

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.8 Draft Water Shortage Contingency Plan

PRESENTED BY: James Henry, Operations Director

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends that the Board review the information provided, air questions, take public comment and accept the Draft Water Shortage Contingency Plan as the MCSD Water Shortage Contingency Plan.

Discussion:

On July 15, 2014, the State Water Resources Control Board adopted Resolution No. 2014-0038 "Adopting An Emergency Regulation for Statewide Urban Water Conservation". The State Water Resources Control Board required water suppliers to implement Water Shortage Contingency Plans to limit outdoor irrigation of ornamental landscapes or turf with potable water. The existing MCSD Water Shortage Contingency Plan did not meet current State Water Code requirements and did not meet the current needs of the District.

During the August 6, 2014 Board Meeting the Board approved resolution 2014-23, a resolution of the McKinleyville Community Services District Board of Directors approving amendments to Ordinance No. 10 and declaring water shortage emergency conditions. The first response to the current statewide water conservation regulations was to update Chapter 10 to provide the specific regulatory framework for the Districts new Water Shortage Contingency Plan.

Since the approval of modified Ordinance 10, staff has prepared a draft Water Shortage Contingency Plan as a response to California State Water Resources Control Board's Resolution 2014-0038, Emergency Regulation for Statewide Water Conservation, to prepare for potential future local, regional, and State water shortage conditions, and to fulfill a requirement of the 2015 Urban Water Management Planning Act.

This draft contingency plan gives the Board the ability to proclaim the appropriate stages as it applies to a specific water shortage emergency and the draft plan defines specific prohibitions for each stage as well as enforcement action related to non-compliance.

The draft plan is attached for the Board's review, edits and approval.

Alternatives:

Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 – Water Shortage Contingency Draft Plan

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
WATER SHORTAGE CONTINGENCY PLAN**

Prepared for:
Mr. Greg Orsini
McKinleyville Community Services District
1656 Sutter Road
McKinleyville, California 95519

November, 2014

Prepared by:
Orrin Plocher and Stan Thiesen
of



Freshwater Environmental Services

78 Sunny Brae Center
Arcata, California 95521
Phone (707) 839-0091

TABLE OF CONTENTS

LIST OF APPENDICES	ii
1.0 INTRODUCTION	1
1.1 Purpose	1
1.2 State Regulations and Planning Requirements	1
2.0 MCSD WATER SUPPLY	2
3.0 MCSD WATER DEMAND	3
4.0 ESTIMATED MINIMUM WATER SUPPLY FOR THE NEXT THREE YEARS	3
5.0 CATASTROPHIC INTERRUPTION OF WATER SUPPLY	4
6.0 STAGES OF ACTION FOR DEMAND REDUCTION.....	4
6.1 Rationing Stages and Demand Reduction Goals	4
6.2 Prohibitions on Water Use.....	5
6.3 Violations of Water Use Restrictions	6
7.0 ANALYSIS OF REVENUE AND EXPENDITURES IMPACTS	6
8.0 MONITORING PROCEDURES	7
9.0 WATER FEATURE INVENTORY	8

LIST OF APPENDICES

APPENDIX A	CALIFORNIA WATER CODE SECTION 350-359
APPENDIX B	CALIFORNIA WATER CODE SECTION 10632
APPENDIX C	WATER SHORTAGE CONTINGENCY ORDINANCE (MCSD ORDINANCE 10)

1.0 INTRODUCTION

McKinleyville Community Services District (MCSD, or the District) was created on April 7, 1970 when McKinleyville voters voted 589 "yes" votes against 151 "no" votes 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 boundary encompasses 12,140 acres ranging from North Bank Road on the south to Patrick's Creek on the north. The District is an independent, special district governed by a five member Board of Directors elected by McKinleyville voters. The Board meets monthly on the third Wednesday of each month to set policy, consider projects and resolve disputes. The Board's directives are implemented by the District's 23 full-time and 42 part-time employees. The District office is located at 1656 Sutter Road; just east of Central Avenue. McKinleyville is the third largest community in Humboldt County after Eureka and Arcata with a population of 16,401 (2011). The MCSD currently have over 5,300 active water services. MCSD is proud of its record of solving problems. The Board has summed up its philosophy by adopting the following 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".

1.1 Purpose

MCSD has prepared this Water Shortage Contingency Plan as a response to California State Water Resources Control Board's Resolution 2014-0038, Emergency Regulation for Statewide Water Conservation, to prepare for potential future local, regional, and State water shortage conditions, and to fulfill a requirement of the Urban Water Management Planning Act.

1.2 State Regulations and Planning Requirements

The California Water Code contains two provisions for California water supplies related to water shortage contingency planning.

California Water Code Section 350-359 provides the authority for a governing body to declare water shortage emergencies (Appendix A). Upon the declaration of a water shortage emergency, the local agency is provided with broad powers to implement and enforce regulations and restrictions for managing water shortage conditions. Priority is given to water needed for domestic, sanitation and fire protection purposes. Discrimination is not allowed between water users using water for the same purpose or purposes.

The Urban Water Management Planning (UWMP) Act requires urban water suppliers to perform an urban water shortage contingency analysis that includes several elements (California Water Code §10632, contained in Appendix B). This Water Shortage Contingency Plan addresses each of the required elements in the urban water shortage contingency analysis.

2.0 MCSD WATER SUPPLY

The McKinleyville Community Services District has one source of water. The sole source of MCSD water is purchased from The Humboldt Bay Municipal Water District (HBMWD). The water delivered from the HBMWD to the MCSD is through a single transmission main under the Mad River. A waterline intertie with the City of Arcata water system under the Highway 101 bridge is maintained as an emergency connection. The City of Arcata also purchases water from HBMWD.

The water distributed by HBMWD is from Ruth Lake, which is located in Trinity County. The Mad River R.W. Matthews Dam, located at river mile 79, impounds water in Ruth Lake. The HBMWD manages releases from the dam to ensure sufficient supplies downstream throughout the year.

At HBMWD's Essex Operations Center located just northeast of Arcata, water is diverted and pumped to meet demand. Municipal water is pumped from an aquifer beneath the Mad River by four wells, called Ranney wells, situated within the riverbed at depths ranging from approximately 60 to 90 feet. Industrial water is diverted by a surface diversion facility.

HBMWD has appropriate water rights permits from the State Water Resources Control Board through the year 2029 for surface water storage and diversion. Diversion is accomplished in different ways for different uses as mentioned earlier.

HBMWD water rights permits allow it to store and divert a combined 75 million gallons a day (MGD) from the Mad River. This totals 84,000 Acre feet per year (AFY), which represents 8.5% of the average annual runoff (982,600 AFY) of the Mad River Basin for the period from 1963 to 2010 (average annual runoff data provided by USGS at Gage Station 1148100 on the Mad River near Arcata, CA).

The HBMWD operates Ruth Reservoir, a 48,000 acre foot reservoir about 79 miles east of the coastal areas. This reservoir impounds only about 3% of the watershed and fills at a very rapid rate in normal rainfall years. Approximately 11 MGD is delivered to the municipal/district customers and entitlement is limited by actions taken during water shortage emergencies. Of the delivered water, a peak flow rate of 2.8 MGD is committed to serve the MCSD customers.

The MCSD receives the water delivery at the North Bank Pump Station having a bank of three pumps. Standby disinfection is available at this site should the chlorine residual from delivered water drop below 0.2 parts per million. The District has two 1.5 Million gallons tanks, two 1.0 million gallon tanks, a 100,000 and 150,000 gallon tank and three booster stations throughout the distribution system.

3.0 MCSD WATER DEMAND

Based on 2013 data, the percent of sales volume by sector is indicated in the table below:

Sector	Demand Percent by Volume
Single family	67
Multi-family	18
Commercial	8
Industrial	
Institutional/governmental	
Landscape	
Other	6

Based on production and sales records, past, current and future water demand for the MCSD is approximately 520 million gallons of water a year to supply water to the McKinleyville CSD service area.

4.0 ESTIMATED MINIMUM WATER SUPPLY FOR THE NEXT THREE YEARS

According to the MCSD 2010 Urban Water Management Plan, the North Coast is one of the only areas in California with an abundance of water. Droughts, while severe climatically, have not resulted in the level of water supply shortfalls that other areas of California routinely experience. The drought of 1976/1977 was the only declared water emergency on the North Coast. During that event, Ruth Lake storage was 52% of normal average volume and rainfall in the Ruth Lake area was 42% of historical average. The drought came to an end with heavy rains during November 1977. Even during the only declared water emergency on the North Coast MCSD did not experience water supply restrictions. During this drought the MCSD supplies were sufficient to meet normal demand without restrictions.

The MCSD 2010 Urban Water Management Plan indicates that the driest three-year period was 1990, 1991, and 1992. During this period of time conditions requiring implementation of water shortage emergency did not exist, there were no restrictions on water supplied by the HBMWD and MCSD supplies were sufficient to meet normal demand without restrictions.

Based on the above historical information, MCSD projects that if the minimum water supply was available during each of the next three water years (based on the driest three-year historic sequence) there would be sufficient supply to meet normal demand without implementing water use restrictions.

5.0 CATASTROPHIC INTERRUPTION OF WATER SUPPLY

The California Safe Drinking Water Act mandates in Section 4029 that every public water system includes a Disaster Response Plan as part of their Emergency Notification Plan. This plan will outline the steps to be taken to maintain or return water service to the District's customers after a major disaster.

MCSD has prepared an Emergency Response Plan (ERP) dated December 19, 2011, which describes the actions the District will take during a catastrophic interruption of water supplies.

The water distribution system is susceptible to two types of emergency situations, earthquakes and contamination.

In the event of a major earthquake or groundwater contamination, a water shortage contingency plan would be implemented, which would include rationing of the water storage reservoirs. However, if an earthquake were substantial enough to damage the well casing, pumping system, distribution system, and reservoirs, the water supply would be decreased. In this case, another temporary water supply would need to be used including the Arcata intertie if Arcata is unaffected. Another option is to have water transported by truck from a nearby municipality.

6.0 STAGES OF ACTION FOR DEMAND REDUCTION

6.1 Rationing Stages and Demand Reduction Goals

MCSD's Water Shortage Contingency Plan consists of the following stages of rationing and demand reduction goals:

Stage	Demand Reduction Goals
Stage 1-Voluntary Conservation	20%
Stage 2-Mandatory Conservation	20-30%
Stage 3-Emergency Water Shortage	30-50%
Stage 4-Critical Water Shortage Emergency	>50%

The declaration of a specific stage of water shortage emergency will depend on several variables including:

- Statewide drought conditions;
- Local drought conditions;
- Allocation reductions from HBMWD; and
- State regulations, notices and orders.

Declaration of a Stage 4 water shortage emergency may also be triggered by a major catastrophic event that affects the ability of the District to meet anticipated demands. The decision regarding declaration of a specific Stage of water shortage emergency will

be based on conditions at the time, therefore the triggers are general to accommodate to a broad range of conditions.

6.2 Prohibitions on Water Use

During a Stage 1 water shortage voluntary water conservation is requested of all customers including the specific voluntary measures below:

- Use water efficient indoor devices.
- Use of hose-end shutoff nozzles on all garden and utility hoses.
- Refrain from washing cars, boats, trailers, or other vehicles except by hose with shutoff nozzle and bucket.
- Installation of low-flow shower heads, low-flush toilets, and faucet aerators.
- Promptly repair all leaks in plumbing fixtures, water lines, and sprinkler systems.

During a Stage 2 water shortage water use as indicated in the table below are nonessential and are restricted:

Unattended automatic watering of any lawn, garden, landscaped area, tree, shrub or other plant except between the hours of 12:00 AM and 4:00 AM.
Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by public agency for the purpose of public safety.
Application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
Use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculation system.
Watering any portion of a golf course other than the tees and greens except where private well or recycled water supply is used.
Fire hydrant water unless authorized by the District, except by fire protection agencies for fire suppression purposes, or for other authorized uses including storm drain maintenance, and street sweeping purposes. Water/sewer flushing and fire flow testing are authorized only if coordinated and performed at the same time.
The use of a hose that dispenses potable water to wash a motor vehicle or for any other purpose, except where the hose is fitted with a shutoff nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

During a Stage 3 water shortage emergency, in addition to the restricted water uses in earlier Stages, water uses indicated below are nonessential and are prohibited:

Outdoor irrigation is prohibited unless total water use is reduced by 50 % from the same billing period from the previous calendar year (prior to declaration of the most recent water shortage emergency).
Bulk water sales.

Any leaks that are not repaired within 24 hours after discovery.
Automated commercial car washes without a water recycling system.
Street cleaning or dust control with potable water.
Filling or to top off any swimming pools, outdoor spas, wading pools, and ornamental water features.
Use of water from a fire hydrant except for fighting fires and human consumption.
Watering any residential lawn, or any commercial or industrial area lawn maintained for aesthetic purposes, at any time of the day or night during the period of March 1, through September 30, when a Stage 3 is in progress.
Planting any new landscaping, except for designated drought resistant landscaping approved by the District.
Operating a hotel, motel or other commercial lodging establishment without offering patrons the option to forego the daily laundering of towels, sheets and linens.
Use of water for any outdoor washing purpose including commercial car washing, window washing, and paint preparation.
Washing of cars, boats, trailers, or other vehicles.

During a Stage 4 water shortage emergency, in addition to the restricted water uses in earlier stages, water uses indicated below are nonessential and are prohibited:

Agricultural irrigation.
Outdoor irrigation.
Any leaks that are not repaired immediately.

6.3 Violations of Water Use Restrictions

Fines and penalties and enforcement are established in Section 11 and Section 12 MCSD Ordinance 10 (Appendix C).

7.0 ANALYSIS OF REVENUE AND EXPENDITURES IMPACTS

During the implementation of the various water shortage emergency stages, there will be an impact on revenue and expenses for the District due to the anticipated demand reduction. The table below indicates the net impact on revenue given the various demand reduction scenarios. This is intended to be a general analysis of revenue impact and is based on the 2013-2014 annual budget.

2014-2015	FY 2014-2015	20%Volumetric Reduction	30%Volumetric Reduction	50%Volumetric Reduction
Revenue				
Annual Base Rate Revenue	\$ 1,005,194	\$ 1,005,194	\$ 1,005,194	\$ 1,005,194
Other Revenue	\$ 253,049	\$ 253,049	\$ 253,049	\$ 253,049
Annual Volumetric Revenue	\$ 1,928,230	\$ 1,542,584	\$ 1,349,761	\$ 964,115
Total Annual Revenue	\$ 3,186,473	\$ 2,800,827	\$ 2,608,004	\$ 2,222,358

Expenses	FY 2014-2015	20%Volumetric Reduction	30%Volumetric Reduction	50%Volumetric Reduction
Fixed Expenses (T&D and Admin)	\$ 813,518	\$ 813,518	\$ 813,518	\$ 813,518
Cost of Water	\$ 863,768	\$ 691,014	\$ 604,638	\$ 431,884
Power (3% of Total Expenses)	\$ 74,143	\$ 59,314	\$ 51,900	\$ 37,071
CIP Reserve	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000
Total Annual Expense	\$ 2,471,429	\$ 2,283,847	\$ 2,190,056	\$ 2,002,474

Excess	\$ 715,044	\$ -	\$ -	\$ -
Anticipated Short Fall (12-months)	\$ -	\$ 198,064	\$ 297,096	\$ 495,160
Anticipated Short Fall (6-months)	\$ -	\$ 99,032	\$ 148,548	\$ 247,580
Anticipated Short Fall (3-months)	\$ -	\$ 49,516	\$ 74,274	\$ 123,790

The net impact on revenue depends on the stage of water shortage emergency and the duration of the water shortage event. The worst case scenario that is presented above is a 50% reduction in volumetric sales for a 12-month duration resulting in a \$495,160 shortfall. The more likely scenario is a 20% demand reduction for a three to six month duration resulting in a net reduction in revenue between \$49,516 and \$99,032.

The District has several options it can consider for handling the anticipated revenue impact including:

- Reduce funds allocated for the Capitol Improvements Funds (CIP) reserve, thereby reducing the CIP reserve fund and delaying implementation of CIP projects;
- During the next rate study develop a water shortage surcharge (rate structure) that automatically goes into effect upon declaration of a specific stage of water shortage emergency; or
- During the next rate study include the establishment of a water shortage emergency fund that will be available in the event of a water shortage emergency.

8.0 MONITORING PROCEDURES

During a declared water shortage emergency water production volumes will be reviewed monthly, including a calculation of Gallons Per Capita per Day (GPCD), and comparison to the same month of the year just prior to the declaration of a water shortage emergency.

9.0 WATER FEATURE INVENTORY

The District will initiate a survey that will inventory water features, and determine if any water features use potable water without a recirculation system. This section of the contingency plan will be updated when this data becomes available prior to the submittal of the 2015 Urban Water Management Plan as required.

APPENDIX A
CALIFORNIA WATER CODE SECTION 350-359

DRAFT

**WATER CODE
SECTION 350-359**

350. The governing body of a distributor of a public water supply, whether publicly or privately owned and including a mutual water company, may declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.

351. Excepting in event of a breakage or failure of a dam, pump, pipe line or conduit causing an immediate emergency, the declaration shall be made only after a public hearing at which consumers of such water supply shall have an opportunity to be heard to protest against the declaration and to present their respective needs to said governing board.

352. Notice of the time and place of hearing shall be published pursuant to Section 6061 of the Government Code at least seven days prior to the date of hearing in a newspaper printed, published, and circulated within the area in which the water supply is distributed, or if there is no such newspaper, in any newspaper printed, published, and circulated in the county in which the area is located.

353. When the governing body has so determined and declared the existence of an emergency condition of water shortage within its service area, it shall thereupon adopt such regulations and restrictions on the delivery of water and the consumption within said area of water supplied for public use as will in the sound discretion of such governing body conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

354. After allocating and setting aside the amount of water which in the opinion of the governing body will be necessary to supply water needed for domestic use, sanitation, and fire protection, the regulations may establish priorities in the use of water for other purposes and provide for the allocation, distribution, and delivery of water for such other purposes, without discrimination between consumers using water for the same purpose or purposes.

355. The regulations and restrictions shall thereafter be and remain in full force and effect during the period of the emergency and until the supply of water available for distribution within such area has been replenished or augmented.

356. The regulations and restrictions may include the right to deny applications for new or additional service connections, and provision for their enforcement by discontinuing service to consumers wilfully violating the regulations and restrictions.

357. If the regulations and restrictions on delivery and consumption of water adopted pursuant to this chapter conflict with any law establishing the rights of individual consumers to receive either specific or proportionate amounts of the water supply available for distribution within such service area, the regulations and restrictions adopted pursuant to this chapter shall prevail over the provisions of such laws relating to water rights for the duration of the period of emergency; provided, however, that any distributor of water which is subject to regulation by the State Public Utilities Commission shall before making such regulations and restrictions effective secure the approval thereof by the Public Utilities Commission.

358. Nothing in this chapter shall be construed to prohibit or prevent review by any court of competent jurisdiction of any finding or determination by a governing board of the existence of an emergency or of regulations or restrictions adopted by such board, pursuant to this chapter, on the ground that any such action is fraudulent, arbitrary, or capricious.

359. (a) Notwithstanding any other provision of law that requires an election for the purpose of authorizing a contract with the United States, or for incurring the obligation to repay loans from the United States, and except as otherwise limited or prohibited by the California Constitution, a public water agency, as an alternative procedure to submitting the proposal to an election, upon affirmative vote of four-fifths of the members of the governing body thereof, may apply for, accept, provide for the repayment together with interest thereon, and use funds made available by the federal government pursuant to Public Law 95-18, pursuant to any other federal act subsequently enacted during 1977 that specifically provides emergency drought relief financing, or pursuant to existing federal relief programs receiving budget augmentations in 1977 for drought assistance, and may enter into contracts that are required to obtain those federal funds pursuant to the provisions of those federal acts if the following conditions exist:

(1) The project is undertaken by a state, regional, or local governmental agency.

(2) As a result of the severe drought now existing in many parts of the state, the agency has insufficient water supply needed to meet necessary agricultural, domestic, industrial, recreational, and fish and wildlife needs within the service area or area of jurisdiction of the agency.

(3) The project will develop or conserve water before October 31, 1978, and will assist in mitigating the impacts of the drought.

(4) The agency affirms that it will comply, if applicable, with Sections 1602, 1603, and 1605 of the Fish and Game Code.

(5) The project will be completed on or before the completion date, if any, required under the federal act providing the funding, but not later than March 1, 1978.

(b) Any obligation to repay loans shall be expressly limited to revenues of the system improved by the proceeds of the contract.

(c) No application for federal funds pursuant to this section shall be made on or after March 1, 1978.

(d) Notwithstanding the provisions of this section, a public agency shall not be exempt from any provision of law that requires the submission of a proposal to an election if a petition requesting such an election signed by 10 percent of the registered voters within the public agency is presented to the governing board within 30 days following the submission of an application for federal funds.

(e) Notwithstanding the provisions of this section, a public water agency that applied for federal funds for a project before January 1, 1978, may make application to the Director of the Drought Emergency Task Force for extension of the required completion date

specified in paragraph (5) of subdivision (b). Following receipt of an application for extension, the Director of the Drought Emergency Task Force may extend the required completion date specified in paragraph (5) of subdivision (b) to a date not later than September 30, 1978, if the director finds that the project has been delayed by factors not controllable by the public water agency. If the Drought Emergency Task Force is dissolved, the Director of Water Resources shall exercise the authority vested in the Director of the Drought Emergency Task Force pursuant to this section.

(f) For the purposes of this section, "public water agency" means a city, district, agency, authority, or any other political subdivision of the state, except the state, that distributes water to the inhabitants thereof, is otherwise authorized by law to enter into contracts or agreements with the federal government for a water supply or for financing facilities for a water supply, and is otherwise required by law to submit those agreements or contracts or any other project involving long-term debt to an election within that public water agency.

DRAFT

APPENDIX B
CALIFORNIA WATER CODE SECTION 10632

DRAFT

WATER CODE SECTION 10632

10632. (a) The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:

(1) Stages of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that are applicable to each stage.

(2) An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.

(3) Actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

(4) Additional, mandatory prohibitions against specific water use practices during water shortages, including, but not limited to, prohibiting the use of potable water for street cleaning.

(5) Consumption reduction methods in the most restrictive stages. Each urban water supplier may use any type of consumption reduction methods in its water shortage contingency analysis that would reduce water use, are appropriate for its area, and have the ability to achieve a water use reduction consistent with up to a 50 percent reduction in water supply.

(6) Penalties or charges for excessive use, where applicable.

(7) An analysis of the impacts of each of the actions and conditions described in paragraphs (1) to (6), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

(8) A draft water shortage contingency resolution or ordinance.

(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.

(b) Commencing with the urban water management plan update due December 31, 2015, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

APPENDIX C
WATER SHORTAGE CONTINGENCY ORDINANC
(MCSD ORDINANCE 10)

DRAFT

ORDINANCE NO. 10

AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR RATIONING WATER DURING A WATER SHORTAGE EMERGENCY AND ESTABLISHING PENALTIES FOR VIOLATIONS THEREOF

WHEREAS, Article X, Section 2 of the California Constitution declares that waters of the State are to be put to beneficial use, that waste, unreasonable use, or unreasonable method of use of water be prevented, and that water be conserved for the public welfare; and

WHEREAS, conservation of current water supplies and minimization of the effects of water supply shortages that are the result of drought are essential to the public health, safety and welfare; and

WHEREAS, regulation of the time of certain water use, manner of certain water use, design of rates, method of application of water for certain uses, installation and use of water-saving devices, provide an effective and immediately available means of conserving water; and

WHEREAS, California Government Code section 61100, subdivision (a) incorporates Water Code sections 71000 et seq., including section 71640, into the Community Service District Law; and

WHEREAS, California Water Code section 71610.5 authorizes the District to undertake a water conservation program to reduce water use and may require, as a condition of new service, that reasonable water-saving devices and water reclamation devices be installed to reduce water use; and

WHEREAS, pursuant to Water Code section 71640, municipal water districts may restrict the use of district water during a drought emergency or other water shortage condition and may prohibit the wastage of district water or the nonessential use of district water during such periods for any purpose other than household uses or other restricted uses as the District determines to be necessary; and

WHEREAS, pursuant to Water Code section 71641 and Government Code section 6061, the District must publish in a newspaper of general circulation any ordinance setting forth the restrictions, prohibitions, and exclusions determined to be necessary under Water Code section 71640 within 10 days after its adoption, even though the ordinance is effective upon adoption; and

WHEREAS, Water Code section 71644 establishes that, from the publication of an ordinance pursuant to section 71641 until the repeal of the ordinance or end of the

emergency, it is a misdemeanor punishable by up to 30 days in county jail and/or a fine of up to \$600 for any person to use or apply water from the District contrary to or in violation of any restriction or prohibition; and

WHEREAS, the adoption and enforcement of a comprehensive water conservation program will allow the District to delay or avoid implementing measures such as water rationing or more restrictive water use regulations pursuant to a declared water shortage emergency as authorized by California Water Code sections 350 et seq.

BE IT ORDAINED BY the Board of Directors of the McKinleyville Community Services District as follows:

Section 1. Declaration of Water Shortage Emergency.

This ordinance is effective immediately upon adoption. The provisions of this chapter shall take effect whenever the District General Manager, upon engineering analysis of District water supplies, information received from the wholesale water provider, Humboldt Bay Municipal Water District (HBMWD), or due to regulatory requirements, notices, or orders, finds and determines that a water shortage emergency exists or is imminent within the MCSD water service area and a declaration of a water shortage is made by a resolution of the MCSD Board of Directors, and they shall remain in effect for the duration of the water shortage set forth in the resolution.

Section 2. Publication.

Within ten (10) days of adoption the District will publish in a newspaper of general circulation this ordinance setting forth the restrictions, prohibitions, and exclusions determined by the District to be necessary.

Section 3. Definitions.

For the purpose of this Ordinance the following terms, phrases, words, and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future; words in the plural number include the singular number. The word "shall" is always mandatory and not merely directory.

- a. "District" is McKinleyville Community Services District.
- b. "Board of Directors" is the elected Board of Directors of the McKinleyville Community Services District.
- c. "Customer" is any person using water supplied by the McKinleyville Community Services District.
- d. "Manager" is the General Manager of the McKinleyville Community Services District.
- e. "Person" is any person, firm, partnership, association, corporation, company, or organization of any kind.
- f. "Water" is water from the McKinleyville Community Services District.
- g. "Outdoor surface" is any patio, porch, veranda, driveway, or sidewalk.

Section 4. Application.

The provisions of this Ordinance shall apply to all customers using water both in and outside the McKinleyville Community Services District, regardless of whether any customer using water shall have a contract for water service with the McKinleyville Community Services District.

Section 5. Determination of Stage of Action Necessary.

This ordinance establishes regulations to be implemented during times of declared water shortages, or declared water shortage emergencies. It establishes four levels of response actions to be implemented in times of shortage, as set forth in Section 7, below, with increasing restrictions on water use in response to worsening drought conditions or decreasing available supplies. The MCSD Board of Directors, upon recommendation by the Manager, shall determine and declare by resolution the stage of response action necessary. Notice of such determination shall be published in a newspaper of general circulation and shall be effective within five (5) days from the date the declaration is made.

Section 6. Waste of Water Prohibited

No water furnished by the District shall be wasted. Waste of water includes, but is not limited to, the following:

- a. Permitting water to escape (run to waste) down a gutter, ditch, surface drain, or otherwise;
- b. Failure to repair a controllable leak of water; and
- c. Failure to put to reasonable beneficial use any water withdrawn from the District's system.

Section 7. Prohibition of Non-Essential Use of Water

No water furnished by the District shall be used for any purpose declared to be non-essential by this Ordinance for the following stages of action as determined by the Board of Directors after considering specific triggers consistent with the Water Shortage Contingency Plan for the MCSD Service Area.

Stage 1 - Voluntary Conservation (up to 20% reduction). Achieve up to 20% reduction in water usage compared to the corresponding billing period in the previous calendar year (prior to declaration of the most recent water shortage emergency) by encouraging voluntary conservation, enforcement of water wasting regulations and water conservation regulations, requesting customers to make conscious efforts to conserve water, request restaurants to serve water only upon request, encourage private sector to use alternate source and encourage night irrigation. Voluntary actions include:

Water conservation is requested of all customers.
Installation and use of water efficient indoor devices.
Use of hose-end shutoff nozzles on all garden and utility hoses.

Refrain from washing cars, boats, trailers, or other vehicles except by hose with shutoff nozzle and bucket.
Installation of low-flow shower heads, low flush water closets, and faucet aerators.
Promptly repair all leaks in plumbing fixtures, water lines, and sprinkler systems.

Stage 2 - Mandatory Conservation (up to 30% reduction)

d. From and after the date that the Board of Directors, by resolution, determines that Stage 2, Mandatory Conservation actions are to be implemented, in addition to the voluntary action is Stage 1, the following uses are declared to be non-essential:

Unattended automatic watering of any lawn, garden, landscaped area, tree, shrub or other plant except between the hours of 12:00 AM and 4:00 AM.
Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by public agency for the purpose of public safety.
Application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
Use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculation system.
Watering any portion of a golf course other than the tees and greens except where private well or recycled water supply is used.
Fire hydrant water unless authorized by the District, except by fire protection agencies for fire suppression purposes, or for other authorized uses including storm drain maintenance, and street sweeping purposes. Water/sewer flushing and fire flow testing are authorized only if coordinated and performed at the same time.
The use of a hose that dispenses potable water to wash a motor vehicle or for any other purpose, except where the hose is fitted with a shutoff nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

Stage 3 – Emergency Water Shortage (up to 50% reduction)

e. From and after the date that the Board of Directors, by resolution, determines that Stage 3, Emergency Water Shortage actions are to be implemented, the following additional uses are declared to be non-essential:

Outdoor irrigation is prohibited unless total water use is reduced by 50 % from the same billing period from the previous calendar year (prior to declaration of the most recent water shortage emergency).
Any leak that are not repaired within 24 hours after discovery.

Automated commercial car washes without a water recycling system.
Street cleaning or dust control with potable water.
Filling or to top off any swimming pools, outdoor spas, wading pools, and ornamental water features.
Use of water from a fire hydrant except for fighting fires and human consumption.
Watering any residential lawn, or any commercial or industrial area lawn maintained for aesthetic purposes, at any time of the day or night during the period of March 1, through September 30, when a Stage 3 is in progress.
Planting any new landscaping, except for designated drought resistant landscaping approved by the District.
Operating a hotel, motel or other commercial lodging establishment without offering patrons the option to forego the daily laundering of towels, sheets and linens.
Use of water for any outdoor washing purpose including commercial car washing, window washing, and paint preparation.
Washing of cars, boats, trailers, or other vehicles.

Stage 4 – Critical Water Shortage Emergency Mandatory Rationing (> 50% reduction)

f. From and after the date that the Board of Directors, by resolution, determines that Stage 4, Critical Water Shortage Emergency actions are to be implemented, the following additional uses are declared to be non-essential:

Agricultural irrigation.
Outdoor irrigation.
Any leaks that are not repaired immediately.
Bulk water sales.

g. The percentages stipulated in Stage 2 and Stage 3 may be increased by the General Manager for any class of customer if the General Manager determines that such increase is necessary to protect the public health, safety and welfare or to spread equitably among the water users of the District the burdens imposed by the drought and the shortage in the District's water supply.

Section 8. Variances

Applications for a variance from the provisions of Section 7 of this Ordinance may be made to the General Manager. The General Manager may grant a variance to permit a use of water otherwise prohibited by Section 7 if the General Manager determines that the variance is reasonably necessary to protect the public health and safety and/or economic viability of commercial operation. Any decision of the General Manager under this section may be appealed to the Board of Directors.

Section 9. Suspension of New Connections to the District's Water System

a. From the date the Board of Directors, by resolution, determines that Stage 2 (Moderate Mandatory) or Stage 3, (Severe Mandatory) Stage 4, (Rationing), actions are to be implemented, until, the Board of Directors by resolution declares that the water shortage has ended, which period is hereinafter referred to as the suspension period, the General Manager may prohibit new or enlarged connections to the District's water system except the following:

- (1) connection pursuant to the terms of connection agreements which prior to the date Stage 2, or Stage 3 are implemented, had been executed or had been authorized by the Board of Directors to be executed;
- (2) connections of fire hydrants;
- (3) connections of property previously supplied with water from a well which runs dry.
- (4) connection of property for which the Applicant agrees to defer landscape installation until after the suspension period.
- (5) Recycled Water connections.

b. During the suspension period applications for water service will be processed only if the Applicant acknowledges in writing that such processing shall be at the risk and expense of the Applicant and that if the application is approved in accordance with the District's regulations, such approval shall confer no right upon the Applicant or anyone else until the suspension period has expired, and that the Applicant releases the District from all claims of damage arising out of or in any manner connected with the suspension of connections.

c. Upon the expiration of the suspension period, the District will make connections to its water system in accordance with its regulations and the terms of connection agreements for all said applications approved during the suspension period. The water supply then available to the District will be apportioned equitably among all the customers then being served by the District without discrimination against services approved during the suspension period.

d. Nothing herein shall prohibit or restrict any modification, relocation or replacement of a connection to the District's system if the General Manager determines that the demand upon the District's water supply will not be increased thereby.

Section 10. Limits on Individual Consumption.

Manager may limit the amount of water delivered to customers, whenever the Manager determines the water available to the McKinleyville Community Services District is insufficient to meet the demands of customers of the District and that all water available to said District should be used solely for human consumption, sanitation and fire protection, he may order limits be imposed on individual consumption as determined and specified by resolution of the Board of Directors including penalties in addition to those specified in Section 11 of this Ordinance.

a. While this Ordinance is in effect, no additional water use by a customer, shall be permitted unless the Manager determines that the health, safety, or welfare of the public might be endangered.

Section 11. Fines and Penalties.

Except as otherwise provided herein, violations of any provision of this Ordinance shall be punished as follows:

- a. An administrative fine of up to \$500.00 may be levied for each violation of a provision of this ordinance in accordance with Water Code Section 71590.
- b. Each violation of this ordinance may be prosecuted as a misdemeanor punishable by imprisonment in the county jail for not more than thirty (30) days or by a fine not exceeding \$600, or both as provided in Water Code Section 71644. The manager shall forthwith direct and cause disconnection of the water service of any person or customer cited for a misdemeanor under this section. Such service shall be restored only upon payment of any turn-on charge fixed by the Board of Directors.
- c. Each day any violation of this Ordinance is committed or permitted to continue shall constitute a separate offense and shall be punishable as such hereunder.

Section 12. Enforcement.

The Manager and all employees of the McKinleyville Community Services District have the duty and are authorized to enforce the provisions of this Ordinance and shall have all the powers and authority contained in California Penal Code Section 836.5, including the power to issue written notice of violation.

Section 13. Signs on Land Supplied from Private Wells or Recycled Water.

The owner or occupant of any land within the MCSD water service area that is supplied with water from a private well or with recycled water shall post and maintain in a conspicuous place thereon a sign furnished by the District at cost giving public notice of such supply.

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.9 Consider Approval of the Strategic Plan 2015-2019

PRESENTED BY: Becky Schuette, Board Secretary

TYPE OF ACTION: Voice Vote

Recommendation:

Staff recommends the Board of Directors review, take public comment and approve the proposed five (5) year Strategic Plan for publication with recommended modifications.

Discussion:

The McKinleyville Community Services District Strategic Plan (SP) process began in August of 2012, with Board approval.

The Strategic Plan was returned to the Board On December 4, 2013 where it received the final approval of the MCSD Board.

Staff continues to update the strategic plan by meeting regularly to reflect continued progress that MCSD makes with projects, finances and improvement programs. This plan is foundational to the District's long term financial health and stability yet provides annual reviews to stay grounded in the current and mid-term needs of the community we serve.

Tonight in a workshop format we would encourage that Board to discuss, add and modify policy related issues to provide staff and management direction for the coming 5 Years.

The Strategic Plan will continue to be presented to the Board on a calendar year basis for approval.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

Not applicable

Exhibits/Attachments

- Attachment 1 – Strategic Plan 2015 Final

Strategic Plan

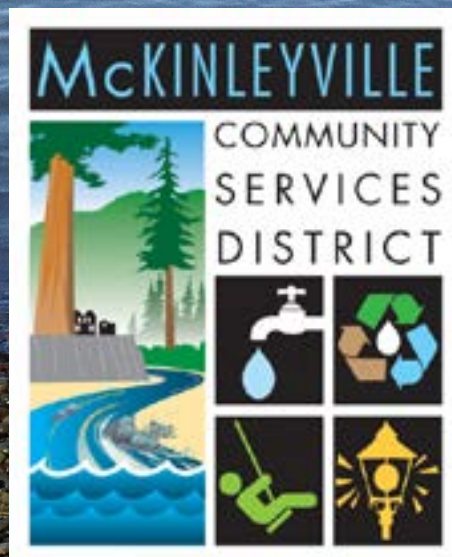
2015-2019

McKinleyville

Community Services District

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.



Board of Directors

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

District Management Team

Greg Orsini, General Manager
Colleen Trask, Finance Director
James Henry, Operations Director
Jason Sehon, Parks and Recreation Director
Becky Schuette, Board Secretary

Strategic Plan Consultant – BHI Management Consulting

Brent H. Ives, Principal



Table of Contents

Plan Development Team	2
Introduction	4
Strategic Plan Definitions	5
Strategic Plan Development	6
Continuation Process of the Plan	7
Mission and Vision	8
Strategic Elements	9
1.0 Water	10
2.0 Wastewater	13
3.0 Streetlights	17
4.0 Parks and Recreation	18
5.0 Partnerships	22
6.0 Personnel/Organization	25
7.0 Administrative Management	27
8.0 Finances	33
Table 1- The Strategic Plan “ Matrix ”	36

Introduction

A Strategic Plan is a top level planning document for an organization to set clear direction over all operational aspects of its mission. It serves as a framework for decision making over a five-year period. It is a disciplined effort to produce fundamental decisions that shape what a District plans to accomplish by selecting a rational course of action. This planning process began with an environmental scan of the District's business environment including an objective assessment of the District's strengths, weaknesses, opportunities and threats. Input from various stakeholders was gathered and analyzed. Starting with that information the District's Mission, Core Values, Vision and the overall structure of this Strategic Plan were developed by the Board in workshop settings. Within the framework of that structure and the business environment, strategies and goals were developed to sustain and where appropriate improve the District over the next five years. At its highest level, this Strategic Plan seeks to strengthen and build upon opportunities while addressing areas of concern.

This plan also identifies actions, activities, and planning efforts that are currently underway and which are needed for continued success in operations and management of the District, and provides for periodic reviews and updates.

The strategic planning effort has focused on all of the following important areas:

- Ensuring the District's long term financial health and stability;
- Carefully managing the infrastructure needed to fulfill the District's Mission;
- Providing responsible stewardship of the water, wastewater parks & recreation, streetlights and other services with which we are entrusted;
- Sustaining a high performing, motivated and adaptable workforce;
- Sustaining sound management practices and good governance;
- Fostering partnerships when needed to better achieve our Mission; and
- Assuring clear, concise and consistent communications with the community we serve.

Strategic Planning Definitions

Mission Statement: A declaration of the District's purpose, which succinctly describes why the District exists. All activities of the District should be in support of the Mission Statement. The Mission Statement is adopted by the Board of Directors. The Mission Statement is reviewed annually but is intended to be constant over the long term.

Vision Statement: A statement that articulates where the District wants to be over the life of the Strategic Plan. It outlines at the highest level the key changes that must be achieved by the Strategic Plan. The Vision creates and drives strategy and tactics identified elsewhere in the Strategic Plan. The Vision Statement is adopted by the Board of Directors. The Vision Statement will be reviewed annually and will typically change more frequently than the Mission Statement to reflect the direction the Board wants to take the District over the five-year time horizon of the Strategic Plan.

Strategic Elements: The broad and primary areas of District operations, planning, and management that are addressed and supported by the Strategic Plan goals. These essentially serve as the outline and organization of the Strategic Plan. The Strategic Elements are adopted by the Board of Directors. The Strategic Elements are reviewed annually but are intended, absent major new issues to be faced, to be relatively constant over the life of the five year Strategic Plan.

Objective And Strategy Statement: A concise statement associated with each Strategic Element that describes the objective of that element. It explains why that element is important to the District's overall strategy and finishes with a statement that describes how the Objective for that Element will be achieved through a strategy.

Strategic Goals: A short statement of desired success. The goal statement is supported by a narrative that more fully explains the nature of the goal and the issues that the goal intends to address. The Strategic Goals are prepared by management

and accepted by the Board. The Strategic Goals will change from year-to-year when the annual assessment is made of the progress on each Strategic Element. The Strategic goals straddle the line between policy (Board responsibility) and implementation (management responsibility) and as such are a collaborative effort of both the Board and management.

Strategic Plan Development

In FYE 2012 the District retained the services of BHI Management Consulting (BHI) to facilitate and coordinate the development of the District's five-year Strategic Plan. BHI first gathered input from the District employees in a number of meetings so as to allow direct and "ground level" input to the Board during their deliberations on the Strategic Plan. A public meeting was then held to further gain a broad perspective on the future of the District. To prepare for Board workshops the Consultant interviewed the District Board members individually on matters they thought were most relevant to future strategy for the District. The following topics were discussed at all of the input gathering meetings:

- Mission;
- Vision;
- Strengths;
- Weaknesses;
- Opportunities; and
- Threats.

The Board supported this process as a way to allow all to participate in the foundation of the Strategic Plan. Two Board workshops were conducted. At these workshops the Board reviewed all input, revisited and refined the existing Mission Statement of the District, created a new Vision Statement for the District and discussed Core Values.

A steering committee, consisting of Senior Management and staff, worked with BHI to develop the Strategic Goals that support each Strategic Element. Using this process,

along with both external and internal input, the Strategic Plan was assembled in a way that best articulates the Board's Vision and Strategy for the District over the next five years.

Continuation Process of the Plan

A key part of the Strategic Planning process is to conduct an annual review to update the Plan. These reviews allow for regular maintenance of the Plan so that it reflects the actual progress and conditional needs of the District. The reviews will be documented and followed up with by either a Plan supplement or an updated Plan. A five-year planning horizon will be maintained with each review effort developing a new fifth year of actions, projects and initiatives.

Mission and Vision Statements

DISTRICT MISSION

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

DISTRICT VISION

In five years, MCSD will:

- *have continued our commitment to infrastructure maintenance*
- *have explored options for additional emergency water supplies*
- *have assured water reliability (distribution system)*
- *have converted customers to all radio read meters*
- *have secured funding and completed construction of the WWMF improvement project*
- *be proactive with regulatory compliance*
- *have converted to all LED streetlights*
- *have continue our commitment to maintenance of parks, facilities and trails*
- *have opened and are operating our teen center*
- *have identified funding sources for community forest development and maintenance*
- *be operating Mad River Park*
- *have secured funding for park and trails development*
- *have formalized relationships and collaborations with other governmental agencies*
- *have maintained a high quality and efficient workforce*
- *have continued our commitment to ensuring efficient and ethical governance*

- *have improved communications with the ratepayers and then entire McKinleyville Community*
- *have ensured continued planning and training for emergency operations*
- *have achieved a “best practices” distinction*
- *have long-term, financial sustainability in all District programs (debt, reserves, program costs, etc.)*

Strategic Elements

Strategic Elements represent the vital areas of the District’s operation and management wherein strategy is placed. They assure that the implementation of strategy work to be performed in support of the Mission and Vision are comprehensive in nature and properly cover all areas of the District. Strategic elements are derived from the foundational Mission and Vision statements of the District. They are linked to action and results through the Strategic Goals written in each area and the Strategic Work Plan. The Strategic Work Plan contains the supportive actions and initiatives organized and prioritized by year within the planning period. It presents each Strategic Goal and consolidates actions in tabular form in **Table 1 - Strategic Plan “Matrix” (pg. 36).**

The Strategic Elements are:

- 1.0 Water
- 2.0 Wastewater
- 3.0 Streetlights
- 4.0 Parks and Recreation
- 5.0 Partnerships
- 6.0 Personnel/Organization
- 7.0 Administrative Management
- 8.0 Financial Sustainability

1.0 WATER

Objective: *The objective is to continue our commitment to supply safe and reliable drinking water to our present and future customers.*

Strategy: *We will do this by keeping replacement, repair and upgrading of our pipes, and pumps at a high level by ensuring adequate funding.*

1.1 MAINTENANCE PROGRAMS

Maintaining reliable water distribution and storage is the number one priority of MCSD. Through the use of our Preventative Maintenance work order software (SEMS) we will continue planned maintenance of all facilities. Annual and monthly inspections will be conducted on all aspects of the system. Results of these inspections will be used to prioritize and schedule repairs. These facilities include:

- All Booster Pumps and Motors
- Pressure Reducing Valves
- Fire Hydrants and Distribution Valves
- Emergency Chlorination Systems
- Emergency Generators
- Storage Tanks

During this planning period tank maintenance will include the recoating of Tank 1 B at Cochran Road and the replacement of the shingled roof on redwood tank 3 B at McCluski. Staff will also complete the removal of the old pumps and motors at the Northbank Station. Monitoring unaccounted for water will indicate potential leaks and initiate the search. At this time our unaccounted for water is within the industry standard, verifying the integrity of our distribution system.

1.2 WATER STORAGE TANK PROJECT

The Board has determined the necessity to maintain a 5-day reserve of water due to our single source. We are in the process of negotiating the purchase of property adjacent to Cochran Tank Site. Upon completion of the procurement process a cost benefit analysis on tank type will be conducted to determine whether the tanks design

will be steel or concrete and design completed. Search for grant funding to offset costs. Geo Tech was performed on the prospective parcel.

1.3 EMERGENCY WATER CROSSING

Due to the vulnerability of the MCSD sole water source and the construction of the Highway 101 Bridge, a 12" pipe was installed during that construction. An intertie was then needed to link MCSD to another water source. The connection between MCSD and Arcata is completed. Standard Operating Procedures will be jointly written between MCSD and Arcata to cover maintenance and operation. Proposition 50 Grants funds were utilized due to a regional effort lead by Humboldt Bay Municipal Water District (HBMWD).

1.4 EMERGENCY WATER SUPPLY

MCSD is pursuing grant funding to develop a Ground Water Management Plan (GWMP). Due to the vulnerability of one source of water MCSD had determined an emergency ground water source is necessary. Through development of the GWMP, reliable sources of ground water will be developed in the event of an emergency. Locations are being developed where the potential for groundwater can be explored.

1.5 RADIO TELEMETRY UPGRADES

Due to age of existing digital control at tank sites and booster stations MCSD has completed updating this equipment. These system upgrades ensure public safety and have supervisory control of remote infrastructure; these systems must perform in a reliable manner.

1.6 WATER MAIN REHABILITATION AND REPLACEMENT

The original MCSD water distribution system is 40 years old. The integrity of the system is still sound but since the rehabilitation of in-the-ground pipe is costly; funds will start being set aside for this particular project. Replacing valves and AC pipe with C900 as upgrades or repairs occur is also part of the District's improvement strategy.

A Technical Memorandum will be completed for rehabilitation and replacement strategies.

1.7 RADIO READ METERS

Radio read meter technology has matured to a point where it is now feasible and cost effective to utilize them. MCSD specification requires all new meters be radio read.

As meters age to roughly 15 to 18 years they have been replaced in the past. MCSD is in the process of consolidating that process to either retrofit new meters with radio heads or replace older meters with radio meters. This process will be ongoing for the next three years.

1.8 FIRE HYDRANT UPGRADE AND INSTALLATION

MCSD has agreed to “cost share” with the Arcata Fire Protection District to install fire hydrants where needed in commercial and residential areas. The fire department will cover 50% of the time and material cost to install new fire hydrants.

2.0 WASTEWATER

Objective: *The objective is to continue our commitment to provide safe and reliable collection, treatment, recycling and disposal of wastewater to meet current and future regulatory requirements and community needs.*

Strategy: *We will do this by meeting current community wastewater needs and continuing to monitor proposed future regulatory and capacity requirements and ensuring adequate funding.*

2.1 20-YEAR FACILITY PLAN

A facility plan was completed and accepted by the Board in December of 2011. The three year long process evaluated the collection and treatment systems and the reclamation and discharge facilities. These evaluations were used to determine the adequacy of existing facilities so phasing of upgrade or replacement could be documented.

- WWMF
- Wastewater reclamation sites
- Collection system
- Lift stations

2.2 WWMF IMPROVEMENT PROJECT

MCSD's existing treatment facility is unable to meet current limitations as set forth in the NPDES permit and upcoming limitations will only become more stringent. An upgrade is necessary to be in compliance with upcoming State nutrient removal requirements and to avoid future fines, so MCSD is in the process of design with construction of a new WWMF to meet current and future discharge limitations scheduled for completion during this planning period. Utilization of grant options to help offset costs is a priority for this project. Environmental work related to CEQA and 100% design will be completed along with starting construction in FY 14/15.

2.3 COLLECTION SYSTEM UPGRADES

A sewer model was designed to locate undersized mains in the collection system. Scenarios were run using proposed growth and major rain events. Several locations were identified as being inadequate to handle the flow increase without causing sewer back-ups and possible spills. A Technical Memorandum will be completed for the proposed Thiel crossing along with collecting flow data. The Board has determined Thiel will be the crossing upgraded with the other two crossings not needing an upgrade in the CIP horizon.

2.4 SEWER MAIN IMPROVEMENT AND REHABILITATION

The Board has made the prevention of infiltration a priority. Preventing groundwater from mixing with the sewer saves on pumping and treatment costs. An internal pipe patch repair kit was purchased to make these trenchless repairs. It will not only repair the broken section of the main but also save excavation costs. Replacing AC pipe with SDR 35 as upgrades or repairs occur is also part of the District's improvement strategy. During the planning period the District will pursue the conception of a Sewer Mainline Replacement Plan and adopt methods to assess the condition of the pressure sewer mains at the sewer lift stations.

2.5 RADIO TELEMETRY UPGRADES

Due to age of existing digital control, MCSD is in the process of updating this equipment. In order to ensure public safety and maintain proper supervisory control of remote infrastructure, these systems must perform in a reliable manner. The WWMF controls will be addressed along with the improvement project as well as the sewer lift stations are scheduled for this planning period.

2.6 SEWER LIFT STATION GENERATOR UPGRADES

The sewer lift station generators are nearing the end of their service life. There are also emission restrictions on these generators, which prevent the needed cycling of these generators. The District plans to upgrade the generators to meet emission

regulations and to allow for future pump upgrades during this planning period. An engineer will be contracted to design the generator size and installation to meet future needs.

2.7 PRE-TREATMENT PROGRAM

A pretreatment program is very important to regulate unwanted discharging into the sewer collection system, which can disrupt the treatment process; grease from cooking facilities can play a major factor in sewer spills. By direction of the Board, the sewer use ordinance was updated and discharge permits were issued to non-domestic discharges. Customers with grease traps will be issued permits in FY 14/15 to meet the Food Oil Grease program requirements. This State mandated program will be fully implemented in this planning period.

2.8 I&I PREVENTION

Inflow and Infiltration is costly to pump and treat. It can also overwhelm a sewer lift station and possibly cause sewer spills. Annual inspections of manholes, smoke testing and flow testing are ways MCSD identifies these issues. Keeping the public educated on not pulling cleanouts or connecting storm drains and downspouts into their sewer laterals is a method of eliminating inflow problems. Gel grouting rehabilitation of manholes and pipe patching will continue to be a priority to eliminate infiltration. MCSD will continue to utilize the camera van and push camera to inspect discrepancies found during inspections. Through the use of multiple media channels new methods of community education will be implemented during this planning period.

2.9 RECLAMATION SITE EXPANSION

Staff is researching ways to expand the District's reclamation area to meet future demand. Crop species are being studied along with purchasing property within the NPDES permit boundaries. Irrigation infrastructure will be installed in areas that will benefit from the reclaimed water.

2.10 PERCOLATION SITE DECOMMISSIONING

Due to ongoing restrictions and regulatory pressures MCSD has determined it is effective and efficient to decommission our percolation ponds west of the Fischer Property adjacent to the lower pasture as noted in the MCSD Wastewater Facilities Plan approved by the Board in December of 2011. At this time access to grant funding is being explored to convert the ponds into salmonid habitat.

3.0 STREETLIGHTS

Objective: *The objective is to continue our commitment to provide public safety through well-lit streets, intersections and neighborhoods.*

Strategy: *We will do this by implementing the most cost effective and reliable streetlight technology and through adequately funded continuing maintenance programs.*

3.1 CONVERTING TO LED LIGHTING

Due to improvements in technology that reduce carbon impact and costs, the Board directed staff to proceed with the implementation of the LED streetlight retrofit. All District streetlights have been converted to LED. Reimbursement is scheduled for 2015. Through update of District Standards, all new developments will be required to meet the LED fixture and pole specifications.

3.2 MAINTENANCE PROGRAMS

Through use of a new pole inspection program, poles will be replaced prior to becoming a safety hazard and as needed due to condition or collision. GIS locations of new poles will be collected as new development occurs.

4.0 PARKS AND RECREATION

Objective: *The objective is to provide safe and high quality parks, facilities, trails and recreation programs for the McKinleyville community.*

Strategy: *We will do this by encouraging community participation to assess recreational needs; deliberately seeking broad funding for the support of parks, facilities, and trails.*

4.1 TEEN AND COMMUNITY CENTER

Over the course of the last several years, staff gained community feedback to consider future needs for the Parks & Recreation Department. The results of this survey showed support for building a Teen Center in McKinleyville. In 2012, the Board approved Measure B and authorized staff to begin the process to design and construct a Teen and Community Center at Pierson Park. A majority of funding for the construction and a portion of the maintenance for this project has been secured through the successful passing of Measure B. Staff will continue working on fund raising efforts to help furnish the facility.

The design was completed in FY 2013/14. The project went out to bid in October 2014 with bid opening on Thursday, November 20, 2014. We received three bids. The lowest responsive bid was \$264,000 above the Architect's estimate of construction cost of \$1,850,000. Management will be working with the Architect and exploring possible alternatives. Management will be bringing potential options to the Board for consideration.

Staff has been working with the Boys & Girls Club of the Redwoods (BGCR) to develop a partnership and an MOU for the operation of the teen center once it's built.

4.2 HEWITT RANCH PROPERTY

This park has been identified as a necessary enhancement to the McKinleyville community through a series of Public Meetings held in 2007. Ultimately, the MCSD Board encumbered \$25,000 in Quimby Inland Park Dedication Funds for the project and directed staff to pursue matching grant funding for the park expansion. Based on staff recommendations and public input, the Board approved enhancements to include an interpretive trail system, a disc golf course and small gravel parking lot. Funding options will be developed and brought to the Board for consideration in 2016.

The development of this property is dependent upon access, which would be contingent on the purchase of the property adjacent to the Cochran tanks Site.

4.3 WASHINGTON AVE PROPERTY

This 3.10 acre property was purchased in 2013. While there are no immediate plans for park development, the Board has expressed interest in creating access so that it will be available for the community to use as open space.

Invasive Scotch broom plants have been removed. Parks staff continues to keep the property mowed on an approximately quarterly basis.

Staff will be working with the BMX community and USA BMX to evaluate the feasibility of building a BMX Bike Track at the location. If the location is suitable for a BMX Bike Track, staff will ask the Recreation Advisory Committee to make a recommendation to the Board.

4.4 COMMUNITY FOREST

Staff will explore funding avenues for the operation and maintenance of a community forest at two potential locations in McKinleyville.

The McKinleyville Area Plan has identified the importance of a community forest in McKinleyville. Locations and funding will be researched and identified throughout this planning period.

Potential sites for a community forest may be pursued through negotiations with Green Diamond Enterprises.

4.5 MAD RIVER PROPERTIES

This property has been identified as having recreational potential and staff will seek funding in the form of grants and donations for future development in line with strategic directives. Discussions with Humboldt County continue in order to provide access via North Bank Road.

4.6 STANDARDS & SPECIFICATIONS: OSMZ/PARKS

Staff has worked to develop Standards and Specifications for parks, facilities and open space maintenance zones. The goal for completion is in FY 2014/15.

Staff continues to meet weekly and with the General Manager monthly for review until it is completed.

Once the document is completed, it will be brought to the Board for approval.

4.7 MAINTENANCE STANDARDS

The Board and members of the community have placed a priority on continuing a high standard of maintenance for our parks and facilities. Management will implement this priority by evaluating staffing levels and continuing employee training opportunities.

Staff will begin meeting to discuss Maintenance Standards and continue training.

4.8 MOU WITH HUMBOLDT COUNTY FOR CENTRAL AVENUE LANDSCAPING

Staff has met with Humboldt County to discuss developing an MOU for the maintenance of Central Avenue Landscaping. Once complete, it will be brought to the Board for approval.

4.9 COVERED PICNIC AREA

Staff has begun construction on the Pierson Park covered picnic area project. Funding is coming from a Land & Water Conservation Fund Grant (\$25,000) and Quimby Inland Parkland Dedication Funds (\$50,000). Most of the project will be completed in house in order to cut costs.

The project is expected to be completed in FY 2014/15.

5.0 PARTNERSHIPS

Objective: *Our objective is to foster beneficial relationships to accomplish the broad, long-term strategies of the District.*

Strategy: *We will do this by embracing strategic ties with other organizations and agencies, working closely with regulators, supporting a deliberate legislative agenda and participating in professional associations.*

5.1 FOSTER REGIONAL COOPERATION

The infrastructure of the District is dependent on the interties of other agencies, i.e.; the County, surrounding city governments and special districts. It is through a combined effort that the services needed by our community are effectively and economically delivered. These relationships are built on our dependency upon inter-agency cooperation. As MCSD moves forward, the District must maintain and seek out additional areas of cooperation. This is critical to our continued growth and commitment of service. We will continue participating in Humboldt Bay Municipal Water District (HBMWD) Municipal water customer group meetings as well as in the Humboldt County Emergency Operations Plan (EOP) through interoperability and mutual aid agreements. District management will continue to meet with Humboldt County Board of Supervisors and with Humboldt County Sheriff Department and Arcata Fire Protection District. We will work to improve coordination with the Humboldt County Planning and Public Works Departments and foster an environment where elected officials from Arcata and McKinleyville can meet to discuss shared responsibilities. Additionally, we will continue partnerships that benefit MCSD by providing labor and project support, such as with SWAP, California Conservation Corps, Service Clubs, McKinleyville Family Resource Center, Eagle Scouts, etc.

5.2 IMPROVE POLITICAL TIES – COUNTY SUPERVISORS, STATE LEGISLATURE, FEDERAL LEGISLATURE –

The political ties present and available to MCSD are intertwined in the financial resources and support necessary to maintain existing infrastructure and services to the community. As demands are being met, these ties are daily nodes of information about additional resources available on a larger scale. As our political partners become aware of grants, financial resources or other projects that are beneficial to the District, our relationships with them gains importance.

It is critical to continue to contact and educate each organization in order to make them aware or enable them to provide valuable information and conduits for access to these resources. We will continue to seek inclusion in Humboldt County Association of Governments (HCAOG) either directly, or through Joint Powers Association (JPA) or through committee membership. Additionally, we will continue to participate with State level organizations, including Special Districts Risk Management Authority (SDRMA), California Special Districts Association (CSDA), California Water Environmental Association (CWEA), Association of California Water Agencies (ACWA) and the California Parks & Recreation Society (CPRS). We will also monitor opportunities for inclusion in other organizations that will increase the Districts political influence.

In addition to maintaining and nurturing ties with associations and groups, it is also important to continue to work closely with our local, state and federal government representatives. We will maintain those relationships with current positions and reach out to foster new relationships with newly elected officials. It is our goal to meet with these officials, at minimum, bi-annually or as opportunities present themselves, more frequently.

5.3 PARTICIPATE WITH COMMUNITY GROUPS, VOLUNTEER GROUPS AND PROFESSIONAL ASSOCIATIONS

It is important to participate with local groups representing various constituents in order to achieve and deliver services needed or seen as needed by the local community. Our relationships today foster cooperation and maintain links to our community. It is important to embrace these in the future as the community changes and demands different services or approaches to serving its needs. Local leaders provide access to the heartbeat of the community and the District will collaborate and lead where necessary in leveraging those relationships. They include, but are not limited to:

- Humboldt Area Foundation
- Kiwanis Club of McKinleyville
- McKinleyville Area Fund
- Mad River Rotary Club
- Humboldt Sponsors
- Boy Scouts/Girl Scouts of America
- California Conservation Corps
- Headwaters Fund
- Moose Lodge
- McKinleyville Chamber of Commerce
- American Red Cross
- Humboldt County Probation Department
- Soroptimist Club
- Humboldt Regional Occupation Program
- McKinleyville Organizing Committee
- McKinleyville Family Resource Center
- Youth Advisory Council
- Boys & Girls Club of the Redwoods
- McKinleyville Land Trust

6.0 PERSONNEL/ORGANIZATION

Objective: *The objective is to sustain a motivated, high quality and efficient workforce for an adaptable organization.*

Strategy: *We will do this by utilizing sound policies and personnel practices, offering competitive compensation and benefits, providing opportunities for training, development and professional growth and ensuring a safe and secure workplace.*

6.1 EMPLOYEE RETENTION

To ensure the District remains a desirable place to work and is thereby able to recruit and retain a high-performing workforce is a high priority. We will have periodic studies done to determine appropriate staffing levels, compensation and benefit competitiveness relative to local and regional labor markets. We will structure the salary schedule and professional growth opportunities to allow employees to see a clear and attainable career path at MCSD.

In order to attract and retain the best talent, we will provide opportunities for employees to enhance their job skills and knowledge in their career field. It is essential to offer opportunities for employees to be evaluated and recognized for superior job performance and rewarded for submitting valuable suggestions for improving business practices.

6.2 TRAINING AND DEVELOPMENT

Given the size of our District workforce, it is important that our staff be well trained in multiple job duties. Individual Development Plan reviews will continue to be done annually in order to ensure that the District can meet the regulatory requirements and provide excellent customer service. Employees will be encouraged to train in related disciplines that will meet District needs.

Cross training plans will continue to be provided to increase knowledge and skills within each job function, and development of a succession plan will ensure continuity of operation in the event of a staffing crisis.

6.3 EMPLOYEE COMMUNICATION

Effective communication is essential to the functioning of the District and to productive management/employee relations. Maintaining and following a current Organizational Chart; holding regularly scheduled staff and management meetings; maintaining and updating current Personnel Policy Manuals and Employee Handbooks through regular legal and management review; and providing multiple avenues and informal channels of communication in addition to official channels will facilitate improvements in employee communication.

6.4 EMPLOYEE SAFETY PROGRAM

A safe working environment is a number one priority for the District. This will be accomplished by holding regularly scheduled tailgate safety meetings and administrative safety meetings. Participation in SDRMA's annual safety audits; conducting regularly scheduled safety training; monthly safety inspections of all facilities, playgrounds and parks; weekly safety inspections of all equipment and vehicles are all essential elements in providing a safe working environment.

6.5 EVALUATION AND PERFORMANCE MANAGEMENT PROGRAM

High quality and ongoing staff evaluations are key to providing feedback and fostering excellent employee performance. This will be accomplished by requiring Annual Performance Evaluations for all staff and conducting 360 evaluations for the General Manager, Department Heads, and all other supervisory positions.

7.0 ADMINISTRATIVE MANAGEMENT

Objective: *The objective is to ensure efficient and ethical governance and sound management of the District.*

Strategy: *We will accomplish this by proactively managing organizational knowledge, being responsive, consistent and accountable to our public, following an effective self-assessment policy while adapting the management best practices necessary to support the evolving needs of the organization.*

7.1 DISTRICT POLICIES AND PROCEDURES

The current rules and regulations of the District provide a solid basis of operation. Additional demands of the community we serve, emerging regulations, and/or Board procedural or policy desires will require continued strategic development and maintenance of operating guidelines. These inform, educate and moderate the activities of the staff, community and partners of the District. We will continue the practice of regular review and update of the Rules and Regulations. Additionally, the Board Secretary, who is currently designated to document changes and insure timely and accurate reporting of the changes, will make sure that we comply and are up to date with all required policies and procedures.

7.2 RECORDS RETENTION

Legal requirements for record retention policies are established on a statewide basis. Adherence to these pre-established minimum standards and accepted guidelines is mandatory for record retention. Records retention policy will be reviewed by District legal counsel on a regular basis to maintain compliance.

Document management software has been installed, staff has been trained and historical records are being scanned. Current documents are being scanned in as they are created. This program has added a level of technology to our present

retention and filing system. The ability to identify and retrieve data remains of primary importance.

New policies are being developed as MCSD grows in service to its citizens and as it coordinates these services with sister districts and agencies. As additional policies are necessary, management will update the rules and regulations manual in place. This responsibility for development lies within each department: yet will be coordinated through administration with proper Board approval. At present, all departments access these rules and regulations through the “P” drive; changes are presented by staff to the Board, approved and updated as required.

7.3 CUSTOMER SERVICE

The District recognizes the importance of customer service and strives to serve all elements to the best of its ability through ongoing training and adaptation to the evolving needs of the community.

As such, MCSD is constantly training staff in updated methods of customer service. This includes identification of service improvements and increased use of technology to deliver service to customers at the highest level. Staff is monitored through HR in their development and training in support of these customer service objectives. Additional activities on to customer feedback, community surveys and opportunities for public comment are part of this focused effort.

7.4 BUILD PUBLIC INFORMATION PROGRAM

The continued use and further development of the Public Information Program is designed to communicate activities to the general populace. These programs bring the community into the business of the District allowing a conduit of information between the District and the public. The District believes strongly in informing citizens of current activities, seeking support for those activities and maintaining the public's

access to information. The following resources and points of communication are being developed to further these efforts.

- **Website:** Provides an avenue for updating and distributing topical information in an economical and accessible manner.
- **Public Service Announcements (PSA):** Emphasizes important topics and events affecting each individual served in the community.
- **Newsletter:** Highlights events affecting the community and provides input from the community on the heartbeat of the District.
- **Recreational Activity Guide:** Allows for participation of the community in local and MCSD sponsored events throughout the year.
- **Flyers:** Brings awareness to special events affecting and promoting the District.
- **Posting Notices:** Keeps the populace aware of important meetings, events and public meetings, which are avenues for communication.
- **Development of social networking resources:** Communicates vital information in a timely manner to a new generation of District customers.

7.5 BOARD DEVELOPMENT

As new members are added to the Board, it is important to familiarize them with the laws governing Board management and policies including new Board member orientation procedures.

Additionally, experienced Board members are encouraged to seek additional training throughout the year to promote ethical and transparent government at the local level. This begins with the mandatory AB1234 training in ethics. Board members will also be encouraged to participate in professional development conferences or other trainings at least bi-annually.

Depending on participation in other agencies Boards and committees, each Board member is active in conference attendance and District representation. New ideas are constantly being brought back from these events increasing and promoting awareness of new and better methods of providing service to the District. Regular attendance at Board meetings and appointment to other agency's committees is emphasized.

As new members are added to the Board, it is important to familiarize them with the laws governing Board management and policies. These are provided in the Board manual, in training on the Brown Act and Public Records Act. Legal representatives are present to guide and instruct the Board as needed.

- Formalized Board/General Manager communication plan
- Periodically update the new Board Member Orientation Manual

7.6 ANNUAL REVIEW AND UPDATE OF THE DISTRICT'S STRATEGIC PLAN

It is important that each year the Board and Management work together to review and update this strategic plan. Updating annually assures that the plan remains current, that specific strategies and tactics remain viable, that our prioritization is still on-track and that we together have clarity for our strategy year after year. We will review and update the strategic plan each year in January or February in a workshop format, in conjunction with the annual budgeting process and will do a comprehensive update in five years.

7.7 EMERGENCY PREPAREDNESS AND RESPONSE

Participation in local Operational Area cooperative group, Humboldt County Hazard Mitigation Plan, MCSD's Emergency Operations Plan, regularly scheduled training including set-up and "tabletop exercises" and National Incident Management Systems training included in Individual Development Plans.

7.8 ACHIEVE BEST PRACTICES DISTINCTION AWARDS

During the strategic planning process, the Board recognized the achievement of a best practices award as a goal. There are many types of Excellence Awards available to Special Districts from various regional, state, or national professional groups including financial, management, operational, and others. Over the range of this strategic plan, we will review available awards and position the District to achieve a public acknowledgement of excellence for McKinleyville. In October of 2013, MCSD was awarded the District Transparency Certificate of Excellence by the Special District Leadership Foundation (SDLF). The District will be working towards re-certification of this Certificate early in FY 2015/16 as it will expire in September of 2015. By early spring, all required trainings and processes will have been completed in order for MCSD to apply for the SDLF District of Distinction accreditation and that certificate should also be awarded by early in FY 2015/16.

7.9 EXPLORE OPTIONS FOR INCREASES IN ENERGY EFFICIENCY AND ALTERNATIVE ENERGY SOURCES

The Board and staff recognize the necessity of exploring alternative energy sources and reducing District energy consumption. This is important to minimize rates and reduce our carbon footprint.

This can be accomplished through energy efficiency audits and updating equipment with new efficient technologies.

7.10 PLANNING AND LATENT POWERS

In an effort to continue to provide services within MCSD's sphere of influence the District will review the potential annexation of areas that are currently provided water or are within a natural boundary. Annual reviews of MCSD's boundaries would be encouraged. Efforts to maintain continuity with the requirements of LAFCo will take precedence.

7.11 INTEGRATED PEST MANAGEMENT PLAN (IPM)

Staff has been working to develop an IPM for the past two years. Information was posted on the MCSD website asking community members to provide input.

A team of staff was formed to review and incorporate comments from the community. Comments are evaluated and a revised draft plan will be presented to the Board in workshop format each month.

8.0 FINANCES

Objective: *Our objective is to manage public funds to assure financial stability, prudent fiscal management and demonstrate responsible stewardship.*

Strategy: *The District will ensure that adequate financial resources are available to fund current and future demands, utilizing funds to maximize value to the customer.*

8.1 RESERVE POLICY IMPLEMENTATION

The Board has set a goal to maintain reserve funding according to the 2012 Reserve Policy. To achieve that goal, management will analyze and monitor capital inflows and outflows and will control costs as much as possible in order to run operating surpluses in all Funds sufficient to offset losses accumulated from prior years. The end goal is to have fully funded reserves in all Board designated categories. We will also continue to monitor State policies that might endanger the District's critical strategic reserves and bring Reserve Policy adjustments to the Board for action to mitigate the risk of future State seizures of funding.

8.2 BUDGET DEVELOPMENT AND COMMUNICATION

The budgeting process is one of the most important financial planning tools available to the District. It is the foundation on which our strategy rests. Without adequate budget information and financial feedback, the Board and District management cannot make sound, fiscally responsible decisions about the starting, sequencing, or completion of projects and programs.

8.2.1 Our budget process will continue to be collaborative, with input from the Board for overall strategy, and from the General Manager and all Department Heads for operational accuracy. It will reflect projects, plans, and actions referenced to this strategic plan.

8.2.2 Our budget process will continue to incorporate past historical trends, current economic and demographic trends in the community, local and State governmental and regulatory environments, and annual operational forecasts.

8.2.3 The District budget will be presented to the board in Draft form each year in the months prior to official adoption so the Board can ensure adequate review and alignment with strategic objectives.

8.3 CAPITAL BUDGET MANAGEMENT

To facilitate long range strategic planning, the rolling 20-year Capital Improvement Plan Budget will be presented annually to the Board with a 10-year horizon for each Fund as part of the annual budgeting process. Each element in the Capital Budget shall have a funding notation – an estimate or assumption about where the funding for that budget item will be found. Some types of items have a generous grant environment, while others will need to be funded with long-term debt, or directly from Reserves or operating funds. This will allow adequate review of operational cash flow impacts and ensure that capital acquisitions are in alignment with strategic objectives.

8.4 DEVELOPMENT OF FINANCIAL MANAGEMENT SYSTEM

While the current financial management system used by the District is robust in some areas like utility billing, it is weak in others such as data collection, trend tracking and reporting. Over the next five years, all components of the system, both manual and computerized, will be reviewed for efficiency and functionality and upgraded, supplemented, or replaced as necessary. Planned replacements of large software components will be included in the Capital Budget for review and approval by the Board.

8.5 FINANCIAL AUDIT

A financial audit will be performed annually after the close of the fiscal year to ensure that District finances are compliant with Generally Accepted Accounting Principles (GAAP), the Government Accounting Standards Board (GASB) and other regulatory requirements, and to provide additional perspective on internal controls and financial processes.

8.6 RESERVES RECOVERY

Part of the most recent study of Water Rates was the inclusion of a surcharge to recover the reserves used as working capital during the period when the water rates were not adequate to cover operating costs. We have been tracking the collection of this surcharge on a monthly basis and depositing the funds in a separate Trust Account with the County of Humboldt. When we have recovered the expended reserves, we will remove the surcharge from customers' bills. Progress is tracked on a graph on the District website and on a manual graph in the front office.

8.7 RATE STUDIES

A rate study is being conducted to verify that projected revenues are sufficient to meet funding requirements for construction, operation and maintenance of the WWMF Improvement Project.

McKinleyville CSD Strategic Plan 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	JH	\$ 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	JH	\$ 185,000.00	property negotiation	design	pursue grant funding	build	build	2018	5%	Geotech complete and complete negotiations
1.3	Emergency Water Crossing	JH	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/JH	\$ 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	JH	n/a	completed/ funded		exploration of new or updated digital control strategy			2013	100%	
1.6	Water Main Rehab/Repl	JH	\$ 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	JH	\$ 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	JH	\$ 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 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 & JH	\$ 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	JH		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	JH	\$ 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	JH	\$ 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	JH	\$ 20,000.00	engineering and design	replace Letz Gen.	replace Fischer Gen.	replace Fischer Gen.	replace Fischer Gen.	2017		
2.7	Pre-Treatment Prog	EJ	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	JH	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	JH	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	JH/ GM	n/a	pursue grant funding for planning and design to decommission percolation ponds	initiate plan	decommission percolation ponds					

McKinleyville CSD Strategic Plan 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	JH	n/a	completed/funded					2014	90%	
3.2	Maintenance Programs	JH	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	JS	to be determined	construction & develop MOU with BGCR	doors open	dunding and program development			2014/15	20%	
4.2	Hewitt Ranch Park	JS	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	JS	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 pusuig	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	JS	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	JS	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	JS	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 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	JS	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	JS	n/a	work on MOU with the County, bring to Board					2014/15	50%	
4.9	Covered Picnic Area	JS	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 & JS	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 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 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	CMRT	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	JS	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 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	JH & JS	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	CT & GM	n/a	review & monitor	review & monitor	review & monitor	review & monitor	review & monitor		Ongoing	
8.2	Budget Development	CT	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	CT & 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	CT	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	CT	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	CT	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

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **INFORMATIONAL**

**ITEM: E.10 Wastewater Management Facility Improvement
Project Open House**

PRESENTED BY: James Henry, Operations Director

TYPE OF ACTION: None

Recommendation:

Staff recommends that the Board listen to a presentation, air questions and take public comment.

Discussion:

On December 9, 2014 staff hosted an Open House at Azalea Hall to inform the public and answer questions regarding the Wastewater Management Facility Improvement Project. The Project manager from Kennedy/Jenks was present along with Planwest Partners, Inc. to assist with any questions from the public. Flyers were hung in numerous locations to inform the public about the date, time and location of the Open House.

Six exhibit stations were set up to view the process, from the proposed design to the estimated costs and schedule. Approximately 14 members of the public attended, each with questions and comments. There were questions ranging from how their view of the site will be affected to how the proposed process performed and how many years the treatment process would satisfy the NPDES permit. There were concerns on whether or not the District would need to extend the fence boundaries, the increased power consumption and if there will be an increase in odor. There was a lot of positive feedback and the public appeared satisfied with the direction that the District was going with the upgrade.

Alternatives:

Take no action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 – Open House Flyer
- Attachment 2 – Exhibits

Open House

MCSD Wastewater Management Facility Improvement Project

Date: Tuesday
December 9, 2014
Time: 4-7pm

Wastewater Management Facility



Learn About:

- Project Area
- Project Improvements
- Water Quality Benefits
- Environmental Compliance
- MCSD Services
- Projects Costs & Schedule

*Ask questions and
share comments.*

Azalea Hall
1620 Pickett Road
McKinleyville

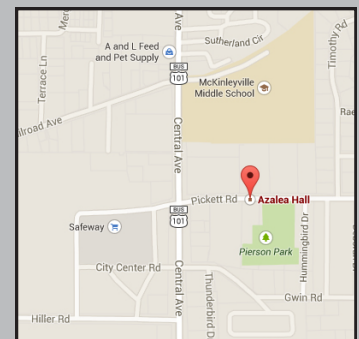


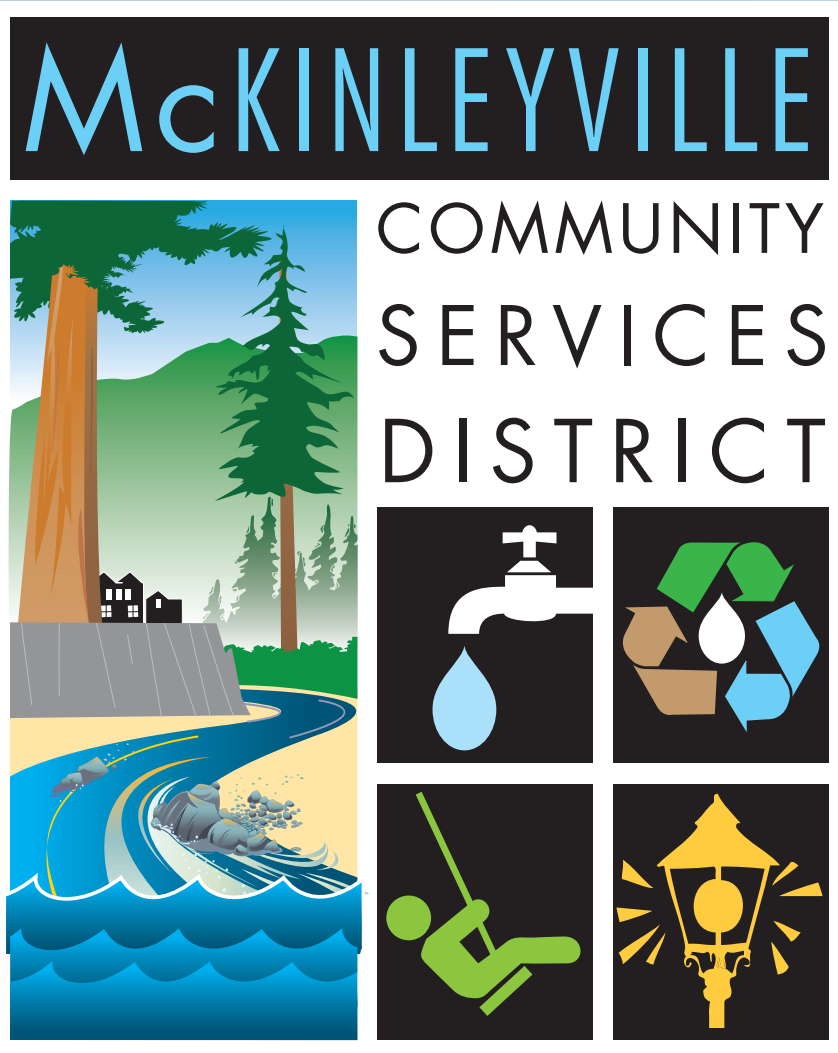
MCSD Contact Information
1656 Sutter Rd.

McKinleyville, CA 95519

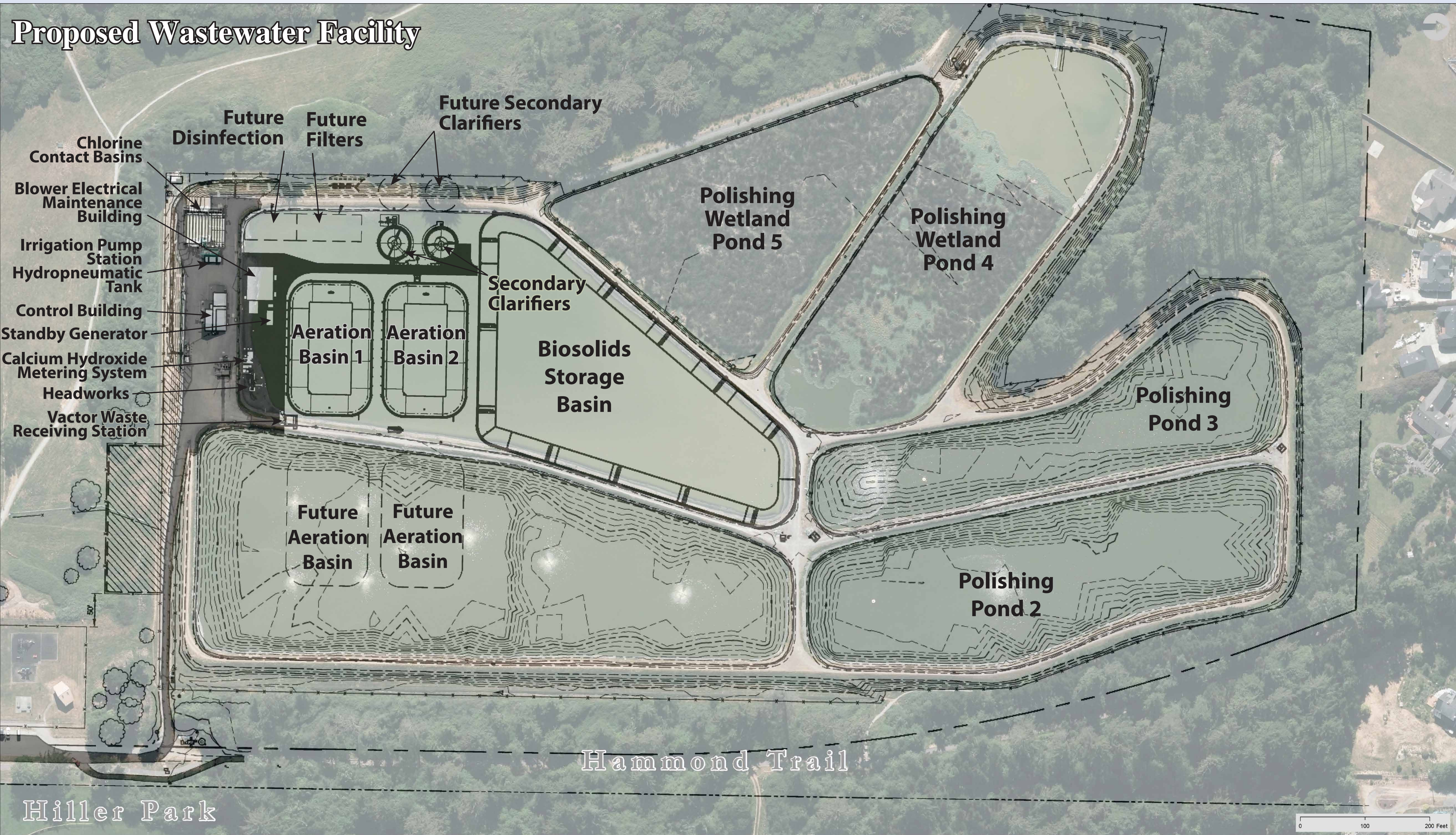
Phone: 707-839-3251

Email: mcsd@mckinleyvillecsd.com





Project Area: Existing & Proposed Project Limits

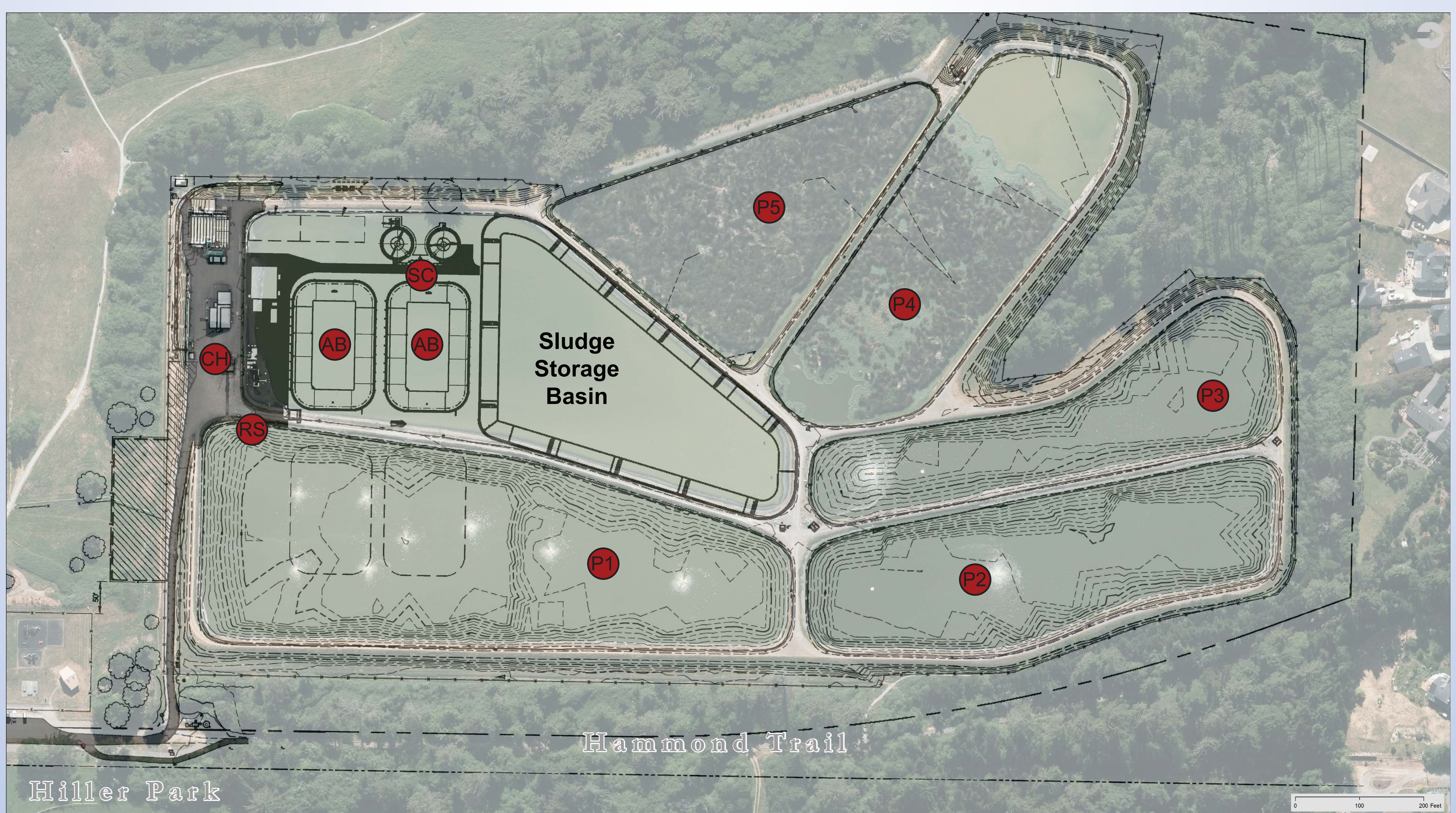




The diagram illustrates the Plant Flow Conceptual Model, showing the sequence of treatment units and the flow of wastewater and effluent.

Flow Path:

- Receiving Station (RS):** Receives influent from Hiller & Fischer Road Lift Stations.
- Influent Screen:** Removes large solids. Screenings are sent to landfill.
- Influent Sampler (S):** Samples influent before the aeration basins.
- Calcium Hydroxide (CH):** Added to the flow between the screen and the aeration basins.
- Aeration Basins (AB):** Two parallel basins where biological treatment occurs, receiving air.
- Flow Distribution Flumes:** Distribute flow between the aeration basins and the secondary clarifiers.
- Secondary Clarifiers (SC):** Two parallel clarifiers where solids are settled and recycled back to the aeration basins.
- Secondary Effluent Pumps:** Pump effluent from the clarifiers to the polishing ponds.
- Polishing Ponds:** A series of five ponds (P1 to P5) for further treatment. Ponds 1-3 are Polishing Ponds, Ponds 4 and 5 are Polishing Wetlands.
- Pond 4 Pump Station:** Located between Polishing Wetland Pond 4 and Polishing Wetland Pond 5.
- Effluent Treatment:** Effluent from the ponds is treated with Chlorine Gas and Sulfur Dioxide Gas in Chlorine Contact Basins.
- Effluent Weir Gates:** Control the flow of effluent from the contact basins.
- Effluent Sampler (S):** Samples effluent before the irrigation pumps.
- Irrigation Pumps and Hydro Tank (M):** Pump effluent for irrigation.
- Outfall:** Effluent is discharged to Mad River and Irrigation.





Water Quality Benefits



Contaminants - The project will:

Reduce ammonia toxicity

Reduce Biochemical Oxygen Demand (BOD) & Total Suspended Solids (TSS)

Reduce nutrient load

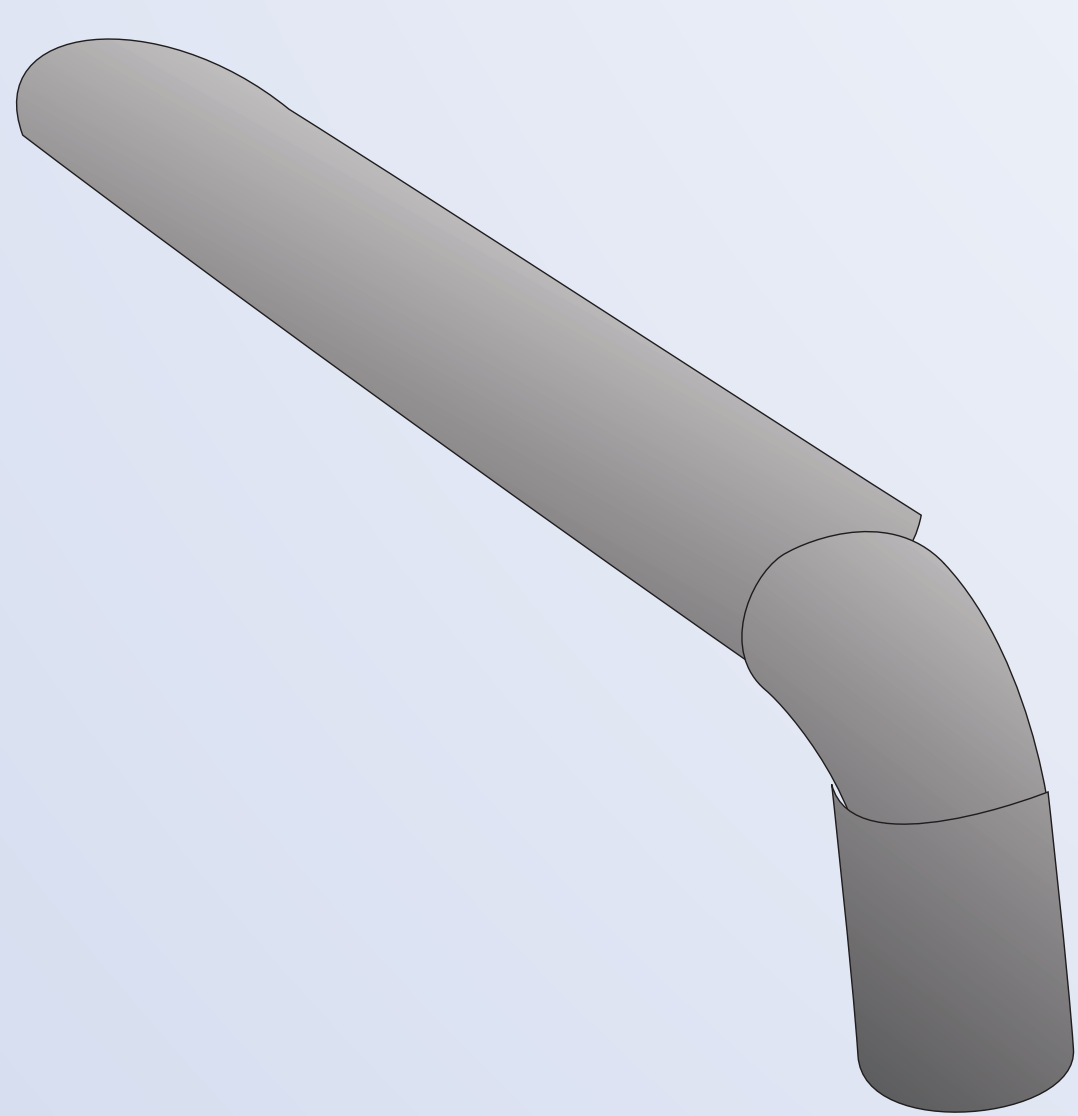
Reduce metals, volatiles, semi volatiles and pesticides

Reduce effect on groundwater quality

Provide enhancement to receiving waters

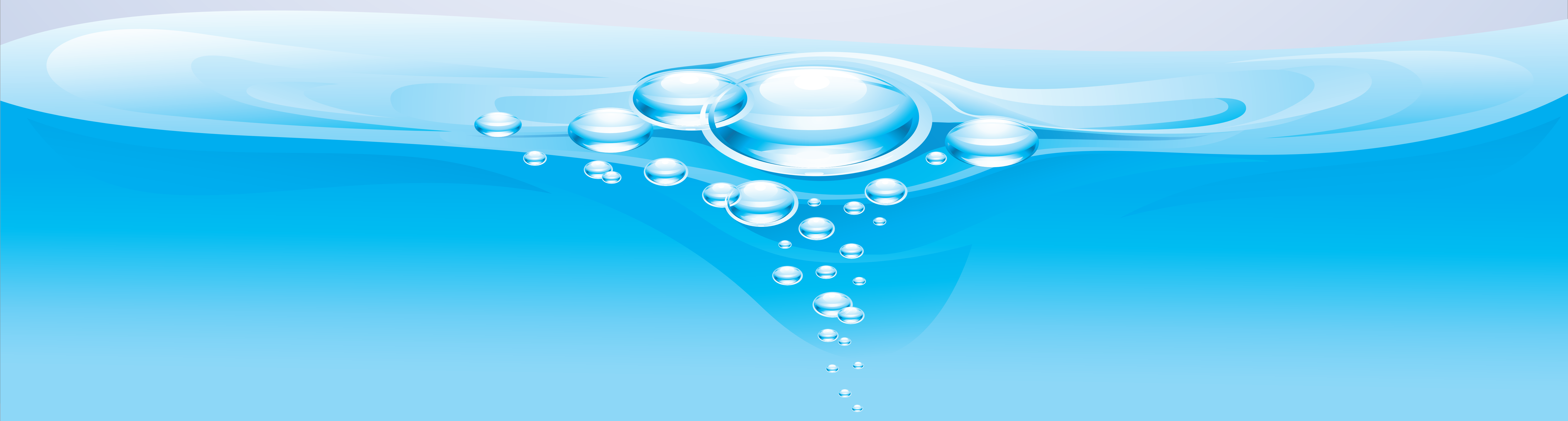
Irrigation

Crop irrigation for hay - especially important during drought. Agriculture users may draw from the treated MCSD water rather than wells or the river.



New Requirements

New more stringent requirements will occur after the current permit expires in 2016. Without the upgrades the new limits cannot be met.





Environmental Compliance & Permitting

The district prepared and adopted an Initial Study/Mitigated Negative Declaration and Mitigation Monitoring & Reporting Program. Potential effects were less than significant for all environmental analysis factors. Geotechnical and cultural resources reports were also completed for the project.

Environmental Analysis Factors

Aesthetics
Agriculture and Forest Resources
Air Quality
Biological Resources
Cultural Resources
Geology and Soils
Greenhouse Gas Emissions
Hazards and Hazardous Materials
Hydrology and Water Quality
Land Use and Planning
Mineral Resources
Noise
Population and Housing
Public Services
Recreation
Transportation/Traffic
Utilities and Service Systems
Mandatory Findings of Significance

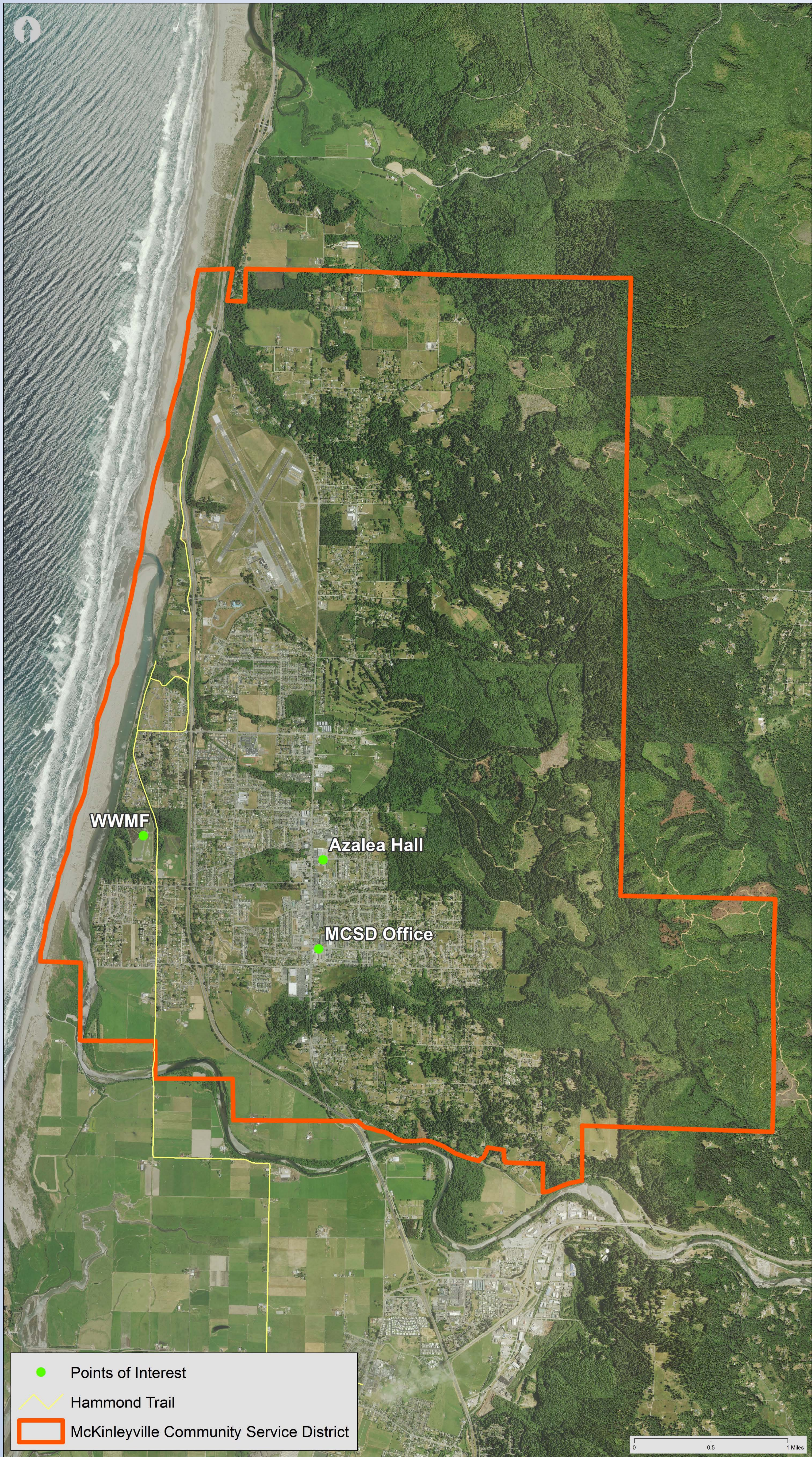


Required Permits

- County Coastal Development Permit
- North Coast Unified Air Quality Management District Permit



MCSD Services & Service Area



MCSD Services Provided

- Safe and reliable water
- Wastewater
- Lighting
- Open Space
- Parks & Recreation
- Library Services

MCSD Serves...

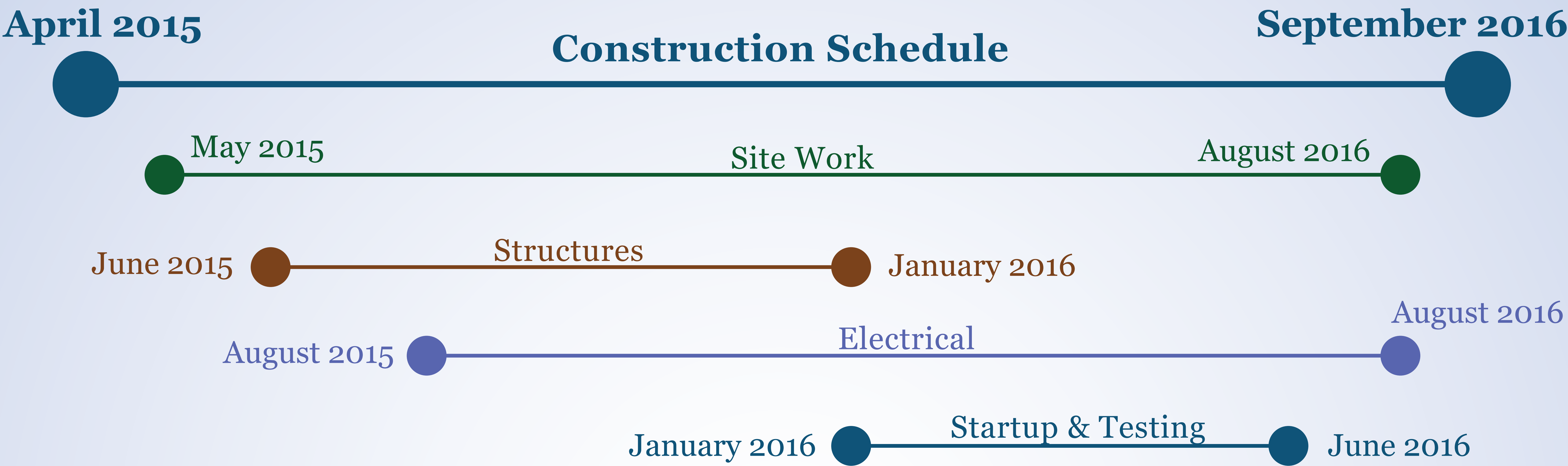
- Over 12,000 acres
- 16,000 residents
- 5,300 water services
- 4,500 sewer connections

Capital Improvement Plan & Goals

- Address immediate permit requirements
- Anticipate future permit and regulatory requirements
- Accomodate anticipated growth and community needs



Project Costs and Schedule



Total Anticipated Project Cost

Component	Total Cost
Facilities Plan	\$250,000
Engineering (Design, Bid)	\$1 M
Engineering (CM Services)	\$1.3 M
WWMF Improvement Project	\$11.3 M
2014 Pond 1A and 1B dredging	\$.9 M
Ponds 1B, 2 and 3 dredging	\$1 M
Construction Change Orders	\$340,000
Contingencies	\$500,000
Estimated Total Project Cost	\$16.6 M

Project Funding

- Low interest loans (State Revolving Fund) primary source
- Possible grant funding
- Potential sewer rate adjustment

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.11 **Consider Authorization for Director Mayo to Attend ACWA 2015 DC Conference in Washington D.C. February 25-26, 2015**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends that the Board review the information provided for the Association of California Water Agencies (ACWA) 2015 Conference February 25-26, 2015; take public comment and consider authorization for Director Mayo to attend and for the District to pay his conference registration fees.

Discussion:

At the December 3rd meeting, Director Mayo requested this item be placed on the agenda for approval of his attendance. He is requesting that the Board authorize payment for the conference registration and he would pay his own travel and housing.

ACWA's 2015 Washington, D.C. Conference is set for February 25-26, 2015 at the Liaison Hotel in Washington, D.C. Attendees will learn firsthand the priorities of the 114th Congress and Obama Administration; get the latest on the budget and funding for programs of interest; meet and join fellow Water Agencies to show the importance of California water issues and better develop your federal legislative and regulatory strategies. Additionally, attendees will hear from new Congressional leaders, top officials at EPA, Army Corps, and Bureau of Reclamation; Meet the newest members of the California Congressional Delegation; Hear from 'DC Insiders' about the regulatory avalanche.

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

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

- Pre-registration for the full conference and meal package is \$625.

Environmental Requirements:

None

Exhibits/Attachments:

- Attachment 1 – ACWA Region 1 Program Schedule

PRICING REFERENCE SHEET

ACWA DC2015
Annual Washington D.C. Conference

February 25–26, 2015
The Liaison Capitol Hill

Register online @ acwa.com

Regular registration and cancellation deadline is February 6, 2015 • 4:30 p.m. (PST)

REGISTRATION FEES & OPTIONS	REGULAR	ONSITE
Advantage (For ACWA public agency members, affiliates & associates ONLY)	(ends 2/6/15)	
Full Conference Registration & Meals Package	\$625	Not Avail.
Full Conference Registration Only	\$535	\$555
Wednesday (Feb. 25) Conference Registration Only	\$300	\$320
Thursday (Feb. 26) Conference Registration Only	\$250	\$270
Standard (Applies to non-members of ACWA)		
Full Conference Registration Only	\$800	\$820
Wednesday (Feb. 25) Conference Registration Only	\$450	\$470
Thursday (Feb. 26) Conference Registration Only	\$375	\$395
Guest (Guest registration is not available to anyone with a professional reason to attend.)		
Guest Conference Registration Only	\$45	\$45

MEAL FUNCTIONS	REGULAR	ONSITE
Tuesday – February 24		
Congressional Reception	No Added Charge	No Added Charge
Wednesday – February 25		
Full Breakfast	\$50	\$65
Lunch & Tour	\$60	\$65
Networking Reception	No Added Charge	No Added Charge
Thursday – February 26		
Full Breakfast	\$50	\$55

HOTEL INFORMATION

You must be registered for the ACWA D.C. Conference in order to make hotel reservations at the special room rate.

The Liaison Capitol Hill

415 New Jersey Ave. NW, Washington, DC 20001
202-638-1616

Special Hotel Rate: \$334 per night (The cut-off date to receive the \$334 per night special rate is January 22, 2015)

Reservations can be made by phone at 866-233-4642 or by email at reservations@affinia.com

Please identify yourself as part of the Association of California Water Agencies.

Any reservation made after January 22, 2015 is subject to the hotel's regular room rate and based on availability.

Hotel Questions, Cancellation or Changes: Contact hotel directly at 202-638-1616 or 866-233-4642

PAYMENT METHODS

- ☒ Check payable to ACWA – 910 K Street, Ste. 100 • Sacramento, CA 95814
- ☒ Bill me
- ☒ Charge credit card: MasterCard or Visa

If you select check or bill me payment option, to expedite the check-in process onsite, ACWA must receive payment two weeks prior to the event.

Questions? Contact us at 916.441.4545, toll free 888.666.2292.

Conference terms and conditions available at acwa.com in the event section.



REGISTRATION TERMS & CONDITIONS

ACWA DC2015 ~ Annual Washington D.C. Conference The Liaison Capitol Hill

FEB
25-26
2015

Register online @ acwa.com

Regular registration and cancellation deadline is February 6, 2015 • 4:30 p.m. (PST)

WHO IS ELIGIBLE FOR "ACWA ADVANTAGE" PRICING?

ACWA Advantage pricing is available to the following registrants:

- An officer or director of an ACWA member agency.
- A person directly employed by an ACWA public agency member, affiliate or associate organization. This does not include independent contractors, service providers, or third-party vendors.
- Any ACWA board member whose fee is paid for by member agency.
- Any state or federal administrative or legislative personnel in elected, appointed or staff positions.
- Staff of ACWA/JPIA and Water Education Foundation.
- Any individual or honorary life member of ACWA.

MEMBERSHIP INFORMATION – *Become a Member & Save on ACWA Events*

If you are interested in learning more about becoming an Associate Friend of ACWA, contact Jacob Rowe at jacobr@acwa.com. For public agency membership, please contact Tiffany Giammona at tiffanyg@acwa.com.

CANCELLATIONS & CHANGES

All registration changes and cancellations must be made in writing by the event registration deadline. Valid cancellation requests will receive a refund of any registration fees paid minus a \$75 processing charge. For payments originally made by credit card, refunds can be issued back onto the credit card within 60 days. Otherwise, a refund will be issued by check. No refunds or registration changes will be granted after the registration deadline. Submit request in writing to Avon Alfaro at avona@acwa.com.

SUBSTITUTIONS

Event registrations are transferable from one participant to another within the same organization. Please submit your request in writing before the event registration deadline to Avon Alfaro at avona@acwa.com. Include the original registrant's name, the new person's name, title and email address with your request. After the registration deadline, substitutions will be handled on-site. Only one substitution is permitted per original registrant. The individual submitting the substitution request is responsible for all financial obligations (including any balance due) associated with the original registration. There is no fee to transfer an eligible registration.

SPECIAL REQUESTS & ACCOMMODATIONS

Special requests must be submitted in writing to Avon Alfaro at avona@acwa.com. Participants are encouraged to submit changes and special requests as soon as possible.

If you have a disability that requires an accommodation, please contact Avon Alfaro at avona@acwa.com or call toll free at (888) 666-2292 to discuss your needs.

REFUNDS

Except as otherwise provided in this document, all payments and fees are nonrefundable after the registration deadline.

MEAL TICKETS

After the registration deadline, meal tickets are not eligible for exchange, refund or credit after the event registration deadline.

NONATTENDANCE

Registrants who fail to attend the event, in part or in whole, are not eligible for a refund or credit and will be billed for any balance due.

GUEST REGISTRATION

Guest registration is available to a spouse, companion or guest of an ACWA event registrant. Guest registration is not available to any employees of a public agency, associate or affiliate/mutual water company. Guest registration is also not available to anyone with a professional reason to attend for purposes of learning or business. The guest registration includes admission to the receptions and the ability to purchase meal tickets and attend meal functions.

Questions? Contact us at 916.441.4545, toll free 888.666.2292.

PRELIMINARY AGENDA

TUESDAY, FEBRUARY 24

6 pm – 8 pm

**Congressional Reception in conjunction with the
California Association of Sanitation Agencies**
(Location TBD)

WEDNESDAY, FEBRUARY 25

8:30 - 9:00 am

Welcome Breakfast

9:00 -10:00 am

Washington Insiders Panel

10:00-11:30am

Obama Administration Speakers Program

11:30 am – 1:30pm

Lunch and Museum Tour
(Information TBA)

1:50 pm

Group Photo
House side steps of the Capitol (South East Side)

2:15 – 5:15 pm

Congressional Speech Program
(Location TBA)

5:30 – 7:30 pm

Networking Reception
The Liaison Capitol Hill

ACWA DC2015

Annual Washington D.C. Conference

February 25–26

The Liaison Capitol Hill

PRELIMINARY AGENDA

THURSDAY, FEBRUARY 26

8:30 – 9:00 am

Closing Breakfast

9:00 – 9:30 am

Issue Group Panel

9:30 – 10:30am

Drought Panel

10:30 am

Conference Adjourns

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.12 **Approve Resolution 2015-01 to Approve, Without Amendments, the MCSD Policies and Procedures Related to Governance, Ethics, Board Conduct, Reimbursement/Compensation, District Finances, and Reserves as Related to District of Distinction Application Process.**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the Reserves Policy, Expenditure Control Guidelines, Board Policy Manual and Employee Handbook, air questions, take public comment and adopt Resolution 2015-01 which will be included as part of the SDLF District of Distinction Application.

Discussion:

The Special District Leadership Foundation (SDLF), District of Distinction is a goal that is part of the MCSD Strategic Plan and should be accomplished on or before fiscal year 2015-16. Earning the District of Distinction Accreditation is designed as a way for districts to highlight their prudent fiscal practices along with other areas important to effectively operate and govern a special district.

MCSD is in the final stages of completion of the requirement processes and will likely have the application and required documentation submitted to SDLF by late February. One of the required submissions is the Districts ability to demonstrate that their operations conform to all statutes and regulations under state law as reflected in policies and procedures manual. Policies and Procedures should focus on governance, ethics, board conduct, district finances, reserves, and reimbursement/compensation. These topics are covered in the four attachments to this item and in order to meet the requirement, it must be shown that these documents have been passed or reviewed within the past year.

Alternatives:

Take No Action

Fiscal Analysis:

While this item has no fiscal impact, there will be a \$1000 accreditation application fee due at the time the application is submitted.

Environmental Requirements:

Not applicable

Exhibits/Attachments

- Attachment 1 – MCSD Reserve Policy 2012
- Attachment 2 – MCSD Expenditure Control Guidelines
- Attachment 3 – MCSD Board Policy Manual
- Attachment 4 – MCSD Employee Handbook
- Attachment 5 – Resolution 2015-01

McKinleyville Community Service District

Designated Funds Policy

POLICY STATEMENT

A key element of prudent financial planning is to ensure that sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. McKinleyville Community Services District (District) will at all times strive to have sufficient funding available to meet its operating, capital, and debt service obligations. This policy is to develop and ensure the appropriate and necessary funds are accumulated and maintained in a manner consistent with the District's Capital Improvement Plan, Connection and Capacity Fee Plan, and other guiding financial policies. Furthermore, the policy will increase the District's flexibility to avoid significant rate fluctuations due to unforeseen changes in cash flow requirements.

DESCRIPTION OF FUNDS

Reserves are categorized into either unrestricted or restricted reserves. Unrestricted Fund reserves consisting of undesignated funds, such as the Operating Fund, can be used for any lawful purpose at the discretion of the Board of Directors (Board). The monies held within designated funds can be shifted or re-allocated at any time at the Board's discretion. Restricted Fund reserves, such as the Bond Reserve Fund consist of monies with external restrictions imposed by creditors, grantors, contributors, or by laws or regulations of government and can only be used for a specific purpose.

UNRESTRICTED FUNDS

OPERATING FUND

The Operating Fund is an unrestricted fund and serves as a short-term or immediate purpose. Monies held in the Operating Fund meet a variety of potentially competing purposes including paying operating expenses during temporary revenue shortfalls. This fund would also be used to cover timing differences for periodic expenses paid in advance of revenues collected and to pay for expenses for special events not budgeted. In developing the annual operating budget, staff expends a tremendous amount of effort to identify its program expenses and prudent spending levels. However, unforeseen developments can occur which cause the actual program expenses to exceed the budgeted expenses. In addition, opportunities not budgeted for may arise during the fiscal year that require the District to expend monies which will not be reimbursed. Other times the District will pay expenses that will be reimbursed only after the event is complete. The Operating Fund would cover these types of situations.

TARGET CRITERIA: To meet MCSD cash flow needs and unbudgeted expenses, the Operating Fund will be equal to approximately six months (180 days) of the annual budgeted operating expenses.

REPAIR AND REPLACEMENT FUND

The Repair and Replacement Reserve (R&R) Fund reserves for both short-term and long-term purposes. The objective of the R&R Fund is to provide monies for the current and future replacement of existing capital assets as they reach the end of their useful lives. There are three sub-funds within the Repair and Replacement Fund:

CAPITAL ASSET REPLACEMENT - As the Districts' utility and system infrastructure continues to age, there will be increasing demands on this fund to replace or repair these facilities. Generally, maintenance costs for an asset becomes more expensive as that asset ages, and eventually the economic decision is made to replace that asset.

EMERGENCY REPAIRS - Although the preventive maintenance program is intended to increase the predictability of equipment replacement, unanticipated equipment failure is unavoidable. As a result, these funds would be used to cover periodic short-term replacements made necessary by unplanned failures.

SYSTEM ENHANCEMENTS - With the rapid changes in technology, assets are becoming obsolete at a faster rate than originally planned. If these improvements increase productivity, reduce operating cost, or extend the useful life of the Districts' facilities, then expenditures will be made from this fund.

The District recognizes that the R&R Fund 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 water rates.

TARGET CRITERIA: Staff recommends funding levels based on projected replacement cost of pipelines and other system infrastructure. To ensure adequate funding and availability for emergency repairs, a minimum R&R Fund reserve balance is recommended. In addition to the minimum, staff recommends using 10% of the projected capital asset replacement cost to determine the target level for the R&R Fund.

COMPENSATED ABSENCES FUND

The Compensated Absences Fund reserves for unpaid employee vacation and sick leave hours that are vested with each individual employee. The liability for compensated absences is calculated annually as part of the fiscal year-end closing process. It is the number of vested hours of accrued leave multiplied by the individual employee's hourly rate.

TARGET CRITERIA: Staff recommends the full liability for compensated absences be fully funded.

RATE STABILIZATION FUND

The Rate Stabilization Fund operates as a buffer to water rates during any period where there are unexpected increases in operating costs or decreases in revenues. For example, in the event an unexpected rate increase from Humboldt Bay (HBMWD) is approved and the District chooses not to pass the increase on to its customers immediately, this fund could cover the shortfall in revenue. In addition, in a severe drought or extremely wet conditions, it is reasonable to expect that water sales could fluctuate significantly. As such, the Rate Stabilization Fund will absorb these types of fluctuations in operations and help stabilize rates.

TARGET CRITERIA: As discussed above, water rates can fluctuate for many different reasons. Staff recommends a target level to be sufficient to cover reduced net sales by as much as 20% for up to two consecutive years.

CATASTROPHE FUND

The Catastrophe Fund consists of funds used to begin repair of the water system after a catastrophic event, such as a severe earthquake or fire, while long-term financing is being arranged or insurance claims are being processed.

TARGET CRITERIA: Following current Federal Emergency Management Agency (FEMA) guidelines, staff recommends funding levels shall be targeted at two (2%) percent of the District's total plant and equipment.

RETIREE OPEB FUND

The Retiree OPEB Fund consists of rate revenue monies set aside to fund Other Post Employment Benefits. These funds will be transferred to the third party administrator of the Trust that makes disbursement to the medical insurance carrier.

TARGET CRITERIA: Staff recommends, as does the trustee, a target funding level based on the actuarial calculated liability for OPEB.

RESTRICTED FUNDS

BOND RESERVE FUND

The Bond Reserve Fund consists of bond proceeds that provide additional security for the payment of annual debt service if rates and other funds are insufficient or not available. The bonding institution establishes the restricted account at the time the debt is issued. The funds cannot be used for any other purpose.

TARGET CRITERIA: The debt service reserve requirement is established at the time of the obligation is issued. This amount may be recalculated as the debt is paid-off.

CUSTOMER AND DEVELOPMENT DEPOSITS FUND (SELF FUNDED – RESTRICTED)

The Customer and Development Deposits Fund consist of monies held on behalf of District customers as required for their utility account or as cash bonds for development projects. As deposits on utility accounts are released, they will be refunded to the customer. When development projects are complete, the projects will be closed and a final accounting will be completed. Excess deposit monies will be returned to the development customer.

TARGET CRITERIA: Customer deposits required are based upon the process outlined in District's Rules and Regulations for Water and Sewer service; as are deposit requirements for development projects. The balance in this account will fluctuate depending on the number of utility customer deposits required and the number of development projects in process. Therefore, no minimum or maximum levels will be established.

CAPACITY FEES FUND

The Capacity Fees Fund consists of monies received through development impact fees (system capacity fees) and is utilized to offset new development related capital improvements as outlined by the District's Capital Improvement Plan.

TARGET CRITERIA: Capacity Fees are development driven as are the costs incurred; therefore, no minimum or maximum levels will be established.

TARGETS AND ALLOCATION

From risk and long-range financial planning perspectives, the targets established for each Fund represents the baseline financial condition that is acceptable to the District. Maintaining funds at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various revenue generating alternatives. These alternatives (either alone or in combination with each other) include, but are not limited to fees and charges, water usage, capital financing, investment of funds, and levels of capital expenditures.

Table 1 outlines the process the District will use each year to allocate net revenues to the various designated funds and the priority of each designated fund.

Table 2 provides the amount of funds currently unassigned and available to fund reserves.

Table 3 illustrates how the October 30, 2011 cash balance will be distributed as well as the target amount and target date for each designated fund.

DELEGATION OF AUTHORITY

The Board has sole authority to amend or revise the Designated Funds Policy. Through approval of this Policy, the Board has established written procedures for staff to follow in the management of District Unrestricted and Restricted Funds.

TABLE 1: RESERVE POLICY PROCESS

Unrestricted Funds		Restricted Funds	
Funding Source: Operating Revenue		Funding Source: Various	
Tier 1	Operating Fund		Bond Reserves Fund
Target	180 Days of Annual Operations & Maintenance	Source	Debt Issuance
Limit	360 Days of Annual Operations & Maintenance	Target	Established at the time of issue
		Limit	None
Tier 2	Repair and Replacement Fund		Customer & Development Deposits Fund
Target	10% of Capital Asset Replacement Costs (minimum of \$500,000)	Source	Customer & Development Deposits
Limit	No set limit as funds can be collected over time to fund large capital projects	Target	N/A
Note:	Rate revenue collected to cover annual depreciation is primary funding source		
		Limit	N/A
Tier 3	Compensated Absences Fund		Capacity Fees Fund
Target	Full Liability for compensated Absences	Source	Capacity Fees
Limit	Full Liability	Target	N/A
		Limit	N/A
Tier 4	Rate Stabilization Fund		
Target	Sufficient to cover reduced water sales by 20% for up to two consecutive years		
Limit	60% of rate revenue		
Tier 5	Catastrophe Fund		
Target	2% of District's total plant and equipment		
Limit	2% of District's total plant and equipment		
Tier 6	Retiree OPEB Fund		
Target	Based on the actuarial calculated liability		
Limit	Actuarial calculated liability		

McKinleyville Community Services District
Expenditure Control Guidelines
(Revised October 2012)

Table of Contents

- I. Introduction
- II. Expenditure Classifications
- III. Control System
- IV. Purchase Order System
- V. Voucher System
- VI. Disbursement
- VII. Summary

Attachments:

- 1. Voucher Forms
- 2. MCSD Travel Request Form
- 3. MCSD Travel Expense Form
- 4. Purchase Order
- 5. Blanket Purchase Order

I. INTRODUCTION

This expenditure control system is an integral part of the internal control structure of McKinleyville Community Services District (MCSD). As such, it is intended to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and those transactions are executed in accordance with management's authorization and recorded properly in the general ledger.

It is the intent of the District to control expenditures before it is obligated to pay for goods or services. This system is designed to accomplish this goal while providing a clearly documented record of the entire process.

The system is intended to be used in conjunction with the existing internal control structure. Any significant change in other aspects of the control environment will require a review of the effectiveness of this system.

II. Expenditure Classifications

The control mechanism and method of documentation are determined by the type of expenditure. MCSD recognizes the following types of expenditures:

1. **Recurring**- Included are utilities, debt service payments, payroll, payroll taxes and benefits, insurance, postage, postage meter rental, office supplies, etc.
2. **Contract**-Included are formal contracts for goods and services and informal contracts for services.
3. **Travel**- Included is advances and reimbursements for travel, mileage reimbursements for use of personal automobiles and local meals and entertainment expenses.
4. **Petty Cash**-Included are reimbursements of expenditures from the petty cash fund and increases in petty cash or change funds.
5. **Customer Refunds**- Included are refunds of deposits and overpayments to our customers.
6. **Purchase Order**- Included is all purchases of goods which require a purchase order.
7. **Other**- Included are all expenditures which cannot be classified in one of the above categories.

III. CONTROL SYSTEM

Expenditures will be controlled in the classifications indicated in section II by the following procedures:

1. **Recurring:** These expenditures will be controlled by the budget. The Board will adopt a budget that will include line items such as electricity and natural gas, telephone, telemetry, payroll, payroll taxes and employee benefits, debt payments, insurances, and other budgeted line items. Such expenditures will not normally require a Purchase Order.
Management will monitor the relationship of year-to-date expenditures in these line items with the adopted budget. If it becomes apparent that there is not sufficient budget to cover the next anticipated expenditure in one of these line items, a budget transfer will be prepared by the Department Head and approved by the General Manager for the increases which are 10% or less cumulatively of the original budgeted amount. If a budgeted line item is projected to require cumulative increases beyond 10% in any year, the Board will approve such increases.
2. **Contract:** Contracts fall into three categories.
 - a. Construction work for projects expected to cost less than \$1,000 will be classified as Purchase Order Expenditures. Construction work expected to cost \$20,000 or more will require informal bidding procedures as defined in the UPCCAA (see MCSD Rule 66.01 et seq.). Construction work expected to cost \$75,000 or more will require formal bidding procedures as defined in the UPCCAA.
 - b. Professional Services (architectural, engineering, environmental, land surveying and construction project management) expected to cost less than \$1,000 will be classified as Purchase Order Expenditures. A Purchase Work Order Contract approved by a Department Director or the General Manager will be required for budgeted projects expected to cost \$1,000, but less than \$20,000. The Board will approve the formal contract required for individual projects expected to cost \$20,000 or more.
 - c. Other Services expected to cost less than \$1,000 will be classified as Purchase Order Expenditures. Other Services expected to cost \$1,000 or more will require a Purchase Work Order Contract. The Board will approve the formal contracts for Other Services expected to cost \$20,000 or more.
3. **Travel:** All employees will have a travel request form approved by Department Directors within four days before travel (see attachment 2). The General Manager's out of town travel, including travel to association conferences, needs to be approved in advance by the Board President or delegate where such travel exceeds the budget limits originally approved by the Board.

Use of private vehicles by staff for local travel (i.e. within Humboldt County) will be approved in advance by a Department Director (Finance Director, Operations Director or Parks and Recreation Director), and reviewed by the General Manager. Such use by a Department Head will be approved in advance by the General Manager. If emergency use of private vehicles is required, the circumstances will be documented in a memorandum and approved as above as soon as possible after the emergency has passed. All reimbursement for personal automobile use will be made at the currently applicable Federal business mileage rate approved by the Internal Revenue Service. Payment for local private automobile use will be made as reimbursement only – there will be no advances for this type of expense.

Local meals for, or entertainment, by staff will be approved by Department Directors or the General Manager. Local meals for, or entertainment by, the Department Directors will be approved by the General Manager. The Board may include in the budget a line item for meals and entertainment to be used by the General Manager and Board without prior approval. Any such expenditures beyond the budgeted line item for or by the Board President will be approved in advance by another Board Member.

Travel, meal or entertainment advances may be made no less than three days before the intended activity. Reimbursements for all meals will be done at the Federal per diem rate approved by the Internal Revenue Service. (<http://www.gsa.gov/portal/category/100120>) Reimbursement requests for any meal charges over the allotted per diem amount must have a written explanation approved by Department Director or General Manager, and receipts for these must be turned in three days after the travel or event.

All receipts for travel expenses (airfare or similar) and lodging must be turned in five (5) days after the travel or event along with a travel expense form (see attachment 3). An accounting must be made for these expenditures and any excess advance returned within three days of the completion of event or activity.

All expenditures described in this section III will require the completion of a "MCSD Travel Approval Form" and /or "MCSD Travel Expense Report" (see attachment 2 and 3). These expenditures will be limited by the budget as described for Recurring Expenditures (section III-I). Travel expenditures do not normally require a Purchase Order.

4. **Petty Cash**: Reimbursement expenditures require only an accounting of petty cash expenditures. Such reimbursements will be approved by the Human Resources Manager or Finance Director. Petty cash will be kept at a balance of \$400; increases in the amount of petty cash or change fund will be approved by the Board. Petty cash will be reconciled and replenished as needed when funds fall below \$100 total. Individual reimbursement requests are to not exceed a total of \$30; amounts in excess of \$30 should be processed through Accounts Payable.
5. **Customer Refunds**: these expenditures are processed as part of the utility billing system. Normally, a closing bill will be printed which shows a balance due to the customer. Such refunds will be approved by the Finance Director during the regular Accounts Payable process. Refunds of Recreation Department are approved by the Parks and Recreation Department Director before the regular Accounts Payable process. Occasionally other types of funds owed will be refunded. These will be approved by the Department Director of the department with which the refunds are associated and will have supporting documents. Customer refunds do not normally require a Purchase Order.
6. **Purchase Order**: The purchase of all non-recurring supplies, materials and capital assets will require a Purchase Order (see attachment 4). Vendors from whom the District purchases from frequently maybe offered a blanket purchase order for consideration (see Attachment 5). Purchases of supplies, materials, or capital assets of \$15,000 or more that are not already included in the approved budget must be approved in advance by the Board. Budgeted purchases expected to be between \$1,000 and \$15,000 will be approved by the General

Manager. Purchases of supplies and equipment expected to be more than \$100 but less than \$1,000 require approval from a Department Director.

All Purchase Orders will be pre-numbered. See section IV for additional information regarding purchase orders.

7. **Other:** all other expenditures will be approved in advance when possible and upon receipts of goods or services otherwise. Approval will be by the Board, General Manager or Department Director in accordance with the limits on approval of purchase orders (see section III-6). Expenditures of \$100 or less will require a voucher only.

IV. PURCHASE ORDER SYSTEM DOCUMENTATION AND IMPLEMENTATION

Regular Purchase Orders: Blank pre-numbered Purchase Orders are kept in the Vault. A group or series of blank pre-numbered Purchase Orders (P.O.) (see Attachment 4) will be issued by the Finance Director to Department Directors at the beginning of the fiscal year or upon request.

Purchase orders will be completed and signed by the General Manager or Department Director in accordance with the limitations in section III-6. The original P.O. (white) is the vendor's copy. The yellow copy will be held by Accounts Payable. The pink copy will be retained by the requesting employee. When goods are received, the requesting employee will mark his/her copy of the P.O. "Received", date and sign it. This copy will then be given to the Accounts Payable to match with the invoice when received. In the case of a partial shipment, a photocopy of the P.O. may be made. The requesting employee will indicate which items were received and forward it to Accounts Payable.

Upon receipt and invoice, Accounts Payable will compare the amounts and descriptions to the "Receiving Copy" of the P.O. If, in total, the invoice is no more than 10% greater than the P.O., the invoice may be entered for payment. If the invoice total is more than 10% greater than the P.O., then the new amounts will be entered on the Accounts Payable copy of the P.O. and the appropriate person will counter-sign and date the corrected P.O.

Department Directors are responsible for P.Os issued to their department and for ensuring that total departmental Purchase Order expenditures do not exceed the Board-approved budget line item. To assist with this, the Finance Director will provide a monthly Status Report to the Department Directors and the General Manager.

Blanket Purchase Orders and Charge Accounts: For vendors from whom numerous regular purchases are made, the District will employ annual Blanket Purchase Orders (attachment 5) or open charge accounts. A list of active blanket purchase orders (BPOs) and charge accounts will be maintained by Accounts Payable and reviewed by the Department Directors on an annual basis for best pricing and any needed changes in vendors. The final list will be reviewed by the Finance Director and signed by the General Manager.

Each BPO and charge account authorization will indicate an annual expiration date, a total monthly dollar limit allowed on that BPO or charge account, a list of employees authorized to make purchases, and the maximum dollar amount for any one purchase. No more than one BPO or charge account may be active at any time for a particular vendor. Department Directors will have copies of active BPOs and charge account authorizations for their departments. All orders or invoices received against a BPO or charge account will be checked and signed by the Department Director before being processed by Accounts Payable.

MCSD Company Credit Cards: For routine irregular purchases too small to warrant regular or blanket purchase orders, but too large for petty cash, and also for facilitating business travel expenditures, Department Directors may be provided with an MCSD credit card. Receipts from credit card purchases must be retained, signed or initialed by the Department Director, and matched to the statement at the end of the month before the statement is paid by Accounts Payable. Statements will be reviewed monthly by the Finance Director and General Manager as part of the payment process (see Section VI – Disbursements).

V. VOUCHER SYSTEM

A Voucher form will be completed by Accounts Payable for each invoice or statement to be paid (see Attachment 1). The classification of expenditure will be clearly indicated on the voucher. The Voucher will indicate all invoices or statements to be paid with one check.

All supporting documents including invoices, Purchase Order, Proof of receipt, packing slip, etc. will be attached to the Voucher. The voucher will be approved in accordance with the chart in the disbursement section and the signers will verify that the documents are internally consistent, that invoices being paid are original, that receipt of goods or services has been acknowledged by the appropriate MCSD employee and that amounts agree between documents.

The check stub will be attached to the voucher when the check is sent to the vendor. All paid vouchers are filed by vendor, separated by the fiscal year in which the payment was made, and retained for 7 years, per District Document Retention Policy.

VI. DISBURSEMENTS

The MCSD checking account will require signatures by any two of the following officials:

General Manager
Finance Director
Human Resources Manager

Checks will be issued only after the Voucher has been signed indicating approval by the Department Director and Finance Director, with a final review by the General Manager.

Checks will be issued as needed to meet deadlines and take advantage of discounts. Except under unusual circumstances check writing will be batched and done at the first part of each week (Monday or Tuesday). Payroll will be issued on the 10th and the 25th of each month.

The Finance Director will reconcile the checking account within five (5) working days of receipt of monthly bank statements and verify that all checks were written in accordance with these guidelines.

VII. SUMMARY

Good control over expenditures depends upon advance authorization and adequate documentation. The use of purchase orders and vouchers provides a basis for such control and documentation.

The success of this system depends upon the understanding and cooperation of all staff. Questions are welcomed and will be promptly answered by the General Manager or Finance Director. Unusual situations should be documented by memorandum or letter. Suggestions for improvement are welcome and will be carefully considered by management.

**POLICY MANUAL
OF THE BOARD OF DIRECTORS
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**

PART 1 -- GENERAL RULES

RULE 1-1: PURPOSE -- The purpose of this Policy Manual is to provide guidelines for the conduct of the Board of Directors of the McKinleyville Community Services District (MCSD) to help maintain the highest standard of ethics for its Board members. The objectives of this policy are to (1) provide guidance for dealing with ethical issues, (2) heighten awareness of ethics and values as critical elements in Board members' conduct, and (3) improve ethical decision-making and values-based management.

RULE 1-2: SUSPENSION OF RULES -- Any of the within rules not required by law may be suspended by a majority of the Board.

RULE 1-3: ALTERATION, AMENDMENT OR REPEAL -- Any rule may be altered, amended or repealed at a duly noticed meeting by a majority vote of the Board.

PART 2 -- BASIS OF AUTHORITY

RULE 2-1: AUTHORITY OF THE BOARD -- The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, individual Directors may not commit the District to any policy, act or expenditure.

RULE 2-2: REPRESENTATION -- The Board of Directors as a whole should not represent any factional segment of the community, but rather represent and act for the community as a whole. The proper operation of the District requires decisions and policy to be made within the proper channels of governmental structure, that public office not be used for personal gain, and that all individuals associated with the District remain objective, impartial and responsive to the needs of the public they serve.

RULE 2-3: GOVERNING LAWS -- Board Members are obligated to uphold the Constitution of the United States and the Constitution of the State of California. Board Members will comply with applicable laws regulating their conduct, including conflict of interest, financial disclosure and open government meeting laws. Board Members will strive to work in cooperation with other public officials unless prohibited from so doing by law or officially-recognized confidentiality of their work.

PART 3 -- BOARD STRUCTURE

RULE 3-1: OFFICERS -- Annually, at the regular January Board Meeting, the Board shall update the rotation schedule for the coming years. Appointment of officers shall be subject to the affirmative vote of the Board with a strong preference for a rotation schedule. The Finance Director shall perform the duties of Treasurer and the General Manager shall select a staff member to serve as Board Secretary.

RULE 3-2: PRESIDENT -- The President shall perform the duties of presiding officer at all meetings of the Board of Directors and shall carry out the resolutions and orders of the Board of Directors and perform such other duties as the Board of Directors

prescribes including appointment of members to serve on committees of the Board and designation of committee chairs, except for the Recreation Advisory Committee. The Board President is responsible for leadership at public meetings and for exerting every effort to unite the Board into a working, cohesive group by preserving order and decorum. The Board President shall decide questions of order subject to appeal to the Board. This requires the assistance and cooperation of all of the Board Members.

RULE 3-3: VICE-PRESIDENT – In the absence of the President, the Vice-President shall perform the President's duties. When the President disqualifies himself/herself from participating in an agenda item or declares himself/herself partisan in the debate on any such item, the Vice-President shall perform the duties of the presiding officer.

RULE 3-4: COMMITTEES -- Committees of the Board, whether standing or ad hoc, may, from time to time, be established by the President of the Board, subject to confirmation by the Board. Unless authority to perform a duty is expressly delegated by the Board to a committee, committee motions and recommendations shall be advisory to the Board. Committees shall not commit the District to any policy, act or expenditure nor may any committee direct staff to perform specific duties unless authorized by the Board. The Committee Chair is authorized to schedule committee meetings as deemed necessary and to preside at any such meeting.

Where the Board has agreed to designate a Director or Directors to serve on a non-District Committee, the President shall appoint said Directors for Board ratification.

PART 4 -- CODE OF ETHICS

RULE 4-1: OBJECTIVES -- The Board of Directors of MCSD are committed to providing excellence in legislative leadership that results in the provision of the highest quality services and representation to the District's constituents. In order to assist in the government of the behavior between and among members of the Board of Directors, the following guidelines are recommended:

4-1A Respect: The dignity, style, values and opinions of each director shall be respected.

4-1B Listening: Responsive and attentive listening during communications is encouraged.

4-1C Representation: The needs and desires of the District's constituents shall be a priority of the Board of Directors.

4-1D Responsibility: The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to the General Manager of the District.

4-1E Attitude: Directors should commit themselves to emphasis of a positive and professional attitude at all times.

4-1F Issue Orientation: Directors should commit themselves to focusing on issues and not personal attacks. The presentation of the opinions of others should be encouraged. The formation of voting blocs based on personal relationships rather than the merit of issues must be avoided.

4-1G Openness: Different viewpoints are healthy in the decision making process. Individuals have the right to disagree with ideas and opinions. Once the Board of Directors takes action, Directors should support that action regardless of differing opinions.

4-1H Code of Ethics: Directors are required by law (AB1234, California Government Code § 53234, et seq.) to receive a minimum of two hours of training every two years in general ethics principals and law. Proof of completion must be provided to the District. If any one Board member is not in compliance the meeting compensation fee will be withheld for all Directors until compliance is met.

4-1I Conflict of Interest: Each Director is responsible for completion and submittal of an annual Conflict of Interest (Form 700) to the District Filing Officer. This form is then forwarded to the County Elections Office and is kept on file for public review.

RULE 4-2: INFORMATION -- Directors should practice the following procedures:

4-2A Clarification: In seeking clarification on informational and policy items, Directors should directly approach the General Manager only to obtain information needed to supplement, upgrade or enhance their knowledge to improve legislative decision making.

4-2B Complaints: In handling complaints from residents and property owners of the District, said complaints should be referred to the General Manager.

4-2C Safety: In handling items related to safety, concerns for safety or hazards should be reported to the General Manager or to the District Office. Emergency situations should be dealt with immediately by seeking appropriate assistance.

4-2D Policy: In seeking clarification for administrative policy related concerns, especially those involving personnel, legal action, land acquisition, finances, and programming, said concerns should be directed to the General Manager.

RULE 4-3: INTERACTION WITH STAFF -- When approached by District personnel concerning specific District policy, Directors should direct inquiries to the General Manager..

RULE 4-4: TEAM EFFORT -- The smooth working of the District is a team effort. All individuals should try to work together in the collaborative process, assisting each other in conducting the affairs of the District.

RULE 4-5: CONSTITUENT REQUESTS -- When responding to constituent requests and concerns, Directors should be courteous, responding to individuals in a positive manner and routing their questions through the GM. The GM will then date stamp, log in the request, delegate to staff for the appropriate response as needed and upon resolution follow up with the Board within fourteen days.

RULE 4-6: INTERACTION WITH GENERAL MANAGER: The District's General Manager serves at the pleasure of the Board. The Board will provide policy direction and instructions to the General Manager on matters within the authority of the Board by majority vote of the Board during duly-convened Board and Committee meetings. Directors should develop a working relationship with the General Manager wherein current issues, concerns and District projects can be discussed comfortably and openly.

4-6A The Board shall conduct performance evaluations for the General Manager. As noted in the Supervisor's Policy Manual, 360 evaluations from Department Heads may also be requested by the Board. These evaluations should be conducted annually on the anniversary of the General Manager's hire date. Please see "Attachment A" for a written procedure.

RULE 4-7: BOARD AS A WHOLE Directors should function as a part of the whole. Issues should be brought by individual Board members to the attention of the Board as a whole, rather than to individual members selectively. The Board of Directors functions collectively, not as individuals and all members should be tolerant of each other's views. Unless the Board, by formal action, delegates responsibility to one or more individual Board members and such delegation is authorized by law, no Director has the legal capacity to act on behalf of the District.

RULE 4-8: MONITORING PROGRESS -- Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

RULE 4-9: PREPARATION -- Directors shall thoroughly prepare themselves to discuss agenda items at meetings of the Board of Directors. Information may be requested from the General Manager, but contact among Board members concerning District affairs outside of the meeting context, is to be avoided, as such activity may constitute a violation of the State of California open meeting laws.

RULE 4-10: STAFF NOTES -- Information that is exchanged before the meetings shall be distributed through the Manager, and all Directors will receive all information being distributed.

RULE 4-11: COURTESY -- Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.

RULE 4-12: QUESTIONS -- Directors shall defer to the President for conduct of meetings of the Board, but shall be free to question and discuss items on the agenda. All comments should be confined to the matter being discussed by the Board.

RULE 4-13: MINUTES-RECORDING OF INFORMATION--

4-13A Unless directed otherwise by the Board President, all open sessions of the Board meetings shall be audio recorded in their entirety. The recordings will be retained in accordance with the current MCSD records retention policy.

4-13B Copies of meeting minutes shall be distributed to Directors as part of the information packet for the next regular meeting of the Board, at which time the Board will consider approving the minutes as presented or with modifications. Once approved by the Board, the official minutes shall be kept in the District vault.

4-13C Action minutes shall be taken by the Board Secretary which summarize (a) Action taken, with a recordation of motion noting name of each person making and seconding the motion (b) Action taken, with a recordation of voting by name on each motion where a roll call vote is required (c) Specific information requested by the Board to be entered in the minutes.

RULE 4-14: CONFLICT OF INTEREST -- Directors shall abstain from participating in consideration on any item involving a legally prohibited conflict of interest and shall declare the nature of that conflict to the Board.

RULE 4-15: CORRESPONDENCE -- Staff shall date-stamp the original of all correspondence from constituents, responsible agencies, and trustee agencies upon receipt and distribute a copy to each director within one week. Where a response is requested or where the Manager believes a response is needed, the Manager will cause a response to be transmitted to the author with copies to the Board as soon as workloads allow but no later than ten working days following receipt.

RULE 4-16: DIRECTOR REACTION TO CORRESPONDENCE -- A Director that believes the Board should address an issue raised by the author of correspondence, or by staff's response to correspondence reserves the right to request Board review on a subsequent agenda by submitting a written request to the Manager at least fourteen days prior to that meeting. When a Director submits such a request staff will prepare a draft response for Board edit at the Board Meeting. Where a concern arises within seventeen days of a Board Meeting, the Director with the concern should express his or her concern at the Board meeting and request the inclusion of the issue as an agenda item at a subsequent Board meeting.

PART 5 -- BOARD MEETING PROCEDURES

RULE 5-1: REGULAR MEETINGS -- Regular meetings of the Board of Directors shall be held on the first Wednesday of each calendar month at 7:00 PM at either Azalea Hall 1620 Pickett Road or the District Office 1656 Sutter Road as specified by the agenda. The date, time, and place of regular meetings shall be reconsidered annually at the annual organizational meeting of the Board.

RULE 5-2: SPECIAL MEETINGS (NON-EMERGENCY) -- Special meetings (non-emergency) of the Board of Directors may be called by the President.

5-2A Notice: All Directors, the Manager and District Counsel shall be notified of the Special Board Meeting and the purpose or purposes for which it is called. Said notification shall be in writing, delivered to them at least twenty-four (24) hours prior to the meeting.

5-2B Notification: Newspapers of general circulation in the District, radio stations and television stations, organizations, and property owners who have requested notice of Special Meetings in accordance with the Ralph M. Brown Act (California Government Code 54950 through 54960) shall be notified by a mailing unless the Special Meeting is called less than one week in advance, in which case, notice, including a description of the business to be transacted, will be given by telephone during business hours as soon after the meeting is scheduled as is practical.

5-2C Agenda: An agenda shall be prepared as specified for the Regular Board Meetings and shall be delivered with the notice of the Special Meeting to those specified above.

5-2D New Business: Only those items of business listed in the call for the Special Meeting shall be considered at any Special Meeting.

RULE 5-3: SPECIAL MEETINGS (EMERGENCY) -- In the event of an emergency situation involving matters upon which prompt action is necessary due to the disruption

or threatened immediate disruption of public facilities, the Board of Directors may hold an emergency special meeting without complying with the twenty-four (24) hour notice required above. An emergency situation means a substantial emergency which severely impairs or threatens public health, safety or both, as determined by the Manager and Board President or Vice President in the Presidents absence.

5-3A Notification: Newspapers of general circulation in the District, radio stations and television stations which have requested notice of Special Meetings in accordance with the Ralph M. Brown Act shall be notified by at least one (1) hour prior to the emergency meeting. In the event that telephone services are not working, the notice requirement of one hour is waived, but the Manager, or his/her designee, shall notify such newspapers, radio stations or television stations of the fact of holding the Emergency Special Meeting and of any action taken by the Board, as soon after the meeting as possible.

5-3B New Business: No Closed Session may be held during an Emergency Special Meeting, and all other rules governing Special Meetings shall be observed with the exception of the twenty-four (24) hour notice. The minutes of the Emergency Special Meeting, a list of persons the Manager or designee notified or attempted to notify, a copy of the roll call vote(s), and any actions taken at such meeting shall be posted for a minimum of ten (10) days in the District office as soon after the meeting as possible.

RULE 5-4: ADJOURNED MEETINGS -- A majority vote by the Board of Directors may terminate any Board meeting at any place in the agenda, to any time and place specified in the order of adjournment, except when a quorum is lacking at any Regular or Adjourned Meeting, the members present may declare the meeting adjourned to a stated time and place, and he/she shall cause a written notice of adjournment to be given to those specified above.

RULE 5-5: ANNUAL ORGANIZATIONAL MEETING -- The Board of Directors shall hold an annual meeting at its Regular Meeting in December. At this meeting the Board will elect a President and Vice-President from among its members to serve during the coming calendar year, and will appoint the Finance Director as the Board's Treasurer and the General Manager shall select a staff member to serve as the Board's Secretary. The Board is committed to periodically review and adjust rates and charges as needed and appropriate.

RULE 5-6: ORDER OF AGENDA -- The Presiding Officer of the meeting described herein shall determine the order in which the agenda items shall be considered for discussion and/or action by the Board. Any Director may place an item on a Board Meeting agenda by submitting a letter describing the item to be discussed at least fourteen days prior to the Board Meeting.

RULE 5-7: MEETING ROOM PREPARATION -- The President and the Manager shall insure that appropriate information is available for the audience at meetings of the Board of Directors, and that physical facilities for said meetings are functional and appropriate.

PART 6 -- BOARD MEETING CONDUCT

RULE 6-1: CONDUCT GUIDELINES -- Meetings of the Board of Directors shall be conducted by the President in a manner consistent with the policies of the District. The latest edition of Rosenberg's Rules of Order, Revised shall also be used as a general guideline for meeting protocol. District policies shall prevail whenever they are in conflict

with Rosenberg's Rules of Order, Revised. Members of the Board of Directors will fully comply with the provisions of the state's open meeting law for public agencies, the Brown Act.

RULE 6-2: CONDUCT OBJECTIVE -- The conduct of meetings shall to the fullest extent possible, enable Directors to consider problems to be solved; weigh evidence related thereto, and make wise decisions intended to solve the problems; receive, consider and take any needed action with respect to reports of accomplishments of District operations.

RULE 6-3: PUBLIC INPUT -- Provisions for permitting any individual or group to address the Board concerning items on the agenda of a Special Meeting, or to address the Board at a Regular Meeting on any subject that lies primarily within the jurisdiction of the Board President and as follows:

6-3A Time Limits: The President, unless a majority of the Board objects, may allot a maximum amount of time for each speaker and a maximum amount of time to each subject matter.

6-3B Disruptive Conduct: No disruptive, insulting, offensive, threatening, intimidating, demeaning, physically threatening, hostile or violent conduct, actions or speech shall be permitted at any Board meeting. Engaging in such conduct or speech shall be grounds for summary termination, by the President, of the speaker's privilege to address the Board and/or removal of the individual from the meeting.

RULE 6-4: WILLFUL DISRUPTION -- Willful disruption of any meeting of the Board of Directors shall not be permitted. If the President with the concurrence of the Directors finds that there is in fact willful disruption of any meeting of the Board, he/she may order the room cleared and subsequently conduct the Board's business without the audience present.

6-4A New Business: In such an event, only matters appearing on the agenda may be considered in such a session.

6-4B Readmittance: After clearing the room, the President should permit those persons who, in his/her opinion, were not responsible for the willful disruption to re-enter the meeting room before any further business is conducted.

6-4C Media: Representatives of the news media, whom the President finds not to have participated in the disruption, shall be admitted to the remainder of the meeting.

RULE 6-5: QUORUM AND MAJORITY -- Action can only be taken by the vote of the majority of the Board of Directors. Three (3) Directors represent a quorum for the conduct of business. Actions taken at a meeting where only a minimum quorum is present, therefore, require all three (3) votes to be effective.

RULE 6-6: ABSTENTIONS -- Where a Director abstains in a vote with respect to a potential Conflict of Interest the Director shall be considered to be absent. Where a Director abstains in a vote for any reason other than a potential Conflict of Interest (see Rule 4-14, above), the abstention will be recorded as an abstention which has the same effect as a "NO" vote. Thus, if only three directors are present and one abstains, no action can be taken on the item because a "Majority of the Board" did not vote "YES".

RULE 6-7: DIRECTIONS -- The Board may give directions which are not formal action. Such directions include the Board's directives and instructions to the General Manager. The President shall determine by consensus a Board directive and shall state it for clarification. Should any two directors challenge the statement of the President, a voice vote may be requested. A formal motion may be made to resolve a disputed directive , or to take some other action (such as to refer the matter to the General Manager for review and recommendation, etc.). Informal action by the Board is still Board action and shall only occur regarding matters which appear on the agenda for the Board Meeting during which said informal action is taken.

PART 7 -- PARLIAMENTARY PROCEDURE

RULE 7-1: PARLIAMENTARY DETERMINATIONS -- The Presiding Officer shall preserve order and decorum and shall decide questions of order subject to appeal to the Board.

RULE 7-2: AUTHORITY OF PRESIDING OFFICER -- The Presiding Officer shall not make motions or second motions but he/she may debate and vote on any matter under consideration. Where the President wishes to make or second a motion he/she should vacate the role of Presiding Officer until that item is resolved. Where the President has vacated the role of Presiding Officer for a particular agenda item, the Vice-President (or another director) shall become the Presiding Officer until all action on that agenda item is completed.

RULE 7-3: CALL FOR QUESTION -- A "call for question" shall be deemed a non-binding request that the Presiding Officer close debate and bring a motion to an immediate vote. The Presiding Officer may choose to continue discussion of the issue.

RULE 7-4: MOTION TO CLOSE DEBATE -- The "motion to close debate", if seconded, shall be a non- debatable motion, and shall have precedence over any other motion except for a parliamentary inquiry, or a motion to adjourn. Should the "motion to close debate" pass by a majority vote, the Presiding Officer shall thereafter immediately call the question on the pending motion.

RULE 7-5: AMENDMENTS TO MOTIONS -- A main motion may only be amended with the consent of the maker and seconder. Without this approval, no amendment to a motion shall be in order without a vote on the principal motion. A "substitute motion" shall be construed as an amendment to the main motion, and shall follow the process described in this rule.

RULE 7-6: RECONSIDERATION -- Any Director that voted for an approved motion on an agenda item may move to reconsider that item at a subsequent meeting. If seconded by any other Director and passed by a majority vote, the effect of the motion is to nullify the earlier motion so that a new motion may be debated at the subsequent meeting. Normally under no circumstances can such an item be reconsidered at the same meeting. An exception may be made if action is a legal requirement at the meeting in question. If the matter is to be reconsidered at a subsequent meeting, notice of that fact must be stated in the agenda for the subsequent meeting.

RULE 7-7: RECONSIDERATION (Subsequent to Meeting) -- Any two Directors may request that an item resolved at an earlier meeting be added to the agenda of a subsequent meeting. The Presiding Officer may reject this request if no new information is presented in his/her opinion to warrant further debate. At the meeting where the item

rejected by the President could have been considered a majority of the Board may place an item on a subsequent meeting's agenda.

RULE 7-8: MOTION TO CONTINUE -- Any Director may move that an item be continued to a specific future Board Meeting even if a main motion is pending consideration. If a motion to continue is seconded and passed all consideration on that item is halted and continued until the subsequent meeting.

RULE 7-9: MOTION TO TABLE -- Any Director may move that an item be tabled for an indefinite time, even if a main motion is pending consideration. If such a motion is seconded and passed all consideration on that item is halted until a Director requests consideration on a subsequent agenda.

RULE 7-10: ORDER OF DEBATE (Legislative Matter, Action Items) -- The Presiding Officer shall follow the following order of debate in the consideration of Legislative (Action/Decision) matters:

7-10A Presentation: Staff shall present the issue with any recommendations.

7-10B Questions of Staff by Board: Through the GM the Board may ask questions of staff to clarify the issue or the recommendation.

7-10C Audience Input: Members of the audience may make statements or ask questions regarding the matter. Any person wishing to address the Board, shall, when recognized by the President, step to the rostrum, and give their name to the Board Secretary. All questions of staff from the public shall be addressed to the President. The President may impose reasonable limitations upon the amount of time each person can speak or the number of times any speaker can speak. After affording public comment, he or she may close the public comment period when necessary to allow the Board to complete its business.

7-10D Board Discussion and Resolution: Following closure of public input, the Board shall discuss the item and take the action it deems desirable by motion. Individual Directors may ask questions of members of the audience through the President but such questions and answers should not become a debate. All other audience input shall be deemed "out of order" by the Presiding Officer unless the Board determines that additional input is desirable.

RULE 7-11: ORDER OF DEBATE (Quasi Judicial) -- The Presiding Officer shall follow the following order of debate in the consideration of quasi judicial/adjudicative matters:

7-11A Presentation: Staff shall present the issue with any recommendations.

7-11B Questions of Staff by Board: The Board may ask questions of staff to clarify the issue or the recommendation.

7-11C Public Hearing: The Presiding Officer shall open the Public Hearing, call upon the Applicant to make a statement, and then receive any and all input from the public. Any person wishing to address the Board, shall, when recognized by the President, step to the rostrum, and give their name to the Board Secretary. All questions of staff from the public shall be addressed through the President. Following receipt of public comment, the applicant shall be given the opportunity to respond to comments received. The President may limit the amount of time each person can speak or the number of times a speaker can speak and may

close public comment restricting further discussion to the Board level unless a majority of the Board wishes to hear other testimony. The President shall then close the Public Hearing.

7-11D Board Discussion and Resolution: Following closure of public input, the Board shall debate the item and take the action it deems desirable by motion. Individual Directors may ask questions of members of the audience through the President but such questions and answers should not become a debate. All other audience input shall be deemed "out of order" by the Presiding Officer unless the Board determines that additional input is desirable.

RULE 7-12: ORDER OF DEBATE (Non-Legislative Matter, Informational Items)

7-12A Presentation: Staff shall present the issue with any recommendations.

7-12B Questions of Staff by Board: The Board may ask questions of staff to clarify the issue or the recommendation.

7-12C Audience Input: The Board President may choose to accept input from the audience regarding the matter, however such input is optional and at the Board President's discretion.

RULE 7-13: EX PARTE CONTACT AND DISCLOSURE -- If a Director talks to or is otherwise contacted by a party in a quasi-judicial/adjudicative matter pending before the Board, that Director must disclose to the Board of Directors that he or she was contacted and disclose the name of the person who contacted them.

PART 8 -- REMUNERATION

RULE 8-1: BOARD MEETING COMPENSATION –Directors will be compensated one hundred twenty five dollars (\$125) per noticed meeting attended up to a maximum of \$750 per month (6 meetings) per Director, with no compensation for Committee Meetings or Ceremonial Meetings, with future meeting fees to be adjusted only upon future Board action in compliance with California Government Code section 61047 and applicable law. For the purposes of this section, a “day of service” means any of the following:

(1) A meeting conducted pursuant to the Ralph M. Brown Act, Chapter 9 (commencing with [Section 54950](#)) of Part 1 of Division 2 of Title 5 of the Government Code.

(2) Representation of the District at a public event, provided that the Board of Directors has previously approved the member's representation at a Board of Directors' meeting and that the member delivers a written report to the Board of Directors regarding the member's representation at the next Board of Directors' meeting following the public event.

(3) Representation of the District at a public meeting or a public hearing conducted by another public agency, provided that the Board of Directors has previously approved the member's representation at a Board of Directors' meeting and that the member delivers a written report to the Board of Directors regarding the member's representation at the next Board of Directors' meeting following the public meeting or public hearing.

(4) Representation of the District at a meeting of a public benefit nonprofit corporation on whose board the District has membership, provided that the Board of Directors has previously approved the member's representation at a Board of Directors' meeting and the member delivers a written report to the Board of Directors regarding the member's representation at the next Board of Directors' meeting following the corporation's meeting.

(5) Participation in a training program on a topic that is directly related to the District, provided that the Board of Directors has previously approved the member's participation at a Board of Directors' meeting, and that the member delivers a written report to the Board of Directors regarding the member's participation at the next Board of Directors' meeting following the training program.

RULE 8-2: BOARD MEMBER EXPENSES -- Board Members that incur expenses for service rendered at the request of the Board shall be reimbursed on the basis established under the District's Expenditure Control Guidelines.

RULE 8-3: INSURANCE -- Board Members serving continuously prior to December 31, 1995 shall be eligible for the same insurance benefits as afforded regular employees while serving on the Board. These Board Members shall not be eligible for insurance benefits after they stop serving on the Board unless they participate on a self pay basis. Board Members starting terms on or after January 1, 1996 shall not be eligible for insurance benefits unless the recipient participates on a self pay basis.

PART 9-- PERSONNEL POLICIES

RULE 9-1: SEXUAL HARASSMENT -- The District will not tolerate sexual harassment (which includes harassment based on verbal, physical and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with an employee's work performance) by a Board Member, consultants, clients, customers, members of the public, or visitors. The Board considers sexual harassment to be a major offense which may result in disciplinary action of the offending Director. The District is committed to providing a workplace free of sexual harassment (which includes harassment based on gender, pregnancy, childbirth, or related medical conditions), as well as harassment based on such factors as race, color, creed, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, medical leave status, veteran status, or any other basis protected by federal, state or local laws.

An employee who feels that he/she is being harassed is encouraged to immediately report such incident to the immediate supervisor of the accused individual without fear of reprisal. The Manager shall be informed of all such complaints and will assist in the investigation and resolution of complaints.

RULE 9-2 WORKPLACE VIOLENCE - In recognition of the fact that workplace violence is a concern among Boards, employers and employees across the country the District has committed itself to providing a safe, violence-free workplace. In this regard, the District strictly prohibits employees, consultants, clients, customers, members of the public, visitors, or anyone else on MCSD premises or engaging in a District-related activity from behaving in a violent, threatening, intimidating, or hostile manner.

Moreover, the District seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence even prior to any violent behavior occurring.

The District believes that prevention of workplace violence begins with recognition and awareness of potentially early warning signs and the Board shall respond to any situation that may present the possibility of violence.

Workplace violence includes, but is not limited to, the following:

- Threats of any kind;
- Threatening, physically aggressive, or violent behavior, such as intimidation of or attempts to instill fear in others;
- Other behavior that suggests a propensity toward violence, which can include belligerent speech, excessive arguing or swearing, threats to Board or staff members, sabotage, or threats of sabotage of District property, or a demonstrated pattern of refusal to follow District policies and procedures;
- Defacing District property or causing physical damage to the facilities.

RULE 9-3: NON-DISCRIMINATION -- The District shall not unlawfully discriminate against qualified employees or job applicants on the basis of sex, race, color, religious creed, national origin, ancestry, age over 40, marital status, physical or mental disability, or Vietnam era veteran status.

Equal opportunity shall be provided to all qualified employees and applicants in every aspect of personnel policy and practice. The District shall not discriminate against physically or mentally disabled person who, with reasonable accommodation, can perform the essential function of the job in question.

All Directors are expected to carry out their duties in a manner that is free from discriminatory statements or conduct.

RULE 9-4: REASONABLE ACCOMMODATION -- Pursuant to the Americans with Disabilities Act, MCSD has a duty to reasonably accommodate Directors with known disabilities. This accommodation is not generally required until the person with the disability requests it.

PART 10 -- DIRECTORS LEGAL LIABILITY

RULE 10-1: DEFENSE -- The District shall defend and indemnify Board Members from any claim, liability or demand that arises out of a Director's performance of his or her duties as a Board Member or Officer of the District.

RULE 10-2: LEGAL COUNSEL -- The District Counsel reports to the Board as a whole but is available to each director for consultation regarding legal matters particular to that Board Member's participation in District matters. No Board Member may request a legal opinion of legal counsel without concurrence by the Board except as such requests relate to questions regarding that Member's participation. The determination of legal counsel that the member's legal issue is personal and that they must seek outside legal counsel is final. The Board chair may privately consult with legal counsel based upon credible information of an on-going criminal investigation or criminal wrongdoing or fraud of District management or the Board, provided the allegation is not against the Board chair.

Attachment A

This written procedure is provided to the Board of Directors as guidance in completing a 360 Degree Annual Performance Evaluation for the General Manager.

These evaluations should be conducted annually on the anniversary of the General Manager's hire date and use the standard MCSD GENERAL MANAGER EVALUATION Form attached as EXHIBIT 1, unless the Board of Directors determine it insufficient. At that time determine a more appropriate interval.

Simultaneously the Board should request District Department Heads participate in an advisory evaluation by utilizing the GENERAL MANAGER 360 PERFORMANCE EVALUATION Form attached as EXHIBIT 2.

The process will begin with the Board requesting an item be place on the agenda approximately one month prior to the anniversary date. This item should be titled "Initiate process for General Manager Performance Evaluation" and can be accomplished in opened session.

During an open public meeting, the selection of one board member to consolidate all five Board Member and three Department Head evaluations will be determined by the Board President. Once a member of the Board has been selected a schedule should be established and should include:

- Date to complete and return sealed evaluations to Board Secretary,
- Date the appointed consolidator will retrieve the evaluations and
- A date for the closed session for the General Manager's performance evaluation.

All five Board Members will receive the evaluation forms from the Board Secretary at that meeting with an envelope to seal and return with the completed forms. The Board will fill out the evaluations and provide them to the Board Secretary at the District Office in the sealed envelope in accordance with the schedule.

After the meeting the Board Secretary will distribute the GENERAL MANAGER 360 PERFORMANCE EVALUATION form to Finance Director, Operations Director and Parks and Recreation Director and coordinate the completion in accordance with the Board's schedule so the evaluations are all completed and ready simultaneously.

The Board Member selected to consolidate the evaluations will be notified by the Board Secretary that the evaluations by department heads and other Board Members are completed and ready to pick up. The evaluations will be consolidated by averaging each section and combining any written comments so there is one evaluation from the Board and one evaluation from the Department Heads.

During a properly noticed public meeting the board will convene a closed session to review the consolidated evaluation with the General Manager for the purpose of discussing the General Manager's performance. See the example below for noticing.

"PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(California Government Code § 54954.5 and 54957): Title:
General Manager—(*Name Inserted Here*)"



MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
Board of Directors' Evaluation Form - General Manager
Performance Review Period (_____)through _____)

Board Member: _____ Date _____

A. BOARD/MANAGER RELATIONSHIP

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Provides sufficient staff reports and related agenda materials to allow for effective Board discussion/decision-making. Provides information to Board Members in a timely manner. Obtains and evaluates relevant information and implements or recommends appropriate solutions to problems.					
Displays a professional attitude/image that assures public confidence. Makes effort to be accessible and provides consistent and equal treatment to Board Members.					

B. COMMUNITY RELATIONS

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Represents the District well in presentations to civic groups, media and the public and provides a positive, professional image. Sought to develop cooperative working relationships with various outside governmental agencies and other outside groups.					
Promotes community involvement in the District as opportunity allows.					
Enhances community understanding of District's goals and objectives. Deals openly with conflict and District problems.					

C. LEADERSHIP

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Assumes leadership in establishing the immediate and long-range goals & objectives for the District.					
Demonstrates original thinking, ingenuity, and creativity by introducing new strategies or courses of action.					
Plans effectively and supports innovative problem-solving by involving others.					

D. COMMUNICATION

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Promotes and engages in two-way communication with Board Members.					
Is accessible to Board Members. Communicates new ideas, suggestions, and concerns to the Board.					

E. MANAGING FINANCIAL AND MATERIAL RESOURCES

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Identifies District revenue enhancements and cost saving to ensure the District accomplishes important short-term and long-term goals.					
Demonstrates original thinking, ingenuity, and creativity by introducing new financial strategies or courses of action.					
Plans, implements, and directs a comprehensive financial program for the District's long-range economic development.					
Has a general understanding of technical issues affecting the District.					

F. ORGANIZATION

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1
Develops procedures in response to needs. Implements practices and monitoring results in support of Board policy. Anticipates changes in various situations and the ability to achieve goals despite these changes. Meets schedules (whether set by the General Manager or by others). Sets priorities, understands systems, practices time management, planning, and is committed to quality work.					

H. OVERALL EVALUATION

5 - Outstanding 4 - Excellent 3 - Satisfactory 2 - Needs Improvement 1 - Unsatisfactory

	5	4	3	2	1

Remarks/Comments:

**GENERAL MANAGER
360 PERFORMANCE EVALUATION**

EXHIBIT 2

Rating categories:

- I** - Improvement needed for performance to meet expected standards
- M** - Performance fully meets expected standards
- E** - Performance consistently exceeds standards

PERFORMANCE FACTORS	I	M	E	COMMENTS
1. QUALITY OF WORK: Consider the extent to which completed work is accurate, neat, well-organized, thorough, and effective				
2. RELATIONSHIPS WITH PEOPLE: Consider the extent to which the GM recognizes the needs and desires of other people, treats other with respect and courtesy, and inspires their respect and confidence, etc.				
3. WORK HABITS: Consider the GM's effectiveness in organizing and using work tools and time, in caring for equipment and materials, in following good practices of vehicle and personal safety, etc.				
4. TAKING ACTION INDEPENDENTLY: Consider the extent to which the GM shows initiative in making work improvements, identifying and correcting errors, initiating work activities, etc.				
5. ANALYZING SITUATIONS AND MATERIALS: Consider the extent to which the GM applies consistently good judgment in analyzing work situations and materials, and in drawing sound conclusions.				
6. MEETING WORK COMMITMENTS: Consider the extent to which the GM completes work assignments, meets deadlines, follows established policies and procedures, etc.				
7. TECHNICAL AND PRACTICAL KNOWLEDGE OF THE JOB: Extensive knowledge of technical elements in own program and related areas; willing to share technical knowledge; viewed as a knowledgeable resource; ability to effectively utilize a variety of resources to resolve administrative and/or program problems.				

**GENERAL MANAGER
360 PERFORMANCE EVALUATION**

Rating categories:

- I** - Improvement needed for performance to meet expected standards
- M** - Performance fully meets expected standards
- E** - Performance consistently exceeds standards

PERFORMANCE FACTORS	I	M	E	COMMENTS
8. SUPERVISING THE WORK OF OTHERS: Creates an environment in which employees are treated with respect. Employees possess a sense of ownership; satisfaction in the District's accomplishments; influence over how things are done, and an understanding of their personal importance to the MCSD. Provides appropriate control over staff activities. Provides timely performance appraisal of subordinate staff. Inspires continuous learning and development of staff. Recognizes and values the contributions of all members of a diverse work force.				
9. LEADERSHIP: Cooperates, inspires, motivates, persuades and guides others toward goal accomplishment; adapts leadership style to a variety of situations; models high standards of honesty, integrity, trust, openness and flexibility; makes sound decisions consistent with District objectives.				
10. FISCAL MANAGEMENT: Understands District costs, debt, cash flow, fixed assets and rate structures and is able to utilize these strategically; Analyzes budget forecasts for accuracy; maintains responsible District costs within Board approved budgets. Timely review and approval of bank reconciliations, journal entries, financial statements, invoices (AP) and payroll.				
11. COMMUNICATION: Proactively informing Board of Departmental and District issues and concerns; Timely collection of information and reports from Departments. Maintains confidentiality of communications.				
12. COMPLIANCE: Demonstrates the ability to maintain the District and all departments in compliance with laws, regulations and reporting requirements				

GENERAL MANAGER 360 PERFORMANCE EVALUATION

Rating categories:

- I** - Improvement needed for performance to meet expected standards
- M** - Performance fully meets expected standards
- E** - Performance consistently exceeds standards

13. CUSTOMER SERVICE: Shows interest in and understanding of the needs, expectations and circumstance of internal and external customers. Explores options and pursues solutions until customers are satisfied. Is responsive, pleasant, professional and easy to do business with. Looks at the organization and its services from the customer's point of view. Seeks and uses customer feedback to improve services. Meets or exceeds internal and external customer expectations.				
14. EMPLOYEE SAFETY: Consider whether the employee maintains and ensures training, safety requirements and compliance for supervised employees (i.e. full time, part-time, seasonal, Cal-works, sub-contractors or visitors)				
15. POLICIES AND PROCEDURES: Consider the extent to which the employee maintains compliance with All District Policies and Procedures. Ensures staff is aware of Human Resource and EEO Policies.				
16. IDP: Develops IDP with supervised employees and ensures employee completes all training requirements.				

OTHER EVALUATOR COMMENTS:

SIGNATURE: _____

DATE: _____

GENERAL MANAGERS COMMENTS:

SIGNATURE: _____

DATE: _____

ACKNOWLEDGMENT OF RECEIPT
OF EMPLOYEE HANDBOOK

I acknowledge that I have received a copy of the McKINLEYVILLE COMMUNITY SERVICES DISTRICT (hereafter “the District” or “MCSD”) Employee Handbook dated _____ 2014 (the “Employee Handbook”). I have read and understand my rights to and responsibilities for fostering a safe, professional, and discrimination-free work environment as set forth in the Employee Handbook. In particular, I have read the Policy Against Harassment as well as the Drug-Free Workplace policy. I agree to abide by these policies, as well as the other policies contained in the Employee Handbook. I have also had an opportunity to discuss any questions with my supervisor or Department Head.

I agree and understand that my relationship with the District is “at-will,” which means that my employment is for no definite period and may be terminated by the District or me at any time for any reason, with or without cause or advance notice. I understand that only the General Manager may change this at-will employment relationship, and then only if it is in writing.

Lastly, I understand and agree that, except for employment-at-will status, the Company can change any and all policies or practices at any time. This Employee Handbook supersedes all previous agreements, whether written or oral, express or implied, concerning my employment with MCSD.

Employee Name (Printed)

Signature

Date

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
EMPLOYEE HANDBOOK

May 2014

TABLE OF CONTENTS

	Page
I. EMPLOYMENT POLICIES	3
A. Employment Policies	3
B. Equal Employment.....	3
C. Verification of Lawful Work Status	3
D. Applicant/Employee Background Checks and Investigations	4
E. “At-Will” Employment	4
F. Workplace Inspections.....	5
G. Off-Site Work	5
H. Telephone, Facsimile Machines and Electronic Devices	6
I. Cell Phones	6
J. Drug-Free Workplace	7
K. Policy Against Harassment	13
L. Workplace Violence.....	16
M. Reference Requests	17
N. Non-Fraternization	18
O. Nepotism	18
P. Business Ethics	19
Q. Authorized Disclosures	19
R. Technology Use	20
S. Social Media Policy	24
T. District Property, Confidential and Proprietary Information.....	25
U. Use of District Property	27
V. Open Door Policy	27
W. Conflicts of Interest.....	28
X. Outside Employment	29
II. WAGE AND SALARY POLICIES	29
A. Employment Classification.....	29
B. Introductory Period	30
C. Compensation	30
D. Attendance	30

TABLE OF CONTENTS

(continued)

	Page
E. Tardiness	31
F. Personnel Records.....	31
G. Payroll Records	32
H. Employee Resignations.....	32
I. Time Records	33
J. Pay Ranges and Performance Evaluations.....	33
K. Hours of Work, Overtime, and Payday.....	33
L. On-Call Duty and Call-Back Pay.....	36
M. Pay Advances	36
N. Payroll Deductions.....	36
O. Garnishments	37
P. Travel	37
Q. Mileage Reimbursement	37
R. Administrative Pay.....	37
III. EMPLOYEE BENEFITS.....	38
A. Benefits Generally	38
B. Medical and Dental Insurance	38
C. Life Insurance and Retirement Plans	39
D. Short-Term Disability Insurance.....	39
E. Workers' Compensation Insurance.....	39
F. Unemployment Insurance	39
G. Social Security	40
H. Education, Training, and Certification Reimbursement	40
I. Vacation	40
J. Sick Leave.....	41
K. Holidays	43
IV. LEAVES OF ABSENCE AND OTHER TIME OFF	44
A. Leaves of Absence Generally	44
B. Pregnancy Leave.....	45
C. Family Care/Medical Leave.....	47

TABLE OF CONTENTS
(continued)

	Page
D. Workers' Compensation Leave.....	50
E. Organ and Bone Marrow Donor Leave	51
F. Other Leaves of Absence	51
G. Bereavement Leave.....	52
H. Military Leave of Absence.....	52
I. Military Spouse Leave	53
J. Jury and Witness Duty	53
K. Leave for Educational/Daycare Purposes	53
L. Time Off To Vote	54
M. Domestic Violence Leave	54
N. Drug/Alcohol Rehabilitation.....	54
O. Emergency Duty	55
P. Crime Victims' Leave.....	55
V. STANDARDS OF CONDUCT	55
A. Termination, Discipline, and Rules of Conduct.....	55
B. Solicitations and Distribution of Literature	60
C. Workplace Security.....	60
D. Smoking	60
E. Recycling	60
F. Housekeeping.....	60
G. Personal Appearance.....	61
H. Use of District Equipment and Vehicles.....	61
I. Visitors in the Workplace	62
J. Employee Assistance During Response to Emergency Situations	62

INTRODUCTION

This Handbook is intended to help employees get acquainted with McKINLEYVILLE COMMUNITY SERVICES DISTRICT (hereafter “MCSD ” or “the District”) and provide information about its employment practices. MCSD shall conduct its business in a professional, courteous, and ethical manner. This Handbook exists to ensure MCSD is sensitive to, and responsible for, the efficient, economical, and legal implementation of its business operations.

The purpose of the Handbook is to emphasize that, as MCSD employees, we have a responsibility to the public, to our stakeholders, partners, and colleagues, and to ourselves to conduct all facets of our business in a professional and ethical manner. It explains some of our philosophies and beliefs, and describes, in general terms, some of our employment policies. Although this Handbook is not intended to be an official policies and procedures manual, we hope that it will serve as a useful reference document for employees throughout their employment. Employees should understand, however, that this Handbook is not intended to be a contract, express or implied, nor is it intended to otherwise create any legally enforceable obligations on the part of MCSD or its employees.

This Handbook supersedes and replaces all previous handbooks, personnel policies, practices, and guidelines.

Because MCSD is a constantly-changing organization, it reserves complete discretion to add to, modify, or delete provisions of this Handbook, or the policies and procedures on which they may be based, at any time without advance notice, with the exception of its at-will employment policy. Employees will be advised of changes that occur.

To obtain information regarding specific employment policies or procedures, whether or not they are contained in this Handbook, employees should contact their supervisor or Department Head.

No one, other than the General Manager, has the authority to enter into any employment or other agreement that modifies District policy. Any such modification must be in writing and signed by the General Manager and the affected employee. This Handbook is the property of MCSD, and it is intended for personal use and reference only by employees of the District. Circulation of this Handbook outside of the workplace requires the prior written approval of the General Manager.

Employees are required to sign the Acknowledgment of Receipt form that will be distributed at the time employees receive this Handbook. This should be returned to your Department Head, the Finance Director or the General Manager as soon as possible. This completed form will be retained in each employee’s official personnel file and will provide the District with a record that each employee has received this Handbook.

This Handbook is intended to apply to all employees.

WELCOME

Welcome to the McKinleyville Community Services District.

District Government Structure

MCSD was created on April 7, 1970 when McKinleyville citizens voted 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. MCSD's boundaries encompass 12,140 acres ranging from North Bank Road on the south to Patrick Creek on the north.

The District is an independent special district governed by a five-member Board of Directors elected by the McKinleyville voters. The Directors meet on the third Wednesday of each month to set policy, consider projects, and settle disputes. The District office is located at 1656 Sutter Road just east of Central Avenue.

The District's principal activities include water, wastewater, parks, recreation, street lighting, and open space maintenance services. In recent years, the District has dramatically expanded its recreational services by developing community parks (Hiller Park, Pierson Park and Larissa Park) and constructing three state-of-the-art buildings to provide an indoor sports facility (McKinleyville Activity Center), a community activities center (Azalea Hall), and a library (a branch of the Humboldt County Library). The District has just completed the expansion of its wastewater treatment facility at Hiller Park where it is also developing an outdoor sports complex.

District Mission Statement

The District's mission is: Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner.

Board of Directors

The Board of Directors is the legislative body of the District. Its members are elected by the community and are the decision makers of the District. The Board of Directors sets policy and approves the District's annual budget.

General Manager

Overall responsibility for the day-to-day operation of the District is vested in the General Manager. The General Manager is appointed by and serves at the pleasure of the Board of Directors.

Departments

The District is organized into three separate departments. They are: Operations; Parks and Recreation; and Support Services. Being a small district, each department performs a wide range of services for the citizens of our community.

I. EMPLOYMENT POLICIES

A. Employment Policies

McKinleyville Community Services District (“MCSD ” or “District”) recognizes that most employees are concerned about their job-related rights and responsibilities. In recognition of these concerns, we are explaining basic employment policies that will influence your employment.

We believe in the recognition of your contributions. For that reason, we consider your individual job performance as the single most important factor in decisions affecting salary adjustments, promotions, and job retention. We also believe that, whenever possible, promotions should be made from within MCSD.

B. Equal Employment

It is the policy of MCSD to provide equal employment opportunity for all applicants and employees. The District does not discriminate on the basis of race, color, creed, religion, sex (including pregnancy, childbirth, or related medical conditions), national origin, ancestry, age, physical or mental disability, legally protected medical condition, including genetic characteristics, family care status, military or veteran status, marital status, sexual orientation, registered domestic partner status or any other basis protected by federal, state or local law. This policy also prohibits discrimination based on the perception that anyone has any of the above-referenced characteristics, or is associated with a person who has or is perceived as having any of these characteristics. All such discrimination is unlawful.

When necessary, MCSD also makes reasonable accommodations for disabled employees and for pregnant employees who request an accommodation, with the advice of their health care providers, for pregnancy, childbirth, or related medical conditions.

MCSD prohibits the harassment of any employee on any of the bases enumerated above. For information concerning the types of conduct that constitute impermissible harassment and the District’s internal procedures for addressing complaints of harassment, please refer to MCSD’s Policy Against Harassment located in this Handbook.

This policy applies to all areas of employment, including recruitment, hiring, training, promotion, compensation, benefits, transfer, and social and recreational programs. It is the responsibility of every supervisor and employee to conscientiously follow this policy. Employees who have any questions regarding this policy should discuss them with your Department Head, the Finance Director or the General Manager of MCSD.

C. Verification of Lawful Work Status

The District only employs United States citizens and aliens who are authorized to work in the United States. In compliance with the Immigration Reform and Control Act of 1986, each employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility prior to commencement of employment.

Required documentation must be presented to the Finance Director prior to the start of employment, which will facilitate proper processing of these documents.

D. Applicant/Employee Background Checks and Investigations

MCSD seeks to maintain a safe workplace for employees who are honest, trustworthy, and non-violent and who do not otherwise present a risk of harm to their fellow employees, or others in the workplace.

As a result, we reserve the right to investigate, before hiring, an applicant's entire employment history, references, educational background, driving record, and required licenses and/or certifications. Accordingly, all applicants for employment may be requested to sign a request, authorization, and consent for release of information form, and/or a release of claims, and perhaps other similar documents, associated with the disclosure of information requested. Applicants for some positions, including exempt managerial positions, may also be subject to a credit check. Such applicants will be informed in writing of the District's intention to investigate their credit history and will be requested to sign an authorization and consent for release of information form, and/or a release of claims, and perhaps other similar documents, associated with the disclosure of the information requested.

MCSD reserves the right to exclude from consideration any applicant for employment who refuses to sign these forms, consistent with applicable law.

Once MCSD has determined that an applicant meets the minimum employment qualifications, as stated in any notice issued for the relevant position, the applicant may be required to undergo a conviction history background check. Such applicants will be informed in writing of the District's intention to investigate their conviction history and will be requested to sign an authorization and consent for release of information form, and/or a release of claims, and perhaps other similar documents, associated with the disclosure of the information requested.

On occasion, MCSD may deem it necessary to investigate current employees. This could occur where, due to behavior or other considerations, legitimate questions are raised concerning work performance, honesty, trustworthiness, reliability, or a potential threat to the safety of fellow employees or others in the workplace. Therefore, an employee's criminal record may be investigated, for example, as well as his/her alcohol and drug use that could affect his or her job performance. In such instances, employees may be requested to sign a request, authorization, and consent for release of information form, and/or a release of claims, and perhaps other similar documents, associated with the disclosure of information requested as required by law. Employees in particular positions, such as exempt managerial employees and several others, may also be subject to a credit check. Employees in those positions will be informed in writing of MCSD's intent to obtain a credit report for employment purposes and will be requested to sign an authorization and consent for release of information form, and/or a release of claims, and perhaps other similar documents, associated with the disclosure of the information requested. Employees who are subject to these background checks and investigations are required to cooperate with MCSD's efforts to obtain such important information. Failure to cooperate may result in discipline, up to and including discharge.

E. “At-Will” Employment

We sincerely hope that your employment relationship with MCSD will be satisfying and mutually beneficial. We nevertheless believe there are some things you must know. Your employment relationship with MCSD is “at-will.” This means that you are entirely free to terminate your employment at any time, either with or without a reason. It also means that MCSD has the very same right as you and can terminate your employment at any time, with or without cause or advance notice.

This represents an integrated agreement with respect to the at-will nature of your employment relationship. No representative or employee of MCSD, other than the General Manager, has the authority to enter into a contrary agreement. Even then, a contrary agreement is enforceable only if it is set forth in a written agreement that is signed by both you and the General Manager.

F. Workplace Inspections

A routine check of employees leaving the District’s premises with packages or articles may be held periodically without prior announcement. Any supervisor or other District-designated person has the authority to inspect packages or other articles leaving the District’s premises in the possession of any employee. If employees desire to avoid such inspections, they should refrain from bringing packages or other articles on the District’s premises. The District is not responsible for lost or stolen items brought onto District premises.

The District may provide lockers for the convenience and use of the employees at the District’s expense. MCSD may also make available to employees locks at the District’s expense for use in connection with any lockers that are issued. Accordingly, employees should not place any other lock on a locker. In addition, some employees may also be provided desks for their use during work. Although lockers and desks are made available for the convenience of employees while at work, employees should remember that all lockers and desks remain the sole property of the District.

In addition, MCSD reserves the right to open and inspect lockers and desks, as well as any contents, effects or articles that are in lockers or desks. Such an inspection can occur at any time, with or without advance notice or consent. **EMPLOYEES HAVE NO EXPECTATION OF PRIVACY IN ANY OF THESE AREAS.** An inspection may be conducted before, during or after working hours by any supervisor or other person designated by the District.

Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, and hazardous materials, may not be placed in a locker or desk. Perishable items should not be stored in lockers or desks or left for prolonged periods of time. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including discharge. MCSD is not responsible for any articles that are placed or left at a locker or desk that are lost, damaged, stolen or destroyed.

G. Off-Site Work

The District retains, in its sole discretion, the right to allow some employees to perform work from locations away from the workplace. This is referred to as telecommuting, and any such arrangement must be approved in writing by the employee's direct supervisor and the General Manager in advance.

Other than the physical location of where your work is performed, telecommuting has no effect on the terms or conditions of your employment as set forth in this handbook. Employees who are allowed to telecommute should be aware that the District reserves, in its sole discretion, the right to change or terminate any telecommuting arrangement at any time, with or without notice or cause.

Employees who are allowed to telecommute are solely responsible for ensuring the safety of the location where their work will be performed.

Because employees performing telecommuting work are covered under the District's workers' compensation insurance, any injuries, no matter how minor, that are experienced while an employee is telecommuting must be reported immediately, pursuant to the policies set forth in this handbook. Any employees who are allowed to telecommute will be required to sign a document, before any work is so performed, setting forth the days and working hours telecommuting will be performed, any equipment to be utilized in connection with this work, the arrangements for how the telecommuter will communicate with the District, and any related information.

Unless otherwise specified in writing, a telecommuting employee's hours and days of work will remain identical to those that would apply in the workplace.

It is understood that MCSD shall not incur any additional costs due to telecommuting work an employee is performing.

H. Telephone, Facsimile Machines and Electronic Devices

The use of telephones, facsimile machines, cellular phone units, pagers or other electronic devices at MCSD is limited to official business during working hours, except in the event of an emergency. Personal long-distance calls must be approved in advance by the General Manager and must be reimbursed by the employee.

I. Cell Phones

Some employees may be provided a District-issued cell phone. Such employees are authorized to use such cell phones for personal reasons only in the case of an emergency. All other personal use is prohibited. This policy includes all communications on District-issued cell phones, including phone calls and text messages.

1. Driving and Cell Phones

In the interest of safety, employees are expressly forbidden from using cell phones while driving either on District business or during District hours. This includes writing, sending, or reading text-based communications, such as text messages and e-mail.

If your job requires you to keep your cell phone turned on at times while you are driving, you must use a hands-free device and safely pull off the road and park your vehicle before talking on the phone. Employees are expressly prohibited from placing any phone calls while operating a motor vehicle while driving on District business and/or District time.

Failure to comply with this policy may result in discipline, up to and including termination.

2. Cell Phones/Cameras

Employees may bring personal cell phones that are equipped with a camera onto District premises only on condition that no photographs are taken in the workplace, during working hours or otherwise. Use of cell phones or other cameras in violation of this policy may result in discipline up to and including discharge.

J. Drug-Free Workplace

1. Objective of Policy

It is the intent of MCSD to maintain a workplace that is free of drugs and alcohol to provide a safe, efficient, and productive workplace. Employees who are under the influence of a drug or alcohol on the job compromise the District's interests and endanger their own health and safety as well as the health and safety of others.

Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, unsatisfactory job performance, increased workloads for co-employees, behavior that is disruptive to other employees, and products or services that are of inferior quality.

To further its interests in avoiding accidents, to promote and maintain safe and efficient working conditions for all employees, and to protect its business, property, equipment and operations, MCSD has established this policy regarding the use of alcohol and drugs. As a condition of continued employment with the District, each employee must abide by this policy. The Finance Director has been designated to administer this policy, monitor the program and make reports as required by law.

2. Applicable Definitions

For purposes of this policy, the following definitions will apply:

- (a) "Illegal drugs or other controlled substances" mean any drug or substance that is not legally obtainable, is legally obtainable but has not been legally obtained, or has been legally obtained but is being sold or distributed unlawfully.
- (b) "Legal drug" means any drug including prescription or over-the-counter drugs that have been legally obtained and that are not unlawfully sold or distributed.

- (c) “Abuse of any legal drug” means the use of any legal drug for any purpose other than the purposes for which it was prescribed or manufactured, or in a quantity, frequency, or manner that is inconsistent with the instructions or recommendations of the prescribing physician or manufacturer.
- (d) “Reasonable suspicion” includes a suspicion that is based on specific personal observations such as an employee’s manner, disposition, muscular movement, appearance, behavior, speech or breath odor, information provided to management by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable, or a suspicion that is based on other relevant circumstances.
- (e) “Possession” means that an employee has the substance on his/her person or otherwise under his/her control.

3. Prohibited Conduct

The prohibitions set forth in this section apply whenever the interests of MCSD may be adversely affected, including but not limited to any time an employee is:

- (a) On District premises;
- (b) Conducting or performing District business, regardless of the physical location;
- (c) Operating or responsible for the operation, custody or care of District equipment or other property; or
- (d) Responsible for the safety of others in connection with, or while performing, MCSD-related business.

4. Alcohol

The following acts are prohibited and will subject an employee to discipline up to and including discharge:

- (a) The unauthorized use, possession, purchase, sale, manufacture, distribution, or dispensation of alcohol; or
- (b) Being under the influence of alcohol or otherwise impaired as a result of being under the influence of alcohol.

5. Illegal Drugs

The following acts are prohibited and will subject an employee to discipline up to and including discharge:

- (a) The use, possession, purchase, sale, manufacture, distribution, transportation or dispensation of any illegal drug or other controlled substance; or
- (b) Being under the influence of any illegal drug or other controlled substance or otherwise impaired as a result thereof.

6. Legal Drugs

- (a) The abuse of any legal drug;
- (b) The purchase, sale, manufacture, distribution, transportation, dispensation or possession of any legal prescription drug in a manner inconsistent with law; or
- (c) Working while impaired by the use of a legal drug whenever such impairment might:
 - 1. Endanger the safety of the employee or some other person;
 - 2. Pose a risk of significant damage to District property; or
 - 3. Substantially interfere with the employee's job performance or the efficient operation of MCSD business or equipment.

7. Drug-Free Awareness

(a) Employee Awareness

MCSD has established a Drug-Free Awareness Program that is designed to educate employees about the dangers of drug abuse in the workplace and to help ensure that employees are familiar with this policy and with the disciplinary actions that can result from a violation of it. From time to time, employees will be requested to attend one of the sessions of the Drug-Free Awareness Program. During each such session, employees will be given current information about relevant District policies on this subject.

(b) Management Awareness

Managers and supervisors should be attentive to the performance and conduct of those who work with them and should not permit an employee to work in an impaired condition or to otherwise engage in conduct that violates this policy. When any supervisor has reasonable suspicion to believe that an employee or employees are working in violation of this policy, prompt action is required. If the employee in question performs in a designated safety-sensitive position, such action may include drug testing in accordance with the procedures outlined in this handbook.

(c) Criminal Convictions

Employees must notify MCSD of any conviction under a criminal drug statute for a violation occurring in the workplace or during any District-related activity or event. Employees must notify the District within five days after any such conviction. When required by federal law, the District will notify any federal agency with which it has a contract of any employee who has been convicted under a criminal drug statute for a violation occurring in the workplace as required by law.

8. Legal Drugs

MCSD recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or in accordance with the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to District property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, he/she may not report to work. To accommodate the absence, the employee may use accrued sick leave or vacation time. The employee may also contact Human Resources to determine whether or not he/she qualifies for an unpaid leave of absence. Nothing in this policy is intended to permit the use of accrued sick leave or vacation time to accommodate absences due to the abuse of legal drugs.

Further, nothing in this policy is intended to diminish the District's commitment to employ and reasonably accommodate qualified disabled individuals. MCSD will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

9. Normal Use of Over-the-Counter Drugs

Nothing in this policy is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, provided that such activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this policy.

10. Off-the-Job Activity

Unless an employee is in a designated safety-sensitive position, this policy is not intended to regulate off-the-job conduct, provided the employee's off-the-job use of alcohol or drugs does not result in the employee being under the influence of or impaired by the use of alcohol or drugs in violation of this policy. If an employee is in a designated safety-sensitive position, he or she will be subject to drug testing as described below in this policy.

11. Authorized Use of Alcohol

MCSD may have events or social functions where alcohol for consumption may be made available by others. The District does not support the consumption of alcohol at these events. Further, the consumption of alcohol is at the employee's own risk. However, under no circumstances are employees to become impaired at such events or to be transported to or from such events by third parties who are impaired.

12. Confidentiality

Disclosures made by employees to designated supervisors concerning their use of legal drugs will be treated confidentially and will not be revealed to other managers, supervisors, or employees unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to designated supervisors concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

13. Counseling/Employee Assistance

Employees, who suspect they may have alcohol or drug problems, even if in the preliminary stages, are encouraged to voluntarily seek diagnosis and to follow through with the treatment as prescribed by professionals. Employees who wish to voluntarily enter and participate in an approved alcohol or drug rehabilitation program are encouraged to contact the General Manager, who will determine whether the District can accommodate the employee by providing unpaid leave for the time necessary to complete participation in the program. MCSD will encourage and reasonably accommodate employees with alcohol or drug dependencies to seek treatment and/or rehabilitation unless the employee's absence would place an undue hardship on the District. The employee may use any accrued sick leave or vacation benefits while on leave. However, additional benefits will not be earned during the leave of absence. The leave will be subject to the same provisions and rules that apply to medical leaves of absence.

MCSD is not obligated to continue to employ any person who is unable to perform his/her essential job duties because of drug or alcohol use, nor is MCSD obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's ability to perform the essential functions of the job remains impaired as a result of dependency. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect MCSD's treatment of employees who violate the regulations described previously. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

Employees should be aware that participation in a rehabilitation program would not necessarily shield them from discipline for a violation of this policy, especially if discipline is imposed for a violation occurring before the employee seeks assistance.

14. Drug Testing

(a) Testing of Applicants for Employment.

As part of MCSD's employment screening process, any applicant for a District position, to whom a conditional offer of employment has been made, must pass a pre-employment drug and alcohol test under the procedures described below. The offer of employment is contingent on a negative test result.

15. Testing of Employees in Designated Safety-Sensitive Positions

(a) Annual Testing.

Employees in safety-sensitive positions may be required to submit to annual drug testing, under the procedures described below. The General Manager will schedule the testing. Safety-sensitive positions include the following:

- Any employee who operates a District vehicle on a regular routine basis as part of their normal work activities;
- Any employee who has a Class A or B driver's license as required by the District;
- Any employee who operates District heavy equipment (i.e. backhoe, dump truck);
- Any employee certified to wear Self Contained Breathing Apparatus (SCBA); and
- Department Directors and Supervisors.

If an employee refuses to cooperate with the administration of a drug test, the refusal will be handled in the same manner as a positive test result.

(b) Reasonable Suspicion Testing

If an employee acts in such a manner that his/her supervisor or manager has a reasonable suspicion that the employee is working in an impaired condition or otherwise engaging in conduct that violates this policy, the employee will be asked about any observed behavior and offered an opportunity to give a reasonable explanation. If the employee is unable to satisfactorily explain the behavior, he/she will be requested to take a drug test in accordance with the procedures outlined below.

If the employee refuses to cooperate with the administration of the drug test, the refusal will be handled in the same manner as a positive test result.

(c) Random Testing

Employees in safety-sensitive positions only may be subject to random testing as authorized or required by state or federal law or regulation.

16. Testing Procedures

MCSD will refer the applicant or employee to an independent National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory which will administer the test. The District will pay the cost of the test and the applicant or employee's reasonable transportation costs to the testing facility. The applicant or employee will have the opportunity to alert the clinic or laboratory's personnel of any prescription or non-prescription drugs that he/she has taken that may affect the outcome of the test. All drug testing will be performed by urinalysis. Initial

screening will be done by EMIT II. Positive results will be confirmed by gas chromatography/mass spectrometry.

The clinic or laboratory will inform the District as to whether the applicant or employee passed or failed the drug test.

In the event of a positive test result, the applicant or employee may:

- Submit additional information in writing to the District to try to explain the positive test result, provided that the District must receive the explanation within three working days after the applicant or employee receives notice of the positive test result;
- Request in writing a confirmatory retest of the original sample, at the applicant or employee's own expense, provided that the District must receive the written request for a confirmatory retest within 48 hours after the applicant or employee receives notice of the positive test results. Any confirmatory retest requested and paid for by the applicant or employee must be conducted by a laboratory that is certified to perform drug testing by the National Institute on Drug Abuse (NIDA).

If an employee fails the test, he/she will be considered to be in violation of this policy and will be subject to appropriate discipline, up to and including termination.

17. Acknowledgment and Consent

Any applicant or employee subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing, and consenting to:

- (a) The collection of a urine sample for the purpose of determining the presence of alcohol or drugs, and
- (b) The release to the District of medical information regarding the test results. Refusal to sign the agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or will subject an employee to discipline up to and including discharge.

18. Confidentiality

All drug testing records will be treated as confidential.

K. Policy Against Harassment

1. Purpose

MCSD is committed to providing a workplace free of sexual harassment (which includes harassment based on gender, pregnancy, childbirth, or related medical conditions), as well as harassment based on such factors as race, color, creed, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, medical leave status, military or veteran status, or any other basis protected by federal, state or local laws.

The District strongly disapproves of and will not tolerate harassment of employees by managers, supervisors, or co-workers. Similarly, MCSD will not tolerate harassment by its employees of non-employees with whom District employees have a business, service, or professional relationship. The District also will attempt to protect employees from harassment by non-employees in the workplace. All employees are required to attend initial training and participate in periodic additional training. Employees who violate this policy are subject to discipline up to and including termination.

2. Definition of Harassment

Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with an employee's work performance. Sexual harassment is defined by the Fair Employment and Housing Commission as "unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature." Sexually harassing conduct can be by a person of either the same or opposite sex and need not be motivated by sexual desire. Such conduct constitutes sexual harassment when:

- (a) Submission to the conduct is made either an explicit or implicit condition of employment;
- (b) Submission or rejection of the conduct is used as the basis for an employment decision; or
- (c) The harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive working environment.

Unlawful harassment includes, but is not limited to:

- (a) Verbal conduct such as epithets, derogatory comments, slurs, or unwanted sexual advances, invitations, jokes, or comments;
- (b) Visual conduct such as derogatory posters, photography, cartoons, drawings, or gestures;
- (c) Physical conduct such as assault (unwanted touching), blocking normal movement, or interfering with work directed at an individual because of his or her sex or any other basis;
- (d) Threats and demands to submit to sexual requests in order to keep a job or avoid some other loss, and offers of job benefits in return for sexual favors;
- (e) Retaliation for having reported or threatened to report harassment; or
- (f) Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, and suggestive or obscene letters, notes, or invitations.

3. Reporting and Investigation of Harassment Claims

MCSD understands that victims of harassment are often embarrassed and reluctant to report acts of harassment out of fear of being blamed, concern about being retaliated against, or because it is difficult to discuss sexual matters openly with others. However, no employee should have to endure harassing conduct, and the District therefore encourages employees to promptly report any incidents of harassment so that corrective action may be taken.

On this subject, employees are required to report any behavior they consider to be improper or offensive. Similarly, employees are required to report romantic relationships in the workplace, even if they appear to be consensual, where conduct associated with such relationship causes others to be uncomfortable or offended. This would include acts of favoritism, where an employee is perceived to receive preferential treatment as a result of a relationship, for example. This is particularly important if it appears preferential treatment involves job-related benefits.

Any incidents of harassment, including work-related harassment by any District personnel or any other person, should be reported to your Department Head, or any other management employee, or the General Manager. An employee is not required to complain to any person who is harassing the employee, but may instead report the harassment to his or her immediate supervisor or any other member of management.

Supervisors who receive complaints or who observe harassing conduct should immediately inform the appropriate Department Head, the General Manager, or other appropriate District officials so that an investigation may be initiated.

Every reported complaint of harassment will be investigated thoroughly and promptly. Typically, the investigation will include the following steps:

- (a) An interview of the employee who initiated the harassment complaint to obtain complete details regarding the alleged harassment;
- (b) Interviews of any employees who may have witnessed, or who may have knowledge of, the alleged harassment. The District official responsible for the investigation will notify the employee who initiated the harassment complaint of the results of the investigation. The investigation will be handled in as confidential a manner as possible consistent with a full, fair, and proper investigation.

In addition to notifying MCSD about harassment or retaliation complaints, affected employees may also direct their complaints to the California Department of Fair Employment and Housing (“DFEH”), which has the authority to investigate and prosecute complaints of harassment. If the DFEH believes that a complaint is valid and settlement efforts fail, the DFEH may file a lawsuit in court. The courts have the authority to award monetary and non-monetary relief in meritorious cases. Employees can contact the nearest DFEH office at the locations listed in the District’s DFEH poster or by checking the state government listings in the local telephone directory or online.

4. Corrective Action

MCSD will not tolerate retaliation against any employee for making a complaint of harassment or for cooperating in an investigation. If harassment or retaliation is shown to have occurred, the District will take corrective action commensurate with the severity of the offense. This may include, without limitation, training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances. With regard to acts of harassment by customers or vendors, corrective action will be taken after consultation with the appropriate management personnel.

The District encourages all employees to report any incidents of harassment immediately so that complaints can be quickly and fairly resolved.

L. Workplace Violence

1. Summary of Policy

In recognition of the fact that workplace violence is a concern among employers and employees across the country, the District has committed itself to providing a safe, violence-free workplace. In this regard, the District strictly prohibits employees, consultants, clients, customers, visitors, the public, or anyone else on MCSD premises or engaging in a District-related activity from behaving in a violent or threatening manner.

Moreover, as part of this policy, MCSD seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence even prior to any violent behavior occurring.

The District believes that prevention of workplace violence begins with recognition and awareness of potentially early warning signs and has established procedures for responding to any situation that presents the possibility of violence.

2. Workplace Violence Defined

Workplace violence includes, but is not limited to, the following:

- (a) Threats of any kind;
- (b) Threatening, physically aggressive, or violent behavior, such as intimidation of or attempts to instill fear in others;
- (c) Other behavior that suggests a propensity toward violence, which can include belligerent speech, excessive arguing or swearing, sabotage, or threats of sabotage of District property, or a demonstrated pattern of refusal to follow District policies and procedures;
- (d) Defacing District property or causing physical damage to its facilities; or

- (e) With the exception of security personnel, bringing weapons or firearms of any kind on MCSD premises, in District parking lots, or while conducting District business.

3. Reporting

If any employee observes or becomes aware of any of the above-listed actions or any other actual violence, imminent violence, or threat of imminent violence by an employee, client, customer, consultant, visitor, or anyone else, he or she should immediately notify his/her supervisor, the Department Head, the Finance Director or the General Manager, or any other management employee. If appropriate, the employee should also contact the local law enforcement authorities by dialing 911.

Further, employees should notify the General Manager if any restraining order is in effect, or if a potentially violent, non-work-related situation exists that could result in violence in the workplace. The District will work with the employee-victim to find a reasonable accommodation for workplace safety in accordance with its obligations under the law.

4. Investigation

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, MCSD will inform the reporting individual of the results of the investigation. To the extent possible, the District will maintain the confidentiality of the reporting employee and of the investigation. The District may, however, need to disclose results in appropriate circumstances. For example, this may occur in order to protect individual safety. MCSD will not tolerate retaliation against any employee who reports workplace violence.

5. Corrective Action and Discipline

If MCSD determines that workplace violence has occurred, the District will take appropriate corrective action, and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or verbal warnings, probation, and reassignment of responsibilities, suspension, or termination of employment. If the violent behavior is that of a non-employee, MCSD will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

In situations where it is found appropriate to do so, the District may request that an employee who violates this policy participate in counseling, either voluntarily or as a condition of continued employment.

M. Reference Requests

Employees should not provide any information regarding current or former employees or volunteers to persons, firms, organizations, or institutions who are not employed by or part of MCSD. Any employee who receives a request for any information concerning a past or present employee or volunteer of MCSD should, without any on or “off the record” conversation about the individual, refer the person making the request to the General Manager.

Only the General Manager, or someone designated by the General Manager in writing, is authorized to provide information of any kind regarding current or former employees or volunteers. Requests that should be referred to the General Manager include, but are not limited to, requests for verification of employment, employment references, and requests for comments regarding performance from any outside agency, firm, or organization. Strict observance of this policy is required. Any violation of this policy may result in discipline, up to and including termination of employment.

N. Non-Fraternization

1. Managers and Supervisors

MCSD seeks to avoid misunderstandings, allegations of favoritism, potential claims of sexual harassment, as well as other problems involving employee morale and dissension that can result from personal or social relationships involving managerial and supervisory employees at MCSD. As a result, managers and supervisors are expressly prohibited from dating or pursuing romantic or sexual relationships with employees whom they supervise, directly or indirectly.

2. All Employees

MCSD also seeks to avoid misunderstandings, allegations of favoritism, possible claims of sexual harassment, and potential problems involving morale and dissension that can result from other relationships between employees. Accordingly, all employees, both management and non-management, are expressly prohibited from fraternizing or becoming romantically involved with other employees when, in the sole discretion of the District, their personal relationships may create a potential conflict of interest, result in disruption, cause a negative or unprofessional working environment, or present concerns regarding supervision, morale, safety, or security.

All employees must be aware that the District maintains a strict policy against unlawful harassment of any kind, including sexual harassment.

O. Nepotism

MCSD does not maintain a strict policy prohibiting the employment of relatives in all circumstances. For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage, or one who is a domestic partner.

MCSD places significant restrictions on the employment of relatives under some circumstances. For instance, MCSD may refuse to place one spouse under the direct supervision of the other spouse for business-related reasons, including supervision, safety, security or morale. Similarly, MCSD may preclude the placement of relatives in the same department or physical facility if the work may involve potential conflicts of interest, favoritism or hazards that are greater for persons sharing such relationships than they would for other employees.

P. Business Ethics

Just as MCSD has a responsibility to conduct its business in strict compliance with all applicable laws and regulations, it expects its employees to act in accordance with the highest standards of business ethics both on and off MCSD premises, and to avoid any appearance of impropriety. It is crucial that employees observe all applicable laws and regulations while conducting business on MCSD's behalf.

Employees are expected to abide by the spirit as well as the letter of this policy. Employees are also expected to cooperate with any inquiries or investigations concerning a possible or suspected violation of this policy.

Q. Authorized Disclosures

Occasionally, employees may be contacted by outside sources requesting information about MCSD matters, including information regarding current or former employees, District projects, or other workplace issues. In order to avoid providing inaccurate or incomplete information to outside sources, and the possible negative exposure that may result from providing information about the District to outside sources, any employee contacted by any outside source regarding the District should immediately contact the General Manager. Employees violating this policy may be subject to discipline, up to and including termination of employment.

1. Media Contacts

If an employee is contacted by a representative from any media organization, such as television, radio, or newspaper reporters, the employee should immediately refer the media representative to the General Manager. No employee may communicate with media agents regarding MCSD without prior written authorization from the General Manager.

2. Outside Attorneys and Investigators

If an employee is contacted by an outside attorney or investigator regarding MCSD business, including information regarding current or former employees, District projects, or other workplace issues, the employee should immediately obtain the individual's name and telephone number without disclosing any information to the individual. The individual's name and telephone number should then be provided to the General Manager.

3. Government Agencies

No employee, other than the General Manager, is authorized to permit entry to the workplace to any representative of any governmental agency or other organization, including Cal-OSHA. Any inquiries made by Cal-OSHA or other organizations or agencies must be referred immediately to the General Manager.

R. Technology Use

MCSD provides various technology resources to authorized employees to assist them in performing their duties. Each employee has a responsibility to use MCSD's technology resources in a manner that increases productivity, enhances the District's public image, and is respectful of other employees. Failure to follow MCSD's policies regarding technology resources may result in discipline, up to and including termination of employment. In addition, MCSD reserves the right to inform appropriate legal authorities of any violation of law by an employee.

1. Technology Resources Defined

Technology resources consist of all electronic devices, software, and any means of electronic communication including, without limitation, the following: personal computers and workstations; laptop computers; mini and main frame computers; computer hardware such as disk drives and tape drives; peripheral equipment such as printers, modems, fax machines and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet; electronic mail; telephones; cellular phones; personal organizers; pagers; and voicemail systems.

2. Authorization

Access to the District's technology resources is within the sole discretion of MCSD. Generally, employees are given access to MCSD's various technologies based on their job functions. Only employees whose job performance will benefit from the use of MCSD's technology resources will be given access to the necessary technology. Additionally, employees must successfully complete District-approved training before being given access to the District's technology resources.

3. Use

MCSD's technology resources are to be used by employees only for the purpose of conducting MCSD business. Employees may, however, use MCSD's technology resources for the following incidental personal use so long as such use does not interfere with the employee's duties, is not done for monetary gain, does not conflict with the business of MCSD, and does not violate any District Policy:

- (a) To send and receive necessary and occasional personal communication;
- (b) To prepare and store incidental personal data (such as personal calendars, personal address books, and similar incidental personal data) in a reasonable manner;
- (c) To use the telephone system for brief and necessary local personal calls; and
- (d) To access the Internet for brief personal searches of inquiries during meal times or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

MCSD assumes no liability for loss, damage, destruction, alteration, disclosure, or misuse of any personal data or communications transmitted over or stored in the District's technology resources. The District accepts no responsibility or liability for the loss or nondelivery of any personal electronic mail or voicemail communications or any personal data stored on any District property. The District strongly discourages employees from storing any personal data on any of the District's technology resources.

4. Improper Use

(a) Prohibition Against Harassing, Discriminatory and Defamatory Use

MCSD is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care, however, not to let informality degenerate into improper use. As set forth more fully in MCSD's Policy Against Harassment, the District does not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, military or veteran status, or any other status protected by federal, state, or local law. MCSD's technology resources are governed by the District's Policy Against Harassment and all other policies in this handbook. Under no circumstances may employees use MCSD's technology resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way, such as sexually explicit or racial messages, jokes, or cartoons.

5. Prohibition Against Violating Copyright Laws

MCSD's technology resources may not be used in violation of any applicable copyright, trademark or trade secret laws. Employees must not use MCSD's technology resources to copy, retrieve, forward, or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

6. Other Prohibited Uses

Employees may not use MCSD's technology resources for any illegal purpose, in violation of any District policy, in a manner contrary to the best interests of the District, in any way that discloses confidential or proprietary information of MCSD or third parties, or for personal or monetary gain.

7. District Access to Technology Resources

All messages sent and received, including personal messages, and all data and information stored on the District's electronic-mail system, voicemail system, or computer systems are District property regardless of the content. This includes but is not limited to text messages, instant messages, and email communications. As such, MCSD reserves the right to access all of its technology resources including its computers, voicemail, and electronic-mail systems, at any time, in its sole discretion.

8. Privacy and Monitoring

On occasion, MCSD may need to access its technology resources, including computer files, electronic-mail messages, and voicemail messages. Employees should understand that they have NO EXPECTATION OF PRIVACY in connection with the use of the District's technology resources, including personal information or messages. All messages created, sent, received or stored in these technology resources are and remain the property of the District.

MCSD may, at its sole discretion, inspect all files or messages on its technology resources at any time for any reason. The District may also monitor its technology resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other business purpose.

9. Passwords

Certain District technology resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information. Passwords do not confer any right of privacy upon any employee of the District. Thus, even though an employee may maintain passwords for accessing technology resources, he/she must not expect that any information maintained on technology resources, including electronic mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential. Employees must not share passwords and must not access co-workers' systems without express authorization.

10. Data Collection

The best way to guarantee the privacy of personal information is to refrain from storing or transmitting it on the District's technology resources. To ensure that employees understand the extent to which information is collected and stored, below are examples of information currently maintained by MCSD. The District may, however, in its sole discretion, and at any time, alter the amount and type of information that it retains.

(a) Telephone Use and Voicemail:

Records are kept of all calls made from and to a given telephone extension. Although voicemail is password protected, an authorized administrator can reset the password and listen to voicemail messages.

(b) Electronic Mail:

Electronic mail is backed-up and archived. Although electronic mail is password protected, an authorized administrator can reset the password and read electronic mail.

(c) Desktop Facsimile Use:

Copies of all facsimile transmissions sent and received are maintained in the facsimile server.

(d) Document Use:

Each document stored on MCSD computers has a history, which shows which users have accessed the document for any purpose.

(e) Internet Use:

Internet sites visited, the number of times visited, and the total time connected to each site is recorded and periodically monitored.

(f) Deleted Information:

Deleting or erasing information, documents, or messages maintained on MCSD's technology resources is, in most cases, ineffective. All employees should understand that any information kept on the District's technology resources may be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased" by an employee or others. Because MCSD periodically backs-up all files and messages, and because of the way in which computers re-use file storage space, files and messages may exist that are thought to have been deleted or erased. Therefore, employees who delete or erase information or messages should not assume that such information or messages are confidential.

11. The Internet and On-Line Services

MCSD provides authorized employees access to on-line services such as the Internet. The District expects that employees will use these services in a responsible way and for business-related purposes only. Under no circumstances are employees permitted to use the District's technology resources to access, download, or contribute to Internet sites that contain inappropriate content such as obscene, indecent, or sexually-oriented materials, gambling, or information related to illegal drugs.

Employees are prohibited from accessing Internet sites unnecessary to District business except on personal time.

Additionally, employees may not use MCSD's technology resources to sign "guest books" at websites or to post information to any websites, including posting messages to Internet news groups or discussion groups. These actions will generate junk electronic mail and may expose MCSD to liability or unwanted attention because of comments that employees may make. MCSD strongly encourages employees who wish to access the Internet for non-work-related activities to obtain their own personal Internet access accounts.

MCSD monitors both the amount of time spent using on-line services and the sites visited by individual employees. The District reserves the right to limit such access by any means available to it, including revoking access altogether.

Employees are prohibited from forwarding any non-District related communication to other employees without prior authorization from your supervisor and the intended recipient.

12. Software Use

All software in use on MCSD technology resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on the District's computers, by any means of transmission, unless authorized in writing in advance by the General Manager. Authorization for loading software onto MCSD's computers should not be given until the software to be loaded has been thoroughly scanned for viruses.

13. Software for Home Use

The District endeavors to license its software so that it may be used on portable computers and home computers in addition to office computers. Before transferring or copying any software from a District technology resource to another computer, employees must obtain written permission from the General Manager.

S. Social Media Policy

Social Networking (also known as Social Media or Web 2.0) often blurs the line between work and personal electronic communication. Because many employees participate in some form of Social Networking, such as blogs, microblogs, linkblogs, wikis, bookmark sites, photo sharing sites, video sharing sites, forums, mailing lists, discussion groups, chat rooms, and social network sites (e.g., Facebook), either at work or at home, it is important to be aware of how your Social Networking can impact MCSD, or you personally as an employee of MCSD.

Online, your personal and business personas are likely to intersect. MCSD respects the free speech rights of all of its employees, but you must remember that customers, colleagues and supervisors often have access to the online content you post. Keep this in mind when publishing information online that can be seen by more than friends and family, and know that information originally intended just for friends and family can be forwarded on. Remember NEVER to disclose non-public information of MCSD, its customers, or your coworkers (including confidential information). Think before you post publicly. Use sound judgment and think about reactions to your post before you post it. Remember that whatever you post may live for many years in the Web, even after you delete your copy of it. Remember that as a MCSD employee, you represent MCSD even when you are away from work.

Policies for participation in Social Networking are generally the same as MCSD's policies for other forms of business communication:

- (a) Don't harass, attack, insult or defame anyone;
- (b) Participation at work should be for work purposes only, save personal use for home or for personal time pre-approved by your facilitator;

- (c) Never post confidential or proprietary information; don't post copies of written material without permission from the copywriter;
- (d) Be professional and respectful; do not affiliate MCSD with sites, groups or blogs that include offensive content such as pornography, hate crimes or controversial topics;
- (e) Do not state that MCSD is affiliated with or sponsors any private program or undertaking (charitable or otherwise) without the prior written approval of the General Manager;
- (f) If you make a mistake in a posting, correct it as soon as possible. If someone else makes a mistake in a posting, be tactful and respectful in how you correct them.

Your participation in Social Networking can have a positive impact on MCSD:

- (a) Be a "scout" for compliments and criticism. Though you are not an official online spokesperson for MCSD, you are one of our most vital assets for monitoring the social media landscape. If you come across positive or negative remarks about MCSD online that you believe are important, consider sharing them with a member of management.
- (b) Present MCSD in a positive light and avoid making derogatory comments about MCSD, its products, services, management, or employees. To minimize the risk that your personal post is perceived as an official published MCSD opinion, you should make it clear that you are speaking for yourself and not on behalf of MCSD. Specifically, if you post personally and it has something to do with your work or subjects associated with MCSD, use a disclaimer such as: "This post is my own and does not necessarily represent my employer's positions or opinions." (A blanket disclaimer for an entire set of posts is appropriate, as long as the disclaimer is clearly visible – for example, in a blog sidebar.)

You are responsible for your actions. Anything you post that can potentially tarnish MCSD's image will ultimately be your responsibility. While it is your choice whether to participate in Social Networking, we urge you to do so properly, exercising sound judgment and common sense. All of MCSD's policies, including those covering Prohibited Conduct, Confidentiality, Unlawful Harassment, and Conflicts of Interest, apply to your Social Networking communications that relate to or impact MCSD. Employees who violate these or other policies through their Social Networking may be subject to discipline up to and including termination. Nothing in this section is meant to alter the at-will nature of your employment.

T. District Property, Confidential and Proprietary Information

The security of MCSD property is of vital importance to the District. District property includes not only tangible property, such as desks and computers, but also intangible property,

such as information. All employees are responsible for ensuring that proper security is maintained at all times.

1. Proprietary and Confidential Information

Proprietary information includes all information relating in any manner to the business of MCSD and its affiliates, consultants, customers, clients, and business associates that is produced or obtained by MCSD employees during the course of their employment. This Handbook, for example, contains proprietary information. All proprietary information that is not known generally to the public or the industry, or is known only through improper means, is confidential information.

Examples of confidential information include, but are not limited to, the following: client/customer lists, client files, personnel files, computer records, financial and marketing data, compensation information, process descriptions, research plans, formulas, electronic codes, computer programs, trade secrets and pricing information. E-mails may contain confidential and proprietary information as well.

Given the nature of the District's business, protecting proprietary and confidential information is of vital concern to MCSD. This information is one of the District's most important assets. It enhances MCSD's opportunities for future growth and indirectly adds to the job security of all employees.

Therefore, employees must not use or disclose any proprietary or confidential information that they produce or obtain during employment with MCSD, except to the extent such use or disclosure is required by their employment. This obligation remains even after an employee's employment relationship with MCSD ends.

2. Continuing Obligations on Separation

At the end of an employee's employment, whether that employment ends voluntarily or otherwise, all MCSD documents, computer records, and other tangible District property in the employee's possession or control must be returned to MCSD immediately.

3. Security

To avoid loss of MCSD property, the District maintains procedures addressing control of entrances, exits, restricted areas, document control and record keeping. Specific regulations concerning the protection of District property, traffic through its facilities, and designation of restricted areas are maintained by the District. In addition, employees are expected to comply with District policies regarding the authorized and secure use of the District's computer technology.

All employees must observe sound security practices. Employees are expected to keep proprietary and confidential information secure from outside visitors and all other persons who do not have legitimate reason to see or use such information. Employees are not to remove District property without authorization. Failure to adhere to District policies regarding

proprietary and confidential information will result in discipline, up to and including termination of employment.

U. Use of District Property

MCSD equipment and property is for your use during regular working hours and authorized overtime. The District expects you to exercise care in using equipment and property, perform required maintenance, follow all operating instructions, safety standards, and guidelines, and to use it only for authorized purposes. You should report any damaged or malfunctioning equipment and/or property to your supervisor to ensure prompt repair. In cases of gross negligence or worse, you may be required to share in the replacement cost of any items you damage or lose. The District may also take all action deemed appropriate to recover or protect its property.

All District property must be returned on or before your last day of work.

You should practice discretion in using the District telephones when making personal calls and will be required to reimburse the District for any charges resulting from personal use of the telephone.

The mail system is intended for business purposes and you should not use it for personal use.

Unauthorized personal use of MCSD's facilities, property, including the District's name, supplies and letterhead, or MCSD's equipment will result in discipline, up to and including termination of employment.

In addition, all desks, lockers, offices, work spaces, credenzas, cabinets, e-mail, telephone systems, office systems, computer systems, District vehicles and other areas or items belonging to the District are open to the District and its employees. **EMPLOYEES HAVE NO EXPECTATION OF PRIVACY IN ANY OF THESE AREAS.** Personal items and messages or information that an employee considers private should not be placed or kept in any of these areas.

V. Open Door Policy

Most problems can be resolved simply and fairly, or avoided entirely, if the issue or incident is dealt with through the Open Door Policy. The District's Open Door Policy is informal. If you are having a problem, complaint, or dispute, you need to make every effort to resolve the matter through informal discussion with your immediate supervisor. If the matter remains unresolved, you should speak to your Department Head. If the dispute is not resolved to your satisfaction, you should speak to the General Manager who has final authority on personnel matters.

You may express your concerns or complaints at any time without fear of reprisal. It is always best, however, to resolve problems right away, as small problems tend to turn into big problems if they are not raised as soon as possible.

Nothing in this Open Door Policy is intended to or should be taken to limit the at-will employment relationship between you and the District. Either you or the District can terminate your employment at any time, with or without “cause” and with or without advance notice.

W. Conflicts of Interest

Employees are expected to devote their best efforts and attention to the full-time performance of their jobs. Moreover, employees are expected to use good judgment, to adhere to high ethical standards, and to avoid situations that create an actual or potential conflict between their personal interests and the interests of the District.

A conflict of interest exists when the employee’s loyalties or actions are divided between MCSD’s interests and those of another, such as a competitor, supplier, or customer. Both the fact and the appearance of a conflict of interest should be avoided. Employees unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with their immediate supervisor, the Department Head, or the General Manager for clarification. Any exceptions to this policy must be approved in writing by the General Manager.

While it is not feasible to describe all possible conflicts of interest that could develop, some of the more common conflicts that employees should avoid include, but are not limited to, the following:

- (a) Accepting personal gifts or entertainment from competitors, customers, clients, suppliers, or potential suppliers;
- (b) Working for a competitor, supplier, customer or client;
- (c) Engaging in self-employment in competition with the District, or any outside employment or side work that detracts from the employee’s work for MCSD;
- (d) Using proprietary or confidential District information for personal gain or to the District’s detriment;
- (e) Having a direct or indirect financial interest in or relationship with a competitor, customer, client, or supplier;
- (f) Using MCSD property or labor for personal use;
- (g) Acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to MCSD;
- (h) Committing MCSD to give its financial or other support to any outside activity or organization; or
- (i) Developing a personal relationship with a subordinate employee of the District or with an employee of a competitor, supplier, customer or client

that might interfere with the exercise of impartial judgment in decisions affecting MCSD or any employee of the District.

If an employee or someone with whom an employee has a close relationship, such as a family member or a close friend or companion, has a financial or employment relationship with a competitor, customer, client, supplier, or potential supplier, the employee must disclose this fact in writing to the General Manager. Employees should be aware that if they enter into a personal relationship with a subordinate employee or with an employee of a competitor, supplier, customer or client, a conflict of interest may exist, which requires full disclosure to the District.

Failure to adhere to this guideline, including failure to disclose any conflicts or to seek an exception, may result in discipline, up to and including termination of employment.

X. Outside Employment

An employee may only hold an outside job if the job does not conflict with the interests of the District or interfere with the employee's ability to adequately perform his or her job with the District. Employees must disclose such employment and get written approval from their immediate supervisor. Employees may not perform outside work or solicit outside business on the District's premises, or while working on the District's time. Employees are not permitted to use any District equipment or property (such as telephones, fax machines, copiers, office supplies or proprietary information) for outside work or business. If the District determines that an employee's outside work interferes with his or her performance, the employee may be required to terminate the outside employment.

II. WAGE AND SALARY POLICIES

A. Employment Classification

The District has the following job classifications that determine benefits and eligibility for leaves:

Regular, Full-Time: Employees who are regularly scheduled to work 40 or more hours per week.

Regular, Part-Time: Employees who are regularly scheduled to work less than 40 hours per week, but not to exceed 1,000 hours per Fiscal Year (i.e., July 1 – June 30).

Seasonal, Full-Time: Employees hired to perform work for the District, but whose employment is not expected to exceed six months and who normally work 20 or more hours per week, but less than 1,000 hours per Fiscal Year.

Seasonal, Part-Time: Employees hired to perform work for the District, but whose employment is not expected to exceed six months and who normally work less than 20 hours per week.

Temporary: Employees who are hired to work on special assignments for the District with the understanding that this work will be completed within a specified period of time. As

needed, the District will hire employees for a temporary period or use a temporary contract service or agency independent of the District. Temporary employees do not become regular employees as a result of the passage of time.

Retired Annuitant: Employees hired to perform duties whose employment is not to exceed 960 hours in the calendar year due to PERS restriction.

Introductory: Employees who are not temporary employees but who have not yet completed their first 12 months of employment (“Introductory Period”). Certain benefits, as identified throughout this handbook, will be available to the employee only once the employee successfully completes his or her Introductory Period.

The employment classification of employees always remains the same, unless employees are provided with written notification that their employment classification has changed. Employment categories may be changed at MCSD’s discretion, but only in writing.

B. Introductory Period

MCSD attempts to hire the most-qualified employees for each position in the District. To ensure this, MCSD provides for an Introductory Period of employment for the employee to assess the District and the job requirements, and for MCSD to evaluate the new employee and his or her job performance.

All new employees must complete, to the District’s satisfaction, a 12-month Introductory Period beginning with the date of initial employment. At any time during or after the Introductory Period, either the employee or MCSD can terminate the employment relationship at any time, for any reason, and without advance notice.

At MCSD’s discretion, an employee’s Introductory Period may be extended. Upon successful completion of the Introductory Period, and upon written notice from MCSD to the employee, an employee will become a Full-Time or Part-Time Regular employee, as defined above, and will be entitled to certain benefits as set forth in this Handbook. Successful completion of the Introductory Period does not, however, guarantee employment for any specific duration, or change the at-will status of the employment relationship.

C. Compensation

It is the District’s policy to establish salaries and wages that are competitive with those paid in the area for similar work. Rate of pay for each position is based on an evaluation of many factors, including experience, skills, and responsibilities.

D. Attendance

Regular attendance at work is as important to the employee as it is to MCSD. Being at work on time will ensure the employee receives a full paycheck each payday and will influence the employee’s opportunities for advancement. Each employee is expected to perform his/her share of the work. Absences place an unfair burden on other employees and affect the District’s

overall performance. Employees are expected to be at work each scheduled workday unless he/she is excused by MCSD. Otherwise, an absence is unexcused.

MCSD realizes that, due to illness or other compelling reasons, it may be necessary for an employee to be absent on occasion. If this happens, the employee is required to notify his/her direct supervisor by calling as soon as possible before his/her scheduled starting time. If the employee is unable to notify MCSD of his/her absence, a member of the employee's family or a friend may do so for him/her.

MCSD may require certification of a licensed physician to verify the legitimacy of any absence based on illness or medical circumstances. Specifically, MCSD may, in its sole discretion, require the written statement of a licensed physician whenever an employee misses work as a result of injury or illness. This statement must verify the existence of an injury or illness and the date such injury or illness commenced and ended. This written statement must also indicate the employee's ability to return to work and that such return will not present an immediate and significant risk to the employee's health or safety, or the health or safety of coworkers or customers.

Absences are noted on an employee's time and attendance records, which are reviewed periodically. Please note that if an employee is absent for three or more consecutive workdays and fails to notify the District, MCSD may assume the employee has abandoned his/her job and he/she will be considered to have voluntarily resigned.

E. Tardiness

Tardiness creates an unnecessary burden on co-workers and supervisors. If you are unable to report for work at your scheduled starting time, you must notify your direct supervisor by calling as soon as you become aware you will be late.

If you are late for work, check in immediately with your supervisor to avoid any misunderstanding or error in your paycheck. Tardiness is noted in your personnel file and records. These are reviewed periodically and, of course, are a factor in determining pay increases and promotions. Tardiness may also result in discipline, up to and including termination of employment.

F. Personnel Records

The information in an employee's personnel file is confidential and must be kept up to date. Employees should inform the Human Resources Manager immediately whenever there are changes in personal data such as address, telephone number, and person(s) to notify in case of an emergency. If an employee's marital status or dependents change, he or she may have to change the number of exemptions claimed for income tax withholding purposes and change dependent status with insurance plans. Please report any changes to the Human Resources Manager.

Employees have the right to inspect their personnel files at reasonable times, and on reasonable notice. In addition, employees have the right to receive a copy of the contents of their personnel file upon request. Such requests should be submitted to the Human Resources Manager, either verbally or in writing. Employees may obtain a form that can be used to make a

request for an inspection or a copy of his/her personnel file from the Human Resources Manager. An employee may also designate a representative to conduct the inspection or to receive a copy of his/her personnel file, if done in writing. Requests for inspection or a copy of an employee's personnel file will be honored within 30 days of the date the request is received. Any inspection of an employee's personnel file must take place in the presence of the Human Resources Manager. The District reserves the right to charge an employee the actual cost of copying the contents of his/her personnel file.

Personnel files are the property of MCSD and may not be removed from the District's premises without written authorization from the General Manager.

G. Payroll Records

Employees also have the right to inspect and copy certain MCSD payroll records regarding their compensation, and deductions from their compensation, upon reasonable request to the District. Employees wishing to review or copy payroll records should notify the Human Resource Manager, either verbally or in writing. The Human Resource Manager will honor the request within 21 days of the date it is received.

H. Employee Resignations

Employees are encouraged to provide MCSD with as much advance notice as possible of a decision to resign, given the circumstances involved. Although employees have the same right as the District to terminate the employment relationship at-will, at any time, the District would appreciate at least two weeks' notice of an intention to resign whenever this is possible.

MCSD will consider an employee to have voluntarily resigned his/her employment if he/she engages in any of the following acts:

- (a) Elects to resign from MCSD;
- (b) Fails to return from an approved leave of absence on the date specified by the District; or
- (c) Fails to report for work without notice to MCSD for three or more consecutive days.

Employees should be aware that circumstances may occur which causes MCSD to exercise its right to accept a resignation and to accelerate the final date of employment. The District expressly reserves the right to accept a resignation and recognize the termination date as any date it chooses, between the date the resignation is submitted and the date designated by the employee as the last date of employment. In such cases, MCSD will continue the employee's compensation for the full period that the employee would have worked pursuant to his or her notice of resignation.

Whether the employee's last day of employment ultimately proves to be that chosen by the employee, or that designated by the District, the resigning employee's personnel records will typically reflect that the employee voluntarily resigned his/her employment.

I. Time Records

With regard to all employees, time records must accurately reflect the hours worked each day. An employee is allowed to record time only on his/her own time record, which must be completed daily. Completing another employee's time record or falsifying any time record will not be tolerated and may result in immediate termination of employment.

An employee's time record is strictly confidential. Viewing another employee's time record is prohibited.

Employees are required to verify the accuracy of their pay upon receipt of their check. MCSD wants to be sure you have been paid all amounts earned. Accordingly, if you disagree with the amount of your check, you are required to bring any concerns about the accuracy of your paycheck to the Human Resources Manager's attention without delay. This includes any discrepancies; unrecorded hours worked, or missed meal or rest periods.

J. Pay Ranges and Performance Evaluations

General pay ranges have been established for each position within MCSD. These are the result of an analysis of the work you will be required to do, and emphasize skills and responsibilities required in the performance of each job.

MCSD will attempt to conduct periodic performance evaluations for employees, and these will normally occur once a year. The purpose of the performance evaluation is to determine each employee's current level of performance, to examine the progress made since the last review, and to establish goals for the employee's next evaluation. During their performance evaluations, employees are encouraged to discuss any issues raised, as well as any opportunities for advancement or career development within the District. After receiving a performance evaluation, employees are required to sign the evaluation acknowledging that they have received it, and are aware of its contents. A copy of the performance evaluation will then be placed in the employee's personnel file.

Satisfactory performance evaluations will not necessarily result in pay increases, just as unsatisfactory performance evaluations typically do not result in wage reductions. Annual salary adjustments and step increases are not automatic. Instead, wage adjustments are based on merit and performance and may be made at any time, in the sole discretion of MCSD, and are the product of various factors, including performance. MCSD may elect to accelerate or defer the scheduling of employee performance evaluation, annual salary adjustment or step increases as, in its sole discretion, it deems appropriate.

K. Hours of Work, Overtime, and Payday

1. Hours of Work

MCSD work hours are from 8:00 a.m. to 5:00 p.m. for most employees. The work week is defined as starting on Monday at 12:00 a.m. and ending on Sunday at 11:59 p.m. Hours worked will be computed on actual minutes worked, adjusted to the nearest 15-minute increment.

The normal workday for regular, full-time employees is as described above. Other considerations, such as workloads, operational efficiency, and staffing needs, could require that starting and quitting times and total hours worked each day or each week be varied. Accordingly, MCSD reserves the right to modify employees' starting and quitting times and the number of hours worked.

MCSD reserves the right to require employees to perform jobs other than their usual assignments when it deems this appropriate. MCSD may also require employees to work overtime or hours other than those normally scheduled whenever it deems this necessary.

2. Lunches and Rest Breaks

Non-exempt employees who work 5 hours or more in a workday must take an unpaid one-hour meal period no later than the end of the fifth hour of work. Non-exempt employees who work more than 10 hours during a workday must take a second unpaid 30-minute meal period no later than the end of the tenth hour of work; however, if the workday is no more than 12 hours, the second meal period may be waived in writing by mutual agreement of the employee and MCSD (as authorized by the employee's supervisor or Department Head) so long as the employee took her/her first meal period. All meal periods must be documented by the employee on his/her timecard. Employees are relieved of all duties during the meal period(s) and may leave the premises.

Non-exempt employees also receive a 15-minute rest period for every four hours of work or major portion thereof. For example, non-exempt employees are entitled to one 15-minute rest period for shifts between 3.5 and 6 hours, two 15-minute rest periods for shifts between 6 and 10 hours, three 15-minute rest periods for shifts between 10 and 14 hours, and so on. Rest breaks cannot be consolidated and should be taken in the middle of each four-hour work period.

An employee who fails to comply with this policy is subject to discipline up to and including termination of employment.

3. Overtime Compensation

The District pays overtime for non-exempt employees at time and one-half for any hours worked in excess of 40 hours per week or 8 hours per day and for the first 8 hours worked on the seventh consecutive workday of a workweek, and at double time for any hours worked in excess of 12 hours per day or beyond 8 hours on the seventh consecutive workday of a workweek.

Only those hours that are actually worked are counted to determine an employee's overtime pay. "Hours worked" means time actually spent on the job. It does not include an unpaid meal period, makeup time, premium payments for meal and rest breaks not provided, or hours away from work due to vacation, sickness, holiday, jury duty, or other absences from work. Exempt employees are not paid overtime, even if their hours exceed the normal work schedule.

A non-exempt employee may not work overtime without the express written documented prior approval of his/her supervisor. An employee who fails to comply with this policy is subject to discipline up to and including termination of employment.

4. Time Spent Reviewing or Answering E-Mails and Text Messages After Hours

Employees are not required or expected to review or answer work-related messages after work hours. Under certain circumstances, a supervisor or Department Head may request that an employee tend to certain situations after the normal workday is completed. In these cases, any non-exempt employee is expected to track and report any time spent on work-related business when answering calls, e-mails or text messages. This time spent working after hours must be reported so that the supervisor or Department Head can enter the time in the time-keeping system and so that any time worked will be paid within the current payroll period.

5. Makeup Time

Non-exempt employees may make up work time that is or would be lost as a result of personal obligations, if the time is made up during the same workweek in which the work time is lost. A non-exempt employee will only be permitted to make up work time if the employee submits a signed written request to make up the lost time and the employee's Department Head approves the request *before* the makeup time is worked. It is within the supervisor's discretion to grant the request. A non-exempt employee will not be paid overtime for performing make-up work unless the employee works more than 11 hours in the workday or more than 40 hours in the workweek and such work is approved in accordance with this makeup time policy and the District's overtime compensation policy.

6. Pay Periods and Paydays

Pay periods end on the 15th and last day of the month. Paydays are on the 10th and the 25th of the month following the end of the pay period.

Employees must complete their timecards in a timely manner in order to ensure that they are paid for all hours worked. If a payday falls on a holiday, paychecks will be distributed on the preceding workday. If the employee is absent on payday, the employee may claim the paycheck when the employee returns.

Upon termination or resignation, employees will be promptly paid all amounts due in accordance with applicable law. The final paycheck for employees who resign with at least 72 hours advance notice will be provided on their last day of work. Employees who resign without providing at least 72 hours advance notice, however, will receive their final paycheck within 72 hours of resignation. Employees who are involuntarily terminated will be paid their final paycheck on their last day of work.

Terminated or resigning employees who will be paid their final check at the time of discharge should present themselves to the General Manager or the Finance Director for receipt of their final check.

L. On-Call Duty and Call-Back Pay

All field employees, and others as may be designated by the General Manager, shall share on an equitable basis “on-call duty.” This requires an employee to be on-call and available for one week during all off-duty hours (between 5:00 p.m. and 8:00 a.m. weekdays and 24 hours on weekends and holidays). Employees will be compensated at the rate of eight hours’ pay for one week of on-call duty. There is a 20-minute response time required for employees on “on-call duty.”

“Call-back pay” will be paid when an employee is called to duty, during normal off-duty hours, for less than two hours at a time. The employee will be paid two hours’ pay. There will be a maximum of four such payments within a 24-hour period (beginning at 8:00 a.m.). If an employee is called back for a period exceeding two hours in duration, then the employee will be paid for all time worked.

M. Pay Advances

Pay advances may be granted, in the sole discretion of MCSD, and only in cases of extreme emergency or personal hardship. Such advances shall be limited to twice per fiscal year, unless an exception is approved by the General Manager. Employees requesting payment of wages in advance of regular pay days, as defined above, shall submit such request to the General Manager or the Finance Director, who must approve all pay advances. The General Manager and the Finance Director may authorize the requested advancement of wages if the amount requested does not exceed the wages accrued (excluding applicable deductions) by the employee to the date of said request.

Pay advances are always considered early payment of wages for future work performed by an employee and are not to be considered a loan made to the employee by the District. Before an advance can be provided, a “Pay Advance and Payroll Deduction Authorization Form” must be signed by the employee, indicating the amount to be advanced, the reason for the request, and the payback date. Advances not repaid will be considered part of an employee’s final wages on separation from employment.

Advancement of wages prior to a regular payday is not a privilege that an employee may use at his/her discretion, but may be authorized by the General Manager or the Finance Director at his/her discretion in case of employee necessity and/or personal financial emergency. Frequent requests may serve as grounds for denial.

N. Payroll Deductions

MCSD makes certain deductions from every employee’s paycheck as permitted by law. Among these are applicable federal and state income taxes and social security taxes.

If there is a change in your marital status and/or you want to change the number of your exemptions for federal or state income tax withholding purposes, complete the appropriate form, which will be provided by the District upon request.

O. Garnishments

Employees are expected to meet their personal financial obligations without involving MCSD. Wage garnishments against an employee's pay can be a costly administrative burden for the District and therefore are looked upon with disfavor.

If MCSD receives a court order to garnish an employee's wages, however, the District must comply with that order. A garnishment will reduce the employee's take-home pay.

P. Travel

All out of town travel must be approved in advance by the General Manager and requires the submission of a "MCSD Travel Approval" form prior to the trip and a "MCSD Travel Expense Report" form at the completion of the trip. MCSD will reimburse employees for reasonable job-related travel expenses in accordance with Expenditure Control Guidelines. Local job-related travel in the employee's private car must be approved in advance by the employee's Department Head and will be reimbursed in accordance with applicable reimbursement rates as discussed below.

Q. Mileage Reimbursement

Employees are required to use a District-owned vehicle ("District vehicle") for purposes of conducting District-related business, if available. Such employees will be provided access to the District's gas card if it becomes necessary for the employee to re-fuel the District vehicle while using it for District-related business, or as otherwise authorized.

Employees must obtain prior approval from their supervisor in order to use the employee's personal vehicle for purposes of conducting District-related business. If a District vehicle is available and an employee chooses to use his/her personal vehicle for purposes of conducting District-related business, MCSD will reimburse the employee for the cost of fuel only, which represents the expenses related to the employee's use of the vehicle.

If a District vehicle is unavailable for an employee's use, MCSD will reimburse the employee who uses his/her own vehicle for District-related business at the IRS-approved rate per mile in effect at the time of travel. Subject to a few limited exceptions, which will be evaluated on a case-by-case basis, commuting mileage from home to work and work to home is not eligible for reimbursement.

Any fines incurred as a result of driving or parking violations are the driver's sole responsibility.

When using your vehicle on MCSD business, you must possess a valid driver's license, vehicle registration, and an insurance policy with at least \$100,000/\$300,000 coverage. Employees who regularly drive their vehicles on behalf of the District must provide the District with proof of insurance. Further, all employees must operate their vehicles in conformance with local, state and federal laws when performing business on behalf of the District. At the discretion of the District, and at the District's expense, the employee may also be required to provide a satisfactory driving history from the Department of Motor Vehicles.

R. Administrative Pay

Each Fiscal Year, Exempt Department Heads are permitted to receive up to a maximum of 40 hours of pay at the employee's regular rate of pay (i.e., "Administrative Pay") to attend to District obligations outside of normal business hours, including but not limited to attendance at Board Meetings, approved job-related trainings, etc. Likewise, exempt supervisors are permitted to receive up to a maximum of 20 hours of Administrative Pay to attend to District obligations outside of normal business hours, including but not limited to attendance at Board Meetings, approved job-related trainings, etc. Hours will be prorated based upon the employee's length of employment during the Fiscal Year.

Administrative Pay is intended to compensate exempt full-time employees for those instances where the employee is required to work over 8 hours in a day or over 40 hours in a week as it is assumed that each such employee will work beyond their regularly scheduled hours within the Fiscal Year. Employees must use available Administrative Pay before using Floating Personal Holiday or Vacation Pay for personal time off. Employees must also use available Administrative Pay for any work schedule adjustments where the employee works less than 8 hours in a day or 40 hours in a week. Once the employee has documented 40 or 20 hours of Administrative Pay, respectively, and exhausted his or her Administrative Pay for the Fiscal Year, the employee must use Personal Holiday or Vacation Pay to be compensated for personal time off. MCSD has no obligation to allow exempt employees to make schedule adjustments in exchange for time worked over 40 hours. Such adjustments will be granted at the sole discretion of the employee's direct supervisor.

EMPLOYEE BENEFITS

S. Benefits Generally

MCSD is pleased to offer eligible employees several benefits. The District reserves the right to unilaterally modify or discontinue any benefit as it, in its sole discretion, deems appropriate, consistent with applicable law.

Certain sections of the Handbook are intended to familiarize you with some of MCSD's benefit programs. Please keep in mind that plan documents and insurance policies governing these plans control over the provisions of this Handbook and provide more detailed information about particular benefits. Any conflicts, real or apparent, between the brief summaries in this Handbook and the provisions of official plan documents will result in the provisions of the official plan documents controlling. If you would like to inspect these documents, please make an appointment with the Finance Director for that purpose.

Further, the Plan Administrator of MCSD's employee benefit plans, or any representative chosen by the Plan Administrator to assist him/her in carrying out the plans, will have as much discretionary authority as provided by law to: (1) interpret, construe, and administer the plans; (2) make decisions regarding plan participation, enrollment, and benefit eligibility; (3) evaluate and make decisions concerning the validity of benefit claims; and/or (4) resolve disputes regarding the rights of employees to participate in the plans or to receive benefits and payments

under them. The Plan Administrator's decisions, and those of his/her representatives, will be entitled to as much deference as the law allows.

T. Medical and Dental Insurance

All eligible employees who regularly work at least 30 hours per week or 130 hours per calendar month, and their eligible dependents, may participate in the MCSD group medical and dental plan as of the first day of the month following the first 30 days of full-time employment. Eligibility requirements for specific plans and additional information describing insurance benefits under this policy are set forth in detail in the Summary Plan Description.

Eligible employees are responsible for any necessary co-payments associated with coverage for the employee or eligible dependents.

You should verify your eligibility for coverage before requesting or undergoing treatment as a means of ensuring that the treatment contemplated is covered. To verify your insurance coverage for medical or dental treatment, or to obtain claim forms, please contact the Plan Administrator.

You are required to inform the Plan Administrator if your address changes, if you get married or divorced, or if the number of your dependents changes.

MCSD reserves the right to change, amend, or discontinue the benefits it offers to its employees at any time. MCSD's right to make these changes is not limited by your length of service, or by your reliance on the availability of these benefits in deciding whether to accept, continue, or retire from employment at MCSD.

Upon separation or other events resulting in a reduction of work hours, an eligible employee's continued participation in the group medical and dental plan may be terminated.

U. Life Insurance and Retirement Plans

Introductory and Regular, Full-Time employees may be eligible to participate in the life insurance, the accidental death and dismemberment plan, as well as the PERS retirement program as of the first day of the month following the first 30 days of full-time employment. Employees should consult the individual plan for details.

Introductory and Regular, Part-Time employees may be eligible to participate in the PERS 457 Deferred Compensation Program after completing 90 days of part-time employment with the District.

Information regarding these plans is available to eligible employees after the date of hire.

V. Short-Term Disability Insurance

All eligible employees who have completed the Introductory Period are offered short-term disability insurance through State Disability Insurance. This short-term disability insurance provides protection to employees who are prevented from working due to illness or injury not related to their jobs.

Claim forms are available through the District's Business Office. Employees must file a claim to receive short-term disability insurance benefits.

W. Workers' Compensation Insurance

MCSD provides workers' compensation insurance coverage for all employees and pays the full cost of the coverage. This program covers any injury or illness sustained in the course of employment that requires medical, surgical or hospital treatment, in addition to payment for loss of earnings that result from work-related injuries. Workers' compensation benefits begin from the first day of an employee's hospitalization or after the third day following the injury if an employee is not hospitalized.

Employees who sustain work-related injuries or illnesses must inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported and recorded immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

X. Unemployment Insurance

If your employment terminates, you may be eligible to receive unemployment insurance benefits. In most cases, you must file a claim in order to collect this benefit. Should such a situation occur, you should inquire about unemployment benefits at the time of separation from the District.

Y. Social Security

MCSD employees are covered under the provisions of the Federal Insurance Contributions Act (FICA). The District matches the amount of deduction from your wages for Social Security taxes. The total contribution by you and the District is credited toward your Social Security benefits, which may be available at the time you are eligible to retire. In addition, disability and survivor's benefits are financed through Social Security deductions.

Z. Education, Training, and Certification Reimbursement

Subject to prior approval of the General Manager, MCSD may reimburse employees for job-related educational programs, fees, certifications, books, and other expenses. Employees must complete all coursework and pass any tests administered at the completion of the course to be eligible for reimbursement.

AA. Vacation

The District provides paid vacation benefits to eligible employees, as a means of enabling them to take time off for rest and relaxation. It is our philosophy that this time is important to employees in that it enhances productivity and the work experience of employees. The District provides long-term employees with additional vacation benefits.

All Regular, Full-Time employees begin to accrue paid vacation benefits beginning on their first day of employment. However, such employees may not begin to utilize vacation benefits until after the employee successfully completes his or her Introductory Period.

Part-time employees and other employees who are not classified by the District as Regular, Full-Time employees are not eligible for vacation benefits.

During the first year of continuous employment, eligible employees will accrue five days of paid vacation benefits at their straight-time rate of pay.

During the second through fourth years of continuous employment, eligible employees will accrue 10 days of paid vacation benefits at their straight-time rate of pay.

During the fifth year of continuous employment, eligible employees will accrue 15 days of paid vacation benefits at their straight-time rate of pay.

During the sixth through the 20th years of continuous employment, eligible employees will accrue one additional day of paid vacation benefits per year at their straight-time rate of pay. For example, during the sixth year of continuous employment, eligible employees will accrue 16 days of paid vacation benefits at their straight-time rate of pay. That same employee will accrue 17 days of paid vacation benefits at their straight-time rate of pay during his or her seventh year of employment.

Beginning with the 21st year and each year thereafter of continuous employment, eligible employees will accrue 30 days of paid vacation benefits per year at their straight-time rate of pay.

Vacation benefits may be accumulated up to a maximum of 60 days. Employees entitled to vacation benefits shall not accrue additional vacation benefits over 60 days until they have taken vacation and fall below the maximum accrual level. Upon separation, employees will be compensated for all accrued but unused vacation benefits. Employees may request to receive compensation for up to 60 percent of their accrued vacation benefits in excess of five days in lieu of taking time off subject to the General Manager's approval. Requests for cash in lieu of vacation time may not be made more than twice per Fiscal Year. At the time of such request, the vacation buyout form must be completed and the balance of accrued vacation time must be scheduled so that such time will be used only as vacation time off.

MCSD reserves the right to restrict when vacation benefits are utilized in accordance with business necessity, as determined by MCSD, in its sole discretion. A holiday that falls during a vacation period will be treated as a holiday, and not as a day of vacation taken.

If illness occurs during a vacation, sick leave benefits may be taken in lieu of some portion of the planned vacation pay upon presentation of medical documentation, at the sole discretion of the General Manager.

Vacation benefits cannot be used before they are earned. Due to scheduling considerations, and upon approval of the General Manager after written request, employees under some circumstances may be permitted take additional time off without pay.

Employees who request family care or medical leave pursuant to the District's Family Care/Medical Leave policy must apply any available accrued but unused vacation benefits to their family care/medical leave except for disability caused by pregnancy. If an employee takes an FMLA leave due to a disability caused by pregnancy, the employee will not be required to use accrued vacation, but may choose to do so.

If you take an unpaid leave of absence, you will not earn vacation benefits during the leave. Vacation benefits accrual will recommence upon return to work.

BB. Sick Leave

All Regular, Full-Time employees begin to accrue paid sick leave benefits beginning on their first day of employment. However, such employees may not begin to utilize sick leave benefits until after completion of 90 days of employment. Eligible employees accrue one day of paid sick leave benefits for each full calendar month of employment. If employment begins on or before the 15th day of the calendar month, eligible employees will accrue one day of sick leave benefits for that month.

Sick leave benefits will be provided under the following circumstances:

- (a) Personal medical condition, illness or injury of the employee;
- (b) To accommodate medical or dental diagnosis or treatment of the employee;
or

- (c) Other medical reasons of the employee, such as pregnancy or obtaining a physical examination.

An employee may use up to one-half of his or her annual accrued sick leave for illnesses of the employee's family members, including spouse, children and step-children, parents and step-parents, or registered domestic partner. To receive paid sick leave benefits, the employee must notify his/her Department Head of any absence within the first two working hours, unless the employee can establish this was impossible due to reasons beyond the employee's control, as determined by MCSD, in its sole discretion. If sick leave exceeds one day, the employee claiming benefits is required to keep his/her Department Head informed as to the anticipated return date.

Eligible employees will receive sick leave benefits at their normal base rate of pay for any sick leave taken. Employees are required to secure the approval of their immediate supervisor prior to taking sick leave, whenever possible. For example, this requirement would apply to previously scheduled doctors' or dentists' appointments. If prior approval is not possible, employees are required to notify their immediate supervisor as soon as possible.

MCSD may require certification of a licensed physician to verify the legitimacy of any absence. Specifically, MCSD may, in its sole discretion, require the written statement of a licensed physician whenever an employee misses work as a result of injury or illness. Please refer to the Attendance Policy for the information to be included in this written certification. Sick leave benefits may be denied if a satisfactory certification is not provided, upon request.

Employees will not receive pay in lieu of accrued but unused sick leave benefits under any circumstances, and employees will not receive pay for accrued but unused sick leave benefits on separation of employment, subject to the exceptions set forth in this paragraph. After five years of continuous employment or five years of continuous CalPERS service and upon separation of employment, whether voluntary or involuntary, retirement, or death, employees or their heirs will be provided accrued, but unused sick leave benefits as follows. Such employees will be provided 50% percent of unused but accrued sick leave benefits at the employee's final straight-time rate of pay upon separation of employment. Except as otherwise provided under the CalPERS conversion of sick leave retirement credit benefit (California Government Code Section 20965), all remaining accrued sick leave shall be cancelled upon separation of employment.

If you take an unpaid leave of absence, you will not earn sick leave benefits during the leave. Sick leave benefits accrual will recommence upon return to work.

Eligible employees will accrue sick leave benefits while on a paid leave of absence.

CC. Holidays

All Regular, Full-Time employees are eligible for 13.5 paid holidays each year. The 13.5 paid holidays provided are:

- (a) New Year's Day
- (b) Presidents' Day
- (c) Memorial Day
- (d) Independence Day (4th of July)
- (e) Labor Day
- (f) Columbus Day
- (g) Veterans Day
- (h) Thanksgiving Day
- (i) Day after Thanksgiving
- (j) Christmas Eve
- (k) Christmas Day
- (l) New Year's Eve Afternoon (half day)
- (m) Two Floating Personal Holidays. (The floating personal holidays are available to eligible employees starting on the first day of MCSD's Fiscal Year. The scheduling of these days must be coordinated with your Department Head. Employees must use available Floating Personal Holidays prior to use of any accrued Vacation Pay. MCSD reserves the right to cash out any unused Floating Personal Holidays at the end of the Fiscal Year.)

When a holiday falls on a Saturday, it will be observed on the Friday proceeding it, and if the holiday falls on Sunday, it will be observed on the following Monday.

To receive pay for any holiday, Regular, Full-Time employees must work their scheduled shift before and after the holiday, unless the employee is on vacation or the absence is approved. If a Regular, Full-Time employee takes a leave of absence, he/she will not be entitled to paid holiday benefits during the leave. Holiday benefits will recommence upon return to work.

All other employees will receive a day off on each of the above-enumerated holidays on an unpaid basis.

2. Pay In Lieu of Time Off

MCSD may, in its sole discretion, require some or all employees to work on MCSD observed holidays. In such a case, MCSD will pay employees in lieu of time off as set forth herein.

3. Rate of Pay

Non-exempt employees required to work on a MCSD-observed holiday will be paid at their normal base rate for the first eight hours worked, plus eight hours' straight-time pay for the holiday. If an employee works overtime during a holiday, he/she will receive overtime pay in accordance with the District's Overtime Compensation policy.

Thus, time and one-half the employee's normal base rate will be paid for hours over eight hours up to twelve hours on a holiday, in addition to the eight hours of straight time pay for the holiday. Double time will be paid for all hours worked in excess of 12 hours on a holiday, in addition to the eight hours' straight-time pay for the holiday.

III. LEAVES OF ABSENCE AND OTHER TIME OFF

A. Leaves of Absence Generally

MCSD may grant a leave of absence in certain circumstances. You should notify your supervisor or Department Head in writing as soon as you become aware that you may need a leave of absence. MCSD will consider your request in accordance with applicable law and MCSD's leave policies. You will be notified whether your leave request is granted or denied. If you are granted leave, you must comply with the terms and conditions of the leave, including staying in contact with your supervisor or Department Head during your leave and giving prompt notice if there is any change in your return date.

You must not accept other employment or apply for unemployment insurance while you are on a leave of absence. Acceptance of other employment while on leave will be treated as a voluntary resignation from employment at MCSD. Benefits, such as vacation, sick leave, and holidays, will not accrue while you are on an unpaid leave of absence.

You may be required to use accrued vacation or sick leave concurrently with an unpaid leave of absence, depending on the type of leave taken. Any vacation or sick leave payments will be coordinated with any state disability, workers' compensation, or other wage reimbursement benefits for which you may be eligible so that you will not be paid more than your regular compensation at any time.

MCSD may hold in abeyance or proceed with any counseling, performance review, or disciplinary action, including discharge, that was contemplated prior to any employee's request for or receipt of a leave of absence or that has come to MCSD's attention during the leave. If any action is held in abeyance during the leave of absence, MCSD reserves the right to proceed with the action upon the employee's return. Requesting or receiving a leave of absence does not relieve employees of their obligation while on the job to perform their job responsibilities

capably and up to MCSD's expectations and to observe all MCSD policies, rules, and procedures.

B. Pregnancy Leave

The District recognizes that female employees may be unable to work for temporary, but extended periods of time due to pregnancy, childbirth, or related medical conditions ("pregnancy-disability"). Accordingly, for any employee who is disabled on account of pregnancy, childbirth, or related medical conditions, the District provides pregnancy-disability leave for the period of actual disability, up to a maximum of four months. An employee is "disabled by pregnancy" if she is unable because of pregnancy to work at all, or is unable to perform the essential functions of her job, or to perform these functions without undue risk to the employee, to successful completion of her pregnancy, or to other persons.

Pregnancy-disability leave may be taken intermittently or on a reduced-hours schedule when medically advisable, as determined by an employee's health care provider.

Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides the District with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by a proper medical certification, and the transfer is a reasonable accommodation.

1. Procedure for Requesting Leave

Whenever possible, an employee should submit a written request for pregnancy disability leave or pregnancy disability transfer to the Department Head as soon as she is aware of the need for such leave or transfer. If the leave or transfer is foreseeable, the employee must provide 30 calendar days' advance notice to the District of the need for pregnancy disability leave or transfer. If it is not practicable for the employee to give 30 calendar days' advance notice of the need for leave or transfer, the employee must notify the District as soon as practicable after she learns of the need for the pregnancy disability leave or transfer.

If an employee fails to provide the requisite 30 days' advance notice for foreseeable need for leave or transfer, without any reasonable excuse for the delay, the District reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for the leave or transfer.

Any request for a pregnancy disability leave must be supported by medical certification from a health care provider, which shall provide the following information:

- (a) The date on which the employee became disabled due to pregnancy;
- (b) The probable duration of the period or periods of disability; and
- (c) An explanatory statement that, due to the disability, the employee is unable to work at all or is unable to perform any one or more of the essential

functions of her position without undue risk to herself, her pregnancy, or to other persons.

In the case of a pregnancy-disability transfer, the medical certification must provide the following information:

- (a) The date on which the need to transfer became medically advisable;
- (b) The probable duration of the period or periods of the need to transfer; and
- (c) An explanatory statement that, due to the employee's pregnancy, the transfer is medically advisable.

Upon expiration of the time period for the leave or transfer estimated by the health care provider, the District may require the employee to provide another medical certification if additional time is requested for leave or transfer. Any request for a leave of absence after disability has ended will be treated as a request for family care leave which will run consecutively with pregnancy disability leave.

2. Substitution of Paid Leave for Pregnancy-Related Disability Leave/Integration with Other Benefits

A pregnancy disability leave is unpaid, but employees must use any accrued sick pay during the leave and may, at their option, elect to use any accrued vacation time during the leave. Sick leave and vacation will supplement any State Disability or Paid Family Leave Insurance benefits. The District will maintain group health benefits during a pregnancy disability leave as required by law. The substitution of paid leave for pregnancy-related disability leave does not extend the total duration of the leave to which an employee is entitled. No additional vacation, sick leave, or holiday pay will accrue during the unpaid portion of the leave.

3. Reinstatement

Unless the District and the employee have already agreed upon the employee's return date, an employee who has taken a pregnancy-disability leave or transfer must notify the Department Head at least two business days before her scheduled return to work or, as applicable, transfer back to her former position. The District will reinstate the employee to her position unless:

- (a) The employee's job has ceased to exist for legitimate business reasons;
- (b) The employee has directly or indirectly indicated her intention not to return;
- (c) The employee is no longer able to perform the essential functions of the job with or without reasonable accommodation;
- (d) The employee has exceeded the length of the approved leave; or

- (e) The employee is no longer qualified for the job.

If the District cannot reinstate the employee to the position she held before the pregnancy disability leave began, the District will offer the employee a comparable position, provided that a comparable position exists and is available. If no comparable position is available upon the employee's return, the District will provide the employee with notice of available positions that she would be qualified for within 60 days thereof.

Before returning to work, each employee who has taken a pregnancy-disability leave or transfer must be released by her doctor to return to work certifying that she is able to safely perform all of the essential functions of her position with or without reasonable accommodation. The release should be in writing and submitted to the Department Head on or before the employee's return from a pregnancy-disability leave or transfer.

C. Family Care/Medical Leave

1. Eligibility and Terms of the Leave

Employees who have worked at least 12 months, who have worked at least 1250 hours in the previous 12 months, and are employed at a work site where there are 50 or more employees within a 75-mile radius are eligible to take a family care and medical leave of absence under the Family and Medical Leave Act ("FMLA") and the California Family Rights Act ("CFRA") (collectively, "FMLA leave") of up to a total of 12 workweeks in a 12-month period. This rolling 12-month period begins on the date the employee's FMLA leave begins, and ends 12 months after that date. However, if the employee's FMLA leave is due to the serious illness or injury of a spouse, child, parent, next of kin, or registered domestic partner sustained while in the line of duty on active duty, then the employee is entitled up to **26 work weeks** of unpaid leave in a 12-month period – the 26 weeks of leave is based on a per-covered servicemember, per-injury basis.

Eligible employees may take an FMLA leave for any one of the following reasons:

- (a) The birth of a child, in order to care for the child;
- (b) The placement of a child with the employee for adoption or foster care;
- (c) To care for the employee's child, parent, spouse or registered domestic partner who has a serious health condition;
- (d) To care for the employee's own serious health condition;
- (e) A "qualifying exigency" (as defined by federal regulation) because the employee is the spouse, son, daughter, or parent of an individual on active military duty (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation (FMLA only); or
- (f) The employee is the spouse, son, daughter, parent, or next of kin

of a covered service member and needs leave to care for the service member suffering a serious injury or illness that occurred while in the line of duty on active duty (FMLA only).

If the FMLA leave is needed for a foreseeable planned medical procedure, MCSD and the employee will work together to schedule the procedure so as not to unduly disrupt MCSD operations, subject to the approval of the health care provider. Leave to care for a newborn or a newly placed child must be concluded within one year of the birth or placement of the child. Where both parents are employed by MCSD, they are entitled to a combined total of 12 work weeks of FMLA leave in order to care for the newborn child or newly placed child.

2. Applying for Leave

If possible, an employee should give at least 30 days' notice before beginning an FMLA leave. This notice must include a written certification from a health care provider which includes the following information:

- (a) The date on which the serious health condition began;
- (b) The probable duration of the condition;
- (c) If the leave is for the care of the employee's child, parent, spouse or registered domestic partner, the estimated amount of time the health care provider believes the employee needs in order to care for the child, parent, spouse or registered domestic partner and a statement that the serious health condition warrants the participation of the employee;
- (d) If the leave is for the employee, a statement by the health care provider that the employee is unable to perform one or more of the essential functions of the job, due to the employee's serious health condition;
- (e) If the leave is needed to care for a child, spouse, registered domestic partner, next of kin, or parent, for a serious injury or illness he/she suffered while in the line of duty on active duty, the estimated amount of time the health care provider believes the employee needs in order to care for the child, spouse, registered domestic partner, next of kin, or parent and a statement that the serious injury or illness warrants the participation of the employee.

3. Return to Work

When an employee is ready to return to work after an FMLA leave (other than pregnancy), the employee must provide certification from the employee's health care provider that he or she is able to safely perform all of the essential functions of his or her position with or without reasonable accommodation. Except as otherwise allowed by law, an employee is entitled, upon return from leave, to be reinstated in the position he or she held before the FMLA leave, or to be placed in a comparable position with comparable benefits, pay, and terms and conditions of employment.

4. Integration With Other Benefits

FMLA leave is unpaid. Employees are required to use accrued vacation for all FMLA leaves except for disability caused by pregnancy. If an employee takes an FMLA leave due to a disability caused by pregnancy, the employee will not be required to use accrued vacation, but may choose to do so. Employees are required to use accrued sick leave for FMLA leaves for the employee's own condition, including disability caused by pregnancy. Employees may elect to use up to half of the sick leave they accrue on an annual basis for FMLA leaves for illnesses of their child, parent, spouse, next of kin, or registered domestic partner. Sick leave pay and vacation pay will supplement any State Disability, Workers' Compensation or Paid Family Leave Insurance benefits. The District will maintain group health benefits during an FMLA leave as may be required by law. However, the District may recover any premium it has paid for maintaining group health care coverage during any unpaid part of the FMLA leave if the employee fails to return from the leave, provided that the failure to return is for a reason other than the continuation, recurrence, or onset of a serious health condition, or other circumstances beyond the control of the employee. Employees will not accrue vacation or sick leave, nor be paid for holidays, during the unpaid portions of FMLA leave.

5. Relationship with Pregnancy Disability Leave.

The provisions of this FMLA leave policy are separate and distinct from those of the pregnancy disability leave to which an employee may also be entitled.

6. Other Disability Leaves

In addition to family, medical or pregnancy-related disability leave described above, employees may take a temporary disability leave of absence if necessary to reasonably accommodate a workplace injury or a disability of the employee under the ADA or the FEHA. Any disability leave under this section will run concurrently with any medical leave to which the employee is entitled as described above in this policy.

Disability leaves under this section will be unpaid. Employees taking disability leave must comply with the family care and medical leave provisions regarding substitution of paid leaves, notice, and medical certification. For purposes of applying these provisions, a disability leave will be considered to be a medical leave.

If a disability leave under this section extends beyond 12 weeks in a 12-month period, the employee will not be entitled to any continued District contributions toward any employee benefit plan unless otherwise required by law. An employee, however, may elect to continue participating in such benefit plans, at the employee's own expense, to the extent permitted by such plans.

The duration of a leave under this section shall be consistent with applicable law, but in no event shall the leave extend past the date on which the employee becomes capable of performing the essential functions of his or her position, with or without reasonable accommodation. For a full explanation of leave duration and reinstatement rights, employees should contact the Human Resources Manager.

D. Workers' Compensation Leave

An employee must report all accidents, injuries and illnesses occurring on the job, no matter how small, to his or her supervisor. MCSD carries workers' compensation insurance coverage to protect employees who are injured on the job. If an employee is injured at work and is temporarily unable to perform his or her usual and customary work, the employee will be eligible to receive workers' compensation benefits. The employee must provide MCSD with the certification from a recognized medical professional confirming the necessity of the leave within 14 days after the leave begins.

The leave will continue until: (1) a recognized medical professional certifies that the employee is capable of resuming all of the duties of the employee's former position, with or without reasonable accommodation; (2) a recognized medical professional certifies that the employee is permanently precluded from returning to work in his or her prior position or performing some portion of his or her prior job (i.e., the medical condition is permanent and stationary); (3) the employee resigns, quits, accepts employment with another business, refuses to return to work after being released for full or partial work, or otherwise indicates that he or she is not going to return to work; or (4) one year has passed and the employee is still not able to return to work in his or her prior position.

An employee on a workers' compensation leave which exceeds 30 days must update MCSD on at least a monthly basis and provide information concerning his or her health status, anticipated date of return to work and continued intent to return to work. IF AN EMPLOYEE DOES NOT COMPLY WITH THIS REPORTING REQUIREMENT, MCSD MAY TERMINATE THE EMPLOYMENT. Workers' compensation disability leave is unpaid, but an employee may apply accrued vacation and sick leave to the workers' compensation disability leave. Accrued vacation and sick leave pay will supplement any workers' compensation or other wage benefits the employee receives. MCSD will maintain an employee's group health benefits during the period of leave as required by law.

MCSD will maintain an employee's group health benefits for that portion of leave that the employee is paid by MCSD. For example, if an employee applies accrued vacation to supplement any workers' compensation or other wage benefits the employee receives, MCSD will maintain an employee's group health benefits during the time MCSD pays the employee for accrued vacation. However, consistent with MCSD's group health benefits, MCSD will not maintain an employee's group health benefits during an unpaid leave unless otherwise required by law. Therefore, once an employee on leave has exhausted his or her accrued vacation, the employee will no longer be eligible for group health benefits. An employee may be eligible for continuation health care coverage under COBRA, at his or her cost.

An employee may return to work only after he or she provides MCSD with a release to work from the employee's physician. If the employee has been released without limitation, or is capable of performing the essential functions of his or her job with reasonable accommodation, the employee will be offered the same position he or she held prior to the leave, unless that job no longer exists or has been filled in order for MCSD to operate safely and efficiently. In this event, the employee will be offered a substantially similar position if one is available. If MCSD receives medical evidence satisfactory to it that an employee will be permanently unable to

resume safely all of the essential functions of his or her job, with or without reasonable accommodation, and if reassignment to a vacant position is not possible, the employee's employment will be terminated.

E. Organ and Bone Marrow Donor Leave

MCSD has a policy intended to comply with the Maykin Memorial Donation Protection Act. This policy entitles eligible employees to paid leave for the purpose of donating organ(s) and/or bone marrow. Under this policy, MCSD provides eligible employees up to thirty (30) business days of paid leave, in any one-year period, for the purpose of donating his/her organ(s) to another person and up to five (5) days of paid leave, in any one-year period, for the purpose of donating his/her bone marrow to another person. The one-year period is measured from the date the employee's eligible organ/bone marrow leave begins.

Prior to receiving this leave, an employee must provide MCSD with written verification, from a licensed physician or other qualified professional, that: (1) the employee is an organ or bone marrow donor; and (2) there is a medical necessity for the donation of the organ or bone marrow.

During this leave, MCSD will maintain the employee's health benefits as required by law. This leave does not constitute a break of employment for purposes of the employee's right to salary adjustments, paid time off, sick leave, vacation, or length of service. This leave will not be taken concurrently with FMLA or CFRA leave.

An employee is required to use two (2) weeks of accrued vacation leave or sick leave towards his or her organ donor leave and/or five (5) days of accrued vacation leave or sick leave for his or her bone marrow donor leave.

Upon expiration of his or her organ/bone marrow donor leave, MCSD will make every effort to restore an employee to the position he or she held when the leave began or to an equivalent position. MCSD will only decline to restore an employee to his or her former position (or an equivalent position) if conditions, unrelated to the employee's organ/bone marrow donor leave, make it impossible to do so.

F. Other Leaves of Absence

MCSD also grants eligible employees leaves of absence for military leave, jury or witness duty, certain court appearances, appearances at school, daycare activities by a parent, emergency duty as a volunteer firefighter, to vote for a statewide election, for bereavement leave, for leave related to domestic violence, or crime victims' leave. Unless otherwise required by law, or by the policies in this Handbook, employees will not be paid for such leaves of absence.

Employees wishing to take a leave of absence for one of these reasons should refer to the procedures outlined below, or contact the General Manager or his designee.

G. Bereavement Leave

This policy shall apply to full-time employees in all classifications. In the event of a death in the immediate family, an employee may be granted a paid leave of absence not to exceed three days, upon written approval of the employee's supervisor and the General Manager. This is in addition to regular sick leave and vacation time. The employee's supervisor or the General Manager may require verification.

If an employee requires more than three days off for bereavement leave, the employee may request additional unpaid leave or may request an opportunity to use any accrued sick leave or vacation time. Approval of such request is at the District's sole discretion.

Employees who are not eligible for paid bereavement leave benefits may receive necessary time off without pay, subject to the District's prior approval.

"Immediate Family" is defined as being the employee's spouse, parents, children, brother, sister, grandparents, father-in-law, mother-in-law, sister-in-law, brother-in-law or any other person who is a legal dependent of the employee. The term "spouse" includes registered domestic partner.

H. Military Leave of Absence

Regular, Full-Time employees whose participation in the uniform services or other military duty is mandatory will be granted time off without pay, consistent with applicable law. Part-time employees will be granted time off without pay. Employees may request to apply any accrued vacation benefits toward military leave.

Employees must notify their immediate supervisor as soon as they know the required dates of service and, if requested, furnish the supervisor with a copy of the official orders or instructions. Upon return from an excused military leave, the employee will be reinstated to his or her former position, or another position, to the extent required by applicable law. In order to be eligible for reinstatement, the employee must report to the District or submit an application for employment within the period required by federal and state law. Further, the employee must provide a certificate of satisfactory completion of service, as well as appropriate documentation to establish that the employee is eligible for reinstatement.

Vacation and sick leave benefits do not accrue during any unpaid portion of military leave. Employees on military leave accrue employment benefits such as sick leave and vacation benefits only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

MCSD will comply with all state and federal regulations governing military leaves. The specific terms of the absence and of rights to reinstatement, seniority, benefits, and compensation after a military leave are governed by law. Please contact the Human Resources Manager for more information about the specific terms and conditions of military leave.

I. Military Spouse Leave

Employees who work more than 20 hours per week on average and have a spouse in the Armed Forces, National Guard or Reserves who has been deployed during a period of military

conflict are eligible for up to 10 unpaid days off when their spouse is on leave from military deployment.

Employees must request this leave in writing to the Department Head within two business days of receiving official notice that their spouse will be on leave. Employees requesting this leave are required to attach to the leave request written documentation certifying that their spouse will be on leave from deployment.

J. Jury and Witness Duty

When an employee receives a jury summons, the employee must notify his or her supervisor as soon as possible and submit a copy of the jury summons. An employee is permitted to take time off for each full or partial working day he or she serves on jury duty. The employee must report to work on days or parts of days when he or she is not required to serve on jury duty. An exempt employee will be paid his or her regular salary (less amounts received by the employee for jury duty pay) during the time the employee serves on jury duty unless the employee does not perform any District work during an entire week. A nonexempt employee will be paid his or her regular wages (less amounts received by the employee for jury duty pay) while serving on jury duty up to a maximum of 40 hours each calendar year. Any funds received for the initial paid 40-hour period of service is to be reimbursed to the District.

The District will also provide employees with unpaid time off to appear in court or other judicial proceedings as a witness to comply with a valid subpoena or other court order. An employee must give reasonable advance notice that he or she needs time off to appear as a witness.

K. Leave for Educational/Daycare Purposes

Under certain circumstances, eligible employees may be allowed to take time off to participate in activities of their child's schools or licensed daycare facility. Such activities include but are not limited to parent-teacher conferences, graduations, and school field trips. In order to take time off under this policy, employees must be a parent, guardian or grandparent of a child who is presently in kindergarten or grades 1 through 12, inclusive, or attending a licensed child daycare facility.

In addition, the requesting employee must provide reasonable notice of the planned absence to his or her supervisor or their Department Head before taking the time off. The employee may not take more than 40 hours off for this purpose in any single year or more than eight hours off in any calendar month of the year.

If both parents of a child are employed by the District at the same worksite, only one parent will be allowed time off under this policy at a time. The parent who first gives appropriate notice of the need for time off under this policy will be given preference. In some instances, MCSD may agree to provide both parents the opportunity to take time off at the same time. However, this may occur only with the advance written approval of the General Manager.

Any employee who takes time off under this policy must utilize vacation or floating holiday pay for the absence. If the requesting employee does not have any vacation or floating

holiday pay available at the time of the requested absence, or does not have enough vacation or floating holiday pay to cover the requested absence, the time off will be taken without pay if the employee is non-exempt. If the employee requesting the leave is exempt, and takes a full day off, the leave will similarly be without pay. The salary of an exempt employee will not be affected if the employee misses a portion of a day of work under this policy.

Any employee who takes time off under this policy must provide documentation from the child's school or licensed daycare facility to substantiate the fact that the employee participated in a school activity or a daycare facility activity. This documentation must verify that the employee participated in the activity on a specific date and at a particular time.

If an employee is the parent or guardian of a child who has been suspended from school and the employee receives a notice from the child's school requesting that the employee attend a portion of a school day in the child's classroom, the employee may take unpaid time off to appear at the school. In such an event, an employee must provide reasonable advance notice of his or her planned absence to his or her supervisor.

L. Time Off To Vote

If an employee does not have sufficient time outside of his/her regular working hours to vote in a statewide election he/she may request time off to vote, consistent with applicable law. If possible, employees should make their request at least two days in advance of the election. Up to two hours of paid time off will be provided, at the beginning or end of the employee's regular shift, whichever will allow the most free time for voting, and the least time off work.

M. Domestic Violence Leave/Accommodation

Consistent with applicable law, MCSD will provide time off to an employee who has been the victim of domestic violence or whose child has been a victim of domestic violence to help ensure the health, safety, or welfare of the domestic violence victim. This includes time off for court proceedings, counseling, medical attention, and participation in safety planning programs. The District requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15 days of the absence or within a reasonable period of time, provide the District with certification of the need for the leave such as a police report, court order, or documentation from a health care provider. Leave granted pursuant to this policy is unpaid.

In accordance with its obligations under the law, MCSD will also reasonably accommodate an employee whose status as a victim of domestic violence, sexual assault, or stalking is made known to the District. An employee requesting an accommodation will be required to provide written certification that the accommodation is related to the employee's status as a victim.

N. Drug/Alcohol Rehabilitation

Employees being medically treated for acute drug-induced illness or acute alcoholism who enroll in a rehabilitation treatment program may take up to 45 days of unpaid time off to participate in the program, consistent with applicable law. Reasonable notice must be given to

the Finance Director or the General Manager before taking time off, preferably at least two weeks' notice. A physician's certificate of participation in a treatment program is required. Accrued, unused vacation time or unpaid time off may be used for this purpose.

O. Emergency Duty

Employees who act in the capacity of volunteer emergency rescue personnel (e.g., reserve peace officers, volunteer firefighters, or other emergency service providers) may take unpaid time off to perform emergency rescue duty. In addition, these employees who act in the capacity of volunteer emergency rescue personnel may take up to 14 days per calendar year of unpaid time off to engage in training. Employees may also use any accrued, unused vacation time for this purpose. Reasonable notice must be given to the Finance Director or the General Manager before taking time off, preferably at least two working days' notice.

P. Crime Victims' Leave

The District takes threats and actions of crime against its employees and their families very seriously. Consistent with applicable law, MCSD will provide time off to an employee to attend judicial proceedings related to a serious crime, if that employee is a victim of a serious crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. The District requires that, where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide the District with notice within a reasonable time. If an employee needs to take time off to ensure personal safety, seek medical treatment or receive counseling as a result of domestic violence or sexual assault, the employee should contact his or her supervisor immediately.

IV. STANDARDS OF CONDUCT

A. Termination, Discipline, and Rules of Conduct

1. Termination

(a) Voluntary Termination

MCSD will consider an employee to have voluntarily terminated his or her employment if an employee does any of the following:

1. Elects to resign from the District;
2. Fails to return from an approved leave of absence on the date specified by the District; or
3. Fails to report for work without notice to the District for three consecutive days.

(b) Involuntary Termination

An employee may be terminated involuntarily for reasons that may include poor performance, misconduct, violations of any policies contained in this Handbook, or other violations of MCSD's rules of conduct as set forth below. Notwithstanding this list of rules, the District reserves the right to discharge or demote any employee with or without "cause" and with or without prior notice.

(c) Termination Due to Reorganizations, Economics, or Lack of Work

From time to time, MCSD may need to terminate an employee as a result of reorganizations, job eliminations, economic downturns in business, or lack of work. Should the District consider such terminations necessary, it will attempt to provide all affected employees with advance notice when practical, or when required by law.

2. Discipline and Rules of Conduct

(a) Policy

Employees are expected to observe certain standards of job performance and good conduct. When performance or conduct does not meet District standards, MCSD will endeavor, when it deems appropriate, to provide the employee a reasonable opportunity to correct the deficiency. If, however, the employee fails to make the correction, he or she will be subject to discipline, up to and including discharge. Further, this policy does not alter the at-will nature of each employee's employment.

The rules set forth below are intended to provide employees with fair notice of what is expected of them. However, such rules cannot identify every type of unacceptable conduct and performance. Therefore, employees should be aware that conduct not specifically listed below but which adversely affects or is otherwise detrimental to the interests of MCSD, other employees, clients or customers (or other third parties), may also result in disciplinary action, up to and including termination.

(b) Performance

Employees may be disciplined for poor job performance, including but not limited to the following:

- (1) Unsatisfactory work in terms of quality or quantity;
- (2) Rudeness, lack of cooperation, or similar conduct;
- (3) Excessive absenteeism, tardiness, or abuse of break and lunch privileges;
- (4) Failure to follow instructions or District procedures; or
- (5) Failure to follow established safety regulations.

(c) Misconduct

Employees may be disciplined for misconduct, including but not limited to the following:

- (1) Insubordination;
- (2) Dishonesty;
- (3) Theft;
- (4) Discourtesy;
- (5) Misusing or destroying MCSD property or the property of another on District premises;
- (6) Violating conflict of interest rules;
- (7) Disclosing or using confidential or proprietary information without authorization;
- (8) Falsifying or altering District records, including application for employment;
- (9) Interfering with the work performance of others;
- (10) Altercations;
- (11) Harassing, including sexually harassing, employees, clients or customers (or other third parties);
- (12) Being under the influence of, manufacturing, dispensing, distributing, using, or possessing alcohol or illegal or controlled substances on MCSD property or while conducting District business;
- (13) Gambling on MCSD premises or while conducting District business;
- (14) Sleeping on the job or leaving work without authorization;
- (15) Possessing a firearm or other dangerous weapon on MCSD property or while conducting District business;
- (16) Being convicted of a crime that indicates unfitness for the job or raises a threat to the safety or well-being of the District, its employees, clients, customers (or other third parties) or property; or

- (17) Failing to report to the District, within five days, any conviction under any criminal drug statute for a violation occurring in the workplace.

(d) Attendance

In addition to the general rules stated above, employees may be disciplined for failing to observe the following specific requirements relating to attendance:

- (1) Reporting to work on time, adhering to established work schedules, observing the time limits for rest and meal periods, and obtaining approval to leave work early; and
- (2) Notifying the supervisor in advance of anticipated tardiness or absence.

(e) Discipline Procedure

Although discharge or demotion for poor performance may be preceded by an oral warning and/or a written warning, MCSD reserves the right to proceed directly to a written warning, demotion, suspension or immediate termination for misconduct or performance deficiency, without resort to prior disciplinary steps, when the District, in its sole discretion, deems such action appropriate.

(f) Disciplinary Action

(1) Conduct Resulting In Discharge.

MCSD reserves the right to impose any level of discipline it determines is appropriate under the circumstances, and this policy does not change the at-will employment relationship. However, a non-exhaustive list of conduct where a single violation of this policy will result in immediate discharge is as follows:

- (a) Fighting or causing injury to the employee or any other person, or, in the sole opinion of management, endangered the safety of the employee or any other person;
- (b) Results in significant damage to MCSD property or equipment, or, in the sole opinion of management, posed a risk of significant damage;
- (c) Involved the sale or manufacture of illegal drugs or other controlled substances;
- (d) Involved the possession, distribution, or dispensation of illegal drugs or other controlled substances or alcohol;
- (e) Involved the failure of an employee to report a criminal conviction, as identified in (f) below;

- (f) Conviction under a criminal drug statute for a violation occurring in the workplace or during any MCSD-related activity or event;
- (g) Insubordination an outspoken or mutinous attitude toward those in charge or a flaunting disregard of the authority of the supervisor or willful disobedience;
- (h) Inexcusable absence without leave;
- (i) Possession of a firearm on District property;
- (j) Inexcusable neglect of duty;
- (k) Dishonesty; or
- (l) Willful disobedience.

3. Exit Interview

Employees who leave MCSD for any reason may be asked to participate in an exit interview. This interview is intended to permit departing employees the opportunity to communicate their views regarding their work with the District, including job duties, job training, job supervision, and job benefits.

At the time of the interview, or as otherwise specified by the District, employees are expected to return all District-furnished property, such as uniforms, tools, equipment, I.D. cards, keys, credit cards, documents, and handbooks. Arrangements for clearing any outstanding debts with MCSD and for receiving final pay also will be made at this time.

4. Employment At-Will

Nothing in this guideline is intended to alter the at-will status of employment with MCSD. Either the District or you may terminate the employment relationship at any time, with or without cause, and with or without prior notice. The District reserves the right to terminate any employment relationship, to demote, or to otherwise discipline an employee without resort to the above disciplinary procedures.

B. Solicitations and Distribution of Literature

If a person soliciting business from outside the District approaches you on District premises, you should politely tell the solicitor that District policy prohibits outside solicitations on the premises. Solicitations and distribution of literature by District employees should be controlled by standards of good taste and conduct. Solicitations should be limited to meal and rest breaks and literature should be restricted to an internal employee bulletin board. An employee who finds any internal solicitation offensive should notify his/her supervisor or the General Manager, immediately.

C. Workplace Security

All employees are responsible for helping to maintain and protect the District's premises, equipment, files and supplies. Permanent MCSD records may not be removed from the office. Any employee who has reason to believe that the security and/or safety of personnel, equipment or files is in question must take reasonable action to maintain security and/or safety and must immediately report the situation to his or her supervisor.

D. Smoking

Smoking is prohibited in all enclosed areas on MCSD premises, including District vehicles. Smoking will be allowed in certain designated outdoor areas. However, even in designated smoking areas, all employees are responsible for observing the rights of non-smokers to a smoke-free and litter-free environment. The cooperation of all smokers is appreciated.

E. Recycling

MCSD supports environmental awareness by encouraging recycling and waste management in its business practices and operating procedures. This support includes a commitment to the purchase, use, and disposal of products and materials in a manner that will best utilize natural resources and minimize negative impact on the earth's environment.

Employees are encouraged to purchase products for the workplace that contain recycled or easily recyclable materials. Buying recycled products supports recycling and increases the markets for recyclable material.

F. Housekeeping

All employees are expected to keep their work areas clean and organized and also assist in maintaining an overall clean work environment. Employees using common areas such as lunch rooms and restrooms or equipment are expected to keep them clean and sanitary. Employees are requested to clean up after meals and dispose of trash properly.

G. Personal Appearance

The presentation of MCSD's image to customers, suppliers, and the general public is viewed as extremely important. Since MCSD's product includes service, and customer service can only be provided by the District's employees, employees are required to not only perform well, but also to observe high standards in their personal appearance.

Accordingly, all employees are expected to dress in a manner consistent with good hygiene, safety, and good taste. Employees who are required to have direct contact with customers, suppliers, or the general public are expected to wear apparel MCSD deems appropriate for that purpose. Employees who appear for work inappropriately dressed will be sent home and directed to return to work in proper attire.

Field crew and designated Park and Recreation employees are required to wear District-provided uniform shirts. The District may make available to other employees District uniforms, which such employees may, but are not required to, wear.

Employees are expected to exercise common sense with respect to the way they dress and their appearance generally. Employees are always expected to maintain a professional appearance and to dress in a manner consistent with their responsibilities.

If you have questions about the appropriateness of your dress, contact your supervisor for guidance concerning proper standards relative to your position.

H. Use of District Equipment and Vehicles

Equipment and vehicles used in accomplishing job duties are expensive and may be difficult to replace. When using District property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

The General Manager, Operations Director and specified full-time employees of the Operations Department are required to drive vehicles to and from work in order to respond to emergency situations, unless the General Manager approves other arrangements.

Some other employees may be provided vehicles upon occasions due to work related meetings or business. These are to be used primarily by such employees to commute to and from work and for District business. The value of using these vehicles for commute purposes will be charged to employees in accordance with applicable IRS regulations.

Please notify your supervisor if any equipment, machines, tools or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment. A valid California driver's license must be in your possession while operating a vehicle off or on MCSD property.

I. Visitors in the Workplace

To provide for the safety and security of visitors, employees, and the facilities of MCSD, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on MCSD's premises, employees should greet them in a friendly manner, and immediately notify their supervisor.

J. Employee Assistance During Response to Emergency Situations

Employees are to be trained to handle emergencies in the field or at District facilities as the purposes of such activities are to improve District operation and safeguard the value of District assets. Hence, employees often work under adverse conditions and under stress at times to the degree that is beneficial to the District.

Employees working in the field or at District facilities may be required to work unusual hours and shifts, including nights and weekends. Due to these unusual hours, emergency situations involving the employee or his/her family may occur while working. Employees are trained and are to be prepared for such incidents.

It is the policy of the District to provide a safe and environmentally friendly working experience. Employees may be subject to injury or to notifications that members of their families are in need of assistance. It is the policy of the District to assist employees in these situations as much as possible to minimize the mental and emotional impacts upon them.

An employee who experiences an injury on the job is to inform his/her supervisor or another management employee as soon as reasonably possible by phone or in person. In case of injury beyond first aid level, the employee is to be transported to the designated first aid treatment facility. The nature of the injury or incident and any actions needed to be taken shall be reported. If involving a criminal act or an equipment accident, an accident report shall be completed as soon as possible and within 24 hours.

In cases where an employee's family member is involved in an emergency situation and the employee believes that he/she must leave the job to respond, the employee shall inform his/her supervisor or another management employee immediately and before leaving the work site. If no response is required, the employee is encouraged to inform his/her supervisor in order to have them aware of the situation and to provide supportive assistance in an appropriate manner. An Employee Assistance Program (EAP) may be available and the employee is encouraged to contact the identified agency or the Human Resources Department for assistance.

Expenses to the District for an EAP may be provided by the District for initial administrative services. Specific services available to the employee shall be identified and appropriate expense information made known by the EAP provider.

Absences from work due to injury or emergencies of close family members may be covered by either workers' compensation, sick leave, or the FMLA regulations described above. The employee shall consult with the Human Resources Department as soon as practical to determine what applicable leave provisions or laws apply to his or her situation. A doctor's certification may be required for use of leaves and for returning to work in some cases.

Employees, supervisors, and managers shall be provided training and information on dealing with injury, emergencies, and trauma on the job in order to prepare them for unusual situations. Such training is not to be viewed as for personal safety and security but for handling sensitive and emergency situations until additional assistance may be obtained.

RESOLUTION 2015 - 01

APPROVE RESOLUTION 2015-01 TO APPROVE WITHOUT AMENDMENTS THE MCSD POLICIES AND PROCEDURES RELATED TO GOVERNANCE, ETHICS, BOARD CONDUCT, REIMBURSEMENT/COMPENSATION, DISTRICT FINANCES, AND RESERVES AS RELATED TO DISTRICT OF DISTINCTION APPLICATION PROCESS.

A RESOLUTION PROCLAIMING that the McKinleyville Community Services District Board of Directors review and approve its policies and procedures related to governance, ethics, board conduct, reimbursement/compensation, district finances, and reserves.

WHEREAS, the Special District Leadership Foundation (SDLF), District of Distinction Accreditation is designed as a way for districts to highlight their prudent fiscal practices along with other areas important to effectively operate and govern a special district, and

WHEREAS, McKinleyville Community Services District is seeking the District of Distinction as a part of the Strategic Plan, and

WHEREAS, McKinleyville Community Services District is in the final stages of completion of the District of Distinction requirement processes, and

WHEREAS, a requirement for submission is the Districts ability to demonstrate that their operations conform to all statues and regulations under state law as reflected in policies and procedures manual, and

WHEREAS, the requirements also include that the policies and procedures contain the focus on governance, ethics, board conduct, reimbursement/compensation, district finances, and reserves, and

WHEREAS, in order to meet the requirement, it must be shown that these documents have been passed or reviewed within the past year,

NOW, THEREFORE, BE IT RESOLVED that the McKinleyville Community Services District Board of Directors has reviewed and approved, without amendment, its policies and procedures related to governance, ethics, board conduct, reimbursement/compensation, district finances, and reserves.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on the 7th day of January, 2015 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Corbett, Board President

Attest:

Becky Schuette, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **ACTION**

ITEM: E.13 **Authorize Board President to Sign a Letter of Support for Pursuit of Grant Funds for Salmonid Habitat Restoration and Public Access Project on the Lower Mad River.**

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

TYPE OF ACTION: **Voice Vote**

Recommendation:

Staff recommends that Board take public comment, discuss and authorize Board President to sign a new letter of support for Salmonid Habitat Restoration and Public Access project on the lower Mad River.

Discussion:

At the September 3, 2014 Board Meeting, Mary Burke, CalTrout North Coast Project Coordinator, presented a PowerPoint discussing their plans to assist as MCSD works on decommissioning the percolation ponds west of the Fischer Property adjacent to the lower pasture.

The 20 Year Facilities Plan proposed a backfill and replanting of the site at a cost of nearly \$170,000 in 2011 value. The proposal before you would negate the need to abandon this site and provide vital habitat for salmonid populations without the capital outlay.

Two proposals have been developed to pursue funding for a habitat restoration and public access project on MCSD's land. The project partners submitted the first proposal in March 2014 to the California Department of Fish and Wildlife (formerly Fish and Game) through the Fisheries Restoration Grants Program (FRGP) to design a salmonid restoration project in the floodplain of the lower Mad River – at the site of the percolation ponds.

The second proposal is poised to be submitted to the California State Coastal Conservancy as a cost-share for the FRGP proposal and to fund the public access design.

After the September 3, 2014 meeting, a letter authorized by the Board and signed by President Couch was mailed to Douglas H. Bosco, Chairman of the California State Coastal Conservancy, in strong support of CalTrout's efforts to promote the recovery of our salmon and steelhead populations, and to

provide planned recreational access to our coastal rivers and urge your favorable consideration of this important project.

Since September, CalTrout has added a third component to the implementation of the project. This component will implement a green solution to wastewater disposal - a pilot biofiltration project to determine how different plant communities perform water and nutrient uptake for wastewater reclamation.

By utilizing all three of these project components, CalTrout will ensure that the river's imperiled Chinook salmon, Coho salmon, and Steelhead trout continue on a pathway toward recovery, that public access and safety is improved, and that wastewater reclamation is conducted using tested green infrastructure.

The addition of this third component, however, has increased the cost of the project and therefore the request for grant funding also needs to be increased; the new amount requested will be \$200,000.

The Coastal Conservancy funds are essential to provide the floodplain enhancement project, including the salmonid habitat restoration, public access and biofiltration demonstration components of this project. In addition, the Conservancy funding for the habitat restoration is crucial to provide a cost-share for a proposal with the California Department of Fish and Wildlife through the Fisheries Restoration Grant Program

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

To Be Determined, funding is being pursued through California Department of Fish and Wildlife through the Fisheries Restoration Grant Program, Coastal Conservancy and Land and Conservation.

Environmental Requirements:

To Be Determined

Exhibits/Attachments

- Attachment 1 – Support Documentation
- Attachment 2 – Support Letter



Re: Request for your support Mad River floodplain enhancement: salmonid habitat restoration, public access, and pilot biofiltration projects

Organization seeking support

California Trout
360 Pine Street, 4th Floor
San Francisco, CA 94104
(415) 392-8887
Tax ID#: 23-7097680

Description of projects for which support is sought

California Trout (CalTrout) seeks support for a grant from the California State Coastal Conservancy for a total of \$200,000 to design three related projects to improve floodplain habitat and access in the lower Mad River. The first project is to design off-channel habitat for salmonid rearing and refugia in the estuarine reach of the lower Mad River. The second component is the design of improved public access along the bluff and river. The third component is to implement a green solution to wastewater disposal - a pilot biofiltration project to determine how different plant communities perform water and nutrient uptake for wastewater reclamation. CalTrout will local experts and stakeholders to design the Mad River Floodplain Enhancement ("project"). In so doing, CalTrout will ensure that the river's imperiled Chinook salmon, coho salmon, and steelhead trout continue on a pathway toward recovery, that public access and safety is improved, and that wastewater reclamation is conducted using tested green infrastructure.

The Mad River below the 101 bridge is an estuarine mainstem with influence from high and low tides. Historically, the river reached out onto the floodplain during high flow events, and there was likely a system of wetlands and ponds providing off-channel habitat for salmonids, similar to those located 3 miles north near the current river mouth. Currently, the floodplain has lost connection to the river due to flood protection efforts on agricultural land, such as small dikes and rocked riverbanks. Public access opportunities on the north bank of the river are limited by the private grazing lands, residential neighborhoods, a steep bluff, and irrigated wastewater pasture. There is no planned and managed access to provide recreational opportunities while also protecting the riparian habitat.

The salmonid restoration project is located on McKinleyville Community Services District (MCSD) property that is currently being used for treated wastewater infiltration. The current use will be decommissioned and MCSD is supportive of a design to create salmonid habitat and public access. The project will design estuarine habitat by connecting approximately 4.25 acres of floodplain to the Mad River. The design will develop plans for off-channel fisheries and aquatic organism habitat including such features as backwater or side channels, alcoves, wetlands, and ponds. The trail access point is on the bluff over-looking the river and provides an opportunity to design an ADA accessible area with excellent views for bird-watching and general connectivity with the natural beauty of the area. A 0.5 mile trail down to the riparian area and interpretive signage will be designed to improve river viewpoints and access for water-contact recreation including sport-fishing.

The alternative to the decommissioned percolation ponds that will be transformed into salmonid habitat is the design of a suitable biofiltration system for wastewater disposal that is set back from the river's edge. This component of the project will demonstrate via a pilot project whether riparian floodplain

habitat is a more effective biofiltration wastewater reclamation system than pastureland. MCSD believes it can increase water and nutrient demand—and thereby meet discharge requirements for its treatment facility—by substituting riparian forest for existing pasture.

The Coastal Conservancy funds are essential to provide the floodplain enhancement project, including the salmonid habitat restoration, public access and biofiltration demonstration components of this project. In addition, the Conservancy funding for the habitat restoration is crucial to provide a cost-share for a proposal with the California Department of Fish and Wildlife through the Fisheries Restoration Grant Program.

Describe CalTrout’s leadership – permitting – public comment.

CalTrout has pioneered fishery enhancement work in California for 42 years. The organization has managed several Department of Fish and Wildlife Fishery Restoration Grants for comparable work, and currently manages a several grants from the Coastal Conservancy, including the Eel River Estuary restoration design at The Wildlands Conservancy’s Eel River Estuary Preserve, and the Elk River Recovery Assessment. CalTrout has demonstrated the technical and procedural competence necessary to manage and complete the proposed work. Additionally, CalTrout has spent the last few years actively building the support of a diverse group of stakeholders, forging consensus and broad commitment to the realization of these important restoration efforts.

Individually and cumulatively the proposed project actions pose no significant harm to the environment, and are statutorily exempt from, or comply with, the California Environmental Quality Act as follows:

The project consists of technical studies and designs involving only data gathering, planning, and feasibility analyses for possible future actions and is thus statutorily exempt from the provisions of the California Environmental Quality Act (CEQA).

What is the timeline?

This letter of support will be presented at the California State Coastal Conservancy on January 29th, 2015.

We realize the inconvenience of such a late request – and we would appreciate receiving the letter by January 2nd or at the latest the end of the week of January 9th.

Who is being asked to support your request?

U.S. Congressman Jared Huffman, State Senator Mike McGuire, Assemblyman Jim Wood, Humboldt County Supervisor Ryan Sundberg, the McKinleyville Community Services Board of Directors, the Humboldt County Trails Council and the McKinleyville Land Trust.

Please indicate how much the project will cost and who would most directly be affected by it.

	Mad River Estuary and Floodplain Enhancement Project
CA State Coastal Conservancy	\$200,000
CDFW FRGP	\$74,762
MCSD in-kind	\$46,302
CalTrout in-kind	\$5,000
Total	\$326,064

The Mad River habitat, public access and biofiltration projects addresses the health and well-being of the local coastal community, fisheries, and regional communities that depend upon the recovery of salmonid populations and the use of green infrastructure. Sportfishing is of ever-increasing importance to the local and State economy while coastal salmonid populations are increasingly at risk from human

and climate induced alterations of habitat and water quality. Recovering coastal salmon populations to sustainable levels is of national interest, and California can play a major role in this effort. Reopening historic habitat while improving public infrastructure where advisable is an excellent way to achieve this goal.

Please cc: this letter to the following recipients. Telephone numbers are provided below to answer questions about information supplied on this form.

Mary Burke– CalTrout North Coast Project Manager
(707) 825-0420; mburke@caltrout.org; 615 11th Street, Arcata, CA 95521

Michael Bowen– State Coastal Conservancy Project Manager
(510) 286-0720; mbowen@scc.ca.gov; 1330 Broadway, 13th floor, Oakland, CA 94612

Draft Letter

Douglas H. Bosco, Chairman
California State Coastal Conservancy
1330 Broadway, 13th floor
Oakland, CA 94612

Re: Request for your support Mad River floodplain enhancement: salmonid habitat restoration, public access, and pilot biofiltration projects

Dear Chairman Bosco,

I write in support of California Trout's request to the Coastal Conservancy for \$200,000 to fund and support a floodplain enhancement project that includes off-channel habitat for Coho and other salmonids, a public access trail with interpretive signage, and a biofiltration project for wastewater reclamation in the lower Mad River. These funds will provide cost-share match to \$73,000 in California Department of Fish and Wildlife – Fisheries Restoration Grants Program. This project is located on McKinleyville Community Services District (MCSD) property – the MCSD is in favor of the land use conversion to salmonid habitat restoration, public access trails, and wastewater reclamation through biofiltration.

The Mad River is one of the six major rivers of the north coast of California and it is a valuable natural resource to the region. The Mad River sustains populations of native Chinook, Coho salmon and steelhead trout, all of which are listed as threatened under the Federal Endangered Species Act. Restoration of riverine habitat, access to suitable rearing grounds, and water quality protection in the lower Mad River is essential to the recovery of the river's fish populations. These species provide inherent wildlife value, are important to Native American Indian tribes in the region, and provide commercial and recreational fishing opportunities that support our local economies. In addition, the public access trail and interpretive signage offers important public recreation and education opportunities. The development of public access in the lower Mad River will provide additional connectivity with the infrastructure upgrades that are being implemented and planned such as the Highway 101 bridge replacement including pedestrian and bicycle crossing, sidewalks on School Road that connect to the Hammond Coastal Trail (HCT), and the planned replacement of the HCT bridge on the lower Mad River.

These CalTrout projects – Mad River Floodplain Enhancement Projects – include a fish habitat restoration project that will result in the preparation of engineering designs to restore off-channel habitat to provide refugia for salmonids and increase habitat complexity in the estuary. The project will prepare designs for a multi-use trail with defined river access points for recreational use by small craft boat users and anglers. In addition the project will implement a pilot biofiltration project to demonstrate appropriate and green methods for wastewater discharge. Project funding partners include the Department of Fish and Wildlife's Fisheries Restoration Grants Program, and cost-share from the McKinleyville Community Services District.

I strongly support CalTrout's efforts to promote the recovery of our salmon and steelhead populations, to improve infrastructure and to provide planned recreational access to our coastal rivers and urge your favorable consideration of this important project.

Sincerely,

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **INFORMATION**

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

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

TYPE OF ACTION: None

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has deposited \$212,805.21 to date into the Trust Account for reserves recovery.

Audit Update: The Audit Committee has received the final copy of the FY2013-14 Audited Financial Statements, and bound copies are available to all Board Members.

Treasurer's Report Highlights: The September Treasurer's Report revenue includes capacity fees of \$116,261 for the Water Fund and \$158,265 for the Sewer Fund respectively. No capital assets have been received by the Board to date this fiscal year.

Capacity fees and contributed capital assets revenue will continue to be adjusted out of the budget-to-actual comparison graphs, so those show only operating revenue against operating expenditures.

The second invoice of the Biosolids Project (part of the new Wastewater Facility Upgrade) has been paid and the final invoice for the project is in process.

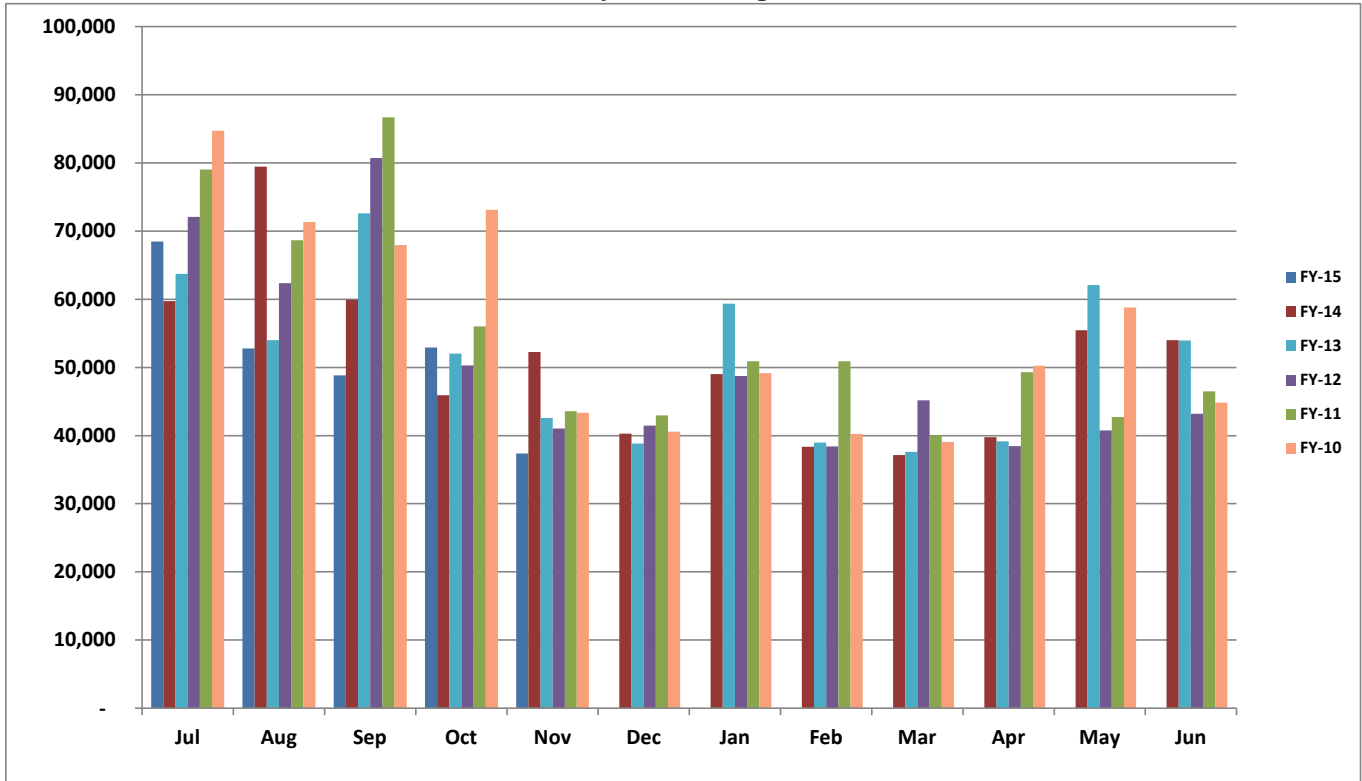
Other Updates:

The water-use curtailment requirements implemented by the District in response to the statewide drought have been very effective in McKinleyville. The month of November showed a strong decrease over October, partly because of the rains. The total cumulative water use is still trending down, per the graph on the following page.

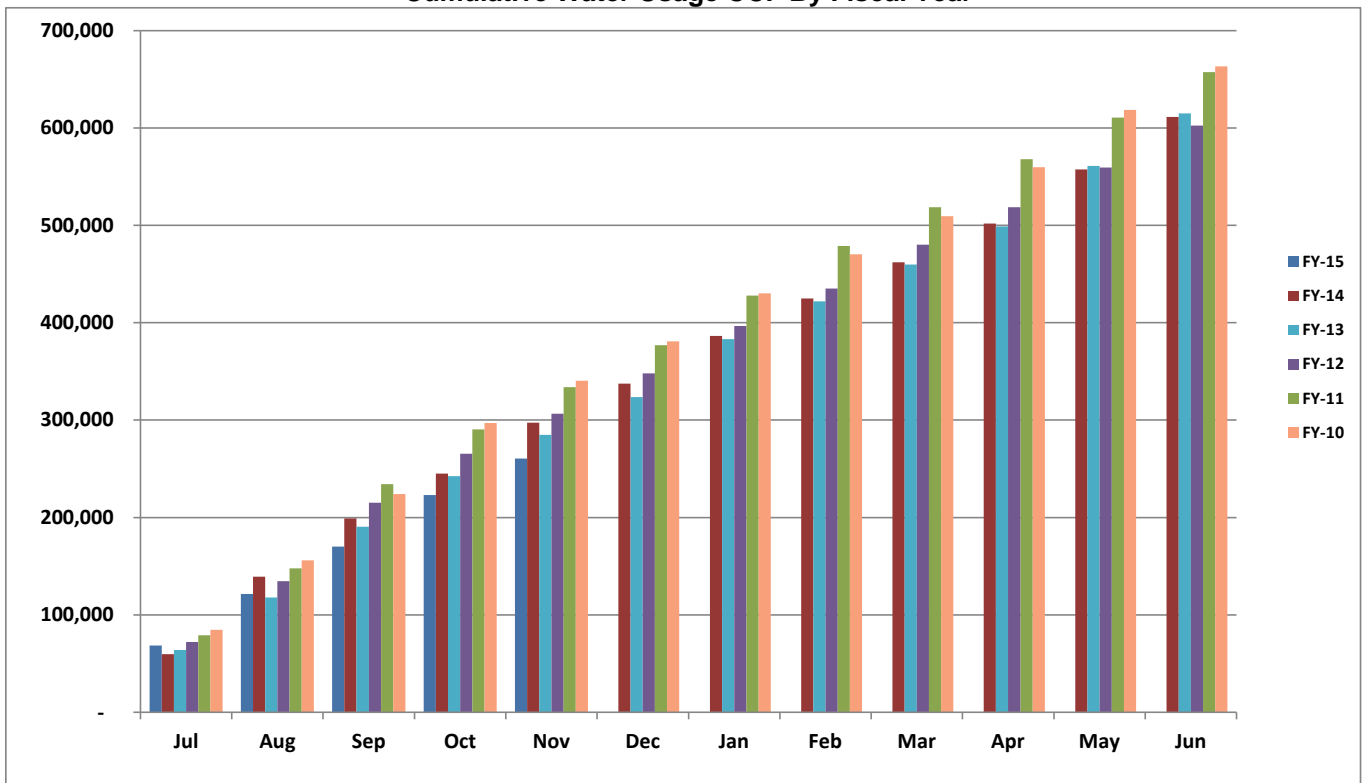
McKinleyville Community Services District

Analysis of Water Volume Usage by Fiscal Year

Monthly Water Usage - CCF



Cumulative Water Usage CCF By Fiscal Year



McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.B. **Operations Department – November 2014 Report**

PRESENTED BY: James Henry, Operations Director

TYPE OF ACTION: None

Water Department:

◇ **Water Statistics:**

The district pumped 31 million gallons of water in November.
Four water quality complaints were investigated and rectified.
Daily, weekly and monthly inspections of all water facilities were conducted.
One new water service was installed on Sunnygrove.

◇ **Double Check Valve Testing:**

Annual routine testing was completed in Route 19 with a minimal number of retests. Customers with failed DCV's were notified to make repairs and call the office to schedule a retest. The DCV test kit was sent in for its routine annual calibration and inspection.

◇ **Average and Maximum Water Usage:**

The maximum water usage day was 1.4 million gallons and the average usage per day was 1.0 million gallons.

◇ **Water Distribution Maintenance:**

Annual Hydrant inspections is 25% completed. Hydrants will be exercised, inspected and documented in the log book. Any discrepancies will be flagged to generate work orders for repairs. A fire hydrant pad was replaced due to not having enough compaction. The meter replacement program has started. The oldest meters that fit the phase 1 criteria will be replaced first. There are approximately 1100 meters in phase 1 that will be replaced.

◇ **Water Station Maintenance:**

The following items were repaired or replaced at the Northbank Station. The Pump 5 motor was found to be grounded out during the monthly inspection. Staff removed the motor and has taken it in to make repairs. The generator battery was also replaced and pipe supports were installed under the valves that isolated the previous pumps. The pumps and piping at the Cochran Station were prepped and painted. Expansion joints were inspected for wear at each water facility.

As of July, the District is required to submit a Public Water Monthly Monitoring Report to compare water usage to last year's usage in the same month. I will keep the board updated each month using the Table below.

Water Usage Comparison in Million Gallons

	2013	2014	% Reduction	2014 Recycled
July	54.757	50.668	7	14.297
August	55.908	46.600	17	13.040
September	45.702	40.619	12	17.434
October	39.439	36.393	8	16.077
November	34.879	30.795	12	13.807

*Recycled water is reclaimed water that is used for irrigating crops.

◇ **New Construction Inspections:**

Central Estates Phase 2C, GRS installed sewer mains, water mains and valves. Testing will be completed after PG&E installs their facilities. CVS; waiting on the contractor's schedule on when they will be conducting the hot tap for the fire service.

Sewer Department:

◇ **Waste Water Statistics:**

26.1 million gallons of wastewater was collected and pumped to the W.W.M.F. 40.1 million gallons of wastewater was treated and discharged to land disposal or reclamation in November. Daily, weekly and monthly inspections of all sewer facilities were conducted.

◇ **Sewer Station Maintenance:**

Quarterly wet well washing was conducted at the Kelly Sewer Lift Stations. This is done to prevent grease and rags from plugging up the pumps. String trimming and mowing was completed at the Fischer Lift Station. Expansion joints were inspected for wear at each sewer facility.

◇ **Sewer Collection System:**

One new sewer service was installed on Sunnygrove. Grease traps were inspected at required facilities. Customers that are out of compliance were notified to have their traps pumped and possibly shorten their pumping schedule. The Hach Sigma flow totalizer was placed in numerous manholes to collect dry weather flow data. This information is compared against wet weather flow data to look for I&I in the collection system. The quarterly and semi-annual hydro-cleaning routes were completed. Customers were notified in advance. These routes were generated from problem spots in the past. Grease and debris was cleaned from the collection system using 3000 psi of water through a spinning nozzle. 21,200 feet of the collection system was cleaned during these routes.

◇ **Wastewater Management Facility:**

The Chlorine Contact Basin was drained and cleaned with fire hoses. String trimming and mowing took place at the WWMF. A pump was set up to pump the remaining 2 feet of water out of pond 1A. New data entry log books were created for the 2015 calendar year.

◇ **Daily Irrigation and Observation of Reclamation Sites:**

Weekly well monitoring was conducted at the Fischer Ranch tree farm as part of the tree farm pilot study. The fence line was cleared at the Hiller irrigation site. All irrigation pipe was picked up and stored for the winter.

◇ **Street Light Department:**

There was one streetlight complaint in November due to a bad PG&E connection.

Promote Staff Training and Advancement: Weekly tailgate meetings and training associated with job requirements. Staff members received their annual Hazwoper refresher training.

Special Notes:

Tractors, Dump Truck and Vac-con were greased and lubed to prevent unnecessary wear.
Operations Department continued working on the new park picnic pavilion.
The East and West shops in the Corporation Yard were painted.
The template was created for the MSDS's in DocStar and staff has been working on transferring the sheets from the binder to the computer.
Staff assisted Parks and Rec. with hanging the Holiday banners using the boom truck.
Monthly river samples were completed.
Monthly Discharge and Self monitoring reports (DMR/SMR) were submitted.
Public Water Monthly Monitoring report was submitted.
Monthly Water Quality report was sent to the Dept. of Health.
Monthly Pesticide applicator report was submitted to Department of Agriculture.
Several meetings occurred with Kennedy/Jenks regarding the WWMF upgrade.
Acute Toxicity samples were collected and sent to the lab.
The semi-annual testing was conducted at the WWMF to meet the requirements of the discharge permit.

WWMF upgrade status:

90% design was returned to K/J with comments.
Staff is continuing to pump down Pond 1A at approximately 200 gpm. It will take another month.
Staff held an Open House at the Azalea Hall to educate the public and air questions about the upgrade.
A time lapse camera was installed at the WWMF to take daily snap shots of the upgrade progress. After the project is completed the snapshots will be compiled to make a video presentation from start to finish.

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.C **Parks & Recreation Director's Report for January 2015**

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

TYPE OF ACTION: **None**

AZALEA HALL:

Each year in December Azalea Hall and the McKinleyville Senior Center are closed for a week so that our maintenance crews can complete major projects and repairs. Staff inspects the facility and develops a task list for projects. The walls and trim are painted, the floors are stripped and waxed and the kitchen is cleaned thoroughly, among other things.

HILLER PARK BOTANICAL GARDEN:

Staff has been working with a Community Service Worker (CSW) to install a split rail fence at the botanical garden at Hiller Park. The CSW provided the equipment and concrete at no cost to the District. The idea of the fence is to discourage people from bringing dogs inside the area.

HILLER PARK WEST:

Staff will be working with a CSW to replace the fencing between the parking area and the Hammond Trail at Hiller Park. The CSW will provide the equipment and concrete at no cost to the District. A majority of the labor will be completed by the CSW.

FISCHER RANCH GRANT APPLICATION:

In October, staff submitted a grant application to the Habitat Conservation Fund to support the Fischer Ranch Interpretive Trail Project. If funded, it is likely that this project would be somehow connected with the potential salmon rearing ponds project at Fischer Ranch.

On December 4, 2014, staff met with representatives of California State Parks to discuss the project and also for a site visit of Fischer Ranch. Successful grant applicants will be notified at the end of March 2015.

RECREATION PROGRAM FEES:

Recreation staff met to discuss potential recreation program fee increases. These increases will be presented to the MCSD Board of Directors in February with the 2015 Spring/Summer Recreation Activity Guide.

AUTOMATED EXTERNAL DEFIBRILLATOR:

Staff has developed a Medical Emergency Response Plan for the Automated External Defibrillator (AED) located at Azalea Hall. We have also had a physician sign off on our AED program and it is registered with the North Coast Emergency Medical Services (EMS).

PIERSON PARK COVERED PICNIC AREA PROJECT:

A majority of this project is being completed in house. Funding for this project will come from a Land & Water Conservation Fund grant (\$25,000) and Quimby Inland Parkland Dedication Fund (\$50,000).

As weather permits, staff will continue working on this project. The next steps are to nail off the sheeting, call Humboldt County for an inspection and install the electrical.

RHODODENDRONS:

The Arcata Fire Protection District is renovating their fire station in McKinleyville next year. The fire chief contacted us to see if we were interested in digging up the rhododendrons that are located between the station and Central Ave. These rhododendrons were planted some time near the 1950's and they are approximately twenty (20) feet tall.

Staff has pruned the Rhododendrons in preparation of re-locating them to Hiller Park near the botanical garden. They should be relocated sometime in early January 2015.

CALIFORNIA CONSERVATION CORPS:

For the last three years, MCSD has had a contractual agreement with the California Conservation Corps (CCC) where in exchange for us providing space for the use of the trailer and parking lot at Pierson Park, the CCC provides MCSD with 5 ½ weeks of crews. The estimated value of this agreement is \$25,000 annually.

We were informed in November that the CCC will be moving out of McKinleyville and relocating to Arcata, therefore terminating our agreement effective January 1, 2015. This will have an impact on the level of maintenance our parks crew is capable of providing at our parks and facilities.

The CCC did agree to schedule crews for two (2) weeks next year and have offered to provide us with crews occasionally as they are available. Staff will continue working with CalWORKS, SWAP, Community Service Workers and other volunteers to help with the maintenance requirements of our parks and facilities.

SHERIFF WORK ALTERNATIVE PROGRAM (SWAP):

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

COMMUNITY SERVICE WORKERS:

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

WORK EXPERIENCE (CalWORKS PROGRAM)

We currently have two (2) CalWORKS staff members working within the Parks Department. We are still seeking additional individuals interested in working for the park maintenance crew. This is a great program for the workers and for MCSD. It gives the employees great on the job experience and it aids MCSD in its daily operations. The County pays all wages for a six-month period (with possible extensions of time), and workers compensation is also under the County's umbrella.

GRAFFITI & VANDALISM UPDATE:

No major vandalism to report.

McKinleyville Community Services District

BOARD OF DIRECTORS

January 7, 2015

TYPE OF ITEM: **INFORMATION**

ITEM: F.2.D General Manager's Report for January 2015 Meeting

PRESENTED BY: Gregory Orsini, General Manager

TYPE OF ACTION: Information Only

A summary of activity for the month of December, 2014

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

• Arcata Stationers discounts	\$90
• Accounting services discount	\$75
• SWAP Crews	\$4,600
• Northern Humboldt Employment Services	\$600
• Community Service Workers	\$1,000
• CalWORKS employee	\$7,000
• Volunteers	\$500
• Major Facility Custodial	\$1,200
• Meter Replacement	\$1,600
• Roof Repairs	\$300
• Building maintenance and painting	\$640
• Assorted equipment rehabilitation	\$320

Total cost savings for September and October are \$17,925

***The cumulative cost saving to the District to date
from July 1, 2014 is \$119,921***

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

WWMF Improvement Project Open House – On December 9 was an open house was conducted at Azalea Hall to allow the public an opportunity to ask questions and discuss the WWMF Improvement Projects with MCSD staff, design engineers and planners. James Henry will be providing a summary of the event during the Board Meeting.

Prop 50 Grant and MCSD/ City of Arcata Intertie- The project is completed and the warrantee period will begin with the notice of completion. Reimbursements of expenditures by MCSD are expected to be processed in the coming months.

Teen and Community Center- During December management with the aid of our architect analyzed the difference between the construction cost estimates and the actual bids. Alternative were considered and benefit cost appraisals were conducted for the two best alternatives. That information will be provided to the Board at the January meeting for consideration.

Wastewater Management Facility (WWMF) Improvement Project Design –

Discussions with the design team took place related to our comments on the 90% design. State Water Resource Control Board (SWRCB) returned confirmation that our environmental documentation was complete and accepted. We received information from SWRCB that the review time for environmental information has the potential to force changes to the schedule, ultimately delaying the project up to 6 months but more likely 3 to 4 months. We will keep the Board informed as the timing is more precise. Management and District Counsel reviewed and made significant modifications to the Construction Contract Template that will be included in the bid packed for the project specifically for this project.

Integrated Pest Management Plan – Due to the workload and holidays we placed the IPM Plan on hold for the majority of December.

Central Ave. Open Space MOU – Work continues on this as time permits.

Strategic Plan Update – Staff and management finalized the strategic plan for the 2015 calendar year. This document is instrumental in charting a course for future CIP and annual operational budgets. The draft will be presented in workshop format to the Board in January for acceptance.

Talk Shop with Brian Papstein – On December 19 I was on KINS radio. Brian and I discussed topics ranging from Special District governance and Board/ Staff interaction to vulnerability of small agencies to cyber and physical attack.

Meetings – The General Manager attended various meeting and attended specific training including Ethics Sexual Harassment and Hazardous Waste Operations and Emergency Response Standard all required for the position.

Exhibits/Attachments

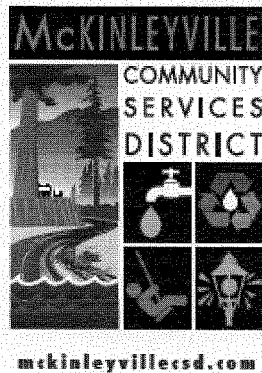
- Attachment 1 – WWMF October 2014 Self Monitoring Report

PHYSICAL ADDRESS:

1656 SUTTER ROAD
McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
McKINLEYVILLE, CA 95519

**MAIN OFFICE:**

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

PARKS & RECREATION OFFICE:

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

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

December 19, 2014

RE: MONTHLY MONITORING REPORT

Dear Charles:

Enclosed is the Monthly Monitoring Report for November 2014 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number WQ 2011-0008-DWQ.

The normal discharge of effluent was 20 days discharge to reclamation M-004, 5, 6 & 7 and land disposal M-003. There were 11 days of effluent discharge to Discharge Location 001. The required monitoring and water quality constituents that were tested and reported were in compliance in November 2014 other than the Acute C.Dubia testing.

The requirement for BOD is 45 mg/L, 604 lbs/day and 65 % removal for the monthly average with four weekly tests in November that represent eleven criteria. The BOD results for November are in compliance.

The requirement for TSS is 83 mg/L, 1108 lbs/day and 65% removal for the monthly average with four weekly tests in November which represent three criteria. The TSS results for November are in compliance.

The requirement for Nitrate as Nitrogen in the effluent is a monthly average of 10 mg/L. Two tests were conducted in November and were in compliance.

Total Coliform Organisms MPN/100 ml. The Monthly Median not to exceed MPN of 23 and the daily maximum not to exceed MPN of 230. The reported results for the month of November are as follows. Median was <1.8 and a Maximum of <1.8. Four samples were collected in the month of November and were in compliance.

Monthly River Monitoring was conducted in November.

Effluent discharge to location M-002 started on the 20th. Acute testing was conducted using Rainbow Trout and C.Dubia. Rainbow Trout had a 100% survival but C.Dubia had a 15% survival. The 2 follow up testing meeting the 14 day and 21 day deadline have been sent to the lab. The 14 day sample came back with a C.Dubia survival of 85% and a Rainbow Trout survival of 100%. The 21 day sample results are still pending.

A conference call took place between Charles, Greg Orsini and James Henry regarding corrections needed in the submitting reports. Those corrections are being applied to this reporting month. WWMF Upgrade Status: Kennedy/Jenks is working on the final draft. Once completed, the District will review and send back comments

McKINLEYVILLE COMMUNITY SERVICES DISTRICT WASTEWATER MANAGEMENT FACILITY EFFLUENT DISCHARGE DISPOSAL

NOVEMBER 2014

Discharge Monitoring				002	002	004	003	006	005	001	
	M-INF	M-001		M-003	M-003	M-005	M-004	M-007	M-006		M-002
	DATE	INFLUENT MGD	EFFLUENT MGD	MAXIMUM GPM	N.POND MGD	S.POND MGD	FISCHER MGD UPPER	FISCHER MGD LOWER	PIALORSI MGD	HILLER MGD	IRRGATE TOTAL MGD
1	0.864	1.019	725		1.019					0.000	0.000
2	0.901	1.006	719		1.006					0.000	0.000
3	0.817	0.636	977		0.388	0.248				0.248	0.000
4	0.809	0.600	2377			0.331	0.059	0.135	0.075	0.600	0.000
5	0.801	1.216	948			0.704	0.070	0.255	0.187	1.216	0.000
6	0.820	1.379	970			0.825		0.360	0.194	1.379	0.000
7	0.788	1.091	984		0.441	0.396		0.165	0.089	0.650	0.000
8	0.836	1.143	858		1.143					0.000	0.000
9	0.855	1.271	911		1.271					0.000	0.000
10	0.821	1.329	995		0.537	0.445		0.225	0.122	0.792	0.000
11	0.844	1.462	1040			0.927		0.345	0.190	1.462	0.000
12	0.807	1.567	1129			1.157		0.218	0.192	1.567	0.000
13	0.840	1.348	1127			0.836		0.323	0.189	1.348	0.000
14	0.864	1.063	814		0.635	0.178		0.162	0.088	0.428	0.000
15	0.866	1.153	814		1.153					0.000	0.000
16	0.898	1.148	812		1.148					0.000	0.000
17	0.829	1.196	983		0.463	0.483		0.133	0.117	0.733	0.000
18	0.805	1.369	984			0.903		0.270	0.196	1.369	0.000
19	0.858	1.376	977			0.846		0.337	0.193	1.376	0.000
20	0.888	1.504	1327			0.353		0.157	0.085	0.595	0.909
21	0.890	1.490	1409							0.000	1.490
22	1.071	1.764	1239							0.000	1.764
23	0.976	1.579	1805							0.000	1.579
24	0.901	0.856	906							0.000	0.856
25	0.905	1.206	1323							0.000	1.206
26	0.887	1.892	1328							0.000	1.892
27	0.889	1.899	1338							0.000	1.899
28	0.829	1.902	1342							0.000	1.902
29	0.980	1.909	1341							0.000	1.909
30	0.964	1.714	1333							0.000	1.714
31										0.000	0.000
TOTAL	26.103	40.087		0.000	9.204	8.632	0.129	3.085	1.917	13.763	17.120
AVERAGE	0.870	1.336	1128	#DIV/0!	0.837	0.617	0.065	0.237	0.147	0.444	0.552
MAXIMUM	1.071	1.909	2377	0.000	1.271	1.157	0.070	0.360	0.196	1.567	1.909
MINIMUM	0.788	0.600	719	0.000	0.388	0.178	0.059	0.133	0.075	0.000	0.000
DAYS	30	30		0	11	14	2	13	13	14	11
DAYS WITH NO DISCHARGE = 0											

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
RIVER CFS - EFFLUENT FLOWS -

M-004

RIVER DILUTION

M-005

M-006

NOVEMBER 2014

DATE	M-INF INFLUENT MGD	M-001 EFFLUENT MGD	EFFLUENT MAXIMUM GPM	M-003 PERK PONDS MGD	M-007 IRRIGATE MGD	M-002 RIVER MGD	RIVER DILUTION 100:1	MAXIMUM G.P.M. DISCHARGE FOR 100:1	RIVER FLOW IN CFS	RIVER FLOW IN GPS
------	--------------------------	--------------------------	----------------------------	-------------------------------	--------------------------	-----------------------	----------------------------	---------------------------------------------	-------------------------	-------------------------

1	0.864	1.019	725	1.019	0.000	0.000	0	0		0
2	0.901	1.006	719	1.006	0.000	0.000	0	0		0
3	0.817	0.636	977	0.388	0.248	0.000	0	0		0
4	0.809	0.600	2377		0.600	0.000	0	0		0
5	0.801	1.216	948		1.216	0.000	0	0		0
6	0.820	1.379	970		1.379	0.000	0	0		0
7	0.788	1.091	984	0.441	0.650	0.000	0	0		0
8	0.836	1.143	858	1.143	0.000	0.000	0	0		0
9	0.855	1.271	911	1.271	0.000	0.000	0	0		0
10	0.821	1.329	995	0.537	0.792	0.000	0	0		0
11	0.844	1.462	1040		1.462	0.000	0	0		0
12	0.807	1.567	1129		1.567	0.000	0	0		0
13	0.840	1.348	1127		1.348	0.000	0	0		0
14	0.864	1.063	814	0.635	0.428	0.000	0	0		0
15	0.866	1.153	814	1.153	0.000	0.000	0	0		0
16	0.898	1.148	812	1.148	0.000	0.000	0	0		0
17	0.829	1.196	983	0.463	0.733	0.000	0	0		0
18	0.805	1.369	984		1.369	0.000	0	0		0
19	0.858	1.376	977		1.376	0.000	0	0		0
20	0.888	1.504	1327		0.595	0.909	134	1773	395	2955
21	0.890	1.490	1409			1.490	240	3375	752	5626
22	1.071	1.764	1239			1.764	3460	42866	9550	71444
23	0.976	1.579	1805			1.579	133	2397	534	3995
24	0.901	0.856	906			0.856	443	4017	895	6695
25	0.905	1.206	1323			1.206	349	4623	1030	7705
26	0.887	1.892	1328			1.892	262	3483	776	5805
27	0.889	1.899	1338			1.899	214	2859	637	4765
28	0.829	1.902	1342			1.902	185	2487	554	4144
29	0.980	1.909	1341			1.909	262	3515	783	5858
30	0.964	1.714	1333			1.714	502	6688	1490	11147
31						0.000	0	0		0

TOTAL	26.103	40.087		9.204	13.763	17.120				
AVERAGE	0.870	1.336	1128	0.837	0.688	0.552	562	2519	1581	4198
MAXIMUM	1.071	1.909	2377	1.271	1.567	1.909	3460	42866	9550	71444
MINIMUM	0.788	0.600	719	0.388	0.000	0.000	0	0	395	0
DAYS	30	30	30	11	20	11	11	11	11	11

DAYS WITH NO DISCHARGE TO THE MAD RIVER = 19

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
MONITORING DATA

MONTH: NOVEMBER

YEAR: 2014

DATE	INFLUENT FLOW		EFFLUENT FLOW		EFFLUENT MAXIMUM GPM	RIVER CFS	INFLUENT MONITORING		pH	(C°)		B.O.D. mg/L	NFR mg/L	EFFLUENT MONITORING				SETTLABLE SOLIDS	3X5 TOTAL COLIFORM
	M.G.D.	M.G.D.	M.G.D.	M.G.D.			B.O.D. mg/L	N.F.R. mg/L		TEMP				AMMONIA	CL ₂ RES.	CL ₂ RES.			
1	0.864	1.019	1.006	719															
2	0.901	0.636	0.636	977					6.9	15.2				38	7.4				<1.8
3	0.817	0.600	0.600	2377					7.1	16.6				36	5.7				
4	0.809	1.216	1.216	948					7	15.7				38	1.7				
5	0.801	1.379	1.379	970					7	16.5				36	4.0				
6	0.820	1.091	1.091	984			330	300	7.0	15.5	11	16	36	4.7			<0.1		
7	0.788	1.143	1.143	858															
8	0.836	1.271	1.271	911															
9	0.855	1.329	1.329	995					7.2	16.0				32	3.9				<1.8
10	0.821	1.462	1.462	1040					7.2	15.3				36	4.6				
11	0.844	1.567	1.567	1129					7	15.2				36	2.5				
12	0.807	1.348	1.348	1127					7	15.7				36	3.8				
13	0.840	1.063	1.063	814			300	250	7.1	15.6	15	10	38	3.9			<0.1		
14	0.864	1.153	1.153	814															
15	0.866	1.148	1.148	812															
16	0.898	1.196	1.196	983					7.1	14.2				36	4.0				<1.8
17	0.829	1.369	1.369	984					7.1	13.8				36	4.1				
18	0.805	1.376	1.376	977					7.2	14.8				32	4.3				
19	0.858	1.504	1.504	1327					7.1	14.4				36	5.5				
20	0.888	1.490	1.490	1409			300	380	7.2	13.9	12	12	34	5.3			<0.1		
21	0.890	1.764	1.764	1239					7.5	14.6					2.0				
22	1.071	1.579	1.579	1605					7.5	13.7					2.1				
23	0.976	0.856	0.856	906					6.9	13.5				34	3.7				<1.8
24	0.901	1.206	1.206	1323			340	370	7.0	13.4	14	8	34	8.6					
25	0.905	1.892	1.892	1328					7.4	14.8				32	1.4				
26	0.887	1.899	1.899	1338					7.4	14.0					1.5				
27	0.889	1.902	1.902	1342					7.3	14.1					1.4				
28	0.829	1.909	1.909	1341					7.3	14.1					1.5				
29	0.980	1.714	1.714	1333					7.5	13.6					1.3				
30	0.964																		
31																			

SPILLS:

DATE	TDS	AMMONIA	NITRATE	BORON
11/20/2014	330	35.0	ND	280

None to report

30 DAY AVERAGE									
BOD mg/L	BOD LBS/DAY	BOD % Removal	NFR mg/L	NFR LBS/DAY	NFR % Removal				
13	131	96	12	116	96				

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

Quarterly Tests		Value in ug/l
Dichlorobromomethane		N/A
Bromochloromethane		N/A
Chlorodibromomethane		N/A
Chloroform		N/A

ACUTE TOXICITY		
DATE	11/25/2014	% Survival
		100%
		15%

Rainbow Trout
C. dubia

SIGNATURE: _____

REMARKS: Retesting for Acute C. Dubia was conducted. The 14 and 21 day retests have been sent to the lab.

Indicates Permit Exceedance

CHRONIC TOXICITY		
TESTED	SURVIVAL	
Minnow	N/A	
C. Dubia	N/A	
Algae	N/A	
	TUc	

Total Coliform
Monthly
MEDIAN
<1.8
Daily
Maximum
<1.8