

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2016

Adoption Date: June 3, 2015

MCSD BOARD OF DIRECTORS

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

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

For the Fiscal Year Ending June 30, 2016

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, 2015 through June 30, 2016. 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 3 includes information about McKinleyville and the McKinleyville Community Services District.
- The Mission Statement, a brief overview of the goals included in MCSD's Strategic Plan, the Organization Chart, and the calculated Full-Time Employee Equivalents for the fiscal year are included beginning at Page 5.
- Budgets and accompanying graphs for the Governmental Funds & the Enterprise Funds are shown beginning at Page 9. Detailed line item budgets are available for review by the Board and the public, but are not included in this policy/strategy level document.
- Historical Data is presented beginning at Page 14.
- MCSD's Capital Improvement Program Budgets and Narratives are shown in Appendix A, beginning at Page 18.
- MCSD's Board approved Strategic Plan Matrix is shown in Appendix B, beginning at Page 26
- The Appropriations Limit calculations required by law for the Fiscal Year 2014-15 are included in Appendix C, starting on Page 33.

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 first 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 6,300 water customers.

All sewage for MCSD's 5,100 customers is treated at the Wastewater Management Facility at Hiller Park. 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 mcscd@mckinleyvillecsd.com.

MISSION STATEMENT

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

STRATEGIC PLAN MATRIX

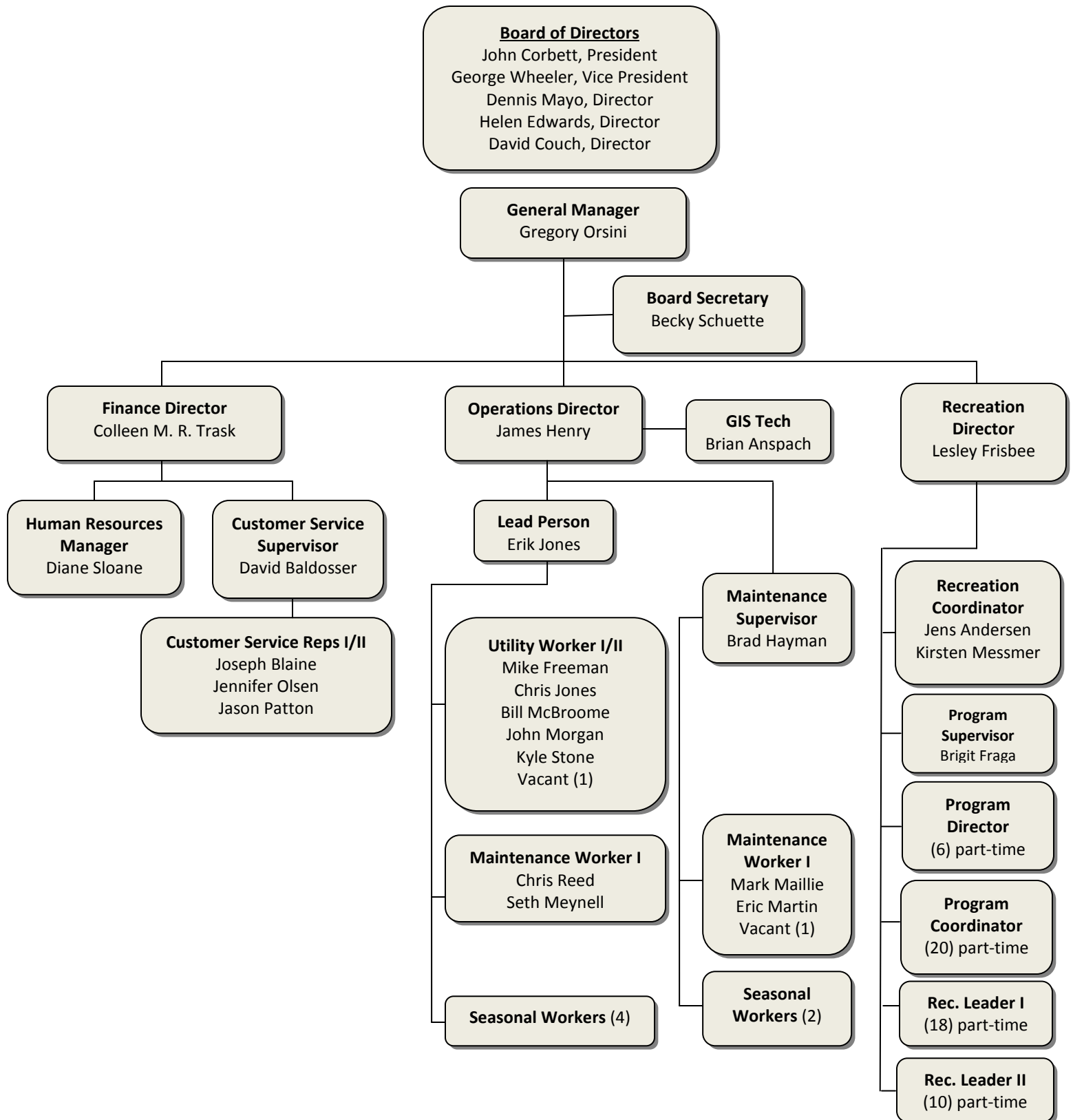
The District's Goals for any given year derive from the Board-approved Strategic Plan, which has a five-year planning horizon that is updated by the Board in January of each year. The updated Strategic Plan is incorporated into the approved Budget by reference (at the pleasure of the Board) upon annual approval of the budget. The Strategic Plan Elements are summarized below and the complete Matrix, listed by Element, is included as Appendix B:

- 1.0 WATER
- 2.0 WASTEWATER
- 3.0 STREETLIGHTS
- 4.0 PARKS & RECREATION
- 5.0 PARTNERSHIPS
- 6.0 PERSONNEL / ORGANIZATION
- 7.0 ADMINISTRATIVE MANAGEMENT
- 8.0 FINANCE

McKinleyville Community Services District

Organization Chart: Fiscal Year 2015-16

Revised May 2015



McKINLEYVILLE COMMUNITY SERVICES DISTRICT
Full Time Equivalents
For the Fiscal Year ending June 30, 2015

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1	0	1
Support Services	7	0	7
Operations	11	4	13
Parks & Recreation	7	65	14
Total	26	69	35

McKinleyville Community Services District

Exhibits of Financial Information

Budget for the year ending June 30, 2014

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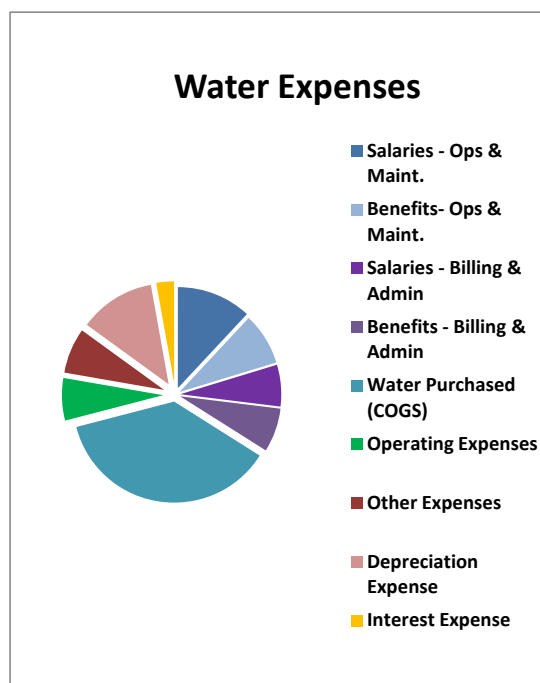
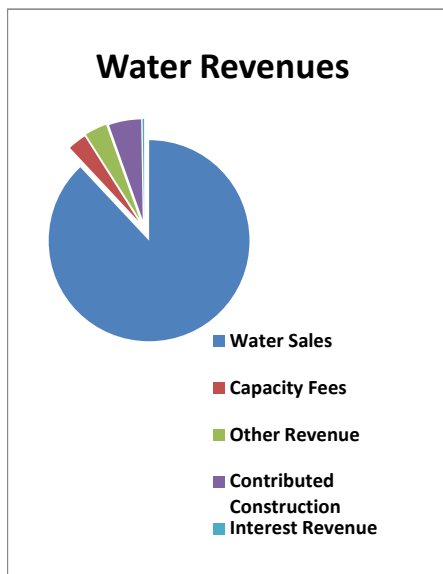
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McKinleyville Community Services District
District Budgets - All Funds
FY 2015-16

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks & Meas. B Funds	Total (Memorandum Only)
Revenues					
Water Sales	2,969,207				2,969,207
Sewer Service Charges		2,393,222			2,393,222
Capacity Fees	100,000	120,000			220,000
Streetlight Charges			77,012		77,012
Program Fees	-			354,349	354,349
Facility Fees	-			73,450	73,450
Property Taxes	-			510,000	510,000
Measure B Assessment	-			230,000	230,000
Open Space Fees	-			90,000	90,000
Contributions & Other Program	-			1,500	1,500
Other Revenue	120,459	75,267	16,800	284,772	497,298
Contributed Construction	175,000	200,000		-	375,000
Proceeds from Long Term Debt (Gov't only)			-	1,400,000	1,400,000
Quimby Fees/Capital Proj. Grants	-			203,000	203,000
Interest Revenue	8,312	20,000	25	8,200	36,537
Total Revenues	3,372,978	2,808,489	93,837	3,155,271	9,430,575
Expenditures					
Salaries & Benefits - Operations & Maint.	525,255	582,954	2,515		1,110,724
Salaries & Benefits - Billing & Admin	354,160	356,487	37,917		748,564
Salaries & Benefits - Rec Programs	-			377,413	377,413
Salaries & Benefits- Parks Maintenance	-			276,260	276,260
Salaries & Benefits- Parks&Rec Admin	-			268,434	268,434
Water Purchased (COGS)	957,352				957,352
Water & Electrical Expense		128,739			128,739
Operating Expenses	175,597	232,950	11,340		419,887
Other Expenses	187,785	191,230	22,140		401,155
Other Expenditures - Rec Programs	-			42,600	42,600
Other Expenditures - Parks Maintenance	-			85,526	85,526
Other Expenditures - Parks&Rec Admin	-			96,786	96,786
Depreciation Expense	315,000	480,000			795,000
Debt Service			19,865	75,508	
Interest Expense	73,602	41,772			115,374
Parks/Meas.B Capital Expenditures	-		-	1,906,538	1,906,538
Total Expenditures	2,588,751	2,014,132	93,777	3,129,065	7,730,352
Excess (Deficit)	784,227	794,357	60	26,206	1,700,223
 Fund Balance - July 1, 2014	 5,330,846	 14,350,501	 (72,496)	 1,221,062	 20,829,913
Projected Excess (Deficit) FY2014-15	918,251	635,212	33,199	(107,839)	1,478,823
Debt Principal FY2014-15 (Enterprise only)	(145,020)	(173,291)			(318,311)
New Borrowing FY2014-15(Enterprise only)	-	-			-
Capital Expenditure FY2014-15(Enterprise)	(86,837)	(1,594,299)			(1,681,137)
Projected Fund Balance June 30, 2015	6,017,239	13,218,123	(39,297)	1,113,223	20,309,288
Budgeted Excess (Deficit) FY2015-16	784,227	794,357	60	26,206	1,604,850
Anticipated Borrowing FY2015-16(Enterprise)	-	17,000,000			17,000,000
Capital Project grant funding (contingent)	-	-			-
Debt Principal FY2014-15 (Enterprise only)	(148,393)	(176,607)			(325,000)
Capital Expenditure FY2014-15(Enterprise)	(964,000)	(15,047,000)			(16,011,000)
Projected Fund Balance June 30, 2016	5,689,073	15,788,873	(39,237)	1,139,429	22,578,138

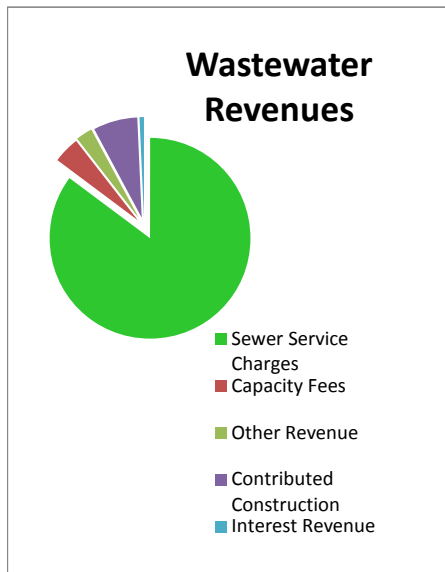
McKinleyville Community Services District
Enterprise Funds: Water Summary Budget
FY 2015-16

Description	Water Fund	
Water Revenues		
Water Sales	2,969,207	88%
Capacity Fees	100,000	3%
Other Revenue	120,459	4%
Contributed Construction	175,000	5%
Interest Revenue	8,312	0%
Total Revenues	3,372,978	100%
Water Expenses		
Salaries - Ops & Maint.	309,403	12%
Benefits- Ops & Maint.	215,852	8%
Salaries - Billing & Admin	172,427	7%
Benefits - Billing & Admin	181,733	7%
Water Purchased (COGS)	957,352	37%
Operating Expenses	175,597	7%
Other Expenses	187,785	7%
Depreciation Expense	315,000	12%
Interest Expense	73,602	3%
Total Expenses	2,588,752	100%
Excess (Deficit)	784,226	



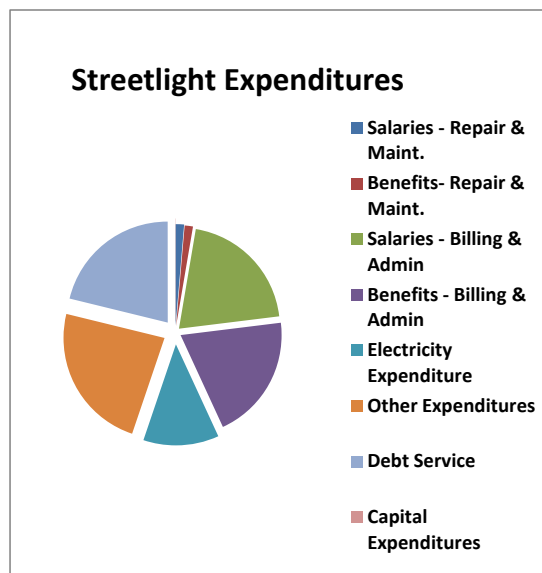
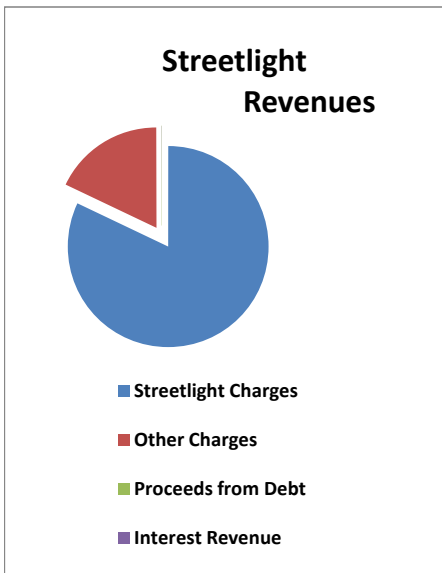
McKinleyville Community Services District
Enterprise Funds: Wastewater Summary Budget
FY 2015-16

Description	Wastewater Fund	
Wastewater Revenues		
Sewer Service Charges	2,393,222	85%
Capacity Fees	120,000	4%
Other Revenue	75,267	3%
Contributed Construction	200,000	7%
Interest Revenue	20,000	1%
Total Revenues	2,808,489	100%
Wastewater Expenses		
Salaries - Ops & Maint.	342,442	17%
Benefits- Ops & Maint.	240,512	12%
Salaries - Billing & Admin	173,611	9%
Benefits - Billing & Admin	182,876	9%
Water & Electrical Expense	128,739	6%
Operating Expenses	232,950	12%
Other Expenses	191,230	9%
Depreciation Expense	480,000	24%
Interest Expense	41,772	2%
Total Expenditures	2,014,132	100%
Excess (Deficit)	794,357	



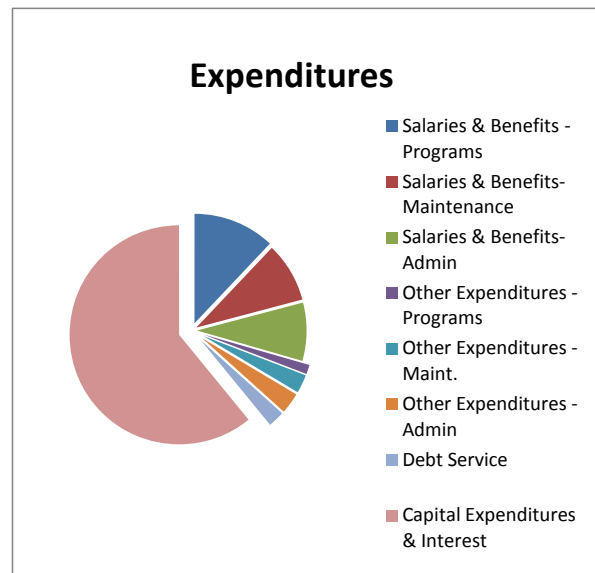
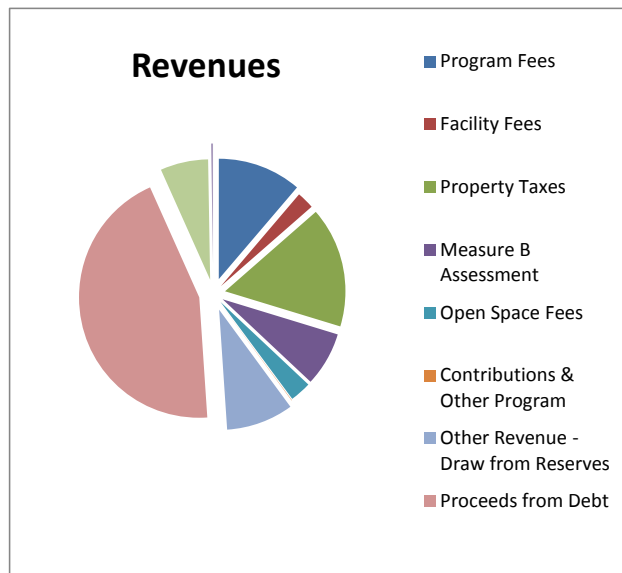
McKinleyville Community Services District
Governmental Funds: Streetlights Summary Budget
FY 2015-16

Description	Streetlights Fund	
Streetlight Revenues		
Streetlight Charges	77,012	82%
Other Charges	16,800	18%
Proceeds from Debt	-	-
Interest Revenue	25	0.0%
Total Revenues	93,837	100%
Streetlight Expenditures		
Salaries - Repair & Maint.	1,271	1%
Benefits- Repair & Maint.	1,244	1%
Salaries - Billing & Admin	19,100	20%
Benefits - Billing & Admin	18,817	20%
Electricity Expenditure	11,340	12%
Other Expenditures	22,140	24%
Debt Service	19,865	21%
Capital Expenditures	-	0%
Total Expenditures	93,777	100%
Excess (Deficit)	60	



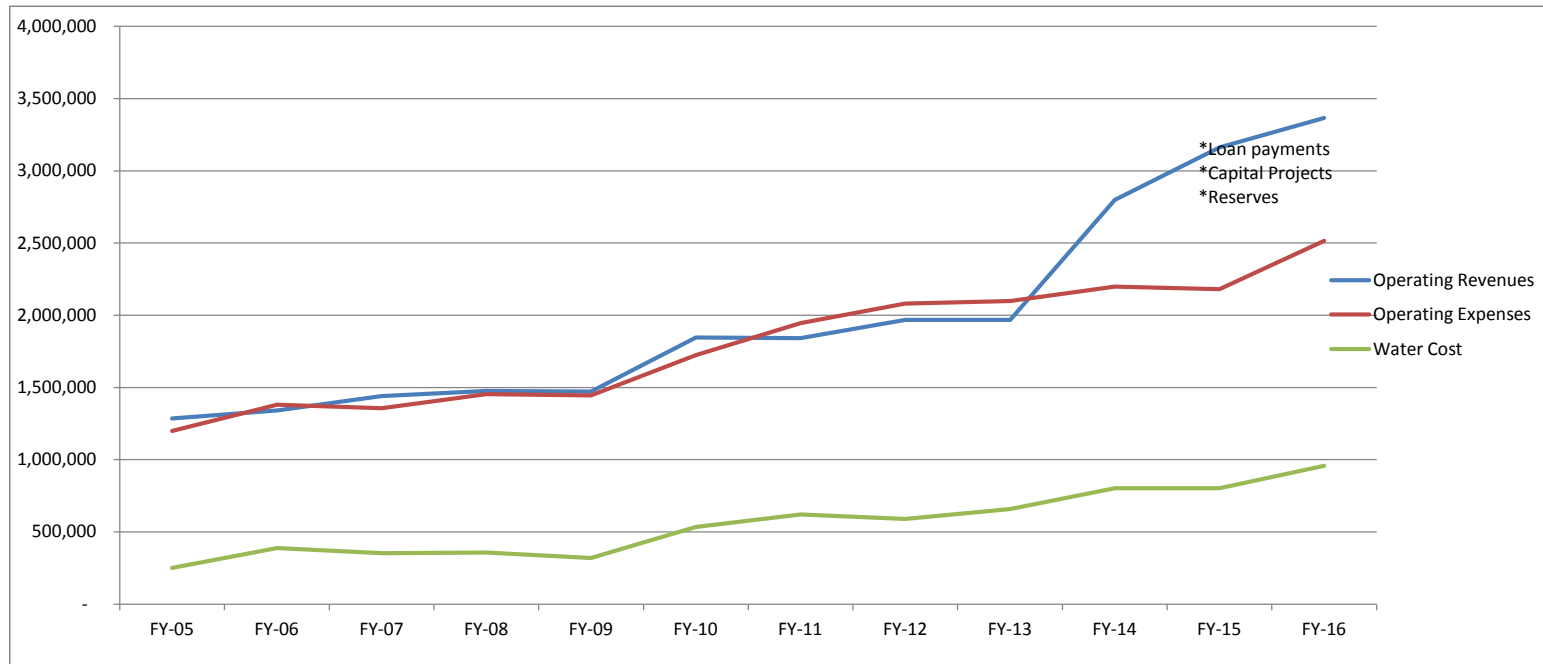
McKinleyville Community Services District
Governmental Funds Summary Budget
FY 2015-16

Description	Parks/General Fund		Measure B Assessment Fund		Total (Memorandum Only)	
Revenues						
Program Fees	354,349	32%	-	-	354,349	11%
Facility Fees	73,450	7%			73,450	2%
Property Taxes	510,000	46%	-	-	510,000	16%
Measure B Assessment	-	-	230,000	11%	230,000	7%
Open Space Fees	90,000	8%	-	-	90,000	3%
Contributions & Other Program	1,500	0%	-	-	1,500	0%
Other Revenue - Draw from Reserves	14,772	1%	270,000	13%	284,772	9%
Proceeds from Debt	-	-	1,400,000	68%	1,400,000	44%
Quimby Fees/ Grants/Loans	53,000	5%	150,000	7%	203,000	6%
Interest Revenue	8,200	0.7%	-	-	8,200	0.3%
Total Revenues	1,105,271	100%	2,050,000	100%	3,155,271	100%
Expenditures						
Salaries & Benefits - Programs	377,413	35%	-		377,413	12%
Salaries & Benefits- Maintenance	166,552	15%	109,708	5%	276,260	9%
Salaries & Benefits- Admin	268,434	25%	-		268,434	9%
Other Expenditures - Programs	42,600	4%	-		42,600	1%
Other Expenditures - Maint.	75,776	7%	9,750	0.5%	85,526	3%
Other Expenditures - Admin	93,786	9%	3,000	0.1%	96,786	3%
Debt Service	-	-	75,508	3.7%	75,508	0.02
Capital Expenditures & Interest	56,320	5%	1,850,218	90%	1,906,538	61%
Total Expenditures	1,080,881	100%	2,048,184	100%	3,129,064	100%
Excess (Deficit)	24,390		1,816		26,207	



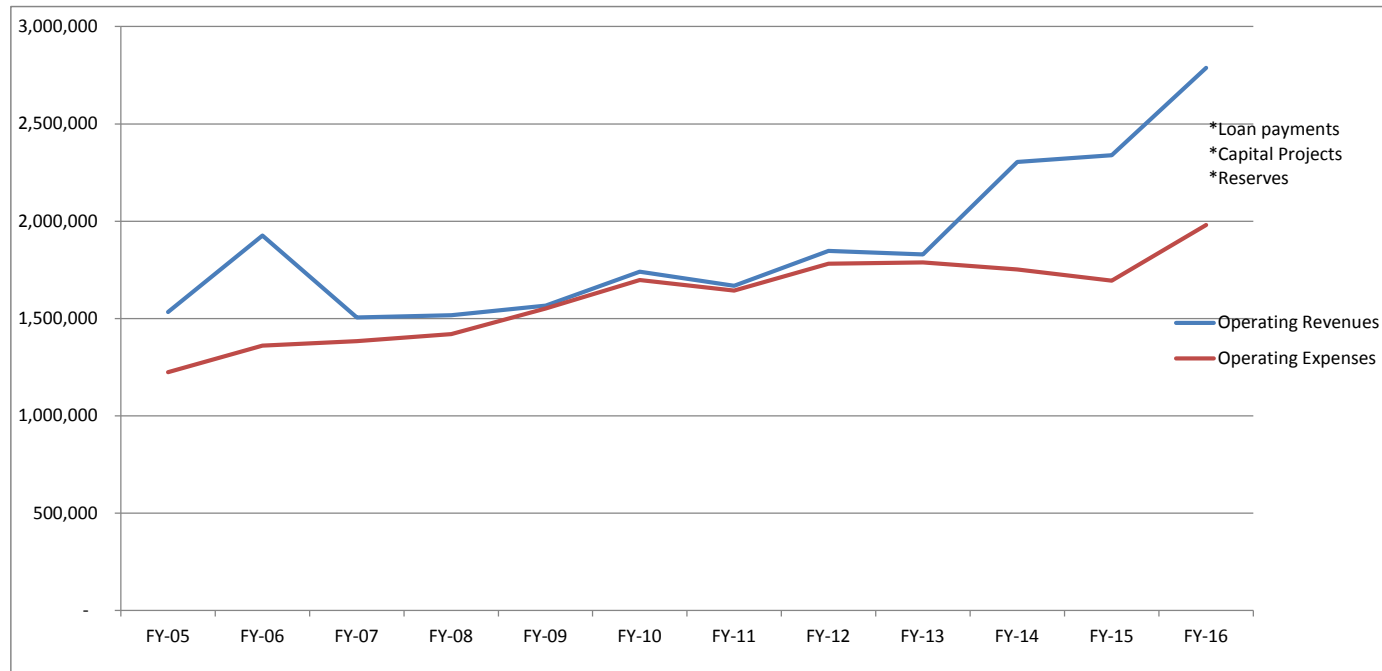
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual Est.	2016 Budget
Operating Revenues												
Water Sales	1,152,396	1,224,279	1,305,455	1,337,042	1,360,169	1,566,024	1,559,779	1,545,469	1,665,273	2,237,058	2,837,252	2,969,207
Other Water Revenues	132,194	115,568	135,596	139,331	111,300	280,648	281,235	422,166	302,600	561,962	323,858	395,459
Total Operating Revenues	1,284,590	1,339,847	1,441,051	1,476,373	1,471,469	1,846,672	1,841,014	1,967,635	1,967,873	2,799,019	3,161,109	3,364,666
Operating Expenses												
Salaries & Benefits	499,303	529,427	560,844	594,924	661,031	729,285	737,395	724,139	776,264	766,832	768,151	835,412
Water Cost	250,212	387,780	352,935	356,842	318,159	533,961	620,952	589,650	657,440	801,270	802,695	957,352
Other Expenses	235,081	243,424	222,740	282,010	243,853	235,842	322,277	477,803	363,133	325,537	306,574	407,385
Depreciation	214,546	220,709	219,925	220,727	221,484	224,099	264,365	288,634	302,545	303,585	303,525	315,000
Total Operating Expenses	1,199,143	1,381,340	1,356,444	1,454,502	1,444,527	1,723,187	1,944,989	2,080,227	2,099,382	2,197,224	2,180,945	2,515,149
Net Operating Income (Loss)	85,447	(41,492)	84,607	21,870	26,942	123,485	(103,975)	(112,592)	(131,509)	601,796	980,164	849,517
Interest Income	46,501	63,422	97,279	114,973	76,662	39,897	19,437	17,492	10,565	11,079	14,313	8,312
Interest Expense	(62,690)	(61,241)	(59,666)	(58,130)	(56,318)	(54,701)	(53,948)	(82,524)	(86,060)	(81,588)	(76,226)	(73,602)
Net Income (Loss)	69,258	(39,311)	122,220	78,713	47,286	108,681	(138,487)	(177,624)	(207,005)	531,286	918,251	784,226



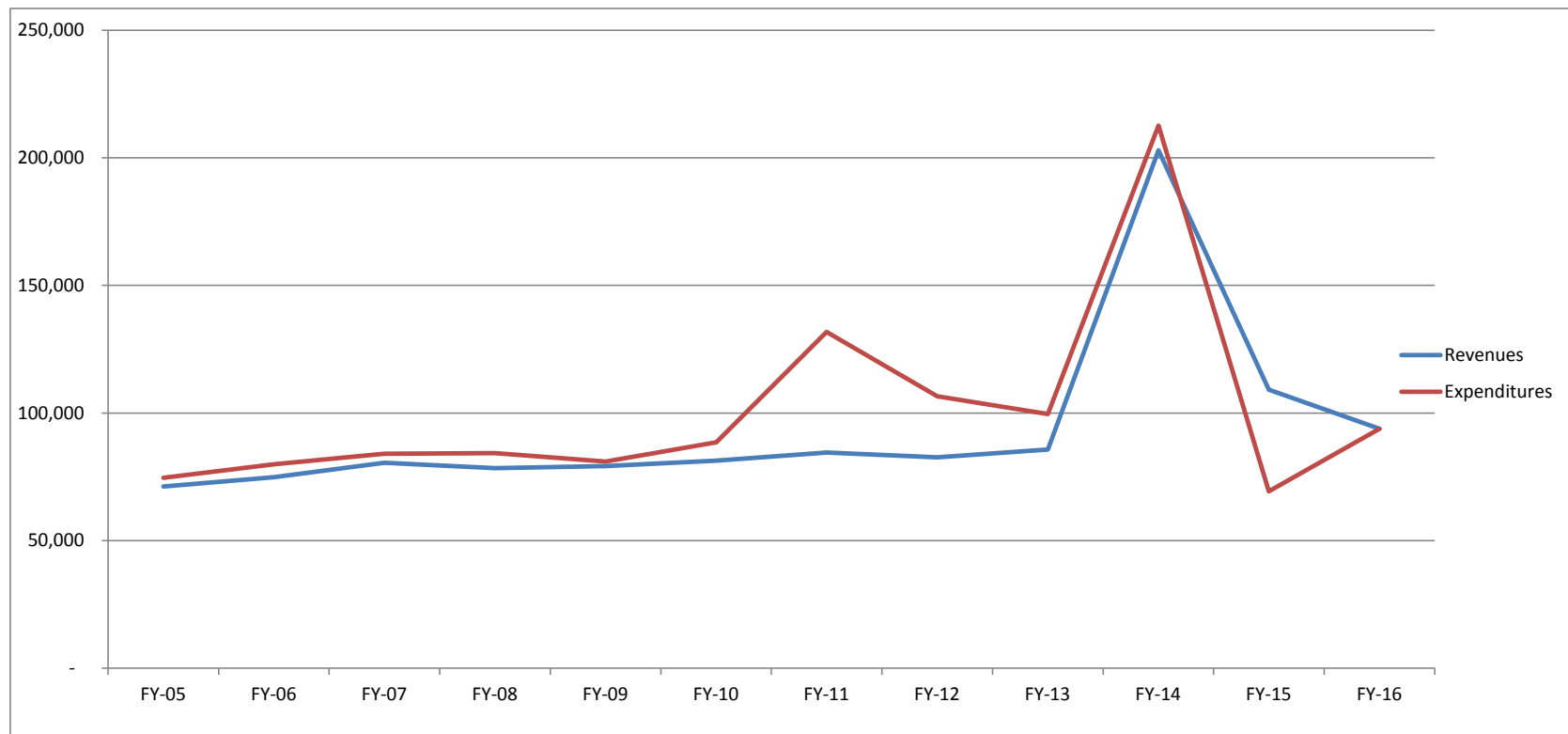
McKinleyville Community Services District
Sewer Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual Est.	2016 Budget
Operating Revenues												
Sewer Service Charges	1,074,665	1,134,167	1,161,794	1,216,130	1,298,515	1,404,897	1,424,263	1,401,100	1,502,097	1,768,170	2,044,447	2,393,222
Other Sewer Revenues	458,496	791,360	343,314	301,106	267,940	336,252	243,841	445,849	326,569	536,218	295,014	395,267
Total Operating Revenues	1,533,161	1,925,527	1,505,108	1,517,235	1,566,455	1,741,149	1,668,104	1,846,949	1,828,665	2,304,387	2,339,461	2,788,489
Operating Expenses												
Salaries & Benefits	505,750	565,167	605,798	628,773	702,632	755,611	748,348	764,920	798,884	843,382	804,308	934,441
Other Expenses	351,055	397,018	376,114	390,676	441,707	529,281	447,098	555,245	527,474	446,363	428,051	566,719
Depreciation	367,795	399,033	401,102	400,055	407,597	412,230	448,174	460,549	462,065	462,621	462,705	480,000
Total Operating Expenses	1,224,600	1,361,218	1,383,014	1,419,504	1,551,936	1,697,122	1,643,620	1,780,714	1,788,423	1,752,365	1,695,064	1,981,160
Net Operating Income (Loss)	308,561	564,309	122,093	97,732	14,519	44,027	24,484	66,235	40,243	552,022	644,397	807,329
Interest Income	55,004	58,701	112,998	138,349	89,781	46,165	27,485	28,519	20,701	18,989	21,690	20,000
Interest Expense	(46,855)	(46,855)	(46,855)	(56,232)	(49,915)	-	(64,670)	(50,190)	(37,857)	(37,521)	(30,875)	(32,972)
Net Income (Loss)	316,709	576,154	188,236	179,848	54,386	90,192	(12,701)	44,564	23,087	533,489	635,212	794,357



McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est	Budget
Revenues	71,173	74,911	80,560	78,413	79,207	81,317	84,510	82,665	85,658	203,009	109,206	93,837
Expenditures												
Salaries & Benefits	23,080	24,651	26,088	29,860	28,060	29,290	39,195	32,501	35,260	45,591	35,733	40,432
Other Expenditures	32,471	36,234	34,937	37,101	36,219	38,663	67,679	53,501	47,119	43,141	33,638	31,240
Debt Service	19,055	19,055	19,055	17,305	16,746	17,305	23,056	-	-	-	-	19,865
Capital Expenditures	-	-	4,000	-	-	3,271	1,857	20,520	17,250	123,950	-	2,240
Total Expenditures	74,607	79,940	84,080	84,266	81,025	88,529	131,786	106,523	99,629	212,681	69,372	93,778
Excess (Deficit)	(3,433)	(5,029)	(3,520)	(5,853)	(1,818)	(7,212)	(47,276)	(23,858)	(13,971)	(9,672)	39,835	59



McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2005-2016

	Fiscal Year Ended (Ending) June 30,											
	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual Est.	2016 Budget
Revenues												
Programs	244,304	267,216	266,947	301,191	283,861	265,596	263,409	262,680	309,625	324,140	290,660	332,110
Rentals	64,572	68,961	76,128	68,175	57,921	56,953	60,974	57,321	58,779	66,980	67,402	73,450
Property Taxes	217,475	281,141	403,353	508,445	486,297	460,625	489,313	506,315	560,445	516,221	495,239	510,000
Measure B Assessment	183,832	185,245	190,263	194,044	193,724	201,114	209,068	203,432	205,420	206,270	223,299	230,000
State Bonds & Grants	55,312	154,722	126,913	67,983	47,097	-	12,000	-	-	10,000	25,000	-
Other Revenue	158,510	88,180	97,129	103,849	87,824	98,611	189,883	120,948	134,120	120,119	179,317	2,001,511
Interest Revenue	13,184	13,617	21,698	34,943	30,308	18,992	5,889	3,047	3,216	6,755	7,962	8,200
Total Revenues	937,189	1,059,083	1,182,430	1,278,630	1,187,032	1,101,891	1,230,536	1,153,743	1,271,604	1,250,484	1,288,878	3,155,271
Expenditures												
Salaries & Benefits	492,992	481,106	510,737	554,654	624,909	612,125	738,710	764,022	786,004	846,593	907,582	909,864
Other Expenditures	127,539	126,480	148,624	187,830	165,891	180,202	311,230	273,307	309,326	386,777	391,357	2,087,372
Debt Service	210,992	210,992	210,992	210,992	191,609	191,609	255,320	-	-	-	-	75,508
Capital Expenditures	256,000	219,503	62,614	79,115	19,138	186,355	27,559	21,902	73,024	177,463	97,777	56,320
Total Expenditures	1,087,524	1,038,082	932,968	1,032,591	1,001,547	1,170,291	1,332,819	1,059,231	1,168,355	1,410,834	1,396,717	3,129,064
Excess (Deficit)	(150,336)	21,001	249,462	246,039	185,485	(68,400)	(102,283)	94,513	103,249	(160,349)	(107,839)	26,207

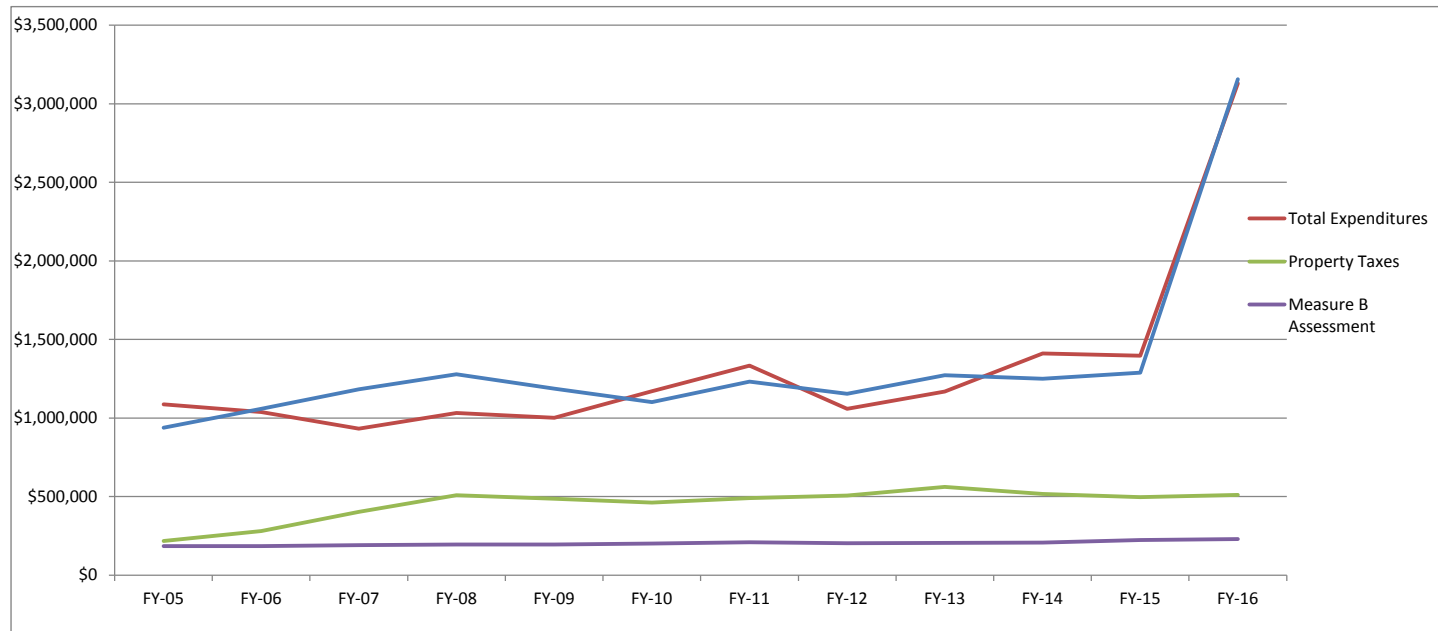


Exhibit 10

McKinleyville Community Services District
Enterprise Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2016 - 2025

		1	2	3	4	5	6	7	8	9	10
(All numbers in \$000s)											
		June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
1. Heavy Equipment											
	Totals:	100	300	60	10	20	50	80	0	0	0
2. Utility Vehicles											
	Totals:	62	33	55	55	22	34	34	34	63	34
3. Water System											
	Totals:	864	1,389	4,172	27	1,010	400	50	3,600	0	0
4. Sewer System											
	Totals:	13,442	3,932	370	306	521	546	1,490	490	257	240
5. Office, Corporation Yard & Shops											
	Totals:	0	160	150	10	10	0	400	0	0	0
6. Computers, Software & Equipment											
	Totals:	23	9	138	9	15	0	0	0	0	0
7. Fischer Ranch											
	Totals:	1,505	0	0	0	0	0	0	0	0	0
8. Small Equipment & Other											
	Totals:	15	15	35	15	37	0	0	0	0	0
Total Planned Expenditures		16,011	5,838	4,980	432	1,635	1,030	2,054	4,124	320	274
Departmental Allocations:											
Water Fund		964	1,498	4,391	77	1,062	442	307	3,617	32	17
Sewer Fund		15,047	4,341	589	356	573	588	1,747	507	289	257
Total		16,011	5,838	4,980	432	1,635	1,030	2,054	4,124	320	274

Exhibit 10

**McKinleyville Community Services District
Streetlight Fund Capital Improvement Projects
For the Fiscal Years Ending June 30, 2016 - 2025**

	1	2	3	4	5	6	7	8	9	10
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
1. Heavy Equipment										
Totals:	0	0	0	0	83	0	0	0	0	0
2. Poles and Lights										
Totals:	2	2	2	2	2	2	40	0	0	0
Total Planned Expenditures	2	2	2	2	85	2	40	0	0	0

Exhibit 10

McKinleyville Community Services District
General Fund (Parks & Recreation) Capital Improvement Plan
For the Fiscal Years Ending June 30, 2016 - 2025

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
1. Hiller Park & Sports Complex Projects										
Totals:	9	5	5	5	6	6	6	6	6	7
2. Pierson Park Projects										
Totals:	0	0	0	0	0	0	0	0	0	0
3. Azalea Hall Projects										
Totals:	5	5	16	11	5	5	16	5	5	5
4. McKinleyville Activity Center Projects										
Totals:	13	5	5	5	11	17	6	12	6	6
5. Other Park Projects & Equipment										
Totals:	29	23	8	138	22	8	18	30	25	14
6. Law Enforcement Facility Projects										
Totals:	0	5	0	0	0	6	0	5	0	6
7. McKinleyville Library Projects										
Totals:	0	8	0	0	0	0	0	0	6	0
8. Projects Funded With Measure B Renewal										
Totals:	115	115	115	115	115	115	115	115	115	115
9. Projects Contingent Upon Grant Funding										
Totals:	0	0	0	0	0	0	0	0	0	0
10. Projects Funded by Quimby & Other Funds										
Totals:	0	0	0	0	0	0	0	0	0	0
Total Planned Capital Expenditures	171	166	149	274	159	157	161	173	163	153

Appendix A

Capital Improvement Program Water and Sewer Funds Fiscal Year 2015-2016

Water and Sewer Fund capital asset purchases and projects depend largely on grants, loans, and the strategic use of District Reserves. The Board has made a commitment to not defer scheduled maintenance, repair, and replacement of current service delivery systems. This must be balanced against the Board's equal commitment to fiscal responsibility. Under the leadership of the General Manager and Finance Director, staff has taken steps to honor both of these commitments in the budget process by ensuring that the potential financing sources of each project are discussed at the time of project proposal and included with each project's detail notes.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Heavy Equipment and Utility Vehicles

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Operations Funds are planning to replace one utility truck and the five yard dump truck this next fiscal year, with others being replaced later in sequence. Various options are being discussed for replacement of the camera vehicle. The District will consider leasing these assets rather than purchasing outright but will maintain the pay-go policy when reserves are sufficient. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in both capital and operating costs.

Water System

The largest proposed Water project for FY2015-16 is recoating the Cochran Tank 1B, which will cost approximately \$350,000. This project will mirror the Norton Tank 2B recoating project that was completed in 2012. Each tank recoating will cycle around every 10 years as preventative maintenance to avoid corrosion and maintain structural integrity.

Other projects currently proposed for the Water Fund include procurement of a new tank site, the soils study for which was completed last year. The cost of the new site is budgeted at \$200,000. The overall project cost of the new 5 million gallon storage tank is estimated to be a little over \$4 million, with a timeline extending through 2018. Work will continue on the changeover to Radio-read meters for our customers (up to \$131,000 for Fiscal Year 2015-16). The fire hydrant system is scheduled to be upgraded at a cost of \$26,000; however, the Arcata Fire Protection District is covering half of this cost, so the cost to the District will total only \$13,000. If the Arcata Fire

Protection District does not have sufficient budget for this project, it will be delayed until they do. Humboldt State University's Engineering Department is assisting the District with our Water Main Rehabilitation/Replacement project, which may significantly decrease District cost for this project. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

The District is pursuing an alternative water source study for the Dow's Prairie area (\$40,000), in partnership with HSU's Engineering Department. The SCADA computer and software update has been included in the upgrade of the Wastewater Management Facility, which will also provide cost-savings to the District.

Sewer System

The Waste Water Management Facility (WWMF) Improvement Project design and construction takes the greatest share of the Sewer Fund CIP budget for FY2015-16 through FY16-17. Design scope of work has been completed in FY2014-15, with the design phase ending and construction expected to begin in calendar 2015. Project financing will be done through a loan from the State Water Resources Control Board. Grant funding sources have been thoroughly explored, but currently available grants for this type of project depend on the community having a lower median household income than current in McKinleyville.

Another important project is the replacement of the generator and pump at the Letz Sewer Lift Station. Current estimated cost for this project is \$175,000. Other projects totaling about \$267,000 include regularly scheduled repair and replacement of sewer mains, pumps, SCBA apparatus, and radio telemetry. Funding for these projects will come from the Reserves created by the Board for maintenance and replacement of capital infrastructure.

Office, Corporation Yard, Computers and Software

There are no major facility upgrade items currently budgeted for the Main Office in FY2015-16. There are funds budgeted for regularly scheduled upgrades of computers and printers, including the server and GIS/SEMS/CADD software.

Fischer Ranch

As regulations change, methods for land application will undoubtedly become more stringent. Additional land procurement for reclamation is being considered, as it becomes feasible and an economically sound alternative. Up to \$1.5 million in funds have been budgeted for this purpose. Other funds have been designated for upgrades to some of the buildings and fences on Fischer Ranch.

Small Equipment and Other

The main capital expense in this category is the planned acquisition or building of a special pump to use as a sewer lift station bypass, as part of the Overflow Emergency Response Plan.

Streetlights

The LED Streetlights conversion project is complete. No further large Capital Improvement Projects are planned for this fiscal year, though regular pole replacement maintenance has been funded.

Note on Appendix A – Water & Sewer Funds Capital Improvement Program

Appendix A contains the summaries of the Water and Sewer Funds Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars, as future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

***The Capital Improvement Program
Parks and General Fund
Fiscal Year 2015-16***

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 FY2012-13 for 20 years.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Utility Vehicles and Equipment

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. The Parks & General Fund is planning to replace a utility truck this next fiscal year by purchasing a truck from the Operations Department. The District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs. Parks is also planning to replace an aging mower in FY2015-16.

Building Projects

The **Teen & Community Center**, which will be located adjacent to the McKinleyville Activity Center, is the main building project for the Parks Department this year, at an overall budget of \$1.8 million. The design of the facility is complete, and will include two (2) classrooms, storage, an office, multi-purpose activity room, restrooms, lounge and a commercial kitchen. A portion of the Measure B Maintenance Assessment District - Renewal has been pledged to pay the Teen Center's construction loan. \$115,000 is the planned budget for the portion of this project expected to be repaid in the coming fiscal year.

Parks and Trails Projects

Staff is planning on reconditioning the turf at Hiller Sports Complex. Miscellaneous equipment purchases are planned for Pierson Park and Hiller Sports Complex. The McKinleyville Activity Center is scheduled for flooring replacement and a new floor scrubber. The cost for this equipment is estimated to be less than \$5,000 each, and therefore is reflected in the operating budget. Azalea Hall is budgeted to get a new floor scrubber and audio-visual system.

Staff has committed to greater use of MCSD's Quimby Funds, which are held in trust by the County. The majority of Quimby Funds are planned for use in the Teen Center.

The District will continue to pursue additional grant funding for new projects, which may be included in the budget in future years, but are contingent upon successfully receiving grants. If McKinleyville continues to grow as anticipated, other regular acquisitions of new parkland are planned throughout the 10-20 year planning horizon.

Small Equipment, Contingency and Other

Smaller and less expensive (more than \$500 but less than \$5,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated. These are considered expenditures, rather than capital assets, and will be included in the repairs/maintenance/supplies line of the Parks & General Fund Operating Budget.

Note on Exhibit 10 – Parks & General Fund Capital Improvement Program

Exhibit 10 contains the summaries of the Parks and General Fund Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 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 evaluated.

Appendix B

McKinleyville CSD Strategic Plan Matrix 2015-2019

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
1.0 Water											
1.1	Maintenance Programs	OD	\$ 350,000.00	tank 1B recoating/continue creating SOP's/ removing pumps & motors 1 thru 4 at N.Bank	change copper tubing in PRV stations/ create SOP's	tank recoating/create SOP's	valve exercising/fire hydrant insp. and exercise	valve exercising/fire hydrant insp. and exercise			
1.2	Water Tank Storage Proj	OD	\$ 185,000.00	property negotiation	design	pursue grant funding	build	build	2018	5%	Geotech complete and complete negotiations
1.3	Emergency Water Crossing	OD	n/a	construction completed/ finalize SOPs with City of Arcata					2014	95%	SOP's will be written by MCSD and Arcata.
1.4	Emergency Water Supply	GM/OD	\$ 100,000.00	pursuing grant funding and water exploration on Mather and Forest Service property	pursuing grant funding	Groundwater Mgmt Plan	Groundwater Mgmt Plan	Groundwater Mgmt Plan			
1.5	Radio Telemetry Upgrade	OD	n/a	completed/ funded		exploration of new or updated digital control strategy			2013	100%	
1.6	Water Main Rehab/Repl	OD	\$ 20,000.00	technical memorandum for rehab/replacement strategies	build up reserves	build up reserves, prioritize areas of concern	start rehab/replace-ment	start rehab/replace-ment		0%	Reserves will be built up to replace water mains when needed.
1.7	Radio Read Meters	OD	\$ 90,000.00	phase 1 ctd.	phase 2	phase 3	annual replacements	annual replacements	2017	5%	Success of this project is contingent upon a source of financing
1.8	F/H upgrade and installation in commercial area	OD	\$ 8,000.00	install fire hydrants where requested by the fire department.	install fire hydrants where requested by the fire department.				2016	5%	Cost share with Fire Department

McKinleyville CSD Strategic Plan Matrix 2015-2019

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
2.0 Wastewater											
2.1	20-yr Facility Plan	GM & Board	n/a	annual review	annual review	annual review	annual review	annual review		100%	
2.2	WWMF Improvement Proj/Biosolids Maint.	GM/OD	\$ 5,000,000.00	100% design, Pond 1A dredged/draind and CEQA completed	construction	construction completed	Biosolids Mgmt Plan	Biosolids Mgmt Plan	2016	5%	Grant funding and financing are being pursued
2.3	Collection Sys Upgrades	OD		sewer flow analysis memo/ technical memorandum for proposed upgrades of Thiel crossing	monitor capacity of all 3 basin crossings	monitor capacity of all 3 basin crossings	design for Thiel crossing	design for Thiel crossing		5%	This will be scheduled and completed when build-out requires upgrade.
2.4	Sewer Main Rehab/Repl	OD	\$ 50,000.00	adopt method to assess condition of pressure sewer mains at lift stations/ repair I&I when found	repair I&I when found/ memorandum for pipe replacement plan including pressure mains	repair I&I when found contingency for pipe replacement plan	repair I&I when found, prioritize pipe replacement plan	repair I&I when found, prioritize pipe replacement plan			There is no completion date to this maintenance. I&I will be repaired when found and a plan for replacing pipe will be developed
2.5	Radio Telemetry Upgrade	OD	\$ 45,000.00	sewer station digital control strategy.	sewer stations will be upgraded.				2016		Sewer stations will be completed in 2015. WWMF radio will be upgraded during upgrade.
2.6	Sewer Lift Stn Gen. Upgrades	OD	\$ 20,000.00	engineering and design	replace Letz Gen.	replace Fischer Gen.	replace Fischer Gen.	replace Fischer Gen.	2017		
2.7	Pre-Treatment Prog	LD	n/a	issue grease trap permits.	administering pre-treatment program/ annual testing	administering pre-treatment program/ annual testing	administering pre-treatment program/ annual testing	administering pre-treatment program/ annual testing			
2.8	I&I Prevention	OD	n/a	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows	annually insp. and flow testing during wet weather flows			Inspected and repaired annually
2.9	Reclamation Site Expansion and Upgrade	OD	n/a	expand reclamation area and research crop species with increased water demand	explore purchasing more property	negotiate purchase of more property					
2.10	Percolation site decommissioning	OD/ GM	n/a	pursue grant funding for planning and design to decommission percolation ponds	initiate plan	decommission percolation ponds					

McKinleyville CSD Strategic Plan Matrix 2015-2019

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
3.0 Streetlights											
3.1	Converting to LED	OD	n/a	completed/funded					2014	90%	
3.2	Maintenance Programs	OD	n/a	pole inspections on 10-year rotation, due: FY2022							Poles will be inspected for rot every 10 years. Completed 6/11
4.0 Parks & Recreation											
4.1	Teen & Community Center	RD	to be determined	construction & develop MOU with BGCR	doors open	dunding and program development			2014/15	20%	
4.2	Hewitt Ranch Park	RD	to be determined	pursue access from Cochran Rd.	funding options brought to Board & consider environmental planning	pursue funding	pursue funding	planning for parking area			Staff will be meeting with Par Infinity Disc Golf Club to discuss the club providing funding for a disc golf
4.3	Washington Ave. Property	RD	to be determined	continue mowing quarterly/ work with local BMX group to consider feasibility	consider approaching Board to see if a BMX track is something worth pusuuing	possible park developmt (depending on funding)	possible park developmt (depending on funding)	possible park developmt (depending on funding)			Invasives have been removed, staff continues to mow quarterly
4.4	Community Forest	RD	to be determined	continue discussions with local stakeholders	continue discussions with local stakeholders	pursue property acquisition	pursue property acquisition	pursue property acquisition			
4.5	Mad River Property	RD	to be determined	acquire Humb County property	consider environmental requirements, get recommendation from RAC, seek Board approval/create access/pursue funding	upgrade access	develop existing trails	develop existing trails			
4.6	Standards & Specs for OSMZ/Parks	RD	n/a	meet weekly until it is completed/ meet with GM monthly for review/ bring to MCSD Board of Directors for approval	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	Standards and Sepcifications being used for all parks, facilities and open space maintenance zones	2014/15	50%	

McKinleyville CSD Strategic Plan Matrix 2015-2019

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
4.7	Maintenance Standards	RD	n/a	develop written SOP's	seek Board approval, staff training	staff training	staff training	staff training		25%	
4.8	MOU with Humboldt County for Central Ave Landscaping	RD	n/a	work on MOU with the County, bring to Board					2014/15	50%	
4.9	Covered Picnic Area	RD	n/a	construction completed	promote covered picnic area rentals	promote covered picnic area rentals	promote covered picnic area rentals	promote covered picnic area rentals	31-Dec-14	25%	A majority of the construction is being completed inhouse in order to cut costs. Therefore, it is difficult to estimate a completion date

5.0 Partnerships

5.1	Foster Regional Cooperation	GM & Board	n/a	quarterly meetings with 5th District Supervisor	meet with all five Humboldt County Supervisors	quarterly meetings with 5th District Supervisor	meet with all five Humboldt County Supervisors	meet with all five Humboldt County Supervisors		Ongoing	Continue efforts to gain a seat on the TAC
5.2	Improve Political Ties	GM & Board	n/a	initiate bi-annual meetings w/new State Senator & Assembly person		bi-annual meetings with State Representatives				Ongoing	Monitor the elections and make contact with newly elected representatives
5.3	Participate in Community Groups	GM/RD	n/a	ongoing community outreach	ongoing community outreach	ongoing community outreach	ongoing community outreach	ongoing community outreach		Ongoing	Continue to participate with local groups representing various constituents

McKinleyville CSD Strategic Plan Matrix 2015-2019

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLE- TION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
6.0 Personnel/Organization											
6.1	Employee Retention	Dept. Heads	n/a	continue to foster healthy work environment & mentoring	continue to foster healthy work environment & mentoring	continue to foster healthy work environment & mentoring	next scheduled survey of salary/benefits due in FY 2017/18	continue to foster healthy work environment & mentoring		Ongoing	Next scheduled salary survey due in FY 2017/18
6.2	Training & Development	Dept. Heads	n/a	pursue a formalized succession plan	Succession Plan completed & implemented/Annual Review & Revision	annual review & revision	annual review & revision	annual review & revision		Ongoing	
6.3	Employee Communication	Dept. Heads	n/a	next scheduled reviews of Supervisors Manual & Employee Handbook	next scheduled reviews of Personnel Policy Manual and Employee Handbook	next scheduled reviews of Supervisors Manual & Employee Handbook	next scheduled reviews of Personnel Policy Manual and Employee Handbook	next scheduled reviews of Supervisors Manual & Employee Handbook		Ongoing	
6.4	Employee Safety Prog	Dept. Heads	n/a	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit	SDRMA annual safety audit		Ongoing	
6.5	Eval & Performance Mgmt	Dept. Heads	n/a	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates	annual evaluations scheduled per hire dates		Ongoing	

McKinleyville CSD Strategic Plan Matrix 2015-2019

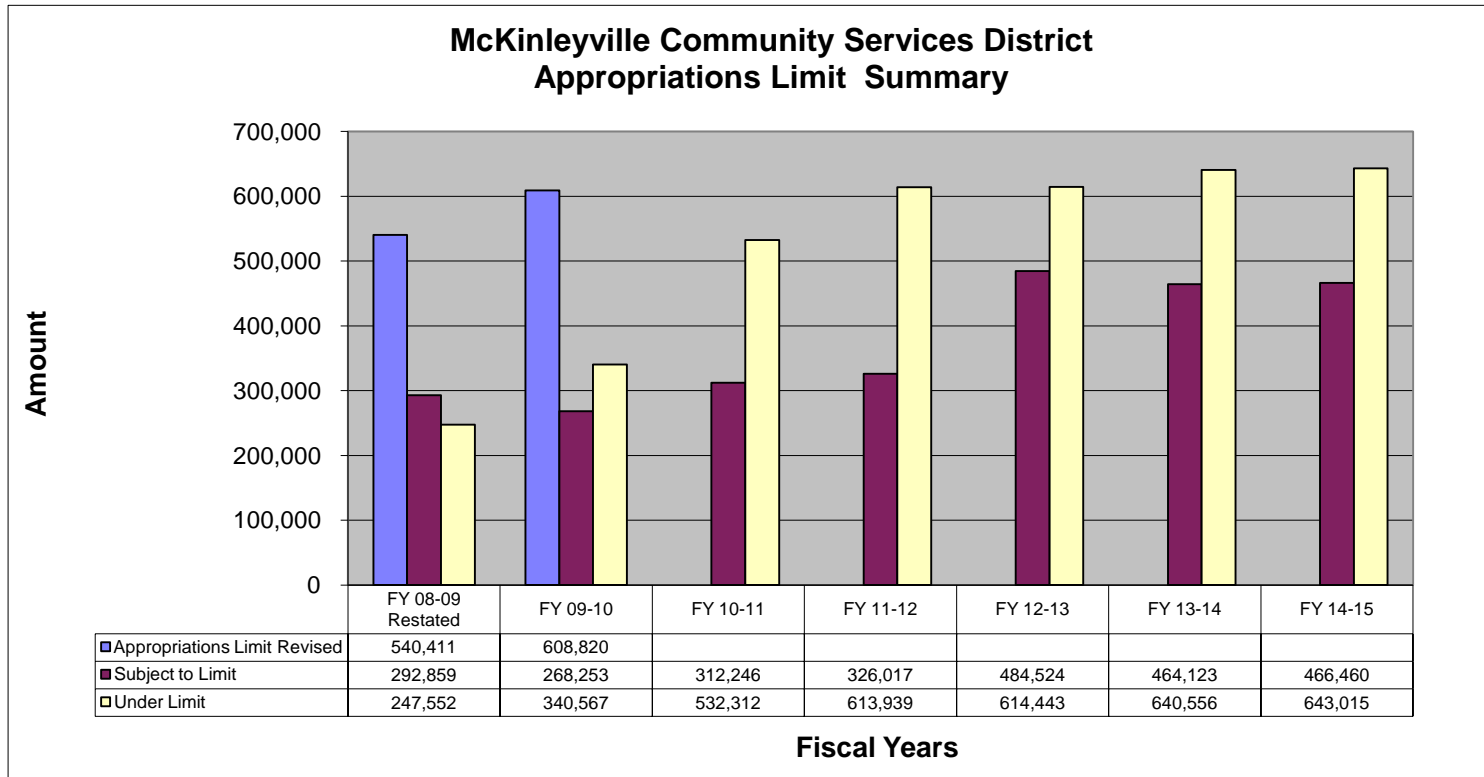
STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
7.0 Administrative Management											
7.1	District Policies & Procedures	GM & Board	n/a	annual review	annual review Supervisor's & Board Policy Manual/ development of Benefit Escalation Policy	annual review	annual review	annual review		Ongoing	Annual reviews are done for Conflict of Interest.
7.2	Records Retention	FD	n/a	DocStar fully implemented/Review Records Retention Policy	records backlog started	review Records Retention Policy & update	records backlog completed	review/update Records Retention Policy & continue management of current documents	2017	25%	Acct101
7.3	Customer Service	Dept. Heads	n/a	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training	ongoing monitoring & training		Ongoing	
7.4	Continue to build upon Public Information	RD	n/a	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking	website, newsletter, PSAs, social networking			
7.5	Board Development Policy	GM & Board	n/a	ongoing annual AB 1234 Ethics training	ongoing annual AB 1234 Ethics training & update	ongoing annual AB 1234 Ethics training	ongoing annual AB 1234 Ethics training	ongoing annual AB 1234 Ethics training		Ongoing	Additional continuing education courses encouraged to
7.6	Review/Update Strategic Plan	GM & Board	n/a	annual review & revision	annual review & revision	annual review & revision	annual review & revision	annual review & revision		Ongoing	When do we think the Board will approve this?
7.7	Emergency Preparedness and Response	GM & Dept. Heads	n/a	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP	conduct full scale table top exercise; review and update EOP		25%	Still working on information flow
7.8	Achieve Best Practices Awards	GM & Board & Board Secretary	n/a	achieve 6 hours of governance training for Board members, GM and executive staff	apply for the SDLF "District of Distinction" accreditation program & re-apply for Transparency Certificate					10%	Transparency Cert. Awarded in FY 14.
7.9	Explore Alternative Energy Options	GM & Board	n/a	Board review of report & consider prioritization of projects & include in CIP	bring proposal back to Board for implementation				2014	20%	Review and report to Board by end of FY 14

McKinleyville CSD Strategic Plan Matrix 2015-2019

STRATEGIC PLAN SECTION#	PROJECT NAME	PROJECT MANAGER	CURR. FY CIP\$	CURRENT 2015	NEXT 2016	NEXT 2017	NEXT 2018	NEXT 2019	EST. COMPLETION	TOTAL PROJECT % COMPLETE	STATUS/COMMENTS
7.10	Planning and Latent Powers	GM & Board	n/a	define entire process and associated estimated costs	propose phasing work to allow Board to consider the value of each step related to cost					Ongoing	Review and report to Board by end of FY 14
7.11	Integrated Pest Mgmt Plan	OD	n/a	developed an MCSD team to work on plan/ posted on website for input/held public workshops.	continue working on developing an IPM/ seek Board approval	plan implemented	monitoring	monitoring		Ongoing	
8.0 Finance											
8.1	Reserve Policy Implementation	FD/GM	n/a	review & monitor	review & monitor	review & monitor	review & monitor	review & monitor		Ongoing	
8.2	Budget Development	FD	n/a	completed & approved	information collection started	not yet started	not yet started	not yet started	FY2015-16 @ 5%	Ongoing	
8.3	Capital Budget Mgmt	FD/GM	n/a	completed & approved	information collection started	not yet started	not yet started	not yet started	FY2015-16 @ 5%	Ongoing	
8.4	Development of Financial Mgmt System	FD	n/a	review & evaluate available software	review & evaluate available software	RFP, choose vendor, lay out implementation plan	begin implementation	complete implementation	2017	3%	
8.5	Financial Audit	FD	n/a	sonduct annual audit	sonduct annual audit	3-yr RFP for audit completed	sonduct annual audit	sonduct annual audit	Dec-13	95%	
8.6	Monitor Reserves Recovery	FD	n/a	monitor	monitor	complete			Dec-13	2%	
8.7	Rate Studies	GM & Board	n/a	sewer rate Analysis to support debt requirement for WWMF Improvement Project	RFP for capacity fee review	capacity fee review	water rate analysis	sewer rate analysis	Dec-13	Ongoing	

McKinleyville Community Services District
Appropriations Limit Calculation Summary
FY 15-16 Budget

Prior Year Final Appropriation Limit		\$ 1,109,476
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	0.020%	
MCSD Unincorporated County Population Percent Change	-0.061%	
Compounded Percentage as an Adjustment Factor	-0.578%	
Annual Adjustment Amount to Appropriation Limit		<u>(6,416)</u>
Current Year Appropriation Limit		<u>1,103,060</u>
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	513,126	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	<u>(15,792)</u>	
Current Year Appropriations Subject to Appropriation Limit		<u>497,334</u>
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		<u><u>\$ (605,726)</u></u>
Percentage Under the Limit		<u><u>-55%</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 XIIIB Appropriations Limit Uniform Guidelines - March 1991. See Worksheets for details.

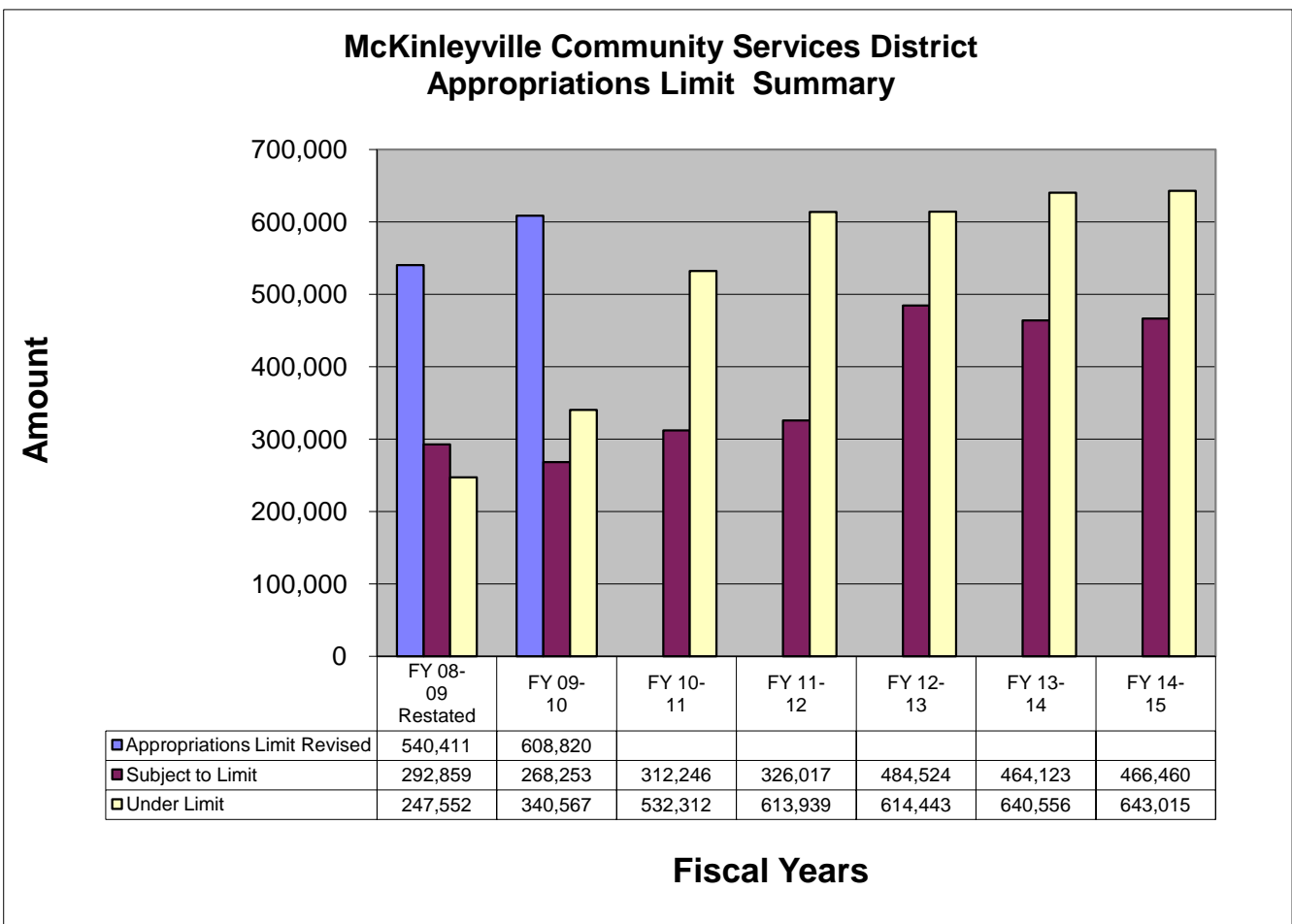
(3) Summary of worksheets for above calculations of Appropriations Limit and Appropriations Subject to Limit.

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	822,145	513,126	1,335,271
Street Lighting Fund	93,837	-	93,837
Water Fund	3,372,978	-	3,372,978
Wastewater Fund	2,808,489	-	2,808,489
Total Proceeds and Non Proceeds of Taxes	7,097,450	513,126	7,610,575
Summary of Exclusions			
Court Order Costs	-		
Federal Mandates	15,792		
Qualified Capital Equipment	-		
Qualified Debt Service	-		
Total Exclusions to Appropriations Subject to Limit	15,792		

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION

Summary Charts

Fiscal Year	Appropriations Limit Revised	Subject to Limit	Under Limit
FY 08-09 Restated	540,411	292,859	247,552
FY 09-10	608,820	268,253	340,567
FY 10-11	844,558	312,246	532,312
FY 11-12	939,956	326,017	613,939
FY 12-13	1,098,967	484,524	614,443
FY 13-14	1,104,678	464,123	640,556
FY 14-15	1,109,476	466,460	643,015
FY 15-16	1,103,060	497,334	605,726



McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 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	400,910	400,910			
Miscellaneous Fees & Reimbursements	14,572	14,572			
Total General Fund	415,482	415,482	-	-	-
Street Lighting Fund	93,837		93,837		
Water Operations Fund	3,372,978			3,372,978	
Wastewater Operations Fund	2,808,489				2,808,489
Total Estimate of User Fees	6,690,786	415,482	93,837	3,372,978	2,808,489
Current Year Adopted Budget					
Operations & Equipment	5,969,406	1,272,744	93,777	2,588,752	2,014,132
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	721,381	(857,262)	60	784,226	794,357

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 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	510,000				510,000	-	510,000
Special Assessment	230,000				230,000	230,000	-
Charges for Services	400,910				400,910	400,910	-
Grants	28,589				28,589	28,589	-
Development Fees	143,000				143,000	143,000	-
Interest (4)	8,200				8,200	5,074	-
Miscellaneous Fees & Reimbursements	14,572				14,572	14,572	3,126
Other Financing Sources					-	-	-
Other Sources					-	-	-
TOTAL GENERAL FUND REVENUES	1,335,271	0	0	0	1,335,271	822,145	513,126
Street Lighting Fund	93,837	(60)				93,837	
Water Fund	3,372,978	(784,226)				3,372,978	
Wastewater Fund	2,808,489	(794,357)				2,808,489	
Debt Service Fund	-					-	
Total All Funds	7,610,575	(1,578,643)	-	-	1,335,271	7,097,450	513,126

(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 15-16 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	4,700	4,700		Reimbursement for Services
42020	PROC. FEES	1,700	1,700		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.	2,100	2,100		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,172	2,172		Use of Property fees
44000	OPEN SPACE FEES	82,500	82,500		Development Fees
45000	OPEN SPACE FEES	7,500	7,500		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	27,600	27,600		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	42,450	42,450		User Fees for Services
48002	EVENT SERVICES	2,500	2,500		User Fees for Services
48010	INSURANCE FEES	500	500		User Fees for Services
48020	AD INCOME	400	400		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	332,110	332,110		User Fees for Services
48051	FRF DISCOUNT	(6,350)	(6,350)		User Fees for Services
48055	PROGRAM GRANTS	28,589	28,589		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	8,200	5,074	3,126	Allocated
51001	SECURED TAXES	510,000		510,000	
51060	MEASURE B ASSMT	230,000	230,000		Special Assessment Restricted Specific Use
52000	OTHER INCOME	4,000	4,000		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	1,500	1,500		Donations
53002	QUIMBY FEES	53,000	53,000		Development fees
54001	STATE GRANTS	-	-		Related to Restricted Grants
56000	GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund		1,335,271	822,145	513,126	

Street Lighting

41050	ADMIN FEE	13,000	13,000		
42020	PROC. FEES	3,700	3,700		
43195	OTHER OP. REV.	100	100		
47001	ST. LIGHT CHGS	71,612	71,612		
47001	ST. LIGHT CHGS	5,400	5,400		
50001	INT. REVENUE	25	25		
Total Street Lighting		93,837	93,837	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	1,114,680	1,114,680		
40001	MTR. WATER SALE	1,854,527	1,854,527		
41001	NEW SVC. FEES	13,122	13,122		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	500	500		
42001	PERMIT FEES	-	-		
42010	CONN. FEES	100,000	100,000		
42020	PROC. FEES	20,900	20,900		
42030	BAD CHECK FEES	473	473		
42040	RECONN. FEES	22,050	22,050		
42050	DCV INSPECTION	20,000	20,000		
43010	REC. BAD DEBTS	772	772		
43190	CELL TOWER REV.	10,817	10,817		
43195	OTHER OP. REV.	10,000	10,000		

McKinleyville Community Services District

Revenue Estimates Detail

FY 15-16 Budget

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43197	LEASE REVENUE	3,600	3,600		
43198	PAVING FEES	1,000	1,000		
43199	SERVICE UPGRADE	-	-		
46000	AFTER HRS CHGS	827	827		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	1,000	1,000		
50001	INT. REVENUE	8,312	8,312		
50005	LATE CHARGES	15,398	15,398		
51011	CONTRIB CONST	175,000	175,000		
56000	GAIN ON DISPOSAL	-	-		

Total Water	3,372,978	3,372,978	0	User Fees for Services
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Wastewater Fund

40002	SWR SVC CHGS.	2,393,222	2,393,222		
40010	STORM WATER FEE	300	300		
41001	NEW SVC. FEES	18,000	18,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	-	-		
41040	SWR CONST PRMT	1,000	1,000		
42001	INSPECTION FEES	-	-		
42010	CONN. FEES	120,000	120,000		
42020	PROC. FEES	-	-		
42030	BAD CHECK FEES	250	250		
42040	RECONN. FEES	-	-		
42050	DCV INSPECTION	-	-		
43010	REC. BAD DEBTS	900	900		
43190	CELL TOWER REV.	10,817	10,817		
43195	OTHER OP. REV.	5,000	5,000		
43197	LEASE REVENUE	20,400	20,400		
43198	PAVING FEES	500	500		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	100			
50001	INT. REVENUE	20,000	20,000		
50005	LATE CHARGES	14,000	14,000		
51011	CONTRIB CONST	200,000	200,000		
56000	GAIN ON DISPOSAL	4,000	4,000		

Total Wastewater	2,808,489	2,808,389	0	User Fees for Services
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Debt Service

Total Debt Service	-	-	-	Debt Related
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Total All Funds	7,610,575	7,097,350	513,126
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 Budget

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

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 513,126
Less Allowed Exclusions (From Worksheet #7)	(15,792)
Current Year Appropriations Subject to Limit	<u>\$ 497,334</u>
Current Year Appropriations Limit (From Worksheet #6)	1,103,060
Current Year Appropriations Over or (Under) Limit	<u>\$ (605,726)</u>
Percentage Over or (Under) Limit	<u><u>-55%</u></u>

McKinleyville Community Services District
 APPROPRIATIONS LIMIT CALCULATION
 FY 15-16 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]	MCS D (Unincorporated County)	Humboldt County Total		
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
FY 13-14	3.10	0.02	0.50	0.40	100.51970%	1,104,678
FY 14-15	-0.23	0.50	-0.1	-0.03	100.43433%	1,109,476
FY 15-16	3.82	-0.08	-0.5	-0.30	99.42169%	1,103,060

[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 MCS D 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. See Price-Population Letter, Annual

[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 15-16 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
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Prior Year Appropriations Limit (From Worksheet #5)	\$ 1,109,476
Current Year Growth Factors (From Worksheet #5)	
Non-Residential Assessed Valuation Percent Change	0.02%
MCSD Unincorporated County Population Percent Change	-0.06%
Compounded Total Percentage Adjustment Factor	-0.578%
Current Year Annual Adjustment Amount	\$ (6,416)
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	\$ 1,103,060

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 15-16 Budget

Exclusions to Appropriations Limit (Worksheet #7 from Guidelines)

	Exclusions
Court Orders	
	-
Federal Mandates	
Fair Labor Standards Act Payments	-
FICA and Medicare Payments	12,692
Unemployment Payments	3,100
Total Federal Mandates	15,792
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	15,792