

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2013

Adoption Date: June 6, 2012

MCSD BOARD OF DIRECTORS

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

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

For the Fiscal Year Ending June 30, 2013

INTRODUCTION AND BUDGET GUIDE

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

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

DESCRIPTION OF THE COMMUNITY

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

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

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

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

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

DESCRIPTION OF THE DISTRICT

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

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

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

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

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

MISSION STATEMENT

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

GOALS AND OBJECTIVES

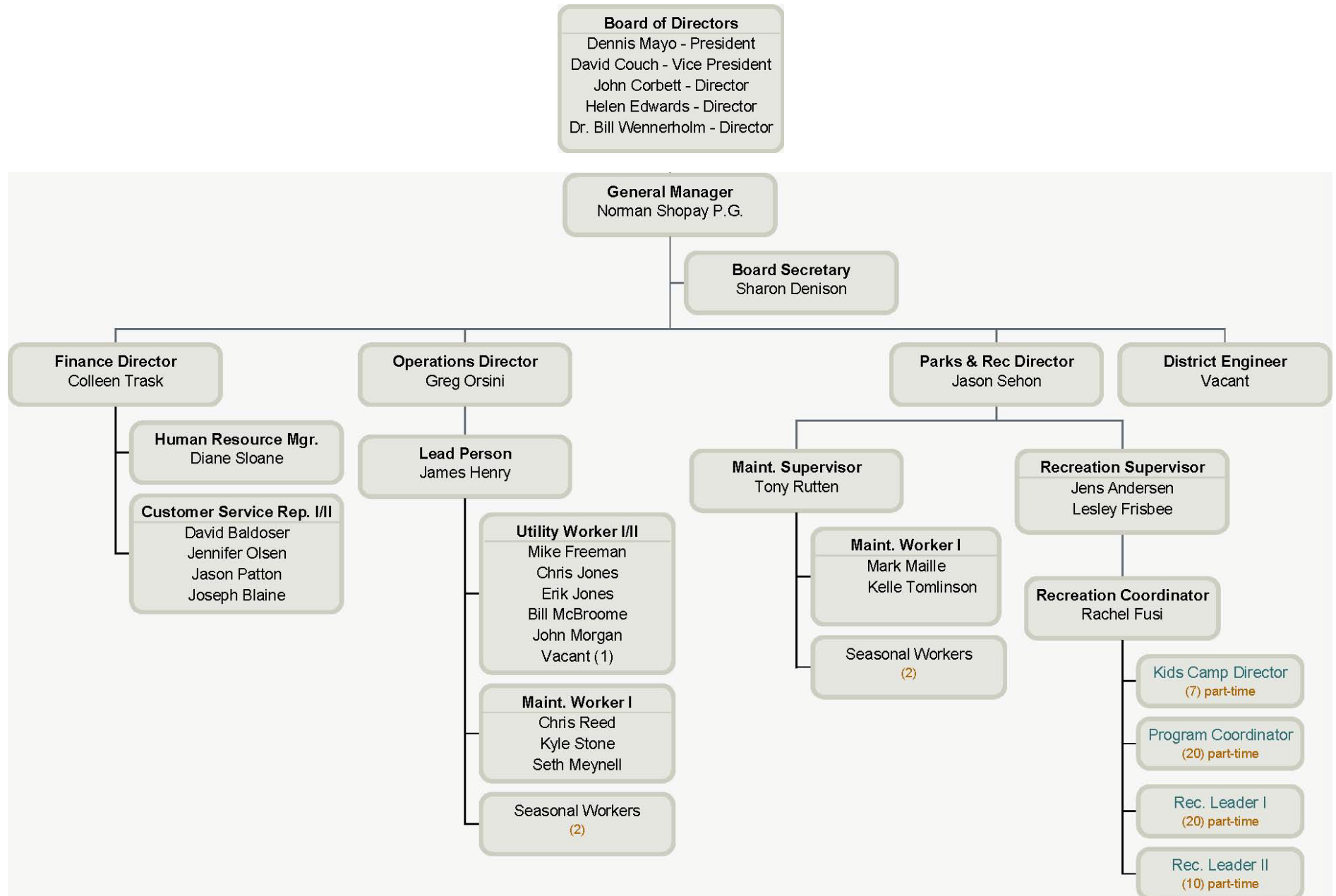
District goals and objectives were reviewed and approved by the Board on October 20, 2010. Staff is currently working with a temporary ad-hoc Board committee to update the goals and objectives. These updated goals and objectives will be brought back to the Board for review and approval in the next few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

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

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

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

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



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

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

McKinleyville Community Services District

Exhibits of Financial Information

Budget for the year ending June 30, 2013

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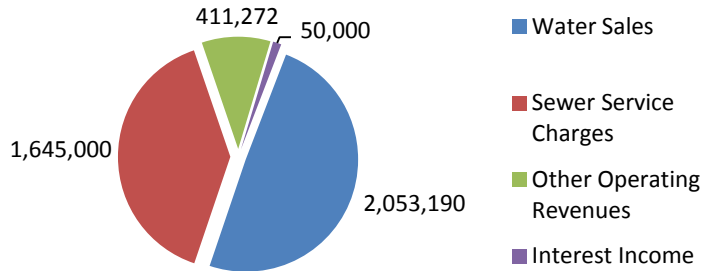
McKinleyville Community Services District
Funds Budget Summary
FY 2012-13

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

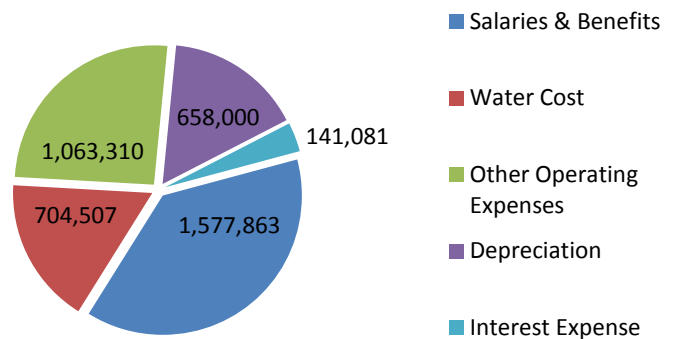
McKinleyville Community Services District
Enterprise Funds Summary Budget
FY 2012-13

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

Revenues



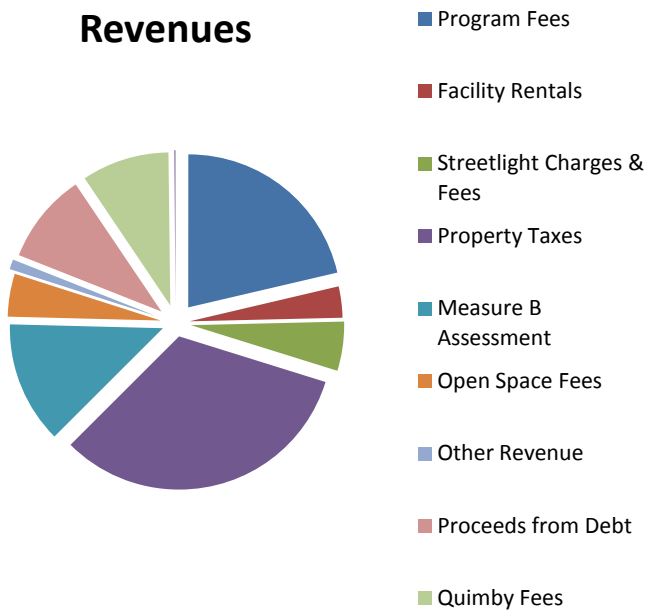
Expenses



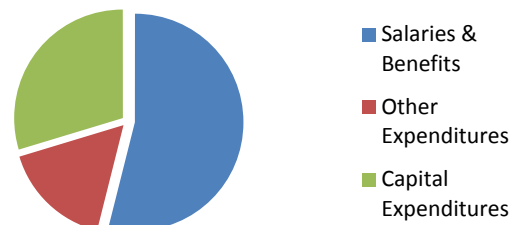
McKinleyville Community Services District
Governmental Funds Summary Budget
FY 2012-13

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

Revenues



Expenditures



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

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

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

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

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

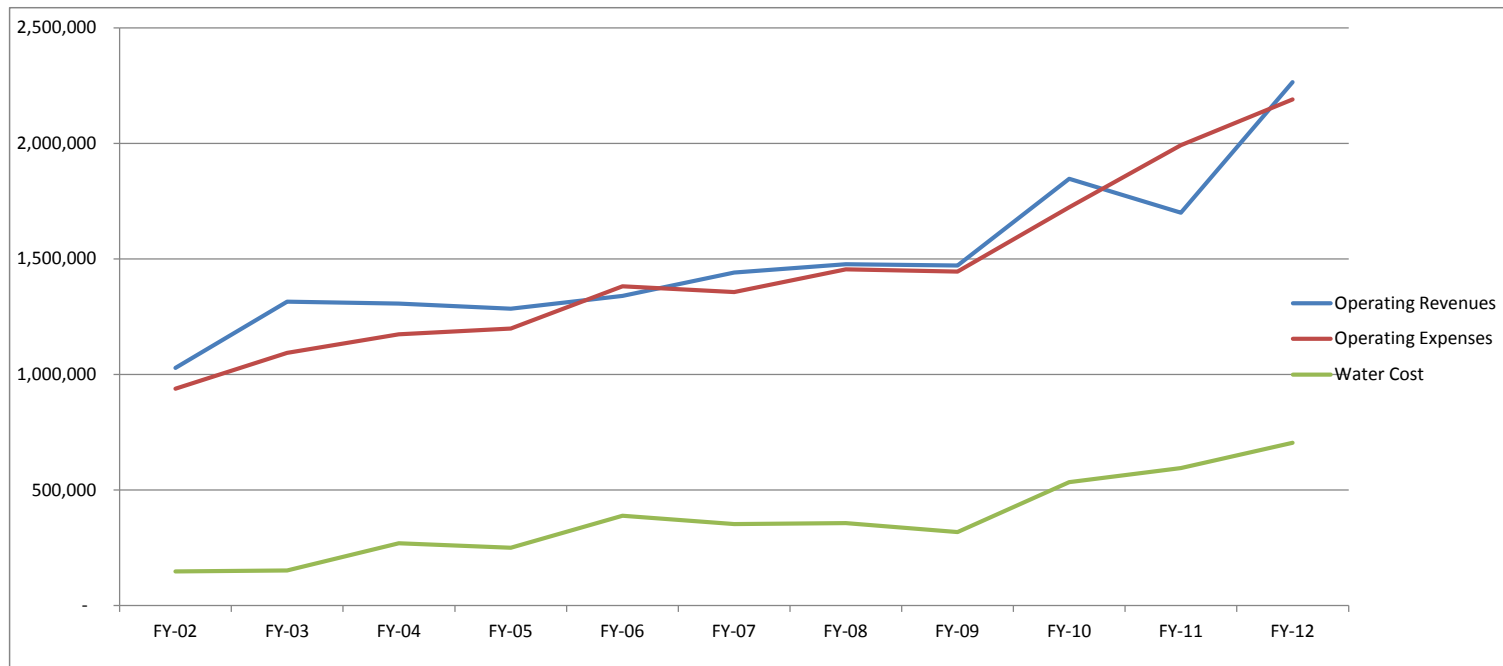
A/C #	Description	Parks & General Fund	Measure B Assessment Fund	Streetlighting Fund	Total (Memorandum Only)
Revenues					
41050	ADMINISTRATION FEE	6,000	-	13,022	19,022
42020	PROCESSING FEES	2,000	-	3,437	5,437
42030	BAD CHECK FEES	100	-	-	100
43195	OTHER OPERATING REVENUE	4,500	-	-	4,500
43197	RENT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

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

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

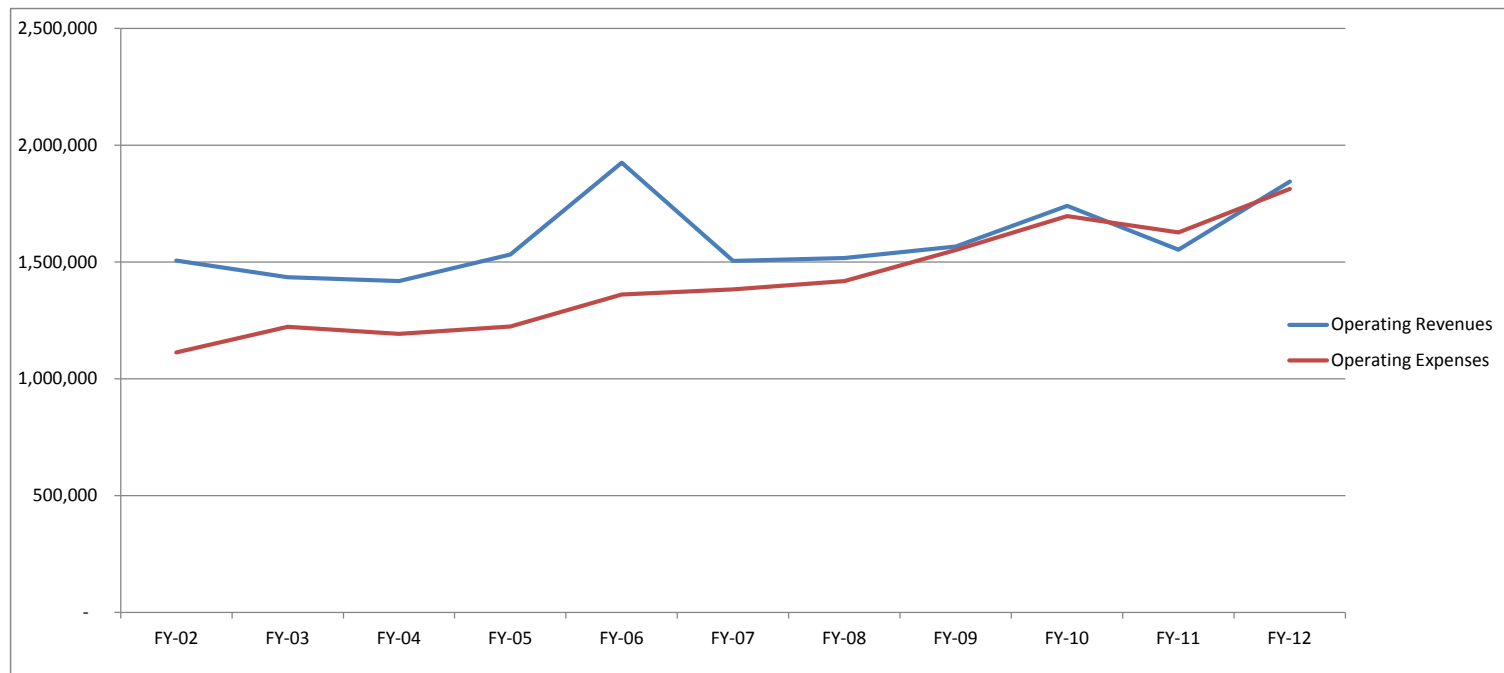
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2012

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



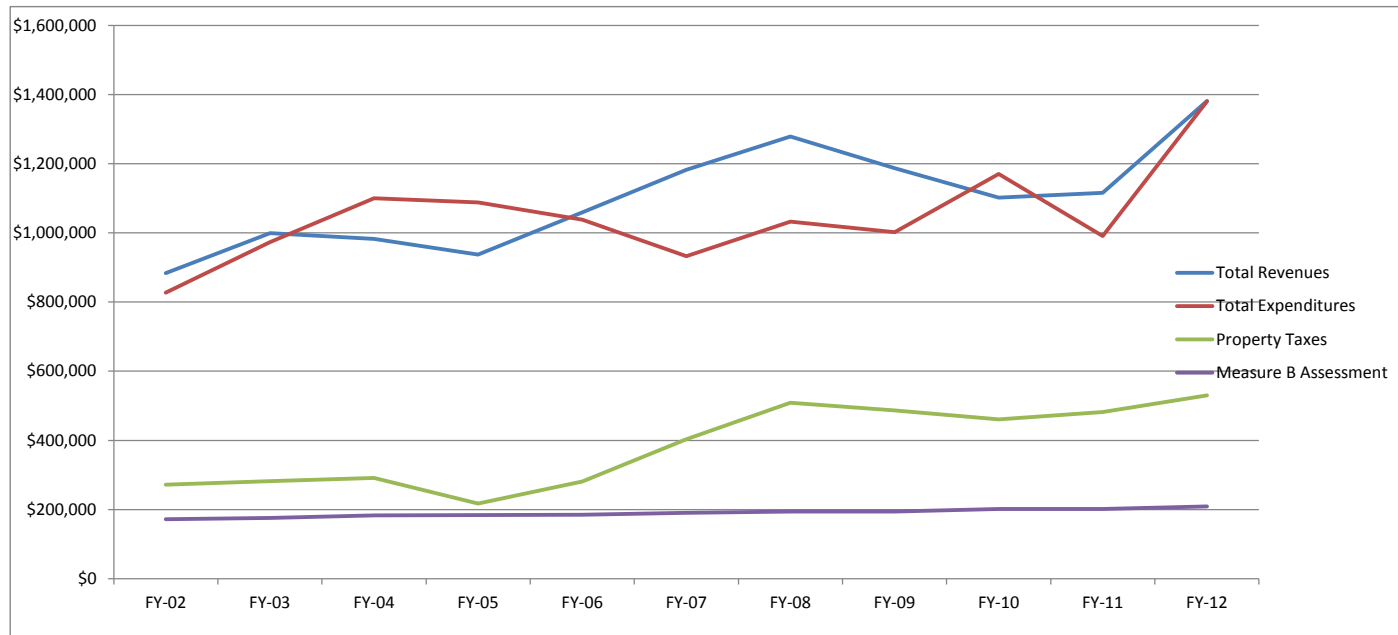
McKinleyville Community Services District
Sewer Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2012

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



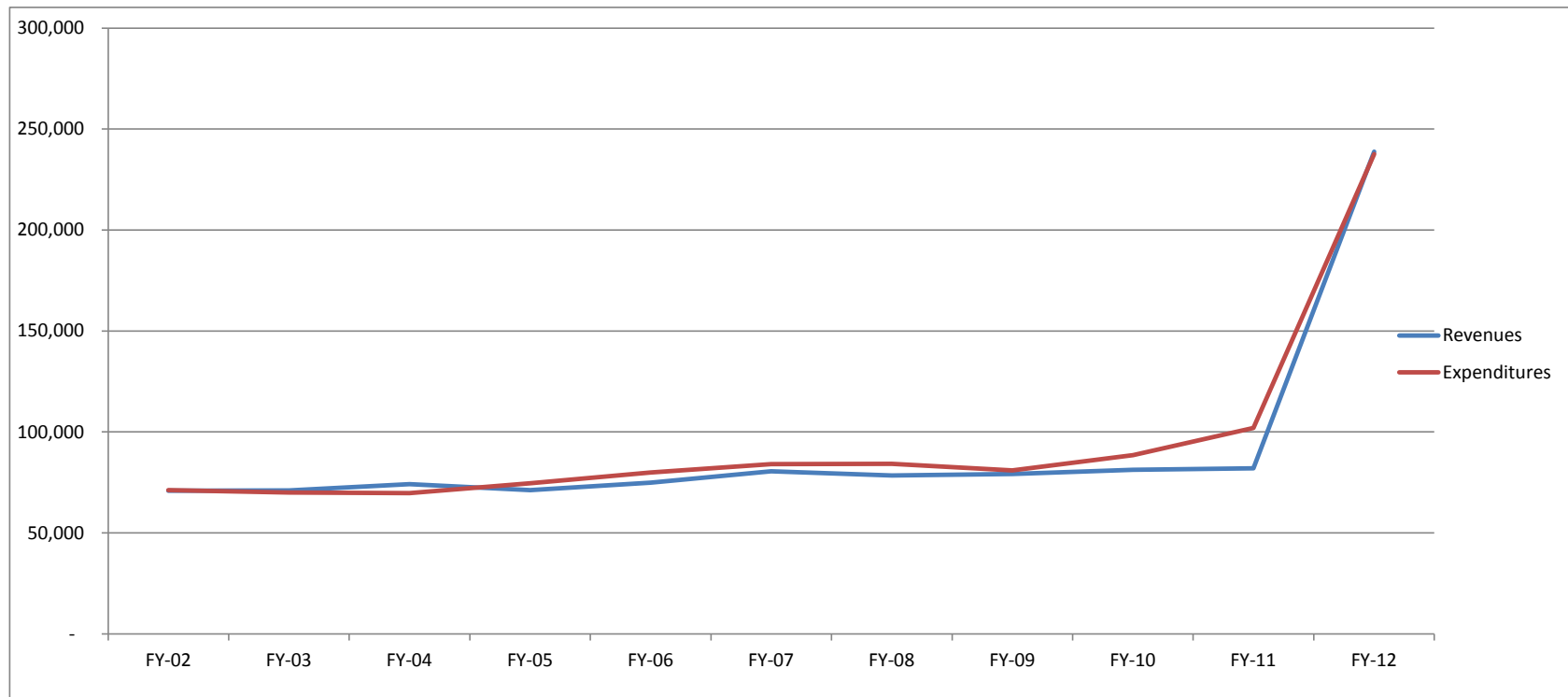
McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2002-2012

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



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

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



The Capital Improvement Program Fiscal Year 2012-2013

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

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

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

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

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

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

Capital Improvement Program Project Discussion

HEAVY EQUIPMENT

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

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

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

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

UTILITY VEHICLES

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

WATER SYSTEM

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

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

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

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

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

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

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

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

SEWER SYSTEM

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

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

McKinleyville Waste Water Management Facility (WWMF)

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

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

Waste Discharge Permit (NPDES)

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

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

STREETLIGHTS

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

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

BUILDING PROJECTS

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

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

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

PARKS AND TRAILS PROJECTS

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

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

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

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

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

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

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

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

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

COMPUTERS AND SOFTWARE

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

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

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

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

SMALL EQUIPMENT, CONTINGENCY AND OTHER

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

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

Appendices to Capital Improvement Program

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

McKinleyville Community Services District

BUDGET

For the Fiscal Year Ending June 30, 2013

Appendix A: Capital Improvement Projects

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

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

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

4. Sewer System

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

5. Office, Corporation Yard and Shops

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

7. Computers, Software and Equipment

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

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

8. Fischer Ranch

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

9. Small Equipment & Other

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

Total Planned Expenditures

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

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

Appendix A

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

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

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

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

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

1 2 3 4 5 6 7 8 9 10

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

Appendix A

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

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

McKinleyville Community Services District

BUDGET

For the Fiscal Year Ending June 30, 2013

Appendix B: Goals & Objectives

SUMMARY:

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

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

GOAL 1:

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

OBJECTIVES:

1. Research trends and current needs of the community

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

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

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

Board approve the updated master plan on June 6, 2012

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

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

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

- Complete preliminary conceptual design in order to be able to apply for grant funding June 30, 2011

The original Murray Road site is not acceptable based on a seismic (potential earthquake) assessment conducted by LACO. The Murray Road site is not an acceptable location to construct a water tank. Therefore, we are in the process of looking for an alternate sites.

3. Encourage state, county and other regional agencies to work cooperatively with the District in planning and development to utilize existing infrastructure in an efficient and realistic manner
 - Establish a calendar to meet on a regular basis with County staff
Currently schedule quarterly meetings with Arcata Fire, Sherriff, Cal Fire, Coast Guard and County.
 - Become active in the California Special District, Board of Directors, and/or a CSDA committee. Participate in CSDA meetings
Successful in being elected to the CSDA Board of Directors representing Region 1. Appointed to the CSDA Education and Membership Committees. Appointed as regional representative to ACWA State and Local Legislative Committees
 - Become active and participate in the Integrated Regional Water Management (IRWM) process
Currently participate in the IRWM process and meetings
 - Meet with Federal, State and County Legislative staff to provide information on our District and discuss issues and concerns
Attended CSDA Legislative days in 2010 and 2011. Actively reviewing proposed legislation as part of ACWA Legislative Committee
 - Determine if the current MCSD contract with Humboldt Bay Municipal Water District can be reopened for negotiations related to the inclusion of pipeline under the Mad River or revisions to cost share that MCSD is assessed to maintain other pipelines by June 2011.
The opportunity to formally reopen and actively revise the contract did not develop since HBMWD negotiations with the new potential operator did not materialize. Will continue to look for opportunities to modify the contract when the opportunity exists.
4. Conduct analysis of alternative options for emergency backup services and future requirements
 - Water supply – Determine if groundwater would be a viable option as an emergency backup to our water supply system, near our existing water tanks, by June 30, 2012
Identified the Granite property and Green Diamond as potentially suitable locations. Will be conducting additional studies to determine suitability
 - Generators – Consider feasibility of upgrading or replacing generators at the sewer lift stations by completing technical evaluation memorandum by June 30, 2013
Planned for calendar year 2012.

- Install generator and automatic transfer switch at District Office by June 30, 2011

Generator installed and functional at District Office

5. Ensure adherence to present and future regulatory requirements for Waste Water Management Facility and collection system

- Identify treatment alternatives to carry forward in the 20-year Facilities Plan by December 30, 2010

20-year facility plan completed and submitted to RWQCB for review

- Implement the findings from the 20 year Facilities Plan by June 30, 2013

Draft RFP issued to consultants. Initial RFP due date is mid June. Based on the RFP responses we will proceed to evaluate RFP's and recommend a qualified consultant. The design and CEQA process will take approximately 1.5 years to complete

- Develop sewer pre-treatment program and modification of local limits in the rules and regulations by June 30, 2012

Submitted and approved by Board in April 2012

GOAL 2:

Insure appropriate funding is available to meet service objectives

OBJECTIVES:

1. Ensure that the reserve methodology is sufficient to fund service objectives

- a. Determine needed reserve categories by June 2011

Reserve Policy prepared and adopted by Board

- b. Determine what portion of our water and sewer rates should be set aside into each reserve category by June 30, 2012

Completed and approved by Board

- c. Upon retirement of debt for purchase of streetlights reevaluate rate structure to ensure appropriate reserves for capital replacement program by June 30, 2013.

Determined that changing streetlights to LED will reduce energy costs and begin to fund future reserves for streetlights. Investigating products and will be preparing a cost and return on investment analysis

- d. Identify long term reserve amounts and propose a plan to fund those amounts by March 31, 2011

CIP completed and rate study completed related to projects that included funding for reserves

2. Determine appropriate reserve strategy for accumulation of reserves and adjust sewer, water and streetlight connection fees rates to accommodate

- a. Establish and complete revised connection and capacity fee structure for all new services by September 30, 2011

Completed and approved by Board

- b. Evaluate park and facility fees by June 30, 2011

Revised fees approved by Board in June 2012

GOAL 3:

Develop succession and staffing plan

OBJECTIVES:

1. Determine long term staffing needs

- a. Create a 5-year staff development plan

Individual Development Plans (IDPs) for staff have been completed and are revised each year as a regular process

- b. Develop district office facility expansion plan by December 30, 2012

Initial conceptual design completed. During Fiscal Year 2012/2013 we will begin the formal design and plans and specifications for the office

2. Increase youth recruitment

- a. Establish a calendar to meet on a regular basis with students

Email and letter prepared and sent to High School and Middle School to start a process to have a teen advisory council. Staff met with students at McKinleyville High School, Arcata High School and McKinleyville Middle School

GOAL 4:

Prepare for major disasters

OBJECTIVES:

1. Update and implement the Emergency Response Plan
 - a. Meet annually to ensure Emergency Response Plan is current with staff
Roundtable was conducted in September 2011. Tabletop Exercise was conducted in November 2011. Emergency Operations Center setup was conducted in March 2012.
 - b. Annually Verify Mutual Aid Agreements are accurate and plan meets local state and federal requirements
Rewrite Emergency Operations Plan completed. Updated Mutual Aid agreements
2. Work with staff and other agencies to prepare and train for major disasters
 - a. Participate in a minimum of one (1) table-top exercise annually
Tsunami/Earthquake Preparedness Class sponsored by MCSD at Azalea Hall. Communication Exercise at Woodley Island Marina, for Humboldt Operational Area. Attending regular Operational Area meetings with County OES

McKinleyville Community Services District

BUDGET

For the Fiscal Year Ending June 30, 2013

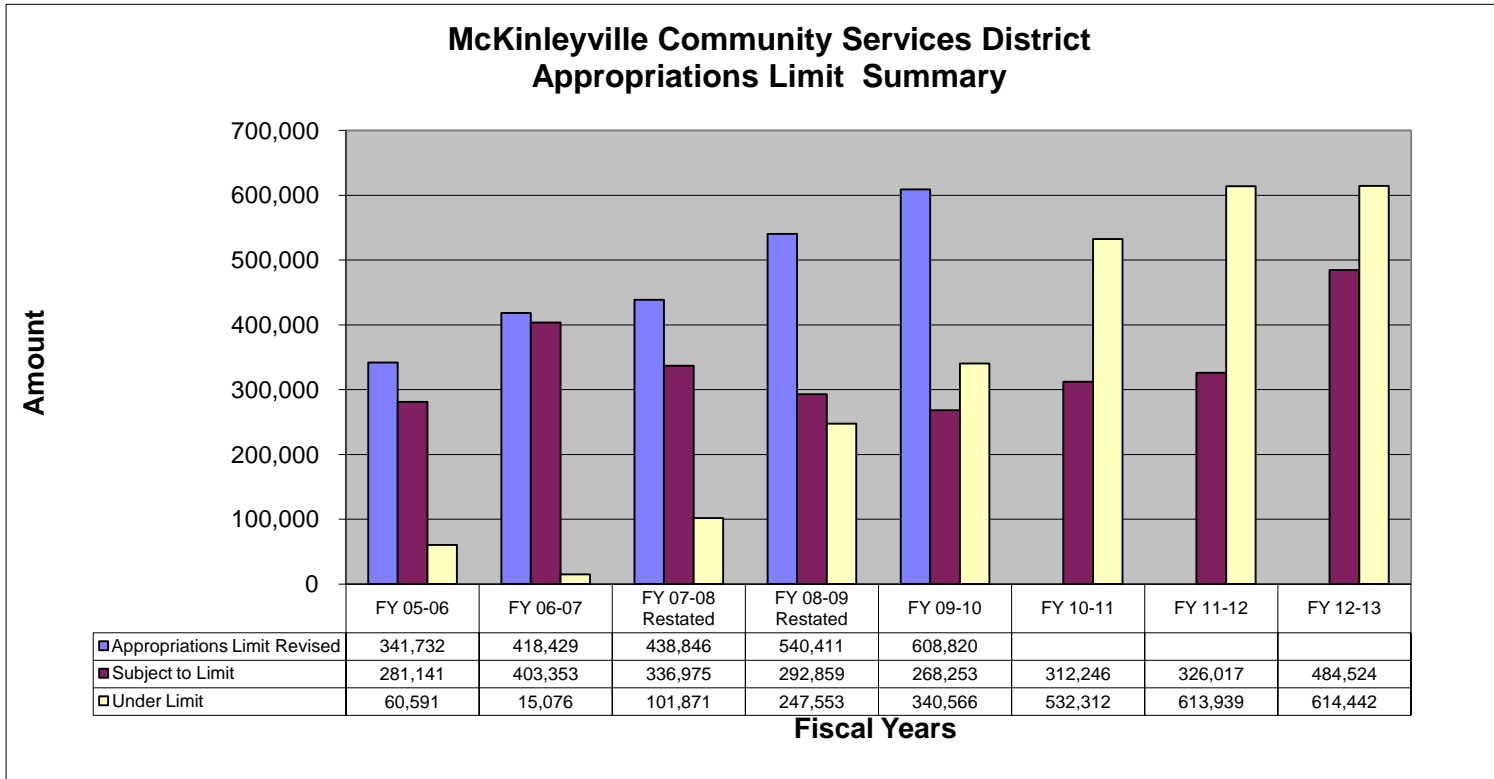
Appendix C: Appropriation Limits Calculations

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 12-13 Budget

Prior Year Final Appropriation Limit		\$ 939,956
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	16.800%	
MCSD Unincorporated County Population Percent Change	0.100%	
Compounded Percentage as an Adjustment Factor	16.917%	
Annual Adjustment Amount to Appropriation Limit		<u>159,010</u>
Current Year Appropriation Limit		<u>1,098,967</u>
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	531,143	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	<u>(46,619)</u>	
Current Year Appropriations Subject to Appropriation Limit		<u>484,524</u>
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		<u>\$ (614,442)</u>
Percentage Under the Limit		<u><u>-56%</u></u>



(1) From State Department of Finance, as required by State Law

(2) Proceeds of Taxes are certain revenues as defined by State Law and League of California Cities Article XIII B Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	850,438	531,143	1,381,581
Street Lighting Fund	83,829	-	83,829
Water Fund	2,285,162	-	2,285,162
Wastewater Fund	1,874,300	-	1,874,300
Total Proceeds and Non Proceeds of Taxes	5,093,729	531,143	5,624,872
Summary of Exclusions			
Court Order Costs	-		
Federal Mandates	46,619		
Qualified Capital Equipment	-		
Qualified Debt Service	-		
Total Exclusions to Appropriations Subject to Limit	46,619		

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

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

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	380,350	380,350			
Miscellaneous Fees & Reimbursements	16,076	16,076			
Total General Fund	396,426	396,426	-	-	-
Street Lighting Fund	83,829		83,829		
Water Operations Fund	2,285,162			2,285,162	
Wastewater Operations Fund	1,874,300				1,874,300
Total Estimate of User Fees	4,639,717	396,426	83,829	2,285,162	1,874,300
Current Year Adopted Budget					
Operations & Equipment	4,381,072	907,055	81,025	1,778,242	1,614,750
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	258,645	(510,629)	2,804	506,920	259,550

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

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

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	530,000				530,000	-	530,000
Special Assessment	209,000				209,000	209,000	-
Charges for Services	380,350				380,350	380,350	-
Grants	19,600				19,600	19,600	-
Development Fees	223,555				223,555	223,555	-
Interest (4)	3,000				3,000	1,857	-
Miscellaneous Fees & Reimbursements	16,076				16,076	16,076	1,143
Other Financing Sources					-	-	-
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	1,381,581	0	0	0	1,381,581	850,438	531,143
Street Lighting Fund	83,829					83,829	
Water Fund	2,285,162					2,285,162	
Wastewater Fund	1,874,300					1,874,300	
Debt Service Fund	-					-	
Total All Funds	5,624,872	-	-	-	1,381,581	5,093,729	531,143

(1) See Worksheet 2.1 for Detail to all Funds

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

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

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

McKinleyville Community Services District

Revenue Estimates Detail

FY 12-13 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	6,000	6,000		Reimbursement for Services
42020	PROC. FEES	2,000	2,000		User Fees for Services
42030	BAD CHECK FEES	100	100		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	-	-		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	4,500	4,500		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,076	2,076		Use of Property fees
44000	OPEN SPACE FEES	66,055	66,055		Development Fees
45000	OPEN SPACE FEES	7,500	7,500		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	25,950	25,950		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	19,900	19,900		User Fees for Services
48002	EVENT SERVICES	4,500	4,500		User Fees for Services
48010	INSURANCE FEES	800	800		User Fees for Services
48020	AD INCOME	1,000	1,000		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	332,100	332,100		User Fees for Services
48051	FRF DISCOUNT	(5,900)	(5,900)		User Fees for Services
48055	PROGRAM GRANTS	19,600	19,600		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	3,000	1,857	1,143	Allocated
51001	SECURED TAXES	530,000		530,000	
51060	MEASURE B ASSMT	209,000	209,000		Special Assessment Restricted Specific Use
52000	OTHER INCOME	-	-		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	3,400	3,400		Donations
53002	QUIMBY FEES	150,000	150,000		Development fees
54001	STATE GRANTS	-	-		Related to Restricted Grants
56000	GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund		1,381,581	850,438	531,143	

Street Lighting

41050	ADMIN FEE	13,022	13,022		
42020	PROC. FEES	3,437	3,437		
47001	ST. LIGHT CHGS	67,370	67,370		
47001	ST. LIGHT CHGS	-	-		
50001	INT. REVENUE	-	-		
Total Street Lighting		83,829	83,829	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	825,812	825,812		
40001	MTR. WATER SALE	1,227,378	1,227,378		
41001	NEW SVC. FEES	23,260	23,260		
41002	INSTALLATION FEES	4,833	4,833		
41020	PL. CK. FEE DEP	3,000	3,000		
42001	PERMIT FEES	3,000	3,000		
42010	CONN. FEES	39,240	39,240		
42020	PROC. FEES	18,269	18,269		
42030	BAD CHECK FEES	370	370		
42040	RECONN. FEES	19,000	19,000		
42050	DCV INSPECTION	20,550	20,550		
43010	REC. BAD DEBTS	700	700		
43190	CELL TOWER REV.	14,950	14,950		
43195	OTHER OP. REV.	17,881	17,881		
43197	LEASE REVENUE	-	-		

McKinleyville Community Services District

Revenue Estimates Detail

FY 12-13 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43198	PAVING FEES	2,800	2,800		
43199	SERVICE UPGRADE	600	600		
46000	AFTER HRS CHGS	600	600		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	25,000	25,000		
50001	INT. REVENUE	20,000	20,000		
50005	LATE CHARGES	14,919	14,919		
51011	CONTRIB CONST	-	-		
56000	GAIN ON DISPOSAL	3,000	3,000		

Total Water	2,285,162	2,285,162	0	User Fees for Services
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Wastewater Fund

40002	SWR SVC CHGS.	1,645,000	1,645,000		
40010	STORM WATER FEE	300	300		
41001	NEW SVC. FEES	29,500	29,500		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	2,000	2,000		
41040	SWR CONST PRMT	6,650	6,650		
42001	INSPECTION FEES	-	-		
42010	CONN. FEES	106,000	106,000		
42020	PROC. FEES	-	-		
42030	BAD CHECK FEES	300	300		
42040	RECONN. FEES	-	-		
42050	DCV INSPECTION	-	-		
43010	REC. BAD DEBTS	700	700		
43190	CELL TOWER REV.	14,950	14,950		
43195	OTHER OP. REV.	4,000	4,000		
43197	LEASE REVENUE	18,000	18,000		
43198	PAVING FEES	500	500		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	-	-		
50001	INT. REVENUE	30,000	30,000		
50005	LATE CHARGES	13,400	13,400		
51011	CONTRIB CONST	-	-		
56000	GAIN ON DISPOSAL	3,000	3,000		

Total Wastewater	1,874,300	1,874,300	0	User Fees for Services
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Debt Service

Total Debt Service	-	-	-	Debt Related
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Total All Funds	5,624,872	5,093,729	531,143
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

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

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 531,143
Less Allowed Exclusions (From Worksheet #7)	(46,619)
Current Year Appropriations Subject to Limit	<u>\$ 484,524</u>
Current Year Appropriations Limit (From Worksheet #6)	1,098,967
Current Year Appropriations Over or (Under) Limit	<u>\$ (614,442)</u>
Percentage Over or (Under) Limit	<u><u>-56%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

FY 12-13 Budget

Population and Growth Factors (Worksheet #5 of Guidelines)

	Percent Change Indices		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCSD (Unincorporated County)	Humboldt County Total		
FY 00-01	4.91	N/A	1.64	1.35	106.63052%	262,852
FY 01-02	7.82	N/A	0.44	0.34	108.29441%	284,654
FY 02-03	-1.27	N/A	0.40	0.33	99.12492%	282,163
FY 03-04	2.31	8.14	0.98	0.77	109.19977%	308,121
FY 04-05	3.28	-0.10	1.16	0.94	104.47805%	321,919
FY 05-06	5.26	-42.46	0.85	0.70	106.15471%	341,732
FY 06-07	3.96	21.98	0.10	0.38	122.44352%	418,429
FY 07-08	4.42	-14.41	0.17	0.44	104.87945%	438,846
FY 08-09	4.29	22.13	0.83	0.64	123.14368%	540,411
FY 09-10	0.62	12.02	0.57	0.45	112.65851%	608,820
FY 10-11	-2.54	37.77	0.69	0.53	138.72061%	844,558
FY 11-12	2.51	10.50	0.72	0.66	111.29560%	939,956
FY 12-13	3.77	16.80	0.10	0.00	116.91680%	1,098,967

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

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

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

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

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
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Prior Year Appropriations Limit (From Worksheet #5)	\$	939,956
Current Year Growth Factors (From Worksheet #5)		
Non-Residential Assessed Valuation Percent Change		16.80%
MCSD Unincorporated County Population Percent Change		0.10%
Compounded Total Percentage Adjustment Factor		16.917%
Current Year Annual Adjustment Amount	\$	159,010
Other Adjustments to Limit (see detail worksheets)		
Reduction In Limit		
Loss of Responsibility		0
Transfer of Services to Private Sector		0
Transfer of Services to Fees		0
Increase in Limit		
Assumed Responsibility of Services		0
Total Adjustments to Limit	\$	-
Current Year Appropriations Limit	\$	1,098,967

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 12-13 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)

	Exclusions
Court Orders	
	-
Federal Mandates	
FICA and Medicare Payments	42,830
Unemployment Payments	3,789
Total Federal Mandates	46,619
Qualified Capital Outlays (Assets of over \$100,000)	-
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	-
Total Exclusions	46,619