hour, June2014 1.00 hour Utility Truck 16.61 Lock Cost

RESOLUTION 2014-20

**A RESOLUTION AMENDING REGULATION 5, RULE 5.01; REGULATION 9, RULE 9.05;
REGULATION 10, RULE 10.03; REGULATION 14, RULES 14.08 AND 14.09**

WHEREAS, The District has found that the current fees written into the Rules and Regulations are not being tracked and updated timely to allow the District to recover the costs of service,

WHEREAS, Tracking the fees on a Fee Schedule and incorporating such a Schedule by reference into the Rules and Regulations would allow for timely and regular updates,

WHEREAS, The fees listed on the Fee Schedule that are based on labor costs would be updated annually based on the Board approved budget for average per hour cost of Operations payroll including taxes and benefits,

WHEREAS, The District has found that customer deposits are not increasing with the scheduled increases in rates, exposing the District to a greater risk of bad debt,

WHEREAS, The refundable deposits listed on the Fee Schedule would be updated annually to reflect two and one-half times the average monthly bill per class of customer, as originally stated in Resolution 2009-08

WHEREAS, The District allows the amendment of the language of the following Rules and Regulations per Exhibit 1:

Regulation 5, Rule 5.01
Regulation 9, Rule 9.05
Regulation 10, Rule 10.03
Regulation 14, Rules 14.08 and 14.09

NOW, THEREFORE, BE IT RESOLVED that the McKinleyville Community Services District adopts the new language of the following Rules and Regulations per Exhibit 1. This Resolution will take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 2nd of July 2014 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

David R. Couch, Board President

Attest:

Becky Schuette, Board Secretary

E.6 Exhibit 1 - Current text and proposed new text of Rules and Regulations

REGULATION 3. - NOTICES

Rule 3.01. NOTICES TO CUSTOMERS. Notices from the District to a customer will normally be given in writing, and either delivered or mailed to him at his last known address. Where conditions warrant and in emergencies, the District may resort to notification either by telephone or messenger.

Rule 3.02. NOTICES FROM CUSTOMERS. Notice from the customer to the District may be given by him or his authorized representative in writing at the District's operating office.

REGULATION 4. - WATER DEPARTMENT

Rule 4.01. CREATION. A Water Department is hereby created comprising the Board of Directors, a Manager, and a Billing Clerk.

Rule 4.02. MANAGER. The position of Manager is hereby created. He shall regularly inspect and maintain all physical facilities related to the District water system, to see that they are in good repair and proper working order, and to note violations of any water regulations. He shall report directly to the Board of Directors.

Rule 4.03. ID. - DUTIES. The Manager shall have, subject to approval of the Board of Directors, full charge and control of the maintenance, operation and construction of the water works and system; authority to employ and discharge all employees and assistants; fix and alter the compensation of employees and assistants subject to approval by the Board; and shall have charge of all employees and assistants. He shall perform such other duties as are imposed from time to time, and shall report to the Board of Directors in accordance with the rules and regulations as adopted by the Board.

Rule 4.04. ID. - VIOLATION, REPAIRS. He shall promptly report any violation or disrepair to the Board of Directors. If the work required is in the nature of an emergency, he shall take whatever steps are necessary to maintain service to consumers.

Rule 4.05. ID. - SUPERVISION. He shall supervise all repair of construction work authorized by the Board and perform any other duties prescribed elsewhere in this ordinance or which shall be hereafter prescribed by the Board.

Rule 4.06. BILLING CLERK. The position of the Billing Clerk is hereby created. He shall have charge of the office of the Water Department and of the billing for and collecting the charges herein provided. He shall perform such other duties as shall be determined by the Manager and Board.

Rule 4.07. ID. - DUTIES. The Billing Clerk shall compute, prepare and mail bills as hereinafter prescribed, make collections, maintain proper books of account, collect account for and refund deposits, do whatever else is necessary or directed by the Board to set up and maintain an efficient and economical bookkeeping system, and perform any other duties now or hereafter prescribed by the Board.

Rule 4.08. PERFORMANCE OF DUTIES. The foregoing duties of Manager and Billing Clerk may be performed by an additional employee or employees.

REGULATION 5. - APPLICATION FOR REGULAR WATER SERVICE

Rule 5.01. APPLICATION. A property owner or his agent may make application for regular water service on the following application form or by letter giving the same information and paying a nonrefundable processing fee of \$20.00 (twenty dollars).

Formatted: Highlight

MCKINLEYVILLE COMMUNITY SERVICE DISTRICT
APPLICATION FOR WATER SERVICE INSTALLATION

Name: _____

Location of premises to be served: _____

Mailing Address: _____

Date Service Required: _____

Size of Meter: _____

By signing this application, the applicant agrees to observe any District regulation now or hereafter adopted related to the water service and to pay water bills promptly.

Owner: _____

Agent: _____

Title: _____

In addition to the application for service the District will require a ~~\$60.00 deposit for water only accounts or a \$100.00 deposit for water/sewer accounts~~ deposit equivalent to 2 1/2 (two and one-half) times the monthly average for all each class of customers other than home property-owners. (See current MCSD fee schedule.) This ~~fee-refundable deposit~~ can be waived if the customer can bring in proof of a good payment history with another utility. The deposit will be applied to the account as a credit after 12 months with a good payment record.

Rule 5.02. UNDERTAKING OF APPLICANT. Such application will signify the customers' willingness and intention to comply with this and other ordinances or regulations relating to the regular water service and to make payment for all fees, costs and expenses associated with provision of the water service. In the event an application is executed by two or more individuals as the customer, each individual executing the application shall be jointly and severally liable to make payment for all fees, costs and expenses associated with provision of the water service.

Rule 5.03. PAYMENT FOR PREVIOUS SERVICE. An application will not be honored unless payment in full has been made for water service previously rendered to the applicant by the District.

Rule 5.04. INSTALLATION CHARGES. Services and meters shall be installed without charge for all applications for water service received prior to or during the initial construction of the District's water system. The charges below will apply to applications received after the District's Contractor has progressed with the work beyond their property frontage. Such services and meters will be installed without charge only to areas having an existing need providing the owner guarantees to pay at least the minimum each month (whether used or not) for at least a one- year period.

agent as designated in the application, and delinquent 15 days after the Post Office cancellation date. The District shall charge \$0.60 (sixty cents) in addition to any other charges for each notice mailed to the customer advising the customer that a payment has not been received by the District within the 15 day payment period. The District will charge \$2.50 (two dollars and fifty cents) in addition to any other charges for each notice mailed to the customer notifying the customer that service will be terminated if payment is not received.

Rule 9.05. PAYMENT OF BILLS. Bills for metered water service shall be rendered at the end of each billing period. Bill shall be payable on presentation. On each bill for water service rendered by the District shall be printed substantially the following: "If this bill is not paid within fifteen (15) days after the Post Office cancellation date, service may be discontinued. A reconnection charge and penalties will be made and collected prior to renewing service following a discontinuance." In order to comply with the amended California Civil Code Section 1798.29, the District will notify, without unreasonable delay, any customer whose unencrypted personal information was or is reasonably believed to have been acquired by an unauthorized person.

Formatted: Highlight

Rule 9.06. BILLING OF SEPARATE METERS NOT COMBINED. Separate bills will be rendered for each meter installation except where the Water Department has, for its own convenience, installed two or more meters in place of one meter. Where such installations are made the meter reading will be combined for billing purposes.

Rule 9.07. CONSUMER'S GUARANTEE. The water charge begins when a service connection is installed and the meter is set, unless the water is ordered to be left shut off when the service connection is ordered to be installed. Before water is turned on by the District for any purpose whatever, the customer must sign a form in which he guarantees payment of future water bills for the service required. The person signing the guarantee form or meter set form will be held liable for water used until the district is notified in writing to discontinue service or to transfer the account to another party.

Rule 9.08. WATER USED WITHOUT REGULATION APPLICATION BEING MADE. A person taking possession of premises and using water from an active service connection without having made application to the District for water service, shall be held liable for the water delivered from the date of the last recorded meter reading, and if the meter is found inoperative the quantity consumed will be estimated. If proper application for water service is not made upon notification to do so by the District, and if accumulated bills for service are not paid immediately, the service may be discontinued by the District without further notice.

Rule 9.09. DAMAGES THROUGH LEAKING PIPES AND FIXTURES. When turning on the water supply as requested and the house or property is vacant, the District will endeavor to ascertain if water is running on the inside of the building. If such is found to be the case, the water will be left shut off at the curb cock on the inlet side of the meter. The Water Department's jurisdiction and responsibility ends at the property line and the Board of Directors and/or District will in no case be liable for damages occasioned by water running from open or faulty fixtures, or from broken or damaged pipes inside the property line.

Rule 9.10. DAMAGE TO METERS. The District reserves the right to set and maintain a meter on any service connection. The water consumer shall be held liable, however, for any damage to the meter due to his negligence or carelessness and in particular for damage caused by hot water or steam from the premises.

Rule 9.11. MANUAL METER READING SERVICE. The District may, at its discretion, cause meters to be read via radio transmission or other electronic

F. The Manager or the Manager's designee is authorized to investigate complaints and to review disputes pertaining to water service disconnections and to rectify errors and settle controversies pertaining to such matters and disputes. The Manager or the Manager's designee is also authorized to amortize one unpaid balance at a time for any account over a reasonable period of time. The Manager may bring any such controversies to the Board of Director for settlement by the Board.

G. The Manager or the Manager's designee is authorized to discontinue service to a residential customer with an amortization agreement if the customer fails to keep the account current as charges accrue in each subsequent billing period. The District shall not discontinue such service without giving notice to the customer at least forty eight (48) hours prior to discontinuance of the conditions the customer is required to meet to avoid discontinuance. Such notice does not entitle said customer to further investigation by the District.

Rule 10.02. RECONNECTION. Failure to receive bill does not relieve consumer of liability. Any amount due shall be deemed a debt to the District and any person, firm or corporation failing, neglecting or refusing to pay said indebtedness shall be liable to an action in the name of the district in any court of competent jurisdiction for the amount thereof.

Rule 10.03. RECONNECTION CHARGE. A reconnection charge ~~of Forty Two Dollars (\$42.00)~~ plus penalties as applicable shall be made and collected prior to renewing service following an initial discontinuance or suspension. The reconnection charge will be equivalent to 2/3 (two-thirds) of an hour at the loaded Operations average hourly payroll rate as listed in the current MCSD fee schedule. Thereafter the reconnection fee will increase to \$75.00. Service reconnection shall also require the payment of all charges currently due in addition to the reconnection charges. An additional ~~\$60 deposit will be required for water only customers or a \$100 deposit refundable deposit~~ equivalent to 2 1/2 (two and one-half) times the monthly average for each class of customer will be required of water/sewer accounts that have begun new service, reconnected or with an outstanding balance remaining from a previous MCSD service. (See current MCSD fee schedule.)

Formatted: Highlight

Rule 10.04. UNSAFE APPARATUS. Water service may be refused or discontinued to any premises where apparatus or appliances are in use which might endanger or disturb the service to other customers.

Rule 10.05. CROSS-CONNECTIONS. Water service may be refused or discontinued to any premises where there exists a cross-connection in violation of State or Federal laws.

Rule 10.06. FRAUD OR ABUSE. Service may be discontinued if necessary to protect the District against fraud or abuse.

Rule 10.07. NON-COMPLIANCE WITH REGULATIONS. Service may be discontinued for non-compliance with this or any other ordinance or regulation relating to the water service.

Rule 10.08. UPON VACATING PREMISES. Customers desiring to discontinue service should so notify the Water Department two (2) days prior to vacating the premises. Unless discontinuance of service is ordered, the customers shall be liable for charges whether or not any water is used.

Rule 10.09. RETURNED CHECK FEE. The District shall charge the full returned payment fee or \$20 (twenty dollars), whichever is greater, each time a customer's payment is rejected by that customers financial institution.

REGULATION 11. - COLLECTION BY SUIT.

both installation and removal of service facilities:	15.00
Each additional move of facilities to another location:	15.00

Rates-The monthly base rate is equivalent to that for a 3" meter and water use is billed at current rates.

Rule 14.03. INSTALLATION AND OPERATION. All facilities for temporary service to the customer connection shall be made by the Water Department and shall be operated in accordance with its instructions.

Rule 14.04. RESPONSIBILITY FOR METERS AND INSTALLATIONS. The customer shall use all possible care to prevent damage to the meter or to any other loaned facilities of the District which are involved in furnishing the temporary service from the time they are installed until they are removed, or until 48 hours notice in writing has been given to the District that the contractor or any other person is through with the meter or meters and the installation. If the meter or other facilities are damaged, the cost of making repairs shall be paid by the customer or deducted from the amount of the deposit.

Rule 14.05. SUPPLY FROM FIRE HYDRANT. An applicant for temporary use of water from a fire hydrant must secure a permit therefore from the District and pay the regular fee charged for the installation and removal of a meter to be installed on said hydrant; the applicant shall provide a valve for shutoff control, and a hydrant wrench necessary to operate such hydrant, or pay the District Five Dollars (\$5.00) for the loan of such equipment, and pay for the water used in accordance with the meter readings, at the rates prescribed by the District.

Rule 14.06. UNAUTHORIZED USE OF HYDRANTS. Tampering with any fire hydrant for the unauthorized use of water therefrom, or for any purpose, is a misdemeanor, punishable by law.

Rule 14.07. CREDIT. The applicant shall pay the estimated cost of service in advance.

Rule 14.08. SHORT TERM PROCESSING FEE. A property owner or his agent may set up a short-term water account to purchase up to 500 cubic feet of water for use at an existing meter for up to a two-week period by paying a non-refundable fee of ~~\$15.00 (fifteen dollars)~~ \$20 (twenty dollars). The property owner may extend the time period and/or consumption limit by paying an additional non-refundable processing fee of ~~\$15.00 (fifteen dollars)~~ \$20 (twenty dollars) for ~~each one~~ additional increment of time and/or consumption. The District will bill the customer for all water consumption over the 500 cubic foot consumption limit in any two-week period at the then current water rates.

Formatted: Highlight

Rule 14.09. BULK WATER SALES. The Manager may sell water to water transporters who have first secured a permit pursuant to Rule 14.05 for subsequent individual bulk sales in a specified transport vehicle. The Manager shall charge the water transporter by truckload for the rated volume capacity of the transport vehicle based on the following schedule. Each truckload will be charged a ~~\$6.00~~ processing fee per load of water. The processing fee will be set at 1/10 (one-tenth) of an hour at the loaded Operations average hourly payroll rate. (See current MCSD fee schedule.)

Formatted: Highlight

Formatted: Font: (Default) Courier New

Truckloads to be used inside the District boundaries will pay for the cost of water at current rates based on the capacity of the water transport vehicle. Truckloads to be used outside of District boundaries will pay for the cost of water at one and one-half (1.5) times the cost of water at current rates.

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **ACTION**

ITEM: E.7 **Consider Approval to Execute Construction Contract and Construction Management Agreement for Biosolids Removal Project**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

The Staff recommends the Board review the information provided, take public comment and:

- Award the bid for Treatment Pond Dredging and Biosolids Removal Project to Synagro-WWT, Inc. for an amount not to exceed \$926,250,
- Approve a contract Amendment to the existing Design Contract with Kennedy Jenks for Construction Management of the Treatment Pond Dredging and Biosolids Removal Project for an amount not to exceed \$18,920,
- Include a 10% project contingency of \$94,517
- For a total amount of \$1,039,687 and
- Authorize the General Manager to execute the documents to allow the award of the contract and the notice to proceed

Discussion:

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

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

At the February 5, 2014 Board Meeting the Board approved Contract Amendment No. 3 authorizing design services for the Treatment Pond Dredging and Biosolids Removal Project. Upon completion of design, bids were solicited from qualified contractors.

On June 12, 2014 sealed bids for the Treatment Pond Dredging and Biosolids Removal Project were opened at the MCSD Office. Two bids were received: Synagro-WWT, Inc., \$926,250, and National Plant Services, Inc, \$2,014,500. The apparent low bidder is Synagro. The engineer's estimate was \$925,000.

Kennedy/Jenks has reviewed the Synagro-WWT, Inc. bid and finds it to be a complete and responsive bid, and that Synagro-WWT, Inc. is experienced and qualified to do the work.

Kennedy/Jenks and MCSD management recommend the Treatment Pond Dredging and Biosolids Removal Project be awarded to Synagro-WWT, Inc.

Staff requested a proposal from Kennedy/ Jenks for Construction Management limited to providing office-engineering services during the biosolids removal activities. Attachment 2, Contract Amendment 4, describes their proposed scope of work for this effort. The budget estimate for this work is not to exceed \$18,920 based on an approved rate schedule negotiated prior to the professional services agreement for the design of the Improvement Project.

A breakdown of hours and the associated costs is provided in with Attachment 2. Please note all onsite inspections, monitoring and reporting for this phase will be conducted by MCSD Staff, further reducing the cost for the improvement project..

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

During the Value Engineering Review it was determined the cost of this phase of construction would benefit by being accomplished separate from the filling and construction of the new process. Staff will continue to be integral to this phase by being responsible for removal and relocation of all aerators and draining of Pond 1A. Staff will also be responsible for the onsite construction inspection and reporting.

This capital investment was planned and budgeted and will not exceed \$945,170 without an appropriate change order.

Environmental Requirements:

Carried out by the Biosolids Contractor.

Exhibits/Attachments

- Attachment 1 Kennedy/Jenks recommends the Treatment Pond Dredging and Biosolids Removal Project be awarded to Synagro-WWT, Inc.
- Attachment 2 Contract Amendment No. 4
- Attachment 3 Bid for Biosolids Removal

Kennedy/Jenks Consultants
Engineers & Scientists

240 Country Club Road, Suite A
Eugene, Oregon 97401
541-338-8135
FAX: 541-338-8180

18 June 2014

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

Subject: Pond 1A Treatment Pond Dredging and Biosolids Removal Project
Contract Award Recommendation
K/J 1368004*00

Dear Mr. Orsini:

On June 12, 2014 sealed bids for the Treatment Pond Dredging and Biosolids Removal Project were opened. Two bids were received: Synagro-WWT, Inc., \$926,250, and National Plant Services, Inc, \$2,014,500. The apparent low bidder is Synagro. A tabulation of the bids is enclosed. The engineer's estimate was \$925,000.

Synagro-WWT, Inc. is incorporated in Baltimore, MD, and has a Class A California State Contractor License, number 801688. Synagro-WWT, Inc. is experienced in the dredging, dewatering, and hauling of lagoon biosolids. Four references were provided in the proposal; all of which provided positive feedback. The references were comprised of Cities and Sanitation Districts within California with on-going annual biosolids removal projects ranging from \$386,000 to \$1,950,000.

Kennedy/Jenks has reviewed the Synagro-WWT, Inc. bid and finds it to be a complete and responsive bid, and that Synagro-WWT, Inc. is experienced and qualified to do the work.

Kennedy/Jenks recommends the Treatment Pond Dredging and Biosolids Removal Project be awarded to Synagro-WWT, Inc.

Very truly yours,

KENNEDY/JENKS CONSULTANTS

Greg Orsini
McKinleyville Community Services District
Page 2

Rod Houser,
Project Manager

A handwritten signature in black ink, appearing to read "Rod Houser", with a stylized flourish at the end.

cc: Ron Walz, Eugene

Enclosure: Bid Tab

McKinleyville Community Services District
Wastewater Management Facility Treatment Pond Dredging and Biosolids Removal Project
KJ#:1368004*00

BID TABULATION

Bid Opening Date: June, 12th, 2014
No. of bidders: 2

Name of Bidder	Base Bid Amount	Alternate Bid Amount	Total Amount
National Plant Services	\$2,014,500.00	\$199,000.00	\$2,213,500.00
Synagro	\$926,250.00	\$3,500.00	\$929,750.00
Engineer's Estimate	\$925,000.00	\$90,000.00	\$1,015,000.00

BASE BID				Engineer's Estimate		National Plant Services, Inc		Synagro	
Bid Item No.	Bid Item Description	Unit	Est. Qty	Unit Price	Total Est. Price	Unit Price	Total Est. Price	Unit Price	Total Est. Price
1	Mobilization/Demobilization, Bonds and Insurance	EA	1	\$70,000.00	\$70,000.00	\$124,000.00	\$124,000.00	\$95,000.00	\$95,000.00
2	Biosolids Removed, Reused/Disposed	DRY TONS	950	\$900.00	\$855,000.00	\$1,990.00	\$1,890,500.00	\$875.00	\$831,250.00
				Total Base Bid:	\$925,000.00	Total Base Bid:	\$2,014,500.00	Total Base Bid:	\$926,250.00

ADDITIVE ALTERNATE 1				Engineer's Estimate		National Plant Services, Inc		Synagro	
Bid Item No.	Bid Item Description	Unit	Est. Qty	Unit Price	Total Est. Price	Unit Price	Total Est. Price	Unit Price	Total Est. Price
A1	Incremental Cost Difference for Unclassified Wastewater Sludge Removal and Reuse or Disposal	DRY TONS	100	\$900.00	\$90,000.00	\$1,990.00	\$199,000.00	\$35.00	\$3,500.00
				Total A1 Bid:	\$90,000.00	Total A1 Bid:	\$199,000.00	Total A1 Bid:	\$3,500.00

BID RESPONSIVENESS	National Plant Services, Inc	Synagro
Receipt of Addenda	yes	yes
Bid Bond	yes	yes
Security for Compensation Certificate		yes
Bidder's References		yes
Bidder's Qualifications		yes
Subcontractor List		yes
Non-collusion Affidavit		yes
Proof of Contractor's Class A License		yes
Proof of Workers Compensation and Liability Insurance		yes
W-9 Affidavits		yes

Kennedy/Jenks Consultants
Engineers & Scientists

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

25 June 2014

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

Subject: Request for Contract Amendment No. 4
WWMF Improvement Project
1368004*00

Dear Mr. Orsini:

This proposal is limited to providing office-engineering services during the dredging activities at Pond 1A. Attachment A, attached, describes our proposed scope of work for this effort. The budget estimate for this work is \$18,920 based on our approved rate schedule. A breakdown of hours and the associated costs is provided in Attachment B.

Schedule: office-engineering services to support Pond 1A dredging would occur this summer and fall as the work is being executed.

Please feel free to call me with any questions or concerns at (707) 526-1064 (extension 1303).

Very truly yours,

KENNEDY/JENKS CONSULTANTS



Rod Houser, P.E., BCEE
Project Manager

Enclosures:

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

cc: Ron Walz, K/J

ATTACHMENT A – SCOPE OF WORK

McKinleyville Community Services District Wastewater Management Facility Improvements Scope of Services for Office Engineering During Dredging

Task B.6.12: Incorporation of VE Idea M-15 (Don't Change Chlorination Point)

This task is no longer needed because the existing disinfection system should be able to reliably disinfect clarified effluent from the new treatment process. In this case, disinfected effluent may be routed to the wetlands for dechlorination prior to river discharge. Alternatively, the District may also elect to dechlorinate using the existing chemical-feed system prior to river discharge.

Task 8.6.11: Construction Phase Assistance for VE Idea B-6 (Remove Biosolids from Pond 1A Now)

Consultant shall provide engineering services during the biosolids dredging and removal phase of the Treatment Pond Dredging and Biosolids Removal project. Consultant shall assist the District in the management of the biosolids removal contract. Consultant's work under this Amendment is based on contractor performing landfill disposal and/or land application of biosolids removed from the District's Pond 1A wastewater treatment pond. The scope and budget was developed based on the assumption that District staff will oversee and manage day-to-day biosolids dredging, dewatering and removal with assistance from Kennedy/Jenks Consultants performing office engineering and periodic site visits.

Task B.6.11.8: Project Management

Effort under this task covers the following activities:

- Set up accounting system to track costs
- Periodic internal coordination meetings for duration of biosolids removal contract

Task B.6.11.10: Submittal Review

Consultant shall review and provide comments on documents prepared by contractor, consisting of:

- Proposed biosolids test procedures
- Biosolids Project Plan
- Traffic plan
- Work plan

- Schedule

Deliverables:

- Written comments on contractor-prepared documents listed above

Task B.6.11.11: Monthly Site Observation and Progress Meetings

This work will be performed by District staff. District will copy K/J on all meeting minutes, and will email relevant photographs for our records.

Deliverables:

- Meeting minutes (by District)

Task B.6.11.12: Review Pay Requests

Consultant shall review and provide comments on contractor's monthly pay requests.

Deliverables:

- Written comments on contractor's monthly pay requests (up to 3)

Task B.6.11.1:

Respond to Contractor Questions and Change Requests. Consultant shall review and provide written responses for up to 8 contractor inquiries and/or change requests, as requested by the District.

Deliverables:

- Written responses to contractor questions and change requests

Task B.6.11.14:

Office Engineering Support. Consultant shall provide up to 12 hours of support and assistance to District staff as requested by the District to address issues such as sampling, inspection, and record keeping.

Task B.6.11.15: Project Closeout.

This task consists of the following activities:

- Conduct final-completion site visit
- Prepare letter of recommendation for final payment

Deliverables:

- Letter of recommendation for final payment

PROJECT SCHEDULE

The project schedule shall conform to the construction period for the treatment pond biosolids removal project. Services under this Amendment shall commence upon notice to proceed and end upon District's receipt of Consultant's recommendation for final payment, expected October 2014.

DISTRICT RESPONSIBILITIES

Project Administration. Maintain onsite files and logs for correspondence, meeting notes, change orders, field orders and directives, clarifications, progress reports, shop drawings and submittals, and other project-related documents. Receive/return submittals, RFIs and other contractor information and transmit to the Consultant when needed.

Conduct Weekly Meetings. Facilitate weekly progress meetings with the Contractor and prepare meeting notes. Post copy of all meeting minutes to the project website.

Daily Contractor Observation. Conduct onsite observations of the Contractor's work progress. Prepare daily reports regarding the progress of the work, observations, and other significant events. Post copy of daily reports to the project website, and immediately notify Consultant any non-conforming work.

Periodic Inspections. Verify that required tests and inspections are performed as required by the Contract Documents, and that the Contractor is complying with all specified requirements. Promptly notify Consultant of all work that may not conform to the contract requirements.

Confirmation Sample Analysis. Collect and save duplicate solids samples prepared by the Contractor. Determine when/if duplicate(s) should be analyzed to confirm Contractor values and have those sample analyzed and receive related reports from laboratory.

CLIENT Name:

McKinleyville Community Services District

PROJECT Description:

Wastewater Treatment System Upgrade

Proposal/Job Number:

1368004*00

Date:

6/25/2014

Special Rate Structure for MCSD	Eng-Sci-8 R. Walz	Eng-Sci-7 M. Cullington	Eng-Sci-7 D. Barazza	Eng-Sci-7 M. Clement	Eng-Sci-7 Z. Harris	Eng-Sci-6 M. Hazelhurst	Eng-Sci-6 R. Houser	Eng-Sci-6 A. Reantaso	Eng-Sci-6 A. Eder	Eng-Sci-5 P. Symonds	Eng-Sci-5 H. Vincent	Eng-Sci-4	Eng-Sci-3	Eng-Sci-2	Eng-Sci-1	Designer	Project Admin.		KJ	Sub	KJ	KJ	KJ					
Classification:																		Total	Labor	Wetland Solutions	Sub-Markup	ODCs	ODCs Markup	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses	
Hourly Rate:	\$235	\$225	\$225	\$225	\$225	\$185	\$185	\$185	\$185	\$180	\$180	\$165	\$150	\$130	\$125	\$135	\$95	Hours	Fees	Fees	10%	Fees	0%					Fees
Task B.6.11 - Incorporation of VE Idea B-6 (Remove Pond 1A Biosolids)																												
Engineering Support during Pond Dredging																												
Subtask 6.11.8 Project Management	4						6											10	\$2,050		\$0		\$0	\$2,050	\$0	\$0	\$2,050	
Subtask 6.11.9 Pre-construction meeting																		0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	
Subtask 6.11.10 Submittal review	8											12						20	\$3,860		\$0		\$0	\$3,860	\$0	\$0	\$3,860	
Subtask 6.11.11. Monthly observation and meetings																		0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	
Subtask 6.11.12 Review pay requests	4											12					4	20	\$3,300		\$0		\$0	\$3,300	\$0	\$0	\$3,300	
Subtask 6.11.13. Respond to contractor questions	4						4					4					2	14	\$2,530		\$0		\$0	\$2,530	\$0	\$0	\$2,530	
Subtask 6.11.14. Inspector support	6						6											12	\$2,520		\$0		\$0	\$2,520	\$0	\$0	\$2,520	
Subtask 6.11.15. Project closeout	8						4					4					4	20	\$3,660		\$0	\$1,000	\$0	\$3,660	\$0	\$1,000	\$4,660	
Task B.6.11 Subtotal	34	0	0	0	0	0	20	0	0	0	0	32	0	0	0	0	10	96	\$17,920	\$0	\$0	\$1,000	\$0	\$17,920	\$0	\$1,000	\$18,920	
All Phases Total	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ 10	96	\$ 17,920	\$ -	\$ -	\$ 1,000	\$ -	\$ 17,920	\$ -	\$ 1,000	\$ 18,920	

SYNAGRO

Treatment Pond Dredging and Biosolids
Removal Project
McKinleyville Community Services
District
June 12, 2014



DOCUMENT NUMBER 00300

BID FORM

Project Identification: Treatment Pond Dredging and Biosolids Removal Project

Contract Identification and Number: 2014-03

This Bid is Submitted to: McKinleyville Community Services District
1656 Sutter Road
McKinleyville, California 95519

The Design Engineer is: Kennedy/Jenks Consultants
200 Fourth Street, Suite 210
Santa Rosa, California 95401
707-526-1064

Article 1

The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an agreement with Owner in the form included in the Contract Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Contract Price and within the Contract Time indicated in this Bid and in accordance with the other terms and conditions of the Contract Documents.

Article 2

Bidder accepts all of the terms and conditions of the Invitation to Bid and Instructions to Bidders, including without limitation those dealing with the disposition of Bid Security. This Bid will remain subject to acceptance for 60 days after the day of Bid opening. Bidder will sign and submit the Agreement with the Bonds and other documents required by the Bidding Requirements within 10 days after the date of the Owner's Notice of Award.

Article 3

In submitting this Bid, Bidder represents, as more fully set forth in the Agreement, that:

- (a) Bidder has examined copies of all the Bidding Documents.
- (b) Bidder has examined copies of the following Addenda (receipt of which is hereby acknowledged):

<u>Date</u>	<u>Number</u>
May 30, 2014	1
_____	_____
_____	_____

- (c) Bidder has familiarized itself with the nature and extent of the Contract Documents, Work, site locality, and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.
- (d) Bidder has studied carefully all reports and drawings of subsurface conditions and drawings of physical conditions which are identified in Document Number 00200, Information Available to Bidders.

Bidder has read and accepts the provisions in General Conditions which limit the extent to which the Contractor may rely on information provided by the Owner or the Design Engineer with regard to: a) subsurface soil conditions, b) existing concealed or underground utilities and underground facilities, and c) existing structures and facilities.

- (e) Bidder has read and accepts the provisions in General Conditions identifying the Contractor's responsibility: a) for using care in making excavations and in doing demolition, b) for damage to existing utilities and underground facilities and for loss of use thereof, and c) for the protection of workers and others from known and unknown or concealed hazards.
- (f) Bidder has read and accepts the provisions in General Conditions which identifies the limited conditions under which the Contractor may be entitled to a change in Contract Time or Price due to differing or unknown conditions.
- (g) Bidder has visited the site and has reviewed the Bidding Documents and the Information Available to Bidders and it has made any other investigations, explorations or tests and has obtained any other data it considers necessary for preparation of its Bid.

Bidder has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the Contract Documents and Bidder has read and understands provisions in the General Conditions relevant to differing and unknown conditions.

- (h) Bidder has given Engineer written notice of all conflicts, errors or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by Engineer is acceptable to Bidder.
- (i) Bidder has read, studied and understands the entire set of Bidding Documents including the Construction Drawings, Specifications and General Conditions and finds them fit and sufficient for the purpose of preparing its Bid and constructing the Work required.
- (j) Bidder represents that its Bid is based on providing all of the material, labor, equipment and services necessary to complete the Work in full compliance with the Contract Documents without exception.

Article 4

Requirements for California Public Works Contracts.

- (a) **DECLARATION OF LICENSE STATUS.** Bidder declares it will have a valid State of California Class A - General Engineering Contractor's license at the time of Contract Award.
- (b) **PREVAILING WAGE RATES.** The undersigned agrees that, if awarded the Contract, the undersigned and all of its subcontractors shall pay all laborers, workers, and mechanics employed in the performance of such Contract, or any subcontract thereunder, not less than the general prevailing rate of per diem wages and rates for overtime and legal holidays in the locality in which the work is to be performed, as ascertained and determined, by the statutes and regulations applicable thereto.
- (c) **NONCOLLUSION AFFIDAVIT.** In accordance with Public Contract Code Section 7106, Bidders are required to execute and submit with their Bid Document Number 00480 "Noncollusion Affidavit."
- (d) **USE OF BID DEPOSITORIES.** The Bidder declares that it has not used subcontractors' bids from a bid depository that in any way attempts to restrict, control, influence or regulate free open price competition among subcontractors in the submission of their bids to prime Bidders.
- (e) **SECURITY FOR COMPENSATION CERTIFICATE.** Bidders are required to execute and submit with their Bid Document Number 00414 "Security for Compensation Certificate".

Article 5

Basis of Bid

Bidder will complete the Work in accordance with the Contract Documents for the following price(s). Bidder shall account for the price of all work described in the Contract Documents using the bid schedule items listed.

Base Bid Unit Price Schedule

<u>Item No.</u>	<u>Item</u>	<u>Unit</u>	<u>Estimated Quantity</u>	<u>Unit Price</u>	<u>Total Estimated Price</u>
1.	Mobilization/Demobilization, Bonds and Insurance, Complete	1	Each	\$95,000.00	\$95,000.00
2.	Biosolids Removed, Reused/Disposed, Complete	950	dry tons	\$875.00	\$831,250.00

Sum of Total Base Bid Prices Nine Hundred Twenty-Six Thousand, Two Hundred Fifty Dollars

(\$ 926,250.00)
(use words) (figures)

Additive Alternate 1 – Unclassified Wastewater Sludge Removal

Unit Price Schedule

<u>Item No.</u>	<u>Item</u>	<u>Unit</u>	<u>Estimated Quantity</u>	<u>Unit Price</u>	<u>Total Estimated Price</u>
A1.	Incremental Cost Difference for Unclassified Wastewater Sludge Removal and Reuse or Disposal, Complete	100	dry tons	\$35.00	\$3,500.00

Sum of Total Alternative 1 Bid Prices Three Thousand Five Hundred Dollars

(\$ 3,500.00)
(figures)

(use words)

Quantities are not guaranteed. Biosolids removal in excess of the estimated quantity in the bid must be approved by successful execution of an approved change order before proceeding with the work. Final payment will be based on actual quantities.

Article 6

- (a) Bidder agrees that the Work will be finally complete and ready for acceptance and final payment in accordance with Article 13 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.
- (b) Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work on time.
- (c) Bidder accepts the Limitation of Liability Clause contained in the Agreement.

Article 7

The following documents are attached to and made a condition of this Bid:

- (a) Required Bid Security in the form of Bid Bond
- (b) Security for Compensation Certificate
- (c) Bidder's References
- (d) Bidder's Qualifications
- (e) Subcontractor List
- (f) Noncollusion Affidavit
- (g) Proof of Contractor's Class A License
- (h) Proof of Worker's Compensation and Liability Insurance
- (i) W-9 Affidavits

Article 8

Communications concerning this Bid shall be addressed via email to James Henry at jhenry@mckinleyvillcsd.com.

Article 9

The terms used in this Bid which are defined in the General Conditions of the Construction Contract included as part of the Contract Documents have the meanings assigned to them in the General Conditions.

Bidder declares that it does possess a contractor's license of the required classification, valid in the appropriate jurisdiction at the time of submitting this bid.

Contractor's license number: 801688

License classification: Class A

License expiration date: 12/31/2015

SUBMITTED on June 11, 2014.

If Bidder is:

An Individual

By: _____ (SEAL)
Individual's Name

(Signature)

Doing business as: _____

Business Address: _____

Telephone Number: _____

A Partnership

By: _____ (Firm Name) (SEAL)

(General Partner Name)

(Signature)

(Title)

Business Address: _____


Telephone No.: _____

A Corporation


By: _____ Synagro-WWT, Inc.
(Corporation's Name)

_____ Maryland
(State of Incorporation)

By: _____ Michael Schwartz
(Name of Person Authorized to Sign)

_____ 
(Signature)

_____ Vice President
(Title)

Attest _____ 
(Secretary) Matt DeWitt, Assistant Secretary

Business Address: _____ 435 Williams Court, Suite 100
_____ Baltimore, MD 21220

Telephone No.: _____ 443-489-9000

Home Office Address (if different from above): _____

A Joint Venture

By: _____
(Name)

(Signature)

Address: _____

Telephone Number: _____

By: _____
(Name)

(Signature)

Address: _____

Telephone No.: _____

Each joint venturer must sign. The manner of signing for each individual, partnership and corporation that is a party to the joint venture shall be in the manner indicated above.

END OF BID FORM

BID BOND

KNOW ALL PERSONS BY THESE PRESENTS, that we, the undersigned,

Synagro-WWT, Inc.

as Principal, and as Surety, are hereby held and firmly bound unto:

The Guarantee Company of North America USA _____ as Owner in the penal sum of

Ten Percent of the Amount Bid (10% Amount Bid) _____ dollars for the payment of which sum, well and truly to be made, we hereby bind ourselves, our successors and assigns jointly and severally firmly by these presents.

Signed and sealed, this 9th day of June, 2014.

The Condition of the above obligation is such that where the Principal has submitted a certain Bid, attached hereto and hereby made a part hereof to enter into a contract in writing, for construction or execution of

K/J Project No. 1368004 _____ Project.

NOW, THEREFORE;

- (a) If said Bid shall be rejected, or
- (b) If said Bid shall be accepted and the Principal shall execute and deliver a contract in the Form of the Agreement attachment hereto (properly completed in accordance with said Bid) and shall furnish Bonds for Faithful Performance of said contract, and for the Payment of all persons performing labor and furnishing material in connection therewith, and provide certificates and policies of insurance as specified in the Bid documents and shall in all other respects perform the agreement created by the acceptance of said Bid, then this obligation shall be void, otherwise the same shall remain in force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as herein stated.

The surety, for value received, hereby stipulates and agrees that the obligations of said Surety and its Bond shall be in no way impaired or affected by any extension of the time within which the Owner may accept such Bid; and said Surety does hereby waive notice of any such extension.


IN WITNESS WHEREOF, the Principal and the Surety have hereunto set their hands and seals, and such of them as are corporations have caused their corporate seals to be hereto affixed and these presents to be signed by their duly authorized officers, the day and year first set forth above.

Synagro-WWT, Inc.



Principal (Seal)

The Guarantee Company of North America USA

By: 

Sandra Diaz, Attorney-in-Fact

END OF BID BOND

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of New York

County of New York

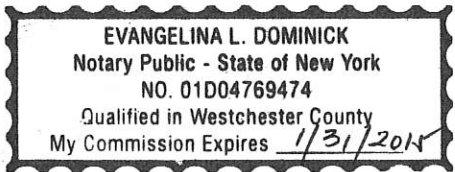
On June 9, 2014 before me, Evangelina L. Dominick, Notary Public, personally appeared Sandra Diaz, Attorney-in-Fact who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of New York that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(seal)

Signature Evangelina L. Dominick
Evangelina L. Dominick, Notary Public





The Guarantee Company of North America USA
Southfield, Michigan

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS: That **THE GUARANTEE COMPANY OF NORTH AMERICA USA**, a corporation organized and existing under the laws of the State of Michigan, having its principal office in Southfield, Michigan, does hereby constitute and appoint

Annette Leuschner, Jessica Iannotta, Cynthia Farrell, Vivian Carti, Susan A. Welsh, Sandra Diaz, Evangelina Dominick, Debra A. Deming, Edward Reilly
Aon Risk Services Northeast, Inc - New York

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise.

The execution of such instrument(s) in pursuance of these presents, shall be as binding upon **THE GUARANTEE COMPANY OF NORTH AMERICA USA** as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at the principal office.

The Power of Attorney is executed and may be certified so, and may be revoked, pursuant to and by authority of Article IX, Section 9.03 of the By-Laws adopted by the Board of Directors of **THE GUARANTEE COMPANY OF NORTH AMERICA USA** at a meeting held on the 31st day of December, 2003. The President, or any Vice President, acting with any Secretary or Assistant Secretary, shall have power and authority:

1. To appoint Attorney(s)-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof; and
2. To revoke, at any time, any such Attorney-in-fact and revoke the authority given, except as provided below
3. In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.
4. In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner - Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of the Company adopted at a meeting duly called and held on the 6th day of December 2011, of which the following is a true excerpt:

RESOLVED that the signature of any authorized officer and the seal of the Company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, contracts of indemnity and other writings obligatory in the nature thereof, and such signature and seal when so used shall have the same force and effect as though manually affixed.



IN WITNESS WHEREOF, **THE GUARANTEE COMPANY OF NORTH AMERICA USA** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 23rd day of February, 2012.

THE GUARANTEE COMPANY OF NORTH AMERICA USA

STATE OF MICHIGAN
County of Oakland

Stephen C. Ruschak, President & COO

Randall Musselman, Secretary

On this 23rd day of February, 2012 before me came the individuals who executed the preceding instrument, to me personally known, and being by me duly sworn, said that each is the herein described and authorized officer of The Guarantee Company of North America USA; that the seal affixed to said instrument is the Corporate Seal of said Company; that the Corporate Seal and each signature were duly affixed by order of the Board of Directors of



Cynthia A. Takai
Notary Public, State of Michigan
County of Oakland
My Commission Expires February 27, 2018
Acting in Oakland County

IN WITNESS WHEREOF, I have hereunto set my hand at The Guarantee Company of North America USA offices the day and year above written.

I, Randall Musselman, Secretary of **THE GUARANTEE COMPANY OF NORTH AMERICA USA**, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by **THE GUARANTEE COMPANY OF NORTH AMERICA USA**, which is still in full force and effect.



IN WITNESS WHEREOF, I have thereunto set my hand and attached the seal of said Company this

9th day of June, 2014

Randall Musselman, Secretary

THE GUARANTEE COMPANY OF NORTH AMERICA USA
Home Office, Southfield, Michigan
STATUTORY BALANCE SHEET
December 31, 2013

ASSETS

Cash and Short-Term Investments	\$ 88,558,327
Marketable Securities	139,936,562
Premium and Agents Balances (under 90 days)	3,752,481
Reinsurance Receivable on paid losses	1,333,945
Accrued Interest and Dividends	1,235,146
Other Assets	<u>736,888</u>
Total Admitted Assets	<u><u>\$235,553,349</u></u>

LIABILITIES

Reserve for Losses and Loss Adjustment Expenses	\$ 7,911,150
Unearned Premium Reserve	11,027,324
Note Payable to Parent	48,000,000
Accrued Expenses	1,467,901
Ceded Reinsurance Premiums Payable	871,910
Taxes, Licenses and Fees Payable	170,928
Net Deferred Tax Liability	1,513,678
Federal Income Tax Payable	1,447,748
Other Liabilities	<u>7,389,391</u>
Total Liabilities	<u>\$ 79,800,030</u>

CAPITAL AND SUPPLUS

Common Stock and Paid-In Capital	\$144,020,970
Surplus	<u>11,732,349</u>
Total Policyholders' Surplus	<u>\$155,753,319</u>
 Total Liabilities, Capital and Surplus	 <u><u>\$235,553,349</u></u>

State of Michigan
County of Oakland

Robert A. Dempsey being duly sworn, says: That he is the President of The Guarantee Company of North America USA; that said company is a corporation duly organized, existing, and engaged in business as a surety by virtue of the laws of the State of Michigan, and has duly complied with all the requirements of the laws of said state applicable to said company and is duly qualified to act as surety under such laws; that said company has also complied with and is duly qualified to act as surety under the Act of Congress of July 30, 1947, as amended (6 U.S.C. 6-13); that the foregoing is a full, true and correct statement of the financial condition of said company on the 31st day of December 2013.

Sworn to before me this 8th day of March 2014.

Cynthia A. Takal
Notary

Cynthia A. Takal
Notary Public, State of Michigan
County of Oakland

My Commission Expires February 27, 2018
Acting in Oakland County

Robert A. Dempsey
Robert A. Dempsey, President

DOCUMENT NUMBER 00414

SECURITY FOR COMPENSATION CERTIFICATE
(To be submitted with Bid)
(Required by Section 1861, California Labor Code)

TO: McKinleyville Community Service District
(Owner)

I am aware of the provisions of Section 3700 of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation claims or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the Work of this Contract.



(Signature of Bidder)

Michael Schwartz

(Type or Print Name)

Vice President

(Title)

Synagro-WWT, Inc.

(Company)

435 Williams Court, Suite 100

(Business Address)

Baltimore, MD 21220

(Place of Residence)

END OF SECURITY FOR COMPENSATION CERTIFICATE

DOCUMENT NUMBER 00416


BIDDER'S REFERENCES
(To be submitted with Bid)

Reference is hereby made to the following bank or banks about the financial responsibility of the Bidder:

<u>Name of Bank</u>	<u>Address</u>
PNC Bank	One East Pratt Street, 4th Floor
	Baltimore, MD 21202

Reference is hereby made to the following surety company or companies about the financial responsibility and general reliability of the Bidder:

Name of Surety Company	Aon Risk Services, Surety Department
	199 Water Street
	New York, NY 10038
Name of Surety Company	

Signature of Bidder		Michael Schwartz
Title	Vice President	
Company	Synagro-WWT, Inc.	
Address	435 Williams Court, Suite 100	
	Baltimore, MD 21220	

END OF BIDDER'S REFERENCES

DOCUMENT NUMBER 00420

BIDDER'S QUALIFICATIONS
(To be submitted with Bid)

The Bidder has been engaged in the contracting business, under the present business name for 35 years. Experience in work of a nature similar to that covered in the proposal extends over a period of 35 years.

The Bidder, as a contractor, has never failed to satisfactorily complete a contract awarded to him, except as follows:

None

The following contracts have been satisfactorily completed in the last three years for the persons, firm or authority indicated, and to whom reference is made:

<u>Year</u>	<u>Type of Work</u>	<u>Contract Amount</u>	<u>For Whom</u>
2014	Dredge, dewater, trans and end use – annual removal	\$1,950,000	Sunnyvale, CA
2013	Dredge, dewater, trans and end use – annual removal	\$386,000	Stockton, CA
2013	Dredge, dewater, trans and end use – annual removal	\$400,000	Lake County Sanitation District, Lakeport, CA
2013	Dredge, dewater, trans and end use – annual removal	\$400,000	City of American Canyon, CA

Signed



(Same signature as on bid form)
Michael Schwartz, Vice President

END OF BIDDER'S QUALIFICATIONS

DOCUMENT NUMBER 00430

SUBCONTRACTOR LIST
(To be submitted with Bid)

Each Bidder shall set forth below:

(a) The name and the location of the place of business of each Subcontractor who will perform work or labor, fabricate a portion of the work or improvement according to detailed drawings in the project Drawings, or render service to the Contractor in or about the construction of the work in excess of one-half of one percent of the Contractor's total price or ten thousand dollars (\$10,000), whichever is greater.

(b) The portion of the work which will be done by each such Subcontractor. The Contractor shall list only one Subcontractor for each portion of the work.

If the Bidder fails to specify a Subcontractor for any portion of the work as above-stated, or if the Bidder lists more than one Subcontractor for the same portion of the work, he agrees to perform that work himself. The following is submitted concerning Subcontractors:

<u>Name:</u> <u>Subcontractor</u>	<u>Address:</u> <u>Shop, Mill or Office</u>	<u>Class</u> <u>of</u> <u>Work</u>	<u>Portion of</u> <u>Work to be</u> <u>Done</u>	<u>Subcontractor's</u> <u>License Number</u> <u>and Class</u>
Jess Ranch Trucking	1886 Northgate Drive Manteca, CA 95336	Trucking	Hauling	USDOT # 1878280

List alternate numbers and changes required in Subcontractors due to alternate selection on a separate copy of the second page of this form.



(Signature of Bidder)
Michael Schwartz, Vice President

END OF SUBCONTRACTOR LIST

DOCUMENT NUMBER 00480

NONCOLLUSION AFFIDAVIT
(To be submitted with Bid)


In accordance with Section 7106 of the State of California Public Contract Code, Bidders are required to execute the following Noncollusion Affidavit.

NONCOLLUSION DECLARATION TO BE SUBMITTED WITH BID

I, Michael Schwartz, declare that I am Vice President
of Synagro-WWT, Inc., the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder or fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract or anyone interested in the proposed contract; that all statements contained in the bid are true; and further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Executed on June 11, 2014, in Maryland.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.


(Signature of Declarant)
Michael Schwartz, Vice President

END OF NONCOLLUSION AFFIDAVIT

Bid for**Treatment Pond Dredging and Biosolids Removal Project****McKinleyville Community Services District****Table of Contents**

Cover Letter

Section 1.0 Bid Documents

- ① 00300 Bid Form
- ① 00410 Bid Security
- ① 00414 Security for Compensation Certificate
- ① 00416 Bidder's References
- ① 00420 Bidder's Qualifications
- ① 00430 Subcontractor List
- ① 00480 Non-Collusion Affidavit

Section 2.0 Attachments

- ① Proof of Contractor's Class A License
- ① Proof of Worker's Compensation and Liability Insurance
- ① W-9 Affidavits
- ① Reference List



June 12, 2014

McKinleyville Community Services District
1656 Sutter Road
McKinleyville, CA 95519

Re: Treatment Pond Dredging and Biosolids Removal Project

To whom it may concern;

Synagro –WWT, Inc. is pleased to respond to the above referenced bid. We have enclosed for your review our completed bid forms.

Having been in business for over 30 years, Synagro is one of the largest residuals management companies in the country with over 650 municipal and industrial customers and operations in 33 states. We provide various residuals management services to water and wastewater treatment plants and have extensive equipment and personnel resources to perform the lagoon cleaning project for the City of McKinleyville.

If you have any questions about our submittal or require any additional information, please feel free to contact me at 916-862-9300 (ext. 201) or jpugliaresi@synagro.com. We look forward to hearing from you soon.

Sincerely,

John Pugliaresi

John Pugliaresi
Regional Sales Director

JP:md



DEPARTMENT OF CONSUMER AFFAIRS

Contractors State License Board

Contractor's License Detail - License # 801688



DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law ([B&P 7124.6](#)) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per [B&P 7071.17](#), only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

License Number	801688	Extract Date	3/19/2014
	SYNAGRO - W W T INC		
Business Information	Business Phone Number: (443) 489-9104		
	1800 BERING DRIVE SUITE 1000 HOUSTON, TX 77057		
Entity	Corporation		
Issue Date	12/04/2001		
Expire Date	12/31/2015		
License Status	ACTIVE		
	This license is current and active. All information below should be reviewed.		
Classifications	CLASS	DESCRIPTION	
	A	GENERAL ENGINEERING CONTRACTOR	
	CONTRACTOR'S BOND		
	This license filed a Contractor's Bond with BERKLEY REGIONAL INSURANCE COMPANY .		
	Bond Number: 0144241		
	Bond Amount: \$12,500		
	Effective Date: 03/23/2012		
Bonding	Contractor's Bond History		
	BOND OF QUALIFYING INDIVIDUAL		
	1. This license filed Bond of Qualifying Individual number ASB530159 for LUCAS WILLIAM KIRK in the amount of \$12,500 with AMERICAN SAFETY CASUALTY INSURANCE COMPANY .		
	Effective Date: 08/24/2011		
	BQI's Bond History		
	WORKERS' COMPENSATION		
	This license has workers compensation insurance with AMERICAN ZURICH INSURANCE COMPANY		
Workers' Compensation	Policy Number: WC924396101		
	Effective Date: 05/01/2012		
	Expire Date: 05/01/2014		
	Workers' Compensation History		

Personnel listed on this license (current or disassociated) are listed on other licenses.



[Conditions of Use](#) | [Privacy Policy](#)
Copyright © 2010 State of California



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
06/09/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Northeast, Inc. New York NY Office 199 Water Street New York NY 10038-3551 USA	CONTACT NAME:	
	PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (800) 363-0105
INSURED Synagro Technologies, Inc. SEE AFFILIATED ENTITY BELOW: 435 Williams Court #100 Baltimore MD 10038 USA	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	NAIC #	
	INSURER A: Ironshore Specialty Insurance Company	25445
	INSURER B: Zurich American Ins Co	16535
	INSURER C: American Zurich Ins Co	40142
	INSURER D:	
INSURER E:		
INSURER F:		

Holder Identifier :

COVERAGES**CERTIFICATE NUMBER:** 570054049046**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC <input type="checkbox"/> OTHER:			001659300	05/01/2013	08/01/2014	EACH OCCURRENCE	\$1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$500,000
							MED EXP (Any one person)	\$25,000
							PERSONAL & ADV INJURY	\$1,000,000
							GENERAL AGGREGATE	\$2,000,000
							PRODUCTS - COMP/OP AGG	\$2,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			BAP924396001	05/01/2013	08/01/2014	COMBINED SINGLE LIMIT (Ea accident)	\$2,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION			001659400	05/01/2013	08/01/2014	EACH OCCURRENCE	\$5,000,000
							AGGREGATE	\$5,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	WC0924396102 AOS WC924396202 WI & MA	05/01/2013 05/01/2013	08/01/2014 08/01/2014	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
B							E.L. EACH ACCIDENT	\$1,000,000
							E.L. DISEASE-EA EMPLOYEE	\$1,000,000
							E.L. DISEASE-POLICY LIMIT	\$1,000,000

Certificate No : 570054049046

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Affiliated Entity: Synagro - WWT, Inc.
Re: McKinleyville Community Services District Wastewater Management Treatment Pond Dredging and Biosolids Removal Project, MCSD #2014-03 - Dredge, Dewater, Trans and End Use, K/J Project #1368004, biosolids removal for Wastewater Management Facility (WWMF) Pond 1A.
McKinleyville Community Services District is included as Additional Insured in accordance with the policy provisions of the General Liability policy.

CERTIFICATE HOLDER**CANCELLATION**

McKinleyville Community Services District 1656 Sutter Road P.O. Box 2037 McKinleyville CA 95519 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Northeast, Inc.</i>

©1988-2014 ACORD CORPORATION. All rights reserved.

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return) Synagro-WWT, Inc.	
Business name/disregarded entity name, if different from above	
Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ <input type="checkbox"/> Other (see instructions) ▶	
<input type="checkbox"/> Exempt payee	
Address (number, street, and apt. or suite no.) 435 Williams Court, Suite 100	Requester's name and address (optional)
City, state, and ZIP code Baltimore, MD 21220	
List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number								
			-			-		
Employer identification number								
5	2	-	1	1	3	0	4	9

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here	Signature of U.S. person ▶ <i>Sue A. Gregory</i>	Date ▶ <i>06/26/13</i>
-----------	--	------------------------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

Synagro Technologies Inc. and Subsidiaries
Dredging & Dewatering Project References

<u>Name of Client</u>	<u>Contact</u>	<u>Type of Services</u>	<u>Est. Project Value</u>	<u>Year(s) of Service</u>
<u>Arizona</u>				
Town of Clarkdale 890 Main Street Clarkdale, AZ 86324	Mr. Wayne Debrosky Utilities Director (923) 639-2520	Dredge, Dewater, Transport and Dispose at Landfill	\$ 70,000.00 \$ 221,000.00	2003 2010
<u>California</u>				
City of Ione #1 Main St. Ione, CA 95640	Mr. Julio Guerra Chief Operator (209)274-2412	Dredge, Dewater, Transport and Disposal	\$ 404,755.00	2007
City of Redding 777 Cypress Ave. Redding, CA 96001-2718	Mr. Ryan Bailey (530)225-4170	Dredge ponds and transfer material on site	\$ 95,000.00 \$ 89,250.00	2003 2008
City of Stockton 2500 Navy Drive Stockton, CA 95206	Mr. Ali Gharegozloo (209) 937-8787	Dredging, dewatering, transportation and land application of solids	\$ 650,000	2009-2010
Ironhouse Sanitary District 450 Walnut Meadows Dr. Oakley, CA 94561	Ms. Jenny Skrel (925) 625-2279	Various contracts for dredging, dewater, transport and disposal	\$ 3.1 Million (for all contracts)	2004-2009
Lake County 230A North Main St. Lakeport, CA 95453	Mr. John Thompson Director of Wastewater Operations (707) 263-0119	Dredging solids and transfer to other plant location.	\$ 154,376.00	2008
Napa Sanitation District 935 Hartle Court Napa, CA 94559	Ms. Shar Maglione (707) 258-6020 x 601	Dredging of ponds, dewatering, hauling and land application of solids	\$ 4,600,000 (all contracts)	2004, 2007, 2008
Town of Windsor 8400 Windsor Road Windsor, CA 95494	Mr. Mike Carson (707) 838-1012	Dredging, dewatering, transportation and land application of solids	\$ 425,444.00 \$ 200,911.00	2004 - 2006 2010

<u>Florida</u>					
Aqua Utilities Florida, Inc. 1100 Thomas Avenue Leesburg, FL 34748	Mr. Edward Pelleny Ops Manager (352)787-0980	Dredge and dewater solids from 3 ponds/landfill	\$ 595,544.00	2008	
<u>Georgia</u>					
City of Toccoa 92 N. Alexander St. Toccoa, GA 30577	Mr. Donald Dye (706)282-3305	Dredging of two alum lagoons	\$ 41,700.00	2010	
<u>Maryland</u>					
City of Baltimore 900 Abel Wolman Municipal Building Baltimore, MD 21202	Mr. Avon Holland (410) 243-1357	Dredging and dewatering of 32,000 dry tons of alum residuals from Lake Montebello	\$14,926,393.00	2005 - 2006	
<u>Massachusetts</u>					
Brockton Water 1 Silver Lake Rd. Pembroke, MA 02359- 3647	Mr. Mike Sesine Plant Manager (781)294-8597	Dredge & Dewater Sludge Lagoons Right	\$ 2,375,000.00	2007	
<u>Mississippi</u>					
DeSoto County 365 Loshier Street Hernando, MS 38632	Mr. Randy Diaz Project Manager (662)449-7010	Dredge Remaining solids from #2 to #1 lagoon.	\$ 15, 000.00	2009	
<u>New Jersey</u>					
Ravine Lake Far Hills Lake Club Morristown, NJ 07960	Mr. Robert Whittpen (973)401-2381	Dredge Natural Sediment	\$ 287,554.50	2009	

<u>North Carolina</u>					
City of Greensboro Water Resources Dept. 2602 S. Elm-Eugene St. Greensboro, NC 27406	Mr. Brian Boyd Water Engineering Specialist (336) 373-2055	Dredging and dewatering of 1500 dry tons of alum residuals from water treatment plant	\$ 390,473.00 \$ 767,400.00	2007 2010 - 2011	
City of Burlington 425 S. Lexington Avenue Burlington, NC 27215	Mr. Bob Patterson Utilities Director (336)222-5130	Dredge Creek Basin & Pump alum solids to storage lagoons	\$ 53,325.00	2007	
Prestage Foods 4470 Hwy 20 East St. Paul, NC 28384	Mr. Hugh Bledsoe Environmental Manager (910)865-7731	Dredging & Land App of solids from 2 acre lagoon	\$ 68,125.00 \$ 73,625.00	2008 2010	
<u>Rhode Island</u>					
City of Providence Water Supply Board City Hall, Room 311 Providence, RI 02903	Mr. Richard Razza Project Manager (401) 521-6300	Dredging and dewatering of water treatment plant lagoon; maintenance contract	\$1,500,000 annually	2004 - 2019	
<u>Tennessee</u>					
Abitibi Bowater 5020 Highway 11S Calhoun, TN 37309	Mr. Gary Dixon Manager (423) 336-7606	Dredging of Solids from the aerated lagoon to the 64 acre lay down area	\$213,731.00	2010	
<u>Canada</u>					
Lake Utopia Paper JD Irving, Ltd. 408 Mill Street Postal STN, B Saint John, NB E2M 3H1	Mr. David Muir Environmental Director (506) 755-4481	Paper lagoon dredging	\$2,700,000	2006	

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.A. Finance Director's Report for July 2014

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

TYPE OF ACTION: None

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has deposited \$70,444.02 to date into the Trust Account for revenue recovery.

The Audit Committee has reviewed the proposals submitted in response to the District's RFP for Audit Services. Hunter, Hunter, & Hunt's proposal for auditing over the next three years was chosen as the most responsive and responsible. The initial meeting should happen in early July, with fieldwork in August and September, according to the proposal.

Treasurer's Report Highlights: While the capacity fees and contributed capital assets revenue make the Water and Wastewater Funds look like they are collecting excessive revenue, the actual revenue for water and wastewater services is only slightly over budget. The contributed capital assets revenue is also not a cash revenue source.

The overview this month is the Reserves and Analytics page, and the Cash Disbursements list. The Reserves are calculated annually at year-end, and the comparison shows how much the District should have versus how much it is actually able to fund. As we re-fill the Reserves with the Revenue Recovery Surcharge, the comparison will show a much lower discrepancy over the next three years.

There are also some metrics that automatically calculate as the worksheets are filled with the current month's information, including Utility Receivables turnover and Days of Cash On-hand. Year-to-date breakeven for water sales is shown against actual water sales for the year.

The Cash Disbursements report is a complete list of every check the District issues in a given month. All vendors are listed, except customers receiving refunds. The District is legally required to protect customer information, so customer names are redacted from the report. Payroll totals are also provided for actual checks cut and for direct deposits. Payroll taxes, PERS payments, and payments for insurance are also listed. The total of Cash Disbursements does not match exactly to the total listed on the Cash and Investments page because there are bank fees and loan payments that are automatically withdrawn from the operating account that require no checks.

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.B Operations Director's Report for June 2014

PRESENTED BY: James Henry, Operations Director

TYPE OF ACTION: None

Will be submitted at the Board Meeting

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.C **Parks & Recreation Director's Report for July 2014**

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

TYPE OF ACTION: **None**

PONY EXPRESS DAYS:

This years' Pony Express Days was another success. Several hundred people enjoyed the events leading up to the festival at Pierson Park on Saturday, June 7, 2014. I would like to commend our Park Maintenance Staff as well as the Operations Department staff for the great work they did to make sure the park and facilities were looking good.

GRANTS:

Staff continues to actively research grant opportunities on a weekly basis. Grants received and active are as follows:

- \$64,000.00 from the S.H. Cowell Foundation to support the teen & community center. This grant was a partnership with the Boys & Girls Club of the Redwoods
- \$9,000 match from Humboldt Area Foundation for audio and visual equipment for the Teen & Community Center
- \$25,000 match from Land & Water Conservation Fund to fund the construction of a covered picnic area at Pierson Park
- We recently received a \$3,000 grant from the McKinleyville Area Fund to purchase sound equipment for the sound proof music room at the Teen & Community Center
- We received a \$2,000 grant from Humboldt Sponsors to purchase cooking supplies to assist with teaching culinary arts classes in the teen & community center once it is built

With construction of the teen & community center starting soon, staff is actively pursuing local and regional grants to help furnish the facility.

I recently attended a Habitat Conservation Fund grant workshop. This is a Federal grant that is administered by the State. Staff is interested in pursuing funding for trails project and will continue to research the grant specs.

PIERSON PARK COVERED PICNIC AREA PROJECT:

A majority of this project is being completed in house. The project area has been graded and the footings have been dug. JLF Construction will pour the slab in the next few weeks. Funding for this project will come from a Land & Water Conservation Fund grant (\$25,000) and Quimby Inland Parkland Dedication Fund (\$50,000).

TEEN & COMMUNITY CENTER:

LDA Partners submitted the plans to the County during the week of June 23, 2014. The county will review the plans for 3-4 weeks. LDA Partners will be in town to go over the plans with staff and also attend the August 6, 2014 MCSD Board meeting. We should be ready to go out to bid in early September 2014.

Staff continues to work with the Boys & Girls Club towards developing a partnership to run the teen center portion of the facility. Staff also continues to work with youth leaders in our community. They have identified two projects they would like to work on:

- Come up with a mural project somewhere in the community
- Develop a book exchange program

CALIFORNIA CONSERVATION CORPS (CCC):

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

SHERIFF WORK ALTERNATIVE PROGRAM (SWAP):

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

COMMUNITY SERVICE WORKERS:

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

WORK EXPERIENCE (CalWORKS PROGRAM)

We do currently have One (1) CalWORKS staff member working within the Parks Department. We are still seeking additional individuals interested in working for the Park Maintenance. This is a great program for the workers and for the MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the County's umbrella.

GRAFFITI & VANDALISM UPDATE:

No major vandalism to report.

McKinleyville Community Services District

BOARD OF DIRECTORS

July 2, 2014

TYPE OF ITEM: **INFORMATION**

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

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: None

A summary of activity for the month of June, 2014

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

• SDRMA Worker's Comp	\$672
• SWAP Crews	\$10,000
• California Conservation Corps	\$5,000
• Community Service Workers	\$1,000
• Various Volunteers	\$2,000
• In House Banner Removal	\$800
• Aerator relocation for Biosolids Project	\$10,100
• Study Materials for CSDA Administrative Cert.	\$350

Total cost savings for April is \$29,922

***The cumulative cost saving to the District to date
from July 1, 2013 is \$540,222***

District staff are recognized and commended for their continued efforts in looking for cost savings, the use of internal labor and grant opportunities that result in real savings for the District, rate payers, and the community.

Litigation with Humboldt County – The lawsuit with the County of Humboldt was settled in June. Significant work was invested in public outreach via various media outlets to ensure an accurate portrayal of the outcome was presented. The settlement agreement is available on the MCSD website for review.

Photovoltaic Feasibility – Consistent with the Strategic Plan, management continues to explore alternative energy options. We will be providing a report to the Board in August 2014 evaluating solar for MCSD sites. This process has been ongoing for the past year; included in the presentation will be a summary of metrics for the evaluation including return on investment, total percentage power provided by solar, proposed cost of the projects and potential impacts related to area necessary for placement of the solar array.

Water Rate Adjustment Status- We continue to see revenues forecasted by the rate analysis. The pass through surcharge revenues are being deposited in a reserve account and will be tracked and reported on by the Finance Director.

Prop 50 Grant and MCSD/ City of Arcata Intertie- Construction on North Bank Road is complete including paving. Pressure testing should be complete by the time of the board meeting which leaves striping, planting and fence repair. Upon completion and acceptance by California Department of Public Health, MCSD and City of Arcata will produce a standard operating procedure for aspects such as flushing and flow direction control for operation of the intertie.

Teen and Community Center- Design is completed and staff should be in possession of a full set of plans and County Planning Commission should have ruled on the General Plan Compliance Review by the July Board Meeting. Planning fees and Health Department fees have been dispersed with provided plan sets.

Waste Water Management Facility (WWMF) Improvement Project Design – The Initial Study for Mitigated Negative Declaration is in review by MCSD staff and State Revolving Fund application is complete. We expect to be in possession of 50% design drawings by the time of the July meeting. Staff received and opened two bids for the Biosolids Removal Project and will recommend the Board of Directors choose the lowest most responsive bid at the July meeting.

Integrated Pest Management Plan – Staff and management met to discuss the necessary components for a webpage sufficient to post the working draft and receive comments for the plan. When the webpage is up and operational we will begin taking public comment and posting the working draft in manageable sections.

Audit Committee Meeting – During the meeting staff and the Board committee members reviewed proposals for audit services for the FY 13-16. Two competitive proposals were received and the audit team made a selection. The Finance Director will cover this in more detail in her report.

Meetings – The General Manager attended various meetings in June dealing with MCSD business. The GM is responsible for disseminating information to the public via the media and attended a media relations and on camera training. CSDA hosts a General Manager's Summit annually. This training opportunity is tailored specifically to Special District General Managers and was attended this year by the GM. The GM also attended a CSDA Board Meeting and Legislative Committee meeting in June.