

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

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

**Wednesday, June 6th, 2012
7:00 P.M.**

AGENDA

A. CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA

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

B. APPROVAL OF THE AGENDA

C. PUBLIC HEARINGS

C.1 Ordinance 2012-02 (second reading) recreation program and facility rental fee increases **Pg. 5**

C.2 Public Hearing/protest report and Final Reading of Resolution 2012-17 for water and sewer rate increases **Pg. 11**

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

NO PUBLIC HEARING SCHEDULED

D. CONSENT CALENDAR

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

- D.1 Minutes of the Board of Directors' Regular Meeting of May 2, 2012 **Pg. 52**
- D.2 Minutes of the Board of Directors' Special Meeting of May 14, 2012 **Pg. 57**
- D.3 Approval of April 2012 Treasurer's Report **Pg. 59**
- D.4 Hiller Park Caretaker Agreement **Pg. 78**
- D.5 No DCV Violations this month

E. CONTINUED AND NEW BUSINESS

- E.1 Approve LDA Partners as the successful bidder for Architecture and Planning Services for the Teen & Community Center Request for Proposal (RFP) **Pg. 81**
- E.2 Presentation of the water distribution system model related to water flows, pressure and storage capacity under current and future demand allocations **Pg. 133**
- E.3 Humboldt County presentation regarding the General Plan Update **Pg. 143**
- E.4 Approve Parks & Recreation Master Plan **Pg. 146**
- E.5 Approve Fiscal Year 2012/13 Budget and Appropriations Limits **Pg. 148**
- E.6 Consider acquisition of all (or a portion of) Real Property Parcel (APN 511-181-002 and/or APN 511-181-003), Per Government Code Section 54956.8; **Pg. 202**

Under Negotiation: Purchase or Lease of all or part of the above-referenced properties;

Identify and appoint persons to serve as the McKinleyville Community Services District negotiators(s). Staff suggests the panel to include: Norman Shopay, General Manager; Russell Gans, District legal counsel;

Identify persons with whom MCSD's appointed negotiators may negotiate on behalf of Seller, staff suggests persons include: Rhonda Brewer, and/or legal department of Green Diamond Resource Company, Michael Nelson, LACO Associates. Instructions to negotiators include both price and terms of payment.

- E.7 SDRMA Insurance claim process to delegate and authorize General Manager the authority to review and reject certain claims **Pg. 203**
- E.8 Approve Humboldt Wastewater Management Authority Request for contribution toward the Hazardous event **Pg. 205**

- E.9 Appoint a Board member or designee to the McKinleyville Municipal Advisory Committee **Pg. 208**
- E.10 Consider approval of participation in State Disability Insurance instead of self-insurance **Pg. 209**
- E.11 Report on Status of Property Inspection regarding Granite Construction Parcel of Real Property located on North Bank Road (APN 507-141-017); Seek approval to Request First Amendment to Real Estate Purchase Agreement to Render Purchase Obligation Conditional on Access from County of Humboldt **Pg. 211**

F. REPORTS

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

F.1. ACTIVE COMMITTEE REPORTS

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

F.2. STAFF REPORTS

- a. Support Services Department (Colleen Trask) **Pg. 214**
- b. Operations Department (Greg Orsini) **Pg. 215**
- c. Parks and Recreation Department (Jason Sehon) **Pg. 218**
- d. General Manager (Norman Shopay) **Pg. 227**

F.3. CHAIRMAN'S REPORT

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

G. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the McKinleyville Community Services District; however, any matter that requires action will be referred to staff for a report of action at a subsequent Committee or Board meeting. As to matters on the Agenda, an opportunity will be given to

address the Board when the matter is considered. **Comments are limited to 3 minutes.** Letters should be used for complex issues.

H. CLOSED SESSION DISCUSSION

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

- H.1 Consider acquisition of all (or a portion of) Real Property Parcel (APN 511-181-002 and/or APN 511-181-003), Per Government Code Section 54956.8; Under Negotiation: Purchase or Lease of all or part of the above-referenced properties.
- H.2 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 subdivision (a) of Section 54956.9.

I. ADJOURNMENT

Posted 5:00 pm on June 1st, 2012

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: C.1. Second reading of Ordinance 2012-02 amending the MCSD Rules and Regulations to increase recreation program and facility rental fees

PRESENTED BY: Jason Sehon, Parks & Recreation Director

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff Requests the Board open a public hearing for the second reading of Ordinance 2012-02, receive public input, close the hearing and then consider adoption of Ordinance 2012-02.

Discussion:

At the May 2, 2012 Board meeting, the Board conducted the first reading of Ordinance 2012-02 regarding an increase in District facility rental and recreation program fees. At that time the Board had not requested any edits to the existing language of the Ordinance.

If adopted, Ordinance 2012-02 will be duly accepted for implementation effective July 11, 2012.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- Staff anticipates a 3% - 5% increase in recreation program revenues across the board.
- Staff anticipates up to a 10% increase in facility rentals.

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- Ordinance 2012-02
- Revisions to District Rules and Regulations

ORDINANCE 2012-02

AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING THE MCSD RULES AND REGULATIONS TO INCREASE FACILITY RENTAL FEES

WHEREAS, the Board wishes to provide quality parks and recreation services to its constituents; and

WHEREAS, the Board has determined that fees and charges should reflect District costs of providing services; and

WHEREAS, the District has certain fees which may no longer cover operating expenses; and

WHEREAS, the Board may revise and/or increase facility rental fees as deemed necessary by Board action; and

WHEREAS, the Board on May 2, 2012 held a duly noticed hearing to consider first reading of this ordinance; and

WHEREAS, notice of this hearing was posted and published in accordance with state law and copies of the draft ordinance have been made available for public inspection prior to the May 2, 2012 hearing on this ordinance; and

WHEREAS, the Board on June 6, 2012 held a duly noticed hearing to consider second reading of this ordinance; and

WHEREAS, notice of this hearing was posted and published in accordance with state law and copies of the draft ordinance have been made available for public inspection prior to the June 6, 2012 hearing on this ordinance; and

WHEREAS, the ordinance will be duly accepted for implementation effective on July 11, 2012.

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

REGULATION 45. - PERMITS, FEES AND DEPOSITS

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

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

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

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

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

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

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

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

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

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

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

An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required for all events except those taking place at Azalea Hall concurrently with McKinleyville Senior Center events or at District facilities for those events sponsored by a District approved vendor.

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

ACTIVITY CENTER

Non-Profit Groups/Vendors
Private Citizen/Business

\$25.00/hour
\$37.00/hour

AZALEA HALL-ENTIRE FACILITY

Non-Profit Groups/Vendors	\$43.00/hour
Private Citizen/Business	\$57.00/hour

AZALEA HALL-HEWITT ROOM

Non-Profit Groups/Vendors	\$33.00/hour
Private Citizen/Business	\$41.00/hour
All Day Rate	\$360.00
Half Day Rate	\$213.00

AZALEA HALL-MEETING ROOM

Non-Profit Groups/Vendors	\$12.00/hour
Private Citizen/Business	\$16.00/hour

LIBRARY CONFERENCE ROOM

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

PARKS

Special Events Only	\$50.00 (4 hours)
*Large Scale Community Events	\$150.00/day
*Commercial Events	\$250.00/day

*Requires Facility Host @ \$35.00 per hour

SPECIAL EVENT SERVICES

Event Setup

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

Event Cleanup

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

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

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

Rule 45.04. DEPOSIT. A facility usage deposit, as established and adopted by the District Board must accompany each facility usage permit request for any facility usage permit required hereunder. The facility usage deposit shall be refunded to the applicant within fifteen working days if the facility is restored to pre-use conditions. If District cleanup is required to restore the facility to pre-use conditions or damage is noted to the

facility, any refund will be less the expense associated with returning the facility to pre-use conditions.

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

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

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

- (a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the facility usage permit is requested;
- (b) The expected attendance does not exceed the capacity of the facility or area.
- (c) The use for which the facility usage permit is sought complies with the use established for the facility or area requested.

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

- (a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a facility usage permit request for the facility in which use of the sound amplification system is requested.
- (b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users.
- (c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations;
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

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

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

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

- (a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a facility usage permit request for the facility in which the sale of alcoholic beverages is requested.
- (b) If applicable, the individual or organization seeking permission has a valid permit from the Alcohol Beverages Commission to sell alcohol.
- (c) If applicable, the individual or organization seeking permission has secured outside security services.
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

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

- (a) A District supervisor will be assigned to be present throughout the event.
- (b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

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

- (a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;
- (b) The Individual or organization must file, with the District, a facility usage permit request for the facility in which the equipment will be utilized;
- (c) The requested equipment is available during the period for which use of the equipment is requested.
- (d) The individual or organization requesting use of MCSD-owned equipment furnishes the District with appropriate liability coverage.

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

First reading: May 2, 2012

Upon second reading on June 6, 2012, the foregoing ordinance will be duly accepted for implementation effective on July 7, 2012.

On a motion by Director _____ seconded by Director _____, the foregoing ordinance is duly accepted on second reading this 6th day of June 2012 by the following polled vote:

AYES:
NOES:
ABSENT:

Dennis Mayo, President, MCSD Board of Directors

Attest: I, Sharon Denison, Secretary to the Board of Directors of the McKinleyville Community Services District, hereby certify that the foregoing is a full, true and correct copy of the ordinance duly adopted this 6th day of June 2012.

Secretary to the Board of Directors

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: C.2 **Public Hearing/Protest report and final reading of Resolution 2012-17 for water and sewer rate increase**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

1. Open the public hearing and accept public input and any additional protests related to the rate increase;
2. Accept the final tally report on total protest letters received from the District Secretary
3. Adopt Resolution 2012-17 to increase the District's water and sewer rates.

Discussion:

In order to make sure ratepayers pay the lowest possible rates for water and sewer services, the Board and staff at the McKinleyville Community Services District has completed the process of updating and revising water and sewer rates. The better our rates match with the long term needs of the community, the cheaper and more reliable our services will be over time.

Getting to this point was a process and required that we had the information and policies we needed to do it right. The first thing we had to do was look at past practices and find out exactly where we stood. When we did that, we discovered that the impact fees charged to builders and new real estate projects had been kept way too low, meaning that existing ratepayers were subsidizing new development.

These impact fees had not been updated for over 20 years for sewer and over 10 years for water. If these fees had been updated, MCSD would have received an additional \$ 4 million dollars for water and \$4 million dollars for sewer to help pay for needed future CIP projects.

On September 21, 2011 the Board approved the updated impact fees and ended the practice of existing customers unfairly subsidizing new users and development.

After tackling the fairness issue of impact fees, the next step in the Board's review of MCSD financial practices was to establish a policy on financial reserves. A reserve policy was developed to ensure appropriate and necessary funds are accumulated and maintained in a manner consistent with the District's Capital Improvement Plan, Connection and Capacity Fee Plan and other policies. On January 4, 2012 the Board of Directors approved the new reserve policy.

At this point, armed with reliable financial information and sound fiscal policies, staff and the Board tackled the issue of water and sewer rates. The goal is to make sure MCSD charges ratepayers the lowest and fairest possible rates consistent with the safe and sustainable delivery of service.

Figuring out what rates are fair requires a lot more than guessing. That's why we hired a knowledgeable, nonbiased, independent financial consultant to look at the district rate structure and give us a set of recommendations based on sound policies and the real facts on the ground.

The Board listened to a presentations from Willdan Financial Services at both the February 1, 2012 and March 7, 2012 Board meeting on the water and sewer rate process and analysis.

The Board made the following decisions:

1. Approved a policy of obtaining funding through loans or bonds to fund major water and sewer improvement projects rather than adopting a pay-as-you go policy for funding;
2. Authorized staff to proceed with the Proposition 218 majority protest notice to consider the matter of increasing water and sewer charges in accordance with the Willdan Water and Sewer Rate analysis.

The procedural requirements of Prop 218 include noticing requirements and a public hearing with the rate increase subject to Majority Protest. Staff has followed all procedural requirements for adopting the rate adjustment per Prop 218 with the final hearing date and time of June 6, 2012, 7:00PM Azalea Hall. Notices were mailed to property owners and current customers as required.

All notices, information, resolutions and methods and procedures were reviewed by District Legal Council and determined to be in compliance with Prop 218 requirements.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- The proposed user rate increase may provide an anticipated \$347,700 additional revenue for water and up to \$226,900 for sewer per the rate study.

Environmental Requirements:

- Not applicable

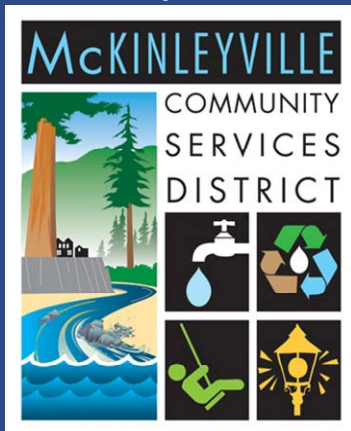
Exhibits/Attachments

- Attachment 1-Water and Sewer Rate Analysis Final Report
- Attachment 2-Resolution 2012-17

McKinleyville Community Services District



June 6, 2012



Water & Sewer Rate and Financial Analysis *Final Report*



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June 6, 2012

Norman Shopay
General Manager
McKinleyville Community Services District
1656 Sutter Road (Post Office Box 2037)
McKinleyville, California 95519-2037

Mr. Shopay,

Willdan Financial Services (Willdan) is pleased to present this report on the Water and Sewer Rate Analysis and Financial Plan Study conducted for the McKinleyville Community Services District (MCSD).

This report was undertaken as part of MCSD's continued financial policy and fiscal review. The purpose of the analysis is to update and provide revenue and rate recommendations related to MCSD's water and sewer operations. Given the period between rate analyses, financial, operational, and growth assumptions have changed, and the focus of this study is to ensure MCSD has sufficient revenues to meet its short and long-term operational, capital and debt service obligations and that rates are set proportionate to the costs of providing service to each customer class. The following report outlines the approach, methodology, findings, and conclusions of this study.

This analysis has been prepared using generally accepted rate setting techniques. MCSD's accounting, budgeting, billing records, and capital improvement list were the primary sources for the data contained within the report. The conclusions enclosed within this report provide MCSD with a set of recommendations to provide stable defensible funding for continued high-quality operations. I am confident that the results developed based on the cost of service analysis result in fair and equitable rates to MCSD customers.

It was a pleasure working with you and other staff members at MCSD. Thank you for the support and cooperation extended throughout the study.

Sincerely,

Willdan Financial Services

A handwritten signature in black ink, appearing to read 'Chris Fisher', is written over a horizontal line.

Chris Fisher
Group Manager

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Introduction

In 2011, McKinleyville Community Services District (“MCSD” or “District”) selected Willdan Financial Services to perform a water and sewer rate analysis and financial plan. Building on the previously completed Connection Fee Analysis and Designated Reserve Policy review and update, this analysis continues to provide financial recommendations that focus on two key objectives: short and long-run financial health and stability for MCSD water and wastewater operations; and, equitable cost-of-service rates that reflect the benefit provided.

The initial review of the District’s existing rate structure suggested that it does not provide equitable rates that reflect the true cost of providing water and wastewater services to MCSD customers. In addition, the existing rates fail to generate sufficient revenue to fund existing and projected expenditures (operations, maintenance, and capital) and reserve targets. While MCSD currently maintains moderate reserve levels, the existing rates are not sustainable as both utilities are not generating sufficient revenues and are subsequently running net losses.

MCSD purchases its wholesale water supply from the Humboldt Bay Municipal Water District, which diverts water from its million-gallon tank on Essex Hill, under the Mad River, to MCSD’s Grant A. Ramey Pump Station at North Bank and Azalea Roads. Water is then pumped to storage tanks at McCluski Hill, Cochran Road and Norton Road; MCSD’s six storage tanks have a combined capacity of 5.25 million gallons, approximately a 36-hour supply for its 6,705 customers.

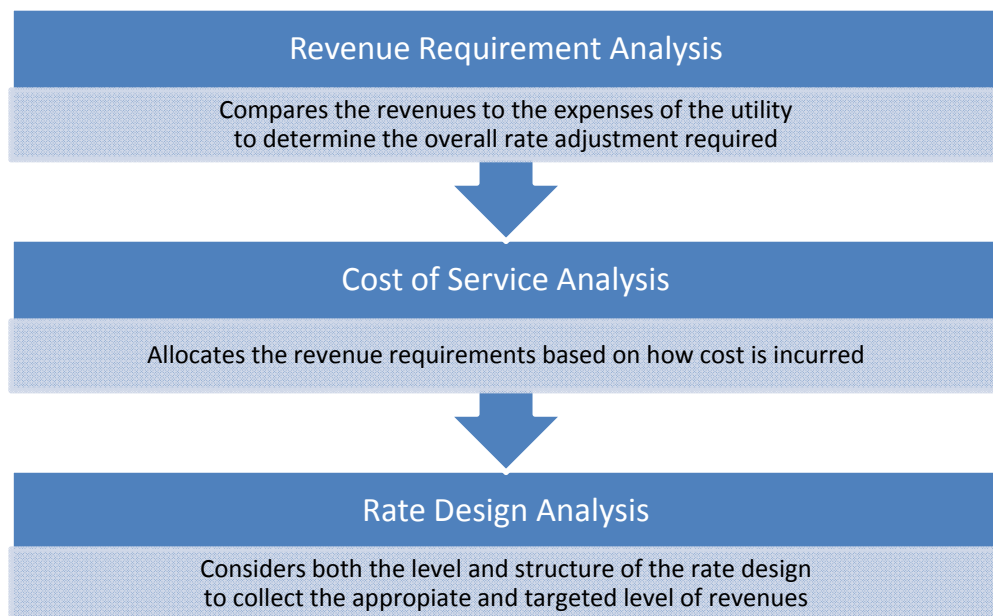
All sewage for MCSD’s customers is treated at the Wastewater Management Facility at Hiller Park. The District recently completed a \$770,000 wetland construction project at Hiller Park to enhance the wastewater treatment process and to prevent stormwater pollution to the Mad River estuary. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site and at Hiller Park. MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

This report details the methodology, approach, and results of this analysis. Based on discussion with MCSD staff, guidance and direction from the District Board throughout the process, this report presents the recommended revenue adjustments and the corresponding rate impacts.

Overview of the Rate Setting Process

The scope of this study included the development of cost-based water and sewer user charges through a comprehensive cost of service and rate design analysis. Utility rates must be set at a level where a utility's operating and capital expenses are met with the revenues received from customers. This is a significant point, as failure to achieve this level could lead to a situation where insufficient funds are available to adequately maintain the system. A comprehensive rate study typically consists of following three interrelated analyses.

- I. **Financial Planning/Revenue Requirement Analysis:** Creation of a ten-year plan to support an orderly, efficient program of on-going maintenance and operating costs, capital improvement and replacement activities, debt financing, and retirement of any outstanding debt. In addition, the long-term plan should fund and maintain reserve balances to adequate levels based on industry standards and MCSD fiscal policies.
- II. **Cost of Service Analysis:** Identifies and apportions annual revenue requirements to customers based on their demand on the utility system.
- III. **Rate Design:** Develops an equitable and proportionate fixed/variable schedule of rates to recover the costs of the utilities. This is also where other policy objectives can be achieved, such as discouraging wasteful water use. The policy objectives are harmonized with cost of service objectives to achieve the delicate balance of equity, financial stability and resource conservation goals.



Rate Setting Principles

The primary objective when conducting this comprehensive rate and financial analysis was to determine the adequacy of the existing rates (pricing, structure, and revenue sufficiency) and provide the basis for any necessary adjustments to meet the MCSD’s operating and capital needs and policy objectives. MCSD desires a rate structure that fully funds operations, maintenance, and capital costs while providing long term funding of reserves, consistent with the recently established *Designated Funds Policy*. Furthermore, MCSD would like to adjust its existing rate structure to one that appropriately reflects costs, recovers them based upon a customer’s demand.

Financial Management, Policies, and Rates

A financial plan revolves around the development of a proper long and short-term balance of revenues and expenditures. The following provides an outline of MCSD’s financial targets and policies, and the financial foundation of the cost of service and rate analysis. Over the past years, many generally accepted principles or guidelines have been established to assist in developing utility rates. The purpose of this section of the report is to provide a general background of the methodology and guidelines used for setting cost based utility rates, in order to provide a higher-level understanding of the rate setting approach detailed later in this report.

As a practical matter, there should be a general set of principles used to guide the development of water and sewer rates. For water rates, the American Water Works Association (AWWA) establishes these principles in the M1 Manual – *Principles of Water Rates, Fees and Charges*. For sewer rate setting, the Water Environment Federation (WEF) establishes similar guidelines. These guiding principles help to ensure there is a consistent global approach that is employed by all utilities in the development of their rates (water and water-related utilities, including sewer and reclaimed water). Below is a summary listing the established guidelines, which public utilities should consider when setting their rates. These closely reflect MCSD’s specified objectives.

Rates should be cost-based, equitable, and set at a level such that they provide revenue sufficiency			
Rates and process of allocating costs should conform to generally accepted rate setting techniques	Rates should provide reliable, stable and adequate revenue to meet the utility’s financial, operational, and regulatory requirements	Rate levels should be stable from year to year - no “rate shocks” -	Rates should be easy to understand and administer

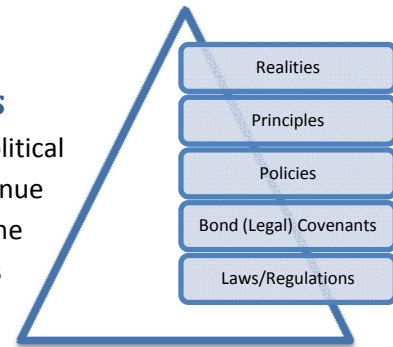
These guidelines, along with the District’s objectives, have been utilized within this study as a framework to help develop utility rates that are cost-based and equitable.

Overview of Rate Setting Environment, Objectives, Process

Rate analyses are typically performed every few years to ensure that revenues from rates are adequately funding utility operations, maintenance, and future capital needs. In California, rate analyses also require compliance with the cost-of-service principles imposed by Proposition 218 to ensure that rates correlate to how costs are incurred. Although MCSD is not a signatory to the California Urban Water Conservation Council (CUWCC) memorandum of understanding, Willdan utilized various best management practices (BMPs) related to water use and conservation. The most significant BMP is the targeted ratio between fixed and variable revenue, 30/70 respectively. This targeted ratio is thought to best provide customers with incentive to use water efficiently, as 70% of their bill is related to consumption, while providing a moderate percentage of constant and stable revenue to the utility to cover a portion of total costs that do not typically fluctuate with the amount of water consumed. Beyond the laws, regulations, and guiding principles, the rates ultimately need to be approved and implemented by the MCSD Board.

Considerations in Setting Revenue Requirements

There are a multitude of considerations, ranging from financial to political to legal, which must be analyzed or discussed during the revenue requirements process of a rate analysis. This section, along with the accompanying graphic, provides an overview of the considerations that are reviewed during this process.



Capital Budgeting and Financing

Capital needs are defined by MCSD's Capital Improvement Plan. As part of its budget and planning process, MCSD identifies capital improvements that are necessary for the continued delivery of clean, safe, drinking water and treatment of wastewater in accordance with increasingly stringent wastewater standards. The Capital Improvement Plan is funded by a variety of sources including system depreciation, water and sewer rates, connection (impact) fees, and capital reserves. Recent economic realities, including slower than anticipated growth and usage, have reduced funding and/or delayed funding of critical system improvements.

Capital Funding: Debt vs. PAYGO

The selection of the most appropriate funding strategy for capital projects is primarily a policy decision between use of cash ("Pay-as-you-go financing" or PAYGO), the issuance of debt (bonding), or a combination. PAYGO is the use or build-up of cash to fund capital improvements. With debt financing, capital improvements are paid for with borrowed funds (usually through the issuance of bonds) with the obligation of repayment, typically with interest, in future years. Development of an optimal capital financial plan depends on the definition of optimal. Each funding mechanism has a different impact on water rates in the short and long run, different net present values, risks, and legal obligations. Due to the borrowing costs associated with debt, cash funding can be cheaper in the end; however, debt typically ensures greater generational equity for larger and longer lasting capital projects.

Our review of the District’s historical and planned Capital Improvement Plan revealed that the District does not have sufficient funding on hand to meet its planned capital investments without a significant increase to rates. As such, to limit the immediate impact on ratepayers, MCSO plans to issue two separate series of bonds: \$4.6 million in 2014 for water related capital; and, \$9.0 million in 2016 to meet planned capital investments for wastewater facilities.

Our recommendation is consistent with the observed funding policy of MCSO, and is that the District continues to balance the use all financing options, by using debt in the near-term to mitigate the impact on rates, and cash funding in the long-term for annual replacement projects.

Revenue Requirements

The method used by most public utilities to establish their revenue requirements is called the “cash basis” approach of setting rates. As the name implies, a public utility combines its cash expenditures over a time period to determine their required revenues from rates and other forms of income. The figure below presents the “cash basis” methodology.

Figure 1-1: Overview of the “Cash Basis” Design

+ Operation and Maintenance Expenses
+ Taxes
+ Capital Additions Financed with Rate Revenue
+ Debt Service (Principal and Interest)
= Total Revenue Requirements

To ensure that existing ratepayers are not paying for growth-related capital projects, Willdan, as part of a previously completed *Water and Sewer Connection Fee Analysis*, reviewed existing, approved/pending, and proposed Capital Improvement Projects (CIPs) with District staff in order to allocate projects between new (growth) and existing customers (operations and maintenance or “O&M”). Additionally, capital replacement expense (depreciation) is sometimes included in the cash basis approach to stabilize annual required revenue by spreading the replacement costs of a depreciated asset over the expected life of the asset, or through the term of a bond issue.

Based on the revenue requirement analysis, the utility can determine the overall level of rate adjustments needed in order for the utility to meet its overall expenditures.

Financial Planning

In the development of the revenue requirements, certain parameters are utilized to project future expenditures, growth in customers and consumption, and necessary revenue adjustments. MCSO’s budget documents are used as the baseline, which are then projected over a ten-year planning horizon to account for fluctuations in costs from year to year as well as adjustments to debt service payments.

Conservative growth assumptions and prudent financial planning are fundamental in ensuring adequate rate revenue to promote financial stability. The developed financial model considers the District’s

existing debt service coverage ratio and operating cash balances (cash on hand). In addition, as part of the financial planning, municipal bond financing is incorporated into the model to fund necessary capital improvements, including repair and replacement. The cost of depreciated infrastructure is collected through rate revenue and used to fund annual repair and replacement of the infrastructure as it ages. As debt is redeemed, additional bonds may be utilized to fund additional capital improvements required due to aging infrastructure.

Rate Setting Principles Summary

In meeting the overall objectives of MCSD, the rate design must also conform to the State Constitution and the State’s Water Code. More specifically, Proposition 218 requires that property related fees and charges, such as water rates (as affirmed in *Bighorn-Desert View Water Agency v. Verjil*), not exceed the reasonable cost of providing the service associated with the fee or charge, and shall also not exceed the proportional cost of the service attributable to the parcel that is subject to the fee or charge.

In conjunction with Proposition 218, Article X (2) of the State Constitution institutes the need to preserve the State’s water supplies and discourage the wasteful or unreasonable use of water by encouraging conservation. Article X (2) is broad in its declarations; however, the Water Code provides guidance to its application for developing water rates. Section 106 declares that the highest use of water is for domestic purposes, and irrigation is secondary. In connection with meeting the objectives of Article X, Water Code Sections 370 (AB2882) and 375 authorize a water purveyor to utilize its water rate design to incentivize the efficient use of water; or stated differently, to encourage conservation.

Although incentives to conserve water could be provided by implementing a higher rate for water as consumption increases, a nexus between rates and cost incurred to provide water at those rates must be developed to achieve compliance with Proposition 218. Therefore, in our analysis, when developing a tiered rate structure, we analyzed the consumption and peaking characteristics of each defined tier to determine the proportional share of cost incurred by each tier. The cost is then divided by consumption to derive a rate per unit of water for each tier. Doing so synchronizes the objectives of Article X (2) and Article XIID (6) in developing a cost of service tiered rate structure.

Besides ensuring compliance with State law, another key principle for a comprehensive rate study is found in economic theory, which suggests that the price of a commodity must roughly equal its cost or value if equity among customers is to be maintained – i.e. cost-based. For example, capacity-related costs are usually incurred by a water utility to meet peak use requirements. Consequently, the customers causing peak demands should pay for the demand-related facilities in proportion to their contribution to maximum demands.

Through refinement of costing and pricing techniques, consumers of a product are given a more accurate price point, representative of what the commodity costs to produce and deliver, to meet their needs, in this case, for water use. The above fundamentals have considerable foundation in economic literature and correlate to the cost of service principles of Proposition 218. This “price-equals-cost” theory provides the basis for much of the subsequent analysis and comment. This theory is particularly important as the proposed rate structure has been developed to encourage the efficient use of water while maintaining economic and cost of service principles.

Rate Design

The final element, the rate design process, applies the results from the revenue requirements to develop rates that achieve the general guidelines, policies and objectives of MCSD, and compliance with the provisions of law. These objectives are achieved through the development of cost-based rates, but may also account for adjustments to expenditures or the level of cash reserves to balance rate shock, continuity of past rate philosophy, conservation objectives, ease of administration, and legal requirements. This section of the report incorporates the general principles, techniques, and economic theory used to set utility rates. These principles, techniques, and economic theory were the starting point for this rate study and the groundwork used to meet MCSD's key objectives in analyzing and redesigning their utility rates.

This utility rate study was performed to allocate the costs of providing service to users in order to ensure that the resulting rates are equitable and in compliance with Proposition 218 requirements. The total cost of serving MCSD customers is determined by distributing each of the utility cost components based upon the service demands placed on the District by its customers. Therefore, a cost of service rate study enables a utility to adopt rates based on the costs incurred to serve its customers and corresponding accounts. The purposes of this cost of service study include defining the proportional allocation of the costs of service to users and deriving unit costs to support the development of water rates.

Water Rate Analysis

MCSD engaged Willdan Financial Services (Willdan) to perform a Water Rate Redesign study focused on two main principles. First, develop rates that provide sufficient revenues to fund expenditures related to operations, maintenance, capital, and funding of reserves. And second, within the cost of service principles of Proposition 218, design water rates that promote efficient use of water and reflect the varying costs of serving customers within the service area of the District. This section of the report outlines the details of the analysis and the approach to developing the recommendations.

Water Consumption and User Characteristics

Willdan examined the previous three years of billing data provided by the District. Multiple years of data were analyzed to ensure short-term anomalies accounted for and long-term trends were captured. Furthermore, billing data was analyzed to determine seasonal demand patterns and overall consumption characteristics. As the projected volume of water consumption is a key component in revenue generation, it is critical that appropriate adjustments and trends are rationalized. The consumption analysis revealed that MCSD customers have a lower than average per capita use of water, when compared to similar California agencies, which is mainly due to its coastal climate. MCSD provides water to approximately 5,260 accounts.

Figure 2-1: Water Consumption Characteristics

Category Description	Count of Accounts	Average Month	Peak Month	FY2011 Consumption
00 - Non-User	3	64	696	762
01 - Residential	4,578	33,432	53,020	401,187
02 - Fire Protection Svc	6	1	5	8
03 - Res Out Of District	6	95	400	1,138
04 - Residential Multi	424	10,167	14,320	122,007
11 - Commercial	177	3,683	6,134	44,193
13 - Comm Out Of District	23	465	1,240	5,577
14 - Commercial Multi	34	319	436	3,823
Bw - Bulk Water	4	29	48	346
So - Metered Sewer Svc.	3	2,340	6,186	28,077
Total	5,258	50,593	82,485	607,118

These records were analyzed and compiled by reviewing MCSD's billing records. As shown above, residential customers, Residential (01) and multi-family (04), represent nearly 95% of the total water accounts and 85% of total water consumption

Revenue Requirements Analysis

The first step in a rate analysis is a review of MCSD's revenue requirements. The result of this review is a picture of the utility's existing financial health, which is necessary to determine the current and future revenue needs. To ensure that both short and long term financial health were reviewed, Willdan developed a 10-year financial outlook. However, for the purposes of this study, rates and financial projections will be limited to 5 years. Willdan reviewed expenditures (operation and maintenance (O&M), capital, and reserves requirements) against revenues (rate revenue, capacity fee revenues, etc). Willdan analyzed and reviewed the water utility's historical and current financial statements, three years of water consumption records, capital improvement programs and plans, reserve policies, and conferred with staff to forecast future expenditures.

Existing Water Revenues

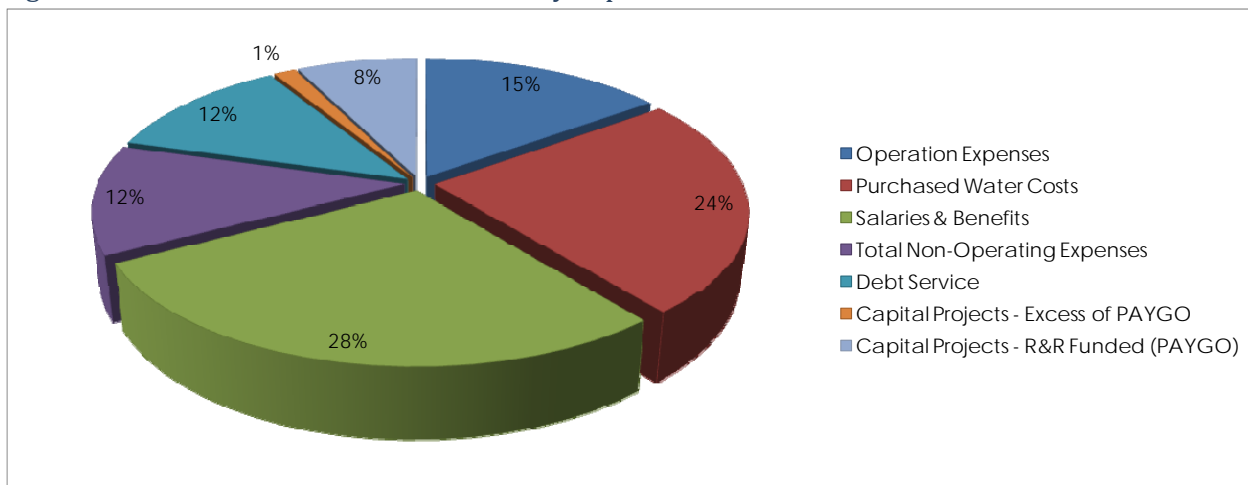
The water utility derives revenue from a variety of sources. Annually, MCSD expects nearly 85% of the Water Fund's revenue to be originated from rate revenues (monthly rates). In Fiscal Year 2010-2011, MCSD generated nearly \$1.6 million in operating rate revenue, compared with \$300 thousand in non-operating revenue, such as interest income and capacity fees.

Existing Water Expenditures

To achieve long-term financial health, a utility's revenues must be sufficient to meet total expenditures or cash obligations. This "required revenue" includes all incurred costs related to operation and maintenance, capital improvement programs, and principal and interest payments on existing or proposed debt.

As demonstrated by Figure 2-2, Water Fund expenditures were categorized into one of seven classifications: (1) Operation; (2) Salaries & Benefits; (3) Non-Operation Expenses; (4) Debt Service; (5) Capital Projects Funded by Rates; (6) Repair & Replacements (R&R) funded Capital, and (7) Purchased Water Costs. The pie chart below demonstrates the relative size of the various expense categories over the study period.

Figure 2-2: Water Fund - Cost Distribution by Expenditure Classification



For Water, nearly, 25% of the utility's expenditures are related to cost for water purchased from Humboldt Bay Municipal Water District. This cost of purchased water, which is beyond MCSD's direct control, now represents 31% of total expenditures, which is the single largest cost among operating expenses. This percentage is an increase over the historical average and is projected to climb higher as HBMWD continues to raise rates to fund capital and operations. This represents a significant and uncontrollable cost burden on the utility. As such, it is recommended the District implement an automatic rate pass-through to respond immediately to HBMWD increases. This pass-through mechanism will ensure the District recovers the full costs of purchased water without a significant time-delay or a need for additional Proposition 218 Noticing.

The District prepares an annual list of water related capital improvements to address current and future water system needs. As a result of the economic downturn, and in an attempt to limit capital expenditures, the utility has reduced or delayed capital projects to only essential and critical needs.

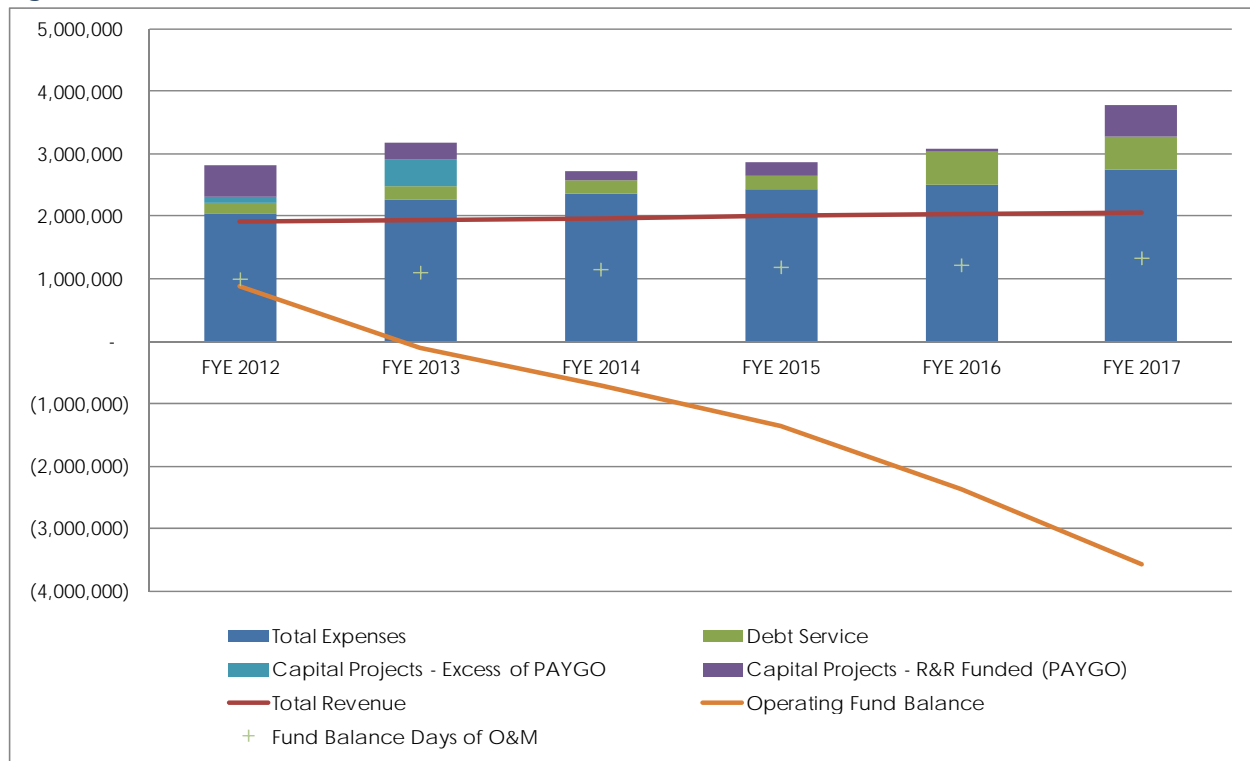
Through the study period debt service costs, related to principal and interest on the existing debt service account for a small percent of the water fund's expenditures (3%). As previously mentioned, due to continued effort to mitigate rate shock and smooth increases, MCSD is planning on issuing new debt to smooth the cash-flow needs of each fund, while maintaining moderate reserve levels. Revenues must be targeted to ensure MCSD meets its debt service coverage requirements, of 1.25, on any existing and proposed debt service.

In addition, to maintain financial flexibility, the water utility has a target to maintain an operating reserve of nearly \$1.1 million cash on hand (180 days of operating expense) as part of its reserve policy. At the end of June (FYE 2011), the water fund maintained a cash balance of \$0.9 million. This reserve will be utilized to offset the short-term revenue shortfall associated with pay-as-you-go funded capital.

Willdan worked with MCSD staff to establish financial thresholds and reserve accounts to ensure sufficient funding and best management practices for operations and capital. Consistent with industry standards, Willdan targeted an Operating reserve of 180 days with a ceiling of a full year (365 days). This will provide the utilities sufficient working capital to fund day-to-day operations and cash outlay. Additionally, Willdan established a Repair and Replacement Reserve (R&R) that is primarily funded through the realized depreciation expense, or with excess Operating Reserve funds.

Figures 2-3 demonstrates the Baseline Scenario for the Water Funds. This represents current and projected financial conditions of the water utility absent any revenue adjustment (increases) over the next 5 years. As the figure illustrates, existing revenue levels are unsustainable and the water fund is forecast to continue to run at a loss.

Figure 2-3: Water Fund - Baseline Financial Scenario



The declining orange line (lower line) shows the fund's projected ending cash balance. While short-term drops or dips of reserve levels are acceptable, given the beginning cash balance, the continued downward trend must be reversed with revenue adjustments, as the illustrated baseline scenario is unsustainable.

Recommended Revenue Requirements

Given the existing financial condition of the utility, without near term revenue adjustments, MCSD's water fund will not be able to meet its targeted objectives without large spiked increases in the future. As such, Willdan worked with MCSD staff, the District Board, and community stakeholders to seek input for the development a financial plan and rate structure that provides gradual adjustment to provide continued financial stability throughout the study period. Numerous financial scenarios were analyzed and presented over the course of the study. The results and recommendations provided in the analysis were presented in March 2012 and stakeholders were subsequently mailed a Proposition 218 Noticed in April. The recommended financial scenario was developed and analyzed to achieve a positive net income within the five-year study period and to maintain in compliance with the MCSD's Debt Coverage Ratio.

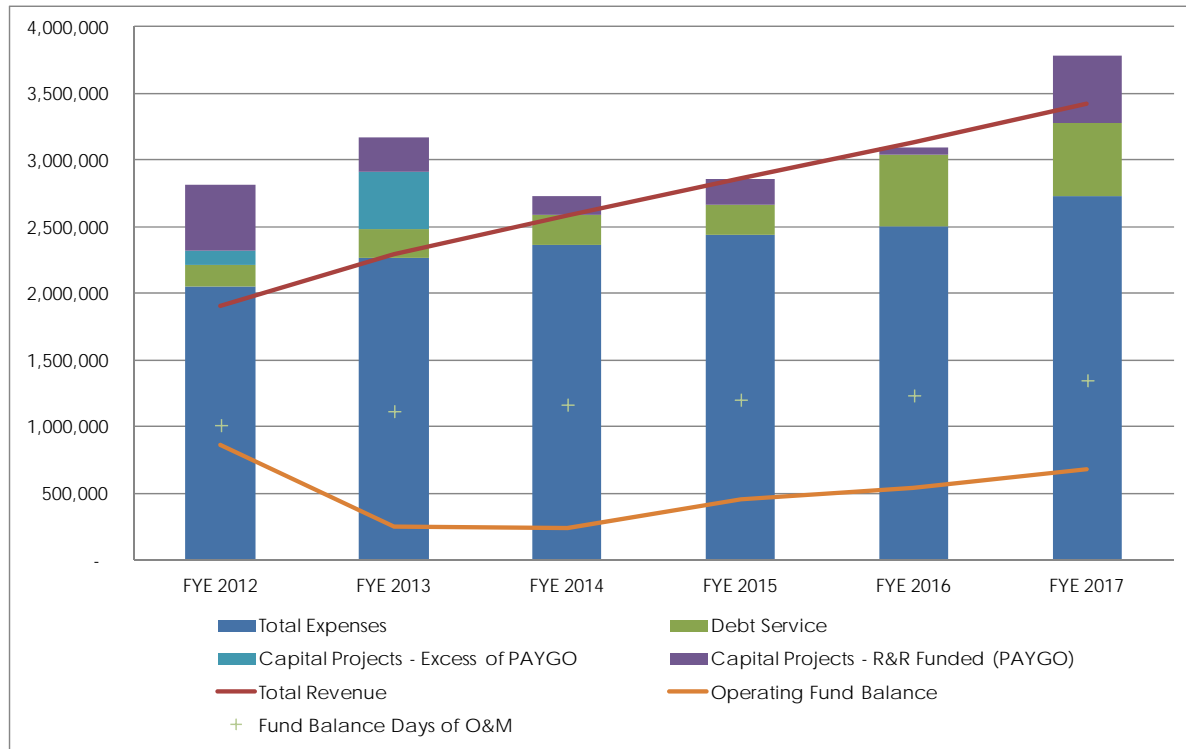
Figure 2-4 details the existing and projected expenditures of the water fund and the corresponding impact of the revenue adjustments on the fund's financial health.

Figure 2-4: Water - Revenue Requirements Analysis

Description	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
	1	2	3	4	5	6
Revenue from Rates	Current Year	Projected				
Water Base Charges	\$ 637,000	\$ 648,466	\$ 660,138	\$ 672,021	\$ 684,117	\$ 696,431
Water Metered Sales	1,070,779	1,090,053	1,109,674	1,129,648	1,149,982	1,170,681
Total Operating Revenue	\$ 1,707,779	\$ 1,738,519	\$ 1,769,812	\$ 1,801,669	\$ 1,834,099	\$ 1,867,113
Additional Rate Revenue Required						
	Fiscal Year					
FYE 2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FYE 2013		347,700	354,000	360,300	366,800	373,400
FYE 2014			254,900	259,400	264,100	268,900
FYE 2015				242,100	246,500	250,900
FYE 2016					216,900	220,800
FYE 2017						238,500
Total Additional Rate Revenue	\$ -	\$ 347,700	\$ 608,900	\$ 861,800	\$ 1,094,300	\$ 1,352,500
Total Revenue	\$ 1,707,779	\$ 2,086,219	\$ 2,378,712	\$ 2,663,469	\$ 2,928,399	\$ 3,219,613
Operation Expenses						
Salaries & Benefits						
Wages-Administrative	\$ 721,158	\$ 825,490	\$ 877,685	\$ 904,891	\$ 919,856	\$ 938,874
Other Expenses	1,081,051	1,177,639	1,211,440	1,246,455	1,282,734	1,320,331
PAYGO, In excess of R&R Fund	111,635	420,718	-	-	-	-
Total Operating Expenses	1,802,209	2,003,129	2,089,125	2,151,346	2,202,590	2,259,205
Operating Income	\$ (94,430)	\$ 83,090	\$ 289,587	\$ 512,123	\$ 725,809	\$ 960,408
Total Non-Operating Revenue	202,920	202,920	202,920	202,920	202,920	202,920
Total Non-Operating Expenses	\$ 250,000	\$ 262,000	\$ 274,576	\$ 287,756	\$ 301,568	\$ 475,765
Debt Service	\$ 158,000	\$ 222,000	\$ 222,000	\$ 222,000	\$ 541,000	\$ 541,000
Targeted Debt Coverage Ratio	125%	125%	125%	125%	125%	125%
Calculated Debt Coverage Ratio	-45%	48%	141%	241%	138%	182%
Net Income	\$ (411,145)	\$ (618,707)	\$ (4,069)	\$ 205,287	\$ 86,161	\$ 146,562

Similar to the Water - Baseline Scenario Figure, Figure 2-5 forecasts the financial health of the water fund; however, as opposed to the baseline scenario, the revenue adjustments provide a more positive outlook and allow for a funding of capital projects, while maintaining limited reserves.

Figure 2-5: Water - Recommended Financial Scenario



Cost of Service Analysis

Following the consumption and revenue requirement analysis, the next stage was to distribute costs (revenue requirements) to functional components, and ultimately, to customers. The cost of service analysis is a systematic process by which revenue requirements are allocated by function to generate a classification of fair and equitable costs in proportion to the service received by each account. The cost of services analysis marries the Water Consumption and Usage Characteristics analysis with the Revenue Requirements and expenditure analyses. This section of the report discusses the methodology of allocating expenditures to the functional cost components to best project the total burden on the system.

Cost Allocation by Function

To equitably allocate the cost to customers in proportion to their usage and peaking demands, costs first need to be allocated to functional cost components. The cost of service allocation completed in this study is established on the base-extra capacity method endorsed by the American Water Works Association (AWWA). Under the base-extra capacity method, revenue requirements are allocated based on the demand placed on the water system. Allocations to functional cost components are established on average day (base) usage, maximum day (peak) usage, meters and services, and billing and collection.

Use of this methodology results in an AWWA-accepted cost distribution to customers and a means of calculating and designing rates to proportionately recover those costs.

Figure 2-6 shows a summary distribution of the utility's expenditures for each year of the study period. To generate this data, MCSD's budget was analyzed line-item by line-item and expenditures were distributed based on a variety of demand factors: average day (base), maximum day (peak) usage, meters and services, and customer accounts.

Base costs are those operating and capital costs incurred by the water system that are associated with servicing customers based on demand.

Max Day (Extra Capacity) costs represent those operating costs incurred to meet customer peak demands for water in excess of average day demand (base). This cost also includes capital costs related providing excess capacity.

Humboldt Bay Municipal Water District costs which are attributable to the direct and indirect costs of purchased water.

Customer Service costs include those related to the maintenance and servicing of customer accounts, and meter service related costs. Customer account costs are uniform to all customers and include such costs as meter reading, billing, accounting, and administration. Meter service costs include maintenance and capital costs associated with meters and services related costs.

Figure 2-6: Distribution of Expenditure by Function

	Rate Revenue Required	Base	Max Day	Customer Account	Meters & Services	HB Passthrough
Percent Allocation	100%	21.6%	21.6%	10.9%	21.6%	24.3%
Fiscal Year Ending						
FYE 2012	\$ 1,707,779	\$ 368,952	\$ 368,952	\$ 186,765	\$ 368,952	\$ 414,157
FYE 2013	\$ 2,086,219	450,711	450,711	228,151	450,711	505,934
FYE 2014	\$ 2,378,712	513,902	513,902	260,139	513,902	576,867
FYE 2015	\$ 2,663,469	575,422	575,422	291,280	575,422	645,924
FYE 2016	\$ 2,928,399	632,658	632,658	320,253	632,658	710,173
FYE 2017	\$ 3,219,613	695,572	695,572	352,100	695,572	780,795
FYE 2018	\$ 3,408,721	736,428	736,428	372,781	736,428	826,656
FYE 2019	\$ 3,504,934	757,214	757,214	383,303	757,214	849,989
FYE 2020	\$ 3,603,663	778,543	778,543	394,100	778,543	873,932
FYE 2021	\$ 3,705,018	800,440	800,440	405,185	800,440	898,512
FYE 2022	\$ 3,742,118	808,456	808,456	409,242	808,456	907,509

Once the system cost causation analysis is complete, the next step is to design the most equitable and appropriate rate structure to recover those revenues.

Rate Design Analysis

Rate design is the process of analysis that determines how the allocated revenue requirements are recovered by each customer through water rates. In the cost allocation section of this Report, we were concerned with horizontal equity – equity and proportionate share between customer classes; however,

in the rate design process, the focus is on vertical equity – how to ensure each user is paying its fair and proportionate share.

Criteria and Considerations

In determining the appropriate rate level and structure, Willdan, in conjunction with MCSD staff, analyzed various generated financial scenarios concerning the proposed adjustments and the implications attributed to those decisions.

A simplified list of some of the rate design considerations that were reviewed is listed:

- Clear and understandable
- Easily administered
- cost of service principles
- Revenue stability (month to month and year to year)
- Prudent financial planning
- Capital Improvement Program Financing (improving the existing system)
- Fair and equitable (cost-based)
- Comply with legal and regulatory requirements

Every consideration has merit and plays an important role in a comprehensive rate study. When developing MCSD's proposed rates, all of the aforementioned criteria were taken into consideration, in addition to the objective of minimizing rate shock. Determining the appropriate balance is crucial, as some of the criteria sometimes conflict with one another, i.e. the conservation measures and cost-based. In designing rates, there will always be a goal of achieving balance between the various objectives as well as policy decisions made by the District Board.

Existing Rate Structure

The existing rate structure is a three-tiered rate structure for residential customers, and two-tier rate structure for non-residential customers. The structure is comprised of the following cost components.

Meter Charge: Charge is per month and is based on the size of water meter. This component of the water rate reflects the cost of metering support, customer service, and maintaining the account.

Commodity Charge: Charge is \$1.11 for first 5 hundred cubic feet (HCF) used per month; \$1.66 for the following 8 HCF, and \$2.58 for all HCF used in excess of 13 HCF per month. This supports the variable cost of the system that brings the water to homes or businesses.

Proposed Rate Structure

Given the perceived inequities between customer classes in the existing rate structure, where the third tier applies only to residential customers, and only the first two tiers apply to commercial customers, Willdan recommends modifying the existing rate structure. Due to the lack of justification of a third tier, Willdan recommends condensing the existing rate structure into a single and clearer rate structure. Beyond changing the structure, some components of the rate structure were modified to reflect the

current analysis and allocation of the costs incurred. Below are the proposed components of the recommended rate structure.

Customer Charge: Charge is per month and based on the size of water meter. This component of the water rate reflects the cost of metering support, customer service, and maintaining customer accounts. *(Each meter size has a different capacity and therefore cost)*

Commodity Charge: Charge is applied to all units of water used per month and split between two tiers. Starting in July 2012, all users will be charge \$0.89 cents for the first 8 HCF and \$2.24 for each additional unit.

Humboldt Bay Pass-through: This new addition to the rate structure, initially starting at zero, will be adjusted semi-annually as a pass-through to reflect and recover cost increases outside the control of MCSO, such as increased cost of purchased water, pursuant to Government Code Section 53756. This decision was made to ensure appropriate cost recovery without the possibility of overcharging customers for assumed increases. The water adjustment charge will be calculated as necessary to reflect cost increases implemented by HBMWD.

Recommended Water Charges

The proposed revenue adjustments as a percentage do not equal or necessary correlate to an equivalent percentage increase to rates or monthly bills. The results of the cost-of-service analysis and rate redesign will affect users differently, based on meter size and water consumed.

Fixed Charge

There are two components to the proposed fixed charge: Customer Account costs; and Meters and Services. Per Figure 3-1, roughly \$228 thousand of required revenue is allocated to Customer Accounts. These costs are distributed to each account evenly, as each account benefits equally from those expenditure functions.

Figure 3-1: Total Charge per Account

	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Total Customer Accounts Cost	\$ 228,151	\$ 260,139	\$ 291,280	\$ 320,253	\$ 352,100
Number of Accounts	5,260	5,261	5,261	5,262	5,263
Monthly Charge per Account	\$ 3.61	\$ 4.12	\$ 4.61	\$ 5.07	\$ 5.57

Costs related to Meters and Services are distributed on an equivalent meter factor, as endorsed by the AWWA. Larger meters place a higher demand on the utility due to a higher capacity and total flow rate, which in turn cause higher maintenance costs. Figure 3-2, shows the determined meter equivalency factor based on gallon per minute flow rates. This factor ensures meter costs are proportionate to the demand and cost incurred on the utility.

Figure 3-2: Total Charge per Meter

	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Total Meters and Services Cost	\$ 450,711	\$ 513,902	\$ 575,422	\$ 632,658	\$ 695,572
Number of Equivalent Meters	6,477	6,478	6,479	6,480	6,481
Monthly Meter Charge per 5/8" Meter	\$ 5.80	\$ 6.61	\$ 7.40	\$ 8.14	\$ 8.94

Meter Size	Eq Meter Factor	Monthly Meters and Services Charge				
5/8"	1.0	5.80	6.61	7.40	8.14	8.94
3/4"	1.5	8.70	9.92	11.10	12.20	13.42
1"	2.5	14.50	16.53	18.50	20.34	22.36
1.5"	5.0	29.00	33.06	37.01	40.68	44.72
2"	8.0	46.39	52.89	59.21	65.09	71.55
3"	15.0	86.99	99.17	111.02	122.05	134.16
4"	25.0	144.98	165.28	185.04	203.41	223.60
6"	50.0	289.96	330.56	370.07	406.82	447.20
8"	80.0	463.94	528.90	592.12	650.91	715.52
10"	115.0	666.91	760.29	851.17	935.68	1,028.56

The following figure outlines the recommended meter charge. Please note, the following recommendations and cost of service meter charges are a departure from MCSD's existing structure where "like sized meters" are grouped and larger meters are undercharged when compared against industry standards. In addition, the cost of service analysis allocated a higher percentage of utility expenditures as "fixed costs" than was previously calculated – this in turn lowered the allocation of "variable costs". These costs are classified as "fixed" as they are incurred by the utility regardless of consumption. As a result, the fixed charge has increased, which influences all users, regardless of water use and efficiency. Although all ratepayers will pay the increased charge, it affects very low users more, on a percentage basis of their overall water bill.

Figure 3-3: Fixed Charge

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

Commodity Charge

Similar to the existing rate structure, remaining expenditures, not recovered from the Fixed Charge, will be collected by means of a commodity charge. The recommended adjustments included simplifying the rate structure to treat all customers equally. Given that a significant majority of the account base and system design is made up of residential, there was not sufficient data available to justify creation of additional rate classes or structures.

Figure 3-4: Recommended Water Commodity Rate

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

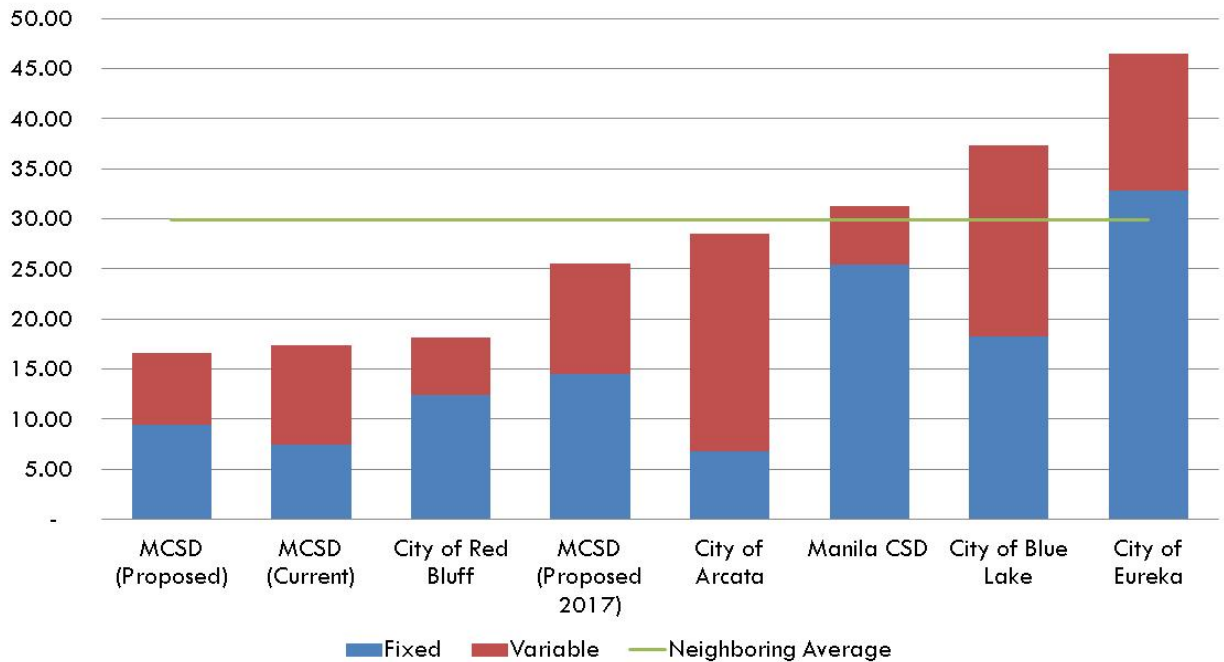
¹ MCSD will pass-through adjustments in the wholesale water charges established by HBMWD

The pass through will be adjusted as necessary to reflect the adjustments in the wholesale water charges established by HBMWD. This mechanism enables MCSD to only pass-through the true costs of water providing for lower, more accurate and defensible rates; while providing a significant increase in financial stability and certainty to MCSD.

Rate Comparison

While the cost structure and facilities vary greatly between water utilities, rate comparisons provide stakeholders a barometer of its rates in relation to surrounding communities. For increased application, the figure below compares agencies where HBMWD is the wholesaler. The figure provides the estimated monthly bill for typical household's consumption (8 HCF). As the figure demonstrates, holding rates level, the Proposed FY 2016-17 rates would still be amongst the lowest in the region.

Figure 3-5: Single Family Regional Rate Comparison (8 HCF)



Sewer Rate Analysis

The sewer utility is in a similar financial position when compared to the water fund. Although starting with higher reserves, the Sewer Fund is facing significant future capital expenditures and increased costs related to operations and a need to repair and replace aging infrastructure. This section of the report outlines the details of the analysis and the approach to developing the recommendations.

Sewer Discharge and User Characteristics

As sewer usage (discharge) is not metered, an examination of seasonal water consumption plays a critical role in ensuring equitable and revenue sufficient rates. Willdan examined the previous three years of billing data provided by the District. Multiple years of data were analyzed to ensure short-term anomalies accounted for and long-term trends were captured. Furthermore, billing data was analyzed to determine seasonal demand patterns and overall consumption characteristics. These discharge assumptions were cross-analyzed against treatment plant information (gallons treated) to confirm the appropriateness of the user discharge analysis.

It is important to note that multi-family complexes are charged and analyzed on a per unit basis, rather than by meter size. This is due to the lack of correlation between the meter size for water service and the amount discharged into the system.

Customer Statistics

During the Fiscal Year 2011, an analysis of the sewer data, provided by MCSD, revealed service to an estimated 6,562 units across 52 different customer classifications, and discharging an estimated 489 thousand HCF of wastewater. A projection of units, discharge, and loading strengths is necessary in the evaluation of the revenue requirements. This projection is critical for the determination of revenues from rates, escalation of treatment-related costs, and design of the rates.

Revenue Requirements Analysis

Similar to water, the first step in a sewer rate analysis is the review of required revenues. The result of this analysis is a snapshot of the utility's existing financial health, which is necessary to determine current and future revenue needs. To ensure that both short and long-term financial health were reviewed, Willdan performed a 10-year financial outlook; however, for the purposes of this study, rates and financial projections will be limited to 5 years. Willdan reviewed expenditures (operation and maintenance (O&M), capital, and reserves requirements) against revenues (rate revenue, capacity fee revenues, etc). Willdan also analyzed and reviewed the sewer fund's historical and current financial statements, three years of water consumption records, capital improvement programs and plans, reserve policies, and conferred with staff to forecast future expenditures.

Existing Sewer Revenues

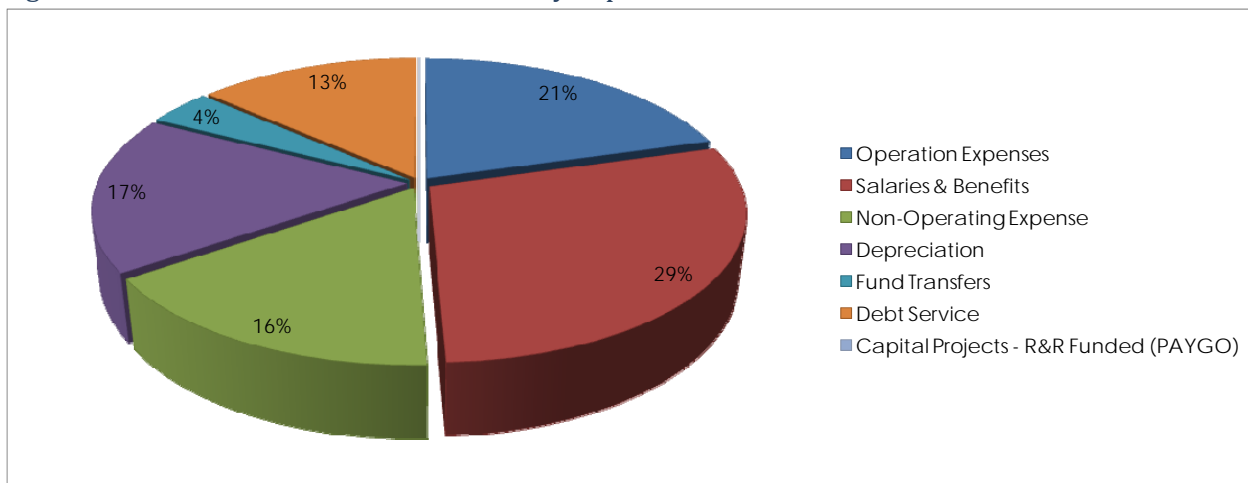
Similar to Water, the Sewer Fund receives a majority of its revenues from rates. In Fiscal Year 2010-2011, the Sewer Fund yielded \$1.4 million in operating rate revenue, compared with \$271 thousand in non-operating revenue.

Existing Sewer Expenditures

To achieve long-term financial health, a utility's revenues must be sufficient to meet total expenditures or cash obligations. This "required revenue" includes all incurred costs related to operation and maintenance, capital improvement programs, and principal and interest payments on existing or proposed debt.

As demonstrated by Figure 4-1, Water Fund expenditures were categorized into one of six classifications: (1) Operation; (2) Salaries & Benefits; (3) Depreciation; (4) Debt Service; (5) Fund Transfers; and (6) Repair & Replacements (R&R) funded Capital. The pie chart below demonstrates the relative size of the various expense categories over the study period.

Figure 4-1: Sewer Fund - Cost Distribution by Expenditure Classification



The District prepares annual list of sewer related capital improvements to address current and future sewer system needs. As a result of the economic downturn, and in an attempt to limit capital expenditures, the utility has reduced or delayed capital projects to only essential and critical needs.

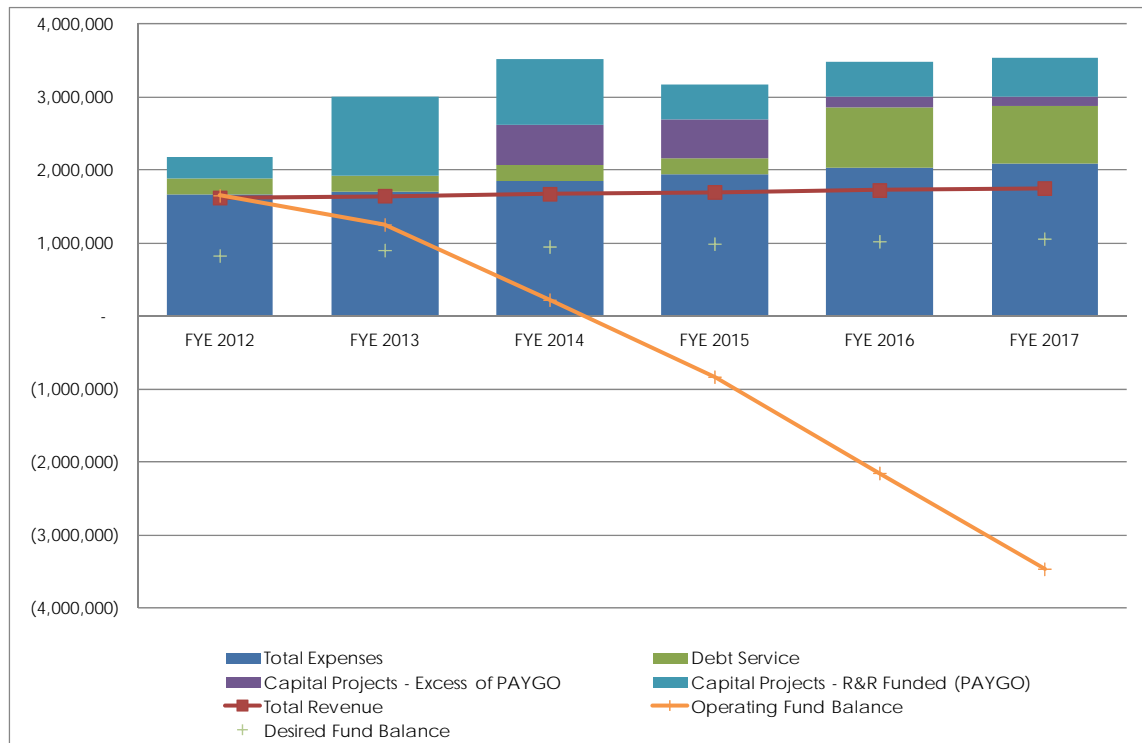
Through the study period debt service costs, related to principal and interest on the existing debt service account for a roughly thirteen percent (13%) of the sewer fund's expenditures. As previously mentioned, due to continued effort to mitigate rate shock and smooth increases, MCSD is planning on issuing new debt to smooth the cash-flow needs of each fund, while maintaining moderate reserve levels. Revenues must be targeted to ensure MCSD meets its debt service coverage requirements, of 1.25, on any existing and proposed debt service.

In addition, to maintain financial flexibility, the sewer fund has a target to maintain an operating reserve of nearly \$0.9 million cash on hand (180 days of operating expense) as part of its reserve policy. At the end of June (FYE 2011), the sewer fund maintained a cash balance of nearly \$3.2 million. Although in

excess of the reserves target, the immediate need for cash funded capital projects will significantly burden the current reserve levels. As such, this reserve will be utilized to offset the short-term revenue shortfall associated with pay-as-you-go funded capital.

Figures 4-2 demonstrates the Baseline Scenario for the Sewer Fund. This represents current and projected financial conditions of the water utility absent any revenue adjustment (increases) over the next 5 years. As the figure illustrates, existing revenue levels are unsustainable and the water fund is forecasted to continue to run at a loss.

Figure 4-2: Sewer - Baseline Financial Scenario



The declining orange line (lower line) shows the fund's projected ending cash balance. While short-term drops or dips of reserve levels are acceptable, given the beginning cash balance, the continued downward trend must be reversed with revenue adjustments, as the illustrated baseline scenario is unsustainable.

Revenue Requirement Summary

Given the existing financial condition of the utility, without near term revenue adjustments, MCSD's water fund will not be able to meet its targeted objectives without large spiked increases in the future. As such, Willdan worked with MCSD staff, the District Board, and community stakeholders to seek input for the development a financial plan and rate structure that provides gradual adjustment to provide continued financial stability throughout the study period. Numerous financial scenarios were analyzed and presented over the course of the study. The results and recommendations provided in the analysis were presented in March 2012 and stakeholders were subsequently mailed a Proposition 218 Noticed in April. The recommended financial scenario was structured and analyzed to achieve a positive net

income within the five-year study period and to maintain be in compliance with the MCSD's Debt Coverage Ratio.

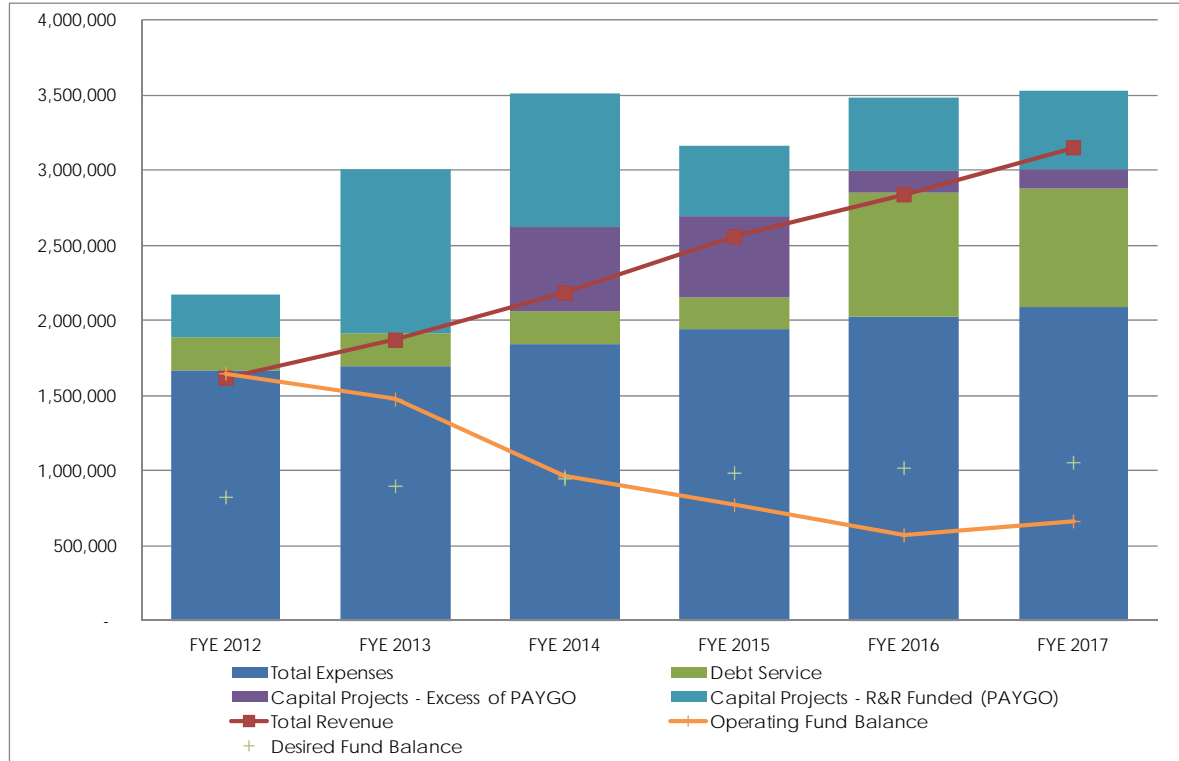
Figure 4-3 details the existing and projected expenditures of the sewer fund and the corresponding impact of the revenue adjustments on the fund's financial health.

Figure 4-3: Sewer - Revenue Requirements Analysis

Description	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
	1	2	3	4	5	6
Revenue from Rates	Current Year	Projected				
Sewer Service Charges	\$ 1,393,000	\$ 1,418,074	\$ 1,443,599	\$ 1,469,584	\$ 1,496,037	\$ 1,522,965
Sewer Service Charges	-	-	-	-	-	-
Total Operating Revenue	\$ 1,393,000	\$ 1,418,074	\$ 1,443,599	\$ 1,469,584	\$ 1,496,037	\$ 1,522,965
Additional Rate Revenue Required						
Fiscal Year						
FYE 2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FYE 2013		226,900	231,000	235,100	239,400	243,700
FYE 2014			284,700	289,800	295,000	300,300
FYE 2015				339,100	345,200	351,400
FYE 2016					237,600	241,800
FYE 2017						266,000
Total Additional Rate Revenue	\$ -	\$ 226,900	\$ 515,700	\$ 864,000	\$ 1,117,200	\$ 1,403,200
Total Required Revenue	\$ 1,393,000	\$ 1,644,974	\$ 1,959,299	\$ 2,333,584	\$ 2,613,237	\$ 2,926,165
Operation Expenses						
Salaries & Benefits						
Wages-Administrative	\$ 721,158	\$ 825,490	\$ 877,685	\$ 904,891	\$ 919,856	\$ 938,874
Other Expenses	533,390	558,993	585,824	613,944	643,413	674,297
PAYGO, In excess of R&R Fund	-	-	559,348	535,373	141,941	132,918
Total Operating Expenditures	\$ 1,254,548	\$ 1,384,483	\$ 1,463,509	\$ 1,518,835	\$ 1,563,269	\$ 1,613,171
Net Operating Income	\$ 138,452	\$ 260,491	\$ 495,790	\$ 814,749	\$ 1,049,967	\$ 1,312,994
Total Non-Operating Revenue	\$ 224,255	\$ 224,255	\$ 224,255	\$ 224,255	\$ 224,255	\$ 224,255
Total Non-Operating Expenses	415,506	435,450	456,352	478,257	501,213	525,271
Debt Service	215,000	222,000	218,000	215,000	831,000	787,000
Targeted Debt Coverage Ratio	125%	125%	125%	125%	125%	125%
Calculated Debt Coverage Ratio	78%	131%	241%	393%	130%	171%
Net Income	\$ (267,799)	\$ (172,704)	\$ (513,654)	\$ (189,625)	\$ (199,932)	\$ 92,060

Similar to the Sewer - Baseline Scenario figure, Figure 4-4 forecasts the financial health of the sewer fund; however, as opposed to the baseline scenario, the revenue adjustments provide a more positive outlook and allow for a funding of reserves.

Figure 4-4: Sewer - Recommended Financial Scenario



Cost of Service Analysis

Following the discharge and revenue requirement analysis, the next stage is to distribute costs (revenue requirements) to functional components, and ultimately, to each customer class. The cost of service analysis is a systematic process by which revenue requirements are allocated by function to generate a classification of fair and equitable costs in proportion to the service received for each user class.

This section of the report discusses the allocation of operating and capital costs to the Flow, Suspended Solids (SS) and Biochemical Oxygen Demand (BOD) parameters, the determination of unit rates, and the calculation of user class cost responsibility.

Cost Allocation by Function

The cost of service allocation conducted in this study is established on the flow and strength characteristics method, which is endorsed by the Water Environmental Federation (WEF). Under this method, revenue requirements are allocated to the different user classes proportionate to their use of the wastewater system. Allocations are based on flow volume, SS, BOD, customer accounts, and wastewater monitoring. Use of this methodology results in a generally accepted cost distribution among customer classes and a means of calculating and designing rates to proportionately recover those costs.

Figure 4-5 presents the net plant in service analysis. This analysis is important in order to determine an appropriate and reasonable means of allocating debt service requirements and future capital projects to utility demand.

Figure 4-5: Distribution of Expenditure by Function

	Rate Revenue Required	Flow Volume	BOD	SS	Customer Accounts
Percent Allocation	100%	12.1%	12.1%	12.1%	63.6%
Fiscal Year Ending					
FYE 2012	\$ 1,393,000	\$ 169,109	\$ 169,109	\$ 169,109	\$ 885,673
FYE 2013	1,644,974	199,698	199,698	199,698	1,045,879
FYE 2014	1,959,299	237,857	237,857	237,857	1,245,728
FYE 2015	2,333,584	283,295	283,295	283,295	1,483,700
FYE 2016	2,613,237	317,244	317,244	317,244	1,661,503
FYE 2017	2,926,165	355,234	355,234	355,234	1,860,464
FYE 2018	3,068,279	372,486	372,486	372,486	1,950,820
FYE 2019	3,154,585	382,964	382,964	382,964	2,005,695
FYE 2020	3,243,495	393,757	393,757	393,757	2,062,223
FYE 2021	3,335,015	404,868	404,868	404,868	2,120,412
FYE 2022	3,429,056	416,284	416,284	416,284	2,180,204

The separation of costs into these functional components provides the means for further allocation to the customer classes based upon their respective demand of each function. The resulting distribution percentages are utilized to allocate annual required revenue to each customer class based on the class' respective demand on the system

Once the system cost causation analysis is complete, the next step is to design the most equitable and appropriate rate structure to recover those revenues.

Rate Design Analysis

The final step of the rate study is the design of the wastewater rates to collect the desired level of revenue determined in the revenue requirement analysis. During this analysis, consideration is given to the levels of the rates. This section reviews the proposed wastewater rate design for the District.

Criteria and Considerations

In determining the appropriate rate level and structure, Willdan, in conjunction with MCSD staff, analyzed various generated financial scenarios concerning the proposed adjustments and the implications attributed to those decisions.

Listed below is a simplified list of the design considerations that were reviewed:

- Consideration of the customer's ability to pay
- Clear and understandable rates
- Easily administered

- Outdoor water usage
- Revenue stability (month to month and year to year)
- Efficient allocation of resources
- Implementation of Capital Improvements (rate of improving the existing system)
- Fair and equitable (cost-based) rates
- Comply with legal and regulatory requirements

When developing the proposed rates all of the aforementioned criteria were taken into consideration. Determining the appropriate balance is crucial, as some of the criteria occasionally conflict with one another, i.e. the customer's ability to pay and cost-based rates. In designing rates, there will always be concessions between the various objectives; however, the proposed rates meet all of the leading objectives of MCSD as discussed with staff and the Board.

Existing Rate Structure

The existing rate structure is a three-tiered rate structure for residential and two-tier rate structure for non-residential classes, both of which, also includes a base monthly rate. The structure is comprised of the following cost components.

Fixed Charge: Charge is per month and is based on the type of customer class. This component of the sewer rate reflects a portion of operations, customer service, and maintaining the accounts. In addition, the existing fixed charge had minimum appropriations of usage (i.e., the variable rate, below, would only be applied after the user exceeded the minimum amount).

Variable Charge: These charges reflect the remaining operational costs and reflect the user's different strength characteristics. This rate varies between \$0.22 to \$3.34 per hundred cubic feet (HCF) used per month. *To account for irrigation, residential discharge is limited (cannot exceed) to 12 HCF per month (per unit).*

Proposed Rate Structure

Given the perceived inequities between customer classes in the existing rate structure, Willdan recommends simplifying the rates into a single fixed charge with no allotments of units. Beyond changing the structure, some components of the rate structure were modified to reflect the current analysis and allocation of the costs incurred. Below are the proposed components of the recommended rate structure – while each customer class' rate(s) is comprised of these charges, the specific rates may differ based on demand.

Customer Charge: A fixed and uniform rate, applied per month and per dwelling unit, regardless of customer class. This component of the sewer rate reflects a portion of operations, customer service, and maintaining the account. *No prescribed allotment of units.*

Variable Charge: Charge has been updated to reflect the cost of service related to discharge strengths. The average rate is \$1.75 per HCF. *Identical to the existing structure, residential discharge is limited (cannot exceed) to 12 HCF per month (per unit).*

Rate Recommendations

The proposed revenue adjustments as a percentage do not equal or necessarily correlate to an equivalent percentage increase to rates or monthly bills. The results of the cost-of-service analysis and rate redesign will affect users differently, at both the customer class and account level.

The cost of service analysis created two notable rate impacts related to rate design: first, the balance between fixed and variable charges; second, the increased focus of a cost of service nexus and ensuring proper cost recognition and recovery of different users.

Sewer Charge

Unlike water, there is only one component to the proposed fixed charge: Customer Account costs, where 64% of required revenue is allocated to Customer Accounts. These costs are distributed to each unit evenly, as each unit benefits equally from those expenditure functions. The remaining 36% of expenditures are distributed and recovered via variable charges that reflect a customer's discharge volume and strength characteristics. Figure 5-1 provides the fixed and Variable charges for each of the customer classes.

Figure 5-1: Recommended Sewer Charges

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

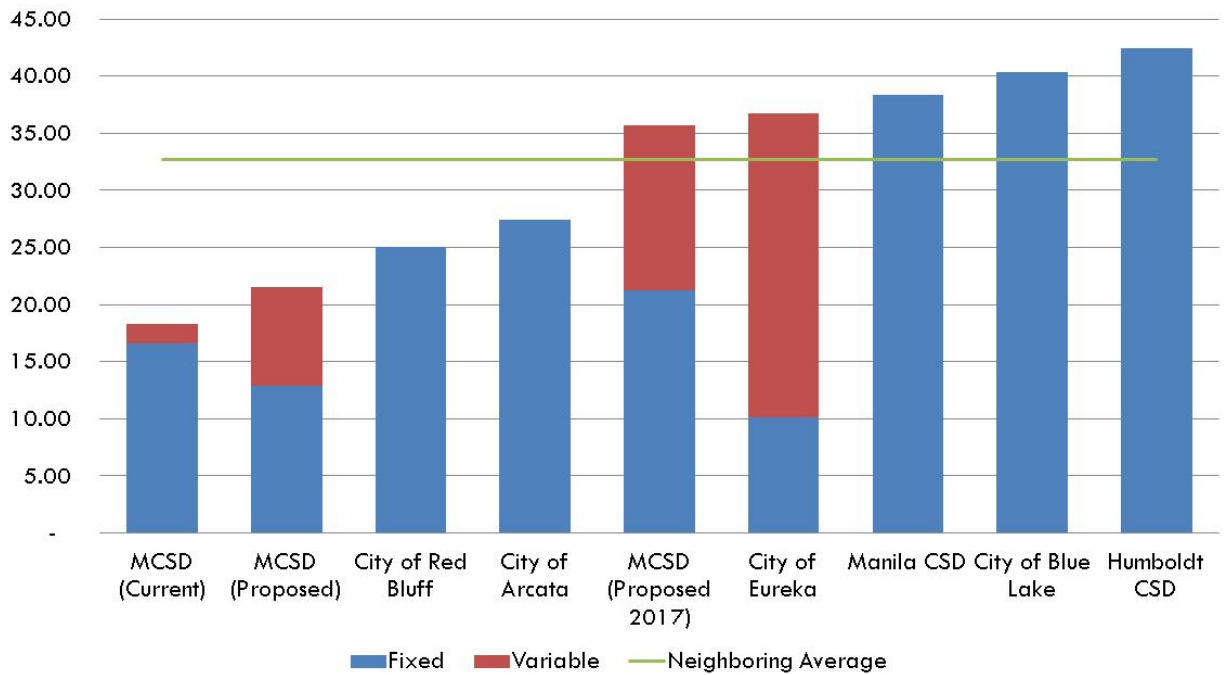
¹ If multiple units per account, the Fixed Charge is applied to each unit

² Per HCF (hundred Cubic Feet) based on water consumption. Due to irrigation, Residential units are limited to a maximum of 12 HCF monthly (per unit)

Rate Comparison

While the cost structure and facilities vary greatly between sewer utilities, rate comparisons provide stakeholders a barometer of the MCSD rates in relation to surrounding or similar communities. The figure provides the estimated monthly bill for typical single family household's consumption (8 HCF). MCSD are Eureka are the only local agencies that charge a variable charge (represented in Red), which provides users greater control over their monthly bill.

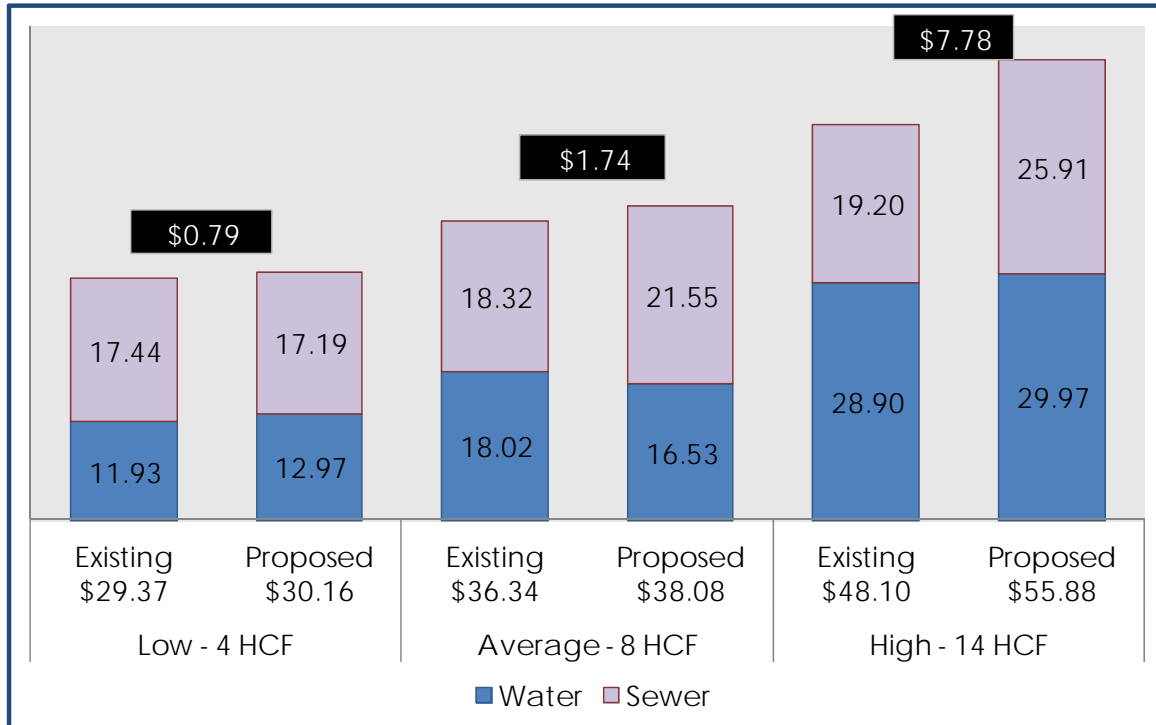
Figure 5-2: Single-Family Regional Sewer Rate Comparison



Customer Impacts

The recommended rates will provide MCSD with the necessary revenue to provide continue quality service, without a significant impact on the average ratepayer. The figure below provides a combined water and sewer sample bill for a variety of single-family consumption levels. The black boxes represent the difference between the existing and proposed July 1, 2012 rates.

Figure 6-1: Single-Family Monthly Bill Comparison



RESOLUTION 2012-17

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

¹ If multiple units per account, the Fixed Charge is applied to each unit

² Per HCF (hundred Cubic Feet) based on water consumption. Due to irrigation, Residential units are limited to a maximum of 12 HCF monthly (per unit)

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

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

Section 5. The Board finds and determines as follows:

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

- (c) The amount of the charges imposed by this Resolution upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.
- (d) No charge will be imposed under this Resolution for a service unless that service is actually used by, or immediately available to, the owner of the property in question.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

Dennis Mayo, Board President

ATTEST:

Sharon L. Denison, Board Secretary

EXHIBIT D.1

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, MAY 2, 2012 AT 7:00PM AT AZALEA HALL,
1620 PICKETT ROAD, MCKINLEYVILLE**

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

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

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

AGENDA ITEM A-CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE AND ADDITIONS TO THE

AGENDA: At 7:00PM President Mayo called the meeting to order, roll call was taken with all Directors present except for Director Corbett. Director Wennerholm led the pledge of allegiance and there were no additions to the agenda. Director Corbett arrived shortly after roll call.

AGENDA ITEM B-APPROVAL OF THE AGENDA:

MOTION: It was moved to approve the agenda; Motion by David Couch.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM C1- PUBLIC HEARING: FIRST READING OF ORDINANCE 2012-02 AMENDING THE MCSD RULES AND REGULATIONS TO INCREASE RECREATION PROGRAM AND FACILITY FEES:

MOTION: It was moved to accept staff recommendations:

1. Open the public hearing for the first reading of Ordinance 2012-02. The public hearing was opened and closed with no comments received.
2. Direct staff to make any required revisions to the Ordinance
3. Set a public hearing for the second reading and adoption of the Ordinance at the June 6, 2012 Board Meeting.

Motion by Helen Edwards

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Regular Meeting of April 4, 2012
2. Consider approval of March 2012 Treasurer's Report
3. DCV Violations this month
4. Consider approval of 2011 Consumer Confidence Report:

MOTION: It was moved to approve the consent calendar. Motion by Helen Edwards

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.1-CONSIDER APPOINTING MEMBERS TO THE RECREATION ADVISORY COMMITTEE:

MOTION: It was moved to appoint Jim Flint as a member of the RAC and Bernie Garrigan as an alternate member. Motion by Helen Edwards.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.2-RAC RECOMMENDATIONS REGARDING SKATE PARK RIGHT OF ENTRY AGREEMENT:

Park & Recreation Director Sehon passed out copies of a revised right of entry agreement that was received back from legal counsel after the Board packet was published. There was a brief discussion on the revised agreement and consensus that due to the changes proposed by legal counsel this should be referred back to the Recreation Advisory Committee and the Skate Park Organization for review and recommendations. Staff was directed to bring this back to the Board for consideration and action as soon as that was accomplished.

AGENDA ITEM E.3-INFORMATIONAL OVERVIEW OF QUIMBY PARKLAND DEDICATION FUNDS: Park & Recreation Director Sehon gave a brief presentation and overview of the Quimby Parkland Dedication Funds. He explained how the funds are collected by Humboldt County from developers to mitigate the impacts of property improvements and development in McKinleyville. He then explained how the funds can be obtained from the County, use restrictions and estimated fund balances. Director Edwards thanked Mr. Sehon for the presentation.

AGENDA ITEM E.4-INFORMATIONAL OVERVIEW OF REQUEST FROM FISCHER RANCH LESSEE TO APPLY FERTILIZER TO BOTTOM PORTION OF RANCH: General Manager Shopay explained that he was bringing this to the Board due to the recent controversy regarding herbicide and pesticide use at the ranch property. He briefly reviewed the request and reported that he planned to approve this request as per the recent lease addendum approving such use. There was a brief Board discussion and no comments from the public. President Mayo thanked General Manager Shopay for keeping the Board informed and Director Edwards thanked Mr. Peachey for working with the Board and District Staff.

AGENDA ITEM E.5-LOCAL AGENCY INVESTMENT FUND (LAIF) RESOLUTION AUTHORIZING AND CONFIRMING DISTRICT SIGNATORIES:

MOTION: It was moved to approve Resolution 2012-15 to authorize investment of monies in the Local Agency Investment Fund. Motion by Helen Edwards.

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

MOTION SUMMARY: Motion passed-5 AYES; 0 NAYS

AGENDA ITEM E.6-ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA), JOINT POWERS INSURANCE AUTHORITY (JPIA) RESOLUTION APPROVING MEMBERSHIP IN THE ACWA-JPIA, RATIFYING THE CHANGE OF NAME FROM THE "ACWA HEALTH BENEFITS AUTHORITY":

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

MOTION: It was moved to approve Resolution 2012-16 approving membership in the ACWA Joint Powers Insurance Authority and directing the General Manager or Finance Director to execute all necessary documents. Motion by Corbett.

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

AGENDA ITEM E.7-INFORMATIONAL OVERVIEW OF STATUS OF PARKS AND RECREATION INTEGRATED PEST MANAGEMENT PLAN (IPM): After clarifying this plan was specific to Parks & Recreation only, Park & Recreation Director Sehon gave a brief presentation on status to date. He reported that staff had been researching IPM's adopted by other agencies and was in the process of drafting a plan in-house that would be specific to the McKinleyville climate and park facilities. He added that the Recreation Advisory Committee had reviewed the draft and supported the concept and that staff would continue to work on the plan and would provide information to the Board as changes are made.

AGENDA ITEM E.8-INFORMATIONAL OVERVIEW OF FY 2012/13 DRAFT OPERATING BUDGET FOR GENERAL FUND AND ENTERPRISE FUND: Finance Director Trask briefly reviewed the draft operating budget for the general and enterprise funds, reporting that they were based on current costs, trends and best estimates. She referred to the summary budget in the packet, noting inclusion of grants and specific line items with more detail as requested. She welcomed Directors questions and reported she would be happy to meet with any Director to discuss the draft budget and answer questions and concerns.

AGENDA ITEM E.9-APPROVE LDA PARTNERS AS THE SUCCESSFUL BIDDER FOR ARCHITECTURE AND PLANNING SERVICES FOR THE TEEN AND COMMUNITY CENTER REQUEST FOR PROPOSAL (RFP):

REPORTS: Park & Recreation Director Sehon reviewed the process leading up to the RFP for the teen and community center and staff recommendations. Director Edwards made a motion to approve staff recommendations. The motion was seconded by Director Corbett. After a brief Board discussion President Mayo opened public input and Travis Schneider, President of Pacific Affiliates, turned in a letter for distribution to the Board in regards to their proposal submitted and deemed non-responsive by staff. He asked the Board to take no action tonight and reconsider the ruling that their proposal was non-responsive. There was an extensive Board discussion with consensus that this needed to go to legal counsel for an advisory opinion on the action taken and then be brought back to the Board for re-consideration. Both Director Edwards, as the maker of the motion, and Director Corbett withdrew their motion.

F.1.a- RAC: Director Couch reported the RAC continued to work on the Park & Recreation Master Plan.

F.1.b-Area Fund: John Kulstad reported that they had distributed grant funding, entered into a new agreement with the Humboldt Area Fund and their next meeting was scheduled for May 16th.

F.1.c-RREDC: Director Wennerholm reported they had not met.

F.1.d-McK Senior Center: Director Wennerholm reported they had not met.

F.1.e-Audit: Director Corbett reported they had not met.

F.1.f-Employee Negotiations: No meeting was held.

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

F.1.g-Water Task Force: President Mayo reported a lot of information was being exchanged regarding the issue of security at water sources.

F.1.h-Adhoc No Drugs and Toxics: Director Couch reported they had not met.

F.1.i-Local and State Advisory Committee: Director Edwards thanked Supervisor Sundberg for getting the formation of the McKinleyville Municipal Advisory Committee on the Board of Supervisors agenda and was pleased to announce it passed with flying colors and a few minor changes. President Mayo thanked Director Edwards for her patience in working on this and Director Corbett personally thanked Supervisor Sundberg for his leadership in building for a better future.

F.2.a-Support Services Department: Finance Director Trask reported that the final budget would be presented at next month's meeting and staff was working on reviewing and updating policies and procedures and looking in to electronic document management.

F.2.b-Operations Department: Operations Director Orsini reported that the tank painting project was continuing, giving a brief update on progress to date. Director Edwards asked about the status of creation of a water model and Operations Director Orsini assured her this work in progress would come to the Board in the near future. Mr. Orsini reported that the RFP was completed and distributed for the Waste water Management Facility with a June 13th deadline and he was excited to see the response.

F.2.c-Parks & Recreation Department: Park & Recreation Director Sehon reported that he was working on the newsletter and the recreation activity guide. He announced that staff had received a \$395.00 Grant from the McKinleyville Area Fund and a \$10,000 donation from Coast central Credit Union for the Pierson Park tot lot. Director Corbett suggested developing a process to thank donors. Director Edwards asked for an update on the status of the Skate Park funding and Park & Recreation Director Sehon reported that they were to begin quarterly reporting starting May 25th.

F.2.d-General Manager: General Manager Shopay reported he was including grants in the cost savings report in his monthly GM report, adding that staff was aggressively looking for new grants. He added that a town hall meeting was scheduled for May 14, 2012 at 5:30Pm at Azalea Hall regarding the Draft Impact Report for the Humboldt County General Plan Update. Director Edwards asked GM Shopay in the future to highlight the most important legislative items for Board review.

F.3.-Chairman's Report: President Mayo reported that the ACWA website was very informative on legislative issues. He added he would be attending the ACWA annual conference next week and will report to the Board when he gets back. President Mayo announced that he would be reminding the public of a new policy that all handouts for the Directors should go in the box next to the podium for staff to hand out to the Board.

F.4.-Board Members Comments, Announcements, Reports and Agenda Item Requests: No additional comments were made.

AGENDA ITEM G-PUBLIC COMMENTS AND WRITTEN COMMUNICATIONS: President Mayo opened public input and John Kulstad commented on the shoulder improvement needed on Washington/School Road and asked if it was possible to use Quimby funds for that. President Mayo closed public input.

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

AGENDA ITEM H-CLOSED SESSION DISCUSSION: NO CLOSED SESSION SCHEDULED

AGENDA ITEM I-ADJOURNMENT:

MOTION: At 9:20PM it was moved to adjourn the meeting. Motion by Edwards

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

MOTION SUMMARY: Motion Passed-5 AYES; 0 NAYS

Respectfully Submitted

Sharon L. Denison,
Board Secretary

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

**MINUTES OF THE SPECIAL MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON MONDAY, MAY 14, 2012 AT 3:00AM AT THE DISTRICT OFFICE,
1656 SUTTER ROAD, MCKINLEYVILLE**

The special meeting of the Board of Directors of McKinleyville Community Services District convened at 3:00 PM with the following Directors and staff in attendance:

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

Norman Shopay, General Manager
Sharon L. Denison, Secretary
Tiffany Wright, Attorney

AGENDA ITEM A-CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE, ADDITIONS TO THE AGENDA:

At 3:00 pm President Mayo called the meeting to order. Directors Couch, Edwards and Wennerholm were present and Director Corbett was absent. Director Couch led the pledge of allegiance. There were no additions to the agenda.

AGENDA ITEM B-APPROVAL OF THE AGENDA

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

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

MOTION SUMMARY: Motion Passed- 4 AYES; 0 NAYS

AGENDA ITEM C- PUBLIC HEARINGS-NONE SCHEDULED

AGENDA ITEM D-CONSENT CALENDAR ITEMS-NO CONSENT ITEMS SCHEDULED

AGENDA ITEM E-CONTINUED AND NEW BUSINESS-NONE SCHEDULED

AGENDA ITEM F-REPORTS-NONE SCHEDULED

AGENDA ITEM F-REPORTS-NO REPORTS SCHEDULED

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: Secretary Denison handed out copies of a written communication received from David Elsebusch. There were no members of the public present.

AGENDA ITEM H-CLOSED SESSION DISCUSSION

At 3:10 AM President Mayo announced that the Board would be going into closed session for discussion of the following item:

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

AGENDA ITEM H.1-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 subdivision (a) of Section 54956.9.

At 4:35 PM the Board adjourned out of closed session. President Mayo announced that no reportable action was taken.

AGENDA ITEM I-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 4:35 PM. Motion by Edwards

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

MOTION SUMMARY: Motion Passed-4 AYES; 0 NAYS

Respectfully Submitted,

Sharon L. Denison,
Board Secretary

(In accordance w/Robert's Rules of Order, 10th edition, Pg. 451, Section 48: "Unless the minutes are to be published, they should contain mainly a record of what was done at the meeting, not what was said by the members".)

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

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

Petty Cash & Change Funds		940.00
<u>Cash</u>		
Operating & Money Market - Beginning Balance		442,787.11
Cash Receipts:		
Utility Billings	251,075.82	
Money Market Account Interest	85.75	
Other Cash Receipts	51,240.19	
Total Cash Receipts		302,401.76
Cash Disbursements:		
Payroll Related Expenditures	(139,217.57)	
Debt Service	(4,644.48)	
Capital & Other Expenditures	(316,403.01)	
Total Cash Disbursements		(460,265.06)
Operating & Money Market - Ending Balance		284,923.81
Total Cash		285,863.81
<u>Investments</u>		
LAIF - Beginning Balance	127,600.46	
Interest Income	-	
LAIF - Ending Balance		127,600.46
Humboldt Co. #2560 - Beginning Balance	526,913.36	
Property Taxes	219,452.86	
Measure B Assessments	84,182.66	
Interest Income	(642.61)	
Humboldt Co. #2560 - Ending Balance		829,906.27
Humboldt Co. #4240 - Beginning Balance	4,975,526.60	
Interest Income	14,316.70	
Humboldt Co. #4240 - Ending Balance		4,989,843.30
Humboldt Co. #9390 - Beginning Balance	111,196.74	
Interest Income	88.96	
Humboldt Co. #9390 - Ending Balance		111,285.70
USDA Bond Reserve Fund - Beginning Balance	140,827.18	
Bond Reserve Payment	8,145.83	
USDA Bond Reserve Fund - Ending Balance		148,973.01
Market Valuation Account		(244.58)
Total Investments		6,207,364.16
Total Cash & Investments - Current Month		6,493,227.97
Total Cash & Investments - Prior Month		6,325,581.45
Net Change to Cash & Investments This Month		167,646.52
<u>Cash & Investment Summary</u>		
Cash & Cash Equivalents		5,589,889.67
Davis-Grunsky Loan Reserve		596,743.11
Waste Water Capital Reserve		97,622.18
USDA Bond Reserve		148,973.01
I-Bank Loan Reserve		60,000.00
Total Cash & Investments		6,493,227.97

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

	Governmental Funds			Proprietary Funds		
	Parks & General	Measure B	Streetlights	Water	Sewer	Total (Memorandum Only)
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 1,034,002.16	\$ 125,351.91	\$ (56,705.44)	\$ 1,332,247.94	\$ 3,154,993.10	\$ 5,589,889.67
Accounts receivable	2,648.11	-	3,694.86	152,812.29	111,574.70	270,729.96
Prepaid expenses & other current assets	21,164.74		478.04	81,587.38	44,094.08	147,324.24
Total Current Assets	1,057,815.01	125,351.91	(52,532.54)	1,566,647.61	3,310,661.88	6,007,943.87
Noncurrent Assets						
Restricted cash & cash equivalents	-	-	-	656,743.11	246,595.19	903,338.30
Other noncurrent assets	39,325.43	-	-	10,000.00	37,529.72	86,855.15
Capital assets (net)	-	-	-	6,451,319.98	11,616,968.65	18,068,288.63
Total Noncurrent Assets	39,325.43	-	-	7,118,063.09	11,901,093.56	19,058,482.08
TOTAL ASSETS	\$ 1,097,140.44	\$ 125,351.91	\$ (52,532.54)	\$ 8,684,710.70	\$ 15,211,755.44	\$ 25,066,425.95
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 18,843.73	\$ 809.55	\$ 1,161.61	\$ 164,478.01	\$ 35,757.75	\$ 221,050.65
Accrued payroll & related liabilities	90,660.84	-	-	29,581.89	29,581.89	149,824.62
Total Current Liabilities	109,504.57	809.55	1,161.61	194,059.90	65,339.64	370,875.27
Noncurrent Liabilities						
Long-term debt	-	-	-	3,489,684.62	1,342,402.47	4,832,087.09
Other noncurrent liabilities	39,325.43	-	-	114,600.99	115,033.99	268,960.41
Total Noncurrent Liabilities	39,325.43	-	-	3,604,285.61	1,457,436.46	5,101,047.50
TOTAL LIABILITIES	148,830.00	809.55	1,161.61	3,798,345.51	1,522,776.10	5,471,922.77
Fund Balance/Net Assets						
Fund balance	948,310.44	124,542.36	(53,694.15)	-	-	1,019,158.65
Net assets	-	-	-	1,914,729.83	3,414,413.16	5,329,142.99
Investment in capital assets, net of related debt	-	-	-	2,971,635.36	10,274,566.18	13,246,201.54
Total Fund Balance/Net Assets	948,310.44	124,542.36	(53,694.15)	4,886,365.19	13,688,979.34	19,594,503.18
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,097,140.44	\$ 125,351.91	\$ (52,532.54)	\$ 8,684,710.70	\$ 15,211,755.44	\$ 25,066,425.95
Investment in General Capital Assets	\$ 3,211,251.17					
General Long-term Liabilities						
OPEB Liability	60,788.00					
Accrued Compensated Absences	11,421.16					
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 72,209.16					

McKinleyville Community Services District
Activity Summary by Fund
April 2012

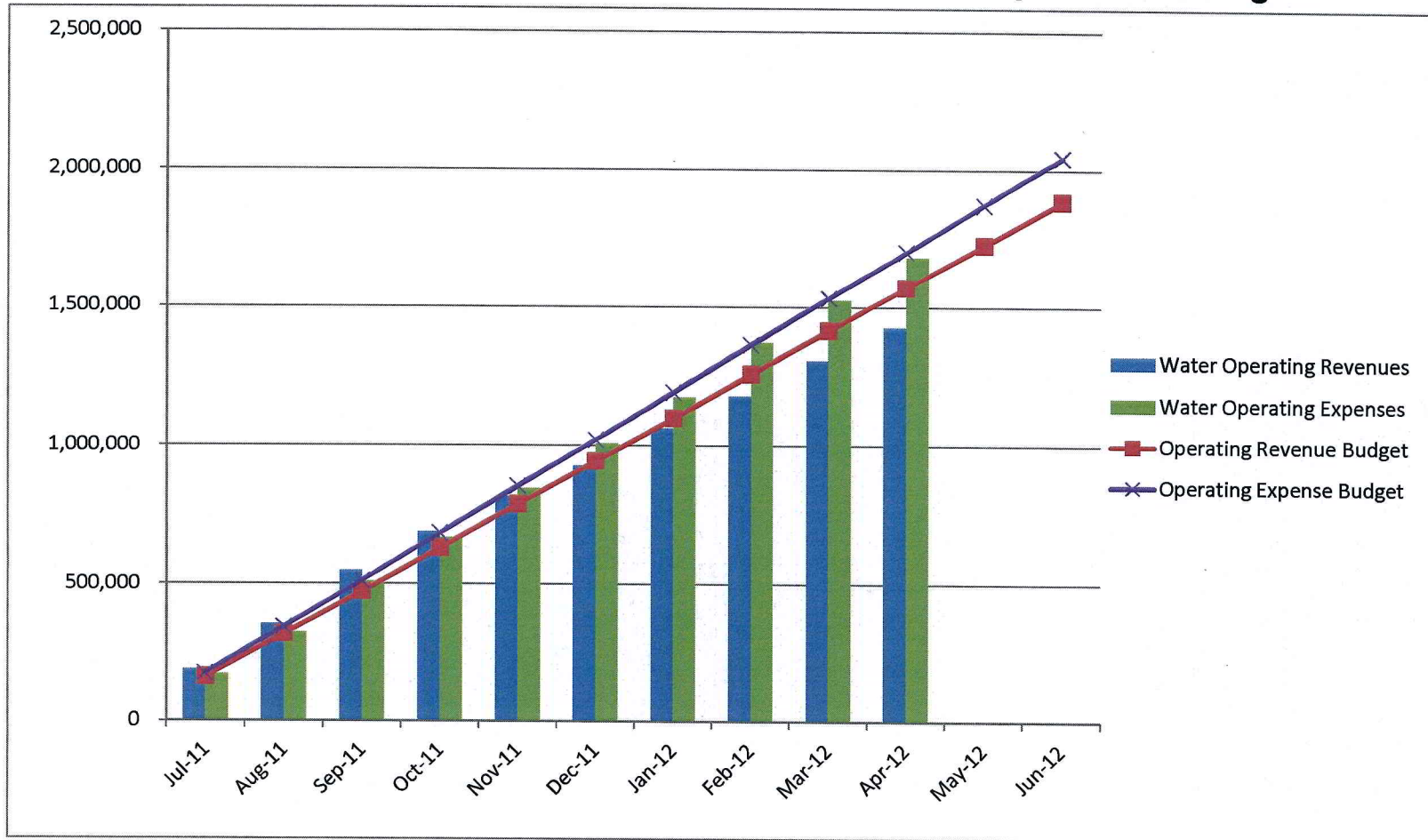
Department Summaries	April	YTD	YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Water</u>						
Water Sales	103,931	1,297,775	1,423,149	(125,374)	-8.81%	Connection fees lower than anticipated due to lack of new construction
Other Revenues	15,857	130,241	149,933	(19,693)	-13.13%	
Total Operating Revenues	119,788	1,428,016	1,573,082	(145,066)	-9.22%	
Salaries & Benefits	56,397	587,843	600,965	(13,122)	-2.18%	
Water Purchased	44,952	499,215	526,983	(27,768)	-5.27%	
Other Expenses	34,796	380,315	368,537	11,778	3.20%	
Depreciation	23,000	218,000	208,333	9,667	4.64%	
Total Operating Expenses	159,145	1,685,374	1,704,818	(19,444)	-1.14%	
Net Operating Income	(39,357)	(257,359)	(131,736)	(164,510)		
Interest Income	6,032	19,878	19,167	711	3.71%	
Interest Expense	(7,436)	(69,944)	(73,938)	(3,994)	-5.40%	
Net Income (Loss)	(40,761)	(307,425)	(186,507)	(120,918)		
<u>Sewer</u>						
Sewer Service Charges	113,610	1,155,689	1,160,833	(5,144)	-0.44%	
Other Revenues	13,803	148,369	161,879	(13,510)	-8.35%	
Total Operating Revenues	127,413	1,304,058	1,322,712	(18,654)	-1.41%	
Salaries & Benefits	66,096	596,592	600,965	(4,373)	-0.73%	Operating expenses lower than projected
Other Expenses	42,999	414,041	473,152	(59,111)	-12.49%	
Depreciation	38,000	368,000	340,000	28,000	8.24%	
Total Operating Expenses	147,095	1,378,633	1,414,117	(35,484)	-2.51%	
Net Operating Income	(19,682)	(74,575)	(91,405)	16,830		
Interest Income	8,386	32,923	25,000	7,923	31.69%	Interest rates continue to be lower than projected
Interest Expense	(4,752)	(48,757)	(49,405)	(648)	-1.31%	
Net Income (Loss)	(16,048)	(90,409)	(115,810)	25,401		
Enterprise Funds Net Income (Loss)	(56,809)	(397,834)	(302,317)	(95,517)		

McKinleyville Community Services District
Activity Summary by Fund
April 2012

Department Summaries	April	YTD	YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<u>Parks & Recreation</u>						
Program Fees	26,771	237,373	258,667	(21,294)	-8.23%	
Rents & Related Fees	8,226	53,655	47,938	5,717	11.93%	
Property Taxes	219,453	481,548	441,667	39,881	9.03%	2nd allocation by County April 2012
Other Revenues	6,926	68,056	235,467	(167,411)	-71.10%	Capital project funding has not been realized as projects have been postponed
Interest Income	808	4,127	10,000	(5,873)	-58.73%	Interest rates continue to be lower than projected
Total Revenues	262,184	844,759	993,739	(148,980)	-14.99%	
Salaries & Benefits	63,179	578,106	560,030	18,076	3.23%	
Other Expenditures	20,528	176,254	176,488	(234)	-0.13%	
Capital Expenditures	1,819	5,223	341,667	(336,444)	-98.47%	Postponement of capital projects until later in the year
Total Expenditures	85,525	759,583	1,078,185	(318,602)	-29.55%	
Excess (Deficit)	176,658	85,177	(84,446)	169,623		
<u>Measure B Assessment</u>						
Total Revenues	84,192	201,254	175,000	26,254	15.00%	2nd allocation by County in April 2012
Salaries & Benefits	-	66,538	115,833	(49,295)	-42.56%	Labor hours spent on Measure B projects less than anticipated
Other Expenditures	460	7,520	9,167	(1,647)	-17.97%	
Capital Expenditures	414	2,654	50,000	(47,346)	-94.69%	Postponement of capital projects until later in the year
Total Expenditures	874	76,711	175,000	(98,289)	-56.17%	
Excess (Deficit)	83,318	124,542	-	124,542		
<u>Street Lights</u>						
Total Revenues	(2,779)	68,666	68,333	333	0.49%	
Salaries & Benefits	2,902	26,355	28,800	(2,445)	-8.49%	
Other Expenditures	4,564	42,388	38,448	3,940	10.25%	
Capital Expenditures	-	20,520	20,833	(313)	-1.50%	
Total Expenditures	7,466	89,263	88,081	1,182	1.34%	
Excess (Deficit)	(10,246)	(20,597)	(19,748)	849		
Governmental Funds Excess (Deficit)	249,731	189,122	(104,194)	293,316		

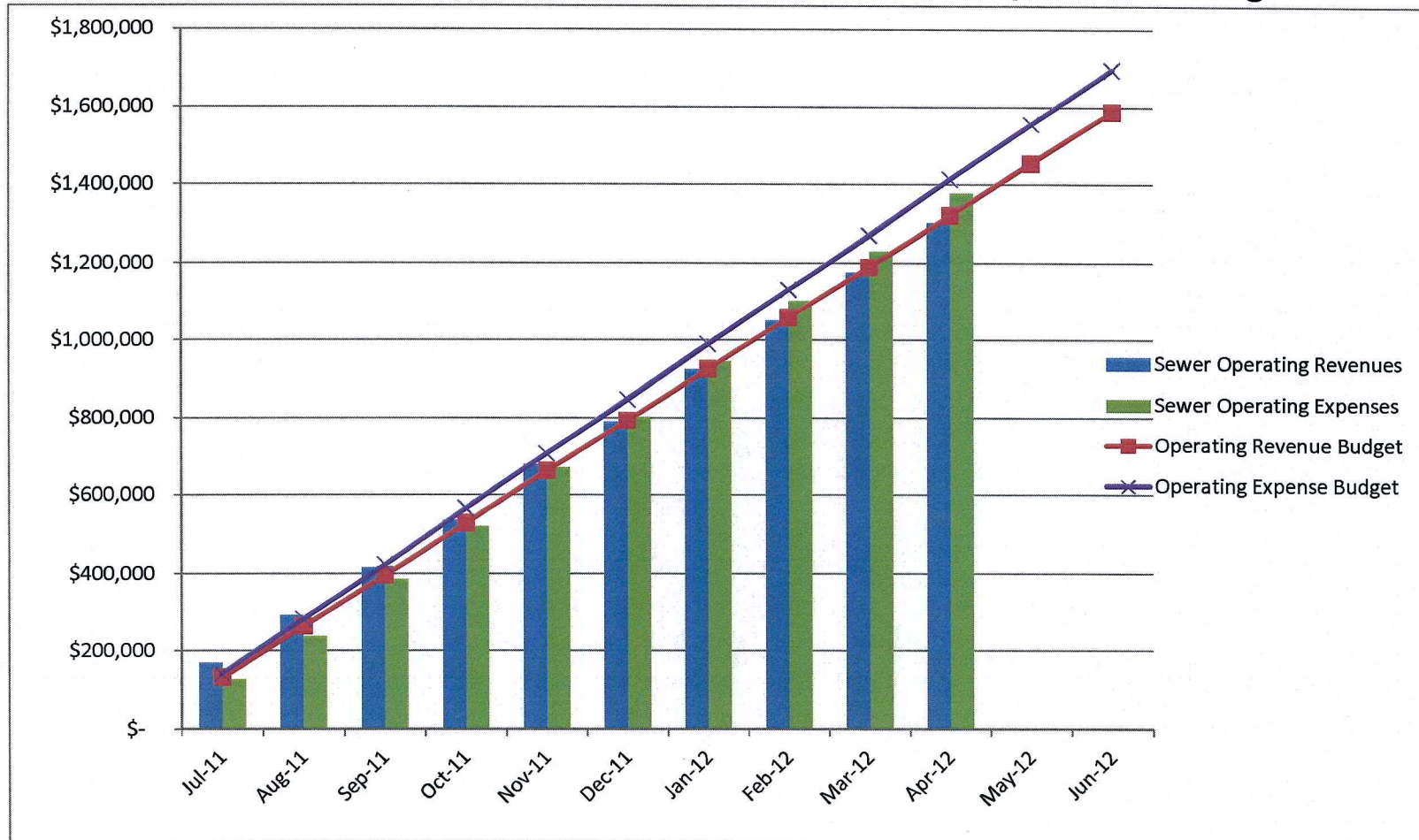
McKinleyville Community Services District April 2012

Comparison of Water Fund Operating Revenues & Expenses to Budget



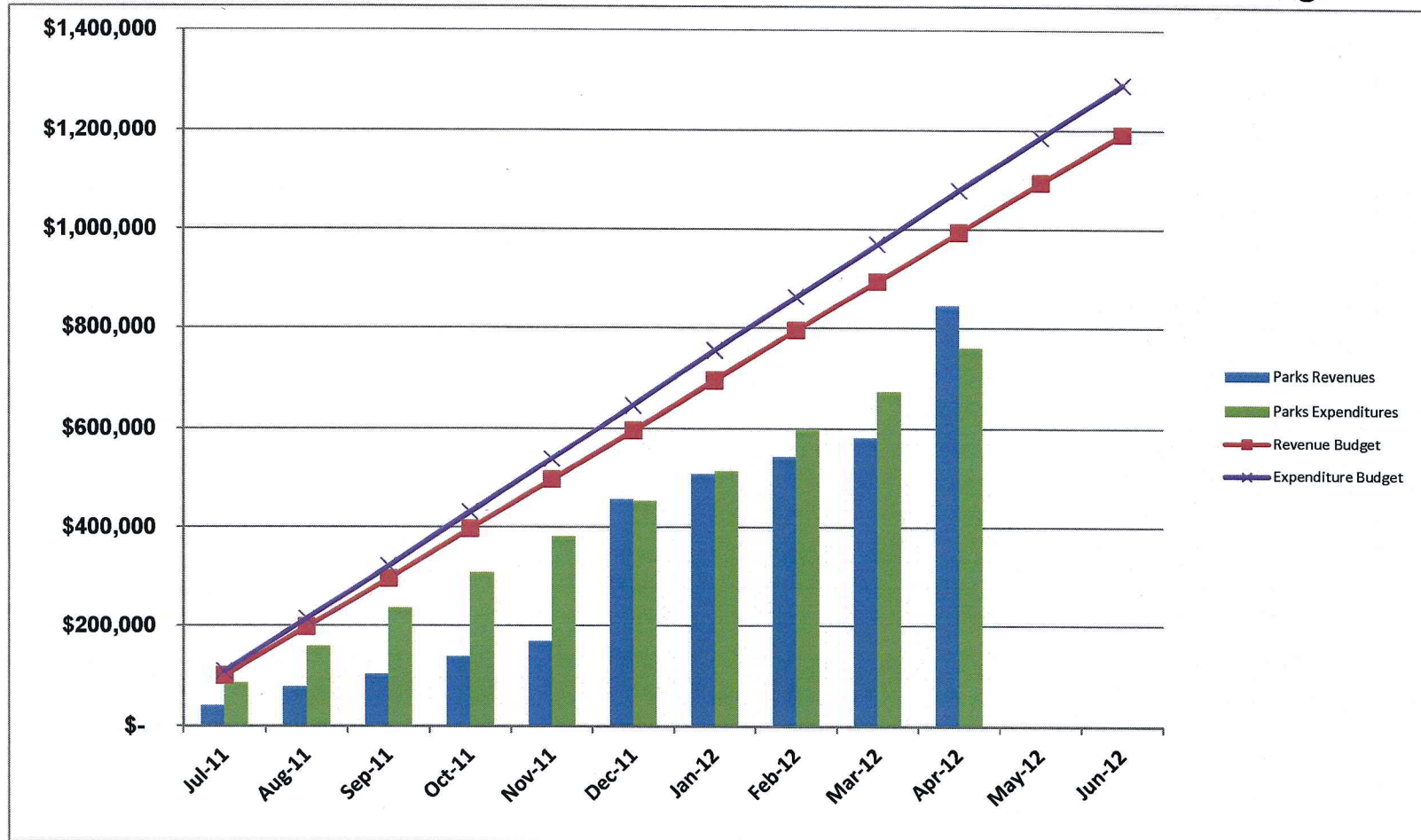
McKinleyville Community Services District April 2012

Comparison of Sewer Fund Operating Revenues & Expenses to Budget



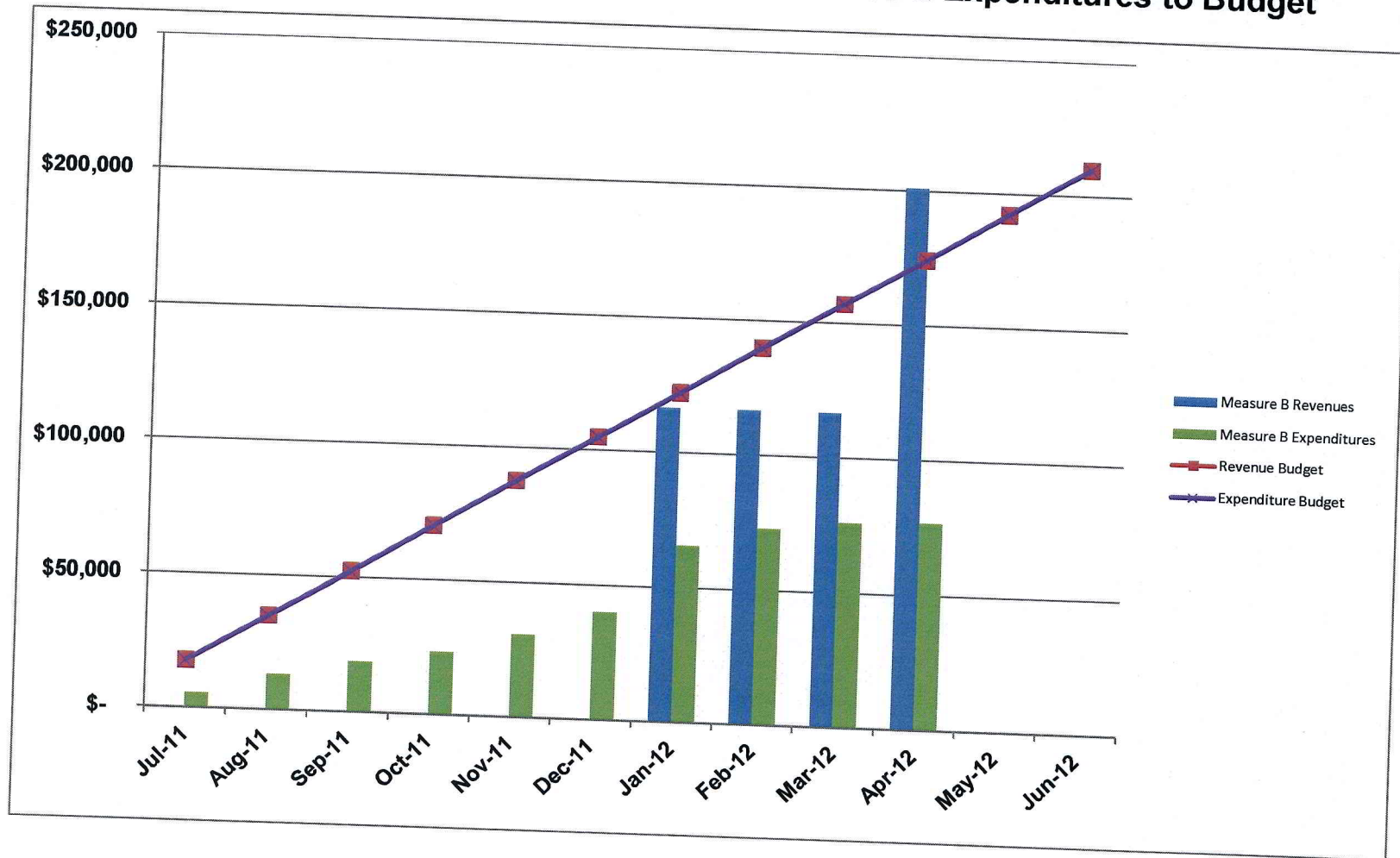
McKinleyville Community Services District April 2012

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



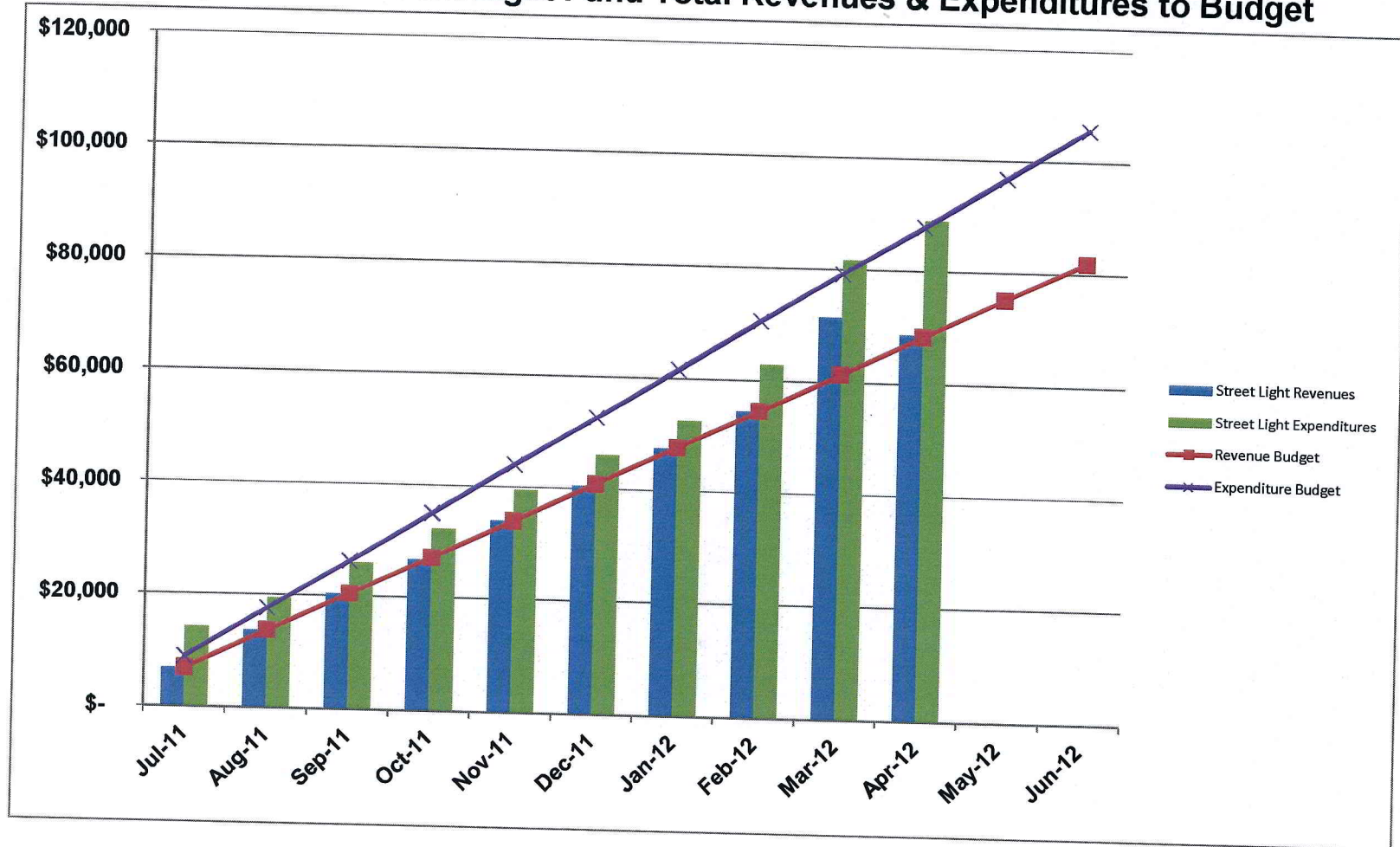
McKinleyville Community Services District April 2012

Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District April 2012

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



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

	April	YTD Total	FY 12 Budget	Remaining		Notes
				Budget \$	Budget %	
<u>Water Department</u>						
Ramey Pump Upgrades	-	28,203	5,000	(23,203)	-464%	← Although recorded in current year, capital expenditure was incurred and budgeted in FY 2010-11.
Emergency Water Line River Crossing		54,471	280,000	225,529	81%	
Water Tank Upgrade	35,429	50,169	175,000	124,831	71%	
Murray Road Tank	-	16,228	150,000	133,772	89%	
Meter Replacements	1,177	1,177	20,000	18,823	94%	
Emergency Water Supply		-	50,000	50,000	100%	
Fire Hydrant System Upgrade		-	13,000	13,000	100%	
Radio Telemetry Upgrade		-	25,000	25,000	100%	
Tank Seismic Actuators	-	5,528	7,000	1,472	21%	
Water Main Replacement		21,875	40,000	18,125	45%	
Subtotal	36,606	177,652	765,000	587,348	77%	
<u>Sewer Department</u>						
WWMF SO2/Chlorine Shut Off	-	31,780	32,000	220	1%	
WWMF Security Upgrades	-	-	6,000	6,000	100%	
WWMF Fencing & Gate		-	2,000	2,000	100%	
WWMF Grinder Maintenance	-	-	1,000	1,000	100%	
WWMF Sludge Maintenance		-	30,000	30,000	100%	
WWMF Building Maintenance		-	10,000	10,000	100%	
WWMF Upgrade/CEQA/Permitting		21,167	150,000	128,833	86%	
NPDES Permit		43,426	75,000	31,574	42%	
Radio Telemetry Upgrade	-	-	25,000	25,000	100%	
Industrial Discharge Permit		-	20,000	20,000	100%	
Lift Station Pump Upgrade		-	20,000	20,000	100%	
Property Purchases & Improvements		-	500,000	500,000	100%	
Generator Upgrade		-	2,000	2,000	100%	
Subtotal	-	96,374	873,000	776,626	89%	
<u>Water & Sewer Operations</u>						
Heavy Equipment		-	55,000	55,000	100%	
Utility Vehicles		78,418	103,117	24,699	24%	
Office, Corporate Yard & Shops		5,565	12,000	6,435	54%	
Computers & Software		18,381	32,000	13,619	43%	
Small Equipment & Other		-	44,000	44,000	100%	
Subtotal	-	102,364	246,117	143,753	58%	
Enterprise Funds Total	36,606	376,390	1,884,117	1,507,727	80%	
<u>Parks & Recreation Department</u>						
Hiller Park & Sports Complex	-	1,324	6,000	4,676	78%	
Pierson Park Upgrades	-	463	2,000	1,537	77%	
Azalea Hall Upgrades		-	25,000	6,213	25%	
McKinleyville Activity Center Upgrades		-	33,000	33,000	100%	
Law Enforcement Facility Improvements		-	6,000	6,000	100%	
Projects Funded by Quimby/Other Funds		200	195,000	194,800	100%	
Projects Funded by Measure B Renewal	414	2,654	60,000	57,346	96%	
Other Parks Projects & Equipment	1,819	3,236	15,000	11,764	78%	
Subtotal	2,233	7,877	342,000	315,336	92%	
<u>Streetlights</u>						
Pole Replacement		20,520	25,000	4,480	18%	
Governmental Funds Total	2,233	28,397	367,000	319,816	87%	
All Funds Total	38,839	404,787	2,251,117	1,827,543	81%	

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

					Principal Maturities and Scheduled Interest					
		Maturity	Balance -	Balance - April	Remaining					
	%	Date	July 1, 2011	30, 2012	for FY-12	FY-13	FY-14	FY-15	FY-16	Thereafter
Water Fund:										
I-Bank		8/1/30	-	956,034.00	-	36,731.29	37,969.13	39,248.69	40,571.37	801,513.53
Interest	3.37%				-	31,599.42	30,340.72	29,039.60	27,694.63	219,225.52
State of CA Energy Commission (ARRA)		12/22/26	148,590.00	165,100.00	-	8,239.38	10,909.36	11,018.72	11,125.84	123,806.70
Interest	1.0%				-	4,211.46	1,541.48	1,432.12	1,325.20	6,926.83
State of CA (Davis Grunsky)		1/1/33	2,082,986.88	2,010,818.45	-	73,972.64	75,821.96	77,717.50	79,660.44	1,703,645.91
State of CA (Davis Grunsky) Deferred Interest		1/1/33	374,767.29	357,732.17	-	17,035.12	17,035.12	17,035.12	17,035.12	289,591.69
Interest	2.5%				-	50,270.46	48,421.14	46,525.60	44,582.66	408,486.72
Total Water Fund-Principal			2,606,344.17	3,489,684.62	-	135,978.43	141,735.57	145,020.03	148,392.77	2,918,557.83
Total Water Fund-Interest					-	86,081.34	80,303.34	76,997.32	73,602.49	634,639.07
Total Water Fund			2,606,344.17	3,489,684.62	-	222,059.77	222,038.91	222,017.35	221,995.26	3,553,196.90
Sewer Fund:										
State of CA WRCB (SCEP I)		4/15/16	204,600.50	163,680.40	-	40,920.10	40,920.10	40,920.10	40,920.10	-
Interest	0.0%				-	-	-	-	-	-
State of CA WRCB (SCEP II)		3/27/18	176,496.09	153,178.64	-	23,923.71	24,545.72	25,183.91	25,838.70	53,686.60
Interest	2.6%				-	3,982.63	3,360.62	2,722.43	2,067.64	2,102.41
Umpqua Bank		12/4/17	303,824.30	270,543.43	6,574.52	42,282.10	44,667.13	47,186.72	49,848.42	79,721.79
Interest	5.5%				2,661.03	13,451.66	11,066.63	8,547.04	5,885.34	3,506.57
USDA (Sewer Bond)		8/1/22	805,000.00	755,000.00	-	60,000.00	60,000.00	60,000.00	60,000.00	515,000.00
Interest	5.0%				-	36,250.00	33,250.00	30,250.00	27,250.00	90,875.00
Total Sewer Fund-Principal			1,489,920.89	1,342,402.47	6,574.52	167,125.91	170,132.95	173,290.73	176,607.22	648,408.39
Total Sewer Fund-Interest					2,661.03	53,684.29	47,677.25	41,519.47	35,202.98	96,483.98
Total Sewer Fund			1,489,920.89	1,342,402.47	9,235.55	220,810.20	217,810.20	214,810.20	211,810.20	744,892.37
Total Principal			4,096,265.06	4,832,087.09	6,574.52	303,104.34	311,868.52	318,310.76	324,999.99	3,566,966.22
Total Interest					2,661.03	139,765.63	127,980.59	118,516.79	108,805.47	731,123.05
Total			4,096,265.06	4,832,087.09	9,235.55	442,869.97	439,849.11	436,827.55	433,805.46	4,298,089.27

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENTS REPORT
FOR THE PERIOD 04/01 - 04/30/2012**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
Accounts Payable Disbursements						
24604	4/3/2012	*0004	AZALEA HALL DEPOSIT REFUND	100.00	B20403	AZALEA HALL DEPOSIT REFUND
24605	4/3/2012		VOIDED CHECK			
24606	4/3/2012	ACC01	ACCESS HUMBOLDT	100.00	B20403	MEMBERSHIP APPLICATION
24607	4/3/2012	AMB01	AMBROSINI & SONS ELECTRIC	12,477.36	12942	INSTALL ST LIGHT POLES
24608	4/3/2012	ARC02	Arcata Stationers	17.26	80380	OFFICE SUPPLIES
24609	4/3/2012	COA02	COASTAL BUSINESS SYSTEMS	1,137.28	75409	QUARTERLY PAYMENT
24610	4/3/2012	COR07	JOHN W. CORBETT	200.00	B20329	DIRECTORS FEES
24611	4/3/2012	COU02	HUMBOLDT COUNTY ASSESSOR	6.56	B20329	MEASURE B MAPS
24612	4/3/2012	COU09	DAVID R. COUCH	200.00	B20329	DIRECTORS FEES
24613	4/3/2012	CUE02	LORENZO R. CUESTA	1,148.00	B20328	PROFESSIONAL SERVICES RENDERED
24614	4/3/2012	CWE01	CWEA	550.00	B20329	CONFERENCE
24615	4/3/2012	EDW01	HELEN L. EDWARDS	100.00	B20329	DIRECTORS FEES
24616	4/3/2012	FRE07	FRESHWATER ENVIRONMENTAL	1,320.00	565	PROFESSIONAL SERVICES RENDERED
24617	4/3/2012	GEX01	GEXPRO	1,525.92	144330543	GLOBAL CARE RENEWAL
24618	4/3/2012	GUA01	GUARDIAN - APPLETON	3,624.27	B20329	GROUP DENTAL INSURANCE
24619	4/3/2012	HAR13	The Hartford - Priority A	583.35	B20329	GROUP LIFE INSURANCE
24620	4/3/2012	HUM01	HUMBOLDT BAY MUNICIPAL WA	45,237.02	B20403	WTR PURCHASED MARCH 2012
24621	4/3/2012	HUM08	HUMBOLDT SANITATION	830.80	B20403	TRASH SERVICE
24622	4/3/2012	LAC01	Laco Associates	2,300.00	30716	PHASE 1 WASHINGTON AVE PROJ
24623	4/3/2012	MAY02	DENNIS MAYO	200.00	B20329	DIRECTORS FEES
24624	4/3/2012	OSC01	OSCAR LARSON & ASSOCIATES	2,652.18	3263	WATER TANK UPGRADE
24625	4/3/2012	PRE08	PRECISION INTERMEDIA	172.50	16303	MARCH WEB HOSTING
24626	4/3/2012	SHN01	SHN ENGINEERING	5,971.27	76692	NPDES PERMIT, WWMF UPGRADE
24627	4/3/2012	STA08	SWRCB ACCOUNTING OFFICE	27,906.34	B20403	SRF LOAN C-06-4259-110
24628	4/3/2012	SUD01	SUDDENLINK	173.95	B20329	INTERNET FOR APRIL 2012
24629	4/3/2012	UPS01	UPS	29.74	Y6R493122	MTR READER HANDHELD SHIPMT
24630	4/3/2012	USB01	U.S. BANK TRUST N.A.	8,145.83	B20329	SEWER BOND PAYMENT APRIL
24631	4/3/2012	USP02	USPS: ARCATA BMEU	1,500.00	B20328	BULK MAIL, PERMIT 202

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENTS REPORT
FOR THE PERIOD 04/01 - 04/30/2012**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
24632	4/3/2012	WEN01	WILLIAM WENNERHOLM, DC	200.00	B20329	DIRECTORS FEES
24633	4/9/2012	*0006	HUMBOLDT HOOPS YOUTH REFUND	110.00	B20403	HUMBOLDT HOOPS YOUTH REFUND
24634	4/9/2012	*0007	KINDERSPORTS REFUND	90.00	B20409	KINDERSPORTS REFUND
24635	4/9/2012	BAS01	BASIC LABORATORY INC.	2,466.00	1202485	LAB TESTING
24636	4/9/2012	BAY02	BAY WEST SUPPLY, INC.	916.46	B20404	JANITORIAL SUPPLIES FOR MARCH
24637	4/9/2012	CAM01	CAMPTON ELECTRIC SUPPLY	30.87	S1087291	REPAIRS/SUPPLY
24638	4/9/2012	COM01	COMMERCIAL RADIO & ELECT.	27.00	55013	PROGRAMMING
24639	4/9/2012	COR01	CORBIN WILLITS SYSTEMS	833.42	B203151	MOM SOFTWARE APRIL 2012
24640	4/9/2012	CPS01	CPS HUMAN RESOURCE SERVIC	848.00	337749	PROFESSIONAL SERVICES RENDERED
24641	4/9/2012	DEP02	CAL. DEPT. OF PUBLIC HEAL	252.00	1250070	WATER SYSTEM FEES
24642	4/9/2012	DOW01	DOWNEY BRAND ATTORNEYS LL	2,405.65	428616	PROFESSIONAL SERVICES RENDERED
24643	4/9/2012	FID01	Fidelity National Title	2,000.00	B20409	33 ACRES/NORTH BANK & AZALEA
24644	4/9/2012	FRE02	MICHAEL FREEMAN	100.00	B20329	CWEA CONFERENCE
24645	4/9/2012	GHD01	GHD	176.25	64564	PROFESSIONAL ENGINEERING
24646	4/9/2012	HAC01	HACH COMPANY	385.52	7669151	CHEMICALS FOR LAB TESTING
24647	4/9/2012	IND02	Industrial Electric Serv	54.83	5606	REPAIRS/SUPPLY
24648	4/9/2012	JAC04	JACKSON & EKLUND	8,240.00	171469	PROFESSIONAL SERVICES RENDERED
24649	4/9/2012	MCK03	MCKINLEYVILLE OFFICE SUPP	243.88	44126	EOP SUPPLIES INV 44200
24650	4/9/2012	MCK04	MCK ACE HARDWARE	808.90	B20405	JOB 11-19 NORTON TANKS
24651	4/9/2012	MCK11	MCKINLEYVILLE SENIOR CENTER	19.95	B20405	P/R SHARE OF INTERNET
24652	4/9/2012	MIL01	Miller Farms Nursery	241.54	B20405	REPAIRS/SUPPLY
24653	4/9/2012	MIL03	THE MILL YARD	13.02	242738	HARDWARE FOR BARN JOB 11-
24654	4/9/2012	MUN01	Munnell & Sherrill, Inc.	16.95	3704	SUPPLIES/ REPAIRS
24655	4/9/2012	NEC01	NEC FINANCIAL SERVICES,LL	285.92	1514612	PHONE SYSTEM FOR APRIL 2012
24656	4/9/2012	NOR01	NORTH COAST LABORATORIES	2,884.00	B20405	LAB TESTS
24657	4/9/2012	NOR03	NO. COAST VETERINARY HOSP	100.00	25449	VET SERVICES
24658	4/9/2012	NOR36	NORTH COAST PARTS & SUPPL	34.37	B20405	REPAIRS
24659	4/9/2012	ORE01	O'REILLY AUTOMOTIVE, INC.	12.32	B20405	SUPPLIES
24660	4/9/2012	ORI01	ORIENTAL TRADING CO. INC.	210.04	649952862	SUPPLIES FOR CANDYLAND

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENTS REPORT
FOR THE PERIOD 04/01 - 04/30/2012**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
24661	4/9/2012	POI01	POINTS WEST SURVEYING CO.	3,315.00	10215	PROFESSIONAL SERVICES RENDERED
24662	4/9/2012	PRE08	PRECISION INTERMEDIA	101.25	16439	APRIL WEB HOSTING/ TRAINING
24663	4/9/2012	REN01	RENNER PETROLEUM	3,749.05	B20405	FUEL FOR MARCH 2012
24664	4/9/2012	SIE01	SIERRA FOOTHILL LAB, INC.	1,415.00	107275	LAB TESTING
24665	4/9/2012	SIE02	SIERRA CHEMICAL CO.	1,604.43	230813	CHLORINE/ DEPOSIT
24666	4/9/2012	THO02	Thomas Home Center	232.37	B20405	REPAIRS/SUPPLY
24667	4/9/2012	THR02	THREE G'S HAY & GRAIN	55.76	31147	WWMF GOATS SUPPLIES
24668	4/9/2012	TRI02	TRINITY DIESEL INC.	184.00	17260	VEHICLE INSPECTIONS
24669	4/9/2012	VER01	VERIZON WIRELESS	105.60	B20405	CELL PHONES FOR MARCH 2012
24670	4/9/2012	WES09	WEST COAST PLUMBING	248.33	175324	REPAIRS/ SUPPLIES
24671	4/9/2012	\A005	MQ CUSTOMER REFUND	36.83	000B20401	MQ CUSTOMER REFUND FOR AM
24672	4/9/2012	\B018	MQ CUSTOMER REFUND	23.79	000B20401	MQ CUSTOMER REFUND FOR BR
24673	4/9/2012	\C025	MQ CUSTOMER REFUND	55.70	000B20401	MQ CUSTOMER REFUND FOR CA
24674	4/9/2012	\C026	MQ CUSTOMER REFUND	41.98	000B20401	MQ CUSTOMER REFUND FOR CH
24675	4/9/2012	\C027	MQ CUSTOMER REFUND	30.70	000B20401	MQ CUSTOMER REFUND FOR CH
24676	4/9/2012	\C028	MQ CUSTOMER REFUND	64.48	000B20401	MQ CUSTOMER REFUND FOR CH
24677	4/9/2012	\F001	MQ CUSTOMER REFUND	46.02	000B20401	MQ CUSTOMER REFUND FOR FI
24678	4/9/2012	\H028	MQ CUSTOMER REFUND	25.09	000B20401	MQ CUSTOMER REFUND FOR HU
24679	4/9/2012	\K014	MQ CUSTOMER REFUND	43.84	000B20401	MQ CUSTOMER REFUND FOR KR
24680	4/9/2012	\L017	MQ CUSTOMER REFUND	38.87	000B20401	MQ CUSTOMER REFUND FOR LE
24681	4/9/2012	\L018	MQ CUSTOMER REFUND	40.73	000B20401	MQ CUSTOMER REFUND FOR LO
24682	4/9/2012	\L019	MQ CUSTOMER REFUND	63.04	000B20401	MQ CUSTOMER REFUND FOR LU
24683	4/9/2012	\S039	MQ CUSTOMER REFUND	45.54	000B20401	MQ CUSTOMER REFUND FOR SC
24684	4/9/2012	\V009	MQ CUSTOMER REFUND	75.28	000B20401	MQ CUSTOMER REFUND FOR VA
24685	4/9/2012	\W004	MQ CUSTOMER REFUND	68.96	000B20401	MQ CUSTOMER REFUND FOR WI
24686	4/9/2012	\W025	MQ CUSTOMER REFUND	25.52	000B20401	MQ CUSTOMER REFUND FOR WI
24687	4/16/2012	*0005	AZALEA HALL DEPOSIT REFUND	100.00	B20413	AZALEA HALL DEPOSIT REFUND
24688	4/16/2012	*0008	AZALEA HALL DEPOSIT REFUND	100.00	B20413	AZALEA HALL DEPOSIT REFUND
24689	4/16/2012	*0009	REFUND FOR BABYSITTING CLASS	65.00	B20416	REFUND FOR BABYSITTING CLASS

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENTS REPORT
FOR THE PERIOD 04/01 - 04/30/2012**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
24690	4/16/2012	*0010	REFUND FOR BABYSITTING CLASS	65.00	B20416	REFUND FOR BABYSITTING CLASS
24691	4/16/2012	*0011	REFUND FOR BABYSITTING CLASS	65.00	B20416	REFUND FOR BABYSITTING CLASS
24692	4/16/2012	ACW01	ACWA HEALTH BENEFITS AUTH	44,086.47	B20413	GROUP HEALTH INS
24693	4/16/2012	*****	VOIDED CHECK			
24694	4/16/2012	ANS02	BRIAN ANSPACH	2,170.00	21	PROFESSIONAL SERVICES RENDERED
24695	4/16/2012	ATT01	AT&T	1,457.31	B20416	PHONE SERVICE
24696	4/16/2012	DEP05	DEPARTMENT OF JUSTICE	64.00	901777	FINGERPRINTING
24697	4/16/2012	HUC01	DELILAH HUCK	341.25	B20416	CONTRACT INSTRUCTOR
24698	4/16/2012	PGE01	PG & E (Office & Field)	12,206.61	B20413	GAS & ELECTRIC
24699	4/16/2012	YOU02	OLIVIA YOUNG	377.00	B20416	CONTRACT INSTRUCTOR
24700	4/17/2012	ADV05	ADVANCED INDUSTRIAL SERV	30,780.00	11639	WATER TANK UPGRADE
24701	4/23/2012	*0012	JUDI KOFFORD	94.16	B20417	AZALEA HALL DEPOSIT REFUND
24702	4/23/2012	*0013	KOOL KICKS REFUND	45.00	B20418	KOOL KICKS REFUND
24703	4/23/2012	*0014	KOOL KICKS REFUND	45.00	B20418	KOOL KICKS REFUND
24704	4/23/2012	*0015	KOOL KICKS REFUND	45.00	B20418	KOOL KICKS REFUND
24705	4/23/2012	*0016	KOOL KICKS REFUND	45.00	B20418	KOOL KICKS REFUND
24706	4/23/2012	*0017	KOOL KICKS REFUND	90.00	B20418	KOOL KICKS REFUND
24707	4/23/2012	*0018	KOOL KICKS REFUND	45.00	B20418	KOOL KICKS REFUND
24708	4/23/2012	*0019	KOOL KICKS REFUND	45.00	B20418	KOOL KICKS REFUND
24709	4/23/2012	*0020	KINDERSPORTS REFUND	50.00	B20418	KINDERSPORTS REFUND
24710	4/23/2012	*****	VOIDED CHECK			
24711	4/23/2012	*0022	AZALEA HALL DEPOSIT REFUND	100.00	B20423	AZALEA HALL DEPOSIT REFUND
24712	4/23/2012	*0023	WESLY SELLS	25.00	B20423	FINGERPRINTING REC PROGRAM
24713	4/23/2012	CAS01	CASH	184.13	B20417	REPLENISH PETTY CASH
24714	4/23/2012	COL05	COLANTUONO & LEVIN, PC	986.00	23294	PROFESSIONAL SERVICES RENDERED
24715	4/23/2012	CRO03	CROWN TROPHY PETALUMA	254.45	15481	REC PROGRAM SUPPLIES
24716	4/23/2012	GIR02	MITCH GIRARD	45.00	B20423	CONTRACTED REFEREE
24717	4/23/2012	GUA01	GUARDIAN - APPLETON	3,624.27	B20417	GRP DENTAL INSURANCE
24718	4/23/2012	HEN02	SCOTT HENDRICKSON	15.00	B20423	CONTRACT REFEREE

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENTS REPORT
FOR THE PERIOD 04/01 - 04/30/2012**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
24719	4/23/2012	HOM03	JOSE HOMEM	15.00	B20423	CONTRACT REFEREE
24720	4/23/2012	HUM42	HUMBOLDT OUTFITTERS	34.52	7088	REC PROGRAM SUPPLIES
24721	4/23/2012	IND01	INDEPENDENT BUS. FORMS	1,951.49	23635	OFFICE SUPPLIES
24722	4/23/2012	KEY01	KEY EQUIPMENT FINANCE	311.67	1205	EQUIPMENT LEASE
24723	4/23/2012	MIT01	Mitchell, Brisso, Delaney	2,862.28	30411	LEGAL SERVICES
24724	4/23/2012	PAR06	PARCEL QUEST	533.36	4-2012	SUBSCRIPTION RENEWAL
24725	4/23/2012	PGE02	PACIFIC GAS & ELECTRIC	2,468.98	B20423	STREETLIGHTS APRIL 2012
24726	4/23/2012	POI01	POINTS WEST SURVEYING CO.	1,819.00	10223	PROFESSIONAL SERVICES RENDERED
24727	4/23/2012	REM01	REMY, MOOSE AND MANLEY,LL	5,348.03	23673	PROFESSIONAL SERVICES RENDERED
24728	4/23/2012	RES03	RESTIF CLEANING SERVICE	250.00	39412	CARPET CLEANING SERVICES
24729	4/23/2012	ROU01	ROUND TABLE DEVELOPMENT C	59.79	113682	REC PROGRAM SUPPLIES
24730	4/23/2012	STA03	STATE OF CALIFORNIA	40,920.10	B20423	STATE REVOLVING LOAN-SCEP
24731	4/23/2012	STA11	STAPLES CREDIT PLAN	1,214.10	B20418	OFFICE SUPPLIES
24732	4/23/2012	UMP02	UMPQUA BANK	3,438.34	B20418	SUPPLIES PURCHASED IN MARCH 2012
24733	4/23/2012	UPS01	UPS	196.71	Y6R493152	LAB SHIPMENT
24734	4/23/2012	WAG02	ALEXI WAGNER	22.67	B20417	PLAYGROUP SUPPLIES
24735	4/30/2012	*0024	AZALEA HALL DEPOSIT REFUND	100.00	B20427	AZALEA HALL DEPOSIT REFUND
24736	4/30/2012	*0026	KINDERSPORTS REFUND	45.00	B20427	KINDERSPORTS REFUND
24737	4/30/2012	*0027	KOOL KICKS REFUND	45.00	B20427	KOOL KICKS REFUND
24738	4/30/2012	ARC02	Arcata Stationers	93.87	811701	OFFICE SUPPLIES
24739	4/30/2012	COR07	JOHN W. CORBETT	100.00	B20427	DIRECTORS FEES
24740	4/30/2012	COU09	DAVID R. COUCH	100.00	B20427	DIRECTORS FEES
24741	4/30/2012	EDW01	HELEN L. EDWARDS	100.00	B20427	DIRECTORS FEES
24742	4/30/2012	EUR07	Eureka Rubber Stamp Co.	26.58	8868	OFFICE SUPPLIES
24743	4/30/2012	FRE02	MICHAEL FREEMAN	23.30	B20425	CWEA CONFERENCE
24744	4/30/2012	MAY02	DENNIS MAYO	300.00	B20427	DIRECTORS FEES/ACWA CONFERENCE
24745	4/30/2012	NOR13	NORTHERN CALIFORNIA SAFET	80.00	18511	MONTHLY SUBSCRIPTION
24746	4/30/2012	STA09	S.W.R.C.B.	130.00	B20427	CERIFICATE RENEWAL-MF
24747	4/30/2012	UPS01	UPS	30.78	Y6R493162	LAB SHIPMENT

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENTS REPORT
FOR THE PERIOD 04/01 - 04/30/2012**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
24748	4/30/2012	USP02	USPS: ARCATA BMEU	1,500.00	B20427	PERMIT 202- BULK MAIL
24749	4/30/2012	WEN01	WILLIAM WENNERHOLM, DC	100.00	B20427	DIRECTORS FEES
Total Disbursements - Accounts Payable:				<u>315,789.90</u>		

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENTS REPORT
FOR THE PERIOD 04/01 - 04/30/2012**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
Payroll Related Disbursements						
10085-10123	4/10/2012	-	VARIOUS EMPLOYEES	16,317.85		EMPLOYEE CHECKS
10124	4/6/2012	DIR01	DIRECT DEPOSIT VENDOR- US	25,401.83	B20406	Direct Deposit
10125		*****	VOIDED CHECK			
10126	4/6/2012	EMP01	Employment Development	1,395.06	B20406	STATE INCOME TAX
10127	4/6/2012	EMP02	Employment Dev Department	9,831.77	B20331	SUI
10128	4/6/2012	HUM29	UMPQUA BANK--PAYROLL DEP.	5,030.93	B20406	FEDERAL INCOME TAX
				5,621.22	1B20406	FICA
				1,567.42	2B20406	MEDICARE
			Check Total:	12,219.57		
10129	4/6/2012	PER02	CalPERS	2,844.02	B20406	RETIREMENT
10130	4/6/2012	DOW02	MICHAEL T. DOWNEY, SHERIF	300.00	B20406	MISC DEDUCTIONS
10131	4/6/2012	AFL01	AFLAC	43.30	B20331	AFLAC (PRE-TAX)
10132	4/6/2012	PUB01	Public Employees PERS	14,978.97	B20331	PERS PAYROLL REMITTANCE
				56.08	1B20331	PERS CONTRIBUTION
			Check Total:	15,035.05		
10133	4/11/2012	-	EMPLOYEE CHECK	1,376.34		VACATION BUYOUT
10134-10160	4/25/2012	-	VARIOUS EMPLOYEES	12,385.77		EMPLOYEE CHECKS
10161	4/19/2012	DIR01	DIRECT DEPOSIT VENDOR- US	26,319.88	B20419	Direct Deposit
10162	4/19/2012	EMP01	Employment Development	8.02	B20410	STATE INCOME TAX
				1,250.30	B20419	STATE INCOME TAX
			Check Total:	1,258.32		
10163	4/19/2012	HUM29	UMPQUA BANK--PAYROLL DEP.	128.26	B20410	FEDERAL INCOME TAX
				4,686.36	B20419	FEDERAL INCOME TAX
				166.73	1B20410	FICA
				5,202.89	1B20419	FICA
				46.50	2B20410	MEDICARE
				1,450.82	2B20419	MEDICARE
			Check Total:	11,681.56		
10164	4/19/2012	PER02	CalPERS	2,799.15	B20419	RETIREMENT
10165	4/19/2012	STA14	STATE OF CALIFORNIA	8.10	B20419	VEHICLE REG. COLL
			Total Disbursements - Payroll:	139,217.57		
			Total Cash Disbursements:	455,007.47		

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Approve Hiller Park Caretaker Agreement**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends the Board approve the 2012 Hiller Park caretaker agreement as submitted.

Discussion:

The caretaker contract at Hiller Park with Mike and Cheryl Malin terminates on June 30, 2012. This agreement was last approved in 2010. Enclosed is a proposed contract for your consideration.

Legal Counsel reviewed the agreement and made minor revisions acceptable to staff. Staff met with Cheryl Malin and both parties are in agreement to extend the contract as written for a period of two years.

Alternatives:

- Take no action

Fiscal Analysis:

- Not applicable

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- 2010 Hiller Park Caretaker Agreement

INDEPENDENT CONTRACTOR AGREEMENT
Contract for Caretaking Services: Hiller Park

This AGREEMENT is entered into on June 6, 2012, by and between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, herein referred to as "DISTRICT", and Michael E. Malin and Cheryl C. Malin 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.

CONTRACTOR shall have no obligation or duty to remain on DISTRICT property during any given day (or night) after opening and closing the public restroom doors and access gates at the facility. CONTRACTOR shall have no obligation or duty to remain "on call" or otherwise available for contact by the District during any given day or night.

2. The term of this AGREEMENT shall commence on the above date and shall terminate on June 30, 2014 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 it's 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: _____
Norman Shopay, General Manager

By: _____
Michael E. Malin, Contractor

By: _____
Cheryl C. Malin, Contractor

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.1 **Approve LDA Partners as the most qualified applicant for Architecture and Planning Services for the Teen & Community Center Request for Proposal (RFP)**

PRESENTED BY: **Jason Sehon, Parks & Recreation Director; Norman Shopay, General Manager; Russell Gans (District Counsel) available for questions**

TYPE OF ACTION: **Voice Vote**

Recommendation:

The Staff recommends the Board:

- Award the bid for Architecture and Planning Services to LDA Partners for an amount not to exceed \$182,500.
- Include a 10% project contingency of \$18,250
- Authorize the General Manager to sign the necessary documents to allow the award of the contract and the notice to proceed

Discussion:

In 2012, property owners in McKinleyville supported Measure B - Renewal for Parks, Open Space, and Recreational Facilities. Measure B provides funding for the construction of a Teen and Community Center and also for the maintenance of existing and future parks and facilities.

The FY 2011/12 Parks & General Fund Capital Improvement Budget includes funding for the Architecture and Planning Services for the new facility.

MCSD drafted a Request for Proposal (RFP) held a Pre-bid meeting to answer any questions interested firms might have regarding the project.

The deadline to submit proposals was February 15, 2012. Staff reviewed the proposals with the assistance of Bonnie Oliver, a local Architect. We received three (3) proposals and initially held interviews with two (2) firms (LDA Partners and Freeman Architects). One of the proposals (i.e., the Pacific Affiliates Proposal) was originally determined to be non-responsive to material components of qualification based criteria recited in the RFP, specifically the failure to designate or utilize a California licensed architect during the design phase of the project.

At the May 2, 2012 Board meeting, the Board took no action on this item and directed staff to submit the RFP to Legal Counsel for review to consider whether language in the qualifications criteria recited in the RFP was clear, and whether the selection committee should further consider the third proposal.

After Legal review, it was determined that MCSD should interview the third applicant and obtain additional information from the third applicant regarding its proposal for drafting and architectural services relating to the project. The third applicant (Pacific Affiliates) was interviewed on May 22, 2012 by the selection committee.

During the course of that interview, Pacific Affiliates indicated that it did not initially intend to utilize a California licensed architect with respect to the project, but would utilize a combination of draftsman in association with a civil engineer to prepare plans and specifications. During the interview, Pacific Affiliates proposed to either (1) utilize a “consulting” architect at a cost increase of \$10,000.00; or (2) provide a licensed architect to lead the team at a cost increase of \$30,000.00.

Basis for Staff Recommendation:

Each of the three (3) proposals submitted and applicants interviewed were evaluated by the selection committee based on eight categories, including the following: (1) quality and responsive of written RFP Proposal; (2) project organization and integration of services; (3) project management; (4) involvement in teen/community oriented project design; (5) experience and references; (6) office location within 300 miles of site; (7) interview/oral presentation; and (8) fee and costs considerations. The selection committee most heavily weighed experience (past projects) and references, and project organization/coordination.

Having reviewed all three proposals and interviewed each applicant, the selection committee unanimously ranked LDA Partners as the most qualified and best suited consultant for the project.

LDA Partners submitted a proposal with a not to exceed limitation of \$182,500. Pursuant to the proposal, LDA Partners’ fees would be billed hourly, not to exceed the bid amount and includes a \$13,000 allowance for reimbursable expenses.

Although both the Freeman Architects and Pacific Affiliates fee estimates were less than that of LDA Partners, the selection committee was extremely impressed with LDA Partner’s staff during the interview process and their extensive experience on similarly situated projects.

LDA Partners has direct experience with similar projects and understands the importance of working with staff and members of the community throughout the design process. LDA would also bring a fresh design perspective to the project, some of which were shared during the interview process, which could

be an important key to how the center is received by the local teen community. LDA Partners' proposal demonstrated the most experience and coordination in the provision of architectural services during the project design and development stage and the implementation of that design during the construction phase and provision of project management services.

Since this project involves the preparation of architectural plans and specifications and the provision of coordinated project management services during the course of construction, LDA was determined the most qualified applicant based on its demonstrated experience and references, including design experience with 2 other teen centers and over 10 related projects.

Of the three firms that submitted proposals, LDA was deemed the most qualified with the most organized project approach and provision of integrated services.

Our goal is to finalize and enter into an agreement with LDA Partners consistent with these stated parameters so that we can hold a kick off meeting in mid-June 2012. If an agreement can not be successfully negotiated, Staff will bring this matter back to the Board for further direction.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

<u>Respective Firm</u>	<u>Associated Cost</u>
Freeman Architects	\$176,170
LDA Partners	\$182,500
Pacific Affiliates	\$125,920 (subject to increase as noted)

Environmental Requirements:

None

Exhibits/Attachments

- Request for Proposal
- LDA Partners proposal submittal
- LDA hours estimate for Architectural work

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519



MAIN OFFICE:

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

PARKS & RECREATION OFFICE:

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

REQUEST FOR PROPOSAL
Architecture and Planning Services
Teen/Community Center

December 15, 2011

The McKinleyville Community Services District (MCSD) is issuing a Request for Proposal (RFP) to provide interested consultants with sufficient information to enable them to prepare and submit proposals for consideration by MCSD for Architectural Services and Planning for the new Teen/Community Center Addition to the McKinleyville Activity Center at 1705 Gwin Road, McKinleyville, CA 95519. This project will include design and engineering for the new Teen/Community Center Addition building and related remodeling to the existing Activity Center building as well as site design and engineering required for the new Teen/Community Center and existing Activity Center property.

Sealed Proposals: Contractor will deliver eight copies (8), **the original and seven (7) copies**, to the following address:

McKinleyville Community Services District
1656 Sutter Road (or mailed to P.O. Box 2037)
McKinleyville, CA 95519
Attn: Jason Sehon, Parks & Recreation Director

By 2:00 PM on Wednesday, February 15, 2012

Proposals received after the above cited time will be considered a late bid and are not acceptable unless waived by the MCSD General Manager.

- The envelope shall be clearly marked "RFP – Teen/Community Center".
- A non-mandatory pre-bid meeting is scheduled for January 10, 2012 at 2:00 PM at the McKinleyville Center, 1705 Gwin Road, McKinleyville, CA 95519.
- Please direct questions regarding this RFP to Jason Sehon, McKinleyville Parks and Recreation Director at (707) 839-9003 or jason@mckinleyvillecsd.com.

Thank you for your interest.

Bidder's Company Name:

**REQUEST FOR PROPOSAL
ARCHITECTURE AND PLANNING SERVICES**

FOR A

NEW TEEN/ COMMUNITY CENTER

ADDITION TO THE

McKINLEYVILLE ACTIVITY CENTER

1705 Gwin Road, McKinleyville, CA

McKinleyville Community Services District

1656 Sutter Road

McKinleyville, CA 95519

McKinleyville Community Services District

P.O. Box 2037 1656 Sutter Road
McKinleyville, CA 95519

REQUEST FOR PROPOSAL
Architecture and Planning Services
Teen/Community Center

December 15, 2011

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Thank you for your interest.

PROPOSAL INFORMATION

Definitions	“Bidder”	An individual or business submitting a bid to the McKinleyville Community Services District.
	“Consultant”	One who contracts to perform services in accordance with a contract.
	“MCSD”	McKinleyville Community Services District
	“A/E”	Architectural / Engineering

PROPOSAL TERMS

A. MCSD reserves the right to reject any and all proposals received as a result of this RFP. If a proposal is selected, it will be the most advantageous regarding price, quality of service, the Consultant’s qualifications, experience and capabilities to provide the specified service and other factors that the MCSD may consider. MCSD does not intend to award a contract fully on the basis of any response made to this proposal; MCSD reserves the right to consider proposals for modifications at any time before a contract would be awarded and negotiations would be undertaken with that contractor whose proposal is deemed the best to meet MCSD’s specifications and needs.

B. MCSD reserves the right to reject any or all proposals in whole or in part, to waive or not waive informalities or irregularities in bids or bidding procedures, and to accept or further negotiate cost, terms or conditions of any bid if determined by MCSD’s sole judgment to be in the best interests of MCSD, even though not the lowest bid.

C. Proposals must be signed by an official authorized to bind the bidder to its provisions for at least a period of 90 days. Failure of the successful bidder to accept the obligation of the contract may result in the cancellation of any award.

D. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to all RFP recipients who register contact information with MCSD. Deadlines for submission of RFPs may be adjusted to allow for revisions. The entire proposal document with any amendments should be returned. To be considered, eight copies, **the original and 7 copies**, must be at the MCSD office on or before the date specified.

E. Proposals should be prepared simply and economically, providing straight forward, concise description of the bidder’s ability to meet the requirements of the RFP. Proposals shall be typewritten. No erasures are permitted. Mistakes may be crossed out and corrected and must be initialed in ink by the person signing the proposal.

F. Bidders may withdraw a proposal that has been submitted at any time up to the proposal closing date and time. To accomplish this, a written request signed by an authorized representative of the bidder must be submitted to the RFP contact. The bidder may submit another proposal at any time up to the proposed closing date and time.

G. MCSD is not liable and will not pay for any costs incurred by any bidder for the preparation and delivery of the RFP responses, nor will they be liable for any costs incurred prior to the execution of an agreement, including but not limited to presentations by RFP finalists to MCSD staff, community evaluators and board members.

H. A standard MCSD Services Agreement will be executed between MCSD and the selected consultant (see Appendix A)

PROPOSAL SPECIFICS

I. Description and Purpose of Proposed Work

This New Teen/Community Center Addition to the existing McKinleyville Activity Center will include the new Teen/Community Center building with approximately 7000 square foot conditioned area as well as remodeling to the existing McKinleyville Activity Center building as required for functionally and structurally connecting the two facilities. New parking areas, landscaping, walkways and an exterior patio are to be included as well as modification to existing site features on the adjacent MCSD properties as required by the new work.

Also included in the work is the facilitation of the merging of the lot, APN 510-401-25 to APN 510-401-15, 17, 19 & 21 (Pierson Park). Fees paid to the County of Humboldt for the processing and recording of this merger will be paid by MCSD.

MCSD will provide the bidders with program drawings: a preliminary / conceptual floor plan and preliminary exterior elevations of the proposed building (see Appendix B). A geotechnical soils report for the construction site has been prepared and is included in Appendix C.

II. Scope of Services

MCSD wishes to obtain the services of a qualified architectural firm in preparing the design plans, construction documents, engineering, etc., necessary for the accomplishment of this project. This proposal must include all phases from schematic design, design development, construction drawings, construction cost estimates, construction bidding coordination, construction administration and closeout.

This bid must include proposed design pricing for all necessary consultants and engineering. The bid must also include providing three-dimensional computer renderings of the proposed building for informational and fundraising use on the MCSD website.

The following phases are important milestones for MCSD:

PHASE 1: REVIEW OF EXISTING DOCUMENTS / PLANS

In this phase the selected design professional consultant is to review the existing McKinleyville Activity Center's design, construction and materials, and review the

preliminary program drawings and reports for the proposed Teen/Community Center facility. (MCSD's record construction plans for the existing McKinleyville Activity Center will be made available to the consultant.)

The design professional is also to meet with MCSD project team to review the specific activities to be conducted in the new facility and finalize project programming. (At least two meetings are anticipated, one for the project start up and one for follow-up input and review.) The design professional will be responsible for preparing minutes of all meetings, documenting topics discussed, actions taken and actions required and provide copies to the MCSD project team members.

PHASE 2: DESIGN DEVELOPMENT / 3-D RENDERINGS

In this phase the selected consultant is to prepare design development site and landscape plans, floor plans, exterior elevations and schematic building sections of the proposed design. The selected consultant will be responsible to meet with the MCSD project team to review the proposed design and provide feedback. Final design development drawings are to be of a quality and detail required to generate 3-dimensional computer renderings of the new Teen/Community Center for use on the MCSD website for public information and fundraising efforts. The design development drawings and computer renderings are also to be used by the consultant for a presentation to the McKinleyville Community Services District Board of Directors.

The design professional will be responsible for preparing minutes of all meetings, documenting topics discussed, actions taken and actions required and provide copies to the MCSD project team members.

A Statement of Probable Construction Cost is to be provided at the completion of the Design Development Phase.

PHASE 3: FINAL PLANS, SPECIFICATIONS AND BIDDING DOCUMENTS

In this phase the selected consultant will prepare final plans, specifications and bidding documents for the new Teen/Community Center. The selected consultant will be required to work closely with MCSD staff in preparing suitable plans, specifications and bidding documents. The new Teen/Community Center facility will require cable infrastructure to be installed for computers, telecom, intercom, printers and a video surveillance system. The consultant will be responsible to meet with the MCSD staff to review proposed equipment and systems. There must be plans provided at specific increments for owners review, markup and feedback.

A Statement of Probable Construction Cost is to be provided when the Construction Documents are 90% complete and should consist of advising MCSD of any adjustments that need to be made prior to issuing the Construction Documents for bidding. Any costs relating to revisions required to be made are the responsibility of the consultant A/E team and not MCSD.

The design professional consultant will be responsible for preparing minutes of all meetings, documenting topics discussed, actions taken, and actions required and provide copies to the MCSD project team members.

Letting the project for bid, along with advertising, will be the responsibility of MCSD. The design professional consultant will be responsible for providing electronic and reproducible copies of the bidding documents (plans, specifications, etc.) and any addendums to the bid documents. The consultant will not be responsible for the reproduction of the bidding documents.

PHASE 4: CONSTRUCTION ADMINISTRATION

In this phase the consultant will be responsible for construction administration during the construction phase of the project. This phase will last through the entire construction phase and into the occupancy phase. The following list is only a summary of the main responsibilities required during this phase. County of Humboldt Plan Check and Building Permit fees are to be paid by MCSD.

- Contractor interviews
- Weekly project meetings
- Building permit coordination
- Pay application review
- Submittal review
- Shop drawing review
- Request for Information (RFI) answering
- Prepare Change Orders and Construction Change Directives
- Weekly reports to MCSD
- Monthly status presentations to the MCSD Board of Supervisors
- Schedule reviews
- Preparation of as-built drawings
- Closeout and turnover

III. Project Control

1. The consultant will meet with selected representatives on a regular basis or as determined necessary by the MCSD Project Manager to review progress and provide necessary guidance to the consultant in solving problems which may arise.
2. Although there will be continuous liaison with the project team, the MCSD Project Manager will meet as often as required with the consultant's project manager for the purpose of reviewing progress and providing necessary guidance.
3. The consultant will on a regular basis, submit brief written summaries of the work accomplished during the reporting period, work to be accomplished during the subsequent reporting period, real or anticipated problems and notification of any significant deviation from previously agreed upon work plans.

4. Within 10 working days of the award of contract, the consultant will submit to the MCSD Project Manager for approval a work plan which includes the following:
 - a. The names and titles of personnel assigned to the project for the consultant and sub-consultants.
 - b. The project breakdown showing subprojects, activities and tasks
 - c. The time-phased plan for completing the project.

IV. Submittal Process and Details

Proposals should include the following:

1. Consultant's name, address, and name of primary contact person.
2. Provide a brief overview of your company including type of ownership, number of years in business and number of employees. Furnish your business philosophy, mission statement, management structure, organization chart.
3. Provide samples of related / comparable past projects that would serve as examples of experience and expertise necessary for this project. For each project identify the current staff working for the Consultant who have actually worked on the project. This is important because in many consultants' lists of past projects, the individuals who actually worked on the project may no longer be employed by the Consultant.
4. The bidding Consultant is encouraged to include any recommended initial changes or improvements to the provided preliminary/conceptual plans (Appendix B), based on your professional insight and experience. This should include a revised preliminary /conceptual floor plan that would address any proposed changes or improvements. Bidder's conceptual design recommendations will be a factor in the review of your proposal.
5. Provide a description of the specific staff which will comprise the project team for this assignment. Include names, company names and contact phone numbers of up to three current customers this design team is working with.
6. Document your expected workload during the project period (i.e. readiness to serve) and evidence of ability to work within tight time constraints. Provide a draft of your proposed project schedule should you be awarded the contract.
7. Provide the name, location and availability of intended sub-consultants. (While MCSD does not require consultants to be local firms, availability to discuss design questions is a primary concern.) A/E consultants are to be licensed in the State of California.
8. Provide a proposed fee structure for the work to be performed, including costs from all anticipated subcontractors. Provide a cost statement identifying hourly rates and expenses for this project. (This contract will include no reimbursable expenses.)
This information must be included in the proposal.

9. Provide a description of any work or services that would be performed “pro bono” as a charitable donation to McKinleyville Parks and Recreation.
10. Provide a list of client references.
11. Indicate any professional organizations to which you belong and describe any design awards that may be applicable.
12. Minimum Insurance Standard Guidelines / General Liability Requirements of \$1,000,000 and Professional Liability coverage with a minimum limit of \$1,000,000 each occurrence.
13. Identify and briefly describe any on-going legal proceedings or pending legal proceedings (arbitration, complaint or court action) filed by an owner or contractor against your firm for any project for which you provided architectural services in the past 5 years.

It is not the intent of this RFP to solicit an overly long response, but it is important that the firm's experience/expertise be adequately described. It will, for example be much more useful to address abilities and current staff expertise directly comparable to this project than to include an exhaustive list of all projects completed by the firm. MCSD staff will review the submitted proposals and will select firms to meet within an interview format to discuss the project and consultant qualifications in greater detail. The selected consultant will meet with MCSD to negotiate final compensation for the project, and prepare a contractual agreement between MCSD and the consultant, as soon after the final selection as is reasonable. A separate sealed estimate of breakdown of hours of the project team may be requested.

V. Preliminary schedule

A project schedule shall be provided demonstrating the time elements in weekly intervals. This project schedule must consider all major elements and their relations, as described in the Scope of Services. Please submit your proposal to meet the following proposed schedule:

Pre-bid walkthrough date	January 10, 2012
Deadline for proposals	February 15, 2012
Complete review of proposals/ Selection of firms to interview	March 30, 2012
Candidate Interviews	April 4–20, 2012
Contract Award	May 1, 2012
Kick off meeting	May 15, 2012
Construction Bidding	1 st quarter 2013
Construction begins	2 nd quarter of 2013

VI. Selection Process

The MCSD Project Team will make the final selection for the contract award. Prior to final selection, a short list of up to three firms may be selected and required to present additional information, make presentations and be interviewed by the MCSD Evaluation and Selection Project Team.

If an award is made as a result of this RFP, it shall be awarded to the consultant whose proposal is deemed most advantageous by MCSD with regard to price and other factors including but not limited to responses to RFP submittal requirements, demonstrated technical ability and expertise, financial stability, reference calls and/or recommendations, memberships, licenses or any other applicable certifications, presentations to the MCSD Evaluation and Selection Project Team and others (if applicable), work/product samples and any additional criteria deemed appropriate by MCSD which would lend itself to establishing the consultant's viability to perform the work as outlined in this RFP.

MCSD shall attempt to negotiate a contract with the consultant with the consultant who offered the most advantageous proposal at a price which MCSD determines is fair and reasonable. If MCSD is unable to negotiate a satisfactory contract with the firm selected at a price MCSD deems fair and reasonable, negotiations with that firm shall be formally terminated and MCSD shall select the next best proposal and continue until an agreement is reached or the process is terminated.

SIGNATURE PAGE

Proposed costs must be provided; the selected consultant will meet with MCSD to negotiate final compensation for the project and prepare a contractual agreement between MCSD and the consultant. The undersigned agrees to enter into an agreement with MCSD to provide the services described for:

\$ _____

_____ (above amount in words)

Signature

Date

Print Name

Title

Company Name

Type of Business (Corporation, Partnership,
Sole Proprietorship, LLC)

Company Address

City

State

Zip

Telephone #

Fax #

Email

Federal Tax ID #

The above individual is authorized to sign on behalf of the company submitting the proposal. This bid is valid for 90 days from the date of the above signature. The Contractor/ Consultant will be required to provide insurance certificates and sign a Standard McKinleyville Community Services District Service Contract (Appendix A).

Note: Please include this completed form in your proposal. Thank you.

NON-COLLUSION CERTIFICATE

I certify that this response is made without prior understanding, agreement or connection with any corporation, firm or person submitting an offer for this Request for Proposal, and is in all respects fair and without collusion or fraud.

The below signed bidder has not divulged to nor discussed or compared his/her response with other bidders and has not colluded with any other bidder or any other parties to this RFP whatsoever. Note: No premiums, rebates or gratuities to any employee or agent are permitted with, prior to, or after any delivery of materials and/or services. Any such violation will result in the cancellation of services as applicable.

Signature

Date

Print Name

Title

Company Name

Company Address

City

State

Zip

The above individual is authorized to sign on behalf of the company submitting the proposal.

Note: Please include this completed form in your proposal. Thank you.

**McKinleyville Community Services District
PO Box 2037, McKinleyville California 95519
Telephone (707) 839-3251 - FAX (707) 839-8456**

Professional Services Agreement

This Professional Services Agreement (this "Agreement") is made and entered between the parties listed below as of the date(s) set forth below. For your protection, make sure that you read and understand all provisions before signing. The terms recited as sections a through t on Pages 2 & 3 are incorporated in this document and, along with this page, constitute material terms and conditions of the Agreement between the parties.

TO: _____ DATE: _____

Agreement No. _____

The undersigned Consultant offers to furnish the following services (the "Services"):

As described in the proposal submitted by Consultant dated DATE HERE, which is attached hereto as **Exhibit A** and incorporated herein by reference. The Services shall be provided on a time and materials basis not to exceed the amounts described in **Exhibit B**, which is attached hereto and incorporated herein by reference. The scope of work for this project includes the following:

Contract price \$

Completion date _____

Payment Intervals:

Monthly

Instructions: Sign and return original. Upon acceptance by McKinleyville Community Services District, a copy will be signed by its authorized representative and promptly returned to you. Insert below, the names of your authorized representative(s).

Accepted: McKinleyville CSD

Consultant:

(Business Name)

By Norman Shopay

By _____

Title _____

Title _____

Other authorized representative(s):

Other authorized representative(s):

Gregory Orsini

Consultant agrees with McKinleyville Community Services District that:

a.

Indemnification. To the fullest extent permitted by law and consistent with California Civil Code §2782.8(a), Consultant will defend, indemnify and hold harmless McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers (collectively "District") from and against all claims, demands and damages of all persons and entities that arise out of, pertain to, or relate to the Consultant's negligent acts or omissions, recklessness, or willful misconduct in the performance (or non-performance) of the Services under this Agreement. Consultant shall not be obligated to defend or indemnify the District from and against all claims, demands and damages that arise out of, pertain to, or relate to the District's own negligent acts or omissions, recklessness, or willful misconduct or the negligent acts or omissions, recklessness, or willful misconduct of others.

b.

Standard of Care. In providing the Services under this Agreement, Consultant shall exercise that degree of skill and care ordinarily used by other reputable members of Consultant's profession, practicing in the same or similar locality and under similar circumstances.

c.

Workers Compensation Insurance. By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and that Consultant will comply with such provisions before commencing the performance of the professional services and work under this Agreement. Consultant and sub-consultants will keep workers' compensation insurance for their employees in effect during all Services covered by this Agreement.

d.

Professional Liability Insurance. Consultant will file with McKinleyville Community Services District, before beginning professional services, a certificate of insurance satisfactory to the McKinleyville Community Services District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to McKinleyville Community Services District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A:VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. The retroactive date (if any) is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the contract Services. Consultant shall purchase a one-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above prior to the commencement of any Services by the sub-consultant.

e.

Insurance Certificates. Consultant will file with McKinleyville Community Services District, before beginning professional services, certificates of insurance satisfactory to McKinleyville Community Services District evidencing general liability coverage of not

less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to McKinleyville Community Services District. The general liability coverage is to state or be endorsed to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by McKinleyville Community Services District, its directors, officers, employees, or authorized volunteers shall not contribute to it". The general liability coverage shall give McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.

- f. **Renewal Certificates.** If any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to McKinleyville Community Services District at least ten (10) days prior to the expiration date.
- g. **General Manager Authority.** Consultant shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other authorized representative(s)" on behalf of McKinleyville Community Services District.
- h. **Payment Intervals.** Payment, unless otherwise specified on Page 1, is to be 30 days after acceptance of a written invoice by McKinleyville Community Services District.
- i. **Permits and Licenses.** Permits and licenses required by governmental authorities in connection with Consultant's services will be obtained at Consultant's sole cost and expense, and Consultant will comply with applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.
- j. **Amendments and Modifications.** Any change in the scope of the professional Services to be done, method of performance, nature of materials, work provided or price thereof, or to any other matter materially affecting the performance or nature of the Services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental Agreement executed by McKinleyville Community Services District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.
- k. **Warranties.** Consultant represents and warrants that it is now, and will remain for the duration of its Services, properly licensed, qualified, experienced, and equipped to perform the Services. Consultant also represents and warrants that the Services shall be completed in strict accordance with this Agreement. Consultant further represents and warrants that the Services and the sale or use of the Services shall not infringe, directly or indirectly, on any valid patent, copyright or trademark, and Consultant shall, at Consultant's sole cost and expense, indemnify, defend and hold harmless McKinleyville

Community Services District from and against any and all claims and causes of action based on alleged or actual infringements thereof. These warranties shall survive the expiration or termination of this Agreement, and are in addition to any warranties provided by law. No payment to Consultant for any Services performed hereunder (including, without limitation, final payment) shall constitute a waiver of any Claims by McKinleyville Community Services District against Consultant relating to the Services.

- i. **Ownership of Drawings and Samples.** Consultant shall submit promptly for all drawings, details, samples and other data required or specifically requested by McKinleyville Community Services District in connection with provision of the Services, and such drawings, details, samples and other data created in connection with performance of the Services and provision of the work shall constitute the property of the McKinleyville Community Services District.
- m. **Compliance with Law/Safety.** In performance of the Services, Consultant shall, at its expense, exercise due professional care, comply strictly with, and cause all sub-consultants to comply strictly with, all laws, orders, rules and regulations of governmental authorities, including those relating to the storage, use or disposal of hazardous wastes, substances or materials, and including the procurement and payment for all necessary permits, certificates and licenses required in connection with the Services. If either Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant's (or sub-consultants) services or work provided hereunder, such party shall promptly inform the other party in writing of the existence thereof. Consultant shall comply with all applicable laws relating to safety, including without limitation the Occupational Safety and Health Act of 1970 as it may be amended from time to time, and all regulations and standards issued pursuant thereto. Consultant shall conform to the current prevailing standards of safety practice and shall observe and comply with all policies, procedures, rules and regulations of McKinleyville Community Services District.
- n. **Equal Opportunity.** In the performance of the Services there shall be no discrimination on account of race, religion, sex, sexual orientation, age or national origin and Consultant shall comply with applicable federal, state and local laws and regulations pertaining to fair employment practices, including without limitation the provisions of Executive Order 11246 as amended by the President of the United States and the rules and regulations issued pursuant thereto, unless exempted.
- o. **Termination.** McKinleyville Community Services District may, at its option, terminate this Agreement without cause at any time. If at the time of any such termination, any Services have already been provided by Consultant but are unpaid for, McKinleyville Community Services District's only obligation, if Consultant is not in default, shall be to pay for such Services actually provided by Consultant prior to the date of termination. Upon receipt of notice of termination, Consultant shall immediately stop all performance hereunder except as otherwise directed by McKinleyville Community Services District, and if Consultant is not in default, McKinleyville Community Services District shall pay to Consultant (a) the prorata portion of the agreed price based on the percentage completion of the Services which was satisfactorily completed at the time of termination, and (b) the actual net costs incurred by Consultant directly connected with the Services that was not completed prior to the date of termination; provided, however, that under no circumstances shall the total under (a) and (b) exceed the contract price stated on page one (1) of this Agreement, above. Upon such payment, title to any such items or uncompleted Services shall, at McKinleyville Community Services District's option, pass to McKinleyville Community Services District.

- p. **Default.** Upon any default by Consultant hereunder, or in the event of proceedings by or against Consultant in bankruptcy or for the appointment of a receiver or trustee or an assignment for the benefit of creditors, McKinleyville Community Services District may, at its option, terminate this Agreement without penalty or liability (except for payment for any Services completed and accepted by McKinleyville Community Services District). Consultant shall be liable to McKinleyville Community Services District for all expenses incurred by McKinleyville Community Services District in finishing the Services and any damage incurred through any default, which at the option of McKinleyville Community Services District, may be charged against any amounts due from McKinleyville Community Services District to Consultant hereunder, but Consultant's liability hereunder shall not be limited thereby and such liability shall survive the expiration or termination of this Agreement. Any remedies provided for in this Agreement are cumulative and shall be in addition to, and not in limitation of, any other rights and remedies that may be available at law or in equity. Neither party shall be in default of this Agreement until such party has received three (3) days written notification (except in the instance of a health or safety concern, in which case failure to immediately remediate the health or safety violation shall be grounds to declare a default of this Agreement), and an opportunity to cure, or in the case of an alleged default which requires more than three (3) days to cure, a reasonable time so long as the alleged defaulting party commences the remediation of the default immediately, and thereafter diligently prosecutes the same to completion.
- q. **Notices.** Notices, requests, demands, and other communications hereunder shall be in writing and delivered personally, sent by reputable overnight courier or mailed by first class, United States mail, with postage prepaid, to McKinleyville Community Services District, **PO Box 2037, McKinleyville California 95519, Attention: Norman Shopay**, and to Consultant at the address set forth below its signature, or at any other address that may be given by either party to the other in the manner provided above. Notices delivered personally or sent by overnight courier shall be deemed delivered upon receipt. Notices delivered by mail shall be deemed delivered upon the earlier of (i) receipt or (ii) the date three (3) U.S. mail delivery days after the notice was placed in the United States mail as provided above.
- r. **Headings.** All section headings are provided for convenience only, and shall not be deemed to constitute material terms and conditions of this Agreement.
- s. **Interpretation.** Both Consultant and McKinleyville Community Services District are deemed to have jointly participated in the negotiation and preparation of this Agreement. Consequently, both Consultant and McKinleyville Community Services District are considered to have drafted this Agreement in equal parts and, if any ambiguity is found to exist, all rules of law and evidence requiring ambiguities to be interpreted to the detriment of the drafting party shall not apply.
- t. **Attorneys Fees and Venue for Disputes.** If litigation becomes necessary to enforce the terms and provisions of this Agreement or as a result of any breach by Consultant or District of this Agreement, the prevailing party in any such litigation shall be entitled to recover reasonable attorney's fees and costs. The Humboldt County Superior Court for the State of California shall have exclusive jurisdiction over any dispute arising out of this Agreement or Consultant's provision of Services hereunder, and shall serve as the venue for any such dispute. All parties expressly consent to this designation of jurisdiction and venue.



Reference: 011034.040

December 9, 2011

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

**Subject: Preliminary Geotechnical Report for a Proposed Addition to the
McKinleyville Activity Center, 1685 Gwin Road, McKinleyville, California;
APN 510-401-025**

Dear Mr. Shopay:

This report documents the results of the geotechnical investigation conducted in November 2011 by SHN Consulting Engineers & Geologists, Inc. (SHN). This letter report is intended to provide findings, conclusions, and recommendations related to general geotechnical aspects of project design and construction. This report is also intended to satisfy the requirements of the Humboldt County Building Department for the proposed project.

1.0 Site Location

Address: 1685 Gwin Rd., McKinleyville, California
Assessor's Parcel Number: 510-401-025
Latitude and Longitude: 40.9427, -124.0982
The project location is shown on Figure 1.

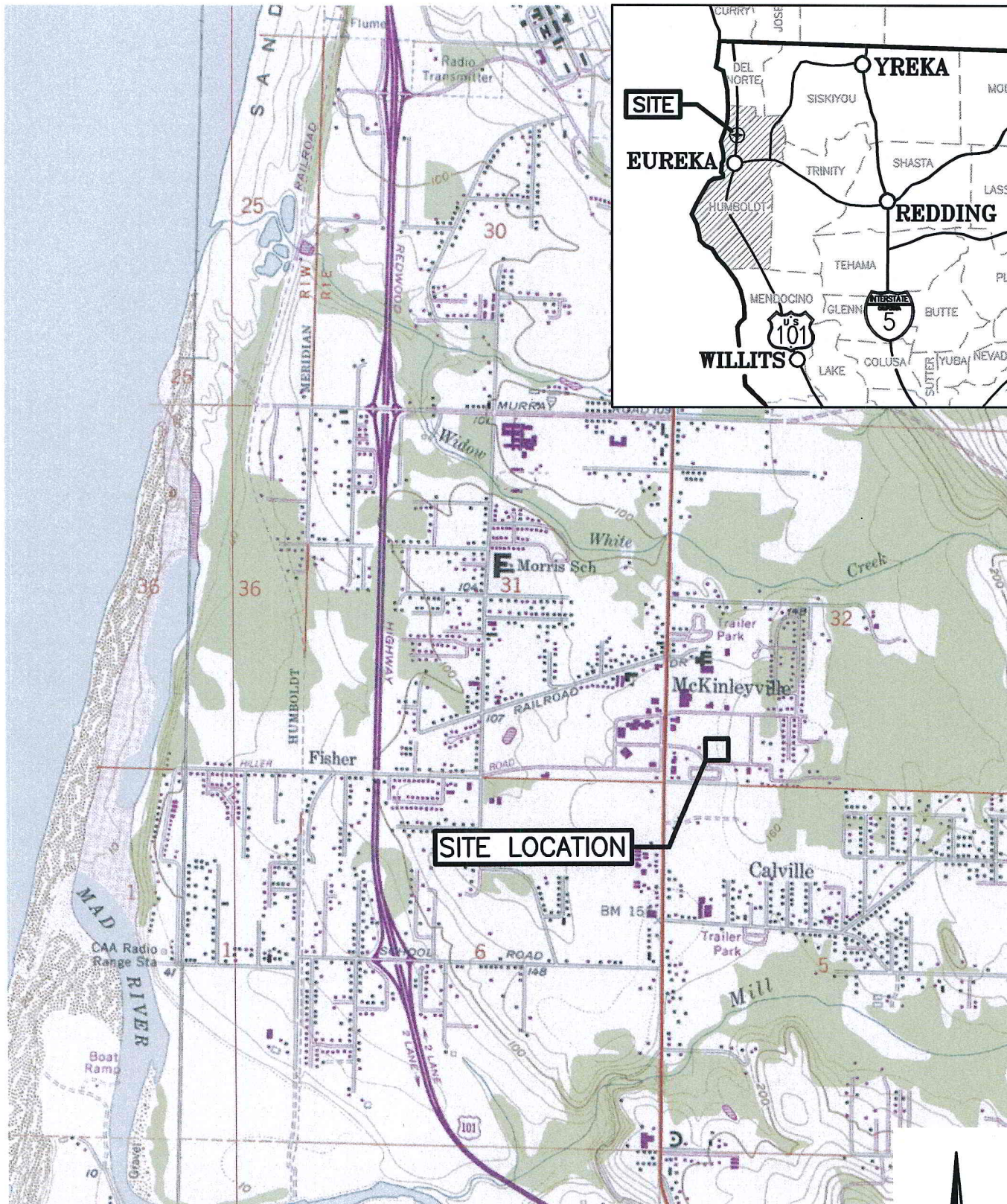
2.0 Project Description

We understand that the project consists of a one-story, approximately 6,790-square foot (97 feet by 70 feet) addition to the existing McKinleyville Activity Center. The proposed location of the addition is on the west side of the existing building and is expected to be contiguous with the existing structure as shown on the site plan, Figure 2. Foundation plans were not developed at the time of this writing and a design team has not been formed. The existing structure is a metal building with loads transferred onto a perimeter footing. Design details, especially depth and width of footings for the existing structure are unknown. We expect that the foundation system for the structure will consist of a concrete slab-on-grade and continuous perimeter footing.

3.0 Field Investigation and Laboratory Testing

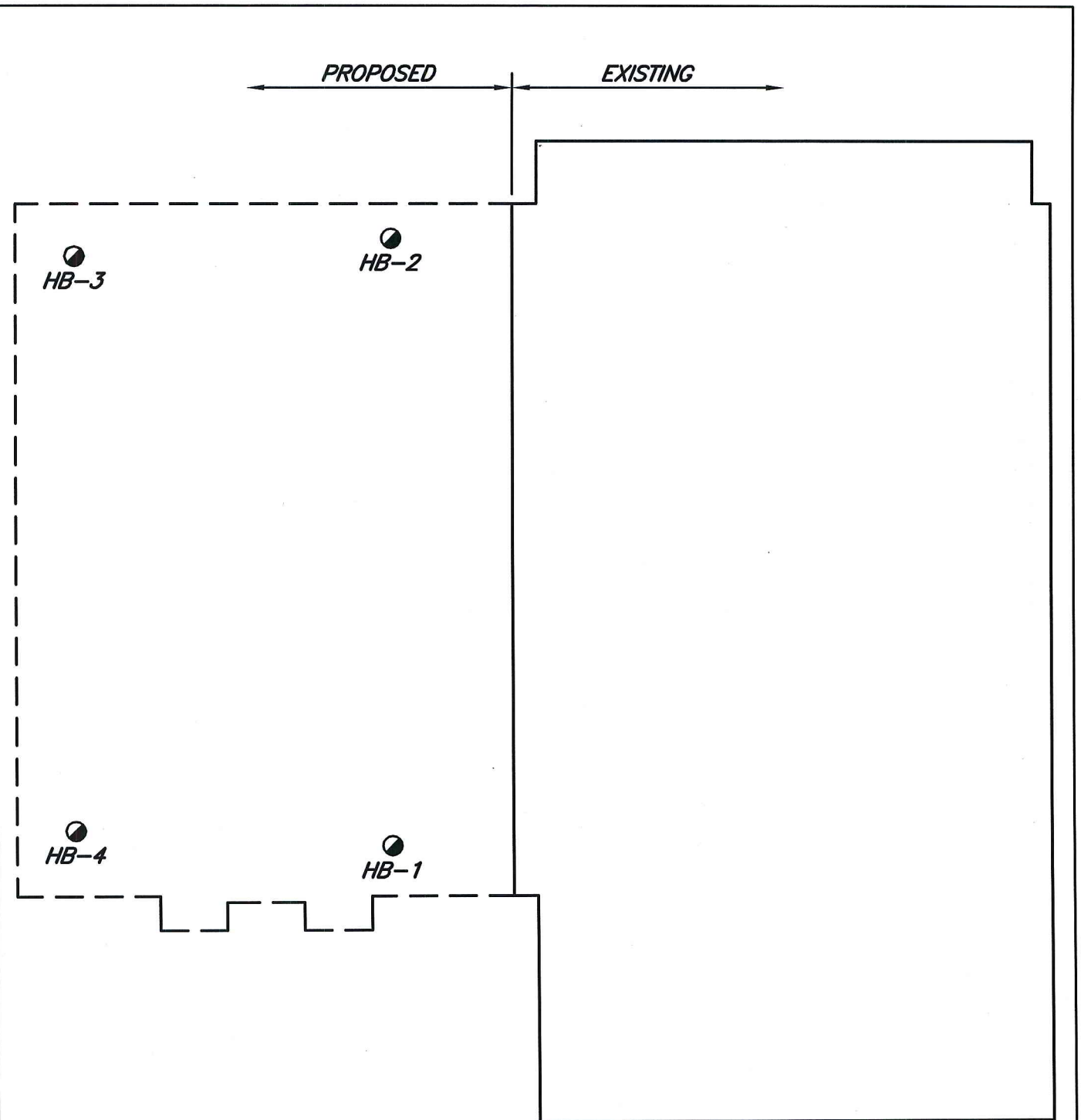
On November 10, 2011, a geologist from SHN evaluated the proposed building site. Four hand-augered borings (HB-1 through HB-4, see Figure 2) were advanced to depths ranging from 4.0 to 6.25 feet below the ground surface (BGS). Soils were logged in general accordance with the Unified Soil Classification System (USCS). Undisturbed samples were collected and laboratory moisture-density tests were conducted. Descriptions of the soil profiles and laboratory test results are presented on the attached field logs (Attachment 1).

\\Zing\projects\2011\011034-MCSD-MSA\Drawings - SAVED: 12/7/2011 1:47 PM NDOWNEY, PLOTTED: 12/9/2011 5:08 PM, NATHAN DOWNEY



SOURCE: ARCATA NORTH, TYEE CITY
USGS 7.5 MINUTE QUADRANGLES

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EXPLANATION

● **HAND AUGER BORING
LOCATION AND DESIGNATION**

□ **OUTLINE OF PROPOSED
ADDITION**

SOURCE: BASE MAP PROVIDED BY
BONNIE OLIVER ARCHITECT

NOTE: ALL LOCATIONS APPROXIMATE

SH
Consulting Engineers
& Geologists, Inc.

McKinleyville Community Services District
Family Center Soils Report
McKinleyville, California

Site Plan
SHN 011034.040

November 2011

011034-040-SITE

Figure 2

4.0 Site Conditions

The project site is situated on a broad late-Pleistocene-age marine terrace that exists throughout much of the McKinleyville area. The location of the proposed addition, west of the existing structure is generally flat with a small, 1-to 2-foot drop in elevation from soil mounds that exists in the northern portion of the proposed footprint. The surface is grass with a sidewalk within 5 feet of the existing structure.

During our investigation, we encountered varying amounts of fill in HB-1, HB-2, and HB-4. Fill materials consisted of dark brown to dark yellowish brown silty sand with gravel. Depths of the fill ranged from 1.25 feet BGS (HB-1 and HB-2) to 1.5 feet BGS (HB-4).

In general, native soils were encountered at the ground surface in HB-3 and beneath the fill in HB-1, HB-2, and HB-4. Native soil consists of dark brown sandy silt/silty sand (SM/ML) organic topsoil overlying medium dense to dense yellowish brown silty sand (SM) to the maximum depths explored. The dark brown color is attributed to a high concentration of organic material, which is typical of topsoil in the area. The topsoil extends to between 2.25 and 4.25 feet BGS. Descriptions of soils encountered in our borings are presented on the Attachment 1.

Groundwater was not observed during our investigation. Water levels can be expected to fluctuate in response to seasons, storm events, and other factors, and may become higher or lower than indicated by the subsurface observations made.

From our site investigation and our understanding of site geology and soils conditions, we estimate the site can be categorized as a Site Class D (stiff soil profile) in the upper 100 feet, for determining seismic loads for structural design as outlined in the 2010 California Building Code (CBC).

5.0 Geologic Hazards

- The principal geologic hazard at the site is strong to very strong levels of seismic shaking produced by earthquakes generated on the Mad River fault zone, or other regional sources along the north coast. The closest state-designated active faults to the project site are the Mad River fault, about 4,000 feet to the southwest, and the McKinleyville fault, about 5,000 feet to the northeast,
- The project site is not located within an Alquist Priolo Fault Hazard Zone.
- The project site is located on a flat lying surface, and we conclude that it has a negligible risk of slope instability or creep.
- The project site is not within a 100-year flood zone.
- We conclude that risk of liquefaction and lateral spreading are negligible to low due to the Pleistocene age of any underlying sand layers that may exist.
- The tsunami risk is considered negligible.

6.0 Conclusions and Discussion

Based on the results of our field and laboratory investigations, it is our opinion that the project site can be developed as proposed. The addition should be designed and built in accordance with the

Mr. Norman Shopay

Geotechnical Report for a Proposed Addition to the McKinleyville Activity Center, 1685 Gwin Road, McKinleyville, California; APN 510-401-025

December 9, 2011

Page 3

2010 CBC and the preliminary recommendations within this report. We do not expect the structure to contribute or be subject to substantial geologic hazards throughout the economic life span of the project.

The primary geotechnical site considerations are undocumented fill that was encountered in three of our borings and underlying organic topsoil. The latter is susceptible to compression that could result in excessive total and differential settlement of the proposed foundation system. These soils are typical of soils encountered in the McKinleyville area. To our knowledge, the fill is undocumented and is, therefore, considered inadequate for uniform support of the concrete slab in its existing condition.

The upper topsoil typically is of relatively low density and tends to be compressible when subjected to foundation loads. The material is unsuitable for reuse as structural fill. Typical recommendations where these conditions are encountered in the past have included:

- extend footing excavations down through the darker colored topsoil, into competent light-colored native soil; and
- remove the unsuitable topsoil and replace it with structural fill or weak sand cement slurry to support conventional shallow foundations.

No high plasticity clayey soils were encountered, therefore the risk of adverse consequences to the structure from expansive soils is considered low.

7.0 Recommendations

7.1 Seismic Design Criteria

We recommend that the proposed structure be designed and built to withstand strong seismic shaking. The minimum standard for construction of the structure should be in accordance with the 2010 California Building Code for the most seismically active areas.

Based on the Site Class and the latitude and longitude, we calculated the design spectral response acceleration parameters S_s , S_1 , F_a , F_v , S_{MS} , S_{M1} , S_{DS} , and S_{D1} using the United States Geological Survey (USGS) seismic calculator program, "Seismic Hazard Curves, Response Parameters, Design Parameters: Seismic Hazard Curves, and Uniform Hazard Response Spectra," v. 5.1.0, dated February 10, 2011. The resulting design spectral response acceleration parameters are presented in Table 1.

Table 1 Seismic Design Criteria	
Latitude	40.9427
Longitude	-124.0982
Site Class	D
S_s	2.690
S_1	1.051
F_a	1.0
F_v	1.50
S_{MS}	2.690
S_{M1}	1.576
S_{DS}	1.793
S_{D1}	1.051
Occupancy Category	II
Seismic Design Category	E

7.2 Site Preparation and Grading

In developing site grading recommendations, two options are envisioned:

1. Keep the site grade at about the existing grade, which will minimize importing fill. This will result in a finished floor slab lower than that of the existing building. However, the existing fill must be excavated and replaced as structural fill.
2. Raise the site grade to be equal to that of the existing building. This will result in excavating and compacting the existing fill and importing clean fill. This will also result in deeper foundations to the competent soils that were encountered below the organic topsoil.

There are utilities adjacent to the existing building that should be identified and relocated. As appropriate, notify Underground Service Alert (1-800-624-2444) prior to commencing site work, and use this location service and other methods to avoid injury or risk to life from underground and overhead utilities, and to avoid damaging them.

If site grades will not change appreciably (not including pavement or concrete slab and underlying base): Foundations are to be extended to the underlying non-organic native soil, regardless of site grade. To support the concrete slab, we recommend that existing fill be removed and replaced to a sufficient depth so that a relatively uniform 12 inches of compacted structural fill provides the support for the concrete slab-on-grade. There may be areas where additional fill is placed over existing fill to achieve site grade. Where that occurs, we recommend that the existing surface be proof-rolled to detect any soft areas and to induce compression of loose fill. The existing fill is suitable for reuse as structural fill; topsoil is not suitable.

If site grade is to be raised: This will extend the depth of foundations and the width of foundation excavations. The existing undocumented fill should be excavated and may be reused as structural fill prior to importing clean fill. Undocumented fill should be excavated for a distance of 5 feet beyond the proposed addition area, measured at the bottom of the excavation. This material may be reused as structural fill. A firm and unyielding surface should be established before additional structural fill is placed to raise site grade .

Structural fill may be required to raise the grades to support the floor slab. Structural fill material should consist of relatively non-plastic (Liquid Limit less than 40, Plasticity Index less than 14) material containing no organic material or debris, and no individual particles over 6 inches across. If gravel is used, it should be well graded, to include a variety of particle sizes to minimize relatively large void spaces, into which fine grained soils can migrate. We suggest the use of well-graded granular soils (sand, gravel) for fill, because these soils are relatively easy to moisture condition and compact.

Structural fill should be placed to design grades and compacted to a minimum of 90% of the maximum relative dry density as determined by the current American Society for Testing and Materials-International (ASTM) D1557 test method.

7.3 Foundations

Foundations should be sized, reinforced, and embedded at least to the minimum values in the 2010 California Building Code. However, because the existing topsoil is unsuitable for foundations support, one of the following options should be implemented:

1. Remove topsoil during site grading to expose the underlying yellow-brown native soil that is competent and removed from the site. Structural fill should be used to replace the unsuitable topsoil.
2. Leave topsoil in place and deepen foundations to extend at least 6 inches in the underlying yellow-brown native soil.
3. Leave topsoil in place and deepen foundation excavations to extend to the underlying yellow-brown native soil. The width of the excavation should be twice the width of the assumed perimeter footing. Backfill may consist of structural fill or a weak sand-cement slurry (2-sack mix) that is placed to raise the surface to the minimum foundation depth. Alternately, structural fill can be placed to subgrade elevation to allow foundation excavations to be cut neat into this material.

Foundations in native soil (not topsoil) may be designed so they do not exceed an allowable bearing capacity of 2,500 pounds per square foot (psf) for dead plus live loads. This value may be increased by one-third to account for the short-term effects of wind and/or seismic loading. Settlement estimates are provided under "Section 6.0: Conclusions and Discussion," above.

Any backfill soils placed alongside footings should be compacted to a minimum of 90% per the ASTM D 1557 test method.

A horizontal friction coefficient of 0.35 may be used for the footing-soil contact. Frictional resistance may be calculated in conjunction for short-term loadings (such as, lateral foundation resistance in response to wind or earthquake loadings). On the basis that structural fill will provide this temporary resistance, an allowable lateral passive pressure represented by an equivalent fluid weighing 300 pounds per cubic foot is appropriate.

The ground surface around the structure perimeter should be sloped away, or other design measures implemented to provide positive surface water drainage away from perimeter foundation areas.

We are not aware of design or construction details regarding the foundation system for the existing structure. Specifically, the depth of embedment of the perimeter footing and supporting soil (native competent soil, topsoil, structural fill) are not known. This determination should be made to assist the structural engineer in design if the new addition is to be tied into the existing structure.

7.4 Slabs-on-Grade

Concrete slabs-on-grade may be supported directly on at least 6 inches of crushed rock over structural fill that is placed in accordance with this report. If a moisture-sensitive floor covering is anticipated for the building, a vapor barrier should be used to minimize transmission of soil moisture and gas (methane, radon) up through floor slab. Typically, vapor barrier thickness

should be 10 to 15 mils. The vapor barrier shall be in accordance with ASTM E-1745, "Standard Specifications for Vapor Barrier Retarders used in Contact with Soil or Granular Fill under Concrete Slabs." The product should be installed in accordance with the manufacturer's recommendations. There are many manufacturers that provide this product including, but not limited to, Sto-Cote Products (TU-TUFF), Griffolyn Company (T-65), 10 to 14 mil Stego Wrap, or any polyethylene vapor reduction membrane at least 10 mils in thickness. The membrane should be overlapped at least 12 inches and taped at joints. Concrete typically is poured directly on the vapor barrier, which has the added benefit of allowing a shorter concrete bleeding time and preventing water from leaving the concrete and wetting the subgrade. It is a common practice to cover the membrane with a few inches of sand to protect the membrane during construction, especially if the membrane is thin (around 10 mil) and to aid in concrete curing. Whether or not a sand layer is placed above the membrane, the membrane should be protected from tearing or puncture during construction.

8.0 Closure and Limitations

The analyses, conclusions, and recommendations contained in this report are based on site conditions that we observed at the time of our investigation, data from our subsurface explorations and laboratory tests, our current understanding of proposed project elements, and on our experience with similar projects in similar geotechnical environments. We have assumed that the information obtained from our limited subsurface explorations is representative of subsurface conditions throughout the site.

If the scope of the proposed construction, including the proposed loads, grades, or structural locations, changes significantly from that described in this report, our recommendations should also be reviewed.

If there is a substantial lapse of time between the submission of our report and the start of work at the site, or if conditions have changed due to natural causes or construction operations at or adjacent to the site, we should review our report to determine the applicability of the conclusions and recommendations considering the changed conditions and time lapse. This report is applicable only to the project and site studied.

The conclusions and recommendations presented in this report are professional opinions derived in accordance with current standards of professional practice. No representation, express or implied, of warranty or guarantee is included or intended. Our recommendations are tendered on the assumption that design of the improvements will conform to their intent.

The field work was conducted to investigate the site characteristics specifically addressed by this report. Assumptions about other site characteristics, such as hazardous materials contamination, or environmentally sensitive or culturally significant areas, should not be made from this report.

Mr. Norman Shopay

Geotechnical Report for a Proposed Addition to the McKinleyville Activity Center, 1685 Gwin Road, McKinleyville, California; APN 510-401-025

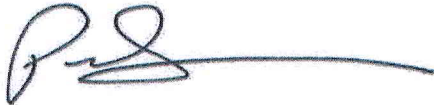
December 9, 2011

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This report concludes our work on the project in accordance with our current agreement. If you have any questions, please call either of us at 707-441-8855.

Sincerely,

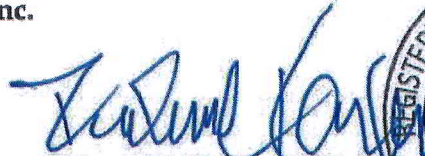
SHN Consulting Engineers & Geologists, Inc.



Paul R. Sundberg
Staff Geologist

PRS:RWH/JPB:lms

Attachment 1. Field Boring Logs



Richard W. Hanford, P.E., G.E.*
Senior Geotechnical Engineer



References Cited

ASTM E-1745, "Standard Specifications for Vapor Barrier Retarders used in Contact with Soil or Granular Fill under Concrete Slabs."

California Building Standards Commission. (2010). *2010 California Building Code-Title 24 Part 2, Two-Volumes*. Based on International Building Code (2009) by the International Code Council. Sacramento:California Building Standards Commission.

United States Geologic Survey. (February 10, 2011). "Seismic Hazard Curves, Response Parameters, Design Parameters: Seismic Hazard Curves, and Uniform Hazard Response Spectra," v. 5.1.0. NR:USGS.

---. (NR). Arcata North and Tyee City 7.5-Minute Quadrangles. NR:USGS.

Attachment 1

Field Boring Logs



METHOD OF SOIL CLASSIFICATION

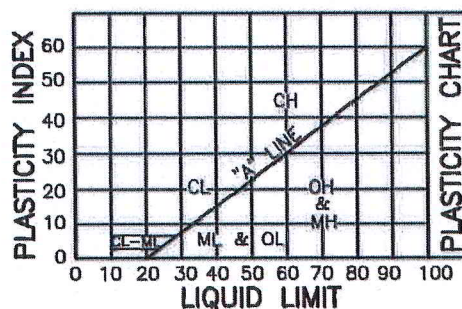
MAJOR DIVISIONS		SYMBOLS	TYPICAL NAMES
COARSE GRAINED SOILS (MORE THAN 1/2 OF SOIL >NO. 200 SIEVE SIZE)	<u>GRAVELS</u> (MORE THAN 1/2 OF COARSE FRACTION > NO.4 SIEVE SIZE)	GW	WELL GRADED GRAVELS OR GRAVEL-SAND MIXTURES, LITTLE OR NO FINES
		GP	POORLY GRADED GRAVELS OR GRAVEL-SAND MIXTURES, LITTLE OR NO FINES
		GM	SILTY GRAVELS, GRAVEL-SAND-SILT MIXTURES
		GC	CLAYEY GRAVELS, GRAVEL-SAND-CLAY MIXTURES
	<u>SANDS</u> (MORE THAN 1/2 OF COARSE FRACTION < NO.4 SIEVE SIZE)	SW	WELL GRADED SANDS OR GRAVELLY SANDS, LITTLE OR NO FINES
		SP	POORLY GRADED SANDS OR GRAVELLY SANDS, LITTLE OR NO FINES
		SM	SILTY SANDS, SAND-SILT MIXTURES
		SC	CLAYEY SANDS, SAND-CLAY MIXTURES
FINE GRAINED SOILS (MORE THAN 1/2 OF SOIL <NO. 200 SIEVE SIZE)	<u>SILTS & CLAYS</u> LIQUID LIMIT LESS THAN 50	ML	INORGANIC SILTS AND VERY FINE SANDS, ROCK FLOUR, SILTY OR CLAYEY FINE SANDS OR CLAYEY SILTS WITH SLIGHT PLASTICITY
		CL	INORGANIC CLAYS OF LOW TO MEDIUM PLASTICITY, GRAVELLY CLAYS, SANDY CLAYS, SILTY CLAYS, LEAN CLAYS
		OL	ORGANIC SILTS AND ORGANIC SILTY CLAYS OF LOW PLASTICITY
	<u>SILTS & CLAYS</u> LIQUID LIMIT GREATER THAN 50	MH	INORGANIC SILTS, MICACEOUS OR DIATOMACEOUS FINE SANDY OR SILTY SOILS, ELASTIC SILTS
		CH	INORGANIC CLAYS OF HIGH PLASTICITY, FAT CLAYS
		OH	ORGANIC CLAYS OF MEDIUM TO HIGH PLASTICITY, ORGANIC SILTY CLAYS, ORGANIC SILTS
		HIGHLY ORGANIC SOILS	

CLASSIFICATION CHART

CLASSIFICATION CHART

CLASSIFICATION	U.S. STANDARD SIEVE SIZE
BOULDERS	ABOVE 12"
COBBLES	12" TO 3"
GRAVEL COARSE FINE	3" TO NO. 4 3" TO 3/4" 3/4" TO NO. 4
SAND COARSE MEDIUM FINE	NO. 4 TO NO. 200 NO. 4 TO NO. 10 NO. 10 TO NO. 40 NO. 40 TO NO. 200
SILT & CLAY	BELOW NO. 200

GRAIN SIZE CHART



PLASTICITY CHART

CONSISTENCY OF FINE GRAINED SOILS		DENSITY OF COARSE GRAINED SOILS	
CLASSIFICATION	COHESION (PSF)	CLASSIFICATION	STANDARD PENETRATION (BLOW COUNT)
VERY SOFT	0-250	VERY LOOSE	0-4
SOFT	250-500	LOOSE	4-10
MEDIUM STIFF	500-1000	MEDIUM	10-30
STIFF	1000-2000	DENSE	30-50
VERY STIFF	2000-4000	VERY DENSE	50+
HARD	4000+		

MOISTURE CLASSIFICATIONS

DRY
DAMP
MOIST
WET

BASED ON UNIFIED
SOILS CLASSIFICATION
SYSTEM

BORING LOG KEY

SAMPLE TYPES



DISTURBED
SAMPLE
(BULK)



HAND
DRIVEN TUBE
SAMPLE



1.4" I.D.
STANDARD
PENETRATION
TEST SAMPLE
(SPT)



2.5" I.D.
MODIFIED
CALIFORNIA
SAMPLE
(SOLID WHERE RETAINED)



CORE
BARREL
SAMPLE
(NOT RETAINED)



CORE
BARREL
SAMPLE
(RETAINED)

SYMBOLS



INITIAL WATER LEVEL



STABILIZED WATER LEVEL



GRADATIONAL CONTACT



WELL DEFINED CONTACT

SS

SPLIT SPOON



Consulting Engineers & Geologists, Inc.

812 West Wabash, Eureka, CA 95501 ph. (707) 441-8855 fax. (707) 441-8877

PROJECT: Proposed Teen/Family Center

JOB NUMBER: 011034.040

LOCATION: SE Corner of Proposed Addition

DATE DRILLED: 11/10/2011

GROUND SURFACE ELEVATION: Approx 152 Feet MSL

TOTAL DEPTH OF BORING: 6.0 Feet

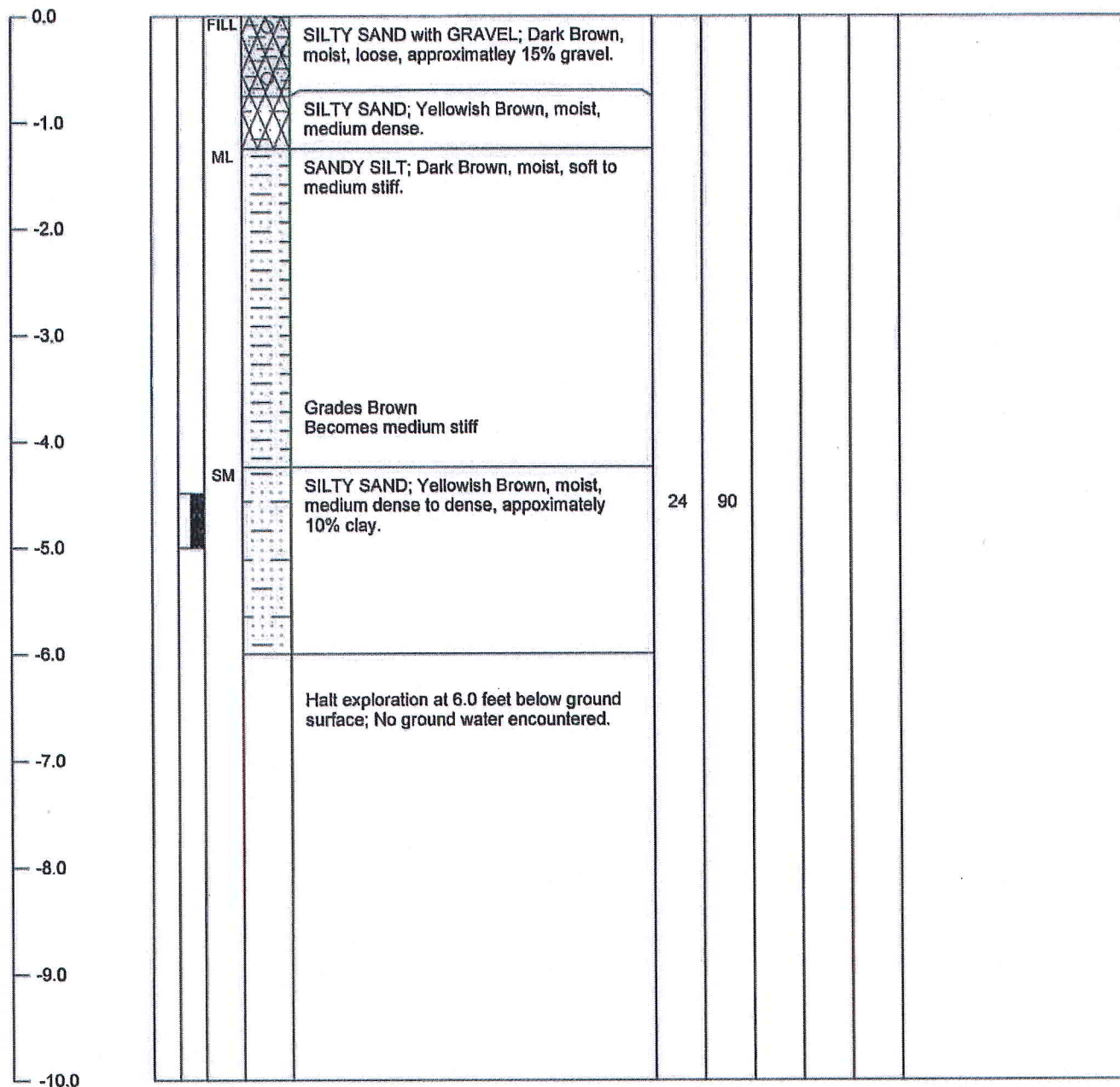
EXCAVATION METHOD: 3" Hand Auger

SAMPLER TYPE: 2.5-inch thin-walled tube

LOGGED BY: PRS

BORING
NUMBER
HB-1

DEPTH (FT)	BULK SAMPLES TUBE SAMPLE	USCS	PROFILE	SOIL DESCRIPTION (ASTM D 2488)	% Moisture	Dry Density (pcf)	Unc. Com. (pcf)	U.C. (pcf) by P.P.	% Passing 200	REMARKS
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The log and data presented are a simplification of actual conditions encountered at the time of drilling at the drilled location. Subsurface conditions may differ at other locations and with the passage of time.

FIELD LOG

Page Number 1 of 1



Consulting Engineers & Geologists, Inc.

812 West Wabash, Eureka, CA 95501 ph. (707) 441-8855 fax. (707) 441-8877

PROJECT: Proposed Teen/Family Center

JOB NUMBER: 011034.040

LOCATION: NE Corner of Proposed Addition

DATE DRILLED: 11/10/2011

GROUND SURFACE ELEVATION: Approx 150 Feet MSL

TOTAL DEPTH OF BORING: 5.5 Feet

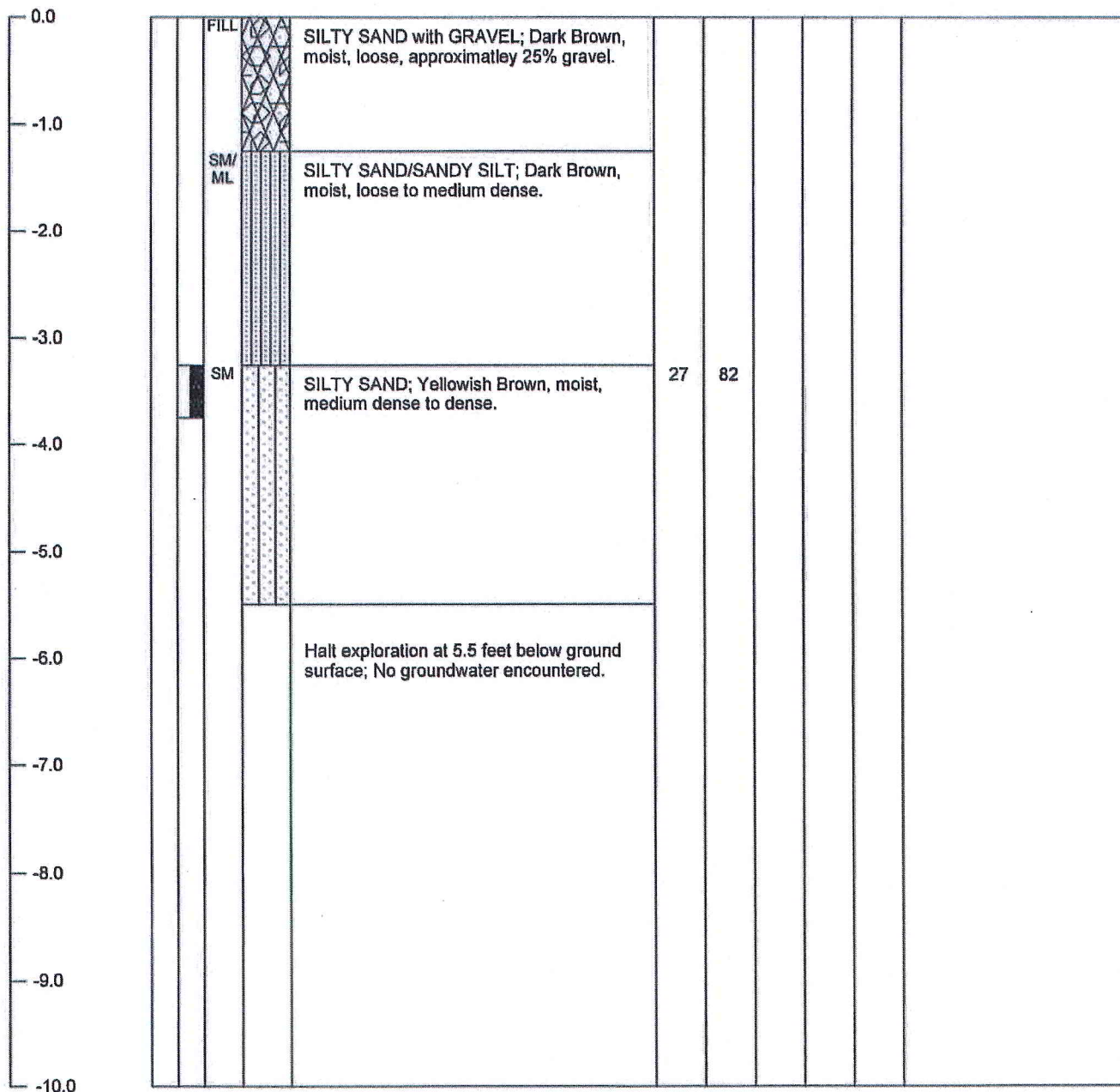
EXCAVATION METHOD: 3" Hand Auger

SAMPLER TYPE: 2.5-inch thin-walled tube

LOGGED BY: PRS

BORING
NUMBER
HB-2

DEPTH (FT)	BULK SAMPLES TUBE SAMPLE	USCS	PROFILE	SOIL DESCRIPTION (ASTM D 2488)	% Moisture	Dry Density (pcf)	Unc. Cor. (pcf)	U.C. (pcf) by P.P.	% Passing 200	REMARKS
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The log and data presented are a simplification of actual conditions encountered at the time of drilling at the drilled location. Subsurface conditions may differ at other locations and with the passage of time.

FIELD LOG

Page Number 115 of 1



Consulting Engineers & Geologists, Inc.

812 West Wabash, Eureka, CA 95501 ph. (707) 441-8855 fax. (707) 441-8877

PROJECT: Proposed Teen/Family Center

JOB NUMBER: 011034.040

LOCATION: NW Corner of Proposed Addition

DATE DRILLED: 11/10/2011

GROUND SURFACE ELEVATION: Approx 150 Feet MSL

TOTAL DEPTH OF BORING: 4.0 Feet

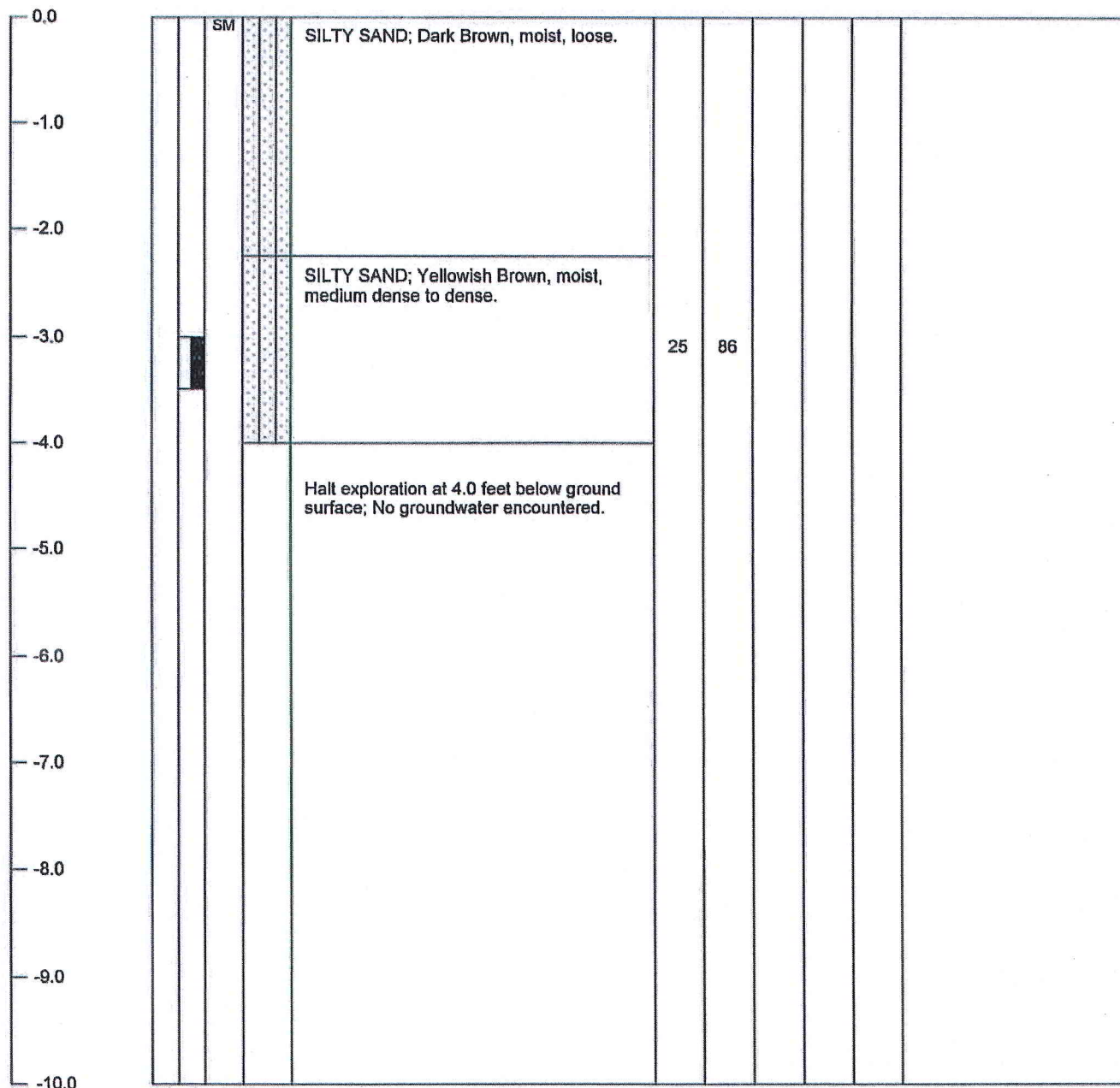
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SAMPLER TYPE: 2.5-inch thin-walled tube

LOGGED BY: PRS

BORING
NUMBER
HB-3

DEPTH (FT)	BULK SAMPLES TUBE SAMPLE	USCS	PROFILE	SOIL DESCRIPTION (ASTM D 2488)	% Moisture	Dry Density (pcf)	Unc. Cor. (pcf)	U.C. (pcf) by P.P.	% Passing 200	REMARKS
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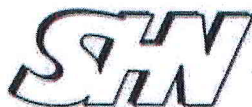


The log and data presented are a simplification of actual conditions encountered at the time of drilling at the drilled location. Subsurface conditions may differ at other locations and with the passage of time.

FIELD LOG

Page Number 1 of 1

116



Consulting Engineers & Geologists, Inc.

812 West Wabash, Eureka, CA 95501 ph. (707) 441-8855 fax. (707) 441-8877

PROJECT: Proposed Teen/Family Center

JOB NUMBER: 011034.040

LOCATION: SW Corner of Proposed Addition

DATE DRILLED: 11/10/2011

GROUND SURFACE ELEVATION: Approx 152 Feet MSL

TOTAL DEPTH OF BORING: 6.25 Feet

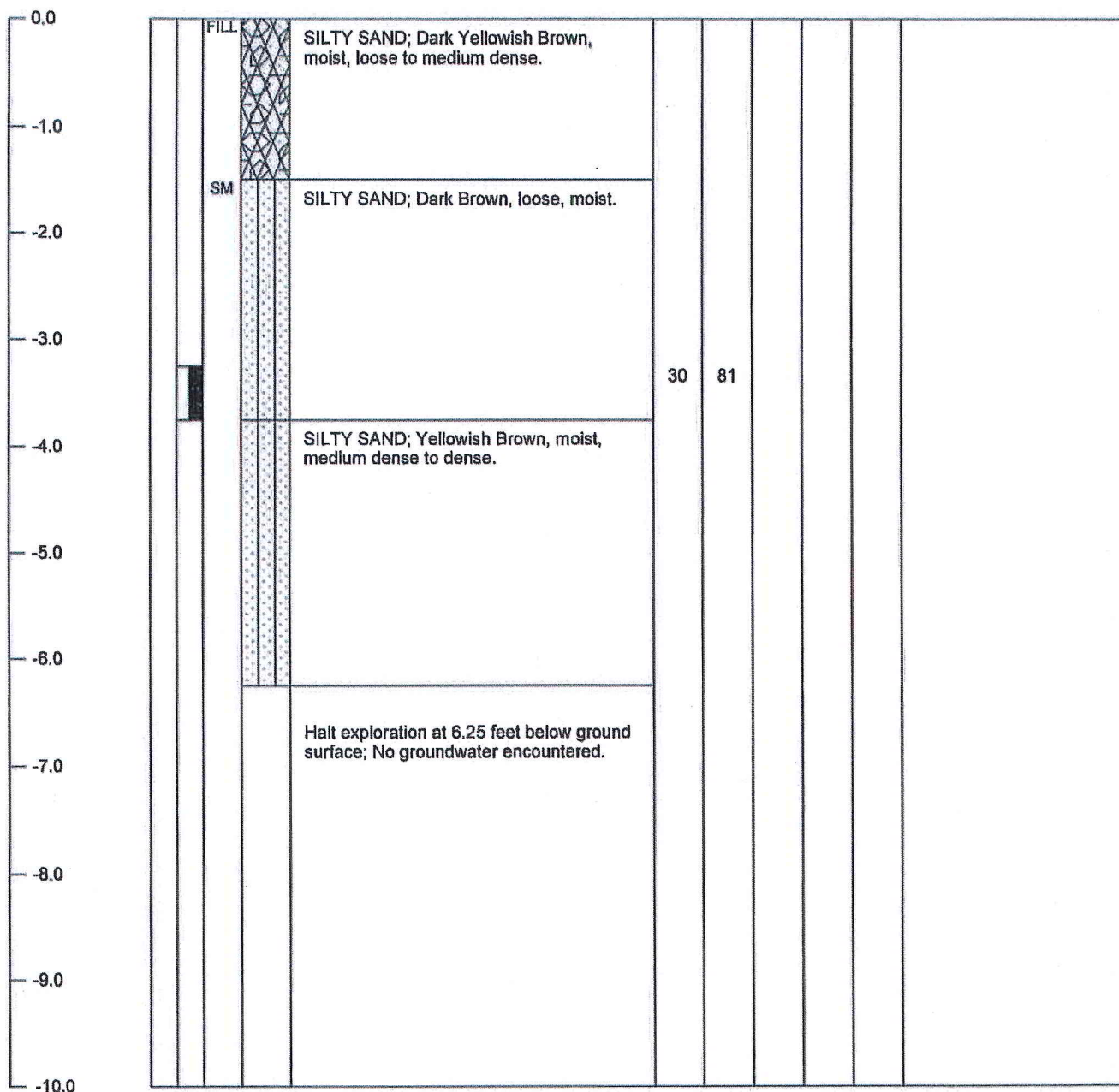
EXCAVATION METHOD: 3" Hand Auger

SAMPLER TYPE: 2.5-inch thin-walled tube

LOGGED BY: PRS

**BORING
NUMBER
HB-4**

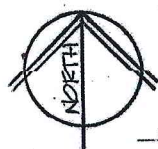
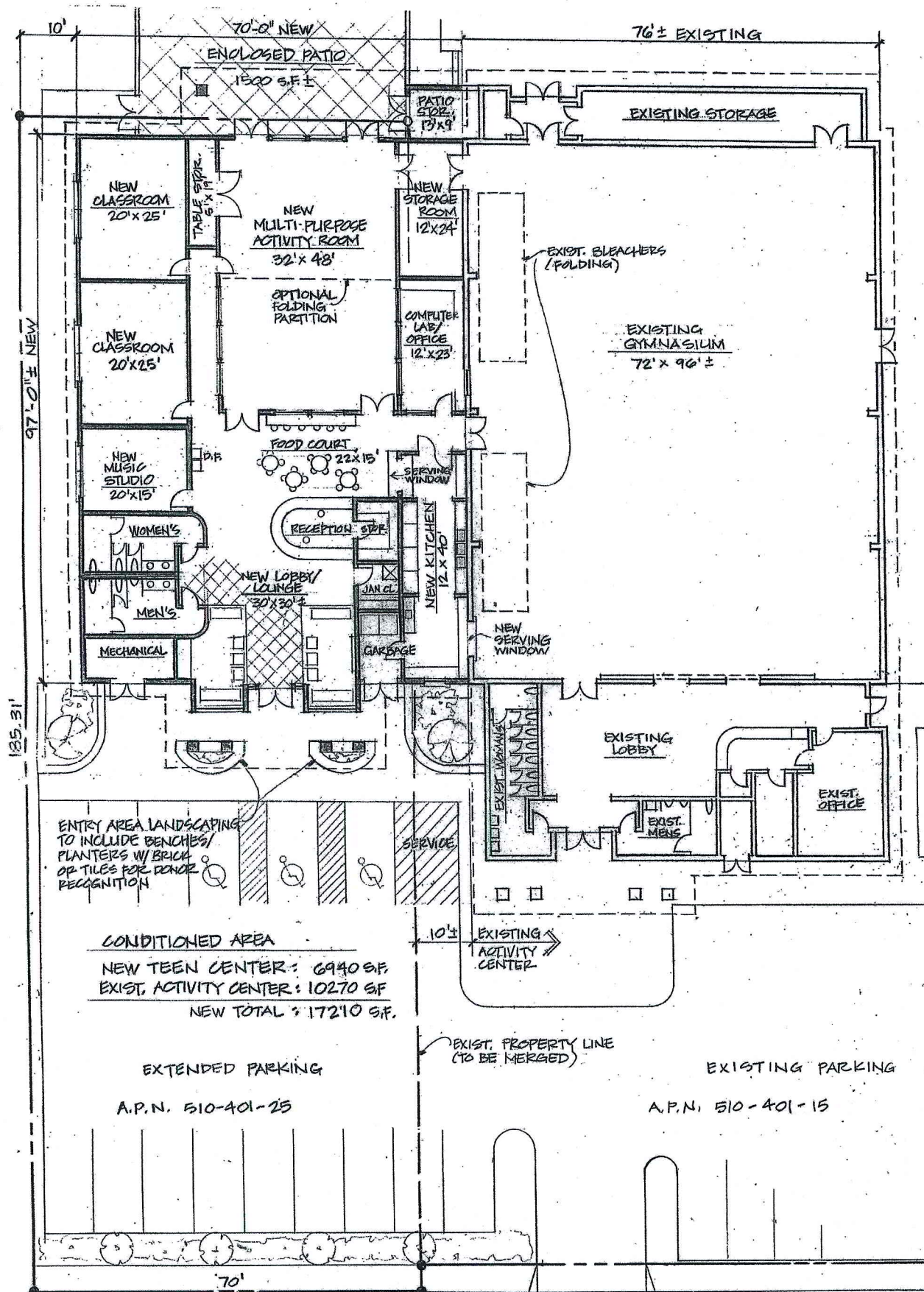
DEPTH (FT)	BULK SAMPLES TUBE SAMPLE	USCS	PROFILE	SOIL DESCRIPTION (ASTM D 2488)	% Moisture	Dry Density (pcf)	Unc. Cor. (pcf)	U.C. (pcf) by P.P.	% Passing 200	REMARKS
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The log and data presented are a simplification of actual conditions encountered at the time of drilling at the drilled location. Subsurface conditions may differ at other locations and with the passage of time.

FIELD LOG

Page Number 1 of 1

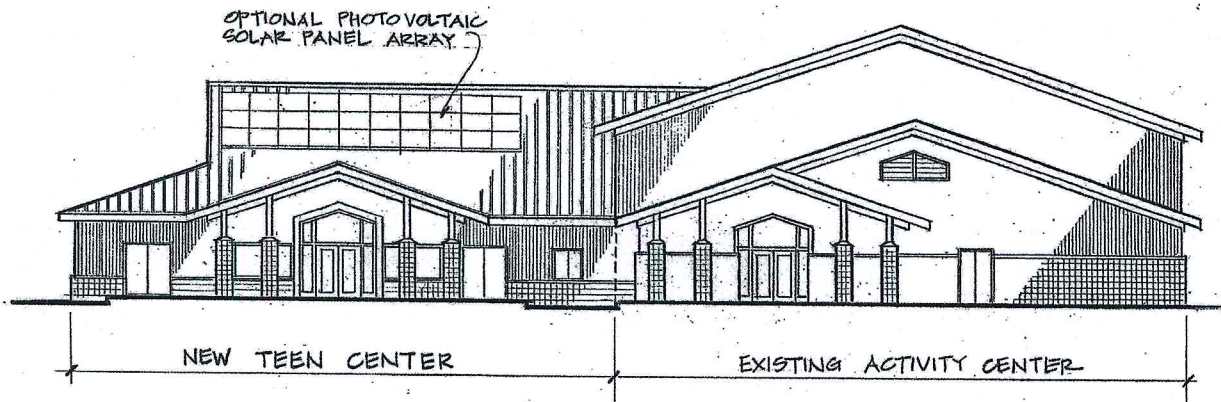


PRELIMINARY FLOOR PLAN

SCALE: 1/8" = 1'-0"

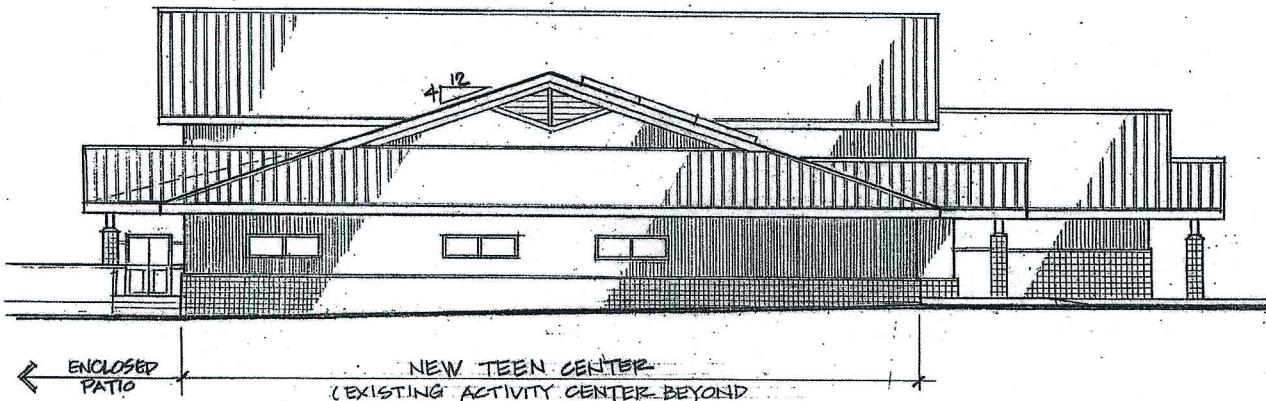
TEEN / COMMUNITY CENTER
ADDITION TO THE EXISTING ACTIVITY CENTER
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT





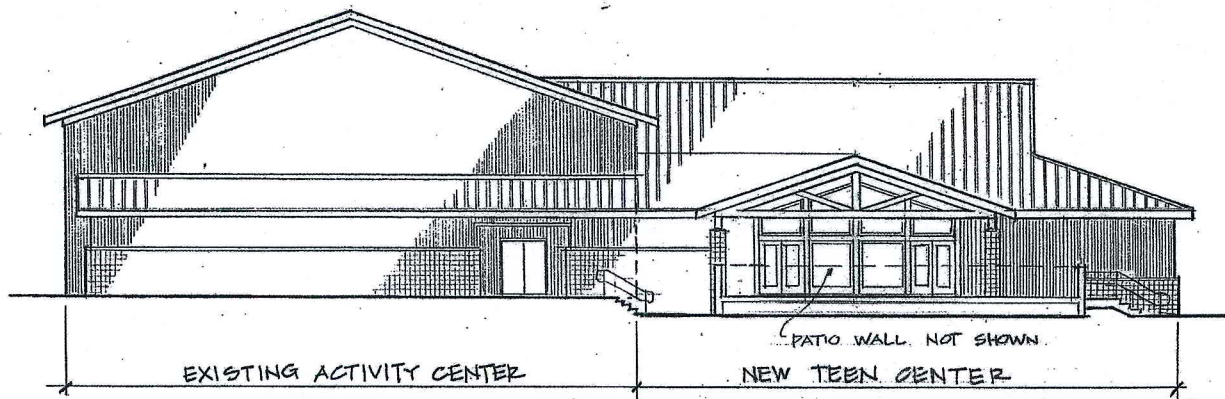
PRELIMINARY SOUTH ELEVATION

SCALE: 1/16" = 1'-0"



PRELIMINARY WEST ELEVATION

SCALE: 1/16" = 1'-0"



PRELIMINARY NORTH ELEVATION

SCALE: 1/16" = 1'-0"

TEEN/COMMUNITY CENTER
ADDITION TO THE EXISTING ACTIVITY CENTER
 MCKINLEYVILLE COMMUNITY SERVICES DISTRICT





McKinleyville Teen Center

Scope of Work, per trade

19 April 2012

Architectural

Phase I – Building Assessment

- Assessment of existing facilities with regard to function & layout, Title 24 accessibility compliance, building code concerns, additional items that may need to be resolved prior to design.
- Coordination of up to 3 meetings with the Teens / Public to define spatial criteria and facilities. Design program with the District and community representatives to further define space requirements and building systems necessities. Notification to the Public about meeting times & dates shall be the responsibility of the District.
- Review and evaluate existing program elements for the facility.
- Based upon findings identified within the building assessment and program meetings, prepare conceptual space plans based upon Owner's program requirements and concepts. Revise conceptual space plan(s) as required to achieve "approved" plan. *Proposal contemplates two (2) plan revisions maximum to achieve "approved" plan.*
- Prepare schematic design drawings based upon the approved Conceptual Plan
- Incorporation of District comments into Schematic Design Documents.
- Incorporate required changes from Schematic Design Review

Phase II – Schematic Design, Design Development & Construction Documents

- Prepare and further develop approved Schematic Drawings to greater detail to achieve complete Construction Document package.
- Based upon an "approved" design, prepare construction documents consisting of the following:
 - Architectural and Construction Documents and Specifications
 - Interior Design and Documents
 - On Site Civil Engineering and Documents and Specifications
 - Site Remediation Documents and Specifications
 - Landscape Design and Documents and Specifications
 - Kitchen layout & Design Documents
 - Structural Engineering and Documents and Specifications
 - Mechanical and Plumbing Engineering and Documents and Specifications
 - Electrical Engineering and Documents and Specifications
- Make Plan Check corrections per Bldg Dept comments as required.
- Provide 1 Value engineering Session with the District and the local construction community.
- Presentation of final Construction Documents and Specifications for Bid.
- Provide clarification to Bid items, respond to bidding inquiries, prepare addenda as required.

Phase III - Construction Administration

- Assist the Owner during in their solicitation of contractor bids as necessary to assure accurate interpretation of the drawings.
- Assist the District in administration of the Bid.
- Coordinate with District's Project Manager with regard to Construction Administration and support services.
- Process all submittals, respond to Contractor inquiry's, review Change Order Requests with due diligence to the District.
- Proposal limits Construction Administration to hours billed against service. Additional Construction Administration to be billed on an hourly basis as identified in this Proposal.

Civil

The proposed site civil work and survey work will include boundary survey, existing conditions mapping, grading/drainage design, on-site utility coordination, project management, coordination with the design team, and plan check coordination for the base design. The proposed scope of work is outlined below:

Phase I:

Review of Existing Documents

- A. Review the existing plans and documents for the existing McKinleyville Activity Center. Assist in up to one meeting with the design team
- B. Conduct a property boundary survey of APN 510-401-025 (Parcel 4 per 27 Parcel Maps 89 & 90), including encumbering easements as disclosed in a current preliminary title report to be provided by MCSD.
- C. Produce existing conditions topographic survey of APN 510-401-025 and a portion of APN 510-401-015 sufficient to tie in to the existing gymnasium location and grades. Mapping will be provided at a scale of 1 inch = 40 feet, and a contour interval of 1 foot.
- D. Prepare land descriptions for the purpose of merging APNs 510-401-025 and 510-401-015.
- E. Project Management: Project management will be limited to up to one team meeting with MCSD and the Architect, general communications will be through the Architect (phone, email), invoicing, and interaction with regulators. SHN estimates that Project Management can be completed on a time and expenses basis, for a time expended allowance of \$1,000. This fee is based on a project timeline of one month for this task.

Design Development

- A. Prepare preliminary plans for design development:
 - a. Site Civil Layout. Review site plan (by others) and create site civil layout showing locations of civil improvements based on the existing survey control. The site plan will include the dimensioned layout of all proposed improvements.
 - b. Grading/Drainage Plan including:
 - i. Preliminary stormwater conveyance calculations, design, and management. We anticipate the design facilities will comply with the County of Humboldt for post development flows, but will be conveyed to an existing stormwater treatment and detention facility.
 - ii. The grading and drainage plan will show preliminary finish grades of sidewalks, parking areas, driveways, and connections to existing

sidewalks and buildings roads based on the established finished floor elevation of the existing and ADA requirements. The grades will be adequate for use in creation of 3-D renderings

- B. Attendance at coordination meetings with project team
- C. Submittal of Preliminary Plans for review and up to one revision
- D. Project Management: Project management will include participating in up to three conference calls with MCSD and the Architect, general communications will be through the Architect (phone, email), conducting site visits, invoicing, and interaction with regulators. SHN estimates that Project Management can be completed on a time and expenses basis, for time expended allowance fee of \$1,500. This fee is based on a project timeline of two months.

Phase II

Construction Documents & Specifications

- A. Prepare final plans including:
 - a. Site Civil Layout. Review site plan (by others) and create site civil layout showing locations of civil improvements based on the existing survey control. The site plan will include the dimensioned layout of all proposed improvements.
 - b. Grading/Drainage Plan including:
 - i. Stormwater conveyance final calculations. We will utilize low impact design by incorporating permeable pavements, grass swales, detention facilities, and other techniques to mimic the natural hydrologic cycle and reducing stormwater volume.
 - ii. The grading and drainage plan will show designed finished grades of sidewalks, parking areas, driveways, and connections to existing sidewalks and roads based on the established finished floor elevation of the proposed building and ADA requirements. Details of driveways, sidewalks, construction Best Management Plans (BMPs), drainage facilities, and A/C paving will be included as needed.
 - c. Utility Plans, The utility plan will show designed sewer, water, and fire protection connections from existing approved facilities to within 5 feet of the proposed buildings. Task includes:
 - i. Coordination with MEP Engineers
 - ii. Identification of site water and wastewater utilities
 - iii. Details of connections, valves, trench sections, and other appurtenances
 - d. Erosion and Sediment Control Plan in accordance with County of Humboldt requirements
 - e. Miscellaneous detail sheets, up to two
- B. Attendance at up to three coordination meetings with project team
- C. Preparation of technical specifications and construction cost estimate for site civil work
- D. Submittal of 90% and 100% design packages
- E. Our deliverable is anticipated to be the preparation of up to six plan sheets and specifications as described above, up to one revision of the site plan, and the coordination and plan submittal to Architect.
- F. Project Management: Project management will include participating in bi-weekly conference calls with MCSD and the Architect, general communications will be with the Architect (phone, email), conducting site visits, invoicing, and interaction with regulators. SHN estimates that Project Management can be completed on

a time and expenses basis, for time expended allowance fee of \$2,000. This fee is based on a project timeline of three months.

Phase III

Construction Administration

- A. SHN will provide assistance during the bidding process. Our services are limited to the following:
 - a. Attend pre-bid meeting
 - b. Respond to Requests for Information (up to 3)
 - c. Prepare bid addenda if needed
- B. SHN will provide assistance during the construction phase. Our services are limited to the following:
 - a. Attend pre-construction meeting
 - b. Respond to Requests for Information (up to 3)
 - c. Review and respond to submittals (up to 4)
 - d. Prepare change orders and construction change orders if needed (up to 2)
 - e. Preparation of record drawings based on red line markups from the Contractor and/or MCSD.
- C. Project Management Project management will include participating in bi-weekly conference calls with MCSD and the Architect, general communications with MCSD and the Architect (phone, email), conducting site visits, invoicing, and interaction with regulators. SHN estimates that Project Management can be completed on a time and expenses basis, for time expended allowance fee of \$1,500. This fee is based on a project timeline of six months.

Exclusions

No services are included in this scope of service other than those specifically set forth in the scope described above. Items that are specifically excluded from the scope of services include, but are not limited to:

- 1. Preparation of Record of Survey and monumentation of property corners
- 2. Stormwater detention and treatment sizing
- 3. Traffic analysis
- 4. Soils investigation/testing and related specifications
- 5. Off-Site Improvements
- 6. Preparation of Stormwater Pollution Prevention Plan
- 7. Environmental review, planning, and special permits
- 8. Special inspections and materials testing

Structural

We are pleased to submit this proposal for structural engineering services for the subject project. We understand that the project will be as follows:

- 1. Project will be a one story +/- 7,500 sq.ft. teen/ community center addition to an existing activity center.
- 2. The addition will be adjacent to an existing pre-engineered metal building. The addition will be structurally separate from the existing building.
- 3. Building is to be Type 5B and sprinkled.
- 4. Structure framing is anticipated to be wood framed with metal plated wood truss framed roof.
- 5. Foundations are assumed to be conventional spread and continuous footings. It appears that the site does slope and the foundations will require integral foundation/retaining walls on two sides to account for the lower exterior grade.

6. The exterior wall elevations are assumed to be flat with architectural features (popouts, window treatments, cornices, architectural features, etc.) to be formed with additional stud framing.

Phase II

It is our understanding that our scope of work is as follows:

1. Provide design calculations and construction documents to obtain building permit, to obtain bids, and for the construction of the structural work.
2. Review and coordinate with building architectural, mechanical, plumbing, and electrical design.
3. Structural specifications will be CSI 3 part written specifications to be incorporated into the project specifications. We will base the specifications on your format.
4. Assist in coordination with engineered structural systems such as metal plated wood trusses, etc.
5. Provide written response to structural plan check comments.

Phase III

1. The following submittal review will be provided:
 - a. Structural steel shop drawings.
 - b. Rebar steel shop drawings.
 - c. Concrete mix design.
 - d. Structural masonry submittals.
 - e. Metal plated wood trusses.

Exclusions

1. We reserve the right to review this proposal should there be a change in scope of the project or construction budget.
2. An evaluation of the existing pre-engineered metal building is excluded from this proposal. This is based upon keeping the addition seismically separate from the existing structure. In the event that the District should direct the design of the addition to "attach" or request other additions to the existing facility which would require structural modifications to the pre-engineered metal building, we can provide a separate proposal to provide these services.
3. Engineered systems - engineering, drawings, and certification by others.
4. Additional construction support other than the submittal review as described above will be provided for on an hourly basis.
5. Soils report and foundation design criteria by others. It is anticipated that in accordance with CBC 1802.2, a geotechnical report providing foundation design criteria, seismic criteria, and retaining wall design criteria will be required.
6. Documentation of record drawings are not part of this proposal.

Mechanical / Plumbing

This Scope of Work includes mechanical and plumbing design for the McKinleyville Teen Center which is an approximate 7,500-square-foot addition to the existing Community Center.

- Construction documents and specifications will be created for the HVAC and plumbing systems.
- Phases of work will include design, design development, construction documents, bidding, and typical construction administration services.

- Services will be performed in collaboration with the Architect, and other project consultants, in the character and sequence required to coordinate our effort with the project schedule.
- Deliverables will be suitable for competitive bid and submission to the Reviewing Agency.
- It is our expectation that the building expansion will require increased service capacity for water, wastewater, and gas. It is assumed that water, wastewater, and gas site utilities will be designed by the Civil Engineer to within 5 feet of the building.

Phase II

Basic Design Services

- Attend two design meetings with the design team.
- Calculate HVAC loads, identify major equipment, and prepare mechanical and plumbing outline specification.
- Prepare recommended HVAC unit and water heater locations, and air duct and plumbing layouts.
- Recommend equipment and fixture schedules describing selected types and physical configurations. Provide a brochure of selected fixtures.

Construction Documents Phase

- Prepare construction documents to include HVAC, ventilation, and plumbing systems including drawings and specifications, coordinated with lighting, architectural, structural, civil, and electrical.
- Perform envelope and mechanical Title 24 calculations; prepare conformance documents.
- Prepare mechanical and plumbing specifications.
- Attend one design meeting with the design team.
- Respond to Reviewing Agency comments.
- Prepare addenda, if required.
- Respond to Contractor questions regarding bid.

HVAC Design

ArcSine's design documents will include:

- Selection of HVAC equipment
- Duct routing and design
- Heating and cooling load calculations
- Equipment schedules
- Title 24 Energy Report

This Scope of Work includes a 2-hour allowance for coordination with the Architect to determine suitable locations of all HVAC equipment.

ArcSine's design will include design of routing for the following:

- Sanitary waste and vent.
- Domestic cold and hot water supply.
- Natural gas.

This Scope of Work includes a 2-hour allowance for coordination with the Architect to determine location of all items requiring plumbing and piping.

Building Department Coordination:

This Scope of Work includes a 2-hour allowance for contacting the Building Department

during design, and after submission addressing routine Building Department plan check comments.

Phase III

Construction Administration Phase

Services During Construction will be performed as directed by the Architect. Below is a list of possible services:

- Review mechanical and plumbing shop drawings, testing documentation, and operation and maintenance manuals.
- Assist Architect in generation of clarifications and change orders, if required.
- Respond to field questions from Contractor and inspecting authorities.
- Perform job site visits as requested.
- Generate punchlist at the job site inspections, including final punchlist review.

Services During Bid & Construction:

- Services During Bid: This Scope of Work includes a 2-hour allowance to answer bidder questions by telephone. Work items performed in excess of stated allowance will be billed as Additional Services to the Owner.
- Services During Construction: This Scope of Work includes a 4-hour allowance for submittal reviews, construction observation, etc. Services during construction will be performed as directed by the Architect. Work items performed in excess of stated allowance will be billed as Additional Services to the Owner.

Exclusions

- Site utility design for wastewater, supply water, and gas.
- Coordinate with the local Fire Department to locate the fire system riser and/or Fire Department connections.
- Design of complete building-wide fire sprinkler system. This shall be "Design Build" per industry standard. Our office will provide specifications for the design build criteria as part of the Project Manual.
- Construction cost estimating.
- Witness final testing of HVAC systems and preparation of reports of results.
- Services During Bid in excess of allowance stated.
- Services During Construction in excess of allowance stated.
- Changes or revisions required as a result of changes in the established basic design or in previously approved documents.
- Changes required by Contractor substitutions, or other changes beyond the control of the Engineer.
- Changes resulting from discovery of concealed conditions at the site during construction.
- Additional design or engineering not included in the Basic Services or Detailed Work Items listed above.

Electrical

This Scope of Work includes electrical and lighting design for the McKinleyville Teen Center which is an approximate 7,500-square-foot addition to the existing Community Center.

- Electrical construction documents and specifications will be created for the power, lighting, fire alarm, and telephone systems.

- Phases of work will include schematic design, design development, construction documents, bidding, and typical construction administration services.
- Services will be performed in collaboration with the Architect, and other project consultants, in the character and sequence required to coordinate our effort with the project schedule.
- Deliverables will be suitable for competitive bid and submission to the Reviewing Agency.
- Electrical Specifications will be provided in book form (8-1/2"x11").

Phase II

Basic Design Service

- Attend two design meeting with the design team.
- Visit site to determine the existing conditions.
- Calculate loads, develop single-line main distribution diagram, identify major components, and prepare electrical outline specification.
- Perform preliminary utility coordination.
- Prepare recommended convenience receptacle and telephone layouts.
- Recommend a light fixture schedule describing selected fixture and lamp types, physical configurations, and photometric performance. Provide catalog cuts for selected fixtures.
- Recommended lighting and control/operating schemes.

Construction Documents Phase

- Prepare construction documents to include power and signal systems and complete connections of all lighting systems, including drawings and specifications, coordinated with lighting, architectural, structural, civil, landscape, and mechanical.
- Provide lighting fixture layouts indicating luminaire placement by type and mounting conditions for interior and exterior locations.
- Prepare lighting calculations to ensure compliance with design criteria, lighting levels, and energy consumption. Perform interior and exterior Title 24 calculations; prepare conformance documents.
- Prepare electrical specifications.
- Attend one design meeting with the design team.
- Respond to Reviewing Agency comments.
- Prepare addenda, if required.
- Respond to Contractor questions regarding bid.

Site Power Distribution

- Prepare site plan showing utility infrastructure.
- Coordinate with the power company for service equipment requirements.
- Write a confirming letter to the utility stating our understanding of the requirements.
- Prepare and forward preliminary utility service request forms to the Owner.

Building Power Distribution

Design of power distribution system will include a main switchboard which will subfeed distribution panels. Distribution panels will be located throughout the building as needed for efficient branch circuit wiring.

- Receive specific equipment loads and building layout. Provide power distribution for specific equipment.
- Provide power distribution design for interior spaces such as offices, restrooms, equipment rooms, storage rooms, etc.

- Receive electrical load information from mechanical and plumbing system designers and provide power distribution design.
- Prepare panelboard schedules.
- Provide electrical load calculations and short-circuit calculations.
- Prepare a one-line diagram.
- Size and locate electrical service entrance on plan views.
- Sketch elevations and details of power equipment.

Building Peripheral Systems

- Telephone & Data: The Owner will provide required telephone & data locations. ArcSine's design will include boxes and raceways from the boxes to points above ceiling elevation for "future" locations. Current designated telephone cable and CAT 6 cabling will be specified from the respective boxes to a central hub location or existing backboard. A #6 copper ground wire will be included from the electrical service entrance to the telephone backboard. "Future" Wallboxes will have blank coverplates, which will later be replaced as telephones are installed (typically by a system vendor).

Building Lighting Design

Lighting for this building will comply with Title 24 requirements and efficiently use the allowable lighting energy budget.

- Exit, emergency, and egress lighting will be designed to comply with NFPA Fire and Life Safety requirements.
- Exterior building lighting will use cutoff luminaires to provide illumination at exits and entrances of building.

Building Department Coordination

This Scope of Work includes a 2-hour allowance for contacting the Building Department during design, and after submission addressing routine Building Department plan check comments.

Phase III

Construction Administration Phase

Services During Construction will be performed as directed by the Architect.

- Review electrical shop drawings, testing documentation, and operation and maintenance manuals.
- Assist Architect in generation of clarifications and change orders, if required.
- Respond to field questions from Contractor and inspecting authorities.
- Perform job site visits as requested.
- Generate punchlist at the job site inspections, including final punchlist review.

Services During Bid & Construction

- Services During Bid: This Scope of Work includes a 2-hour allowance to answer bidder questions by telephone. Work items performed in excess of stated allowance will be billed as Additional Services to the Owner.
- Services During Construction: This Scope of Work includes a 4-hour allowance for submittal reviews, construction observation, etc. Services During Construction will be performed as directed by the Architect. Work items performed in excess of stated allowance will be billed as Additional Services to the Owner.

Exclusions

- Construction cost estimating.
- Fire alarm system design.
- Security system design.
- Witness final testing of electrical systems and preparation of reports of results.
- Services During Bid in excess of allowance stated.
- Services During Construction in excess of allowance stated.
- Changes or revisions required as a result of changes in the established basic design or in previously approved documents.
- Changes required by Contractor substitutions, or other changes beyond the control of the Engineer.
- Changes resulting from discovery of concealed conditions at the site during construction.
- Additional design or engineering not included in the Basic Services or Detailed Work Items listed above.

GENERAL PROJECT EXCLUSIONS

Scope of work for this proposal shall **not** include:

- Any permit or plan check fees required by this work.
- All reproduction costs.
- Design of dry public utility connections (phone, cable, data/network, power), To be by Utility.
- Modular or freestanding furniture design.
- Building Hazardous Materials Investigations or Removal.
- Any testing or inspections required before, during or after construction of the proposed facilities.
- Preparation of as-built documents. Provisions for the Contractor to provide both hard copy & electronic as-builts will be included within the Project Manual.
- Revisions to plans beyond the initial revisions contemplated herein. Any revisions beyond those contemplated will be performed on an hourly basis, in accordance with the schedule listed herein.
- Additional services beyond those listed herein.
- On-site verification of utilities, hidden building components etc. Our office will confirm significant building components, but destructive investigations are excluded from the Scope of Work. *It is our intention to rely on the existing drawings or those provided by the District.*
- LDA Partners cannot assume responsibility for construction means, methods, techniques, sequences or procedures, safety precautions, programs connected with the work, or for acts and omissions by the Contractor, subcontractors, or others.
- Additional services caused by project delays or interruption.
- Fire sprinkler design and documents (*To be design build.*)
- LEED Documentation or Commissioning.
- Construction Administration support services to be provided hourly with the Not to Exceed Allowance. Additional services beyond this allowance shall be billed as an additional service.

FEE SCHEDULE

The proposed services will be billed hourly from the not-to exceed amounts listed below in accordance with the hourly fee schedule.

Proposed Fee Schedule:

Phase #1 – Pre-Design/ Design Development:

Architectural: \$15,000

Civil: \$14,500

Subtotal: **\$29,500**

Phase #2 – Construction Documents:

Architectural: \$61,500

Civil: \$20,000

Structural: \$15,000

Mechanical/ Electrical: \$20,500

Subtotal: **\$117,000**

Phase #3 – Construction Administration (NTE): \$23,000

Reimbursable Allowance (all phases): \$13,000

Subtotal: **\$36,000**

Total Proposed Base Fee: **\$182,500**

Reimbursable Expenses

Reimbursable expenses are listed as an allowance and are in addition to the compensation for basic services and shall include the actual expenditures made by the Architect and his employees in the interest of the project, at cost plus 15%, which are itemized as follows:

Reproduction Costs

Shipping/Postage

Telephone Charges

Computer Plotting

Mileage/Travel

Proposed Reimbursable Allowance: \$ 13,000

Unused portions of the allowance will be credited back to the District.

Cost of Services

Hourly services shall be provided at the schedule stipulated below:

Architect

Principal Architect: \$175.00/hour

Project Manager: \$145.00/hour

Draftsperson: \$115.00/hour

Clerical/Staff: \$105.00/hour

Civil Engineering

Principal Engineer \$175/hour

Project Engineer \$103/hour

Sr. Drafter	\$82/hour
Drafter	\$58/hour
Administrative	\$54/hour
Survey Crew	Prevailing Wage

Structural Engineering

Principal Structural Engineer	\$150/hour
Structural Engineer	\$130/hour
Sr. Drafter	\$90/hour
Drafter	\$70/hour
Administrative	\$55/hour

Mechanical / Electrical Engineering

Principal Engineer	\$170/hour
Senior Programmer/ Engineer	\$148/hour
Staff Programmer / Engineer :	\$109/hour
Assistant Engineer	\$80/hour
Designer	\$135/hour
Drafter	\$85/hour
Administrative	\$60/hour
CADD Operator / Technician	\$70/hour
Administrative	\$50/hour

Itemized Expenses for Reimbursable

24 x 36 Plot:	\$5.00
30 x42 Plot:	\$7.50
Mileage:	\$0.55 / mile

Errata

All work will be billed on a monthly basis for service performed to date. All monthly billings not paid within 30 days shall be considered past due, and shall accrue interest from the 31st day at a rate of 1-1/2% per month or 18% per annum.

The Architect, may at his discretion terminate services if payments are not made within 60 days.

The Owner agrees to defend, indemnify, and hold the Architect, his employees, and consultants harmless from any claim or third party claim related to services for the investigation of or remedial work related to asbestos, toxic, hazardous, and/or dangerous materials resulting from the services provided by the Architect pursuant to this Agreement.

Should any litigation be commenced between the parties hereto concerning any provision of this Agreement or the rights and obligations of either in relation thereto, the party, the Owner, or the Architect, prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for attorney's fees and court costs as incurred in such litigation, as determined by a court of competent jurisdiction.

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McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.2 **Presentation of the water distribution system model related to water flows, pressure and storage capacity under current and future demand allocations.**

PRESENTED BY: **Greg Orsini and Brian Anspach**

TYPE OF ACTION: **None**

Recommendation:

Staff Requests the Board take note of the presentation delivered regarding the Water Distribution System Model.

Discussion:

McKinleyville Community Services District and Brian Anspach of North Coast Mapping Solutions worked in cooperation to analyze the MCSD water distribution system for storage, capacity, fire flow availability, pressures, and flow rates, using WaterCAD water modeling software. The system was analyzed under four scenarios, the current state, the addition of 4.5MG of storage, the addition of another 2.5MG of storage, and 20 year growth projections. North Coast Mapping Solutions will provide a presentation outlining the model results and staff recommendations.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- (Attachment 1) Water Model Power Point

McKinleyville Community Services District

Water Distribution System Model Results



Prepared and Presented by:
Brian Anspach
North Coast Mapping Solutions
May 2012

MCSD Water Model 5/30/2012

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MCSD Water Model 5/30/2012

Background

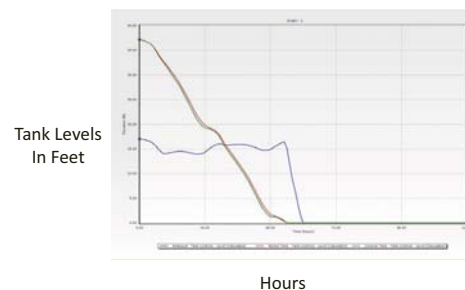
- **Graduated From Humboldt State University Dec. 2010**
 - B.S. in Natural Resource Planning: GIS and Remote Sensing, minor in Computer Science
- **Humboldt State Institute for Spatial Analysis**
- **Worked with CCRP (California Center for Rural Policy)**
- **Started North Coast Mapping Solutions**
- **Worked With MCSD since January 2011**

MCSD Water Model 5/30/2012

Introduction

The vulnerability of the MCSD's sole source of water

From storage only there is approximately 2 days of water available for the entire distribution system.



MCSD Water Model 5/30/2012

Introduction

Brian Anspach of North Coast Mapping Solutions worked in cooperation with McKinleyville Community Services District and SHN consulting and Engineers to analyze the water distribution system for storage capacity, fire flow availability, pressures, and flow rates.

ESRI ArcView GIS

WaterCAD v8i (Select3)



MCSD Water Model 5/30/2012

Definitions

Average Daily Demand (ADD)

1.51MG per day

Max Daily Demand (MDD)

2.5x's ADD = 3.78MG per day

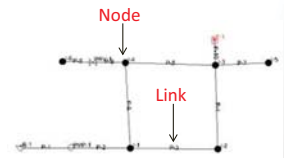
Peak Hour Demand (PHD)

.21MG per hour = .84MG per four hour period

Model Components

Links: pipes, valves, pumps

Nodes: junctions, tanks, reservoirs



MCSD Water Model 5/30/2012

Criteria Requirements and Standards

Operational Storage vs. Total Storage Criterion

- Minimum tank level of 20ft must be maintained to account for fire flows and/or minimum pressure

Minimum Storage Criterion

- Distribution system must have enough storage to sustain 5 days of ADD and fire flows

MCSD Water Model 5/30/2012

Criteria Requirements and Standards

California Department of Public Health Requirements

- The system as a whole is required to meet four hours of Peak Hour Demand (PHD) and Max Daily Demand (MDD) at all times

California Waterworks Standards

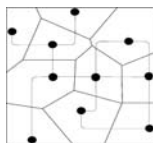
- The distribution system must maintain 20 psi at all times at customer connection

MCSD Water Model 5/30/2012

Model Methodology

Demand Allocation

- Actual billing records
- By land use



Rule Based Controls

IF Cochran Tank Hydraulic Grade \leq 310.00 ft Or Norton Tank Hydraulic Grade \leq 310.00 ft

THEN Ramey Pump Pump Status = On

Model Calibration

- Hydrant testing



MCSD Water Model 5/30/2012

Scenarios

• Current State

- Analyzes the MCSD water system under it's current conditions.
 - Compliance with regulations and standards
 - Pressures, flows and fire flow analysis
 - Storage, pumping and capacity
 - Ability to handle high density development

• New 4.5MG Water Tank Scenario

- Analyzes the water system with addition of a 4.5MG water tank at the Cochran tank site. (Map)

MCSD Water Model 5/30/2012

Scenarios

• Additional 2.5MG Water Tank Scenario

- Analyzes the water system with a 2.5MG water tank at the end of Mather Rd in addition to the 4.5MG water tank at the Cochran tank site.

• 20 Year Growth Scenario

- This scenario will analyze the ability of the MCSD water system to handle population growth over the next 20 years.

MCSD Water Model 5/30/2012

Results

Current State

Pressures/Flows

Under peak hour demand with a fire event the current system can provide adequate pressure to all service connections.

Fire Flow Availability under Max Daily Demand

Failed to supply required flow.

High Elevation Areas

Table 2 MDD Fire Flow Analysis Failed Junctions				
Junction #	Flow Available	Residual Pressure	Satisfies Fire Flow	Location
44	825.86	53.9	False	Central / Kjer Rd.
334	808.94	20.0	False	Terra Vista Ct.
382	699.05	58.3	False	End of Huntz Rd.
142	699.05	32.7	False	Clay Rd / Leona Dr.
35	570.31	24.3	False	Dows Prairie / Woody Rd.
43	570.30	32.2	False	Dows Prairie / Clam Beach Rd.
30	563.58	21.8	False	Dows Prairie / Baird
31	522.75	20.0	False	Baird Rd. / Chaffin Rd.
387	500.21	13.2	False	End of Mather Rd. (High Elev.)

MCSD Water Model 5/30/2012

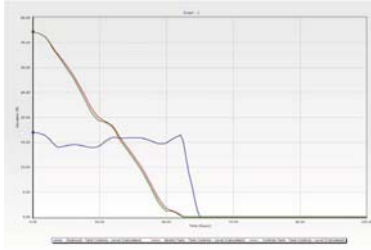
Results

Current State

Minimum Storage Requirement

- 5 Days ADD from storage only

From storage only there is approximately 2 days of water available for the entire distribution system.

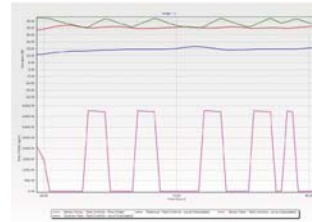


MCSO Water Model 5/30/2012

Results

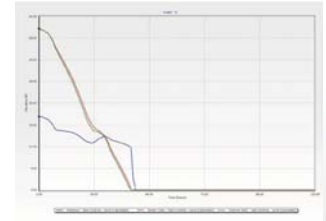
Current State

High Density Build-Out Potential



Pumps work harder

1.5 days water from storage



MCSO Water Model 5/30/2012

Results

Current State

Summary

- The current water system does not provide the required 1000gpm fire flow to all hydrants.
- The current system does not have five days of average daily demand available from storage only. It has less than three.
- The current system cannot handle the proposed high density build-out.

MCSO Water Model 5/30/2012

Results

4.5MG Tank at Cochran

Pressures/Flows

Under peak hour demand with a fire event system can provide adequate pressure to all service connections.

Fire Flow Availability under Max Daily Demand

Improves fire flow but still Failed to supply required flow.

High Elevation Areas

- Dows Prairie

Junction #	Flow Available	Residual Pressure	Satisfies Fire Flow	Location
44	957.31	53.9	False	Central / Kjer Rd.
382	924.54	45.1	False	End of Huntz Rd.
142	924.54	31.0	False	Clay Rd / Leona Dr.
35	659.63	24.1	False	Dows Prairie / Woody Rd.
43	659.63	32.2	False	Dows Prairie / Clam Beach Rd.
30	651.44	21.8	False	Dows Prairie / Baird
31	604.32	20.0	False	Baird Rd. / Chaffin Rd.

MCSO Water Model 5/30/2012

Results

4.5MG Tank at Cochran

Minimum Storage Requirement

- 5 Days ADD from storage only

From storage only there would be approximately 4 days of water available for the entire distribution system.

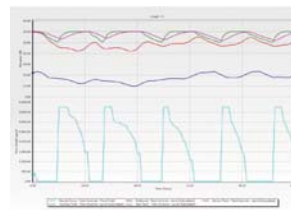


MCSO Water Model 5/30/2012

Results

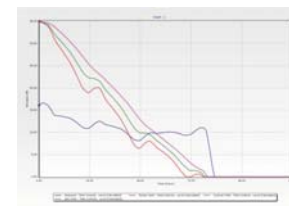
4.5MG Tank at Cochran

High Density Build-Out Potential



Pumps work harder

2.5 days of water from storage



MCSO Water Model 5/30/2012

Results

4.5MG Tank at Cochran

Summary

- The addition of 4.5MG does not provide the required 1000gpm fire flow to all hydrants.
- The addition of 4.5M does not provide five days of average daily demand available from storage. It has approximately 4 days.
- The addition of 4.5MG of storage cannot handle the proposed high density build-out.

MCSO Water Model 5/30/2012

Results

Additional 2.5MG (Dows Prairie)

Pressures/Flows

Under peak hour demand with a fire event system can provide adequate pressure to all service connections.

Fire Flow Availability under Max Daily Demand

System passes fire flow analysis.

Table 15 MDD Fire Flow Analysis Failed Junctions Cochran Tank Location				
Junction #	Flow Available	Residual Pressure	Satisfies Fire Flow	Location
334	961.92	20.0	True	Terra Vista Ct.
142	924.44	31.0	True	Clay Rd / Leona Dr.
382	924.44	45.1	True	End of Huntz Rd.

MCSO Water Model 5/30/2012

Results

Additional 2.5MG (Dows Prairie)

Minimum Storage Requirement

- 5 Days ADD from storage only

From storage only there would be approximately 5 days of water available for the entire distribution system.

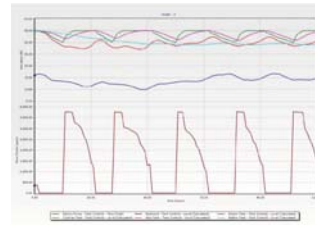


MCSD Water Model 5/30/2012

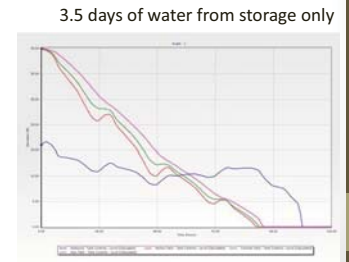
Results

Additional 2.5MG (Dows Prairie)

High Density Build-Out Potential



Pumps run once a day



MCSD Water Model 5/30/2012

Results

Additional 2.5MG (Dows Prairie)

Summary

- The addition of 2.5MG in the Dows Prairie area provides the required 1000gpm fire flow to all hydrants.
- The addition of 2.5M in the Dows Prairie area provides five days of average daily demand available from storage.
- The addition of 2.5MG in the Dows Prairie area cannot handle the proposed high density build-out (Minimum storage requirement).

MCSD Water Model 5/30/2012

Results

2020/2030 Projections

According to the MCSD 20 Year Facilities Plan and Urban Water Management Plan the annual growth rate of McKinleyville since 1994 is 1.8%.

Table 16. Projected Demands at 1.8% Annual Increase			
Date	% Increase	ADD	MDD
2010	0%	1.51MGD	3.40MGD
2020	18%	1.78MGD	4.01MGD
2030	18%	2.04MGD	4.59MGD

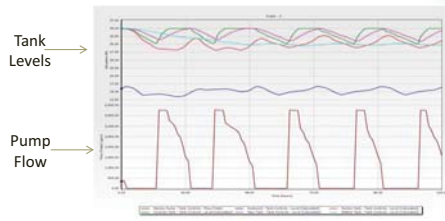
1. MGD = Million Gallons per Day
2. ADD = Average Daily Demand
3. MDD = Max Daily Demand

MCSD Water Model 5/30/2012

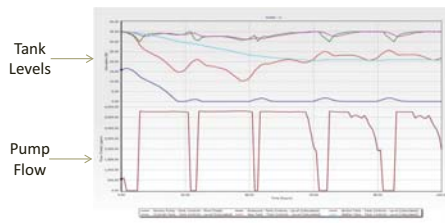
Results

2020 Projections

2020
Average Daily Demand



2020
Max Daily Demand

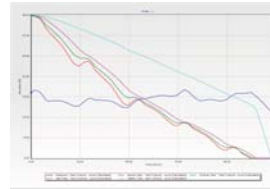


MCSO Water Model 5/30/2012

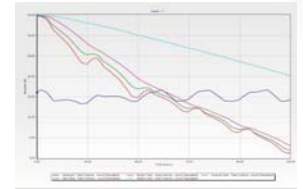
Results

2020 Projections

Minimum Storage



4.5MG plus 2.5MG (7MG)



6.0MG plus 4.5MG (10.5MG)

Table 18
2020 Tank Size and Available Storage for ADD

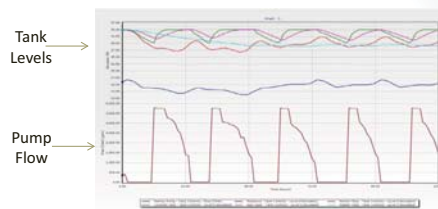
Year	Tank Location	Tank Size (MG)	# Days of Water Available from Storage
2020	Mather Rd.	2.5	4 Days Water from Storage Only
	Cochran Rd.	4.5	
2020	Mather Rd.	4.5	4.5 Days Water from Storage Only
	Cochran Rd.	4.5	
2020	Mather Rd.	4.5	5 Days Water from Storage Only
	Cochran Rd.	6.0	

MCSO Water Model 5/30/2012

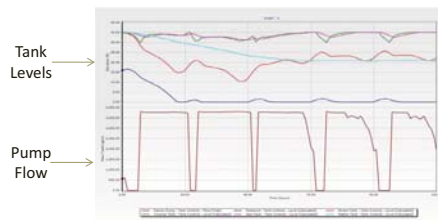
Results

2030 Projections

2030
Average Daily Demand

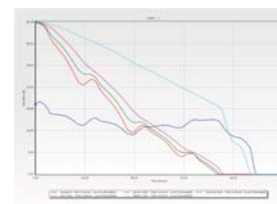


2030
Max Daily Demand

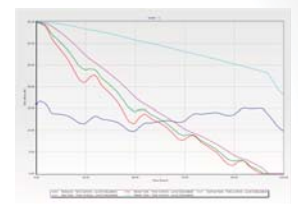


MCSO Water Model 5/30/2012

Results



4.5MG plus 2.5MG (7MG)



6.0MG plus 6.0MG (12MG)

Table 18
2030 Tank Size and Available Storage

Year	Tank Location	Tank Size (MG)	# Days of Water Available from Storage
2030	Mather Rd.	2.5	3 Days Water from Storage Only
	Cochran Rd.	4.5	
2030	Mather Rd.	4.5	3.5 Days Water from Storage Only
	Cochran Rd.	4.5	
2030	Mather Rd.	4.5	4 Days Water from Storage Only
	Cochran Rd.	6.0	
2030	Mather Rd.	6.0	4.5 Days Water from Storage Only
	Cochran Rd.	6.0	

MCSO Water Model 5/30/2012

Results

2020/2030 Projections

Summary

- By the year 2020 10.5MG of additional storage will be needed to satisfy the 5 day minimum storage requirement.
- By the year 2030 12MG of additional storage will be needed to satisfy the 5 day minimum storage requirement.

MCSD Water Model 5/30/2012

Conclusion

Current State

- The current water system does not provide the required 1000gpm fire flow to all hydrants.
- The current system does not have five days of average daily demand available from storage only. It has less than 3.
- The current system cannot handle the proposed high density build-out (Minimum Storage).

MCSD Water Model 5/30/2012

Conclusion

4.5MG Tank at the Cochran Road Tank Site

- The addition of 4.5MG does not provide the required 1000gpm fire flow to all hydrants.
- The addition of 4.5M does not provide five days of average daily demand available from storage. It has approximately 4 days.
- The addition of 4.5MG of storage cannot handle the proposed high density build-out (Minimum storage/ 2.5 days).

MCSD Water Model 5/30/2012

Conclusion

Additional 2.5MG Tank at the end of Mather Road

- The addition of 2.5MG in the Dows Prairie area provides the required 1000gpm fire flow to all hydrants.
- The addition of 2.5M in the Dows Prairie area provides five days of average daily demand available from storage.
- The addition of 2.5MG in the Dows Prairie area cannot handle the proposed high density build-out (Minimum storage/ 3.5 days).

MCSD Water Model 5/30/2012

Results

2020 / 2030 Growth Projections

- By the year 2020 10.5MG of additional storage will be needed to satisfy the 5 day minimum storage requirement.
- By the year 2030 12MG of additional storage will be needed to satisfy the 5 day minimum storage requirement.

MCSD Water Model 5/30/2012

References

- *"Advanced Water Distribution Modeling and Management"* Haestad Methods Water Solutions. 2007 Bentley Institute Press.
- MCSD Operations Department Staff 2011-2012.
- SHN Preliminary Technical Memorandum *"MCSD Water Distribution System—Preliminary Assessment"* August 18, 2011.

MCSD Water Model 5/30/2012

Thank You

Any Questions?

MCSD Water Model 5/30/2012

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.3. **Release of the Planning Commission Approved Draft General Plan and Draft Environmental Impact Report. Presentation by Humboldt County Planning Department**

PRESENTED BY: **Martha Spencer, Interim Planning Director
John Miller, Senior Planner**

TYPE OF ACTION: **None**

Recommendation:

Staff Requests the Board listen to the informational presentation by the Humboldt County Planning Department regarding the Planning Commission approved Draft General Plan and Draft Environmental Impact Report.

Discussion:

Comments on the General Plan and the EIR are due by June 15, 2012.

Direct Comments To:

John Miller, Senior Planner
County of Humboldt
Department of Community Development Services, Planning Division
3015 H Street, Eureka, CA 95501
EMAIL: jpmiller@co.humboldt.ca.us

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Notice of Extension of Review Period
- Letter dated April 26, 2012



NOTICE OF EXTENSION OF REVIEW PERIOD FOR THE DRAFT ENVIRONMENTAL IMPACT REPORT

SCH# 2007012089

HUMBOLDT COUNTY GENERAL PLAN UPDATE

Humboldt County published a **Draft Environmental Impact Report (DEIR)** on the **Planning Commission Approved General Plan** for the Humboldt County General Plan Update (GPU) on April 2, 2012. Presently the comment period closes on May 16, 2012, or the 45th day. Although the comment period meets the requirements established under the California Environmental Quality Act, the County has received requests for further extending the comment period. In response to these requests and in recognition of the importance of providing ample review time for the project, the County is extending the comment period an additional 30 days, bringing the total public review period to 75 days. The comment period on the DEIR will now close on **June 15, 2012**.

Direct Comments To: John Miller, Senior Planner
County of Humboldt
Department of Community Development Services, Planning Division
3015 H Street, Eureka, CA 95501
EMAIL: jpmiller@co.humboldt.ca.us

**Extension of
Review Period:** Public comment period will be extended from May 16, 2012 to **June 15, 2012**

Copies of the DEIR and the Planning Commission Approved Draft Plan are available on the internet at www.planupdate.org. Copies are also available for review at:

- the Humboldt County Community Development Services office, 3015 H Street, Eureka
- the main branch of the County library at 1313 3rd Street Eureka, ((707) 445-7284)
- the Garberville library branch at 715 Cedar Street, Garberville, ((707) 923-2230)
- the Willow Creek library branch at the junction of Highways 299 and 96 ((530) 629-2146).

Information or copies can be obtained by contacting Martha Spencer at (707) 268-3704 or email at mspencer@co.humboldt.ca.us. Discs have also been provided to Kinko's (FED Ex) Eureka Store, 2021 5th Street, and Pigment Press, 1271 Evergreen Road, Redway, for public use.

Planning Division of the Humboldt County Community Development Services
Dated: April 26, 2012



COMMUNITY DEVELOPMENT SERVICES
PLANNING DIVISION
COUNTY OF HUMBOLDT

<http://co.humboldt.ca.us/CDS/Planning>

April 26, 2012

Norman Shopay, General Manager
MCSD
1656 Sutter Road
Post Office Box 2037
McKinleyville, CA 95519

RECEIVED

APR 30 2012

McK. C.S.D.

RE: Notice of Release for the Planning Commission Approved Draft General Plan and Draft Environmental Impact Report

Dear Mr. Shopay,

It is with great pleasure that the Humboldt County Board of Supervisors announces the release of the Planning Commission Approved Draft General Plan and Draft Environmental Impact Report! At this time, we would like to reach out to you, our local planning partner, and request to be placed on your Board's agenda for a public presentation of the recommended changes to the Plan and the key findings of the environmental review.

County staff recently provided your organization with a complimentary disc containing copies of the draft Plan, the DEIR and recommended countywide mapping changes made by the Commission. Supervisor Sundberg and I would like the opportunity to provide a brief overview of these changes, the key differences from the draft Plan and Framework Plan, and the identified environmental impacts. We will then provide a status of the General Plan Update program, with an explanation of the opportunities for input and involvement for Board consideration.

We envision that the presentation will last from 15 to 20 minutes and be followed by a 10-minute question and answer session. Of course, we'd also make ourselves available to respond to any public comments per your council's direction.

Thank you for considering our request. We stand by to answer any questions you may have and to schedule the presentation as appropriate. We have always appreciated your district's participation in county-wide planning initiatives and look forward to working with you and your staff.

Sincerely,

Martha Spencer
Supervising Planner
(707) 268-3704

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.4. Approve Parks & Recreation Master Plan

PRESENTED BY: Jason Sehon, Parks & Recreation Director

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends the Board of Directors approve the Parks & Recreation Master Plan.

Discussion:

Staff and the Recreation Advisory Committee (RAC) have been working on the Parks & Recreation Master Plan update for more than a year. Staff presented a *draft* plan to the Board at its February 1 and March 14, 2012 meetings for review. At the March 14, 2012 meeting, staff presented the Board with copies of the *draft* plan for review.

At its April 4, 2012 meeting, members of the Board still had a few questions and directed staff to send the Master Plan back to the RAC for one last review. At the April 19, 2012 RAC meeting, members felt they needed more time for review and postponed making any recommendations to the Board.

Since then, I have received numerous comments and suggestions from community members, RAC members, staff and the Board of Directors.

At its May 17, 2012 RAC meeting, members voted unanimously to recommend to the MCSD Board of Directors to approve the Parks & Recreation Master Plan.

The plan has been available to view on our website for several months. A revised version was posted on our website on Wednesday, May 30, 2012.

When completed, the Parks & Recreation Master Plan will serve as a guide to the District for current parks and facilities as well as future park development. The plan intends to provide strategic planning for the next twenty (20) years and will be a resource for staff for grant funding and future park development.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.5. Approve FY12-13 Budget and Appropriations Limit

PRESENTED BY: Colleen Trask, Finance Director

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends the Board of Directors approve the FY12-13 Budget and Appropriations Limit.

Discussion:

The proposed FY12-13 Budget differs little, in any material respect, to the draft budget elements presented to, and discussed by the Board in previous months. Budget summaries, line item detail, and historical trend analysis are included, as is the Appropriation Limits calculation.

Appropriation Limits are an annual item required by State law, which limits the amount of property tax revenue that may be spent by local governments, including Special Districts. It is calculated based on population growth and other factors.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- Budgetary fiscal analysis: see Exhibits 2, 3, 6, and 7 of Proposed Budget.
- Appropriation Limits fiscal analysis: As the expenditures subject to the Limits are \$614,442 under the limit, no additional analysis is required.

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- Attachment 1-Budget ending FY2013
- Attachment 2-Resolution 2012-20

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2013

Adoption Date: June 6, 2012

MCSD BOARD OF DIRECTORS

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

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
1656 Sutter Road
McKinleyville, CA 95519
Capital and Operating Budget

For the Fiscal Year Ending June 30, 2013

INTRODUCTION AND BUDGET GUIDE

This budget is intended to serve as a management tool for operation of the McKinleyville Community Services District (MCSD) during fiscal year July 1, 2012 through June 30, 2013. The Budget sets forth goals and priorities for staff to accomplish during the year in the four district operating departments. This budget is dynamic in that it can be amended as the Board adds goals and changes priorities.

- Page 2 includes information about McKinleyville and MCSD.
- The Board of Directors has adopted a mission statement and organization chart for the fiscal year, which is included starting at Page 5. Approved (or adopted) Goals and Objectives are included in Appendix B.
- Budget summaries and detailed line item budgets for the Governmental Funds & the Enterprise Funds are shown beginning at Page 8.
- Historical Data is presented beginning at Page 16.
- MCSD's Capital Improvement Program Narrative is included at Page 20.
- The 10-year Capital Improvement Plan is detailed in Appendix A.
- Appropriations Limit calculations required by law for the Fiscal Year 2012-13 are included in Appendix C.

DESCRIPTION OF THE COMMUNITY

McKinleyville is an unincorporated community of Humboldt County in the north coastal region of California 300 miles north of San Francisco. McKinleyville has an approximate population of 15, 177 according to 2010 data from the U.S Census Bureau. It is the third largest community population area in Humboldt County behind Eureka (27,191) and Arcata (17,231). McKinleyville borders the Pacific Ocean and has a mild climate year round with frequent fog and moderate to heavy precipitation mainly between October and April. Because of the combination of coastal, mountain and valley areas, residents have the opportunity for a wide range of recreational activities. Just minutes from McKinleyville, you can surf, fish for salmon and steelhead, hike underneath the world's tallest trees and bike the Pacific Coast Trail.

The original settlers of McKinleyville were the Wiyot Indians who occupied the area for hundreds of years before the first white settlers arrived. Historian Edie Neilson estimates that there were three thousand Wiyots in the vicinity when the first white settlers arrived in the 1850s; by 1900, there were only 150 Wiyots left. Joseph Dow built his cabin in 1862 on the high prairie area near the future site of the Humboldt County Airport. For many years the area from the Mad River to the Little River was known as Dow's Prairie.

Dow's Prairie was isolated from the rest of the north coast communities by the bridgeless rivers to the north and south and the dense forest to the east. When passable, fording the Mad River to get supplies in Arcata was a two-day trip. In 1897, Arcata businessman Isaac Minor built a general store with a post office, a hotel and a creamery here. The general store quickly became the social center for the community and the people decided to call their town Minor in his honor. When President William McKinley was assassinated in 1901, Isaac Minor and the townspeople agreed to change the name of the community to McKinleyville.

The McKinleyville Union School District was founded in 1948 and includes Dow's Prairie School, McKinleyville Middle School and Morris School. MUSD is McKinleyville's largest employer with a payroll of over \$4 million. Graduates of MUSD attend McKinleyville High School, which was opened for the fall 1961 school year. Mack High is one of two high schools in the Northern Humboldt Union High School District.

Opportunities for higher education are nearby. Arcata's Humboldt State University, a four-year college with a full spectrum of curriculum and graduate programs, is a 10-minute drive from McKinleyville. Eureka, located 20 minutes south of McKinleyville, is the largest city and county seat of Humboldt County. The main branch of College of the Redwoods, a community college system offering comprehensive programs in many academic and technical fields, is located in Eureka.

DESCRIPTION OF THE DISTRICT

McKinleyville Community Services District (MCSD) was created on April 14, 1970 when McKinleyville's residents voted 592 "yes" against 154 "no" to form the District. Initially, the District had authority to serve water and treat sewer wastes. In 1972 the voters added street lighting powers. In 1985 the voters added recreational powers and in 1995 the voters authorized construction of the McKinleyville Library. The District boundaries encompass 12,140 acres ranging from North Bank Road on the south to Patrick Creek on the north. MCSD is an independent governmental unit organized under the Community Services District Law, pursuant to Title 6 Division 3 of the Government Code Section 61000, et seq. A five member Board of Directors elected to four-year rotating terms in odd-numbered years governs the District. The Directors meet on the third Wednesday of each month at Azalea Hall, 1620 Pickett Road to set policy, consider projects and settle disputes. The District office is located at 1656 Sutter Road just east of Central Avenue.

MCSD's principal activities include water, sewer, parks, recreation, street lighting and open space maintenance services. In recent years, the District has dramatically expanded its recreational services by developing approximately 44 acres of community parks (Hiller Park Playground and Picnic Area, Hiller Park Loop Trails, Hiller Sports Complex, Pierson Park and Larissa Park. In addition, the District has constructed three state-of-the-art buildings to provide an indoor sports-and-recreation facility (McKinleyville Activity Center), a community activities center (Azalea Hall) and a library (a branch of the Humboldt County Library). In 1999, the Mad River Rotary Club completed the fund-raising and construction of a Law Enforcement Facility on District land adjacent to the Library and Azalea Hall. The facility was then donated to the District and is leased to the Humboldt County Sheriff's Department.

MCSD purchases its wholesale water supply from the Humboldt Bay Municipal Water District, which diverts water from its million-gallon tank on Essex Hill under the Mad River to MCSD's Grant A. Ramey Pump Station at North Bank and Azalea Roads. Water is then pumped to storage tanks at McCluski Hill, Cochran Road and Norton Road; MCSD's six storage tanks have a combined capacity of 5.25 million gallons, approximately a 36 hour supply for our 6,705 customers.

All sewage for MCSD's 6,100 customers is treated at the Wastewater Management Facility at Hiller Park. The District completed a \$770,000 wetland construction project at Hiller Park to enhance the wastewater treatment process and to prevent stormwater pollution to the Mad River estuary. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site and at Hiller Park. MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

Additional information and photographs of MCSD facilities are available on MCSD's website (www.mckinleyvillecsd.com). District staff and Directors can be reached by e-mail at mcsd@mckinleyvillecsd.com.

MISSION STATEMENT

Provide McKinleyville with safe, adequate and reliable utility, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner.

GOALS AND OBJECTIVES

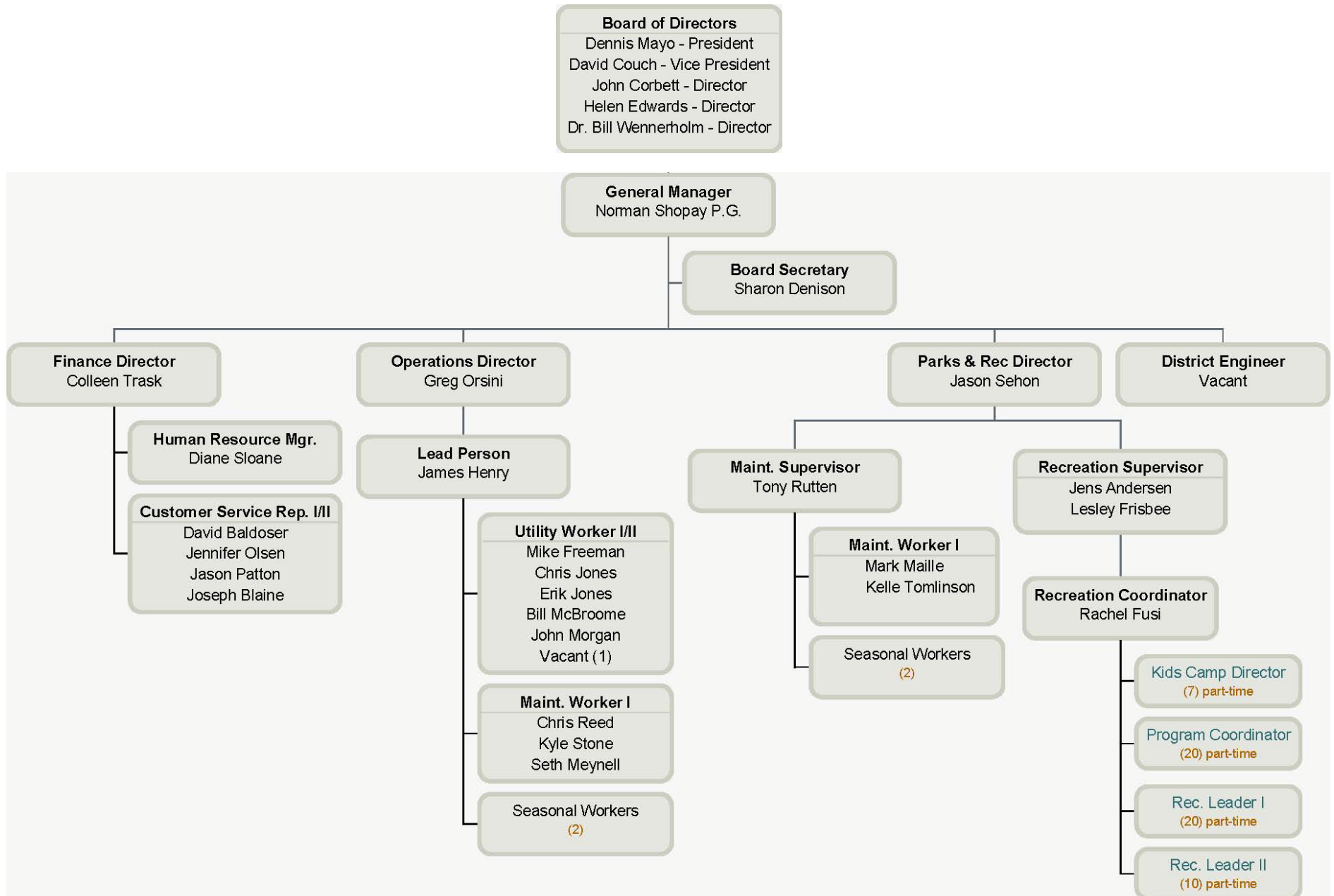
District goals and objectives were reviewed and approved by the Board on October 20, 2010. Staff is currently working with a temporary ad-hoc Board committee to update the goals and objectives. These updated goals and objectives will be brought back to the Board for review and approval in the next few months.

The goals and objectives are intended to be a short term planning tool (3 years) that focuses efforts and acknowledges the current Board priorities. These are in addition to the common day-to-day activities that are currently being addressed.

Since staff has made significant progress on completing most of the goals and objectives identified, it is desirable that the Board identifies and establishes new and/or revised goals and objectives for the future.

The current goals and objectives are included in Appendix A of this document along with a status of each item.

McKinleyville Community Services District
Organizational Chart (Fiscal Year 2012/2013)



McKinleyville Community Services District
Full-Time Equivalents
for the fiscal year ending June 30, 2012

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1		1
Support Services	7		7
Operations	11	2	12
Parks & Recreation	7	34	15.5
Total	26	36	35.5

McKinleyville Community Services District
Exhibits of Financial Information
Budget for the year ending June 30, 2013

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Page 10	Exhibit 2 – Summary Budget, Enterprise Funds
Page 11	Exhibit 3 – Summary Budget, Governmental Funds
Page 12	Exhibit 4 – Line-Item Budget, Enterprise Funds
Page 14	Exhibit 5 – Line-Item Budget, Governmental Funds
Page 16	Exhibit 6-7 – Historical Data
Page 20	Exhibit 8 – Capital Expenditures Narrative
Page 28	Appendix A – 10 Year Capital Improvement Plan
Page 36	Appendix B – Approved Goals and Objectives
Page 42	Appendix C – Appropriations Limit Calculations

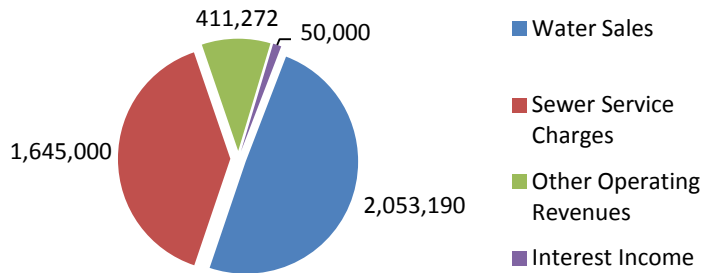
McKinleyville Community Services District
Funds Budget Summary
FY 2012-13

Description	Water Fund	Sewer Fund	Parks & Other Governmental Funds	Total (Memorandum Only)
Revenues				
Water Sales	2,053,190	-	-	2,053,190
Sewer Service Charges	-	1,645,000	-	1,645,000
Program Fees	-	-	345,800	345,800
Facility Rentals	-	-	53,226	53,226
Streetlight Charges & Fees	-	-	83,829	83,829
Property Taxes	-	-	530,000	530,000
Measure B Assessments	-	-	209,000	209,000
Open Space Fees	-	-	73,555	73,555
Other Revenue	211,972	199,300	17,000	428,272
Proceeds from Debt	-	-	155,000	155,000
Quimby Fees	-	-	150,000	150,000
Interest Revenue	20,000	30,000	3,000	53,000
Total Revenues	2,285,162	1,874,300	1,620,410	5,779,872
Expenditures				
Salaries & Benefits	778,084	799,779	872,216	2,450,079
Water Cost	704,507	-	-	704,507
Other Expenses & Expenditures	457,134	606,176	265,346	1,328,656
Depreciation	250,000	408,000	-	658,000
Interest Expense	86,081	55,000	-	141,081
Capital Expenditures	-	-	480,000	480,000
Total Expenses & Expenditures	2,275,806	1,868,955	1,617,562	5,762,323
Excess (Deficit)	9,356	5,345	2,848	17,549
Fund Balance - July 1, 2011	5,193,792	13,779,387	830,038	19,803,217
Projected Excess (Deficit) for FY-11	(223,809)	(138,971)	(125,033)	(487,813)
Debt Principal for FY-11 (Enterprise only)	(89,204)	(147,518)	-	(236,722)
New Borrowings for FY-11 (Enterprise only)	972,544	-	-	972,544
Capital Expenditures for FY-11 (Enterprise only)	(278,027)	(150,558)	-	(428,585)
Projected Fund Balance - June 30, 2011	5,575,296	13,342,340	705,005	19,622,641
Budgeted Excess (Deficit) - FY-12	9,356	5,345	2,848	17,549
Anticipated Borrowings for FY-12	4,800,000	-	-	4,800,000
Debt Principal for FY-12 (Enterprise only)	(135,978)	(167,126)	-	(303,104)
Capital Expenditures for FY-12 (Enterprise only)	(5,025,000)	(959,000)	-	(5,984,000)
Projected Fund Balance - June 30, 2012	5,223,674	12,221,559	707,853	18,153,085

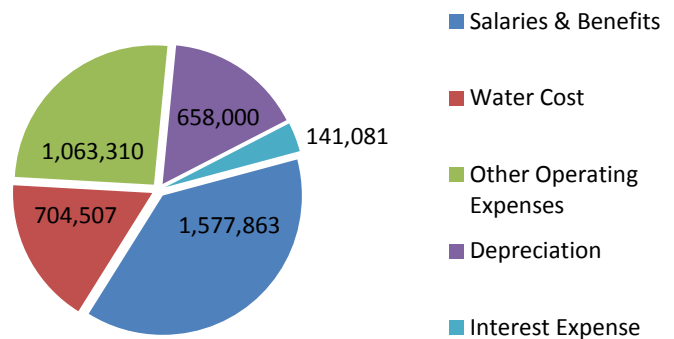
McKinleyville Community Services District
Enterprise Funds Summary Budget
FY 2012-13

Description	Water Fund		Sewer Fund		Total (Memorandum Only)	
Operating Revenues						
Water Sales	2,053,190	91%	-		2,053,190	50%
Sewer Service Charges	-		1,645,000	89%	1,645,000	40%
Other Operating Revenues	211,972	9%	199,300	11%	411,272	10%
Total Operating Revenues	2,265,162	100%	1,844,300	100%	4,109,462	100%
Operating Expenses						
Salaries & Benefits	778,084	36%	799,779	44%	1,577,863	39%
Water Cost	704,507	32%	-	0%	704,507	18%
Other Operating Expenses	457,134	21%	606,176	33%	1,063,310	27%
Depreciation	250,000	11%	408,000	22%	658,000	16%
Total Operating Expenses	2,189,725	100%	1,813,955	100%	4,003,680	100%
Net Operating Income	75,437		30,345		105,782	
Interest Income	20,000		30,000		50,000	
Interest Expense	86,081		55,000		141,081	
Net Income	9,356		5,345		14,701	

Revenues



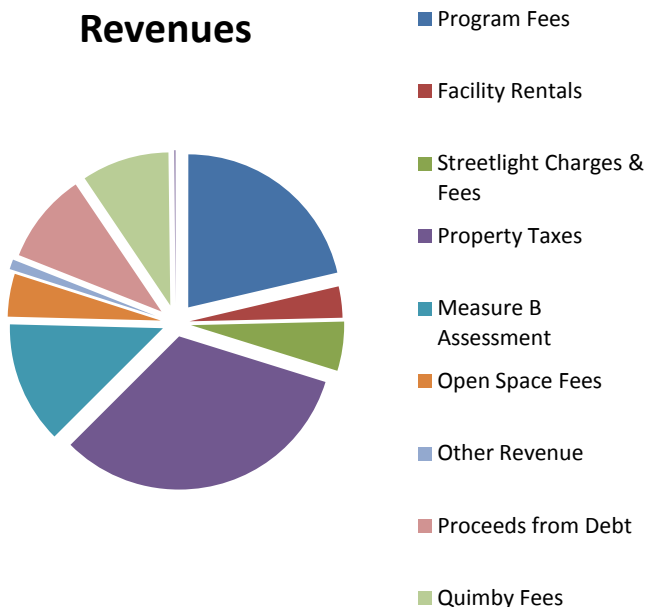
Expenses



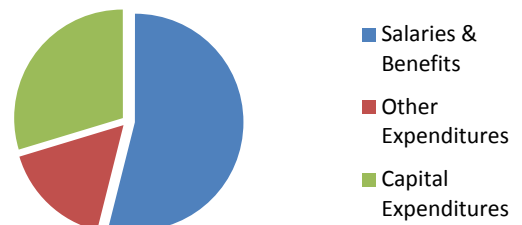
McKinleyville Community Services District
Governmental Funds Summary Budget
FY 2012-13

Description	Parks & General Fund		Measure B Assessment Fund		Streetlighting Fund		Total (Memorandum Only)	
Revenues								
Program Fees	345,800	29%	-	-	-	-	345,800	21%
Facility Rentals	53,226	5%	-	-	-	-	53,226	3%
Streetlight Charges & Fees	-	-	-	-	83,829	35%	83,829	5%
Property Taxes	530,000	45%	-	-	-	-	530,000	33%
Measure B Assessment	-	-	209,000	100%	-	-	209,000	13%
Open Space Fees	73,555	6%	-	-	-	-	73,555	5%
Other Revenue	17,000	1%	-	-	-	-	17,000	1%
Proceeds from Debt	-	-	-	-	155,000	65%	155,000	10%
Quimby Fees	150,000	13%	-	-	-	-	150,000	9%
Interest Revenue	3,000	0.3%	-	-	-	-	3,000	0.2%
Total Revenues	1,172,581	100%	209,000	100%	238,829	100%	1,620,410	100%
Expenditures								
Salaries & Benefits	793,190	68%	39,000	19%	40,026	17%	872,216	54%
Other Expenditures	219,805	19%	3,000	1%	42,541	18%	265,346	16%
Capital Expenditures	158,000	13%	167,000	80%	155,000	65%	480,000	30%
Total Expenditures	1,170,995	100%	209,000	100%	237,567	100%	1,617,562	100%
Excess (Deficit)	1,586		-		1,262		2,848	

Revenues



Expenditures



McKinleyville Community Services District
Enterprise Funds Line-Item Budget
FY 2012-13

A/C#	Description	Water Fund	Sewer Fund	Total (Memorandum Only)
Revenues				
40000	WATER BASE CHARGE	825,812	-	825,812
40001	METERED WATER SALES	1,227,378	-	1,227,378
40002	SEWER SERVICE CHARGES	-	1,645,000	1,645,000
40010	STORM WATER FEES	-	300	300
41001	NEW SERVICE FEES	23,260	29,500	52,760
41002	SERVICE INSTALL	4,833	-	4,833
41020	PLAN CHECK FEES	3,000	2,000	5,000
41040	SEWER CONSTRUCTION PERMIT FEES	-	6,650	6,650
42001	INSPECTION FEES	3,000	-	3,000
42010	CONNECTION FEES	39,240	106,000	145,240
42020	PROCESSING FEES	18,269	-	18,269
42030	BAD CHECK FEES	370	300	670
42040	RECONNECTION FEES	19,000	-	19,000
42050	DCV INSPECTION FEES	20,550	-	20,550
43010	RECOVERY OF BAD DEBTS	700	700	1,400
43190	CELL TOWER LEASE REVENUE	14,950	14,950	29,900
43195	OTHER OPERATING REVENUE	17,881	4,000	21,881
43197	RENT AND LEASE REVENUE	-	18,000	18,000
43198	PAVING FEES	2,800	500	3,300
43199	SERVICE UPGRADES	600	-	600
46000	AFTER HOURS SERVICE CHARGE	600	-	600
48070	SALE OF SCRAP	25,000	-	25,000
50001	INTEREST REVENUE	20,000	30,000	50,000
50005	LATE CHARGES	14,919	13,400	28,319
56000	GAIN ON DISPOSAL OF ASSETS	3,000	3,000	6,000
Total Revenues		2,285,162	1,874,300	4,159,462
Expenses				
61999	PAYROLL AND RELATED EXPENSES	778,084	799,779	1,577,863
61020	MILEAGE REIMBURSEMENTS	200	200	400
62001	WATER PURCHASED	704,507	-	704,507
62005	REPAIRS AND MAINTENANCE	66,000	97,000	163,000
62010	EQUIPMENT REPAIRS	12,000	9,000	21,000
62015	GAS & ELECTRIC	68,294	93,000	161,294
62016	TRASH SERVICE	2,160	2,160	4,320
62017	GENERATOR FUEL	4,000	8,500	12,500
62020	TELEPHONE	2,700	2,700	5,400
62025	TELEMETRY	2,800	2,800	5,600
62030	LAB TESTS	5,750	66,000	71,750
62035	FUEL/OIL/LUBE	21,000	20,200	41,200
62037	VEHICLE REPAIRS	3,600	4,000	7,600
62038	HEAVY EQUIPMENT REPAIRS	2,250	3,000	5,250
62040	SMALL TOOL PURCHASES	2,000	2,500	4,500
63043	PLANNING POWERS	2,500	-	2,500

McKinleyville Community Services District
Enterprise Funds Line-Item Budget
FY 2012-13

A/C#	Description	Water Fund	Sewer Fund	Total (Memorandum Only)
62044	EMERGENCY RESPONSE TRAINING	1,000	1,500	2,500
62045	TAXES & ASSESSMENTS	9,000	19,000	28,000
62050	OFFICE SUPPLIES	12,000	13,000	25,000
62051	ADVERTISING AND MARKETING	700	655	1,355
62052	PRINTING	920	925	1,845
62054	NOTARY	40	-	40
62056	OFFICE EQUIPMENT MAINTENANCE	6,040	6,500	12,540
62057	UNIFORMS	700	700	1,400
62058	REPAIR PROJECTS	20,000	20,000	40,000
62059	OFFICE EQUIPMENT LEASE	5,800	5,800	11,600
62060	POSTAGE	12,000	12,000	24,000
62061	PUBLIC RECORDS ACT COST	2,000	1,000	3,000
62065	GENERAL INSURANCE	27,500	27,500	55,000
62070	ACCOUNTING AND AUDITING	7,000	10,000	17,000
62075	ENGINEERING	18,000	15,000	33,000
62080	LEGAL	40,000	50,000	90,000
62090	TRAVEL/MEALS	4,500	6,000	10,500
62095	SUBSCRIPTIONS	12,130	9,800	21,930
62100	SAFETY TRAINING AND SUPPLIES	5,000	5,000	10,000
62115	BAD DEBTS	3,500	3,000	6,500
62120	CUSTOMER ADJUSTMENTS	5,000	4,500	9,500
62125	FINES AND PENALTIES	2,000	5,000	7,000
62126	RESPONSE TO REGULATORY AGENCIES	2,000	2,000	4,000
62130	DEPRECIATION	250,000	408,000	658,000
62131	AMORTIZATION OF LOAN ISSUANCE COSTS	-	7,506	7,506
62135	DIRECTOR FEES	6,000	6,000	12,000
62140	PAGING/ALARMS	1,200	1,800	3,000
62149	FEE ANALYSIS COST	1,500	5,000	6,500
62150	OTHER PROFESSIONAL FEES	30,000	10,000	40,000
62151	FINGERPRINTING	100	80	180
62155	TRAINING AND CERTIFICATION	4,750	7,050	11,800
62160	NONPROFESSIONAL FEES AND STIPENDS	18,000	38,800	56,800
62295	OTHER EXPENSES	3,500	-	3,500
64001	INTEREST EXPENSE	86,081	55,000	141,081
Total Expenses		2,275,806	1,868,955	4,144,761
Net Income		9,356	5,345	14,701

McKinleyville Community Services District
Governmental Funds Line-Item Budget
FY 2012-13

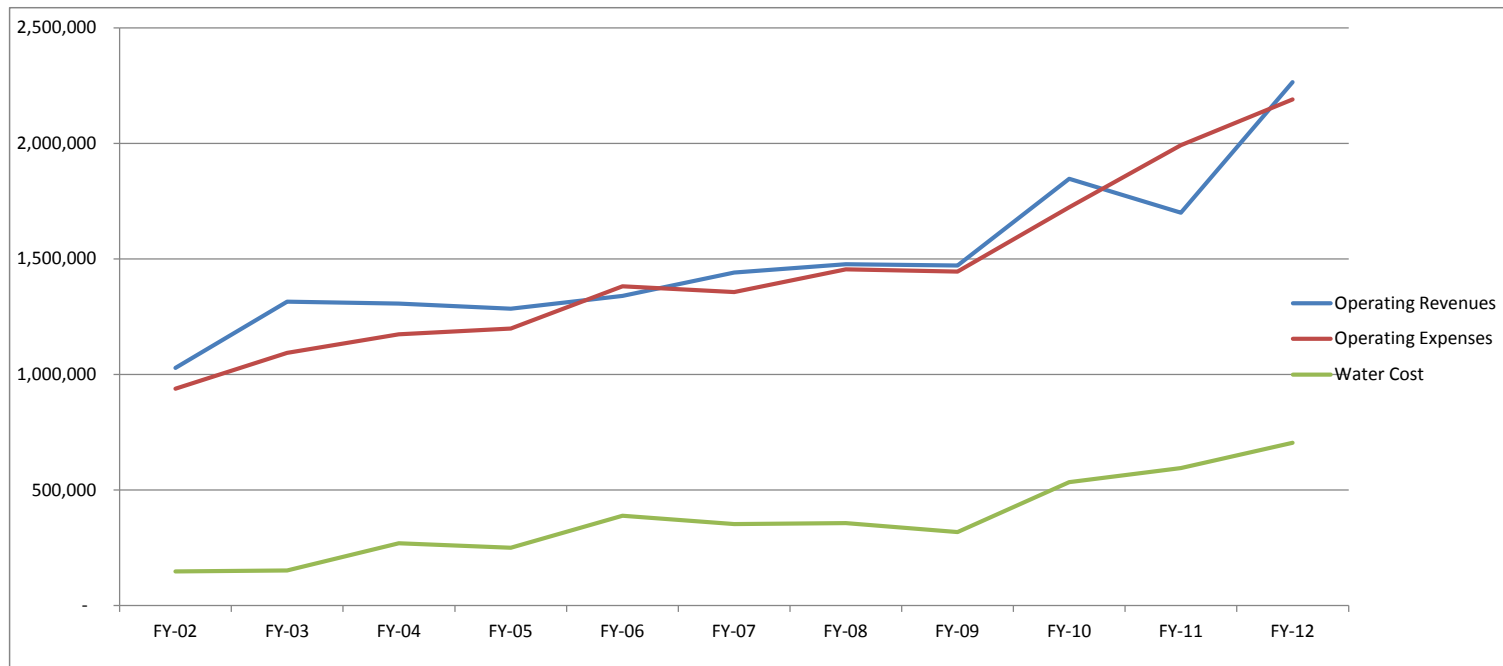
A/C #	Description	Parks & General Fund	Measure B Assessment Fund	Streetlighting Fund	Total (Memorandum Only)
Revenues					
41050	ADMINISTRATION FEE	6,000	-	13,022	19,022
42020	PROCESSING FEES	2,000	-	3,437	5,437
42030	BAD CHECK FEES	100	-	-	100
43195	OTHER OPERATING REVENUE	4,500	-	-	4,500
43197	RENT AND LEASE REVENUE	2,076	-	-	2,076
44000	OPEN SPACE MAINTENANCE ZONE FEES	66,055	-	-	66,055
45000	COUNTY OPEN SPACE MAINT. ZONE FEES	7,500	-	-	7,500
47001	STREET LIGHT CHARGES	-	-	67,370	67,370
47999	EVENT RENTALS	25,950	-	-	25,950
48001	VENDOR CONTRACT FEES	19,900	-	-	19,900
48002	EVENT SERVICE FEES	4,500	-	-	4,500
48010	INSURANCE FEES	800	-	-	800
48020	ADVERTISING INCOME	1,000	-	-	1,000
48050	RECREATION PROGRAM FEES	332,100	-	-	332,100
48051	FEE REDUCTIONS	(5,900)	-	-	(5,900)
48055	PROGRAM GRANTS	19,600	-	-	19,600
49500	PROCEEDS FROM DEBT	-	-	155,000	155,000
50001	INTEREST REVENUE	3,000	-	-	3,000
51001	PROPERTY TAXES	530,000	-	-	530,000
51060	MEASURE B ASSESSMENT	-	209,000	-	209,000
53001	CONTRIBUTIONS	3,400	-	-	3,400
53002	QUIMBY FEES	150,000	-	-	150,000
Total Revenues		1,172,581	209,000	238,829	1,620,410
Expenditures					
61999	PAYROLL AND RELATED EXPENDITURES	793,190	39,000	40,026	872,216
61020	MILEAGE REIMBURSEMENT	-	-	100	100
62004	ACTIVITY SUPPLIES	14,795	-	-	14,795
62005	REPAIRS AND MAINTENANCE	35,490	-	2,000	37,490
62007	OPEN SPACE MAINTENANCE	8,000	-	-	8,000
62015	GAS AND ELECTRIC	10,800	-	26,226	37,026
62016	TRASH SERVICE	6,000	-	210	6,210
62017	GENERATOR FUEL	-	-	100	100
62020	TELEPHONE	3,200	-	275	3,475
62035	FUEL/OIL/LUBE	4,500	-	50	4,550
62037	VEHICLE REPAIRS	2,500	-	50	2,550
62038	HEAVY EQUIPMENT REPAIRS	-	-	50	50
62040	SMALL TOOL PURCHASES	3,000	-	100	3,100
62044	EMERGENCY RESPONSE TRAINING	6,600	-	40	6,640
62045	TAXES AND ASSESSMENTS	3,500	-	-	3,500
62050	OFFICE SUPPLIES	12,000	-	1,305	13,305
62051	ADVERTISING AND MARKETING	2,400	-	40	2,440
62052	PRINTING	1,400	-	95	1,495
62056	OFFICE EQUIPMENT MAINTENANCE	1,500	-	481	1,981
62057	UNIFORMS	1,000	-	-	1,000
62059	OFFICE EQUIPMENT LEASE	1,800	-	461	2,261
62060	POSTAGE	3,505	-	1,000	4,505
62061	PUBLIC RECORDS ACT COST	2,000	-	100	2,100
62065	GENERAL INSURANCE	11,000	-	100	11,100
62066	SPECIAL EVENT INSURANCE	250	-	-	250
62070	ACCOUNTING AND AUDIT	4,000	-	3,900	7,900

McKinleyville Community Services District
Governmental Funds Line-Item Budget
FY 2012-13

A/C #	Description	Parks & General Fund	Measure B Assessment Fund	Streetlighting Fund	Total (Memorandum Only)
62075	ENGINEERING	100	3,000	1,000	4,100
62080	LEGAL	8,000	-	1,797	9,797
62090	TRAVEL/MEALS	3,000	-	89	3,089
62095	MEMBERSHIPS AND SUBSCRIPTIONS	13,500	-	580	14,080
62100	SAFETY TRAINING AND SUPPLIES	3,000	-	250	3,250
62105	CASH OVER/SHORT	35	-	10	45
62135	DIRECTORS FEES	2,400	-	600	3,000
62140	PAGING/ALARMS	1,500	-	20	1,520
62141	RENT EXPENSE	7,200	-	-	7,200
62145	ELECTIONS	-	-	580	580
62150	OTHER PROFESSIONAL FEES	14,680	-	500	15,180
62151	FINGERPRINTING FEES	800	-	-	800
62155	TRAINING AND CERTIFICATION	5,500	-	50	5,550
62160	NONPROFESSIONAL FEES AND STIPENDS	14,850	-	71	14,921
62295	OTHER EXPENDITURES	5,500	-	311	5,811
64000	CAPITAL EXPENDITURES	158,000	167,000	155,000	480,000
64001	INTEREST EXPENSE	500	-	-	500
Total Expenditures		1,170,995	209,000	237,567	1,617,562
Excess (Deficit)		1,586	-	1,262	2,848

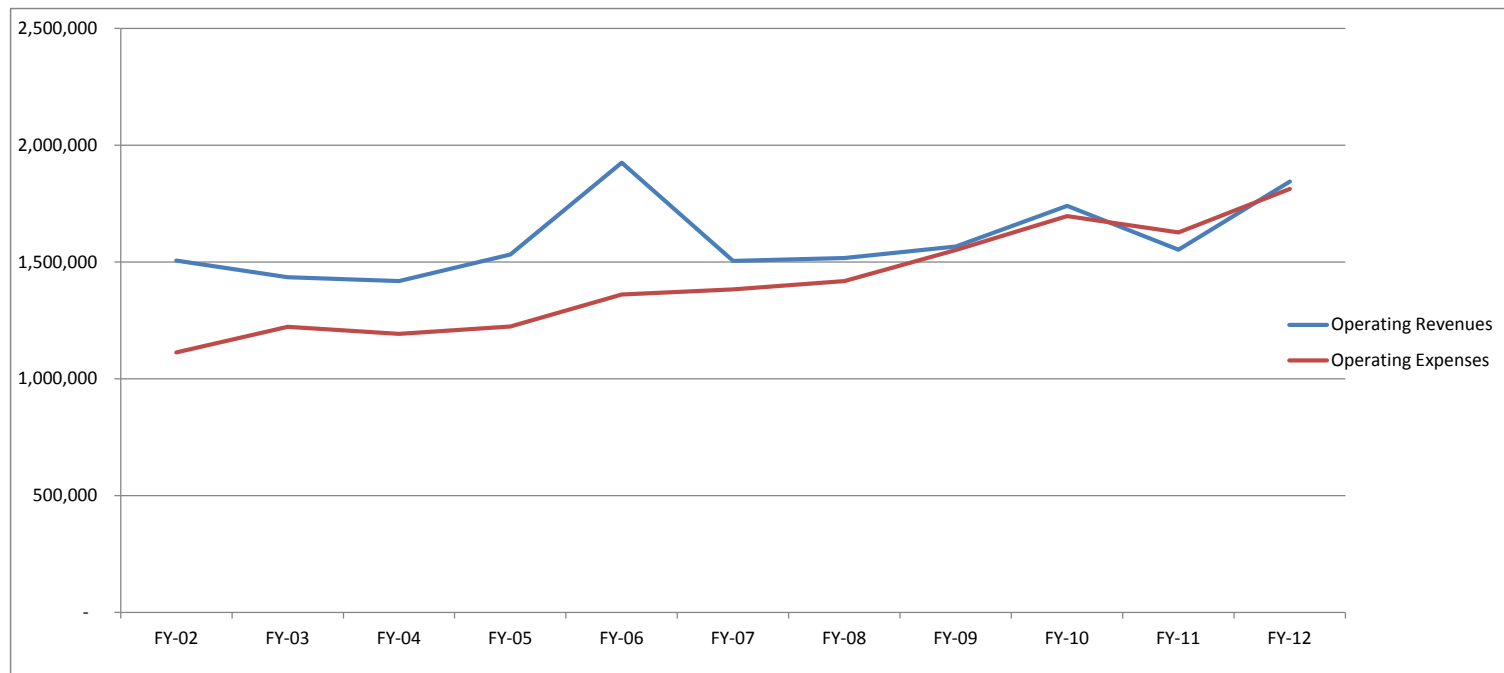
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2012

	Fiscal Year Ended (Ending) June 30,										
	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual Est.	2012 Budget
Operating Revenues											
Water Sales	924,184	1,085,000	1,121,436	1,152,396	1,224,279	1,305,455	1,337,042	1,360,169	1,566,024	1,544,970	2,053,190
Other Water Revenues	104,592	229,237	184,979	132,194	115,568	135,596	139,331	111,300	280,648	155,049	211,972
Total Operating Revenues	1,028,775	1,314,236	1,306,414	1,284,590	1,339,847	1,441,051	1,476,373	1,471,469	1,846,672	1,700,019	2,265,162
Operating Expenses											
Salaries & Benefits	392,061	472,929	459,541	499,303	529,427	560,844	594,924	661,031	729,285	699,804	778,084
Water Cost	147,114	151,583	269,049	250,212	387,780	352,935	356,842	318,159	533,961	594,304	704,507
Other Expenses	208,710	260,953	229,621	235,081	243,424	222,740	282,010	243,853	235,842	437,814	457,134
Depreciation	190,917	207,140	215,714	214,546	220,709	219,925	220,727	221,484	224,099	259,524	250,000
Total Operating Expenses	938,802	1,092,605	1,173,925	1,199,143	1,381,340	1,356,444	1,454,502	1,444,527	1,723,187	1,991,446	2,189,725
Net Operating Income (Loss)	89,974	221,631	132,489	85,447	(41,492)	84,607	21,870	26,942	123,485	(291,427)	75,437
Interest Income	79,066	67,786	42,801	46,501	63,422	97,279	114,973	76,662	39,897	23,664	20,000
Interest Expense	(75,463)	(65,739)	(64,364)	(62,690)	(61,241)	(59,666)	(58,130)	(56,318)	(54,701)	(83,266)	(86,081)
Net Income (Loss)	93,576	223,678	110,926	69,258	(39,311)	122,220	78,713	47,286	108,681	(351,029)	9,356



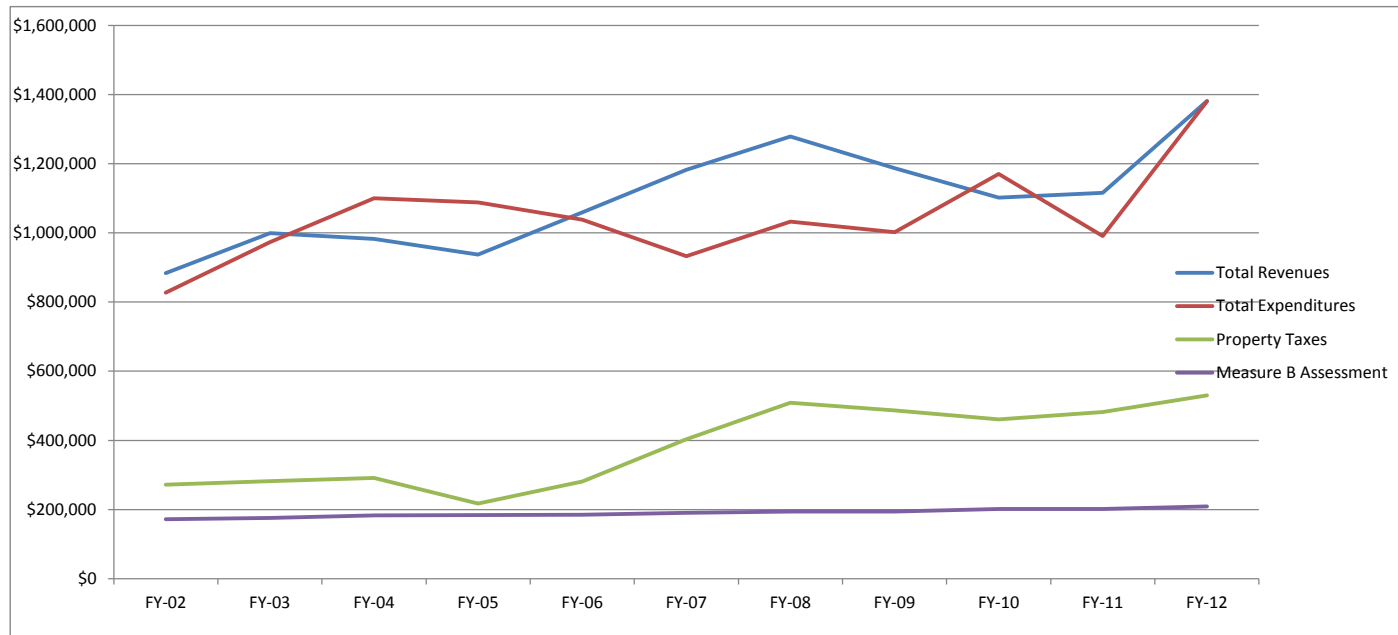
McKinleyville Community Services District
Sewer Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2012

	Fiscal Year Ended (Ending) June 30,										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
Operating Revenues											
Sewer Service Charges	1,015,604	1,038,351	1,053,676	1,074,665	1,134,167	1,161,794	1,216,130	1,298,515	1,404,897	1,375,820	1,645,000
Other Sewer Revenues	490,711	397,380	365,082	458,496	791,360	343,314	301,106	267,940	336,252	176,630	199,300
Total Operating Revenues	1,506,314	1,435,732	1,418,758	1,533,161	1,925,527	1,505,108	1,517,235	1,566,455	1,741,149	1,552,450	1,844,300
Operating Expenses											
Salaries & Benefits	416,737	471,740	456,552	505,750	565,167	605,798	628,773	702,632	755,611	710,227	799,779
Other Expenses	361,180	391,751	368,226	351,055	397,018	376,114	390,676	441,707	529,281	478,489	598,670
Depreciation	335,976	359,592	367,808	367,795	399,033	401,102	400,055	407,597	412,230	438,095	415,506
Total Operating Expenses	1,113,893	1,223,083	1,192,586	1,224,600	1,361,218	1,383,014	1,419,504	1,551,936	1,697,122	1,626,811	1,813,955
Net Operating Income (Loss)	392,421	212,649	226,171	308,561	564,309	122,093	97,732	14,519	44,027	(74,361)	30,345
Interest Income	44,270	42,050	32,903	55,004	58,701	112,998	138,349	89,781	46,165	39,194	30,000
Interest Expense	(46,367)	(46,221)	(46,682)	(46,855)	(46,855)	(46,855)	(56,232)	(49,915)	-	(58,044)	(55,000)
Net Income (Loss)	390,325	208,478	212,392	316,709	576,154	188,236	179,848	54,386	90,192	(93,210)	5,345



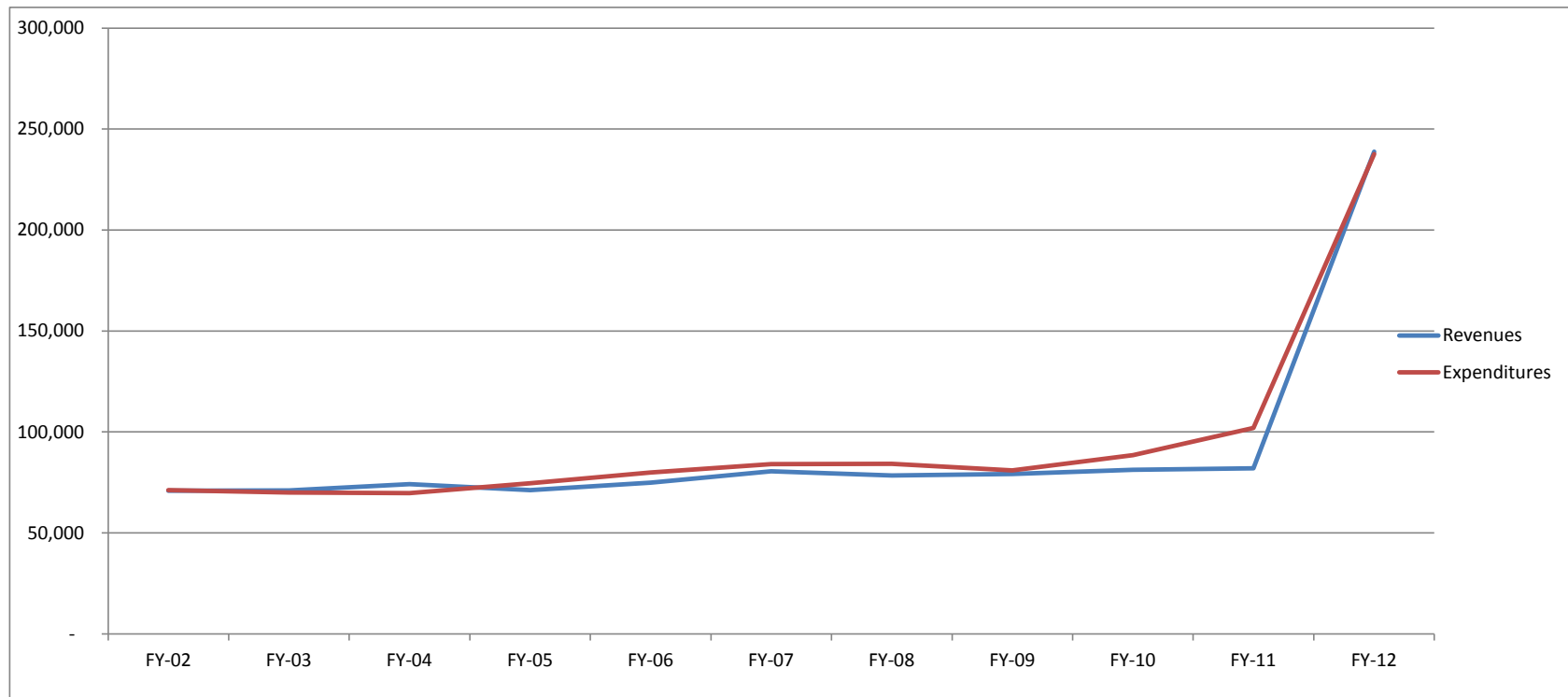
McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2012

	Fiscal Year Ended (Ending) June 30,										
	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual Est.	2012 Budget
Revenues											
Programs	213,377	241,011	234,189	244,304	267,216	266,947	301,191	283,861	265,596	263,409	332,100
Rentals	51,344	53,694	59,710	64,572	68,961	76,128	68,175	57,921	56,953	58,890	52,150
Property Taxes	272,089	281,973	291,306	217,475	281,141	403,353	508,445	486,297	460,625	481,548	530,000
Measure B Assessment	171,707	175,350	182,969	183,832	185,245	190,263	194,044	193,724	201,114	201,151	209,000
State Bonds & Grants	-	104,477	131,265	55,312	154,722	126,913	67,983	47,097	-	-	-
Other Revenue	145,516	120,879	72,416	158,510	88,180	97,129	103,849	87,824	98,611	106,047	255,331
Interest Revenue	29,611	21,330	10,351	13,184	13,617	21,698	34,943	30,308	18,992	4,959	3,000
Total Revenues	883,644	998,714	982,206	937,189	1,059,083	1,182,430	1,278,630	1,187,032	1,101,891	1,116,003	1,381,581
Expenditures											
Salaries & Benefits	326,365	380,587	463,148	492,992	481,106	510,737	554,654	624,909	612,125	766,244	832,190
Other Expenditures	177,970	164,285	168,953	127,539	126,480	148,624	187,830	165,891	180,202	215,264	222,305
Debt Service	222,599	222,172	210,213	210,992	210,992	210,992	210,992	191,609	191,609	-	500
Capital Expenditures	100,452	206,460	257,755	256,000	219,503	62,614	79,115	19,138	186,355	9,377	325,000
Total Expenditures	827,387	973,504	1,100,070	1,087,524	1,038,082	932,968	1,032,591	1,001,547	1,170,291	990,885	1,379,995
Excess (Deficit)	56,258	25,210	(117,864)	(150,336)	21,001	249,462	246,039	185,485	(68,400)	125,119	1,586



McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2012

	Fiscal Year Ended (Ending) June 30,										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
Revenues	70,946	71,040	74,138	71,173	74,911	80,560	78,413	79,207	81,317	81,959	238,829
Expenditures											
Salaries & Benefits	18,267	19,381	21,422	23,080	24,651	26,088	29,860	28,060	29,290	31,374	40,026
Other Expenditures	34,166	31,641	29,276	32,471	36,234	34,937	37,101	36,219	38,663	50,051	42,541
Debt Service	18,790	18,984	19,055	19,055	19,055	19,055	17,305	16,746	17,305	-	-
Capital Expenditures	-	-	-	-	-	4,000	-	-	3,271	20,520	155,000
Total Expenditures	71,223	70,006	69,754	74,607	79,940	84,080	84,266	81,025	88,529	101,945	237,567
Excess (Deficit)	(277)	1,035	4,385	(3,433)	(5,029)	(3,520)	(5,853)	(1,818)	(7,212)	(19,985)	1,262



The Capital Improvement Program Fiscal Year 2012-2013

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

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

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

Another primary consideration in developing the CIP is to prioritize current and future needs to fit within the anticipated level of financial resources. In this way, the CIP will also assist MCSD in reviewing and evaluating capacity fees, water and sewer rates, facility rentals, and program fees so that MCSD can maintain cash reserves and debt capacity to insure the long-term preservation of District assets. For FY10/11 and 11/12 it was necessary to defer some of the previously prioritized CIP projects to a future year. This is the result of the increased water rates from Humboldt Bay Municipal Water District (HBMWD) that has resulted in overall decreased water revenue.

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

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities was renewed in FY11/12. As Proposition 1A made clear, the State's ability to redirect property tax revenues make that annual revenue source less secure and predictable than previously thought. The State is again in a deficit position and is looking for more local revenues to balance the State's budget. Local property tax remains one of the few only revenue sources left along with redevelopment funds and higher fees.

Capital Improvement Program Project Discussion

HEAVY EQUIPMENT

MCSD owns several pieces of heavy equipment used for maintenance of the MCSD facilities. Equipment in this category includes a sewer hydrocleaner, a dump truck, two backhoe/loaders, a tractor and a van with closed circuit TV.

The hydrocleaner/hydrovacuum was replaced in 2002; the unit is expected to be in service through the planning period. A new backhoe/loader was purchased in fall 2003 and is scheduled to be in service through the planning period.

The dump truck is a 1988 model and is scheduled for replacement during FY12/13 as it is well past its planned useful life. The John Deere tractor is planned for replacement in FY 11/12. These pieces of equipment are diesel powered and are required to be replaced to meet future emission standards.

The van with closed circuit TV, used to check the sewer collection system for inflow, infiltration and to inspect the quality of installation for new sewer main installations. The chassis for this equipment is a 1987 model van and is planned for replacement in FY13/14.

UTILITY VEHICLES

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. At present, MCSD owns 21 utility vehicles 6 of which are more than ten years old. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs. In FY 11/12 the District purchased a Boom Truck to replace an aging utility vehicle and the Genie Man Lift. This vehicle will make working on elevated structures much more efficient.

WATER SYSTEM

The water distribution system was originally constructed in 1972. The minimum average expected useful life of such infrastructure is 50 years. Additions to the distribution system are generally donated to the District by property developers. However, expansion of the customer base has created the need for expansion of portions of the system and occasional upgrades. Pump stations and some operating equipment have a much shorter useful life (e.g. 30 years) than pipes that can last up to 70 years or more.

Meter Technology: Currently, majority of water meters are read manually and recorded on an electronic recording unit (meter reader) that then interfaces with the accounting system. A new radio-capable meter reader was purchased in 2007. Some meters in dangerous or hard-to-reach locations are currently equipped with radio transmission

capability. Water meter technology has now advanced to the point where they can be read reliably using radio technology, and the conversion to radio technology is now cost-effective. As they age, water meters become increasingly inaccurate, generally under-reading water consumption due to aging of mechanical components. MCSD replaces older meters over time so that no residential meter will be older than 18 years. In FY10/11 MCSD replaced the heads on all newer meters with radio read heads. Starting in FY12/13 MCSD will be replacing all older meters with radio read meters. This project is projected to pay for its self in less than 8 years by allowing one Maintenance Person to read the entire district in 2 days thereby reducing the man hours required to read meters from 96 man hours per month presently to approximately 16 man hours per month. In addition, during water rationing or emergency situation radio read meters will be more effective in monitoring water flow and usage rates.

Water Storage Tanks: The District's current storage capacity for potable water is 5.25 million gallons in six storage tanks located on McCluski Hill (100,000 & 150,000 gal.), Cochran Road (1 million & 1.5 million gallons) and Norton Road (1 million & 1.5 million gallons). This only provides a 24 hour backup water supply for McKinleyville water customers at peak flow. Norton Tank 2B was recoated in FY 11/12. Additional recoating projects are scheduled for FY13/14 and FY16/17. One new 4.5 million gallon tank is planned for construction at a site to be determined. The site at Murray Road was determined to be in a seismically vulnerable area during an assessment conducted in FY 11/12. The Board adopted policy requires the District maintain a 5 day reserve of water and is the determining factor for the 4.5 million gallon capacity. Current estimates for the project include preliminary design costs of \$500,000 and construction costs of approximately \$3.5 million. The project would be paid for by some combination of developer fees, CIP reserve funds, commercial debt and the acquisition of some form of State assistance. Ultimately the project would double the District's storage capacity and should fulfill the District's requirements for water storage for the near future, but not meet future projected buildout demands.

Ramey (North Bank) Pump Station: MCSD purchases all of its water from Humboldt Bay Municipal Water District. Water is pumped from HBMWD's facility on the Mad River to the Ramey Pump Station. Water is then pumped to MCSD's six storage tanks where it is gravity-fed to MCSD's customers. A pre-engineering analysis was completed in fall of 2008 that recommended a complete motor-pump, electrical service and emergency generator replacement. The Ramey Pump Station Upgrade was completed in FY 11/12 and was designed for full build out and a useful life of 30 years.

Emergency Water Supply: The under river supply line from HBMWD's facility on the Mad River to the Ramey Pump Station may be vulnerable to failure in a major earthquake. If such an event were to occur during the winter, it could be several months before the supply line under the river and freeway could be repaired, restoring water supply to the Ramey Pump Station. The 12" emergency water main in the Mad River Bridge is scheduled for completion in FY 12/13. The interties, valves and piping to complete the project will take place in FY 13/14. Grant funding for this project will be pursued.

District owns Fire Hydrants in McKinleyville. Fire hydrants are generally required with new subdivisions by contractors and dedicated to the District upon testing inspection and acceptance. An upgrade of older hydrants in commercial areas to 4" steamer nozzles to enhance fire protection is an ongoing project. Hydrants are replaced as they are identified and funds are available. Arcata Fire Protection District and the District have initiated a project to install fire hydrants in commercial areas along Central Avenue. Thirteen areas have been determined to be deficient in fire hydrant coverage. One hydrant per year will be installed. In FY 12/13 one hydrant was installed with two scheduled for FY 13/14.

Digital Control: All key water and sewer facilities are monitored constantly by computer from the MCSD field office. The Remote Terminal Units (RTU) automates the function of all facilities but existing RTUs have been in service since 1990 and are scheduled to be replaced over the next three years with a completion in FY 15/16.

SEWER SYSTEM

Sewer Collection System: Staff has placed an operational priority on investigating and monitoring infiltration and inflow (I&I) of groundwater and storm runoff into the collection system. Smoke testing of the collection system is conducted when to test for leaks and misconnections. When deficiencies are discovered these areas of I&I are quickly repaired by staff. Projected growth in central McKinleyville also raises questions about the adequacy of the collection system. Engineering investigation of collection system upgrades were done as part of the 20 Year Facility Plan, but additional questions about the necessary scope as well as time frame for the project remain. Another potential problem exists in the County's unknown planned densities for the area. The District uses sewer modeling software to verify capacity in the collection system as new developments are proposed. Pipe replacement has been placed on hold pending further engineering analysis and the growth patterns within the system are better identified. The three highway undercrossings have all been identified as potential areas of concern with the Thiel Avenue crossing being the most significant. Near term approximations for upgrades and maintenance to the collection system and sewer lift stations are estimated to be \$3.4 million.

Fischer Irrigation Site: The August 2008 WDO mandated a Reclamation Study to evaluate the District's ability to discharge treated effluent at a rate that does not exceed the agronomic rate of the pasture lands. The initial conclusion is that with intensified management and improved crop selection the District will be able to meet the standards of the RWQCB. These studies were completed in FY 11/12. The District is conducting a Pilot Study to research the viability of using Poplar, specifically native Black Cottonwood because of its characteristic of requiring more water and up taking more nutrients. Per the 20 Year Facility Plan approximately \$1.7 million will be required for upgrade to the District reclamation sites.

McKinleyville Waste Water Management Facility (WWMF)

Mandatory studies associated with the National Pollutant Discharge Elimination System (NPDES Permit) issued in 2008 required staff complete several studies. During the process staff also recognized the benefit in proactively proceeding with a 20 Year Facility Plan to allow the District the ability to do long term planning for our infrastructure improvements that considers our present and future regulatory environment and demonstrate to the Regional Water Quality Control Board (RWQCB), MCSD's commitment to maintaining regulatory compliance without a mandatory compliance schedule. The 20 Year Facility Plan was completed and approved by the Board in F/Y 11/12 as was submitted to the Regional Water Quality Control Board (RWQCB) for review.

Included with the 20 Year facility Plan are several alternatives for a WWMF upgrade to address issues with current and projected compliance issues. The Board approved a preferred alternative that includes modifying the existing process. An RFP to enlist a consulting firm for design was prepared and issued in May 2012. Approximately \$10 million has been budgeted in the CIP for pretreatment and secondary treatment upgrades to the WWMF.

Waste Discharge Permit (NPDES)

On April 19, 2011 the State Water Resources Control Board (SWRCB) approved the NPDES permit for discharges from the WWMF for another 5-year term, extending the permit expiration date from August 1, 2013 to April 19, 2016. The permit was approved as a consent item on the April agenda. Modifications to the final permit terms were slight in text, but extremely huge in terms of financial savings for the District and our rate payers.

In response to District's request for sampling point modifications, sampling frequency revisions, a request for a Cease and Desist Order and a Water Effects Ration Study the RWQCB determined that a Permit revision and subsequent 5-year permit renewal would be appropriate.

STREETLIGHTS

In 1972 the District assumed streetlight powers. Since that time the District bought existing streetlights from P,G&E and assumes streetlights in new development. In 2010 the District surveyed all poles older than five years to determine their integrity. A streetlight pole replacement program has been initiated to replace existing poles before they become a fall hazard. In response to the District Rules and Regulation that require the use of the most energy efficient light source the District will be updating Standard and Specification to require all new streetlight have Light Emitting Diode (LED) light source. The District is also exploring the financial feasibility of retrofitting existing streetlights with LEDs and has budgeted \$168,000 for the replacement. PG&E has very attractive rebates and loan opportunities associated with this type of retrofit. The

District utility charges and maintenance requirements will be substantially lower if this project is implemented and payback on this project is also favorable.

BUILDING PROJECTS

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

The parking lots at all Pierson Park buildings will be resurfaced in FY 12/13. A picnic area with outdoor BBQ is being proposed at the bocce ball courts.

The District is in the planning stage to expand the office replacing the aging field office with and attached addition to the existing office this project is scheduled for FY 13/14.

PARKS AND TRAILS PROJECTS

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

Staff proposes to install swing sets at Pierson and Hiller Parks. Staff also proposes to complete playground inspections and consider replacing any playgrounds that are necessary.

MCSD purchased approximately three (3) acres of property from the McKinleyville Union School District. The property is located at/near the corner of School Road and Washington Avenue.

Staff will be working on providing access to the property and utilize the 3-acres as open space until park development occurs in the next few years. In this case, funding for park development would come from Quimby Inland Park Dedication Funds along with potential grants. The Quimby Act requires that developers set aside land, donate conservation easements, or pay fees for park improvements. Revenues generated through the Quimby Act can be used for park development, but cannot be used for the operation and maintenance of park facilities.

Staff has identified 33 acres of property at/near the junction of North Bank Road and Azalea Road as potentially beneficial to the Parks & Recreation Department by providing direct recreational access to the Mad River. Potential activities include boating, swimming, fishing, picnicking, hiking and more!

Staff has conducted an initial appraisal and is in the process of conducting a Phase 1 Preliminary Site Assessment and generating a preliminary parcel map. The Recreation Advisory Committee is working on developing a conceptual plan for the use of the property, which will be presented to the MCSD Board of Directors at a later date.

Once a conceptual plan is in place, staff will actively pursue grant funding for future development of the property.

The MCSD Board has encumbered \$25,000 in Quimby funds for the development of the Hewitt Ranch property. Staff is actively pursuing matching grant funds to develop access, trails, and a disc golf course. The current access to the property is off Bryan Lane. Staff is considering the possibility of creating access of Cochran Road.

Staff continues to pursue grant funding for new projects. These projects are in the budget, but are contingent upon successfully receiving grants.

COMPUTERS AND SOFTWARE

Water and sewer system modeling software, base mapping software and hardware, and SCADA system hardware upgrades have been ongoing. Routine ongoing replacement of existing Operations Department, office and Parks & Recreation Department computers are budgeted throughout the planning period in order to keep the MCSD system current.

The MOMS billing and accounting system was upgraded in the office in spring of 2008. Several office computers were upgraded to take advantage of the new features in the accounting system upgrade. Upgrade of the accounting software is planned for the future.

The District began using SEMS software, in 2010 with full implementation in 2011. SEMS is a compliance resource and asset management tool for water and waste water agencies. The program also allows staff to prepare and manage work orders to identify and track jobs.

The District has historically recognized the importance of mapping all facilities and has complete paper system maps for the water and sewer systems. With advent of new technologies the District began the satellite location Facility Information System (FIS) of all facilities. Development of our FIS will require the ongoing use of global positioning system (GPS) survey equipment to keep digitized maps of District facilities current; GPS equipment was purchased in FY03/04. This equipment is planned for replacement in FY11/12.

SMALL EQUIPMENT, CONTINGENCY AND OTHER

The main MCSD photocopier was replaced in February, 2009 with a leased model with scanning and color printing capabilities. The Risograph duplicator should last through

the planning period. Smaller and less expensive (more than \$500 but less than \$2,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated.

Appendices to Capital Improvement Program

The following pages contain the preliminary summaries of the Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning period for the Program is 10 years. This planning period provides additional perspective in the formulation of the Comprehensive Action Plan, which has a planning period of five years. It should be noted that all estimated replacement costs are in current year dollars, since future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly reevaluated.

McKinleyville Community Services District

BUDGET

For the Fiscal Year Ending June 30, 2013

Appendix A: Capital Improvement Projects

**McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2012 - 2022**

	1	2	3	4	5	6	7	8	9	10
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
1. Heavy Equipment										
Hydrocleaner (Sewer Fund) and appurtenances					300					
Backhoe						60				
Dump Truck	90									80
Tractor and Attachments	10		10						50	
Air Compressor and appurtenances								20		
Totals:	100	0	10	0	300	60	0	20	50	80
2. Utility Vehicles										
3/4 or 1-Ton Pickup	30	30	30	31	31	31	32	32	32	32
CCTV Truck		30								
Car	30				31					
Light Duty Utility Truck		20		22		22		22		
Totals:	60	80	30	53	62	53	32	54	32	32
3. Water System										
Murray Road Tank	3,500									50
Property Purchase/Improvements										
Emergency Water Line River Crossing	50	150	150							
Water Tank Upgrade	2	350			400				400	
Ramey Pump Upgrades	15									
Emergency Water Supply	50	150	100			50				
Radio Telemetry Upgrade	20	25			15		20			
Meter Reader Upgrade	15					15				
McCluski Tank 3 Roof Upgrades	6									
Tank Seismic Actuators										
Fire Hydrant System Upgrade	7	8	9	13	14	7	7			
Water Main Rehabilitation and Replacement	60	500			200			1,000		
District Meter Replacements	1,300									
Totals:	5,025	1,183	259	13	629	72	27	1,000	400	50

**McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2012 - 2022**

4. Sewer System

NPDES Permit	50	50			80	80				
WWMF Upgrade/CEQA/Permitting	750	750	10,000	200						
WWMF Fencing and Gate	2	10							40	
WWMF SO2/Chlorine Injector Controllers		8				10	10			
WWMF SO2/Chlorine Shut Off					25					
WWMF Security Upgrades/ Cameras	4		3			3				
Property Purchase/Improvements	10	500			10					
Collection System Upgrades	10							250	250	250
Sewer Main Rehabilitation and Replacement	50			50						1,000
Sewer Lift Sta. Pump Replacement	20	20		20		20		20		
Irrigation Pipe and Fittings	3									
Radio Telemetry Upgrade	30	10				10	10			
Meter Replacement: WWMF, FIS					7					
Fischer Lift Station Grinder Upgrade				12					12	
Sewer Main Camera Unit	30						30			
Underground Pipe Locator & Camera			5					5		
Letz and Fischer Generator Upgrades				300	175					
SCBA Apparatus and Bottles				6				6		
Totals:	959	1,348	10,008	588	297	123	50	281	302	1,250

5. Office, Corporation Yard and Shops

Facility Upgrades and Sealcoat	50	20	20	10	10	10	10	10		
ADA Upgrade	2	2								
Office Building	175	150								
Property Purchase										400
Building Roofs					10			10		
Totals:	227	172	20	10	20	10	10	20	0	400

7. Computers, Software and Equipment

PCs, Software, & Printers	12	12	12	12	12	12	12	12		
File Server Upgrade	5	4	4	4	4	4	4	5		
MOM Upgrade and Replacement	4			125						
Office Equipment	8	5	5	5	5	5	5	5		
GIS/SEMS/CADD Equipment and Software	6	4	4	4	4	4	4	5		
Totals:	35	25	25	150	25	25	25	27	0	0

**McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2012 - 2022**

8. Fischer Ranch

Barn and Fence Upgrades	5			3						
Underground Valving and Piping	8									
Totals:	13	0	0	3	0	0	0	0	0	0

9. Small Equipment & Other

Misc./ Emergency Equipment Replacement	15	15	15	15	15	15	15	15		
Security	5									
Copier	5									
GPS Surveying Equipment	2					20				
Mobile Radio Replacement	5									
Office Emergency Generator								22		
Emergency Response Equipment	10	4	3	3	3	3	3	3		
Totals:	42	19	18	18	18	38	18	40	0	0

Total Planned Expenditures

6,461	2,827	10,370	835	1,351	381	162	1,442	784	1,812
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Departmental Allocations:

Water Fund	5,257	1,331	311	129	692	165	70	1,081	441	306
Sewer Fund	1,204	1,496	10,060	707	660	216	93	362	343	1,506
Total	6,461	2,827	10,370	835	1,351	381	162	1,442	784	1,812

Appendix A

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects
For the Fiscal Years Ending June 30, 2013 - 2022

	1	2	3	4	5	6	7	8	9	10
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
1. Hiller Park & Sports Complex Projects										
Park landscaping & signage										
Other Park equipment & signage	0	0	5	5	5	5	5	6	6	6
Totals:	0	0	5	5	5	5	5	6	6	6
2. Pierson Park Projects										
Park landscaping & signage										
Other Park equipment & signage										
Totals:	0	0	0	0	0	0	0	0	0	0
3. Azalea Hall Projects										
Furnace replacement		5								
Replace flooring										
Miscellaneous equipment										5
Roof replacement										
Parking lot resurfacing		8								
Roof replacement										
Kitchen equipment replacement										
Replace tables & chairs	0									
P/A system and microphones				6						
Saber floor scrubber		5								
Totals:	0	18	0	6	0	0	0	0	0	5
4. McKinleyville Activity Center Projects										
Park landscaping & signage										
Flooring replacement										
Roof replacement										
Miscellaneous equipment replacement			5	5	5	5	5	5	6	6
Parking lot resurfacing		15								
Bleacher replacement							10			
Tables & chairs										
Furnace replacement								5		
Saber floor scrubber		5								
Totals:	0	20	5	5	5	5	15	10	6	6

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects
For the Fiscal Years Ending June 30, 2013 - 2022

	1	2	3	4	5	6	7	8	9	10
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
5. Other Park Projects & Equipment										
Computers & software & copiers										
Security										
Playground equipment replacement										
Mower & landscaping equipment										
Utility truck	8	27				28		28		
Light duty utility truck/van/car			19						20	
Mobile Radio Upgrade										
Emergency response equipment/supplies										
Miscellaneous/replacement equipment					8	8	8	8	8	8
Land Acquisition			120				120			
Totals:	8	27	139	0	8	36	128	36	28	8
6. Law Enforcement Facility Projects										
Furnace replacement										
Roof replacement										
LEF/Library sealing/paving					5					
Totals:	0	0	0	0	5	0	0	0	0	0
7. McKinleyville Library Projects										
Carpet replacement			8							
Roof replacement										
Furnace replacement		5								
Hot water heater replacement										
Roof replacement										
Totals:	0	5	8	0	0	0	0	0	0	0
8. Projects Funded With Measure B Renewal										
Facilities Design and Improvements	185	1,200								
Totals:	185	1,200	0	0	0	0	0	0	0	0
9. Projects Contingent Upon Grant Funding										
Totals:	0	0	0	0	0	0	0	0	0	0

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Projects
For the Fiscal Years Ending June 30, 2013 - 2022

1 2 3 4 5 6 7 8 9 10

	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
10. Projects Funded by Quimby & Other Funds										
Library expansion project										
Hiller dog park										
Playground equipment replacement	30									
Pole Barn										
Skate park										
Hewitt Ranch improvements	25									
New Park Improvements	25									
Playground equipment replacement										
Picnic area - bocce ball courts	25									
Land acquisition	45									
Totals:	150	0	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures	343	1,270	157	16	23	46	148	52	40	25

Appendix A

McKinleyville Community Services District
Streetlight Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2013 - 2022

	1	2	3	4	5	6	7	8	9	10
	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
1. Heavy Equipment										
Lift								83		
Totals:	0	0	0	0	0	0	0	83	0	0
2. Poles and Lights										
Inspection									40	
Pole Replacement	15	15	7	7	7	7	7	7	7	
Upgrade lights to LED's	140									
Totals:	155	15	7	7	7	7	7	7	47	0
Total Planned Expenditures	155	15	7	7	7	7	7	90	47	0

McKinleyville Community Services District

BUDGET

For the Fiscal Year Ending June 30, 2013

Appendix B: Goals & Objectives

SUMMARY:

The following goals and objectives are intended to be a short term planning tool (3 years) that focuses staff efforts and acknowledges the current MCSD Board priorities. These are in addition to the common day-to-day activities that are currently being addressed. The following goals and objectives were reviewed and approved by the Board on October 20, 2010.

Staff is currently in the process of updating the goals and objectives and will bring the updated version to the Board in the next few months. Staff has made significant progress on completing most of the goals and objectives previously identified. The current goals and objectives are listed below along with a status of each item.

GOAL 1:

Increase ability to serve MCSD growing population with water, sewer street lights parks recreation, and library.

OBJECTIVES:

1. Research trends and current needs of the community

- Complete an independent survey that evaluates desired recreational activities within the community by June 30, 2011 related to Measure B renewal.

This survey was completed as part of the Measure B renewal. Meetings were also conducted with community members as part of the Proposition 84 Grant funding application process. Survey information was incorporated into the current Parks Master Plan

- Update Parks Master Plan for Board approval by December 31, 2011

Board approve the updated master plan on June 6, 2012

- Determine the feasibility of establishing a pilot solar project for the Parks and Recreation Department or Corporation yard by June 2011

Determined that a Solar Pilot Project will be evaluated during the planning and construction for the new Teen/Community Center to include a potential solar pilot project for the Activity Center

2. Increase water storage capacity through design and construction of new water storage at Murray Road.

- Complete preliminary conceptual design in order to be able to apply for grant funding June 30, 2011

The original Murray Road site is not acceptable based on a seismic (potential earthquake) assessment conducted by LACO. The Murray Road site is not an acceptable location to construct a water tank. Therefore, we are in the process of looking for an alternate sites.

3. Encourage state, county and other regional agencies to work cooperatively with the District in planning and development to utilize existing infrastructure in an efficient and realistic manner
 - Establish a calendar to meet on a regular basis with County staff
Currently schedule quarterly meetings with Arcata Fire, Sherriff, Cal Fire, Coast Guard and County.
 - Become active in the California Special District, Board of Directors, and/or a CSDA committee. Participate in CSDA meetings
Successful in being elected to the CSDA Board of Directors representing Region 1. Appointed to the CSDA Education and Membership Committees. Appointed as regional representative to ACWA State and Local Legislative Committees
 - Become active and participate in the Integrated Regional Water Management (IRWM) process
Currently participate in the IRWM process and meetings
 - Meet with Federal, State and County Legislative staff to provide information on our District and discuss issues and concerns
Attended CSDA Legislative days in 2010 and 2011. Actively reviewing proposed legislation as part of ACWA Legislative Committee
 - Determine if the current MCSD contract with Humboldt Bay Municipal Water District can be reopened for negotiations related to the inclusion of pipeline under the Mad River or revisions to cost share that MCSD is assessed to maintain other pipelines by June 2011.
The opportunity to formally reopen and actively revise the contract did not develop since HBMWD negotiations with the new potential operator did not materialize. Will continue to look for opportunities to modify the contract when the opportunity exists.
4. Conduct analysis of alternative options for emergency backup services and future requirements
 - Water supply – Determine if groundwater would be a viable option as an emergency backup to our water supply system, near our existing water tanks, by June 30, 2012
Identified the Granite property and Green Diamond as potentially suitable locations. Will be conducting additional studies to determine suitability
 - Generators – Consider feasibility of upgrading or replacing generators at the sewer lift stations by completing technical evaluation memorandum by June 30, 2013
Planned for calendar year 2012.

- Install generator and automatic transfer switch at District Office by June 30, 2011

Generator installed and functional at District Office

5. Ensure adherence to present and future regulatory requirements for Waste Water Management Facility and collection system

- Identify treatment alternatives to carry forward in the 20-year Facilities Plan by December 30, 2010

20-year facility plan completed and submitted to RWQCB for review

- Implement the findings from the 20 year Facilities Plan by June 30, 2013

Draft RFP issued to consultants. Initial RFP due date is mid June. Based on the RFP responses we will proceed to evaluate RFP's and recommend a qualified consultant. The design and CEQA process will take approximately 1.5 years to complete

- Develop sewer pre-treatment program and modification of local limits in the rules and regulations by June 30, 2012

Submitted and approved by Board in April 2012

GOAL 2:

Insure appropriate funding is available to meet service objectives

OBJECTIVES:

1. Ensure that the reserve methodology is sufficient to fund service objectives

- a. Determine needed reserve categories by June 2011

Reserve Policy prepared and adopted by Board

- b. Determine what portion of our water and sewer rates should be set aside into each reserve category by June 30, 2012

Completed and approved by Board

- c. Upon retirement of debt for purchase of streetlights reevaluate rate structure to ensure appropriate reserves for capital replacement program by June 30, 2013.

Determined that changing streetlights to LED will reduce energy costs and begin to fund future reserves for streetlights. Investigating products and will be preparing a cost and return on investment analysis

- d. Identify long term reserve amounts and propose a plan to fund those amounts by March 31, 2011

CIP completed and rate study completed related to projects that included funding for reserves

2. Determine appropriate reserve strategy for accumulation of reserves and adjust sewer, water and streetlight connection fees rates to accommodate

- a. Establish and complete revised connection and capacity fee structure for all new services by September 30, 2011

Completed and approved by Board

- b. Evaluate park and facility fees by June 30, 2011

Revised fees approved by Board in June 2012

GOAL 3:

Develop succession and staffing plan

OBJECTIVES:

1. Determine long term staffing needs

- a. Create a 5-year staff development plan

Individual Development Plans (IDPs) for staff have been completed and are revised each year as a regular process

- b. Develop district office facility expansion plan by December 30, 2012

Initial conceptual design completed. During Fiscal Year 2012/2013 we will begin the formal design and plans and specifications for the office

2. Increase youth recruitment

- a. Establish a calendar to meet on a regular basis with students

Email and letter prepared and sent to High School and Middle School to start a process to have a teen advisory council. Staff met with students at McKinleyville High School, Arcata High School and McKinleyville Middle School

GOAL 4:

Prepare for major disasters

OBJECTIVES:

1. Update and implement the Emergency Response Plan
 - a. Meet annually to ensure Emergency Response Plan is current with staff
Roundtable was conducted in September 2011. Tabletop Exercise was conducted in November 2011. Emergency Operations Center setup was conducted in March 2012.
 - b. Annually Verify Mutual Aid Agreements are accurate and plan meets local state and federal requirements
Rewrite Emergency Operations Plan completed. Updated Mutual Aid agreements
2. Work with staff and other agencies to prepare and train for major disasters
 - a. Participate in a minimum of one (1) table-top exercise annually
Tsunami/Earthquake Preparedness Class sponsored by MCSD at Azalea Hall. Communication Exercise at Woodley Island Marina, for Humboldt Operational Area. Attending regular Operational Area meetings with County OES

McKinleyville Community Services District

BUDGET

For the Fiscal Year Ending June 30, 2013

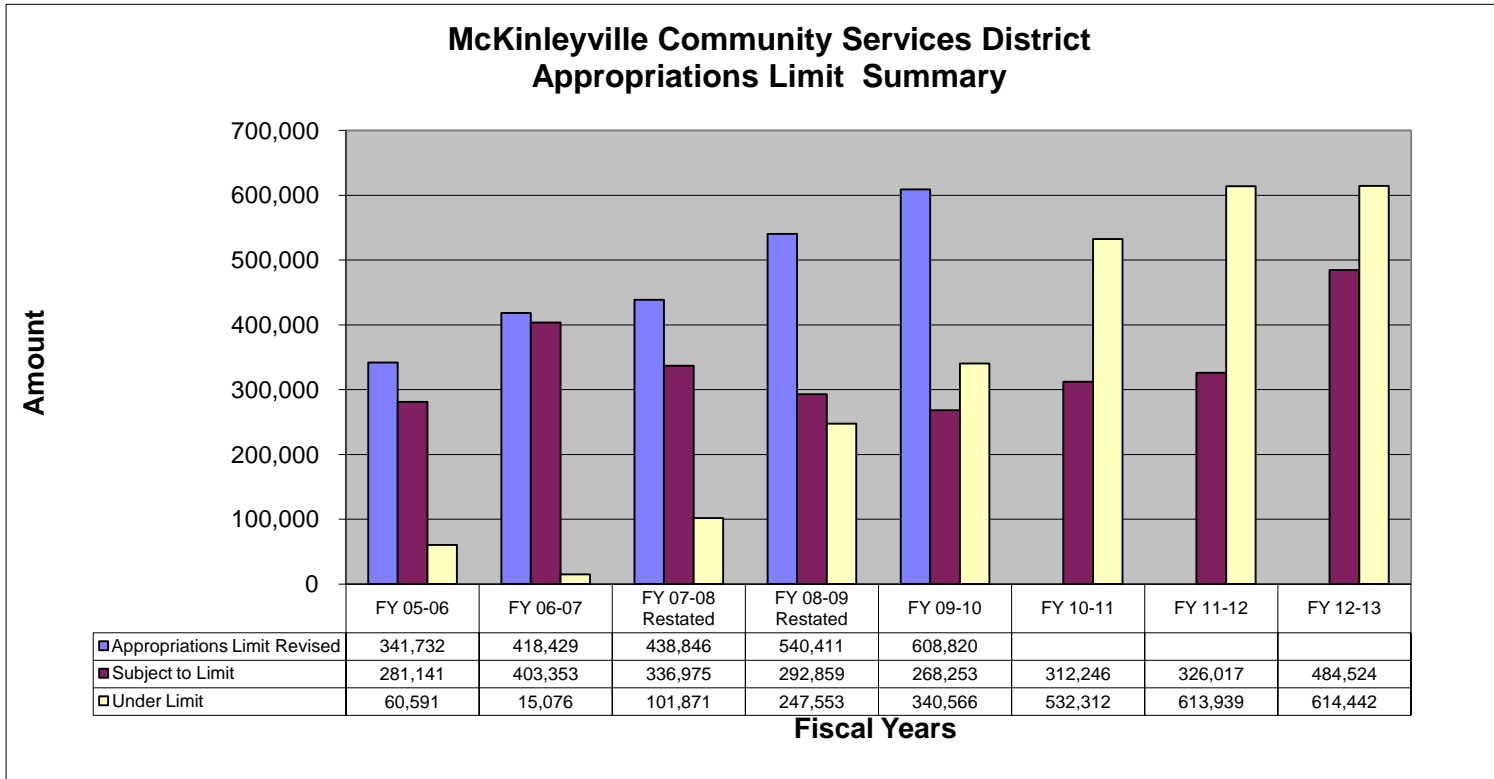
Appendix C: Appropriation Limits Calculations

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 12-13 Budget

Prior Year Final Appropriation Limit		\$ 939,956
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	16.800%	
MCSD Unincorporated County Population Percent Change	0.100%	
Compounded Percentage as an Adjustment Factor	16.917%	
Annual Adjustment Amount to Appropriation Limit		<u>159,010</u>
Current Year Appropriation Limit		<u>1,098,967</u>
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	531,143	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	<u>(46,619)</u>	
Current Year Appropriations Subject to Appropriation Limit		<u>484,524</u>
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		\$ <u>(614,442)</u>
Percentage Under the Limit		<u><u>-56%</u></u>



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIII B Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	850,438	531,143	1,381,581
Street Lighting Fund	83,829	-	83,829
Water Fund	2,285,162	-	2,285,162
Wastewater Fund	1,874,300	-	1,874,300
Total Proceeds and Non Proceeds of Taxes	5,093,729	531,143	5,624,872
Summary of Exclusions			
Court Order Costs	-		
Federal Mandates	46,619		
Qualified Capital Equipment	-		
Qualified Debt Service	-		
Total Exclusions to Appropriations Subject to Limit	46,619		

McKinleyville Community Services District
 APPROPRIATIONS LIMIT CALCULATION
 FY 12-13 Budget

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

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	380,350	380,350			
Miscellaneous Fees & Reimbursements	16,076	16,076			
Total General Fund	396,426	396,426	-	-	-
Street Lighting Fund	83,829		83,829		
Water Operations Fund	2,285,162			2,285,162	
Wastewater Operations Fund	1,874,300				1,874,300
Total Estimate of User Fees	4,639,717	396,426	83,829	2,285,162	1,874,300
Current Year Adopted Budget					
Operations & Equipment	4,381,072	907,055	81,025	1,778,242	1,614,750
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	258,645	(510,629)	2,804	506,920	259,550

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

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

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	530,000				530,000	-	530,000
Special Assessment	209,000				209,000	209,000	-
Charges for Services	380,350				380,350	380,350	-
Grants	19,600				19,600	19,600	-
Development Fees	223,555				223,555	223,555	-
Interest (4)	3,000				3,000	1,857	-
Miscellaneous Fees & Reimbursements	16,076				16,076	16,076	1,143
Other Financing Sources					-	-	-
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	1,381,581	0	0	0	1,381,581	850,438	531,143
Street Lighting Fund	83,829					83,829	
Water Fund	2,285,162					2,285,162	
Wastewater Fund	1,874,300					1,874,300	
Debt Service Fund	-					-	
Total All Funds	5,624,872	-	-	-	1,381,581	5,093,729	531,143

(1) See Worksheet 2.1 for Detail to all Funds

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

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

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

McKinleyville Community Services District
Revenue Estimates Detail
FY 12-13 Budget

**Proceeds Detail (Worksheet 2.1
of Guidelines)**

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	6,000	6,000		Reimbursement for Services
42020	PROC. FEES	2,000	2,000		User Fees for Services
42030	BAD CHECK FEES	100	100		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	-	-		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	4,500	4,500		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,076	2,076		Use of Property fees
44000	OPEN SPACE FEES	66,055	66,055		Development Fees
45000	OPEN SPACE FEES	7,500	7,500		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	25,950	25,950		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	19,900	19,900		User Fees for Services
48002	EVENT SERVICES	4,500	4,500		User Fees for Services
48010	INSURANCE FEES	800	800		User Fees for Services
48020	AD INCOME	1,000	1,000		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	332,100	332,100		User Fees for Services
48051	FRF DISCOUNT	(5,900)	(5,900)		User Fees for Services
48055	PROGRAM GRANTS	19,600	19,600		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	3,000	1,857	1,143	Allocated
51001	SECURED TAXES	530,000		530,000	
51060	MEASURE B ASSMT	209,000	209,000		Special Assessment Restricted Specific Use
52000	OTHER INCOME	-	-		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	3,400	3,400		Donations
53002	QUIMBY FEES	150,000	150,000		Development fees
54001	STATE GRANTS	-	-		Related to Restricted Grants
56000	GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund		1,381,581	850,438	531,143	

Street Lighting

41050	ADMIN FEE	13,022	13,022		
42020	PROC. FEES	3,437	3,437		
47001	ST. LIGHT CHGS	67,370	67,370		
47001	ST. LIGHT CHGS	-	-		
50001	INT. REVENUE	-	-		
Total Street Lighting		83,829	83,829	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	825,812	825,812		
40001	MTR. WATER SALE	1,227,378	1,227,378		
41001	NEW SVC. FEES	23,260	23,260		
41002	INSTALLATION FEES	4,833	4,833		
41020	PL. CK. FEE DEP	3,000	3,000		
42001	PERMIT FEES	3,000	3,000		
42010	CONN. FEES	39,240	39,240		
42020	PROC. FEES	18,269	18,269		
42030	BAD CHECK FEES	370	370		
42040	RECONN. FEES	19,000	19,000		
42050	DCV INSPECTION	20,550	20,550		
43010	REC. BAD DEBTS	700	700		
43190	CELL TOWER REV.	14,950	14,950		
43195	OTHER OP. REV.	17,881	17,881		
43197	LEASE REVENUE	-	-		

McKinleyville Community Services District

Revenue Estimates Detail

FY 12-13 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43198	PAVING FEES	2,800	2,800		
43199	SERVICE UPGRADE	600	600		
46000	AFTER HRS CHGS	600	600		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	25,000	25,000		
50001	INT. REVENUE	20,000	20,000		
50005	LATE CHARGES	14,919	14,919		
51011	CONTRIB CONST	-	-		
56000	GAIN ON DISPOSAL	3,000	3,000		

Total Water	2,285,162	2,285,162	0	User Fees for Services
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Wastewater Fund

40002	SWR SVC CHGS.	1,645,000	1,645,000	
40010	STORM WATER FEE	300	300	
41001	NEW SVC. FEES	29,500	29,500	
41002	INSTALLATION FEES	-	-	
41020	PL. CK. FEE DEP	2,000	2,000	
41040	SWR CONST PRMT	6,650	6,650	
42001	INSPECTION FEES	-	-	
42010	CONN. FEES	106,000	106,000	
42020	PROC. FEES	-	-	
42030	BAD CHECK FEES	300	300	
42040	RECONN. FEES	-	-	
42050	DCV INSPECTION	-	-	
43010	REC. BAD DEBTS	700	700	
43190	CELL TOWER REV.	14,950	14,950	
43195	OTHER OP. REV.	4,000	4,000	
43197	LEASE REVENUE	18,000	18,000	
43198	PAVING FEES	500	500	
46000	AFTER HRS CHGS	-	-	
48060	EQUIP USAGE FEE	-	-	
48070	SALE OF SCRAP	-	-	
50001	INT. REVENUE	30,000	30,000	
50005	LATE CHARGES	13,400	13,400	
51011	CONTRIB CONST	-	-	
56000	GAIN ON DISPOSAL	3,000	3,000	

Total Wastewater	1,874,300	1,874,300	0	User Fees for Services
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Debt Service

Total Debt Service	-	-	-	Debt Related
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Total All Funds	5,624,872	5,093,729	531,143
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

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

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 531,143
Less Allowed Exclusions (From Worksheet #7)	(46,619)
Current Year Appropriations Subject to Limit	<u>\$ 484,524</u>
Current Year Appropriations Limit (From Worksheet #6)	1,098,967
Current Year Appropriations Over or (Under) Limit	<u>\$ (614,442)</u>
Percentage Over or (Under) Limit	<u><u>-56%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 12-13 Budget

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indices		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unincorporated County)	Humboldt County Total		
FY 00-01	4.91	N/A	1.64	1.35	106.63052%	262,852
FY 01-02	7.82	N/A	0.44	0.34	108.29441%	284,654
FY 02-03	-1.27	N/A	0.40	0.33	99.12492%	282,163
FY 03-04	2.31	8.14	0.98	0.77	109.19977%	308,121
FY 04-05	3.28	-0.10	1.16	0.94	104.47805%	321,919
FY 05-06	5.26	-42.46	0.85	0.70	106.15471%	341,732
FY 06-07	3.96	21.98	0.10	0.38	122.44352%	418,429
FY 07-08	4.42	-14.41	0.17	0.44	104.87945%	438,846
FY 08-09	4.29	22.13	0.83	0.64	123.14368%	540,411
FY 09-10	0.62	12.02	0.57	0.45	112.65851%	608,820
FY 10-11	-2.54	37.77	0.69	0.53	138.72061%	844,558
FY 11-12	2.51	10.50	0.72	0.66	111.29560%	939,956
FY 12-13	3.77	16.80	0.10	0.00	116.91680%	1,098,967

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

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

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

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

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
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Prior Year Appropriations Limit (From Worksheet #5)	\$	939,956
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		16.80%
MCSD Unincorporated County Population Percent Change		0.10%
Compounded Total Percentage Adjustment Factor		16.917%
Current Year Annual Adjustment Amount	\$	159,010
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibility of Services		0
Total Adjustments to Limit	\$	-
Current Year Appropriations Limit	\$	1,098,967

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)
--

	Exclusions
Court Orders	
	-
Federal Mandates	
FICA and Medicare Payments	42,830
Unemployment Payments	3,789
Total Federal Mandates	46,619
Qualified Capital Outlays (Assets of over \$100,000)	-
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	-
Total Exclusions	46,619

RESOLUTION NO. 2012-20

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2012/2013
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

WHEREAS, PURSUANT TO Article XIII B of the California Constitution, the McKinleyville Community Services District is required to establish, by resolution, the limit to which funds derived from ad valorem taxes may be appropriated during fiscal year 2012/2013; and

WHEREAS, the District staff has obtained from the California Department of Finance a Population Change Estimate for the area within the McKinleyville Community Services District; and

WHEREAS, the results of the Population Change Estimate have been included within the determination of the McKinleyville Community Services District appropriations limit for fiscal year 2012/2013; and

WHEREAS, the McKinleyville Community Services District has determined that such limit should be established at \$1,098,967

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

Section 1. The Board of Directors of the McKinleyville Community Services District hereby establishes the limit to which funds derived from ad valorem taxes may be appropriated during the fiscal year 2012/2013 pursuant to the provisions of Article XIII B of the California constitution as \$1,098,967

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 6th of June 2012 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Dennis Mayo, Board President

Attest:

Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.6. Consider acquisition of all (or a portion of) Real Property Parcel (APN 511-181-002 and/or APN 511-181-003), Per Government Code Section 54956.8

PRESENTED BY: Norman Shopay

TYPE OF ACTION: Voice Vote

Recommendation:

1. Identify and appoint Norman Shopay, General Manager; Russell Gans, District legal counsel as persons to serve as the McKinleyville Community Services District negotiators(s). Instructions to negotiators include both price and terms of payment.
2. Identify Rhonda Brewer and Green Diamond Legal Department, Green Diamond Resource Company; Michael Nelson, LACO Associates as persons with whom MCSD's appointed negotiators may negotiate on behalf of Seller,

Discussion:

Consider acquisition of all (or a portion of) Real Property Parcel (APN 511-181-002 and/or APN 511-181-003), Per Government Code Section 54956.8;

Under Negotiation: Purchase or Lease of all or part of the above-referenced properties.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- Not applicable

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.7. SDRMA Claims Resolution Authorization

PRESENTED BY: Colleen Trask

TYPE OF ACTION: Roll Call Vote

Recommendation:

Approve Resolution 2012-18 delegating to the General Manager authority with respect to claims against the District.

Discussion:

The District has liability coverage through Special District Risk Management Authority and is required to submit claims in a timely manner. Our claims Ordinance approved February 16th, 2011 requires the Board of Directors to formally reject all claims. It was recommended by SDRMA and Legal Counsel, in order to expedite smaller claims, to adopt a Resolution authorizing the General Manager to reject claims that are not a proper charge against the District and do not exceed \$50,000. This would avoid having to wait for the next regular Board meeting for claim rejection.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- Not applicable

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- Resolution 2012-18

RESOLUTION 2012-18

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE
COMMUNITY SERVICES DISTRICT DELEGATING TO THE GENERAL MANAGER CERTAIN
AUTHORITY WITH RESPECT TO CLAIMS AGAINST THE DISTRICT**

WHEREAS, by its Ordinance No. 2011-01, the Board of Directors prescribed a procedure for the presentation and handling of claims against the District; and

WHEREAS, Government Code Section 935.4 permits the Board of Directors to delegate certain authority with respect to the handling of claims; and

WHEREAS, the Board of Directors desires to delegate to the General Manager the authority to reject certain claims.

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

Section 1: The Board hereby authorizes the General Manager to exercise its authority to reject claims presented pursuant to Ordinance No. 2011-01 if (i) the General Manager determines that the claim is not a proper charge against the District and (ii) the amount of the claim does not exceed \$50,000.

Section 2: An action taken by the General Manager pursuant to Section 1 of this Resolution shall have the same force and effect as if it were taken by the Board.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

Dennis Mayo, Board President

ATTEST:

Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.8. **Consider participation in household hazardous waste collection event to be held at Pierson Park on Saturday July 14, 2012**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Approve participation in the household hazardous waste collection event to be held at Pierson Park on Saturday July 14, 2012 by approving a 30% cost share not to exceed \$10,000 for those households that can be actually identified and verified to be within the MCSD service area.

Discussion:

The previous household hazardous collection event held at Pierson Park in July 2011 saw 72% participation by 266 households within the MCSD service area. That previous event was made possible by a cost sharing agreement between MCSD and Humboldt Waste Management Authority (HWMA).

HWMA is planning another event in McKinleyville on Saturday, July 14, 2012 at Pierson Park. Last year McKinleyville contributed \$10,000 toward the event. The total cost of the event was \$39,245.

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

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

Alternatives:

Staff's analysis includes the following potential alternative:

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

Fiscal Analysis:

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

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- April 23, 2012 correspondence from Humboldt Waste Management Authority



RECEIVED

APR 26 2012

McK. C.S.D.

April 23, 2012

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

Dear Mr. Shopay:

We are planning another Household Hazardous Waste event in McKinleyville, currently slated for Saturday, July 14th at Pierson Park, and would again ask for a thirty percent cost share allocation from MCSD. Last year your contribution totaled \$10,000, meeting the district's 30% or \$10K contribution cap for an event with a total cost of \$39,245.

The household collection event held at Pierson Park in July 2011 saw 72% participation by 266 households within the MCSD service area, set against a large participation of 370 vehicles. This successful event was made possible by the cost share agreement between MCSD and HWMA.

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

We thank you for proving to be such gracious hosts, and with your consent, look forward to another fruitful event in July.

Sincerely,

A handwritten signature in black ink, appearing to read "Tiffany Ibbs", is written over a large, loopy, circular flourish.

Tiffany Ibbs
HHW Technician

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

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

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.9. Consider Appointment of Board or Community Member to the McKinleyville Municipal Advisory Committee

PRESENTED BY: Norman Shopay

TYPE OF ACTION: Voice Vote

Recommendation:

Appoint a Board Member (or designee) by majority vote of the MCSD Board to a four (4) year term

Discussion:

The Humboldt County Board of Supervisors approved the formation of the McKinleyville Municipal Advisory Committee (MMAC) at their May 1, 2012 Meeting. It was determined that the MMAC would be comprised of seven (7) volunteers who reside or own a business in McKinleyville. The 5th District Supervisor would appoint three (3) members and the Board of Supervisors as a whole would appoint three (3) members. One (1) member would be a McKinleyville Community Services District (MCSD) Board Member (or their designee) selected by the MCSD Board.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- Unknown at this time

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- None

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.10. Consider Approving enrollment in State Disability Insurance in lieu of self-insurance

PRESENTED BY: Colleen Trask, Finance Director

TYPE OF ACTION: Roll Call

Recommendation:

Approve Resolution 2012-19 authorizing enrollment in State Disability pool.

Discussion:

In the past the District has self insured, therefore assuming the full burden of all claims that could arise. With a risk pool of fewer than 50 employees, the probability of paying for expensive claims is very high. It is recommended to make the change to join the State Disability Insurance (SDI) pool to reduce the risk and expense of future claims.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- One percent of payroll cost per pay period.

Environmental Requirements:

- Not applicable

Exhibits/Attachments

- Resolution 2012-19

RESOLUTION 2012-19

A RESOLUTION OF THE GOVERNING BOARD OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT APPROVING ELECTION OF STATE DISABILITY INSURANCE FOR ALL DISTRICT EMPLOYEES EFFECTIVE JULY 1, 2012

WHEREAS, the McKinleyville Community Services District is approving election of State Disability Insurance to all full time and part time employees effective July 1, 2012; and

WHEREAS, the premium cost of 1% (one percent) of the gross salary be paid by the district for each semi monthly payroll.

NOW, THEREFORE, BE IT RESOLVED, that the McKinleyville Community Services District is approving election of State Disability Insurance for all district employees (full & part time) effective July 1, 2012 (first day of the following calendar quarter) with the premium cost of 1% of the gross salary to be paid by the district for each semi monthly payroll.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors on June 6, 2012 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Dennis Mayo, Board President

APPROVED AS TO FORM:

Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **ACTION**

ITEM: E.11 **Report on Status of Property Inspection regarding Granite Construction Parcel of Real Property located on North Bank Road; Seek approval of Request for First Amendment to Real Estate Purchase Agreement**

PRESENTED BY: **Jason Sehon, Parks & Recreation Director; Norman Shopay, General Manager; Russell Gans (District Counsel) available for questions**

TYPE OF ACTION: **Voice Vote**

Recommendation:

- Seek a First Amendment to the Real Estate Purchase Agreement executed by and between MCSD and Granite Construction rendering MCSD's obligation to purchase the property contingent on the County of Humboldt's conveyance of the adjacent property fronting North Bank Road to MCSD.

Discussion:

MCSD and Granite Construction entered into a Real Estate Purchase Agreement for the acquisition by MCSD of a parcel of property commonly known as APN 507-141-017, located on North Bank Road. The parcel, if acquired, would be maintained by MCSD for future park and recreational uses, as well as any other uses the parcel may serve. MCSD has submitted an application for Humboldt County General Plan conformity review to the County of Humboldt in accord with Government Code § 61062(a) and 65402(c), and is awaiting the results of that review.

During the course of the inspection period, a Phase I Environmental Assessment Report dated May 9, 2012, was prepared by LACO Associates. Although too detailed to review in full here, a copy of that report is on file at the District's office.

During the course of the inspection period, staff has also evaluated access options for the parcel. With respect to potential access to the Granite property, the County of Humboldt has expressed a willingness to potentially convey a County owned parcel of property along North Bank Road adjacent to the Granite parcel to MCSD. A copy of correspondence received from the County of Humboldt is attached.

Under the Purchase and Sale Agreement executed with Granite, the Inspection Period is currently set to expire on or about June 18, 2012.

Basis for Staff Recommendation:

The suitability for use of the Granite property by MCSD is contingent on having access to the property. The County of Humboldt has expressed a willingness to potentially convey a parcel of property adjacent to the Granite property, fronting North Bank Road, to MCSD for access to the Granite parcel. Staff recommends that MCSD request an amendment to the existing Real Estate Purchase Agreement rendering MCSD's obligation to purchase the property contingent on the County of Humboldt's conveyance of the property for access.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- Incidental costs related to contract agreement amendment preparation.

Environmental Requirements:

- None

Exhibits/Attachments

- Letter from the County of Humboldt dated May 9, 2012



ARCATA-EUREKA AIRPORT TERMINAL
McKINLEYVILLE
FAX 839-3596

AVIATION 839-5401

DEPARTMENT OF PUBLIC WORKS

COUNTY OF HUMBOLDT

MAILING ADDRESS: 1106 SECOND STREET, EUREKA, CA 95501-0579
AREA CODE 707

PUBLIC WORKS BUILDING
SECOND & L ST., EUREKA
FAX 445-7409

ADMINISTRATION 445-7491
BUSINESS 445-7652
ENGINEERING 445-7377
FACILITY MAINTENANCE 445-7493

NATURAL RESOURCES 445-7741
PARKS 445-7651
ROADS & EQUIP. MAINT. 445-7421

CLARK COMPLEX
HARRIS & H ST., EUREKA
FAX 445-7388

LAND USE 445-7205

May 9, 2012

Norman Shopay
General Manager
McKinleyville Community Services District
1656 Sutter Road (PO Box 2037)
McKinleyville CA 95519

Subject: County-owned parcel along North Bank Road (APN 507-141-021)

Dear Mr. Shopay:

Humboldt County owns the above-referenced parcel along North Bank Road south of McKinleyville. The Department of Public Works is aware of MCSD's interest in potentially acquiring property along the Mad River for recreational purposes that could potentially be accesses through the County-owned parcel.

Humboldt County Public Works supports the expansion of recreational opportunities for the public, and MCSD has been a valuable partner in development of the Hammond Trail and has provided easements to Humboldt County for portions of the trail.

This letter conveys our willingness to consider conveying an easement across the County-owned parcel for access to the property MCSD is evaluating, and also to consider a sale of the parcel (subject to state legal requirements as applicable).

Please contact us if you would like to pursue further discussions.

Sincerely,

Hank Seemann
Environmental Services Manager

CC: Michael Pulley (Points West Surveying Company)

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
June 6, 2012

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

BUDGET STATUS

Operating expenditures are running very close to the revised budget overall, but revenue is still under. The situation should ease with the Board's approval of the rate increase. In the meantime, we are considering use of the Rate Stabilization Reserve to cover some of the shortfall in Enterprise Fund revenue this fiscal year.

The proposed budget for Fiscal Year 2012-13 is complete, including the 10-year Capital Improvement Projects budget, and a 10-year historical trend analysis. Our revenue projections are conservatively stated, below the totals calculated in the Rate Study.

We have included the Appropriations Limits calculations with this year's budget package. Our proposed expenditures that are subject to this limit are under-limit by \$614,442.

FINANCIAL POLICIES AND PROCEDURES

The District's Supervisory Manual and Customer Deposit policies are currently under review.

AUDIT OF FY2011-12

We have had three brief preliminary meetings with our auditor so far. We have provided information for pre-audit sampling and scheduled inventory review and sampling.

OTHER PROJECTS

We are moving forward with the implementation of the Board's Reserve Policy, looking at additional components and processes that will be required in the accounting system and general ledger to adequately track both reserve dollars and fund balances.

COST OF PUBLIC INFORMATION REQUESTS & CORRESPONDENCE

Since the beginning of January, our total costs for Public Information requests (including staff time) are \$5,856.07

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Board Agenda Background: Department Report

May 29, 2012

To: MCSD Board

From: Gregory P Orsini, Operations Director

Subject: Agenda Item: F.2.B. –June 6, 2012 Board Meeting
Operations Department – April 2012 Report

Progress in achieving the Board's adopted FY11-12 Goals are summarized in the following narrative:

Water Department:

◇ **Water Statistics:**

The district pumped 38 million gallons of water in April.

Two water quality complaints were investigated and rectified in April.

No service line leaks were reported or repaired in April.

No water service installations were completed in April.

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

◇ **Double Check Valve Testing:**

Routes 7 and 8 testing was completed in April accounting for 71 devices.

◇ **Hydrant Painting and Maintenance:**

Fire hydrant painting is in progress. 437 hydrants will be wire brushed and painted with two coats. 60 hydrants are completed. (14%)

◇ **Water and Sewer Pump Motors:**

Semi-annual amp and meg checks were conducted on all pump and fan motors.

Corrections are made to balance the motors during this process if needed. This maintenance is conducted to monitor the condition and efficiency of motors.

Indications of the life expectancy can be determined and repairs made on motors before they have a catastrophic failure.

◇ **New Construction Inspections:**

Loren Ave Mainline, No progress for some time; VanEaton Subdivision has been completed and waiting for asbuilts and Santos Subdivision, All of our facilities are completed, no work this month.

Waste Water Statistics:

41 million gallons of wastewater were collected and pumped to the W.W.M.F and 46 million gallons of waste water was treated and discharged to the Mad River in April.

No sewer services were completed in April.

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

◇ **Sewer Lift Station Maintenance:**

Hiller Sewer Station Pump 2 plugged with rags. The rags were removed and the clearance was adjusted between the impeller and wear plate to allow less clogging.

The grinder at the Fischer Sewer Lift Station was found to be plugged during the daily inspections. After locking and tagging out, staff removed rags and debris from the cutting blades and placed it back in service.

◇ **Sewer Collection System:**

The flow totalizer was installed in the sewer collection system to monitor wet weather flow. This device will be rotated to a preselected manhole every 3 days. The information that is collected is compared to the dry weather flow data to determine if there is infiltration present.

Due to the heavy rains experienced in late March and April the majority of our manpower was dedicated to manhole inspection in April. As influent flow increases it signals staff to proceed with annual inspections to look for storm water inflow and infiltration. Two manholes were found partially blocked with solids. The Vac-con was sent out to suck out the debris and clear the channel. A sewer plug was also noticed during inspections. Staff discovered a manhole that was surcharging and sent out the Vac-con to clear the blockage. A 3" flexible RV hose was retrieved during this process.

Leaks that are identified during inspections are prepped and filled with a purpose made gel grout. The grout reacts with water, cures and seals the leak. This cuts down on costs to pump and treat infiltration that makes its way into the collection system. This rainy season we repaired about 20 manhole leaks giving a season total of 144 gpm of infiltration or 207,000 gallons per day.

◇ **Water and Sewer Station Pumps and Motors:**

Station pumps and motors that require lubrication were maintained in April. This maintenance is accomplished semiannually to ensure the reliability of vital equipment.

◇ **Street Light Department:**

Seven street lights were reported and repairs conducted in April.

Promote Staff Training and Advancement: All field staff and select administrative staff and management attended flagger training as a necessity for the changing traffic control regulations. This training was necessary as flagger attire and sign regulations have change.

Special Notes:

In the monthly recap we mentioned that through manhole inspections we discovered and stopped approximately 207,000 gallons per day of water from infiltrating our collection system. Granted this amount of flow is only present when rains are at their heaviest and ground water levels very high. We have used some known values and conservative estimations to put a dollar value on this operation. According to FY 2010/11 audit, collecting, transferring, treating and discharging 280 gallons of water cost MCSD's rate payers \$1. If 207,000 gallons per day of infiltration were present for 90 days per year we are saving at least \$60,000 per year. The manpower and material costs to affect these repairs are minimal.

The Norton Road Tank Painting Project was well under way in April. Blasting of the roof was being carried out and the coating inspector monitored the work to ensure proper preparation before he allowed painting to begin. Staff was been busy overseeing the project and dealing with events as they arose. The impact on the local neighbors was of the utmost importance and regularly monitored. Completion of blasting to the inner shell was completed and all welded seams were brush painted and the entire inner surface sprayed. When the entire ceiling and inner shell have been coated and have passed inspection. Blasting will

proceed on the floor.

After much work, various draft and consideration of comments submitted from many sources the Request for Proposals was released to interested consulting firms to solicit proposals. A pre proposal meeting will be held in May and the cutoff date for submitting proposals will be in June.

Aeration devices were installed at the pond 5 discharge structures to break the water surface tension and aid in hydrogen sulfide removal. A byproduct of the marsh treatment process is a buildup of hydrogen sulfide. Sulfides of hydrogen in the water combine with chlorine we inject creating other compounds limiting the disinfection process. This condition requires the application of more chlorine then would typically be necessary, at times twice the amount. Increasing the demand for chlorine and the costs associated with disinfection. Staff devised a means of spraying water onto the surface of the treated water prior to disinfection causing the release of the sulfide gas greatly lowering the amount of chlorine necessary for disinfection greatly lowering the cost for chlorine and its impact.

Craig Bunas from the State of California Department of Public Health conducted the annual water documentation audit and site inspection. During the site visit he inspected all of our water facilities for health related issues. After a four hour inspection of related documentation and facilities no deficiencies were noted. A letter to that effect should be received within the month.

The Annual Drinking Water Report is due every year at about this time. It is web bases and contains information regarding water quality source and distribution, infrastructure improvements, connection and production quantities and operator certification. Due to the varied information reported several members of the staff are involved in completion of the report.

Dean Adams from the County Environmental Health conducted the bi-annual audit and site inspection for the District Hazardous Materials Business Plan. The site inspection included fuel storage tanks, generators and piping. No deficiencies were noted on the Water and sewer sites. The corporation yard and shops were inspected for compliance regarding hazardous waste and hazardous material storage and were found to be in compliance.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
June 6, 2012

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

GRANT OPPORTUNITIES:

Habitat Conservation Fund:

Projects: Build new trails and make improvements to existing trails.
Remove invasive plants from wetlands and riparian areas.
Status: Staff is working on the application process.

Coast Central Credit Union – Community Investment Program:

Project: Playground replacement.
Status: **Awarded \$10,000 towards the replacement of the tot lot at Pierson Park.**

Land and Water Conservation Fund:

Project: Build a covered picnic area at Pierson Park.
Status: Application submitted, pending approval.

McKinleyville Land Trust

Project: Replaced damaged fire truck spring rocker at Hiller Park.
Status: **Application approved in the amount of \$395.00.**

SKATE PARK UPDATE:

At its April 19, 2012 meeting the RAC made the following recommendations to the MCSD Board of Directors:

Change language in Section 1. Of the Right of Entry Agreement so that it reads as follows:

1. DISTRICT owns property at Pierson Park in McKinleyville and has consented to enter into an Agreement for the design and construction of a Skate Park at Pierson Park for the purposes and on the terms and conditions herein set forth.

If the Board is uncomfortable with committing Pierson Park as the site, the RAC recommends the following language be placed in the Right of Entry Agreement:

2. DISTRICT owns property locations throughout McKinleyville and has consented to enter into an Agreement for the design and construction of a Skate Park at a location as designated by the District, with a strong preference for the location to be at Pierson Park; for the purposes and on the terms and conditions herein set forth.

After the April 19, 2012 RAC meeting, staff referred the ROEA to our legal Counsel for review. Legal Counsel was not able to submit recommended changes until Tuesday, May 1, 2012; which was the day before the MCSD Board of Directors May 2nd meeting.

At the May 2, 2012 MCSD Board meeting, staff did not feel it was a good idea to ask the Board to approve the changes without giving the McKinleyville Skate Park Organization (MSPO) and the RAC a chance to review them.

The MCSD Board took no action on this item and directed staff to provide the RAC and the McKinleyville Skate Park Organization (MSPO) with copies of the suggested changes for review. Staff provided the MSPO with a deadline of Thursday, May 10, 2012 at 5:00 pm to submit any questions or concerns. The deadline was necessary in order to place MSPO's input on the RAC agenda, which was due for distribution the next day, Friday, May 11, 2012.

The MSPO did not submit anything to staff by the deadline and therefore the item was removed from the RAC agenda. Since the RAC won't have a chance to review the ROEA until its June 21, 2012 meeting, the item won't be brought to the Board until its July 11, 2012 meeting. I have provided the MSPO a new deadline of Thursday, June 14, 2012 so that any potential concerns can be addressed by the RAC at its June 21, 2012 meeting.

PONY EXPRESS DAYS:

Pony Express Days are May 30, 2012 through June 2, 2012 this year. Staff took advantage of this opportunity and hosted a booth at the Saturday event with information about the Teen & Community Center.

Our maintenance staff did a great job with park and facility improvements in preparation of this popular community event.

TEEN & COMMUNITY CENTER UPDATE:

Staff is continuing to develop a Youth Advisory Council with students in the McKinleyville area. The intention is to select a group of students who will work with staff on the architectural design process in addition to what type of amenities will be installed at the new facility. Staff will also work with teens to discover what type of leisure and recreation program offerings they prefer.

We have met with several youth groups at McKinleyville High School and Arcata High School.

Information regarding the Architecture and Planning Services will be discussed on item E.1 at the June 6, 2012 Board meeting.

The sign below has been installed at the future site of the Teen & Community Center:



Below, please find a preliminary schedule for the Teen & Community Center:

- Deadline for proposals February 15, 2012
- Complete review of proposals/ March 30, 2012
Selection of firms to interview
- Candidate Interviews April 4–20, 2012
- Contract Award May 1, 2012
- Kick off meeting May 15, 2012
- Construction Bidding 1st quarter 2013
- Construction begins 2nd quarter of 2013

YOUTH SPORTS:

Pee Wee Basketball (K - 2nd grades) is going well.

Our next Kindersports program (T-ball) for youth ages 3-5 begins Saturday, June 9, 2012.

SPECIAL EVENTS:

Staff has been gearing up for Pony Express Days. We will have a booth with information about the Teen & Community Center.

CALIFORNIA CONSERVATION CORPS (CCC):

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

Most recently, the CCC worked along Central Ave to assist with the OSMZ in preparation of the Pony Express Days Parade.

SHERIFF WORK ALTERNATIVE PROGRAM (SWAP):

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

COMMUNITY SERVICE WORKERS:

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

WORK EXPERIENCE (Cal Works PROGRAM)

We currently have one (1) position through the Cal Works program that is working with the Parks & Recreation Department. This is a great program for the workers and for the MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the County's umbrella.

GRAFFITI & VANDALISM UPDATE:

All three (3) connex boxes at Hiller Sports Complex were vandalized. Someone took a crowbar to the locks and the doors and damaged them pretty badly. It appears nothing was stolen. The Babe Ruth dugout storage was also broken into and we are in the process of finding out if anything was stolen.

May 2012
Mckinleyville Skatepark Event and Fund Report

Mckinleyville Skatepark	Funds in Bank	Promised material funds equivalent or cash funds	Potential Earnings from Merchandise Sales	Potential Grant funds (meeting specific requirements, i.e. ground breaking)	Total fund equivalent	Grants in process (requested funds)
Umpqua Bank	\$37,248.36				\$37,248.36	
Six Rivers 2011 pony express		\$1,800.00			\$1,800.00	
Blue Lake poker tournament		\$2,219.00			\$2,219.00	
Umpqua Bank Grant						
Tony Hawk Foundation				\$25,000.00		\$1,000.00
McLane foundation				\$10,000.00		
Stewardship Foundation						
PG&E employees 2012		\$1,200.00			\$1,200.00	
North Coast Fabricators		\$15,000.00			\$15,000.00	
Whitchurch engineering		\$4,000.00			\$4,000.00	
Shirt			\$1,000.00		\$1,000.00	
Skate Decks			\$2,000.00		\$2,000.00	
Total allocated funds	\$37,248.36	\$24,219.00		\$35,000.00	\$96,467.36	\$1,000.00
	Total potential earnings from merchandise		\$3,000.00	Total park funds needed	\$283,532.64	
				Target goal Phase #1	\$380,000.00	
North Coast Fabricators commits to \$15000.00 to cover steel for Phase #1, Approved by Skatepark commits on 5/31/11						
Whitchurch engineering commits to \$ 5000.00 for document stamping and permit assistances 7/29/11						
Potential Grant funds specific requirements are associated with breaking ground						
Potential Earnings are from the shirts and decks we purchased to sale at our events						
Funding events since last report: Clam beach in \$730.00 Green week event \$2900 Blue lake poker tournament \$2219						
Future Events for the Year: Pony Express at person park and NHS parking lot (ramp float in parade) Native Design Project,						
Pints for Non-Profits, Skate clinics through out summer different locations, Mckinleyville Arts Alive ramps and Skate board art display						
On Campus at Morris elementary May 25th, Work with School Art classes for Skate board art for Arts Alive nights						
We will be supporting Trinidad on there Arts Alive night this summer and supporting the Arcata Expansion. Both Groups are providing us full support in raising funds for Mckinleyville						
We also have a new group of bike and skaters working towards an indoor park at some location they had there first event 5/10/2012 in Arcata						
				Thank you Charlie Caldwell		



February 8th, 2012 - Meeting Minutes

Location: Azalea Hall Senior Resource Center, McKinleyville, CA

7:00pm to 9:00pm, Meeting

Participants: Eric Johnson, Mike Kennedy, Kelly Nathane, Alan Unmack, Matt Barry, Robi Sclafani, Charlie Caldwell,
Guests: Tony (MCSD), Dennis Mayo, Bill Wennerholm, Kacey Soares, Brian Fallon, David and Penny Elsebusch

Time	Topic	Action
	Welcome & Introductions: Eight new participants as shown above Historical Perspective – reoccurring item. Agenda and Minutes were reviewed and approved.	<i>Eric, First. Second, by Alan to approve agenda and minutes.</i>
45min	Hot Topics: Budget Update: Have a balance of \$32,761 in the checking account to date and we have \$1,200 coming from PG&E. Charlie mentioned that North Coast Fabricators will recommit the \$15,000 for steel. He also mentioned that Whitchurch Engineering will recommit and re-sign the agreement to provide the engineering stamps for the plans which is approx two days of work for approx \$4,000 in work. Kerwitz also gave \$500 in a cash donation. Charlie mentioned that with including the McClain Foundation and Tony Hawk Foundation funds along with the committed labor and materials that have been agreed upon by local businesses, we are looking at \$87,000. There was also a long discussion about the project budget that was submitted to our organization and that we can probably cut that cost in half through eliminating overhead costs, getting materials donated, or at cost, and performing the project management in-house. ROE/RAC: The board discussed the current ROE that is being proposed by MCSD staff for review with the RAC committee and brought back to the MCSD Board within 90 days from the February 1 st MCSD Board Meeting. Charlie mentioned that we need to have a meeting specifically for the ROE and what we would like to see in the ROE in preparation for the RAC meeting in February. The Board decided to meet on Monday February 6 th at 6 pm at Ampt skate shop to discuss the ROE. It was also discussed that Charlie is going to try and get on the Recreational Advisory Committee so there can be good communication and collaboration amongst MCSD and MCSO. He will attend next meeting and see about getting a seat on that committee. The organization realizes this will improve our collaborative efforts and support getting the park built in a more time efficient manner. MCSD Communications: This was discussed during the ROE/RAC and the board feels that communications will be improved if we work more with RAC. It was also discussed that we need more notice from the MCSD staff about any major changes in the project such as the incident about changing the location and the language in the ROE. Treasurer – This subject was tabled, but was discussed that we need a new Treasurer and that we need to put the word out for a new Treasurer. Charlie is not comfortable being Chair and his wife acting as the Treasurer.	<i>Charlie will provide a financial report to the MCSD Board for this quarter.</i> <i>Meeting for ROE on Monday Feb 6th at 6PM.</i> <i>Charlie to attend RAC meeting in Feb and try to get a seat as a committee member.</i> <i>Board will actively look for a new Treasurer. Preferably a CPA or bookkeeper</i>

45min	<p>Committee Updates: <i>(regular item)</i></p> <p>Marketing Tools: Discussed that we may need to get more sweatshirts made in the future. It was also mentioned that we should provide Justin Worthman some supplies to sell at Six Rivers Brewery since he is there all day on Saturdays DJ'ing and said he can sell merchandise and all his tips will go to the park. He can put up a large banner for the park and have brochures and other items available.</p> <p>Youth Ambassadors: Val mentioned she spoke to McKinleyville Middle School and McKinleyville High School principle and the ASB coordinator about setting up a club or having their support as well as hosting events. She also mentioned that Kacey Soares is working on starting a skate board club at Arcata High. It was also discussed that we should do more youth fundraisers at the schools.</p> <p>Promo Packets: There was discussion for the need to coordinate or develop a spreadsheet for all the potential donors so we can organize who is going where so we are not approaching folks twice. It was discussed that we need to set up another separate meeting for this project, but need to address the ROE first.</p> <p>Fundraising Update:</p> <p>Val discussed meeting with JLF Builders, GRS Inc., George Kurwitz Construction, and RAO Construction about setting up meetings because they are willing to contribute labor and materials to the skate park. Val is planning to set up some meetings with them to discuss the project budget and see about ways to reduce costs and ways in which they can help build the park. We discussed a spaghetti feed where we can inviter community member to learn about the park and we can make it a fundraiser. There was discussion about doing some shows for fundraisers at Mill Creek Theater. Val spoke to the owner who is more than willing to support our efforts. We just need to figure out the insurance aspects of it. We also discussed getting more involved with Arts McKinleyville and figure that would be a good way to get community support and keep people informed. Val mentioned that she spoke to Umpqua Bank and Coast Central Credit Union about placing shelf talkers in the banks with digital picture frames as a way to get McKinleyville residents more in tune with skateboarding and there for more support/donations for the park. Val also spoke to the Arcata Rotary Club past chair, Dick Wilde about working together and linking us up to the McKinleyville Rotary. Val also discussed hosting a possible pasta dinner with live auction later in year at Blue Lake Casino and Hotel.</p> <p>Events: Below are a list of upcoming events</p> <p>Blue Lake Poker Tournament: Is scheduled for March 31st, 2012.</p> <p>Clam Beach Inn Fundraiser: There is a show at Clam Beach Inn on Feb 25th with Imperial Destructo and all we will be asking for donations for the park.</p> <p>DTA Fundraiser: There is a Arts Arcata Fundraiser at DTA in Arcata on February 10th at 6PM with live art and hip hop all beer sales will support the park.</p> <p>Native Design Project: Eric presented a letter he would like to submit to local American Indian artists (10) that will be provided a blank skate deck to be painted by well known local native artists and will be displayed and sold at a silent auction. It was suggested that the boards be displayed in McKinleyville. It was also discussed that this would be a great project for youth to be involved in and we should do both.</p> <p>NHS Green Week Event: – Saturday April 21st, 2012. Eric was approached by Juliet,, the marketing manager for NHS about being involved in the NHS Green Week Event again this year. Eric asked for the board's feedback and mentioned to Juliet that the board is concerned or would like to see about other ways to make the event more profitable for the organization. It was discussed that we may want to do another event as well there when the weather is not so unpredictable. Possibly setting up at the extreme sports event there.</p> <p>Pony Express Days: It was discussed that we will participate in Pony Express Days during the first Saturday in June. We will have a float and possibly set up the ramps. This will be discussed further.</p> <p>Summerfest: Val had mentioned that the event will not take place at the original spot in Blue Lake so we need to find out about where it will take place and if w can be the main benefiting organization this year if it happens.</p> <p>Pints for Non-Profits: Eric submitted a request to be a non-profit org at the pints for non-profits event on Wednesdays once a month at Mad River Brewery Tap Room. It was discussed that we should approach other breweries as well, such as Redwood Curtain and others.</p>	<p><i>Board will get Justin Worthman Merchandise to have available at Six Rivers for Saturdays</i></p> <p><i>Val will schedule meetings to meet with JLF, GRS, Kurwitz, and RAO to discuss donations and ways to reduce the budget.</i></p> <p><i>Val will follow up with Coast Central and Umpqua about the shelf takers.</i></p> <p><i>Val will contact the McKinleyville Rotary to see about meeting them and how they may be able to help.</i></p> <p><i>Val will provide more detail and we will set up a planning meeting for the poker tournament at Blue Lake Casino.</i></p> <p><i>Eric will send out the letters to the native artists and will work on obtaining the blank skate decks.</i></p> <p><i>Eric will talk to Juliet at NHS about the Green Week Event.</i></p>
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	Group Discussion Points Bryan Fallon mentioned he is a local painter and could support any painting for any graffiti that we face.	
5 min.	Follow-up and next steps Next meeting: Location: Azalea Hall – Senior Resource Center	<i>Meeting Adjourned, at 8:45.</i>
Support your local skatepark :: www.mckskatepark.com		

Jason Sehon

From: David Baldosser on behalf of MCSD
Sent: Thursday, May 31, 2012 8:26 AM
To: FallingRain, Sunny
Cc: Jason Sehon
Subject: RE: Thanks for installing the bench!

Hello Sunny,

Your message has been forwarded to Jason Sehon.

David Baldosser
McKinleyville CSD

From: FallingRain, Sunny [<mailto:sfallingrain@co.humboldt.ca.us>]
Sent: Wednesday, May 30, 2012 3:48 PM
To: MCSD; jsehon@mckinleyvillecsd.com
Subject: Thanks for installing the bench!

Hi Jason,

Thanks to you and to the crew--Tony, Kelle, and the rest of the crew who delivered and installed the bench in front of the library this morning. Tony said he would have it installed before Pony Express Days, and he is good for keeping his word. We have several patrons who are looking forward to having a place to get off their feet. I hope you enjoy the upcoming festivities!

Sunny

McKinleyville Community Services District

BOARD OF DIRECTORS

June 6, 2012

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D. General Manager's Report

PRESENTED BY: Norman Shopay

TYPE OF ACTION: None

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

- Volunteers: \$ 250 (labor)
- SWAP crews: \$ 3,000
- CalWORKS: Parks \$ 2,750
- New Barcode Printer \$ 6,000 per year
The new barcode printed on the invoices will save us approximately \$5,000 per year in postage. Our FY12-13 budget for postage is \$30,630, so we are looking at 20% savings
- Community Service Workers (Parks) \$ 600
- Manhole Leak repairs \$63,000
\$740 per day during the wet weather (90 days), by stopping 207,000 gallons per day of storm water infiltration.

Total cost savings for May 2012 is \$126,000

The cumulative cost saving to the District to date from July 1, 2011 is \$330,400

District staff are acknowledged and commended for their continued efforts in looking for cost savings and Grant opportunities that result in real savings for the District, rate payers, and the community.

2. Norton Tank Painting - Recoating at Norton is completed. See photos below (provided by Ron Coffman).

3 Emergency Water Line Crossing over the Mad River – Construction continues on the bridge. One vault has been constructed. The second vault will be constructed in the spring. After this is completed the entire water line in the bridge will be tested.

4. Alternate Water Tank Location – Staff has identified a potential alternate water tank location other than Murray Road. The Murray Road site was determined to have significant potential seismic risk based on the proximity to active faults. It is not a good location to place a water tank. We have identified a more suitable site

location at Hewitt Ranch. We are also looking at additional options north of the airport on Green Diamond property

5. Town Hall Meeting - Humboldt County has released the Draft Environmental Impact Report for the Humboldt County General Plan Update. Comments are due on June 15, 2012.

As a service provider, I would like to know what concerns the community about the Environmental Impact Report (EIR) related to the General Plan update.

On May 14, 2012, the McKinleyville Community Services District (MCSD) hosted a Town Hall Meeting to allow the community to ask questions regarding the GPU DEIR. The Town Hall Meeting was attended by representatives from Humboldt County, a number of community members and Ryan Sundberg, 5th District Supervisor.

Copies of the Draft Environmental Impact Report is available on the internet at www.planupdate.org.

6. Request for Proposal (RFP) for Waste Water Management Facility (WWMF) Upgrade Design – MCSD completed a 20 Year Wastewater Facilities Plan (Plan), in January 2012. The plan identified a series of upgrades to the District's existing wastewater treatment plant including portions of the effluent disposal system. The District has released a RFP on April 25, 2012 to begin the process to select a qualified consulting team to complete the planning and design process, and ultimately, provide engineering assistance through construction of the proposed improvements. Proposals are due on June 13, 2012. Staff expects to bring a recommendation back to the Board in July in anticipation of awarding a contract in August 2012. A pre bid meeting was held at MCSD on May 21, 2012. A copy of the RFP is available on the MCSD Web site.

7. Goals and Objectives – Staff is working on initial revised goals and objectives and will be meeting with a temporary ad-hoc Board committee in the near future to review and discuss the revised goals and objectives before bringing the draft recommendations back to the Board for review.





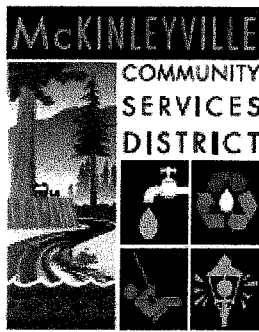


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R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

April 26, 2012

RE: MONTHLY MONITORING REPORT

Dear Lisa:

Enclosed is the Monthly Monitoring Report for March 2012 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number WQ 2011-0008-DWQ.

The normal discharge of effluent was 31 days discharge to M-002 Mad River. The required monitoring and water quality constituents that were tested and reported were in compliance in March.

The requirement for BOD is 45 mg/L, 604 lbs/day and 65% removal for the monthly average and a weekly average limit of 65 mg/L and 873 lbs/day. With five weekly tests in March, that constitutes eight criteria. The BOD results for March are in compliance.

The requirement for NFR is 83 mg/L and minimum of 65% removal for the monthly average. With five weekly tests in March, that constitutes three criteria. The NFR results for March are in compliance.

The requirement for Nitrate as Nitrogen in the effluent is a monthly average of 10 mg/L. One test was conducted in March and was in compliance.

Total Coliform Organisms MPN/100 ml. The Monthly Median not to exceed MPN of 23 and the daily maximum not to exceed MPN of 230. The reported results for the month of March are as follows. Median was <1.8 and a Maximum of <1.8. Four samples were collected in the month of March and were in compliance.

Monthly River Monitoring was conducted in March.

Acute Toxicity testing was conducted in March. The result for Rainbow Trout was 100% and the survival of *C. dubia* was 100% for a median of 100%.

Annual California Toxic Rule/ semiannual Constituents of Concern testing was completed in February but the 2,3,7,8 TCDD Testing was not included so those lab results are enclosed.

EXHIBITS:

- A. March 2011 Wastewater Management Facilities spreadsheet with the daily, weekly, monthly, and quarterly monitoring records for monitoring location M-001.
- B. Disposal Flows and Location Data Sheet.
- C. River CFS and Discharge Dilution work sheet
- D. BOD and TSS work sheet.
- E. River Monitoring work Sheet for R-001 and R-002
- F. Acute Toxicity lab report
- G. Annual 2,3,7,8 DCDD analysis

"I CERTIFY UNDER PENALTY OF LAW THAT THIS DOCUMENT AND ALL ATTACHMENTS WERE PREPARED UNDER MY DIRECTION OR SUPERVISION IN ACCORDANCE WITH A SYSTEM DESIGNED TO ASSURE THAT QUALIFIED PERSONNEL PROPERLY GATHER AND EVALUATE THE INFORMATION SUBMITTED. BASED ON MY INQUIRY OF THE PERSON OR PERSONS WHO MANAGE THE SYSTEM, OR THOSE PERSONS DIRECTLY RESPONSIBLE FOR GATHERING THE INFORMATION, THE INFORMATION SUBMITTED, IS, TO THE BEST OF MY KNOWLEDGE AND BELIEF, TRUE, ACCURATE, AND COMPLETE. I AM AWARE THAT THERE ARE SIGNIFICANT PENALTIES FOR SUBMITTING FALSE INFORMATION, INCLUDING THE POSSIBILITY OF FINE AND IMPRISONMENT FOR KNOWING VIOLATIONS."

If you have any questions, please contact this office.

_____

NORMAN SHOPAY, GENERAL MANAGER

ENCLOSURES

FILE

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

MONTH: MARCH

YEAR: 2012

DATE	INFLUENT FLOW		EFFLUENT FLOW		EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING		EFFLUENT MONITORING								3XS TOTAL COLIFORM	
	M.G.D.	M.G.D.	M.G.D.	M.G.D.			B.O.D. mg/L	N.F.R. mg/L	pH	(C°) TEMP	B.O.D. mg/L	NFR mg/L	AMMONIA	CL ₂ RES.	CL ₂ RES	SETTLABLE SOLIDS		
1	1.086	0.914	0.932	738	2300		230	190	6.7	9.8	17	30	26	3.9	0.00	<0.1		
2	1.033	1.060	1.060	742	1670				7.4	9.2			28	1.7	0.00			
3	1.052	1.056	1.056	741	1700				7.3	9.6				0.2	0.00			
4	1.106	1.068	1.068	822	1810				7.3	9.8				0.1	0.00			
5	1.028	1.079	1.079	810	1750				6.8	10.9			34	0.3	0.00		<1.8	
6	1.022	1.073	1.073	755	1610				6.7	10			30	2.1	0.00			
7	1.006	1.073	1.073	755	1610				6.7	9.9			32	2.5	0.00			
8	0.981	0.954	0.954	776	1200				6.7	10.6			30	2.8	0.00			
9	0.965	0.825	0.825	579	1090		230	190	6.7	10.3	18	30	34	1.5	0.00	<0.1		
10	0.997	0.827	0.827	581	1050				7.4	11.3				1.0	0.00			
11	1.074	0.826	0.826	582	1060				7.6	11.8				3.0	0.00			
12	0.946	0.899	0.899	815	1250				6.8	10.8			32	1.3	0.00		<1.8	
13	1.136	1.141	1.141	808	3040				6.7	10.1			32	0.7	0.00			
14	1.073	1.146	1.146	803	3520				6.8	10.6			34	0.3	0.00			
15	1.142	1.141	1.141	800	2720				6.8	11.8			32	0.1	0.00			
16	1.396	1.088	1.088	784	10100		210	160	6.7	12.1	17	23	34	4.0	0.00	<0.1		
17	1.356	1.085	1.085	766	11800				6.9	10.6				2.8	0.00			
18	1.314	1.109	1.109	782	7520				6.8	12.3				2.3	0.00			
19	1.206	1.129	1.129	789	5330				6.7	10.6			30	1.6	0.00		<1.8	
20	1.170	1.128	1.128	791	3720				6.8	10.7			34	2.1	0.00			
21	1.266	1.384	1.384	1131	5680				6.8	12.5			30	1.8	0.00			
22	1.351	1.501	1.501	1140	6210				6.9	12.0			30	0.1	0.00			
23	1.242	1.420	1.420	995	4640		180	180	6.8	10.9	20	31	24	0.1	0.00	<0.1		
24	1.274	1.418	1.418	995	3670				6.7	11.5				0.2	0.00			
25	1.291	1.415	1.415	992	3560				6.8	11.5				0.3	0.00			
26	1.214	1.432	1.432	1017	3070				6.7	11.5			32	0.4	0.00		<1.8	
27	1.261	1.605	1.605	1253	2930				6.8	11.2			32	3	0.00			
28	1.292	1.756	1.756	1228	11500				6.8	11.2			30	0.3	0.00			
29	1.466	1.755	1.755	1234	7830				6.9	12.4			32	0.5	0.00			
30	2.021	1.853	1.853	1413	13500		200	210	6.7	12.4	20	24	20	8.9	0.00	<0.1		
31	1.975	2.034	2.034	1424	14700				6.8	12.3				3.8	0.00			

SPILLS:

None to report

DATE	TDS	AMMONIA	NITRATE	BORON
3/14/2012	240	23.0	ND	220

30 DAY AVERAGE

BOD mg/L	BOD LBS/DAY	BOD % Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal
18	191	91	28	277	85

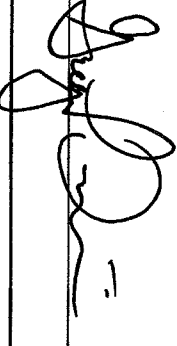
Semi-Annual Tests		Value in ug/l
Bis phthalate	-	-
alpha-BHC	-	-
4,4'-DDT	-	-
carbon tetrachloride	-	-

Quarterly Tests		Value in ug/l
Dichlorobromethane	-	-
Bromoborn	-	-
Chlorodibromethane	-	-
Chloroform	-	-

ACUTE TOXICITY		% Survival
DATE	3/13/2012	100%
	3/13/2012	100%

Rainbow Trout
C. dubia

SIGNATURE:



REMARKS:

☐ Indicates Permit Exceedance

CHRONIC TOXICITY		TESTED	SURVIVAL
Minnow	-	-	-
C. Dubia	-	-	-
Algae	-	-	-
TUc	-	-	-

Total Coliform	Monthly Median	Daily Maximum
<1.8	<1.8	<1.8