

**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, September 21st, 2011
7:00 P.M.**

AGENDA

A. CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS TO AGENDA

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

B. APPROVAL OF THE AGENDA

C. PUBLIC HEARINGS

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

- C.1 Revised Engineers Report regarding Water and Sewer Capacity Fees charged to new development and not current utility customers. Pg. 4

D. CONSENT CALENDAR

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

- D.1 Consider approval of minutes of the Board of Directors' Regular Meeting of August 17, 2011 Pg. 34

- D.2 Consider approval of August 2011 "Draft" Cash Disbursement Report and Investments and Cash Flow Report. Pg. 38
- D.3 DCV Violations this month. Pg. 46

E. CONTINUED AND NEW BUSINESS

- E.1 Murray Road Proposed Water Tank Location. Seismic hazard assessment study, overview, and history of Murray Road site. Pg. 47
- E.2 Consider Approving Request for Proposal (RFP) to design, manage and inspect recoating project for Norton 1.5 million gallon water tank. Pg. 62
- E.3 Adopt Resolution 2011-22 with provisions for volunteers, work-study and interns. Pg. 67
- E.4 Water and Sewer Illegal connections. Pg. 69
- E.5 Consider Acquisition of all or a portion of Real Property Parcel located at/near the junction of School Road and Washington Avenue, McKinleyville (APN 508-242-008). Pg. 70

F. REPORTS

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

F.1. ACTIVE COMMITTEE REPORTS

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

F.2. STAFF REPORTS

- a. Support Services Department (Scott) Pg. 75
- b. Operations Department (Greg Orsini) Pg.76
- c. Parks and Recreation Department (Jason Sehon) Pg. 79
- d. General Manager (Norman Shopay) Pg. 81

F.3. PRESIDENT'S REPORT

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

G. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

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

H. CLOSED SESSION DISCUSSION

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

H.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (Number of Cases = One (1)).

H.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -

(Per Government Code Section 54956.8) Property: 1700 Washington Avenue, McKinleyville, California. Under Negotiation: Purchase of the above-referenced property. MCSD negotiators: Norman Shopay, General Manager; Jason Sehon, Parks and Recreation Director, Russell Gans, District legal counsel. Parties with whom MCSD may negotiate: Dena McCullough, Superintendent, McKinleyville Union School District (MUSD), MUSD Board of Trustees, Stephen L. Hatsell, General Counsel. Instructions to negotiators include both price and terms of payment.

I. ADJOURNMENT

Posted 5:00 pm on Friday, September 16th, 2011

McKinleyville Community Services District

BOARD OF DIRECTORS

September 21, 2011

TYPE OF ITEM: **ACTION**

ITEM: C.1 **Consider approval of the final engineers report and revised water and sewer capacity fee rates for new service connections**

PRESENTED BY: **Norman Shopay**

TYPE OF ACTION: **Voice Vote**

Recommendation:

Approve the engineers report and the revised water and sewer capacity fees charged to new service connections dated September 15, 2011

Adopt resolution number 2011-23 adjusting the current water and wastewater capacity assessed for new customers by the amounts presented in the Final Capacity Fee Study dated September 15, 2011 as presented on table 2-5 for water capacity fees and on table 3-6 for sewer capacity fees

Discussion:

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

Current MCSD water capacity fee rates were:

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

Current wastewater capacity fee rates were:

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

1. An initial “draft” study was presented to the Board at the February 16, 2011 Board meeting.
2. An updated revised “draft” study dated March 11, 2011 was prepared and distributed based on initial Board comments and suggestions and comments received.
3. An updated revised “draft” study dated April 5, 2011 was prepared and distributed.

4. MCSD conducted discussions with interested development stakeholders during the last week of April.
5. An updated revised “draft” study dated May 5, 2011 was prepared and distributed.
6. A general workshop was noticed in the newspaper and conducted on May 12, 2011 during the afternoon and the evening.
7. A “final” study dated May 25, 2011 was prepared, distributed and posted on our Web site.
8. Staff recommended that the revised Capacity Fees be adopted by the Board at the June 15, 2011 Board meeting. The Board requested that staff provide some additional information to the Board and meet with a few representatives of the community.
9. At the July 20th Board meeting staff asked for direction from the Board on a number of points such as agreement with the CIP, projected growth rate of 1.8 %, percentage of each CIP attributed to growth, and a 5-day minimum water supply reserve.
10. Staff is currently bringing the revised final engineers report and recommending approval of that report and the approval of water and sewer capacity fees contained within to this Board meeting.

The revised document was posted to MCSD’s web site on September 12, 2011.

The Final revised document was posted to MCSD’s website on September 16, 2011

The document was reviewed by District legal. A copy of the letter related to legal review of the Capacity Fee document is attached.

Alternatives:

Take No Action

Fiscal Analysis:

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

If water capacity fees were adjusted to \$2,616 and sewer capacity fees were adjusted to \$4,497 for sewer in 1991 and 1993 the District could have accumulated an additional:

**\$4.9 million into our capital water reserve fund: and
\$4.0 Million into our sewer reserve fund.**

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

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

Environmental Requirements:

Not applicable

Exhibits/Attachments

1. Capacity Fee Final Report dated September 15, 2011
2. Presentation handouts
3. Resolution 2011-23
4. Legal Review letter



FINAL
WATER AND SEWER CAPACITY
FEE STUDY

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

REVISED SEPTEMBER 15, 2011



WILLDAN
Financial Services

*extending
your
reach*





OVERVIEW

McKinleyville Community Services District (the District) retained Willdan to prepare a capacity fee study for District's water and sewer utility systems. Capacity fees are one-time charges, collected as a condition of establishing a connection to the District's systems, for new and existing water and sewer facilities that are of proportional benefit to the new connection. The recommended capacity fees for the District are proportionate and reasonably related to the capital facility demands of new development. This report documents the data, methodology, and results of the capacity fee study.

In addition to the Capacity Fees that are the subject of this study, the District also imposes Connection Fees. Connection fees are used to recover costs associated with the physical installation of lateral connections to the utility system, and can be thought of as "plumbing charges". The scope of this study does not include the District's Connection Fees.

It has been some time since the District last updated the current water and wastewater capacity fees in 1991 and 1999 respectively. The current fees do not adequately reflect updated system demands and needs for expanded or additional facilities.

EXISTING CAPACITY FEES

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

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

OBJECTIVE AND REGULATORY REQUIREMENTS

The primary objective of establishing a full cost-recovery capacity fee is to provide an equitable means by which new system users can pay for the costs of the facilities required to serve them.

The legal requirements applicable to capacity fees imposed by the District are set forth in Government Code Sections 66013 and 61123.

CALCULATION METHODOLOGIES

Reduced to its simplest form, the process of calculating capacity fees involves two steps: determining the cost of capital improvements related to new service connections, and allocating those costs equitably to various types of connections.

There are two basic methods used to calculate the components of the District's capacity fees. The methodologies are used to determine the best measure of demand created by new connections for each component of the capacity fees.



- ❖ In instances where infrastructure has been built in advance of new development and there is excess capacity available to be utilized by new development, the **buy-in methodology** is utilized. Under this methodology, new development repays the community for previous capacity investments via the capacity fee.
- ❖ The **plan-based methodology** utilizes the District's capital improvement plan (CIP) and related master plans to determine new development's share of planned projects. Projects that do not add capacity, such as routine maintenance or replacement of existing facilities, are not included in the fees. Projects that add capacity are further evaluated as to the percentage of the project attributable to existing development versus new development. Only the portion of planned projects attributable to new development is included in the capacity fees.

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

Figure 1-1: Capacity Fee Component Methodology

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



DEVELOPMENT & DEMAND DATA

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

Currently the District has 5,315 active water accounts. As the future mix between commercial and residential accounts is unknown, Willdan utilized equivalent residential units (ERUs) to define a projected water and sewer demand. The District currently utilizes ERUs, defined as any single-family residential structure, to apply existing water and sewer capacity fees. As part of the Humboldt County General Plan update, the County has provided the District with a variety of new development projections via GIS database records. The County mid-point growth model projects 1.8% annual growth within the District, which is equivalent to approximately 30% growth over the next 15 years. **The capital improvement projects listed in this study, as developed by the District, reflect the water and sewer projects associated with serving this projected development.**

Figure 1-2: Growth Projections

	ERUs	Accounts
Existing ERUs	6,260	5,315
Years to Buildout	15.00	15
Growth Rate (1)	1.8%	1.8%
Cumulative Growth	30%	30%
New ERUs	1,878	1,595

(1) McKinleyville Community Plan - 1.8% assumed

* Figures are rounded



WATER CONSUMPTION CHARACTERISTICS

Willdan performed a detailed consumption analysis to develop a usage standard based on one residential equivalence (Equivalent Residential Unit). Based on the consumption analysis, shown in Figure 1-3, the 5,315 accounts is converted to 6,260 ERUs. Based on historical district water use data, each ERU has a demand of 9.8 HCF (hundred cubic feet) of water per month. Applying the 9.8 units as an existing standard, the forecasted 1,878 new ERUs will generate a projected annual water demand of 221,770 HCF.

Figure 1-3: Water Connection and Consumption Projections

	Existing	Growth	Projected Build-out
Total Annual Consumption (hcf)	739,232	221,770	961,002
Total ERUs	6,260	1,878	8,138
Annual Consumption per Connection (hcf)	118.1	118.1	118.1
Monthly Consumption per Connection (hcf)	9.8	9.8	9.8

SEWER DISCHARGE CHARACTERISTICS

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

With the discharge factors applied, average monthly discharge was calculated at 7.4 HCF per account. Consequently, the forecasted 1,878 units will generate an annual sewer discharge of 166,327 HCF annually, a 30% increase in discharge from current levels.

Figure 1-4: Sewer Discharge Factor Projections

	Existing	Growth	Projected Build-out
Total Annual Consumption (hcf)	739,232	221,770	961,002
Total ERUs	6,260	1,878	8,138
Annual Consumption per Connection (hcf)	118.1	118.1	118.1
Monthly Consumption per Connection (hcf)	9.8	9.8	9.8
Discharge Factor	75%	75%	75%
Total Annual Discharge (hcf)	554,424	166,327	720,752
Monthly Discharge per Connection(hcf)	7.4	7.4	7.4



WATER CAPACITY FEES

Capacity fees can only recover costs directly attributable to new connections. Accordingly, with the assistance of Willdan, District staff reviewed the proposed CIP projects, project by project, and determined the most applicable methodology to allocate a percent of the project total cost that is directly related to new development. The portions of project costs not attributable to growth are then allocated to existing users as part of the monthly water rates.

Each capital project is necessary for one of three reasons: 1) To fix an existing system deficiency that has resulted from system age or environmental requirements; 2) To provide additional capacity for future users; or 3) To serve both existing and future users. Project costs related to options 1 and 2 are directly allocated to existing or future users. Capital projects that fall under option 3 are generally allocated 23% to new ERU's and 77% to existing ERU's, based on the proportion of projected ERU'S at the end of the study period. Where this methodology is not appropriate, an alternative apportionment is used and explained in this report. The CIP presented below represents the capital projects that the District finds necessary to meet the demands of projected growth. Projects related only to existing users have been excluded. All values are shown as present value. More information related capital project costs, applied methodology, and the split between existing and future users are detailed in Appendix A.

WATER STORAGE

The District plans to spend \$6,377,460 on an expansion of the District's water storage.¹ The District is installing a new 4.5 million gallon tank. The new tank and land purchase will increase the District's storage capacity, enhance fire flows during peak summer usage and provide additional system capacity for new growth, especially in northern McKinleyville. Of the 4.5 million gallon tank, 2.3 million gallons (51%) of the project is related to existing deficiencies, with the remaining 49% attributed to new growth.

Figure 2-1: Water Storage Projects Allocated to New Growth

Water System	Total Cost	Cost Allocated to Growth
Water Tank Upgrade	5,877,460	2,873,425
Property Purchase	500,000	244,444
Total Water	6,377,460	3,117,869
	Ten Year Total	3,117,869
	Gallons of Added Capacity	2,200,000
	Cost Per Gallon	\$ 1.42

¹ Based on August 5, 2011 Engineering estimate



WATER DISTRIBUTION

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

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

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

In addition, the District is planning on five water distribution projects over the next ten years. Discussions with District staff indicate that these projects will provide sufficient capacity for forecasted mid-point build-out. Based on projections of peak water demand from new development, new development over this period is projected to place a demand of 727,162 gallons daily. The projected demand of new development is calculated by applying the existing use standard, peak average daily use,, to each new projected account.

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

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

Water System	Total Cost	Cost Allocated to Growth
Emergency Water Line River Crossing	880,000	202,400
Ramey Pump Upgrades	1,105,000	884,000
Emergency Water Supply	265,000	60,950
Fire Hydrant System Upgrade	85,000	19,550
Water Main Rehabilitation and Replacement	1,740,000	400,200
Total Water	4,075,000	1,567,100
Ten Year Total		1,567,100
Gallons of Capacity per Day		727,162
Cost Per Gallon		\$ 2.16



JOINT COSTS

To ensure adequately supply water and sewer for new development, the District also needs non-capacity items such as administrative building space. These costs are allocated to cost per connection, since connections are the best proxy for estimating demand. These costs reflect the additional demand on administrative costs associated with an increased service population. **Please note:** these costs do not include expenditures related to everyday operations and maintenance. Joint costs total \$1,851,000 with new growth being allocated \$675,980. As these are joint costs between the two services, costs were evenly split between them, with each being apportioned \$337,990. As shown in Figure 2-3, the cost per new account for the joint costs is \$211.97.

Figure 2-3: Joint Cost Capital Improvement Program Allocation

Joint System	Growth's Cost	% Attributed to Growth	Cost Allocated to Growth	% to Water	Cost to Water	% to Sewer	Cost to Sewer
Backhoe	60,000	23%	13,800	50%	6,900	50%	6,900
Dump Truck	120,000	23%	27,600	50%	13,800	50%	13,800
Tractor and Attachments	120,000	23%	27,600	50%	13,800	50%	13,800
Air Compressor and appurtenances	39,000	23%	8,970	50%	4,485	50%	4,485
3/4 or 1-Ton Pickup	338,000	23%	77,740	50%	38,870	50%	38,870
Van/Car	61,000	23%	14,030	50%	7,015	50%	7,015
Light Duty Utility Truck	86,000	23%	19,780	50%	9,890	50%	9,890
Facility Upgrades and sealcoat	170,000	23%	39,100	50%	19,550	50%	19,550
Office Building	325,000	100%	325,000	50%	162,500	50%	162,500
PCs, Software, & Printers	114,000	23%	26,220	50%	13,110	50%	13,110
File Server Upgrade	48,000	23%	11,040	50%	5,520	50%	5,520
MOM Upgrade and Replacement	127,000	23%	29,210	50%	14,605	50%	14,605
Office Equipment	52,000	23%	11,960	50%	5,980	50%	5,980
GIS/SEMS/CADD Equipment and Software	56,000	23%	12,880	50%	6,440	50%	6,440
GPS Surveying Equipment	45,000	23%	10,350	50%	5,175	50%	5,175
Office Emergency Generator	44,000	23%	10,120	50%	5,060	50%	5,060
Emergency Response Equipment and Supplies	46,000	23%	10,580	50%	5,290	50%	5,290
Total Joint	1,851,000		675,980		337,990		337,990
Ten Year Total			675,980		337,990		337,990
Projected New Accounts					1,595		1,595
Cost Per Unit					\$ 211.97		\$ 211.97



DEMAND & COST SUMMARY

Water use for residential and nonresidential customers was determined using data from the District's billing records. A system peaking factor is applied to daily consumption to ensure adequate capacity for peak demand (peak hour and peak month). Therefore, a new connection is allocated its potential demand on the system, rather than average daily demand. The figure below summarizes the demand factors and each component's cost per gallon for additional water capacity (figures 2-1 through 2-3).

Figure 2-4: Water Capacity Fee Demand and Cost Summary

Water Demand and Cost Summary

Demand Summary		Factors	
Total Annual Consumption (hcf)		739,232	
Annual Consumption (gallons)		552,945,800	
Total Accounts		5,315	
Daily Consumption (gallons)		285	
Average Month Consumption		51,611	
Max Month Consumption		80,694	
System Peaking Factor		1.6	
Gallons per Peak day per Account		457	
Water Component Cost Summary		Planned	Buy-in
Storage		\$1.42	
Distribution		\$2.16	\$1.69
Net Capital Cost per Gallon of Capacity		\$5.26	
Joint Costs (per connection)		\$211.97	
Net Capital Cost per Connection		\$211.97	



WATER CAPACITY FEES

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

For the smallest meter size, 5/8 inch water meter, the fee is derived by multiplying the gallons per day per residential connection (Figure 2-4) by the total capital cost per gallon of capacity (figure 2-4). The next step in the fee calculation is to add the average cost per water customer for joint costs. For example, 457 peak gallons per residential connection (from Figure 2-4) multiplied by \$5.26 (cost per gallon of capacity - Figure 2-4) equals \$2,404 Adding \$211.97 (capital cost per connection) yields a capacity fee of \$2,616 for a 5/8 inch meter. For larger meter sizes, include the capacity ratio in the formation fee (before adding the capital cost per connection)

FIGURE 2-5: WATER CAPACITY FEES

			Component Unit Cost	\$1.42	\$3.84	\$211.97	
			Component Mutliplier	457	457	1	
Water Meter			Joint Costs				
Size	GPM	Capacity Ratio	Storage	Distribution	(per account)	Total	
5/8"	20	1.0	\$ 648	\$ 1,756	\$ 211.97	\$ 2,616	
3/4"	30	1.5	971	2,634	211.97	3,818	
1"	50	2.5	1,619	4,390	211.97	6,221	
1 1/2"	100	5.0	3,238	8,780	211.97	12,231	
2"	160	8.0	5,181	14,049	211.97	19,442	
3"	300	15.0	9,715	26,341	211.97	36,268	
4"	500	25.0	16,192	43,902	211.97	60,305	
6"	1000	50.0	32,383	87,803	211.97	120,399	
8"	1600	80.0	51,813	140,486	211.97	192,511	
10"	2300	115.0	74,482	201,948	211.97	276,642	

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



SEWER CAPACITY FEES

The District has been taking steps to identify and project the affects of growth in central McKinleyville. Until the District knows the full extent of the County's development plan for McKinleyville, upgrades have been placed on hold. As part of the rate setting process, CIP projects are identified as growth-related, existing needs, or a percentage of both. The CIP includes capital project requirements needed to meet projected growth. More information related capital project costs, applied methodology, and the split between existing and future users are detailed in Appendix A.

TREATMENT

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

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

Relative to new projects, the District plans to spend \$10,463,000 overall on treatment-related capital improvement projects. Specifically, the District has identified \$2,406,490 of costs related to treatment projects to serve additional demand of new development. Based on projections of peak sewer demand from growth, new development is projected to add an additional 545,371 gallons of wastewater daily through the study period. (Average Daily Discharge * Peak * Accounts)

Figure 3-1: Sewer Treatment Projects Allocated to New Growth

Sewer System	Total Cost	Cost Allocated to Growth
WWMF Upgrade/CEQA/Permitting	10,410,000	2,394,300
WWMF SO2/Chlorine Injector Controllers	53,000	12,190
Total Sewer	10,463,000	2,406,490
Ten Year Total		2,406,490
Gallons of Capacity per Day		545,371
Cost Per Gallon		\$ 4.41



INTERCEPTORS

The District plans to spend \$522,000 on interceptor projects over the next ten years, \$173,960 of which is allocable to new development. Based on projections of peak sewer demand from new development, new development is projected to add an additional 545,371 gallons of wastewater daily through mid-point build-out, resulting in a cost per gallon of \$0.32 as shown in Figure 3-2.

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

Sewer System	Total Cost	Cost Allocated to Growth
Sewer Lift Sta. Pump Upgrades	70,000	70,000
Generator Upgrades - Lift Station	452,000	103,960
Total Sewer	522,000	173,960
Ten Year Total		173,960
Gallons of Capacity per Day		545,371
Cost Per Gallon	\$	0.32

COLLECTION

Of \$3,973,600 in collection related costs, the District plans to spend \$3,278,290 on projects that are the result of new development. Based on projections of peak sewer demand from new development, new development is projected to add an additional 545,371 gallons of wastewater daily through mid-point build-out, resulting in a cost per gallon of \$6.01 as shown in Figure 3-3.

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

Sewer System	Total Cost	Cost Allocated to Growth
Property Purchase/Improvements	530,000	121,900
Collection System Upgrades	3,070,600	3,070,600
Sewer Main Camera Unit	60,000	13,800
Underground Pipe Locator & Camera	10,000	2,300
Hydrocleaner (Sewer Fund) and appurtenances	303,000	69,690
Total Sewer	3,973,600	3,278,290
Ten Year Total		3,278,290
Gallons of Capacity per Day		545,371
Cost Per Gallon	\$	6.01



PLANNING AND STUDY EFFORTS

According to the District's CIP, 30% of planned studies and planning efforts, 194,352 in total, are allocated to new development. Based on projections of peak sewer demand, new development is projected to an additional 545,371 gallons of wastewater daily through mid-point build-out, resulting in a cost per gallon of \$0.08 as shown in Figure 3-4.

Figure 3-4: Sewer Planning and Study Efforts Allocated to New Growth

Sewer System	Total Cost	Cost Allocated to Growth
NPDES Permit	180,000	41,400
Total Sewer	180,000	41,400
Ten Year Total		41,400
Gallons of Capacity per Day		545,371
Cost Per Gallon	\$	0.08

COST SUMMARY

Figure 3-5 summarizes the demand factors and cost per gallon for additional sewer capacity.

Figure 3-5: Sewer Capacity Fees Demand and Cost Summary

Demand Summary	Factors	
Daily Consumption (gallons)	285	
% Discharged	75%	
Discharge per Day per ERU (gallons)	214	
Sewer Cost Summary	Planned	Buy-in
Treatment	\$4.41	\$9.21
Interceptors	\$0.32	
Collection Lines	\$6.01	
Planning and Study Efforts	\$0.08	
Net Capital Cost per Gallon of Capacity	\$20.02	
Joint Costs (per connection)	\$211.97	
Net Capital Cost per Connection	\$211.97	



SEWER CAPACITY FEES

Unlike water, meter size is not directly correlated with the sewer discharge (effluent). Consequently, Willdan recommends the District maintain *Rule 1.21*, as ERUs are appropriately utilized to equitably allocate capacity related to the impact of a new sewer connection. Using 1 ERU as an example: 214 gallons per peak day per ERU (from Figure 3-5) multiplied by \$20.02 per gallon (net capital cost per gallon - Figure 3-5) equals \$4,285 per equivalent residential unit (ERU) plus \$211.97 for a total fee of \$4,497. Please note, an additional \$211.97 related to joint costs (capital cost per connection) is applied only once, not per ERU.

Figure 3-6: Sewer Capacity Fees

Component	Unit Cost	\$13.62	\$0.32	\$6.01	\$0.08	\$211.97
Component Multiplier	214	214	214	214	1	
	Treatment	Interceptor	Collection	Planning and Study Efforts	Joint Costs (per account)	Total
1 ERU	\$ 2,914.17	\$ 68.26	\$ 1,286.38	\$ 16.25	\$ 211.97	\$ 4,497

Please note, some units maybe credited the treatment buy-in component of the sewer capacity fee (Figure 3-5) or \$1,968 based on previously paid sewer assessments.

FEE PROGRAM ADMINISTRATION

In conjunction with adopting an updated water and sewer fee schedule, we recommend the District apply annual adjustment to the Water and Sewer capacity fees to keep pace with inflation. We suggest using the Engineering News Record construction cost index to best reflect the costs related to capital projects.

It is also recommended the District adopt a formal policy of updating the water and sewer capacity fees every three to five years to ensure appropriate funding of capital projects and equity amongst users is maintained



REGIONAL CAPACITY FEE SURVEY

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

Figure 4-1: Water Capacity Fee Comparison

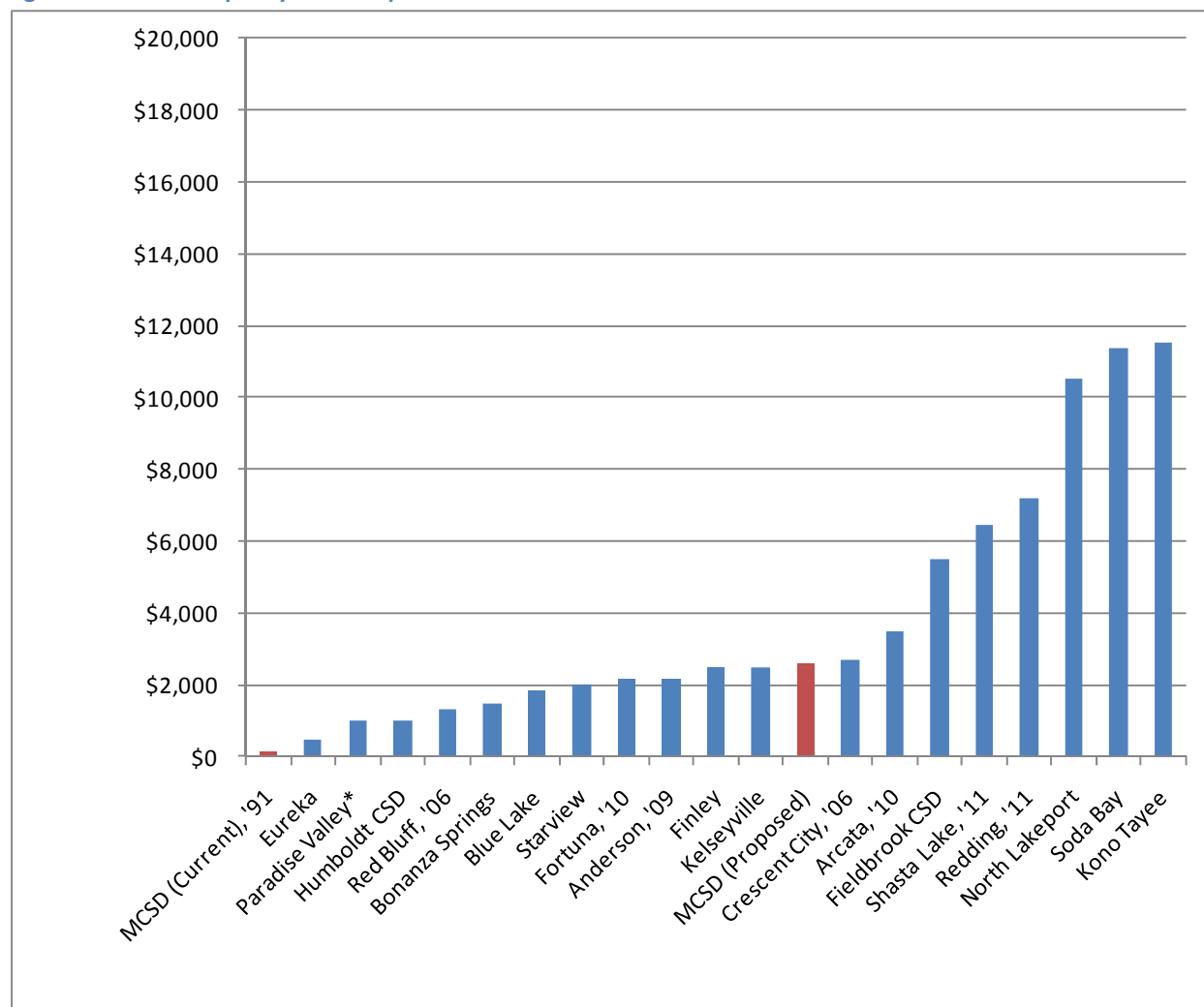
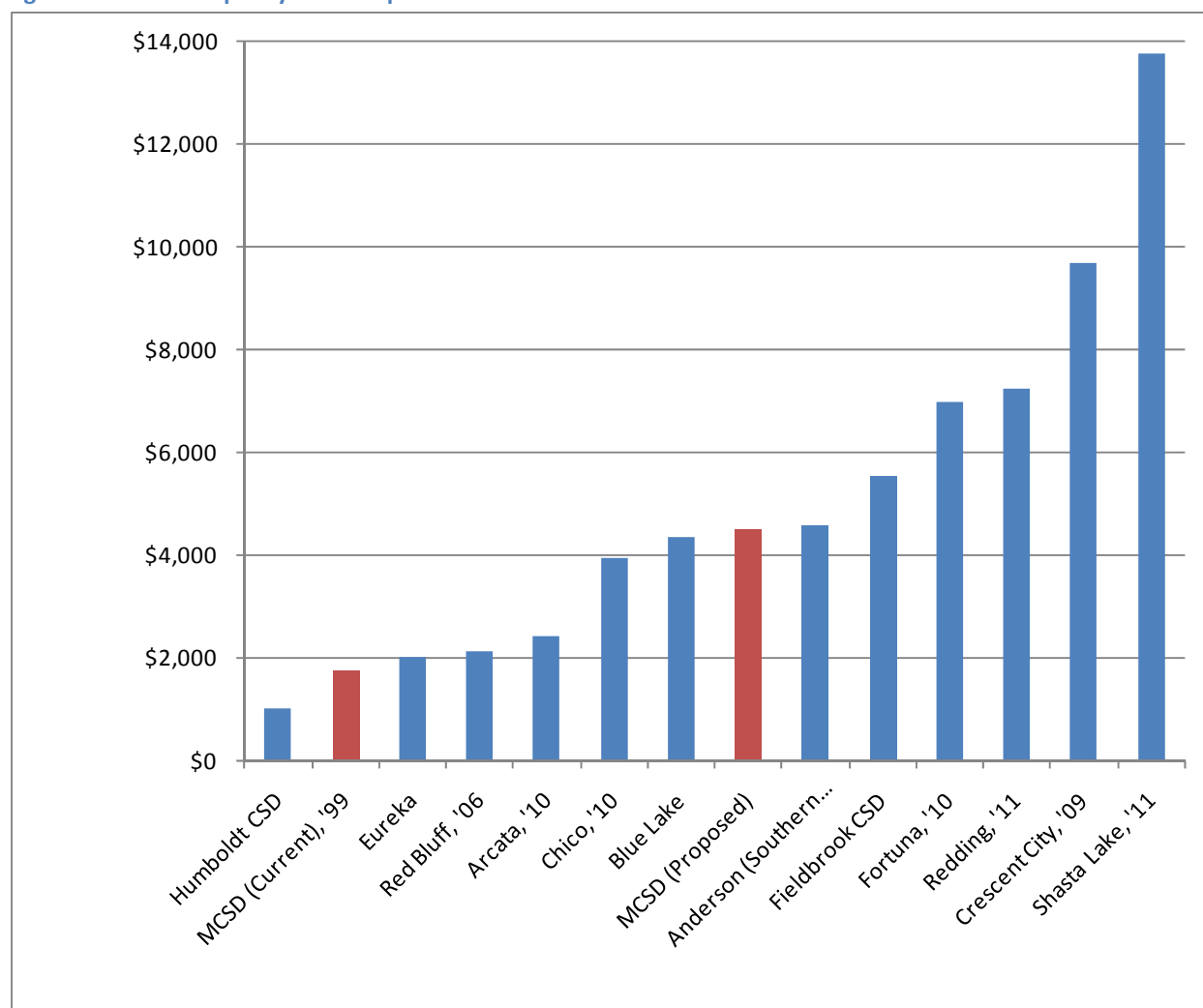




Figure 4-2 compares the District's current and proposed sewer capacity charges for a typical new single-family home with those of other agencies.

Figure 4-2: Sewer Capacity Fee Comparison



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

Appendix A

Water System	Total Cost	Source	Method	% Attributed to Growth	Cost Attributed to Growth	Component
Water Tank Upgrade	5,877,460	Engineering Estimate	Capacity Method (1)	49%	2,873,425	Storage
Property Purchase	500,000	Real Estate Appraisal	Capacity Method (1)	49%	244,444	Storage
Emergency Water Line River Crossing	880,000	Engineering Estimate	New/Existing (2)	23%	202,400	Distribution
Ramey Pump Upgrades	1,105,000	Engineering Estimate	Capacity Method (3)	80%	884,000	Distribution
Emergency Water Supply	265,000	Professional Judgment by District	New/Existing	23%	60,950	Distribution
Fire Hydrant System Upgrade	85,000	Professional Judgment by District	New/Existing	23%	19,550	Distribution
Water Main Rehabilitation and Replacement	1,740,000	Professional Judgment by District	New/Existing	23%	400,200	Distribution
Total Water	10,452,460				4,684,969	

(1) The district is installing a new water tank which holds 4.5 million gallons. Per a August 2011 Engineering Estimate, 2.3 million gallons is required for existing deficiencies in the system. The remaining 2.2 million gallons is to accommodate new growth. Capacity for New Growth divided by Total Tank size apportions 49% of the projects cost to new growth.

(2) Currently the system serves 6,260 ERUs. At projected build-out of 8,138, new growth would consist of 23% of the total accounts.

(3) Based on the professional judgment of the district, 80% of the Ramey Pump Upgrades are attributed to future users.


Appendix A


Sewer System	Total Cost			% Attributed to Growth	Cost Attributed to Growth	Component
NPDES Permit	180,000	Professional Judgment by District	New/Existing	23%	41,400	Planning and Study Efforts
WWMF Upgrade/CEQA/Permitting	10,410,000	Engineering Estimate	New/Existing	23%	2,394,300	Treatment
WWMF SO2/Chlorine Injector Controllers	53,000	Professional Judgment by District	New/Existing	23%	12,190	Treatment
Property Purchase/Improvements	530,000	Professional Judgment by District	New/Existing	23%	121,900	Collection Lines
Collection System Upgrades	3,070,600	Engineering Estimate	New	100%	3,070,600	Collection Lines
Sewer Lift Sta. Pump Upgrades	70,000	Professional Judgment by District	New	100%	70,000	Interceptors
Sewer Main Camera Unit	60,000	Professional Judgment by District	New/Existing	23%	13,800	Collection Lines
Underground Pipe Locator & Camera	10,000	Professional Judgment by District	New/Existing	23%	2,300	Collection Lines
Generator Upgrades - Lift Station	452,000	Professional Judgment by District	New/Existing	23%	103,960	Interceptors
Hydrocleaner (Sewer Fund) and appurtenances	303,000	Professional Judgment by District	New/Existing	23%	69,690	Collection Lines
Total Sewer	15,138,600				5,900,140	

Appendix A

Joint CIP

Backhoe	60,000	Professional Judgment by District	New/Existing	23%	13,800	N/A
Dump Truck	120,000	Professional Judgment by District	New/Existing	23%	27,600	N/A
Tractor and Attachments	120,000	Professional Judgment by District	New/Existing	23%	27,600	N/A
Air Compressor and appurtenances	39,000	Professional Judgment by District	New/Existing	23%	8,970	N/A
3/4 or 1-Ton Pickup	338,000	Professional Judgment by District	New/Existing	23%	77,740	N/A
Van/Car	61,000	Professional Judgment by District	New/Existing	23%	14,030	N/A
Light Duty Utility Truck	86,000	Professional Judgment by District	New/Existing	23%	19,780	N/A
Facility Upgrades and sealcoat	170,000	Professional Judgment by District	New/Existing	23%	39,100	N/A
Office Building	325,000	Professional Judgment by District	New	100%	325,000	N/A
PCs, Software, & Printers	114,000	Professional Judgment by District	New/Existing	23%	26,220	N/A
File Server Upgrade	48,000	Professional Judgment by District	New/Existing	23%	11,040	N/A
MOM Upgrade and Replacement	127,000	Professional Judgment by District	New/Existing	23%	29,210	N/A
Office Equipment	52,000	Professional Judgment by District	New/Existing	23%	11,960	N/A
GIS/SEMS/CADD Equipment and Software	56,000	Professional Judgment by District	New/Existing	23%	12,880	N/A
GPS Surveying Equipment	45,000	Professional Judgment by District	New/Existing	23%	10,350	N/A
Office Emergency Generator	44,000	Professional Judgment by District	New/Existing	23%	10,120	N/A
Emergency Response Equipment and Supplies	46,000	Professional Judgment by District	New/Existing	23%	10,580	N/A
Joint Total	1,851,000				675,980	


**Water & Sewer
Connection Fee Analysis**
 McKinleyville CSD
 September 21, 2011



What we'll cover today

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

MCSD – Connection Fee Study | 2

History

Background

- Water capacity fee 1991, \$154 per ERU
- Wastewater capacity fee 1999, \$1,761 per ERU
- Fees were never updated to reflect additional capital needs

Purpose

- To identify appropriate and reasonable costs of providing service for the capacity fee

Implications

- Do not adequately fund previous project debt service, reflect updated system demands, and/or needs for expanded or additional facilities
- Maintaining the low capacity fee rates since 1991 and 1999 for new development has been offset by the rates charged to current users.

MCSD – Connection Fee Study | 3

What Does the Capacity Fee Cover?

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

MCSD – Connection Fee Study | 4

Why the Increase is Needed?

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

MCSD – Connection Fee Study | 5

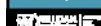
How is the Capacity Fee calculated?

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

MCSD – Connection Fee Study | 6

Analysis Revisions

- Updated CIP costs with Engineers Estimates
- Simplified CIP apportionment methodology (split between growth and existing) to provide consistent allocations
- Removed references related to maintenance projects. Since Capacity fees should not include O&M
- Added that "some units maybe credited the treatment buy-in component of the sewer capacity fee (Figure 3-5) or \$1,968 based on previously paid sewer assessments. (page 13)



MCSD – Connection Fee Study | 7

Proposed Water Capacity Fees

Component Unit Cost		\$1.42	\$3.84	\$211.97		
Component Multiplier		457	457	1		
Water Meter Size	GPM	Capacity Ratio	Storage	Distribution	Joint Costs (per account)	Total
5/8"	20	1.0	\$ 648	\$ 1,756	\$ 211.97	\$ 2,616
3/4"	30	1.5	971	2,634	211.97	3,818
1"	50	2.5	1,619	4,390	211.97	6,221
1 1/2"	100	5.0	3,238	8,780	211.97	12,231
2"	160	8.0	5,181	14,049	211.97	19,442
3"	300	15.0	9,715	26,341	211.97	36,268
4"	500	25.0	16,192	43,902	211.97	60,305
6"	1000	50.0	32,383	87,803	211.97	120,399
8"	1600	80.0	51,813	140,486	211.97	192,511
10"	2300	115.0	74,482	201,948	211.97	276,642



MCSD – Connection Fee Study | 8

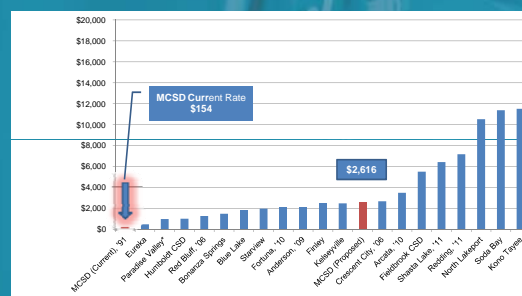
Proposed Wastewater Capacity Fees

Component Unit Cost		\$13.62	\$0.32	\$6.01	\$0.08	\$211.97		
Component Multiplier		214	214	214	214	1		
		Treatment	Interceptor	Collection	Planning and Study Efforts	Joint Costs (per account)		
1 ERU	\$	2,914.17	\$ 68.26	\$ 1,286.38	\$ 16.25	\$ 211.97	\$	4,497



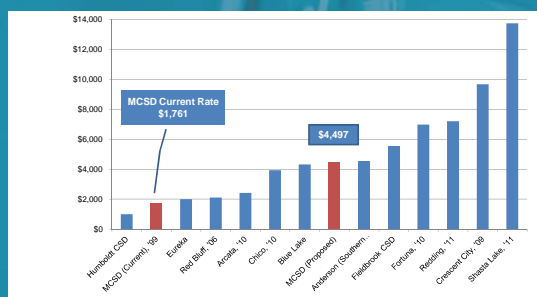
MCSD – Connection Fee Study | 9

Single Family – Water Comparison



MCSD – Connection Fee Study | 10

Single Family – Wastewater Comparison



MCSD – Connection Fee Study | 11

Legal Review

The Capacity Fee Document was reviewed by Colantuono & Levin, PC a law firm specializing in Capacity Fee Studies, Proposition 218, and Utility rate studies. They determined that the document is legally defensible and the methodology and analysis used is appropriate



MCSD – Connection Fee Study | 12

Legal Review

The study was determined to be appropriate and reasonable

"The Willdan study employs a model that is commonly used for such studies throughout the state, and is based on the type of data that is typical for such studies."



RESOLUTION 2011-23

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING RULES 5.11, 21.02(D) AND 21.02(F) OF THE MCSD RULES AND REGULATIONS TO INCREASE THE RATES OF THE DISTRICT'S WATER AND SEWER CAPACITY FEES

WHEREAS, Pursuant to Government Code Sections 66013 and 66123, the District imposes capacity fees on new water and sewer connections to fund capital costs associated with new and existing facilities that serve the connections; and

WHEREAS, The rates for these fees were last revised in 1991 (for water) and 1999 (for sewer); and

WHEREAS, The Board has approved a ten year Capital Improvement Program (the "CIP") of water and sewer system improvements; and

WHEREAS, The existing capacity fees are insufficient to fund the share of CIP costs proportionally allocable to projected new connections; and

WHEREAS, Willdan Financial Services ("Willdan") has studied the capacity fee rates necessary to fund the proportionate cost of planned and existing facilities in the District; and

WHEREAS, Willdan based its study on Humboldt County's mid-point growth projections of 1,800 development units in the District over the next ten years; and

WHEREAS, Willdan has presented the results of this study in a report, which is on file in the District Offices, available for public inspection, and incorporated herein by reference; and

WHEREAS, On June 15, 2011 and July 20, 2011 the Board addressed capacity fees and accepted public comment on the proposed rate changes. On September 21, 2011, the Board of Directors held a full and fair public hearing on the capacity fees recommended by Willdan; and

WHEREAS, Notice of the public hearing was given pursuant to Government Code Section 66016; and

WHEREAS, The Board desires to increase the capacity fees; and

WHEREAS, The Board determines that (i) the amount of the capacity fees imposed by this Resolution will not exceed the estimated reasonable cost of providing the public improvements for which the fee is charged and (ii) such costs are part of the reasonable cost of providing water and sewer service.

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

Section 1. Rule 5.11 of the MCSD Rules and Regulations is amended to read as follows:

Rule 5.11 WATER CAPACITY FEE. A Water Capacity fee shall be collected from each applicant requesting a new water service in addition to any processing fees and/or installation charges. The capacity fee is based on meter size, as follows:

Size	Fee
5/8"	\$2,616
3/4"	\$3,818
1"	\$6,221
1 1/2"	\$12,231
2"	\$19,442
3"	\$36,268
4"	\$60,305
6"	\$120,399
8"	\$192,511
10"	\$276,642

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

Each July 1, beginning July 1, 2012, each rate set forth above shall be adjusted by the percentage change in the Construction Cost Index for the San Francisco Bay Area as published in the Engineering News Record between September, 2011 and the then most recently published Construction Cost Index.

Section 2. Rule 21.02(d) of the MCSD Rules and Regulations is amended to read as follows:

RULE 21.02 (d) SEWER CAPACITY FEE A Sewer Capacity fee shall be collected from each applicant requesting a new water service in addition to any processing fees and/or installation charges. The capacity fee is \$4,497 per Equivalent Residential Unit served by the connection. Each July 1, beginning July 1, 2012, each rate set forth in this subdivision (d) shall be adjusted by the percentage change in the Construction Cost Index for the San Francisco Bay Area as published in the Engineering News Record between September, 2011 and the then most recently published Construction Cost Index.

Section 3. Rule 21.02(f) of the MCSD Rules and Regulations is amended to read as follows:

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

General Area Charge (\$180.00/ acre x .5 acre)	=	\$90.00
Local Charge (\$540.00/acre x .5 acre)	=	270.00
4 inch lateral Installation Charge	=	1,200.00
Sewer Availability	=	405.00
Capacity Charge	=	4,497.00
 Subtotal	 =	 6,462.00

Section 4. The rates set forth herein shall be effective when legally applicable, following the passage of this Resolution.

Section 5. Proceeds of the capacity fees shall be deposited in two separate capital facilities funds (one for water and one for sewer) with other capacity fees received, and accounted for in a manner that avoids any commingling with other moneys of the District, except for investments, and the District shall expend capacity fee revenues solely for the purposes for which the fees were collected. Any interest income earned from the investment of moneys in a capital facilities fund shall be deposited in that fund.

PASSED, APPROVED AND ADOPTED this 21st day of September 2011 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Helen Edwards, Board President

ATTEST:


Sharon L. Denison, Board Secretary

Mark E. Mandell
MMandell@CLLAW.US
(213) 542-5720

Colantuono & Levin, PC
300 South Grand Avenue, Suite 2700
Los Angeles, CA 90071-3137
Main: (213) 542-5700
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WWW.CLLAW.US

MEMORANDUM

TO: Norman Shopay, General Manager FILE NO: 43021-0002
McKinleyville CSD
Post Office Box 2037
McKinleyville, California 95519-2037

FROM: Mark E. Mandell, Esq.  DATE: September 15, 2011

RE: Water and Sewer Capacity Fees

At your request, I have reviewed and commented on the capacity fee study prepared by Willdan Financial for the District.

Pursuant to Section 66013(a)(3) of the Government Code, a capacity fee is:

[A] charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities.

Unless approved by the voters, a capacity fee may not “exceed the estimated reasonable cost of providing the service for which the fee...is imposed.”¹ The purpose of the fee study is to provide the District’s Board with data that it can be used to select a rate structure that meets these legal requirements, and does not impermissibly burden new connections with a disproportionate share of the District’s capital costs.

The Willdan study employs a model that is commonly used for such studies throughout the state, and is based on the type of data that is typical for such studies. Of necessity, some of the data used is more speculative than other data used. For example, the study relies on the County’s projections of population growth and relies on the professional judgment of District staff for certain cost estimates. However, my understanding is that Willdan and the District’s staff relied on what they believe to be the best currently available data and, in any case, use of such data sources can hardly be characterized as arbitrary or capricious. No published decision or

¹ Gov’t Code Sec. 66013(a).

Norman Shopay, General Manager
September 15, 2011
Page 2

applicable law calls into question the use of such data for determining “estimated reasonable cost.”

If I can provide other advice or assistance on this matter, please do not hesitate to contact me.

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
HELD ON WEDNESDAY, AUGUST 17, 2011 AT 7:00PM AT AZALEA HALL,
1620 PICKETT ROAD, MCKINLEYVILLE**

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

Helen Edwards, Board President
Dennis Mayo, Vice President
David Couch, Director
John Corbett, 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, ADDITIONS TO THE AGENDA:

At 7:00pm President Edwards called the meeting to order. Directors Corbett, Couch, and Mayo were present. Director Wennerholm was absent. There were no additions to the agenda. Director Couch led the pledge of allegiance.

AGENDA ITEM B-APPROVAL OF THE AGENDA: The agenda was approved.

AGENDA ITEM C-PUBLIC HEARINGS: C1-TAKE PUBLIC COMMENTS ON URBAN WATER MANAGEMENT PLAN AND APPROVE PLAN FOR SUBMITTAL: Manager Shopay introduced Jason Patton, staff member who has been working on the update of the Urban Water Management Plan. He briefly reviewed the requirements and timeline for submittal. As there were no Board questions or comments President Edwards opened the Public Hearing and closed the Public Hearing with no comments received. Director Couch had a question about the rainfall numbers used and complemented staff on this major task done in-house.

MOTION: It was moved to adopt Resolution 2011-20 approving the 2010 Urban Water Management Plan with changes as necessary and authorize submission to the Department of Water Resources. Motion by Mayo; second by Corbett.

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

AGENDA ITEM D-CONSENT CALENDAR:

1. Consider approval of minutes of the Board of Directors' Regular Meeting of July 20, 2011
2. Consider approval of July 2011 Treasurer's Report
3. DCV Violations this month
4. Consider Memorandum of Understanding (MOU) between the MCSD and McKinleyville Union School District regarding provision of after school program.

(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".)

Director Corbett requested item D.2 be pulled from the consent calendar. President Edwards agreed and requested staff to place the July treasurer's report on next month's agenda to give the interim finance director time to make some adjustments to the fiscal numbers in the report.

MOTION: It was moved to approve the consent calendar excluding item D.2. Motion by Corbett; second by Mayo. (Item D.2 was continued to next month).

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

MOTION SUMMARY: Motion passed-4 AYES; 0 NAYS

AGENDA ITEM E.1-SITE TOUR OF RAMEY BOOSTER STATION UPGRADE PROJECT: Operations Director Orsini briefly reviewed the project just completed by Wahlund Construction to upgrade the existing Ramey Booster Station on North Bank Road. After a brief discussion President Edwards adjourned the meeting for the Board and public to take a tour of the updated facility. The Board, Staff and interested members of the public met at the Ramey pump station on North Bank Road. District employee Bill McBroome led the tour, explaining all the changes that were done and the positive impact they would have on the District and its customers. Mr. McBroome was very knowledgeable about the operation of the system and had in fact done most of the electrical work himself on the upgrade. He explained how the system worked and answered many questions from those in attendance. The Directors praised the updated facility and thanked staff for the tour. Everyone left the site at about 8:00pm to head back to the office for the remainder of the Board meeting.

At 8:15PM President Edwards called the meeting back to order.

AGENDA ITEM E.2-SELECT CANDIDATE FOR SDRMA BOARD OF DIRECTORS: There was a brief Board discussion with suggestions from Directors on their preference of candidate choice.

MOTION: It was moved to adopt Resolution 2011- 21, with votes cast for Sandy Raffelson, Mike Scheafer, Terry Burkhardt and authorize submission of the Resolution and ballot to SDRMA. Motion by Mayo; Second by Corbett.

MOTION VOTE: ROLL CALL VOTE-AYES: Corbett, Couch, Mayo, Edwards

MOTION SUMMARY: Motion Passed-4 AYES; 0 NAYS

AGENDA ITEM E.3-CONSIDER EXTENSION OF RIGHT OF WAY AGREEMENT WITH MCKINLEYVILLE SKATE PARK ORGANIZATION THROUGH DECEMBER 31, 2011: Park and Recreation Director Sehon explained that the Skate Park organization had requested this extension to the right of entry agreement that expires September 8, 2011 due to a requirement for a grant funding application submitted.

MOTION: It was moved to approve the addendum and extension of the right of entry agreement through December 31, 2011. Motion by Corbett; second by Couch.

MOTION VOTE: AYES: Corbett, Couch, Mayo, Edwards

MOTION SUMMARY: Motion Passed-4 AYES; 0 NAYS

(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 E.4-UPDATE ON FISCHER RANCH SPRAYING INCIDENT: General Manager Shopay introduced Jeff Dolf, Humboldt County Agriculture Commissioner. He spoke briefly regarding the May 14th incident and the investigation results and action taken to address this with Mr. Peachey. He reported that Mr. Peachey had received a notice of violation; this was his first violation and the County Agriculture Department had decided at the conclusion of the investigation that no further action was necessary. There was a brief Board discussion after which President Edwards opened public input. Three people addressed the Board with their serious concerns on the incident and the effect on the neighborhood. President Edwards closed public input. General Manager Shopay offered to redistribute a copy of the letter staff had written to Mr. Peachey in regards to this event and all future chemical application on the MCSD Fischer Ranch Property and felt this may answer concerns expressed tonight. President Edwards thanked Mr. Dolf for his attendance tonight and the handling of the incident.

AGENDA ITEM F-REPORTS:

F1a-RAC: Director Couch reported no meeting in August.

F1b-McK Area Fund: President Edwards reported no meeting until October.

F1c-RREDC: President Edwards reported there was no meeting she was aware of.

F1d-McK Senior Center: President Edwards referred to Director Wennerholm senior center meeting minutes included in the packet.

F1e-Audit: Director Corbett reported the audit was not completed yet.

F1f-Water Task Force: Director Mayo had nothing to report.

F1g-AdHoc No Drugs & Toxics down the Drain: Director Mayo had nothing to report.

F1h-Humboldt County Advisory: President Edwards reported a draft was being worked on for both this and the McKinleyville Area Planning Commission formation, but nothing was ready for the Board yet.

F1i-McKinleyville Area Planning Commission Formation: See item above.

F2a-Support Services Department: General Manager Shopay reported that a CalWorks employee was working in the Support Services Department 40 hours per week at no cost to the District for six months.

F2b-Operations Department: Operations Director Orsini had nothing to add to his written report.

F2c-Park & Recreation Department: Park and Recreation Director Sehon reported that staff had held a phone conference meeting today to begin discussion regarding the teen center approved in the Measure B renewal. He added that the session was very productive and he would be moving ahead on the project and would keep the Board apprised.

F2d-General Manager: General Manager Shopay had nothing to add to his written report.

F3-President's Report: President Edwards reported she would be attending the August 23rd supervisor's meeting. Director Mayo thanked her for her presentation at the last meeting.

F4-Board Members comments, Announcements and Reports: No announcements were made.

AGENDA ITEM G-PUBLIC COMMENT AND WRITTEN COMMUNICATIONS: President Edwards opened public input and David Elsebusch expressed concern that the Board President planned to attend a meeting and represent the Board without direction from the Board per an agenda item. He suggested the Fisher lease include restrictions such as herbicides. President Edwards 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: NONE

AGENDA ITEM I-ADJOURNMENT:

MOTION: It was moved to adjourn the meeting at 8:57PM. Motion by Corbett; second by Mayo.

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

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

BOARD OF DIRECTORS

September 21, 2011

TYPE OF ITEM: **ACTION**

ITEM: D.2. **Consider Approval of August 2011 Cash Disbursement Report and Investment and Cash Flow Report**

PRESENTED BY: **Scott Gordon**

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

Recommendation:

Staff recommends that the Board approve the August Cash disbursement report and cash flow report as written.

Discussion:

The Draft August 2011 Cash Disbursement Report and Investment and Cash Flow Report are attached.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- See Attached August 2011 Information.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Cash Disbursement Report and Investment and Cash Flow Report for August 2011.

**McKinleyville Community Services District
Treasurer's Report
August 2011**

EXHIBIT D.2.

Page 2	Investments and Cash Flow Report
Page 3	Cash Disbursement Report

**McKinleyville Community Services District
Investments and Cash Flow Report
August 2011**

Petty Cash & Change Funds		940.00
Operating & Money Market Account:		
Beginning Balance		197,136.07
Cash Receipts:		
Utility Billings (includes \$43,587.89 in credit cards, EFT, web pay)	336,450.25	
New Services & Capacity Fees: Water	-	
New Services & Capacity Fees: Sewer	-	
Money Market Account Interest	43.39	
Other Cash Receipts (includes \$17,407.15 in credit cards)	58,492.41	
Transfer from Humboldt Co. #4240	250,000.00	
Total Cash Receipts		644,986.05
Cash Disbursements:		
Payroll Related Expenditures	(133,816.94)	
Capital Expenditures	-	
Debt Service	(4,644.48)	
Other Expenditures	(234,201.05)	
Total Cash Disbursements		(372,662.47)
Ending Balance		469,459.65
Total Cash		470,399.65
Investments:		
Balance in LAIF		127,085.55
Humboldt Co. #2560 - Beginning Balance	145,149.77	
Interest Income	148.78	
Secured Property Tax & Measure B Assessment	-	
Transfer to Operating Account	-	
Humboldt Co. #2560 - Ending Balance		145,298.55
Humboldt Co. #4240 - Beginning Balance	5,190,273.51	
Interest Income	4,357.90	
Transfer to Operating Account	(250,000.00)	
Humboldt Co. #4240 - Ending Balance		4,944,631.41
Balance in Humboldt Co. #9390		110,584.48
USDA Bond Reserve Fund, Beginning Balance	165,498.05	
Bond Reserve Payment	7,307.75	
Interest Income	16.55	
Debt Service Payment	-	
USDA Bond Reserve Fund, Ending Balance		172,822.35
Total Investments		5,500,422.34
Total Cash & Investments		5,970,821.99
Total Cash & Investments Last Month		5,936,667.43
Net Change to Cash & Investments This Month		34,154.56
Cash & Investment Recap:		
Cash & Cash Equivalents		5,127,673.98
Davis-Grunsky Loan Reserve		592,110.66
Waste Water Capital Reserve		96,555.00
USDA Bond Reserve Fund		172,822.35
Market Valuation Account		(18,340.00)
Total Cash & Investments		5,970,821.99

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENT REPORT
FOR THE PERIOD 8/1/11 TO 8/31/11**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
Accounts Payable Payments						
23153	8/25/2011	COL05	COLANTUONO & LEVIN, PC	(435.00)	21568u	Ck# 023153 Reversed
23531	8/5/2011	*0013	ROGER HARMON	736.00	B10727	REFUND OF NEW WATER SERVICE
23532	8/5/2011	*0014	BARBARA GEORGIANNA	100.00	B10727	AZALEA HALL DEPOSIT REFUND
23533	8/5/2011	*0015	JUDY RIEGER	45.00	B10727	GUITAR CLASS REFUND
23534	8/5/2011	*0016	ROGER STICKLER	45.00	B10727	GUITAR CLASS REFUND
			ROGER STICKLER	(45.00)	B10727u	Ck# 023534 Reversed
			Check Total:	-		
23535	8/5/2011	*0017	KIMBERLY BROWN	45.00	B10727	GUITAR CLASS REFUND
23536	8/5/2011	*0018	THAO LE KHAC	45.84	B10729	KIDS CLUB DEPOSIT REFUND
23537	8/5/2011	*0019	ANGELA SUNDERG	45.00	B10804	KIDS CLUB DEPOSIT REFUND
23538	8/5/2011	*0020	HUMBOLDT BAY HARBOR DISTR	93.00	B10804	AZALEA HALL DEPOSIT REFUND
23539	8/5/2011	ACW01	ACWA HEALTH BENEFITS AUTH	43,200.93	Aug-11	GRP. HEALTH INS
23540	8/5/2011	ADA02	ADAPCO	279.43	85798	REPAIRS/SUPPLY
23541	8/5/2011	AGS01	AG SALES	77.80	72066	MAINTENANCE SUPPLIES
23542	8/5/2011	ANS02	BRIAN ANSPACH	952.00	B10729	GIS & MAPPING SERVICES RENDERED
23543	8/5/2011	BAS01	BASIC LABORATORY INC.	181.00	1107131	LAB TESTING
23544	8/5/2011	BAY02	BAY WEST SUPPLY, INC.	334.71	B10804	JANITORIAL SUPPLIES
23545	8/5/2011	BOR01	BORGES & MAHONEY CO.	31,227.30	131457	EMERGENCY SHUT OFF VALVES
23546	8/5/2011	CAM01	CAMPTON ELECTRIC SUPPLY	7,976.85	1073067	WOOD STREETLIGHT POLE
23547	8/5/2011	CAS02	CASH	244.27	B10729	PETTY CASH SUPPLIES
23548	8/5/2011	CDW01	CDW GOVERNMENT, INC.	1,357.41	ZDC6160	GIS/SEMS EQUIPMENT
23549	8/5/2011	COA02	COASTAL BUSINESS SYSTEMS	120.58	77468A	MAINTENANCE REPAIRS
23550	8/5/2011	COM01	COMMERCIAL RADIO & ELECT.	72.00	54201	MAINTENANCE REPAIRS
23551	8/5/2011	COR01	CORBIN WILLITS SYSTEMS	833.42	B107151	MOM SOFTWARE
23552	8/5/2011	COS03	COSTCO WHOLESALE	462.04	B10729	SUPPLIES
23553	8/5/2011	COU02	HUMBOLDT COUNTY ASSESSOR	344.88	B10802	MAPS
23554	8/5/2011	CPS02	COOPERATIVE PERSONNEL SER	854.65	INV335844	BROCHURE DESIGN & PRINTING
23555	8/5/2011	E&O01	E & O BOWL	200.00	653940	KIDS CAMP BOWLING
23556	8/5/2011	FIS02	FISCH DRILLING	2,338.00	G3750	DRILL WELLS ON LOWER RANCH
23557	8/5/2011	GRS01	G R SUNDBERG, INC.	715.00	602	REPAIRS/SUPPLIES
23558	8/5/2011	GUA01	THE GUARDIAN	4,057.10	B10721	GRP. DENTAL INSURANCE

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENT REPORT
FOR THE PERIOD 8/1/11 TO 8/31/11**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
23559	8/5/2011	HAC01	HACH COMPANY	1,425.33	7323734	LAB TESTING SUPPLIES
23560	8/5/2011	HAR03	HARVEY M. HARPER CO.	127.06	5115139	MAINTENANCE ON TRUCKS
23561	8/5/2011	HAR13	The Hartford - Priority A	604.92	B10804	GRP LIFE INSURANCE
23562	8/5/2011	HIG01	HIGH YIELD IND. PRODUCTS	129.90	136774	MAINTENANCE REPAIRS
23563	8/5/2011	HUM01	HUMBOLDT BAY MUNICIPAL WA	58,261.31	B10801	WATER PURCHASED
23564	8/5/2011	LAB01	Lab Safety Supply, Inc.	150.45	101759512	MAINTENANCE REPAIRS
23565	8/5/2011	MAC02	MAC'S REFRIGERATION SVC.	313.63	24146	REPAIRS
23566	8/5/2011	MAN02	MANTOVA'S TWO STREET MUSI	399.00	5587	MAINTENANCE REPAIRS
23567	8/5/2011	MCK03	MCKINLEYVILLE OFFICE SUPP	7.24	43607	COPIES
23568	8/5/2011	MCK21	MCKINLEYVILLE PRESS	20.00	11-123	LEGAL AD FOR URBAN WATER
23569	8/5/2011	MEN01	MENDES SUPPLY CO.	228.64	M022318-0	REPAIRS/SUPPLY
23570	8/5/2011	MIL01	Miller Farms Nursery	328.36	B10804	REPAIRS/SUPPLY
23571	8/5/2011	MIL03	THE MILL YARD	706.62	228540	MAINTENANCE REPAIRS
23572	8/5/2011	MIT01	Mitchell, Brisso, Delaney	1,730.08	29276	LEGAL
23573	8/5/2011	NAT06	NATIONAL METER & AUTOMATION	3,006.49	S1033895	BADGER COMPOUND W/RADIO
23574	8/5/2011	NEC01	NEC FINANCIAL SERVICES, LLC	285.92	1457432	PHONE SYSTEM
23575	8/5/2011	NOR01	NORTH COAST LABORATORIES	2,732.00	B10804	LAB TESTING
23576	8/5/2011	NOR03	NO. COAST VETERINARY HOSP	175.00	21446	VETERINARY SERVICES RENDERED
23577	8/5/2011	NOR06	NORTH COAST FABRICATORS	173.43	705157	MAINTENANCE SUPPLIES
23578	8/5/2011	NOR36	NORTH COAST PARTS & SUPPL	138.17	B10729	SUPPLIES REPAIRS
23579	8/5/2011	NYL01	NYLEX.NET	540.00	70625	MAINTENANCE
23580	8/5/2011	ORE01	O'REILLY AUTOMOTIVE, INC.	18.22	B10804	REPAIRS/SUPPLY
23581	8/5/2011	PAP03	PAPA	200.00	B10804	TRAINING
23582	8/5/2011	PGE02	PACIFIC GAS & ELECTRIC	2,343.40	B10729	POWER FOR STREETLIGHTS
23583	8/5/2011	RED11	REDWOOD MINI GOLF	270.00	B10729	KIDS CAMP MINI GOLF
23584	8/5/2011	REE06	CHRIS REED	6.43	B10727	TRAVEL EXPENSE
23585	8/5/2011	REN01	RENNER PETROLEUM	2,843.39	B10804	FUEL FOR TRUCKS
23586	8/5/2011	RES03	RESTIF CLEANING SERVICE	250.00	34381	OFFICE CARPET CLEANING
23587	8/5/2011	ROS05	CYNTHIA A. ROSENBERG, CPA	2,902.90	B10804	PROFESSIONAL SERVICES
23588	8/5/2011	SIE02	SIERRA CHEMICAL CO.	1,915.24	220878	CHLORINE CONTAINER DEPOSIT
23589	8/5/2011	SIE03	SIERRA DISPLAY, INC.	961.86	15318	SUPPLIES

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENT REPORT
FOR THE PERIOD 8/1/11 TO 8/31/11**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
23590	8/5/2011	SLO01	DIANE SLOANE	625.00	B10805	AFLAC SPENDING REIMBURSEMENT
23591	8/5/2011	SOU01	SOUND ADVICE	1,154.41	49364	SUPPLIES
23592	8/5/2011	STA11	STAPLES CREDIT PLAN	767.04	B10729	OFFICE SUPPLIES
23593	8/5/2011	SUD01	SUDDENLINK	173.95	B10804	INTERNET
23594	8/5/2011	SUP01	Superior Alarm Sys., Inc.	130.00	98130	PAGING/ALARMS
23595	8/5/2011	THO02	Thomas Home Center	46.85	B10805	REPAIRS/SUPPLY
23596	8/5/2011	THR01	THRIFTY SUPPLY COMPANY	274.54	1305170	MAINTENANCE SUPPLIES
23597	8/5/2011	TOM03	KELLE TOMLINSON	5.35	B10801	TRAVEL EXPENSE
23598	8/5/2011	TWO01	TWO BROTHERS CATHODIC SER	1,600.00	288	ANNUAL SERVICE ON WATER TANK
23599	8/5/2011	UND01	UNDERGROUND SERVICE ALERT	242.76	11070596	SUBSCRIPTIONS
23600	8/5/2011	USE01	US ENVIRONMENTAL PROTECTION	800.00	B10729	PENALTY FOR RMP BEING LATE
23601	8/5/2011	USP02	USPS: ARCATA BMEU	190.00	B10804	BULK MAILING PERMIT
23602	8/5/2011	VER01	VERISON WIRELESS	163.73	B10802	CELL PHONE
23603	8/5/2011	WIL09	WILLDAN FINANCIAL SERVICE	3,730.00	10-15009	PROFESSIONAL SERVICES
23604	8/5/2011	\C021	CRINGLE, JULIA	8.27	000B10601	UTILITY BILLING CUSTOMER REFUND
23605	8/5/2011	\E004	ELIASON, CASEY	14.00	000B10601	UTILITY BILLING CUSTOMER REFUND
23606	8/5/2011	\H017	HILL, JENNIFER	50.27	000B10601	UTILITY BILLING CUSTOMER REFUND
23607	8/5/2011	\K004	KERNEN CONSTRUCTION,	412.44	000B10601	UTILITY BILLING CUSTOMER REFUND
23608	8/5/2011	\L012	LAWRENCE, BRIAN	8.60	000B10601	UTILITY BILLING CUSTOMER REFUND
23609	8/5/2011	\L013	LINDGREN, AXEL	13.40	000B10601	UTILITY BILLING CUSTOMER REFUND
23610	8/5/2011	\L014	LODER, RYAN	35.25	000B10601	UTILITY BILLING CUSTOMER REFUND
23611	8/5/2011	\N005	NELSON, THOMAS	22.34	000B10601	UTILITY BILLING CUSTOMER REFUND
23612	8/5/2011	\N006	NIMMONS, HASAN	8.02	000B10601	UTILITY BILLING CUSTOMER REFUND
23613	8/5/2011	\R013	REYNOLDS, REBECCA	19.39	000B10601	UTILITY BILLING CUSTOMER REFUND
23614	8/5/2011	\R014	ROBBINS, JULIE	40.20	000B10601	UTILITY BILLING CUSTOMER REFUND
23615	8/5/2011	\R015	ROBINSON, MONICA	49.01	000B10601	UTILITY BILLING CUSTOMER REFUND
23616	8/5/2011	\S029	SUTHERLAND, IAN	16.53	000B10601	UTILITY BILLING CUSTOMER REFUND
23617	8/5/2011	\W020	WILSON, TERRY	67.97	000B10601	UTILITY BILLING CUSTOMER REFUND
23618	8/15/2011	AND03	JENS M. ANDERSEN	350.00	B10815P	PAYROLL ADVANCE
23619	8/16/2011	ACT01	ACTION RENTAL	258.10	B10816P	KIDSCAMP BOUNCE HOUSE
23620	8/16/2011	*0021	TISHA JOHNSTON	20.00	B10816	KIDSCAMP DEPOSIT REFUND
23621	8/16/2011	*0022	OWEN SIMONDS	100.00	B10816	HILLAR SPORTS SITE DEPOSIT REFUND
23622	8/16/2011	*0023	MCKINLEYVILLE GIRLS BASKE	100.00	B10816	AZALEA HALL DEPOSIT REFUND

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENT REPORT
FOR THE PERIOD 8/1/11 TO 8/31/11**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
23623	8/16/2011	*0024	ARCATA CONGREGATION OPERA	342.06	B10816	CONNECTION FEE REFUND
23624	8/16/2011	*0025	DIANE EKLUND	100.00	B10818	AZALEA HALL DEPOSIT REFUND
23625	8/16/2011	*0026	LEANDRA YOUNG	24.70	B10818	KIDSCAMP REFUND
23626	8/16/2011	AGS01	AG SALES	99.80	B10818	SUPPLIES
23627	8/16/2011	ATT01	AT&T	1,277.68	B10816	PHONE SYSTEMS
23628	8/16/2011	CLA04	CLASSIC CHEMICALS, INC.	699.86	615388	DISINFECTANT FOR ALL FACILITIES
23629	8/16/2011	COR07	JOHN W. CORBETT	100.00	B10818	DIRECTORS FEES
23630	8/16/2011	COU09	DAVID R. COUCH	100.00	B10818	DIRECTORS FEES
23631	8/16/2011	DEP05	DEPARTMENT OF JUSTICE	32.00	861590	FINGERPRINTING REC PROGRAM
23632	8/16/2011	EDW01	HELEN L. EDWARDS	100.00	B10818	DIRECTORS FEES
23633	8/16/2011	EIC01	JENNIFER EICHSTEDT	341.25	B10816	CONTRACTED INSTRUCTOR
23634	8/16/2011	HUM08	HUMBOLDT SANITATION	914.80	B10816	TRASH SERVICE
23635	8/16/2011	JAC04	JACKSON & EKLUND	4,916.50	169436	PROFESSIONAL SERVICES
23636	8/16/2011	KEY01	KEY EQUIPMENT FINANCE	311.67	1109	EQUIPMENT LEASE
23637	8/16/2011	MAY02	DENNIS MAYO	100.00	B10818	DIRECTORS FEES
23638	8/16/2011	MCK04	MCK ACE HARDWARE	1,164.97	B10818	REPAIRS/SUPPLY
23639	8/16/2011	NOR13	NORTHERN CALIFORNIA SAFET	80.00	17985	SAFETY TRAINING SUBSCRIPTION
23640	8/16/2011	NYL01	NYLEX.NET	1,215.00	70707	NEW SERVER SETUP
23641	8/16/2011	PGE01	PG & E (Office & Field)	19,821.85	B10818	GAS & ELECTRIC
23642	8/16/2011	PRE08	PRECISION INTERMEDIA	53.75	14776	WEB HOSTING/ WEBSITE CORRECTION
23643	8/16/2011	PRO03	PROFESSIONAL CREDIT MGMT	21.30	B10816	COLLECTION SERVICES
23644	8/16/2011	SAF04	SAFEWAY INC. FILE # 72905	16.48	B10816	KIDS CAMP SUPPLIES
23645	8/16/2011	SLO01	DIANE SLOANE	525.00	B10816	AFLAC FLEX REIMBURSEMENT
23646	8/16/2011	UMP03	UMPQUA BANK--VISA	1,780.82	B10818	REPAIRS, SUPPLIES, MAINTENANCE
23647	8/16/2011	UNI08	UNITED DISTRIBUTING COMPA	799.60	198754	LIGHTS FOR FACILITIES
23648	8/16/2011	USB01	U.S. BANK TRUST N.A.	7,294.06	B10816	SEWER BOND PAYMENT
Total Account Payable Payments				<u>233,429.77</u>		

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
CASH DISBURSEMENT REPORT
FOR THE PERIOD 8/1/11 TO 8/31/11**

Check Number	Check Date	Vendor Number	Name	Amount	Invoice #	Description
Payroll Vendor Payments						
ELEC W/D	8/1/2011	-	Employment Development	73.31	-	STATE INCOME TAX
9157 - 9202	8/4/2011	-	VARIOUS EMPLOYEES	16,342.32	-	EMPLOYEE CHECKS
9203	8/4/2011	DIR01	DIRECT DEPOSIT VENDOR- US	25,179.87	B10804	Direct Deposit
9204	8/4/2011	EMP01	Employment Development	-	B10725	STATE INCOME TAX
			Employment Development	1,295.28	B10804	STATE INCOME TAX
			Check Total:	1,295.28		
9205	8/4/2011	FRA05	FRANCHISE TAX BOARD	47.74	B10804	FRANCHISE TAX BOARD
9206	8/4/2011	HUM29	UMPQUA BANK--PAYROLL DEP.	16.47	B10725	FEDERAL INCOME TAX
9206	8/4/2011	HUM29	UMPQUA BANK--PAYROLL DEP.	4,720.18	B10804	FEDERAL INCOME TAX
				42.27	1B10725	FICA
				5,620.20	1B10804	FICA
				11.78	2B10725	MEDICARE
				1,567.12	2B10804	MEDICARE
			Check Total:	11,978.02		
9207	8/4/2011	STA10	Citistreet	2,827.82	B10804	RETIREMENT
9208	8/4/2011	STA17	CA STATE DISBURSEMNT UNIT	231.50	B10804	CHILD SUPPORT
9209	8/4/2011	AFL01	AFLAC	43.30	B10731	AFLAC (PRE-TAX)
9210	8/4/2011	PUB01	Public Employees PERS	14,606.25	B10731	PERS PAYROLL REMITTANCE
			Public Employees PERS	154.66	1B10731	PERS CONTRIBUTION
			Check Total:	14,760.91		
9211	8/10/2011	-	EMPLOYEE	675.15		EMPLOYEE CHECK
9212 - 9257	8/23/2011	-	VARIOUS EMPLOYEES	17,971.59	-	EMPLOYEE CHECKS
9258	8/23/2011	DIR01	DIRECT DEPOSIT VENDOR- US	25,458.99	B10823	Direct Deposit
9259	8/23/2011	EMP01	Employment Development	-	B10810	STATE INCOME TAX
			Employment Development	1,363.52	B10823	STATE INCOME TAX
			Check Total:	1,363.52		
9260	8/23/2011	FRA05	FRANCHISE TAX BOARD	47.74	B10823	FRANCHISE TAX BOARD
9261	8/23/2011	HUM29	UMPQUA BANK--PAYROLL DEP.	-	B10810	FEDERAL INCOME TAX
				4,969.71	B10823	FEDERAL INCOME TAX
				74.42	1B10810	FICA
				5,837.64	1B10823	FICA
				20.76	2B10810	MEDICARE
				1,627.76	2B10823	MEDICARE
				-	3B10810	FEDERAL INCOME TAX
				(65.90)	4B10810	FICA
				(18.38)	5B10810	MEDICARE
			Check Total:	12,446.01		
9262	8/23/2011	STA10	Citistreet	2,842.37	B10823	RETIREMENT
9263	8/23/2011	STA17	CA STATE DISBURSEMNT UNIT	231.50	B10823	CHILD SUPPORT
Total Payroll Vendor Payments				133,816.94		
Total Accounts Payable & Payroll Vendor Payments				367,246.71		

McKinleyville Community Services District
Board Agenda Background

AGENDA ITEM: D.3.

AGENDA TITLE: Compliance with State Double Check Valve Law

MEETING DATE: September 21, 2011

PRESENTED BY: Greg Orsini, Operations Director

TYPE OF ITEM: Consent Calendar

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

1st Notice	July 21, 2011
10 Day Notice	September 7, 2011
Board Meeting	September 21, 2011
Lock	October 24, 2011
ROUTE 14	

Account #	Address	Model of DCV	Date s/o out
14-050-000	1344 Bel Nor	Febco	

Updated: 9/7/2011

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

McKinleyville Community Services District

BOARD OF DIRECTORS

September 21, 2011

TYPE OF ITEM: **INFORMATION**

ITEM: E.1. Murray Road Proposed New Water Tank Location

PRESENTED BY: Norman Shopay/Sharon Denison

TYPE OF ACTION: None

Recommendation:

Staff recommends that the Board listen to the presentation by LACO regarding the potential seismic hazards related to the Murray Road tank site and the potential significant additional costs related to placing a water tank at this location.

Based on the information obtained from the Seismic Hazard Assessment, staff is investigating other potential locations that will have less seismic risk resulting in less overall cost for construction. We will bring that information back to the Board at a future meeting.

Discussion:

As researched by Sharon D. the history of the Murray Road Tank Site is summarized as follows:

The District recognized in the early 1990's that the capacity of the existing water reservoirs was not going to be adequate to meet future long term needs. With this in mind the District began a search for an adequate site that would meet the constraints of the required elevation of 290 feet. The Murray Road site fit the requirements and arrangements where then made to purchase the property. Listed below is a time line leading to MCSD ownership of the property:

1. MCSD began the purchase of the 3.01 acre site on Murray Road in January 1994.
2. The MCSD Board accepted the 3.02 acre site by Resolution #689 on the 13th of January 1994. A copy of the Resolution is attached.
3. The purchase price was \$40,000 and the property was purchased from Redwood Simpson Company with escrow closing on May 6, 1994.
4. The property was and still remains undeveloped, forested land intended to be used for a future water storage reservoir. A map of the property is attached.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

As discussed during the presentation

Environmental Requirements:

Not applicable

Exhibits/Attachments

1. Seismic Hazard Study done by LACO Associates
2. Map of Property
3. LACO Associates Presentation



May 31, 2011

7454.00

McKinleyville Community Services District
1656 Sutter Road
McKinleyville, California 95519-2037

Attention: Norman Shopay, General Manager

Subject: Technical Memorandum–Preliminary Seismic Hazard Assessment
Proposed Murray Road Water Tank (APN 511-111-060)
McKinleyville, California

Dear Mr. Shopay:

This technical memorandum presents the results of our preliminary seismic hazard assessment conducted as part of the scoping phase for this project. The assessment included in this memorandum is qualitative. Identified hazards are presented as either “high” or “low”. Our scope of services for this project did not include subsurface explorations.

To support the seismic hazard assessment, we have reviewed available published and unpublished geologic mapping including the original hand-drawn geologic maps prepared by Dr. Gary Carver and others in the early 1980s (CDMG, 1984; Carver et al, 1984; McLaughlin et al, 2000); prepared a diagrammatic cross-section through the project site based on the available mapping and our knowledge of the fault-related fold geometry (Attachment 1); reviewed time series stereo-pair aerial photographs at the Humboldt County Department of Public Works to identify potential indications of surface fault rupture including tonal and vegetation lineaments, fault-related geomorphic features, and landsliding; and performed a cursory site reconnaissance .

The subject parcel straddles the easterly boundary of the Alquist-Priolo Earthquake Fault Zone that bounds the McKinleyville fault (CDMG, 1983; CDMG, 2000). The McKinleyville fault is a northwest striking, northeast dipping, low-angle thrust fault that is considered active by the State of California (CGS, 2007a). In a coastal bluff exposure northwest of the site, the McKinleyville fault is expressed as a broad zone of deformation consisting of densely spaced secondary fore-thrusts with antithetic back-thrusts that each display displacement.

The surface trace of the McKinleyville fault is located approximately 600-feet downslope in a southwesterly direction of the site. The surface fault trace trends N35°W, and dips 35° NE where it projects beneath the site. The trend of the fault generally parallels the hillslope escarpment adjacent to and south of the site. The escarpment was generated by repeated

faulting, deformation and uplift of the ground surface easterly of the fault trace. The published slip rate for the McKinleyville fault is 0.6 millimeters per year (mm/yr) with a recurrence interval 1,785 years (Carver and Burke, 1988). The average slip per faulting event based on this information is about 1-meter (3.3-feet). The timing of the most recent seismic event along the McKinleyville fault is unknown.

There are two primary areas of concern for evaluating seismic hazards for a site.

1. The anticipated magnitude and peak acceleration of the postulated seismic event.
2. Potential for ground rupture or deformation due to placement of the structure on or near an active fault.

Anticipated Magnitude and Seismic Accelerations

The level of anticipated shaking at the site is a function of the magnitude of the postulated earthquake on a given fault system and the closest distance from that fault system to the site.

The upper-bound earthquake considered likely to occur on the McKinleyville fault has an estimated magnitude of 7.2 (USGS, 2011). Ground accelerations of approximately 0.63g (63 percent of the force of gravity), or more, may be expected to occur on this site as a result of the regional design basis earthquake (Petersen *et al*, 1999; CGS 2007b).

Fault Rupture and Ground Deformation

A schematic cross section through the proposed tank site using published topographic mapping indicates that the fault plane projects under the site at a depth of less than 600-feet. Folding associated with repeated movement along the underlying thrust fault is expressed as a broad asymmetric anticline with a steeply dipping forelimb, flat-lying crest, and gently dipping backlimb. This geometry is evident as one proceeds east on Murray Road, ascending the steep slopes along the fold forelimb, traversing the crest, and descending the backlimb into Fieldbrook valley.

The site is situated approximately mid-slope along the fold forelimb. Surface topography suggests that the site is near a flexural point (i.e. fold hinge line) along the forelimb where the dip of the underlying geologic beds is interpreted to increase in steepness in the downslope direction. This implies that the ground surface at the site has the potential to be subjected to instantaneous deformation of the ground surface as a result of “warping” produced during a faulting event. The magnitude of ground deformation and differential displacement of the forelimb along thrust faults of a similar nature in Humboldt County has

been estimated to be approximately 0.2-0.4 inches per 10 linear feet (vertical to horizontal) (LACO, 2010).

The risk posed to developments on the site associated with deformation produced by tectonic slip on the underlying thrust fault, including differential settlement, warping of the ground surface, and strong seismic ground shaking is considered high. The risk is decreased with distance from the fault.

The risk of surface fault rupture within the proposed development area is considered low, due to the relatively great distance of the tank site to the mapped fault trace. Trench-based fault hazard investigations on other thrust faults in Humboldt County have identified that faulting with the greatest displacement are primarily concentrated near the base of the fault escarpments. However, we cannot preclude the possibility of new faults being generated as a result of slip along the main trace of the McKinleyville fault.

Other Potential Tank Sites

Other potential suitable tank sites within the desired elevation range of 280- to 300-feet msl will be constrained by the aforementioned seismic hazards (Attachment 2). The fault-generated escarpment generally parallels the mapped trace of the McKinleyville fault, as does the surface topography. Secondly, an additional fault trace mapped by Carver (1984) is located $\frac{1}{2}$ mile to the southeast of the currently proposed site. Although this fault is currently not recognized as being active (defined as exhibiting surface displacement during the last 11,000 years), it is associated with, and parallels an active fault.


Areas with a lesser seismic hazard risk within the desired elevation range appear to be northerly of the currently proposed site in the upland areas east of Dows Prairie Road. Potential tanks sites at the desired elevations in these areas are located in excess of 4,000 feet from the trace of the active McKinleyville fault.

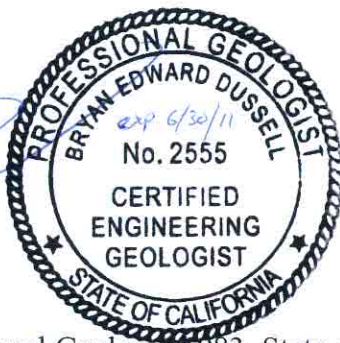
Recommendations

The currently proposed tank site will likely be subject to ground warping and differential displacement of the ground surface following movement on the underlying McKinleyville fault. If the proposed water tank(s) are considered critical facilities that need to be in operation following a large seismic event resulting in ground deformation, the District should consider an alternative location subject to a lower risk of ground deformation. Alternatively, design recommendation may be provided in the geotechnical report to support ground and/or structural improvements to mitigate the anticipated hazards.

Additional subsurface investigations focused on characterizing faulting at the site will be necessary to quantify the anticipated magnitude of deformation. Fees associated with subsurface fault hazard investigations can range from \$25,000 to in excess of \$50,000.

Sincerely,


Bryan Dussell, CEG 2555
Senior Geologist

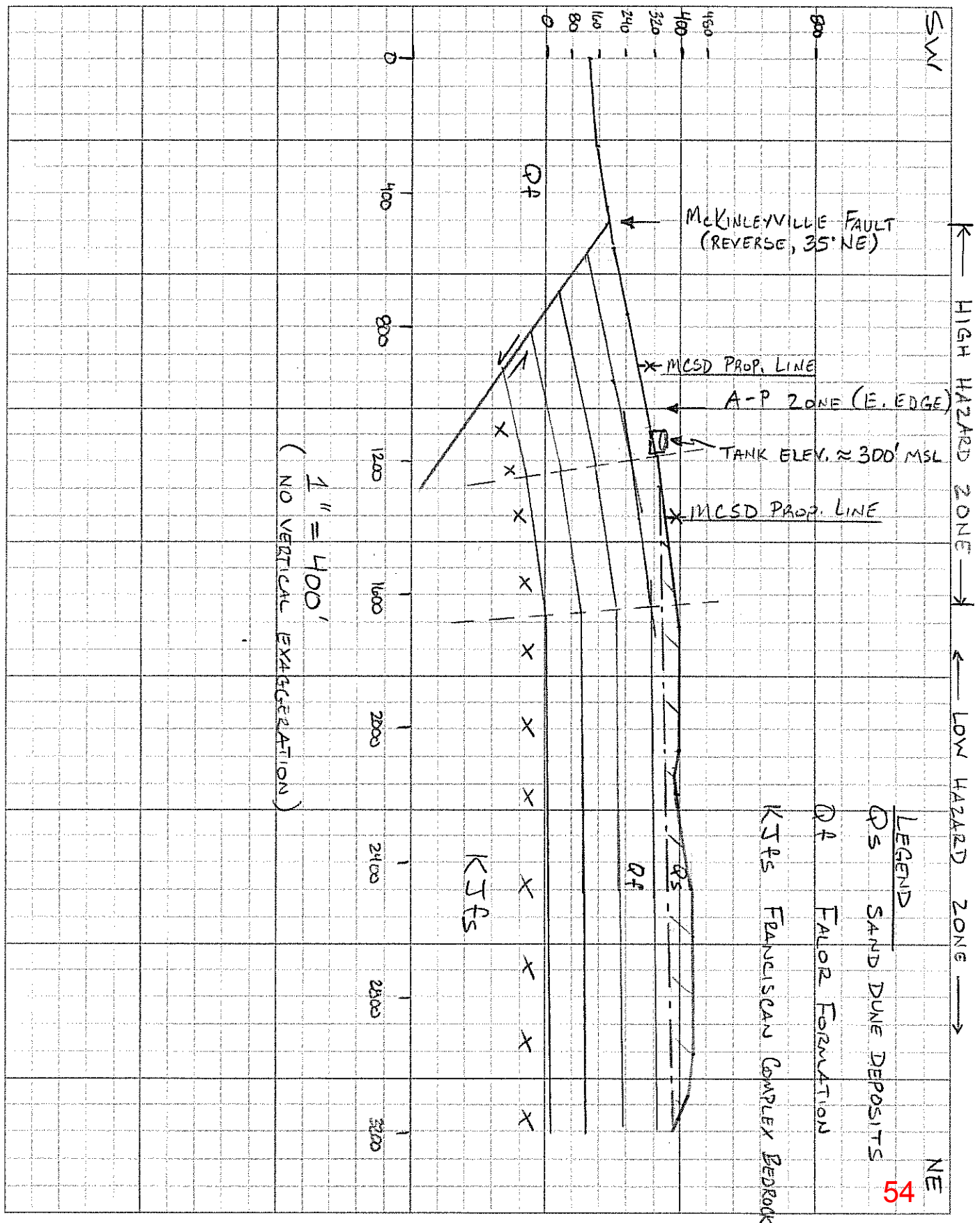


References

- California Division of Mines and Geology, 1983, State of California Special Studies Zones, Arcata North Quadrangle.
- CDMG [California Division of Mines and Geology], 1984, Geology and Geomorphic Features Related to Landsliding, Arcata North 7.5' Quadrangle, Humboldt County, California, OFR 84-38 SF.
- CDMG, 2000, Digital Images of Official Maps of Alquist-Priolo Earthquake Fault Zones of California, Northern and Eastern Region.
- CGS [California Geological Survey], 2007a, Fault-Rupture Hazard Zones in California, Alquist-Priolo Earthquake Fault Zoning Act with Index to Earthquake Fault Zones Maps, Special Publication 42, Interim Revision 2007.
- CGS [California Geological Survey], 2007b, Probabilistic Seismic Hazards Mapping Ground Motion Page (<http://www.conservation.ca.gov/cgs/rghm/psha/index.htm>).
- Carver, G.A., T.A. Stephens, and J.C. Young, 1984, Geology of the Arcata North 7.5" Quadrangle: Unpublished preliminary map for the California Division of Mines and Geology, map scales 1:24,000 and 1:62,500.

- Carver, G.A., and Burke, R.M., 1988, Trenching investigations of northwestern California faults, Humboldt Bay region: Technical report to U.S. Geological Survey, Reston, Virginia, under Contract 14-08-0001-G1082, 53 p.
- LACO ASSOCIATES, 2010, Geologic Hazards Investigation: MP4 Project. Unpublished Client report prepared for College of the Redwoods, Eureka Campus.
- McLaughlin, R. J., S. D. Ellen, M. C. Blake Jr., A. S. Jayko, W. P. Irwin, K. R. Aalto, G. A. Carver, and S. H. Clarke, Jr., 2000, Geology of the Cape Mendocino, Eureka, Garberville, and Southwestern Part of the Hayfork 30x 60 Minute Quadrangles and Adjacent Offshore Area, Northern California.
- Petersen, M. D., D. Beeby, W. Bryant, C. Cao, C. Cramer, J. Davis, M. Reichle, G. Saucedo, S. Tan, G. Taylor, T. Topozada, J. Treiman, and C. Wills, (1999), Seismic Shaking Hazard Maps of California. California Division of Mines and Geology, Map Sheet 48.
- USGS [United States Geological Survey], 2011, Quaternary Fault and Fold Database of the United States, last modified February 25, 2011, USGS web site: <http://earthquake.usgs.gov/hazards/qfaults/>

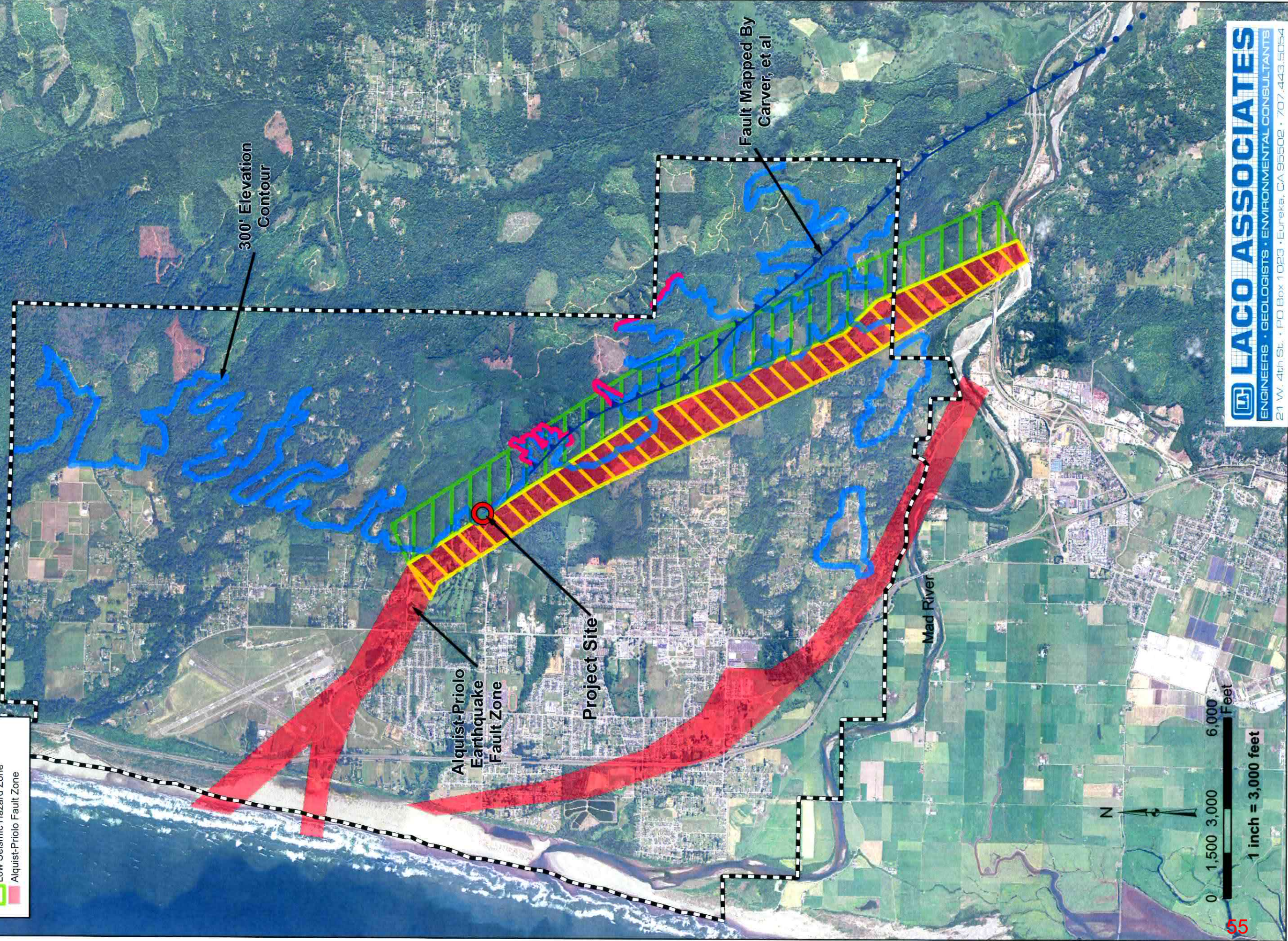
PROJECT	GEOTECH INVEST.	BY	GAV	SHEET NO.	1/2
LOCATION	PROPOSED TANK SITE	DATE	5/2/11	JOB NO.	7454.00
CLIENT	MCSD	CHECKED		DATE	



McKinleyville Community Service District Map

Legend

- Project Site
- Community Service District Map
- Fault Line
- Potential High Landslide Hazard
- 280-300' Contour
- High Seismic Hazard Zone
- Low Seismic Hazard Zone
- Alquist-Priolo Fault Zone



RESOLUTION 689

A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
ACCEPTING THE 3.02 ACRE MURRAY ROAD WATER TANK SITE

WHEREAS, MCSD has determined that additional water storage will be needed within the next ten years;

WHEREAS, Simpson Timber Company has sold MCSD the 3.02 acre site on Murray Road that meets all MCSD requirements for a water reservoir;

WHEREAS, SDRMA has agreed to provide risk management coverage subject to MCSD management;

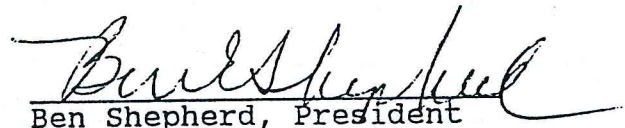
NOW THEREFORE BE IT RESOLVED by the Board of Directors of the McKinleyville Community Services District accepts title to this lot and directs staff to manage the property pursuant to SDRMA's management provisios;

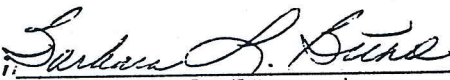
PASSED AND ADOPTED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 13th day of January 1994, by the following polled vote:

AYES; ESTES, KLEIN, SHEPHERD, WALUND

NOES; NONE

ABSENT; HARLING

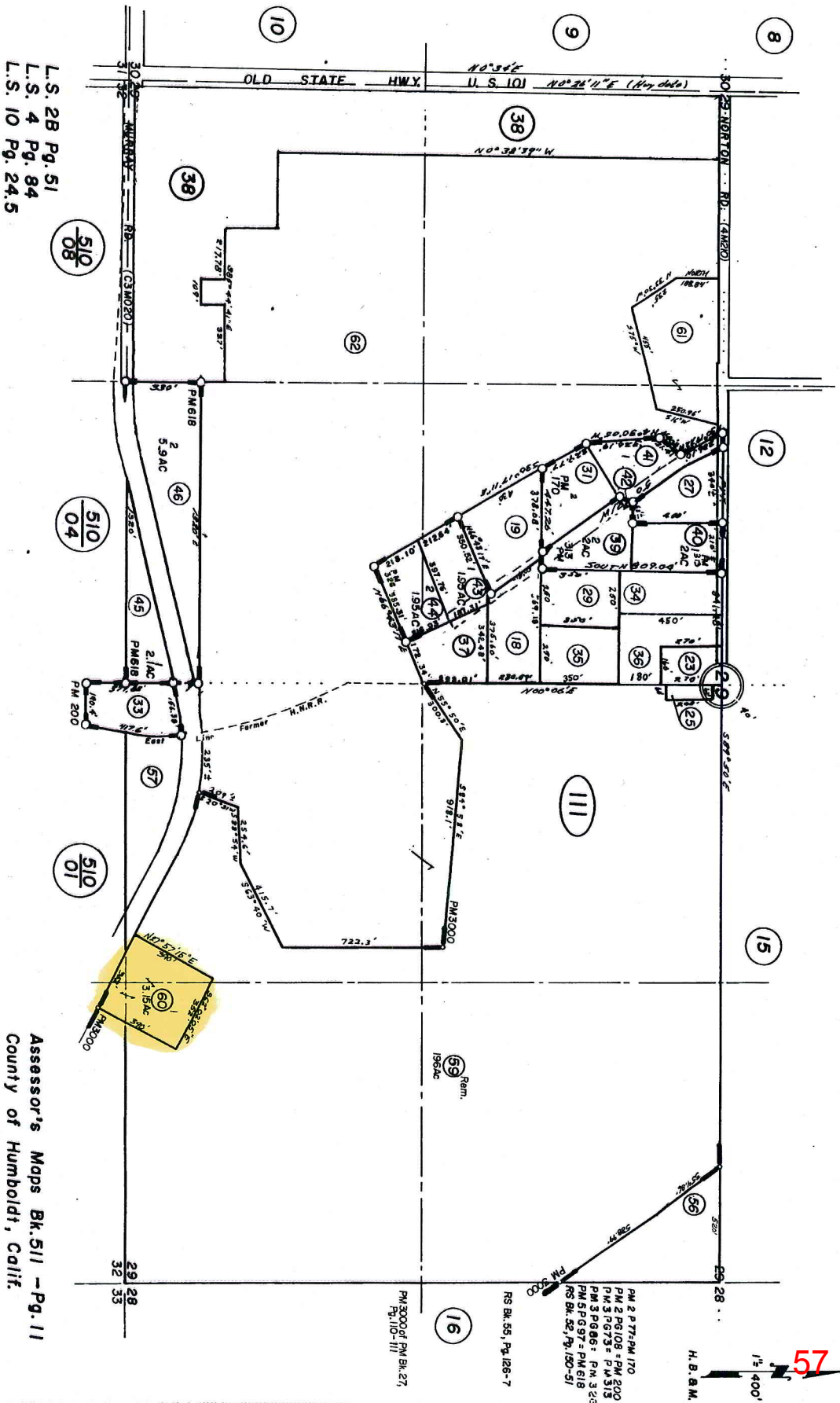

Ben Shepherd, President
of the Board of Directors

ATTEST: 
Barbara L. Bethel, Secretary
to the Board of Directors

S. 1/2, SEC. 29, T. 7N., R. 1E.

Tax Area Code

511-11



L.S. 2B Pg. 51
L.S. 4 Pg. 84
L.S. 10 Pg. 24.5

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

Assessor's Maps Bk. 511 - Pg. 11
County of Humboldt, Calif.

JAN 28 1995

McKinleyville Community Services District Seismic Hazards

LACO ASSOCIATES
Frank Bickner, PG



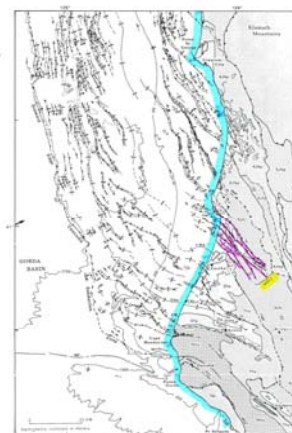
History of Seismic Understanding

- The Alquist-Priolo Earthquake Fault Zoning Act was passed in 1972 to mitigate the hazard of surface structures for human occupancy.



History of Seismic Understanding

- There is evidence of Holocene (10,000 years old) faulting on Mad River fold and thrust zone. Mapped traces of the Mad River thrust faults occur in McKinleyville.
- Division of Mines and Geology states that for purposes of the fault hazards, the Mad River fault zone should be considered as Holocene active. Some of the mapped traces are included within the Alquist-Priolo Zoning Act.



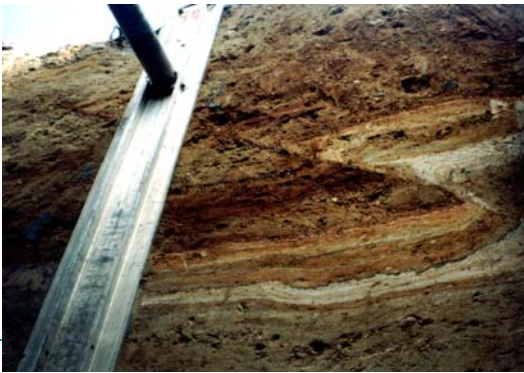
- Example of Trenching to evaluate fault hazards. ~ 3 wide and 16 feet deep.



Trenching and mapping of geology



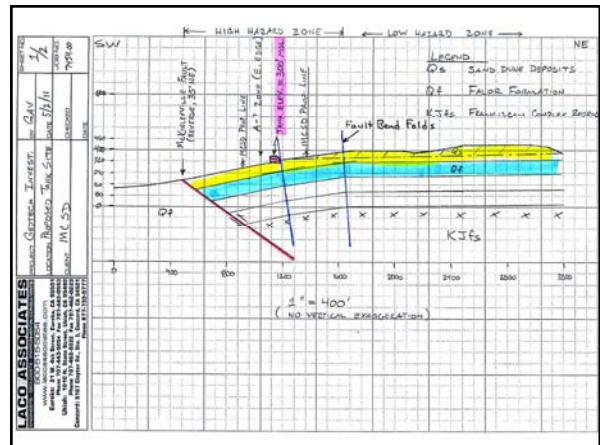
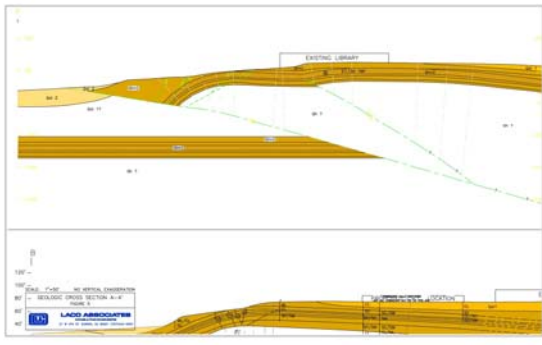
What a fault looks like in a trench



Thrust fault with 3 feet of displacement in Humboldt County



Fault bend fold and thrusting similar to what can be expected on Mad River faults



MCSD Seismic Hazards

- The proposed Murray Road Water Tank (APN 511-111-060) parcel straddles the easterly boundary of the Alquist-Priolo Earthquake Fault Zone which bounds the McKinleyville fault (CDMG, 1983; CDMG, 2000).

MCSD Seismic Hazards

- The trend of the fault generally parallels the hillslope escarpment adjacent to and south of the site. The escarpment was generated by repeated faulting, deformation and uplift of the ground surface easterly of the fault trace.

- Surface topography suggests that the site is near a flexural point (i.e. fold hinge line) where the underlying geologic beds are interpreted to increase in steepness in the downslope direction. This implies that the ground surface at the site has the potential for instantaneous deformation of the ground surface as a result of “warping” produced during a significant earthquake event.

MCSD Seismic Hazards

- There are two primary areas of concern for evaluating seismic hazards for a site.
- 1. The anticipated magnitude and peak acceleration of the postulated seismic event.
- 2. Potential for ground rupture or deformation due to placement of the structure on or near an active fault.

Conclusion

- The current proposed tank site may be subject to ground warping and differential displacement of the ground surface following movement on the underlying McKinleyville fault triggered by the Cascadia fault.

Earthquake Damage to Water Storage Tank



Earthquake Damage to Water Storage Tank



Tank Base Failure



Recommendations

- If the proposed water tanks (s) are considered critical facilities that need to be in operation following a large seismic event, the District should consider an alternative location subject to a lower risk of ground deformation. Geotechnical investigation will be required and seismic hazards investigation may be necessary depending on site location.
- Enhanced foundation design and/or structural improvements to mitigate the anticipated hazards should be considered.
- Existing tanks and distribution system should be evaluated for seismic hazards.

Recommendations

- Alternate sites with reduced seismic hazards to water tanks may provide the best situation for post earthquake water supply.
- Redundant pressure drop shutoff valves system to reduce loss of stored water with potential distribution system failure.
- Design and implement workaround systems for reconnection to community sectors with drinking water and water for fire suppression.

McKinleyville Community Services District

BOARD OF DIRECTORS

September 21, 2011

TYPE OF ITEM: **ACTION**

ITEM: E.2 **Consider Approving Request for Proposal (RFP) to design, manage and inspect recoating project for Norton 1.5 million gallon tank.**

PRESENTED BY: **Gregory Orsini**

TYPE OF ACTION: **Voice Vote**

Recommendation:

After reviewing all the proposals, and with cost a consideration, staff recommends that Oscar Larson & Associates be awarded the Services Contract. They have completed a number of similar projects in our area with good results. We are very appreciative of all the proposals and are confident that all the firms would perform this project capably and professionally.

Staff requests the Board take formal action to award the services contract to Oscar Larson & Associates, authorize the General Manager to execute a professional services agreement not to exceed \$55,000, direct staff with the aid of the consultant to prepare bids and advertise at the earliest possible date. The returned bids for recoating will be brought to the Board for consideration and award.

Discussion:

The District Capital Improvement budget has the Norton Road 1.5 million gallon water tank scheduled for repainting this fiscal year. The tank was constructed in 1989 and still has the original paint. The tank is scheduled to have the interior sandblasted to white metal, primed and repainted and the exterior will be spot blasted, sanded and a topcoat applied. In order to accomplish this task the District should retain the services of an engineering firm to prepare the bid documents and oversee the completion of the project. To that end staff solicited Requests for Proposal from four local engineering firms for their interest to accomplish this task. We received proposals from Winzler and Kelly, Oscar Larson, LACO and SHN.

All four firms submitted good proposals and are experienced and qualified to perform this work. From reading the proposals there is a considerable difference in the hours suggested to perform the contract and the rates of pay

by those performing the various tasks. Basically, this is a time and materials contract once the bid documents are prepared and the contract awarded. The amount of time the Painting Contractor takes to complete the specified work directly affects the consultant's costs for construction management and inspection. With the weather always an unknown factor a local firm can work around the weather more easily than out of the area folks. A critical issue in the inspection process is the humidity and temperature when applying the prime coat after the blast and the actual painting. It is extremely important the blast and priming process be observed, monitored and recorded. The painting process is only as good as the prime and moisture conditions will allow.

Due to the time it will take to prepare bid documents, advertise and award a painting contract we may need to schedule this project in the spring but will would like to proceed this fall. Due to on peak pump requirements and seasonality we are limited to two very short periods when this work can be accomplished. Environmental concerns in this area regarding temperature and humidity are critical factors in priming and painting. During on peak pumping between May and October taking 1.5 million gallons of storage capacity away would place the District in an unfavorable operational position limiting us to October and November or April and early May.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action, defer painting of the tank and risk damage to its structural integrity

Fiscal Analysis:

The current budget has \$175,000 allocated for the services agreement and tank painting. The cost of the service contract is \$ \$55,000 leaving \$120,000 to recoat the tank. We will have a firm cost of the tank-painting portion when the bids are received.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Cost Proposal from Oscar Larson



Oscar Larson & Associates
Consulting Engineers, Inc.
317 Third Street • 2nd Floor • Eureka • CA 95531

phone: 707-445-2043 • phone: 800-660-2043
fax: 707-445-8230
e-mail: larson@olarson.com
website: www.olarson.com

August 19, 2011

Norman Shopay, District Manager
McKinleyville Community Services District
1656 Sutter Road
McKinleyville, CA 95519

Subject: Project Budget for Engineering Services for Preparing and Painting of the Norton Road
1.5 MG Water Storage Tank

Dear Mr. Shopay:

Oscar Larson & Associates (OLA) is pleased to submit the enclosed budget to provide engineering services for design, construction management and inspection for the subject project. Our hourly rates for the staff members who we anticipate will be working on this project are shown in the budget tabulation. Also enclosed is our current Master Company Services Fee Schedule.

While the cost for the design portion of the project can be determined with a fair degree of certainty, the cost for engineering services during construction is less certain. That is because costs will primarily depend on how quickly the contractor completes his work, which may in turn be impacted by weather and other factors that the contractor cannot control. Therefore, it has been necessary to make the following assumptions in developing our budget:

1. The budget is based on the scope of work and specific tasks outlined in our proposal and the level of effort indicated in the budget tabulation. We have assumed that this is **not** a prevailing wage job.
2. We have assumed that the District will distribute the plans and specifications to prospective bidders, and we will provide the copies to you for distribution. We have assumed that we will provide 25 sets of plans and specifications.
3. We have assumed an overall construction period of 12 weeks. During that time we have budgeted for weekly meetings with the contractor, six weeks of part-time construction observation by an OLA staff engineer, and nine weeks of full-time coating inspection by a certified inspector from BACC.

We propose to contract for this project on a time and materials basis, with an upper limit of \$55,000 which would not be exceeded without approval by the District. That upper limit is based on our proposed scope, level of effort and anticipated construction period. If construction proceeds more quickly, costs will be less. We are available to discuss modifications to the scope and budget at your request.

If you have any questions or concerns regarding the budget, or any aspect of our proposal, please contact me at any time.

Very truly yours,

OSCAR LARSON & ASSOCIATES



John N. DeBoice, P.E.

Encl.: Estimated Man-hours and Proposed Budget
Master Company Services Fee Schedule

2011.4.037

**McKinleyville Community Services District
Norton Site 1.5 MG Tank Recoating**

Estimated Man-hours and Proposed Budget

Task	Senior Engineer	Staff Engineer	QA/QC	Drafting	Clerical	Total Labor \$	Expenses + Comm Fee 10% \$	Subconsultant (incl. +15%) \$	Total \$
	Hours	Hours	Hours	Hours	Hours				
	\$170	\$130	\$170	\$90	\$70				
1 Project Management									
Management of Project	5				5	\$ 1,200	\$ 120	\$ -	\$ 1,320
Scheduling	1				1	\$ 240	\$ 24	\$ -	\$ 264
Quality Assurance/Quality Control	1	4	2			\$ 1,030	\$ 103	\$ -	\$ 1,133
Project Documentation and Files	2				8	\$ 900	\$ 90	\$ -	\$ 990
District Board Meetings (2)	4					\$ 680	\$ 68	\$ -	\$ 748
2 Design Development									
Meeting with District Staff/Site Visit	2	2				\$ 600	\$ 60	\$ -	\$ 660
Meeting Summary	2				1	\$ 410	\$ 41	\$ -	\$ 451
3 Prepare Plans									
90% Plans + Submittal	1	2		8		\$ 1,150	\$ 115	\$ -	\$ 1,265
Final Plans	1	2		4	4	\$ 1,070	\$ 107	\$ -	\$ 1,177
4 Prepare Specs									
90% Draft + Submittal	4	16			8	\$ 3,320	\$ 332	\$ -	\$ 3,652
Final Specs	2	8	1		8	\$ 2,110	\$ 211	\$ -	\$ 2,321
5 Bidding Assistance									
Engineer's Opinion of Probable Costs	1	4			1	\$ 760	\$ 76	\$ -	\$ 836
Pre-bid Meeting & Meeting Minutes	2	4			2	\$ 1,000	\$ 100	\$ -	\$ 1,100
RFC Response and Addenda (Allowance)	2	4			2	\$ 1,000	\$ 100	\$ -	\$ 1,100
Bid Opening and Analysis	2	2				\$ 600	\$ 60	\$ -	\$ 660
6 Construction Engineering									
Submittals	1	16		8	4	\$ 3,250	\$ 325	\$ -	\$ 3,575
Observation, Weekly Meetings, Daily Reports	1	60			4	\$ 8,250	\$ 825	\$ -	\$ 9,075
Coating Inspection	1					\$ 170	\$ 17	\$ 16,353	\$ 16,540
Pay Requests	1	16		8	4	\$ 3,250	\$ 325	\$ -	\$ 3,575
Reporting	6				2	\$ 1,160	\$ 116	\$ -	\$ 1,276
Change Orders (Allowance)	2	2			1	\$ 670	\$ 67	\$ -	\$ 737
Project Closeout	2	8			2	\$ 1,520	\$ 152	\$ -	\$ 1,672
Total	46	150	3	28	57	\$ 34,340	\$ 3,434	\$ 16,353	\$ 54,127
Budget Estimate - Rounded Up									\$ 55,000



Oscar Larson & Associates
Engineering - Planning - Risk Management



MASTER COMPANY SERVICES FEE SCHEDULE – EFFECTIVE 1 JANUARY 2011

- 1.0 **HOURLY RATES USED FOR TIME AND MATERIALS AGREEMENTS** – When a project scope cannot be defined precisely, compensation will be based on hourly charge rates plus expenses. Rates include payroll costs, overhead, and profit. Rates are based on the skills and experience levels of assigned individuals.

1.1 <u>ENGINEERING SERVICES</u>	<u>HOURLY “PREVAILING WAGE” RATE</u>	<u>STANDARD HOURLY RATE</u>
Principal Consultant		\$250.00
Senior Project Manager		\$180.00 - \$200.00
Project Manager		\$160.00 - \$180.00
Project Engineer		\$120.00 - \$150.00
Staff Engineer		\$100.00 - \$150.00
Engineering Technician Grade I		\$75.00 - \$95.00
Engineering Technician Grade II		\$95.00 - \$115.00
Construction Inspector	\$150.00	\$75.00 - \$120.00

1.2 **PLANNING AND ENVIRONMENTAL SCIENCE SERVICES**

Project Manager	\$150.00 - \$200.00
Senior Environmental Planner	\$130.00 - \$150.00
Environmental Analyst/Planner	\$90.00 - \$130.00

1.3 **PRODUCTION SPECIALIST SERVICES**

Production Specialist	\$110.00
Administration Manager	\$75.00 - \$100.00
Administration Staff	\$75.00

1.4 **REGULATORY SERVICES**

Program Manager	\$130.00 - \$150.00
Project Specialist	\$95.00 - \$120.00
Production Manager	\$75.00 - \$100.00
Administration Staff	\$75.00

- 1.5 **DEPOSITIONS AND COURT APPEARANCES** \$500.00/hr; \$2,000.00 min./day

1.6 **EXPENSES**

Plotter, Paper Prints, and Vellum (24" x 36")	\$9.00/print + labor
Mylars (24x36)	\$12.00/sheet + labor
Communications Equipment Fees (Computers, Faxes, Phones)	3% of invoice labor
Copies (Black and White)	\$0.10 per copy
Copies (Color)	\$0.30 per copy
Vehicles	\$1.50/hr/vehicle + \$0.75/mile traveled

- 1.7 Client will be charged for other equipment, fees, and expenses not specifically listed at cost plus 12%.
1.8 Client will be charged for overtime at 130% of the Standard Hourly Charge Rate.
1.9 Client shall reimburse Consultant for the costs of union-mandated programs and/or all prevailing wage-based programs.
1.10 Client shall reimburse Consultant for cost of subconsultants at cost plus 15%.
1.11 Laboratory and Field Testing Service Fee Schedule is available separately.
2.0 **LUMP SUM** – When a project scope can be defined, a lump sum may be the basis for total compensation.
3.0 **FEES PAYABLE** – All fees are due and payable within 15 days of the date of the invoice. Invoices not paid within 30 days are subject to a charge of 1% (or the maximum allowed by law) of the invoice amount per month. Clients will be responsible for all collection costs, including attorney's fees, in the event legal action is necessary to collect any amounts due.
4.0 All fees and information on this schedule are subject to change without notice.
5.0 Fees paid by credit card will include an additional fee.
6.0 Client's property will be subject to placement of liens for lack of payment per legal statute.

McKinleyville Community Services District

BOARD OF DIRECTORS

September 21, 2011

TYPE OF ITEM: **ACTION**

ITEM: E.3. Approve Resolution to provide workers' compensation coverage for volunteers, work-study and interns while providing their services

PRESENTED BY: Norman Shopay

TYPE OF ACTION: Roll Call Vote

Recommendation:

Staff recommends that the Board approve Resolution 2011-22 for the purpose of providing workers' compensation coverage for volunteers, work-study and interns while providing their services.

Discussion:

During the process of completing the annual workers' compensation report it was determined that since the District uses volunteers, work-study and interns, they should be covered specifically by our workers' compensation carrier. In order that SDRMA can cover these volunteers the attached Resolution needs to be executed and provided to SDRMA for them to specifically include this coverage in our policy.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- SDRMA quoted an approximate annual cost of \$260.00 to provide the requested coverage.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Exhibit 1-Resolution 2011-22

RESOLUTION 2011-22

**A RESOLUTION OF THE GOVERNING BOARD OF
THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DECLARING THAT VOLUNTEERS, WORK-STUDY
AND INTERNS SHALL BE DEEMED TO BE EMPLOYEES OF THE DISTRICT FOR THE PURPOSE OF PROVIDING
WORKERS' COMPENSATION COVERAGE FOR SAID VOLUNTEERS, WORK-STUDY AND INTERNS WHILE PROVIDING
THEIR SERVICES**

WHEREAS, the McKinleyville Community Services District utilizes the services of unpaid volunteers, work-study and interns in positions within a number of its departments; and

WHEREAS, section 3363.5 of the California Labor Code provides that a person who performs voluntary service without pay for a public agency as designated and authorized by the governing body of the agency or its designee, shall, upon adoption of a resolution by the governing body of the agency so declaring, be deemed to be an employee of the agency for the purpose of Division 4 of said Labor Code while performing such services; and

WHEREAS, Section 3363.5 of the Labor Code defines "volunteer service without pay" to include those services performed by any person who receives no remuneration other than meals, transportation, lodging or reimbursement for incidental expenses; and

WHEREAS, the Board of Directors wish to extend Workers' Compensation coverage as provided by state law to those persons providing voluntary services without pay, work-study and intern services to the District.

NOW, THEREFORE, BE IT RESOLVED, that persons who perform voluntary service without pay, work-study and interns be deemed to be employees of the McKinleyville Community Services District for the purpose of Workers' Compensation coverage as provided in Division 4 of the Labor Code while performing such service. However, said volunteer, work-study or intern will not be considered an employee of the District for any purpose other than for such Workers' Compensation coverage, nor grant nor enlarge upon any other right, duty, or responsibility of a volunteer, work-study and intern, nor allow said volunteer, work-study or intern to claim any other benefits or rights given to paid employees of the District.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors on September 21, 2011 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Helen Edwards, Board President

APPROVED AS TO FORM:

Sharon L. Denison, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

Sept. 21, 2011

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.4. Report to Board on progress made on Illegal Connections-second units

PRESENTED BY: Sharon Denison

TYPE OF ACTION: None

Recommendation:

Staff is providing the Board an update on recent progress made in identifying illegal unit connections to water and sewer service.

Discussion:

Since March 2010 the District has put an emphasis on noticing and reporting to Support Services potential second units discovered during the meter reading and service order process. We want to give "kudos" to Support Staff and Operations Staff for their cooperation in working together to report, investigate and resolve each issue when identified. To date staff has had fifteen reports of potential second units. The Results have been:

1. Six parcel owners have paid additional water and sewer connection and capacity fees.
2. Four were inspected and determined to not be second units.
3. Three second units were disconnected from water and sewer and the sewer line was capped.
4. Two are currently in the process of being resolved.

Alternatives:

None

Fiscal Analysis:

The Six parcels paid a total of \$14,274.00 in water and sewer connection, capacity and inspection fees. In addition their monthly bill has been coded to bill the additional units resulting in an increase in revenue. Staff will continue to be diligent in finding and reporting illegal second units.

Environmental Requirements:

Not applicable

Exhibits/Attachments

None

McKinleyville Community Services District

BOARD OF DIRECTORS

September 21, 2011

TYPE OF ITEM: **NONE**

ITEM: E.5 **Consider Acquisition of all or a portion of Real Property Parcel located at/near the junction of School Road and Washington Avenue, McKinleyville (APN 508-242-008).**

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

TYPE OF ACTION: **None**

Recommendation :

Staff recommends the Board Meet in closed session to continue discussion regarding status of negotiations related to price and terms and obtain direction from the Board.

Discussion:

Staff has met with representatives from the MUSD to inquire about the potential acquisition of the Washington/School Road property. The entire parcel is 10.3 acres, of which District staff has applied for grant funding, which is pending approval.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

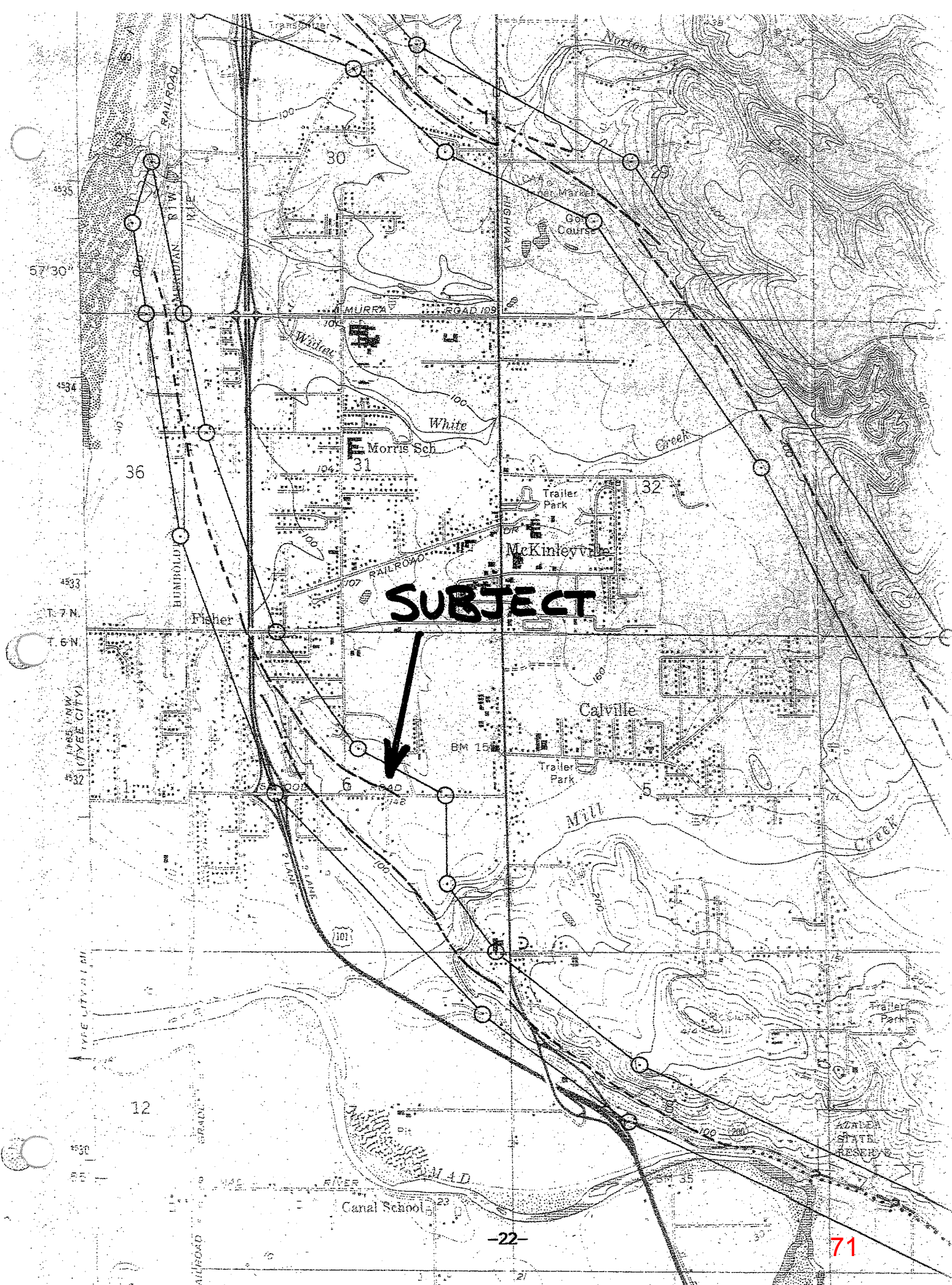
N/A

Environmental Requirements:

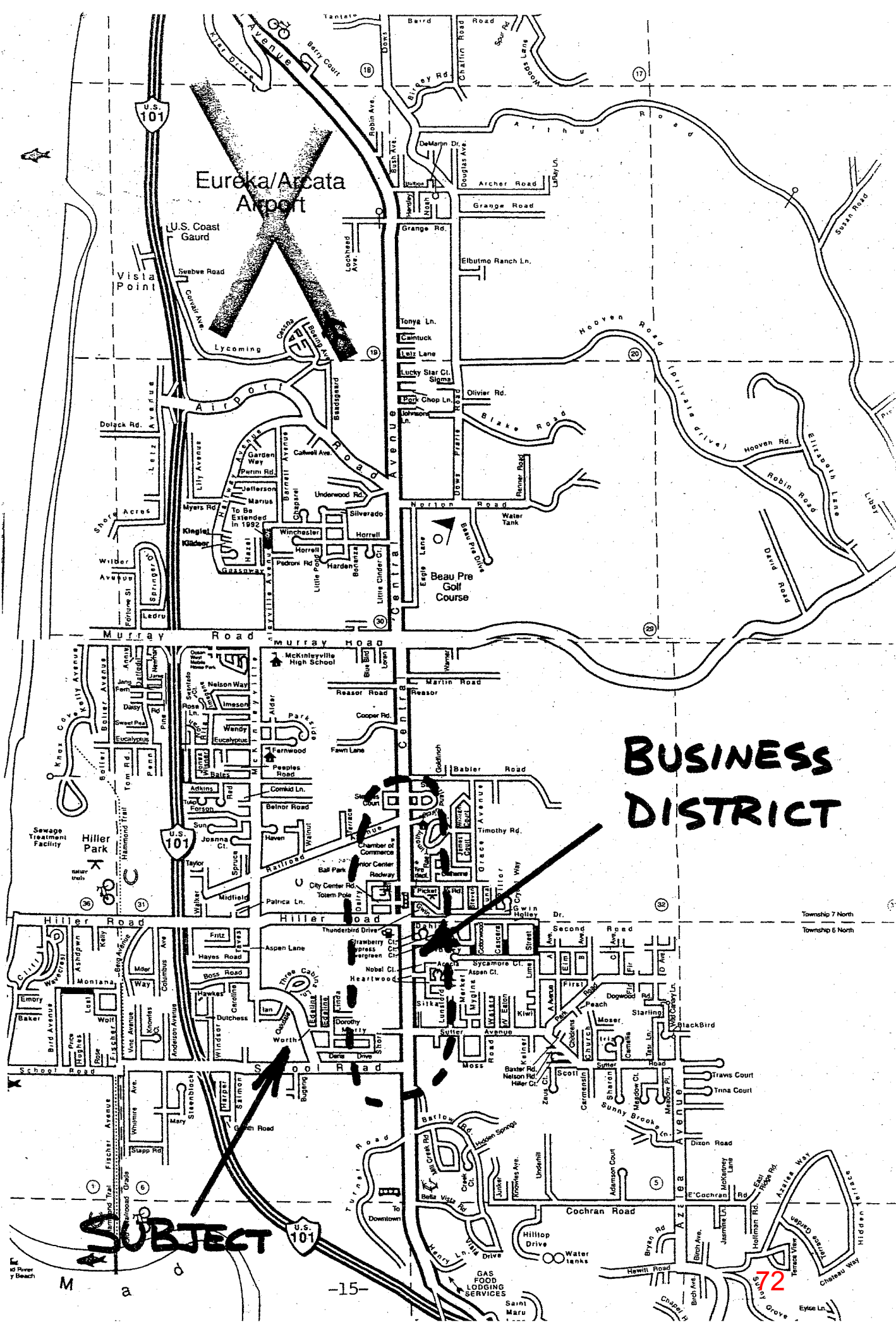
Unknown at this time

Exhibits/Attachments:

- Parcel Map



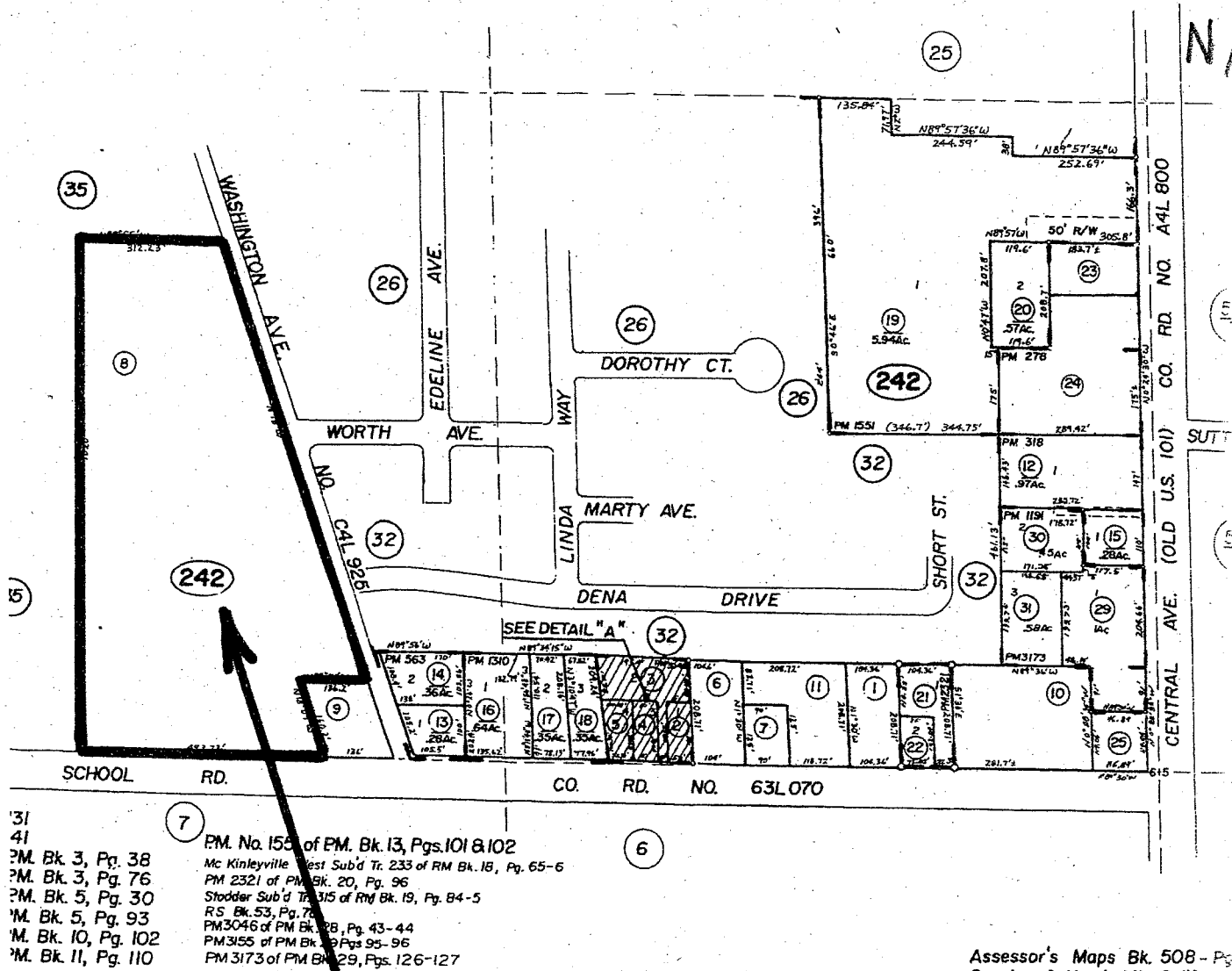
SUBJECT



Eureka/Arcata
Airport

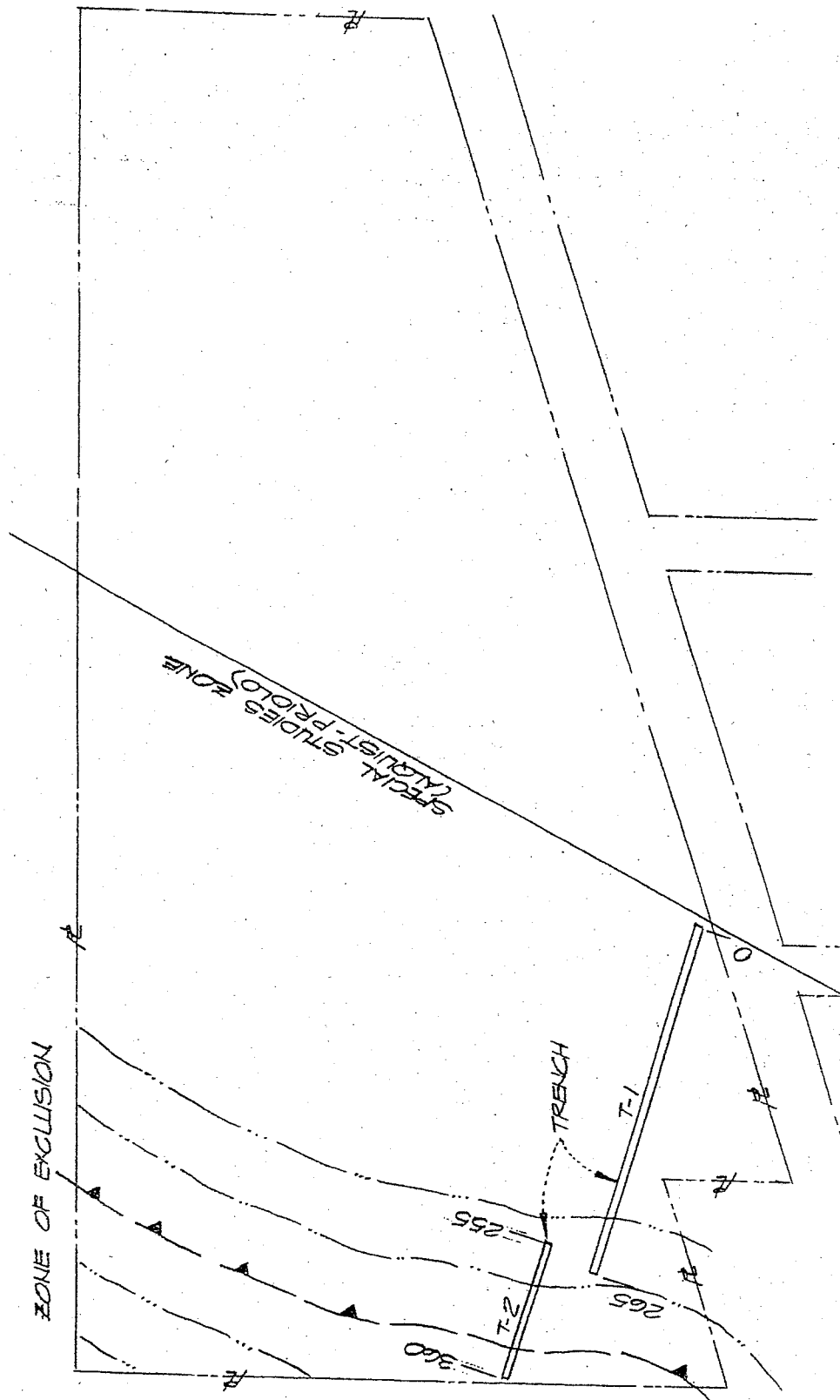
**BUSINESS
DISTRICT**

SUBJECT



SUBJECT

N ↑



McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Monthly Report
September 21, 2011

AGENDA ITEM: F.2.a.
PRESENTED TO: MCSD Board of Directors
FROM: Jackson and Eklund, Contract Accountant
SUBJECT: Monthly Report

FINANCIAL REPORTS

We are working to complete the year-end close process for the fiscal year ended June 30, 2011. During the close process, year-end adjustments are made that will have an impact on July and August, 2011 balances. Therefore, many of the financial reports normally included in the monthly financial report have been omitted. We expect that a complete financial report will be available next month which will include the previously omitted reports for July and August, 2011.

INFRASTRUCTURE BANK FINANCING

The final loan documents and disbursement request for the Infrastructure and Economic Development Bank (I-Bank) loan for the Ramey Pump Station Upgrade project have been submitted to I-Bank. The District expects to receive \$946,034 of loan proceeds within the next couple of weeks.

AUDIT STATUS

The audit for the fiscal year ended June 30, 2011 is currently in its early stages and is expected to progress rapidly once the year-end close process has been completed.

STATE CONTROLLER'S ANNUAL FINANCIAL REPORT

The 2010-11 Special Districts Financial Transaction Reporting package has been received. Preparation of this report is expected to commence later this month in order to meet the reporting deadline of October 18, 2011.

CAL WORKS EMPLOYEE

Support Services is happy to report that the new CalWorks employee is working out very well and adds a lot to the support team. Miranda Stevens has been working since early July at the front counter at the District office and is at no cost to the District for a full six months. We are happy to welcome her to our team.

NEW SIGNAGE MAIN OFFICE DOOR

Advanced Displays/Signs have installed new signage on the front office door at 1656 Sutter Road with our name, office hours and phone number. Check it out on your next trip to the District office. It looks more professional and replaces our signage that was on its last legs.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

Board Agenda Background: Department Report

September 14, 2011

To: MCSD Board

From: Gregory P Orsini, Operations Director

Subject: Agenda Item: F.2.B. –September 21, 2011 Board Meeting
Operations Department – August 2011 Report

Progress in achieving the Board's adopted FY11-12 Goals are summarized in the following narrative:

Water Department:

◇ **Water Statistics:**

The district pumped 63 million gallons of water in August.

9 water quality complaints were investigated and rectified in August.

One service line leak was reported and repaired in August.

No water service installations were completed in August.

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

◇ **Double Check Valve Testing:**

Testing on Route 16 was conducted but not completed in August.

◇ **Emergency Call Out:**

A serious leak was reported to the duty pager over the weekend. Staff responded in a timely manner and determined the leak would cause serious damage to the pavement and could potentially leave a customer without water and was repaired at that time. A leak also was repaired at the Hiller Pressure Reducing Valve (PRV) Station due to a split copper control line. The line was replaced and the PRV was placed back in service.

◇ **Water Facility Maintenance:**

Routine summer site clearing was conducted at Norton Road Tanks Site. During monthly inspection at Norton the seismic valve that closes during serious seismic events is routinely tested. I did not operate properly and was noted for further investigation. A faulty micro switch was discovered and replaced making the valve serviceable. This highly specialized work was performed by District staff for a considerable cost savings. Several meter boxes were raised to prevent meters from being under water during the winter, this work makes reading meters during the wet season much less time consuming. Two angle meter stops were replaced due to broken locking ears.

◇ **New Construction Inspections:**

Central Estates Phase 2A and B, sewer main and laterals are installed for the entire phase. All water mains and services have been installed and preliminary testing is complete; Fudali LLC, water mains and sewer services have are being installed, the main tapped and pressure tested; McKinleyville Middle School, water main is installed, disinfected and pressure tested. The main was tapped and all fire hydrants are in service; VanEaton Subdivision has been completed but awaiting as-builds and Santos Subdivision, water main was brought down the hill and towards Windsor and all the way out Duchess. The contractor is waiting for PG&E to complete their work to test.

Waste Water Statistics:

26.5 million gallons of wastewater were collected and pumped to the W.W.M.F in August.

22.4 million gallons of waste water was treated and discharged to land disposal or reclamation in August.

No sewer services were completed in August.

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

◇ **Dry Weather Flow Monitoring:**

The sewer collection system flow monitoring device was relocated to Manhole 2-3 which takes in the Northern part of town. And is one of the main crossings under the freeway. Data was collected for one week at this location and will be incorporated into the sewer model.

◇ **WWMF Maintenance:**

Annual rebuild of one CL2 and SO2 vacuum regulator was conducted in August. This is done as preventative maintenance to avoid equipment failure. Failure of this equipment has the potential to release chlorine into the atmosphere.

Two aerator posts were replaced on Pond B at the. These posts are used as anchor points for the aerator guide wires. An ongoing issue requires the regular deragging of the aerators in the primary ponds. Two aerators were deragged in August.

◇ **Sewer Facility Site Clearing:**

Trimming and or site clearing took place at the Cottonwood pilot study, at Letz Sewer Lift Station from the entry gate to the station. This 300' lane runs to the station and requires trimming once a year for vehicle access. Hedge trimming took place at the Kelly and Fischer Sewer Lift Station. Brush and tree branch trimming took place at Goldfinch sewer R.O.W. Trimming also took place at the C Street sewer R.O.W. and Ashdown R.O.W.

◇ **Sewer Lift Station Maintenance:**

Staff had to troubleshoot the generator at the Fischer Station due to not starting consistently during testing. The emergency start relays were corroded and needed cleaning. Generator is now working properly. Fischer and B Street Sewer Lift Station wet wells were washed down and grit removed with the Vac-con. This maintenance is completed quarterly to prevent grease and hydrogen sulfide gas buildup and to prevent rags from plugging up the pumps.

◇ **Fischer Ranch Maintenance:**

1200' of fencing was replaced at the Fischer Ranch using railroad ties and barbed wire. The surplus railroad ties are considerably cheaper and have a much longer life.

◇ **Street Light Department:**

Six streetlight problems were reported and repaired in August.

◇ **Promote Staff Training and Advancement:** Weekly safety meetings were conducted.

Special Notes:

The School Road water main lowering project was started in August. This project involved removing 300' of 12 AC pipe and installing 300' of 12" C900 to a minimum depth of 36" below final grade, installation of 4 new 1" water services, backfill and meeting 95% compaction.

During the week prior to the project starting, staff notified customers involved of a water interruption due to the mainline shut down, snap cutting, installing a blind flange and running a temporary 2" main to supply temporary services. This phase of the work was accomplished to take the section of main that will be lowered out of service while the work proceeds on the road above.

A week into the project the County informed us that they would be removing an additional 30" of sub grade in order to backfill with cobble to reinforce the road base due to the condition of the soil. As a result we lowered the location and moved the new main to the north by 5'. This change allowed us to abandon the existing main in place and bypass the necessity to remove the old pipe.

The 300' of main was installed, backfilled, pressure testing was performed at 150 psi for two hours and passed. The compaction tests were completed, the main was disinfected and flushed. The final tie in was performed and the water services to the effected houses were reconnected permanently

The temporary 2" main has been removed and several meter boxes were relocated to meet new grade and sidewalk location.

During construction it was discovered one of the District man holes would interfere with the new road elevation and a section had to be lowered. This was not a planned element of the project as the County ensured us it would not conflict.

The total project cost to the District was approximately \$34,000 including labor, equipment and materials. The optional bid by the contractor doing the project was \$68,000. District staff did the project for approximately half of what it would have cost to contract the work out.

Official notice of completion for the Ramey upgrade was received from the consulting firm responsible for design and construction management. Upon recordation with the county clerk's office the project will be officially complete

Technical Memorandum for water storage capacity was reviewed and comments were returned to the consultant responsible to the task. This document will justify the storage capacity, sizing and cost of our proposed reservoir project. As accepted at the August meeting.

Request for Proposals for design and construction management of Norton Tank Painting project was completed by staff and distributed to four local consulting firms.

Work continued on the Capacity Fee Engineer's report. Staff is taking the engineer's estimates for the tank project and the WWMF upgrade and applying them to the formula for calculating the water and sewer capacity fees. The percentage allocation to existing rate payers and new connections was reviewed for accuracy and the process will be footnoted for explanation in the report.

Mad River Bridge Project main line testing was completed for the first section of pipe installed on the south side of the river. The north section was also installed and tested in August and installation of the center section is underway. The pipe must hold 150 psi for two hours to pass the test. The entire pipeline that is housed in the soffit of the bridge is scheduled to be completed by mid September.

Staff negotiated with the Regional Water Quality Control Board to reduce the amount of testing required to establish new local limits for the District Sewer Use Ordinance. The EPA guide lines require approximately 20 tests done throughout the collection system and the treatment plant to collect compile data. The laboratory testing costs average \$4,000 per round of testing equaling \$80,000. The modified testing plan we proposed reduced the testing to 2 tests of the influent and using data from previous regulatory testing saving the District about \$72,000 and still provide accurate and defensible information to base our updated local limits on. Testing will commence in September, the results will be analyzed using the Region 8 work sheets and new local limits will be brought to the board for approval. This will provide District staff the authority to limit contributed pollutants.

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board Agenda Background - Department Report
September 21, 2011

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

GRANT OPPORTUNITIES:

Proposition 84 – Statewide Park Development

Project: Build a park 3-acre community park in the southern area of McKinleyville.
Status: Application Submitted: State grant officer recently toured the properties and reviewed grant application with staff.

Proposition 84 – Statewide Park Development

Project: Acquire 60-acres in the north area of town and construct a trail system through the forest.
Status: Application Submitted: State grant officer recently toured the properties and reviewed grant application with staff.

Habitat Conservation Fund

Projects: Build new trails and make improvements to existing trails.
Remove invasive plants from wetlands and riparian areas.
Status: Staff is considering projects to include in the applications.

Stewardship Council:

Project: Construct a par course (exercise course) along Hiller Park Loop Trails.
Status: Application submitted.

BSN Sports \$1 Million Grant Program:

Project: Sports equipment and athletic supplies.
Status: Working on application.

Davenport Institute 2011 Public Engagement Grant Program:

Project: Assist with public engagement.
Status: Application submitted.

McKINLEYVILLE NEWSLETTER AND RECREATION ACTIVITY GUIDE:

The McKinleyville Newsletter and Recreation Activity Guide will be completed and mailed to over 5,000 MCSD customers in McKinleyville at the end of September.

McKINLEYVILLE ACTIVITY CENTER:

Staff replaced the hardware at the McKinleyville Activity Center. The new hardware will reduce the possibility of small children exiting the facility and entering the parking lot. This project was completed in house and the cost was split between MCSD and First 5 Humboldt. The replacement was necessary to continue receiving grant funding from First 5 Humboldt to support our McKinleyville Playgroup program.

Staff has been deep cleaning the McKinleyville Activity Center floors in preparation for the upcoming youth basketball season.

PIERSON PARK:

Staff continues to make irrigation repairs to Pierson Park.

McKINLEYVILLE SKATE PARK UPDATE:

At the time this report was due, I had not received a monthly report from the McKinleyville Skate Park Organization.

SHERIFF WORK ALTERNATIVE PROGRAM (SWAP):

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

COMMUNITY SERVICE WORKERS:

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

WORK EXPERIENCE (Cal Works PROGRAM)

We currently have one (1) position through the Cal Works program that is working with the Parks & Recreation Department. This is a great program for the workers and for the MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the County's umbrella.

GRAFFITI & VANDALISM UPDATE:

Graffiti was removed from Hiller Park Playground equipment.

McKinleyville Community Services District

BOARD OF DIRECTORS

September 21, 2011

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D. General Manager's Report

PRESENTED BY: Norman Shopay

TYPE OF ACTION: None

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

- Volunteers: \$1,300(labor)
- SWAP crews: \$1,440
- CalWORKS: Parks \$4,100
- Cal Works: Admin \$4,600
- Norton Seismic repair \$ 800
- Starter Rebuild & Diffusers \$ 450
- School Road \$30,000

Total cost savings for August 2011 is \$42,690

The cumulative cost saving to the District to date from July 1, 2011 is \$54,440

The total cost saving to the District for Fiscal Year 2010/2011 was \$350,222

District staff are acknowledged and commended for their continued efforts in looking for cost savings opportunities that result in real savings for the District and our rate payers.

2. 20-year Facility plan – A final draft of the facility plan has been delayed and it is anticipated by be completed by early October. The reason for the delay is due to the Districts decision to have the document Peer reviewed by an independent technical reviewer. Based on that review a number of changes were identified requiring the document to be updated. We feel that the revised document will be in an overall better condition to be released to the public as a draft for review. The revised schedule for the review process is as follows:

- Revised Draft to District October 5, 2011
- Post on the WEB by October 10, 2011
- Present revised draft to the Board at the October 19, 2011 board meeting.
- Request a 60-day public review period ending on December 10, 2011 with a public workshop to be scheduled for November.

- Staff will consider comments received and provide an update and revised Final document to the Board in January for review and approval.
- Submit the approved facility plan to the Regional Board in January.

3 Emergency Water Line Crossing over the Mad River – Installation of the water line piping is proceeding as construction progresses on the Bridge. During the initial testing of the first section of the water line it was determined that some movement in the piping was occurring and additional restraints on the joints were needed. The restraints were added to the joints and will be included on all sections of piping in the bridge. The portion of the line was retested and passed the test. Other portions of the line will be installed as the bridge continues construction.

4. Fall Newsletter Staff is working on the fall 2011 newsletter and recreation activity guide. Staff continues to update and improve the look and layout of the newsletter and activity guide. The newsletter will be mailed in October.

5. Water and Sewer Rate Study – Work on the water and sewer rate study has been placed on hold until a decision on the water and sewer capacity fees has been approved by the Board. After the Board has taken action on the capacity fees we will incorporate that information and resume our analysis of water and sewer user rates.

6. Street Light Pole Replacement – Light poles were received and are being stored at the contractor yard. They will start to be installed beginning in October/November.

7. School Road Project – Work is completed on this project. MCSD staff was able to complete the work for \$30,000 less than what the contractors bid to the County was for doing the same work on the project.

8. Alternate Water Tank Location – Staff is looking at other potential alternate water tank locations other than Murray Road where it was determined that this area has significant potential seismic risk based on the proximity to active faults in the area. This is a priority for the District since the current total water storage for the district is not adequate when applying the State of California's minimum requirements and historical fire flow volumes. The District has identified a preliminary site that may be suitable.

9. Ramey Pump Station – Construction is completed and billing information was sent to I-Bank for processing. It is anticipated that I-Bank will be funding the project by the end of September.

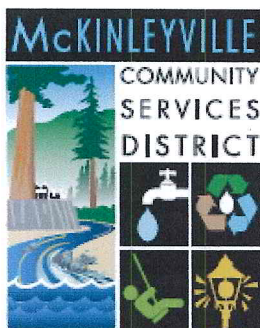
10. Measure B, Teen Center – Initial meetings were held with interested individuals and an initial preliminary conceptual design was prepared. It is anticipated that staff will bring this item back to the Board for an update at the October Board meeting

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519



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MAIN OFFICE:

PHONE: (707) 839-3251
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PARKS & RECREATION OFFICE:

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

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

August 29, 2011

RE: MONTHLY MONITORING REPORT

Dear Lisa:

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

The normal discharge of effluent was 31 days discharge to reclamation M-004, 5, 6, & 7 and land disposal M003. The required monitoring and water quality constituents that were tested and were reported were in compliance in July.

The requirement for BOD is 45 mg/L, for the monthly average, a minimum of 65% removal and a weekly average of 65 mg/L. With five weekly tests in July, that constitutes eight criteria. The BOD results for July 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 July, that constitutes two criteria. The NFR results for July 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 July 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 July are as follows. Median was <1.8 and a Maximum of 1.8. Four samples were collected in the month of July and were in compliance.


Monthly River Monitoring, Quarterly Well Monitoring and Disinfection Byproducts was conducted in August.

EXHIBITS:

- A. July 2011 Wastewater Management Facilities spreadsheet with the daily, weekly, monthly, quarterly and annual monitoring records for monitoring location M-001.
- B. Disposal Flows and Location Data Sheet
- C. BOD and TSS work sheet
- D. River Monitoring worksheet for R-001 and R-002
- E. Well Monitoring Report sheets
- F. Laboratory results

"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: JULY

YEAR: 2010

					EFFLUENT MONITORING					3X5 TOTAL COLIFORM				
DATE	INFLUENT FLOW M.G.D.	EFFLUENT FLOW M.G.D.	EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING		(C°)				RIVER		SETTLABLE SOLIDS	
					B.O.D. mg/L	N.F.R. mg/L	pH	TEMP	B.O.D. mg/L	NFR mg/L	AMMONIA	CL ₂ RES.		
1	0.886	0.717	441		260	200	7.1	17.6	25	34	24	7.0	<0.1	
2	0.862	0.507	171											
3	0.857	0.191	199											
4	0.874	0.221	1102				6.6	16.7			32	1		<1.8
5	0.863	0.701	1132				6.6	19.3			28	3.4		
6	0.888	1.284	1467				6.8	19.7			24	3.1		
7	0.880	1.088	408		260	220	6.8	16.4	18	23	28	4.2	<0.1	
8	0.871	0.464	330											
9	0.869	0.465	323											
10	0.897	0.636	853				6.7	17.3			28	1.4		1.8
11	0.885	0.948	855				6.7	17.5			30	0.1		
12	0.880	0.868	821				6.9	18.4			32	1.3		
13	0.872	0.580	671		230	200	6.7	18.1			32	6.9		
14	0.850	0.614	647				6.6	17.7	19	24	28	4.6	<0.1	
15	0.836	0.510	365											
16	0.884	0.785	1043				6.9	20.2			26	0.7		<1.8
17	0.859	1.159	1011				7.3	19.4			28	3.7		
18	0.860	1.065	1016				7.1	19.4			24	2.1		
19	0.860	1.005	954				6.8	19.7			28	3.2		
20	0.841	0.845	857		220	190	6.7	20.0	40	73	32	3.3	<0.1	
21	0.843	0.722	516											
22	0.875	0.714	509				7.1	20.1			22	4.5		<1.8
23	0.863	0.804	1004				6.8	19.4			30	3.2		
24	0.870	1.125	912				6.8	19.4			24	4.6		
25	0.868	1.060	913				6.7	18.8			32	5.0	<0.1	
26	0.852	0.273	563		290	290	6.8	18.2	14	34	32	0.6		
27	0.854	0.208	160											
28	0.841	0.222	165											

MONTHLY TESTS

DATE	TDS	AMMONIA	NITRATE	BORON
7/20/2011	320	26.0	ND	260

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

Quarterly Tests		Value in ug/l
Dichlorobromethane		0.4
Bromofom		ND
Chlorodibromethane		ND
Chlorofom		3

SPILLS:

None to report

30 DAY AVERAGE

BOD mg/L	BOD LBS/DAY	BOD % Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal
23	120	90	39	201	82

ACUTE TOXICITY

DATE	% Survival
Rainbow Trout	N/A
C. dubia	N/A

CHRONIC TOXICITY

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

SIGNATURE:

REMARKS:



Indicates Permit Exceedance

Total Coliform	Monthly
Median	<1.8
Daily	1.8
Maximum	1.8