

McKINLEYVILLE



COMMUNITY SERVICES DISTRICT



BUDGET

For the Fiscal Year Ending June 30, 2022

Adoption Date: June 2, 2021

MCS D BOARD OF DIRECTORS

Dennis Mayo, President
David Couch, Vice President
Scott Binder, Director
Joellen Clark-Peterson, Director
Gregory Orsini, Director

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

For the Fiscal Year Ending June 30, 2022

INTRODUCTION AND BUDGET GUIDE

This budget is intended to serve as a management tool for operation of the McKinleyville Community Services District (MCSD) during fiscal year July 1, 2021 through June 30, 2022. The Budget sets forth goals and priorities for staff to accomplish during the year in the four district operating departments. This budget is dynamic in that it can be amended as the Board adds goals and changes priorities.

- Page 3 includes information about McKinleyville and the McKinleyville Community Services District.
- The Mission Statement, the estimated Full-Time Employee Equivalents for the fiscal year, and the Organization Chart are included beginning at Page 5.
- Budgets and accompanying graphs for the Governmental Funds & the Enterprise Funds are shown beginning at Page 8. Detailed line-item budgets are available for review by the Board and the public, but are not included in this policy-level document.
- Historical Data is presented beginning at Page 15.
- MCSD's Capital Improvement Program Budgets, Exhibit 11, start on Page 19. Narratives are shown in Appendix A, beginning at Page 24.
- A summary of the MCSD's Board current Strategic Plan 2019-2024 is shown in Appendix B, beginning at Page 29
- The Appropriations Limit calculations required by law for the Fiscal Year 2021-22 are included in Appendix C, starting on Page 41.

DESCRIPTION OF THE COMMUNITY

McKinleyville is an unincorporated community of Humboldt County in the north coastal region of California 300 miles north of San Francisco. McKinleyville has an approximate population of 15,177 according to 2019 data from the U. S. Census Bureau. It is the third largest community population area in Humboldt County behind Eureka (26,710) and Arcata (18,431). McKinleyville borders the Pacific Ocean and has a mild climate year-round with frequent fog and moderate to heavy precipitation mainly between October and April. Because of the combination of coastal, mountain and valley areas, residents have the opportunity for a wide range of recreational activities. Just minutes from McKinleyville, you can surf, fish for salmon and steelhead, hike underneath the world's tallest trees and bike the Pacific Coast Trail.

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

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

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

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

DESCRIPTION OF THE DISTRICT

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

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

MCSD purchases its wholesale water supply from the Humboldt Bay Municipal Water District, which diverts water from its million-gallon tank on Essex Hill under the Mad River to MCSD's Grant A. Ramey Pump Station at North Bank and Azalea Roads. Water is then pumped to storage tanks at McCluski Hill, Cochran Road and Norton Road; MCSD's six storage tanks have a combined capacity of 5.25 million gallons, approximately a 36-hour supply for our 6,600 water customers.

All sewage for MCSD's 5,100 customers is treated at the Wastewater Management Facility at Hiller Park. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site, Pialorsi Irrigation Site, and at Hiller Park. With a major upgrade of the Wastewater Management Facility completed in 2019, MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

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

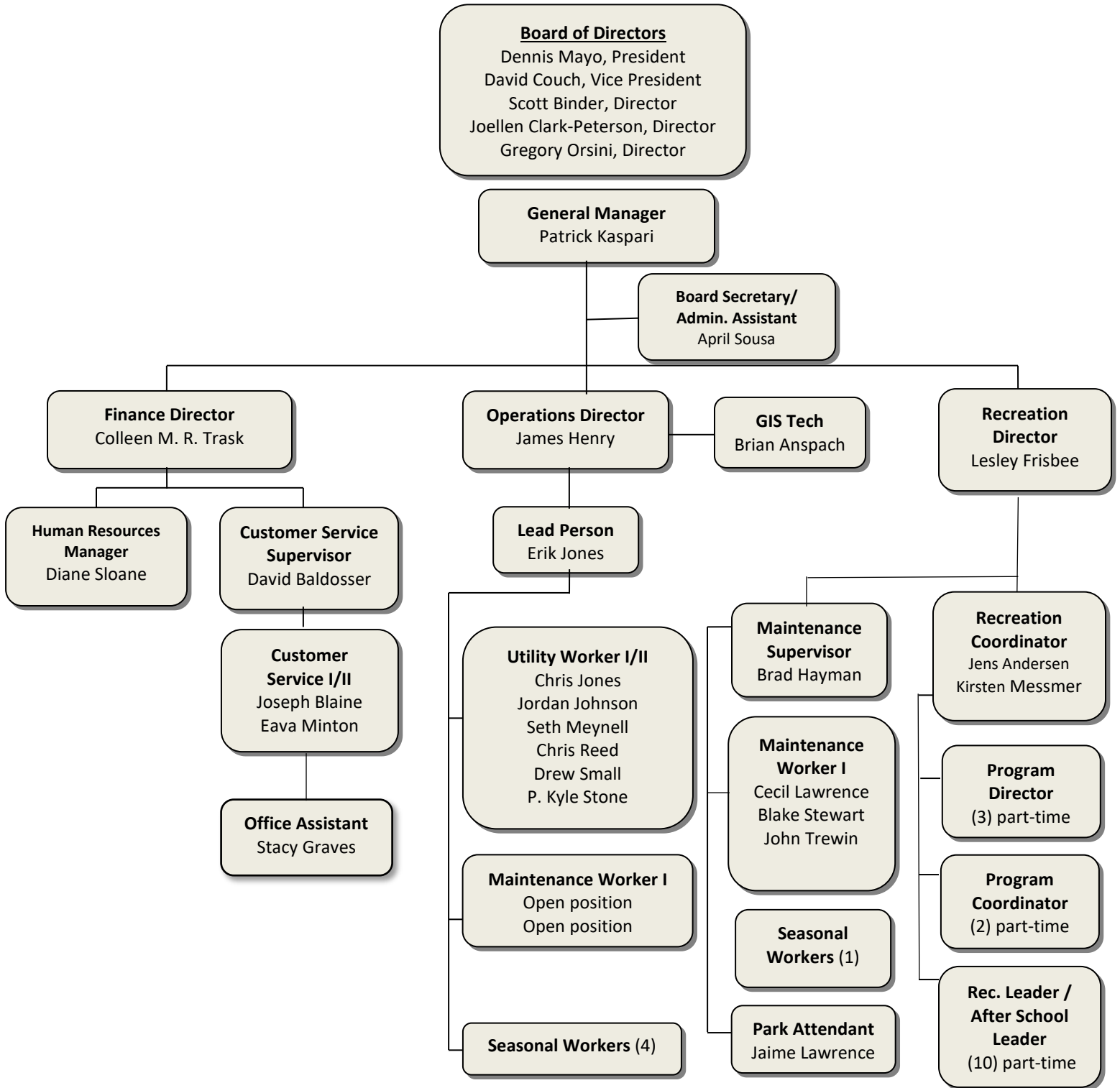
**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
MISSION STATEMENT**

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

**Estimated Employee Full Time Equivalents
For the Fiscal Year ending June 30, 2022**

	Full-Time Benefitted	Part-Time & Seasonal	Total FTEs
General Manager	1	0	1
Support Services	6	1	6.5
Operations	11	4	13
Parks & Recreation	7	15	9
Total	25	20	29.5

McKinleyville Community Services District
Organization Chart: Fiscal Year 2021-22
 Revised May, 2021



McKinleyville Community Services District
Exhibits of Financial Information
Budget for the year ending June 30, 2022

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McKinleyville Community Services District
Budget Summary: Net Position - All Funds
FY2021-22

Exhibit 11

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets and deferred outflows of resources are projected in the budget to exceed liabilities and deferred inflows of resources by \$33,014,072 as of June 30, 2022.

The District's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

At the end of the Fiscal Year, June 30, 2022, the net position of the District is projected to increase slightly from the FY19-20 total of 30,611,285. A small increase of approximately 3% or \$765,852 is projected for the current fiscal year FY20-21. An additional small increase of approximately 5% for the proposed budgeted year will result in a total net position of \$33,014,072.

A small increase in total revenues are projected for the end of the current year of 2.5%, or \$268,606 for a total of \$11,069,543 from all revenue sources. This compares to a larger increase projected for the upcoming budget year of 27% or \$3,012,249 for a total of \$14,081,792 in projected revenues for FY21-22.

Total expenditures are projected to decrease at the end of the current year by -3.4% or (\$289,234) for a total of \$8,185,446 for all expenditure types. This compares to an overall increase projected for the coming budget year of 10% or \$824,109 for a total of \$9,009,555 projected budgeted expenditures for FY21-22.

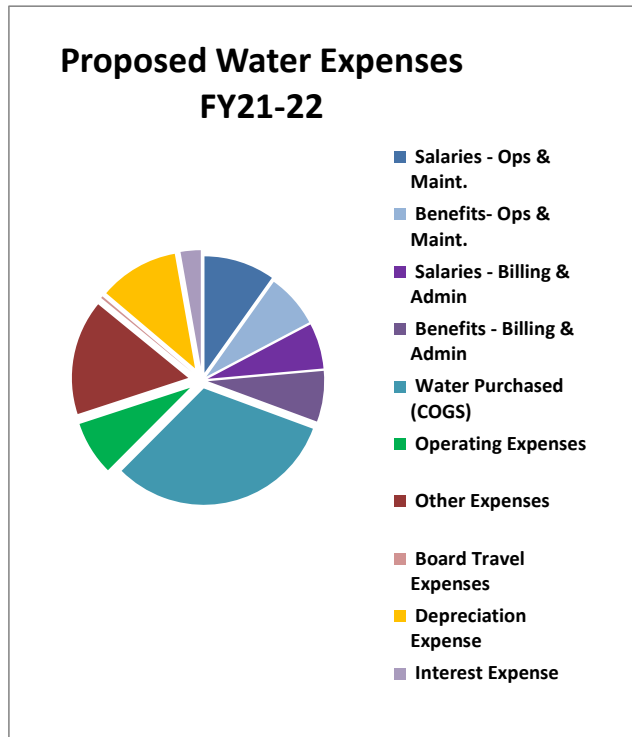
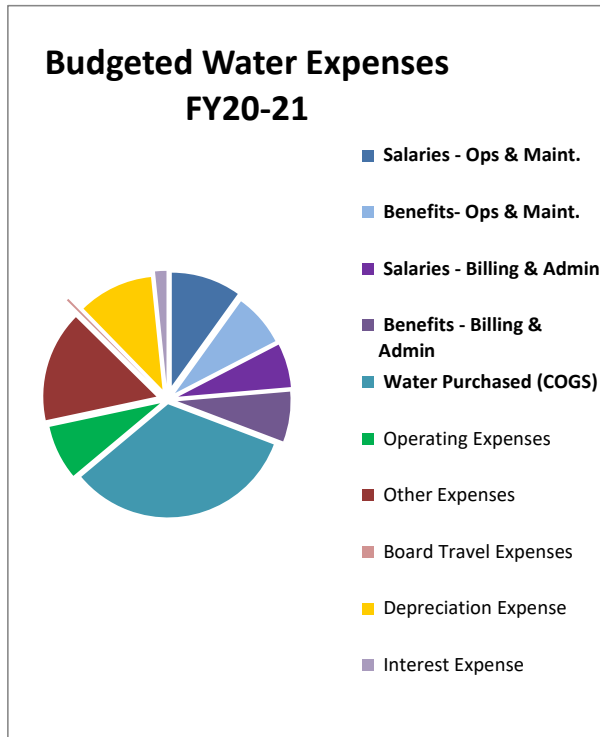
Even though the overall net position is projected to change positively by a moderate amount in the current fiscal year, the impact of the various State and local government orders related to the COVID19 pandemic are apparent in the decreases approved by the Board in the revised Parks budget. Aside from that, the total projected net position for the current fiscal year is positive, though less than the current year budgeted surplus. The Enterprise Funds had greater capital-projects-grant revenue than budgeted on the water side, which mostly offset the capital-projects-grant revenue on the wastewater side which came in less than budgeted. As discussed with the revised Parks budget, the net projected decrease in expenditures for the current fiscal year is due to the reduction in part-time Parks staff due to the continuation of the State's COVID19 lockdown orders. The net budgeted increase in expenditures for FY20-21 is smaller than the expected increase in revenues from all sources. The net budgeted increase in revenues for FY21-22 is greater than the net budgeted increase in expenditures for FY21-22, even allowing for the capital projects grant income.

McKinleyville Community Services District
Summary Budgets - All Funds
FY 2021-22

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks Fund	Measure B Fund	Total (Memorandum Only)
Revenues						
Water Sales	4,190,549					4,190,549
Sewer Service Charges		4,181,750				4,181,750
Capacity Fees	100,000	125,000				225,000
Streetlight Charges			100,885			100,885
Program Fees	-			242,280		242,280
Facility Fees	-			49,150		49,150
Property Taxes	-			664,824		664,824
Measure B Assessment	-				221,304	221,304
Open Space Fees	-			126,600		126,600
Contributions & Other Program	-			1,650		1,650
Other Revenue & Capital Project Grants	1,734,719	2,030,119	18,500	25,712		3,809,050
Contributed Construction	100,000	75,000		-		175,000
Proceeds from Long Term Debt (Gov't only)	-		-	-		-
Quimby Fees/Capital Proj. Grants	-			105,000		105,000
Interest Revenue	50,000	75,000	50	35,000	3,700	163,750
Total Revenues	6,175,268	6,486,869	119,435	1,250,216	225,004	14,256,792
Expenditures						
Salaries & Benefits - Operations & Maint.	625,940	679,077	2,955			1,307,972
Salaries & Benefits - Billing & Admin	484,712	458,732	47,446			990,890
Salaries & Benefits - Rec Programs	-			270,708		270,708
Salaries & Benefits- Parks Maintenance	-			224,907	58,756	283,663
Salaries & Benefits- Parks&Rec Admin	-			380,740		380,740
Water Purchased (COGS)	1,154,476					1,154,476
Water & Electrical Expense	-	206,500	18,300			224,800
Operating Expenses	271,900	320,000	-			591,900
Other Expenses	577,796	619,650	20,575			1,218,021
Other Expenditures - Rec Programs	-	-		16,550		16,550
Other Expenditures - Parks Maintenance	-			105,245	38,325	143,570
Other Expenditures - Parks&Rec Admin	-			123,225		123,225
Depreciation Expense	400,000	1,225,000				1,625,000
Board Travel Expense	10,000	6,000	400	1,100		17,500
CalPERS UAL - Gov't Funds only	-			-		-
Debt Service - Gov't Funds only	-		-	-	93,674	93,674
Interest Expense	101,114	263,008		-	33,744	397,866
Parks/Meas.B Capital Expenditures	-		47,000	122,000		169,000
Total Expenditures	3,625,938	3,777,967	136,676	1,244,475	224,499	9,009,555
Excess (Deficit)	2,549,330	2,708,902	(17,241)	5,741	505	5,247,237
Fund Balance - July 1, 2020						
	10,185,613	19,621,704	49,097	1,329,653	(574,782)	30,611,285
Projected Surplus (Deficit) FY2020-21	1,487,361	1,593,580	24,678	(65,058)	18,536	3,059,097
Debt Principal FY2020-21 (Enterprise only)	(166,746)	(588,819)				(755,565)
New Borrowing FY2020-21(Enterprise only)	-	-				-
Capital Expenditure FY2020-21(Enterprise)	(311,130)	(1,226,550)				(1,537,680)
Projected Fund Balance June 30, 2021	11,195,098	19,399,915	73,775	1,264,595	(556,246)	31,377,137
Budgeted Excess (Deficit) FY2021-22	2,549,330	2,708,902	(17,241)	5,741	505	5,247,237
Anticipated Borrowing FY2021-22(Enterprise)	-	-				-
Capital Project grant funding (contingent)	1,599,500	1,911,750				3,511,250
Debt Principal FY2021-22 (Enterprise only)	(170,730)	(601,721)				(772,451)
Capital Expenditure FY2021-22(Enterprise)	(3,042,000)	(3,307,100)				(6,349,100)
Projected Fund Balance June 30, 2022	12,131,197	20,111,746	56,534	1,270,336	(555,741)	33,014,072

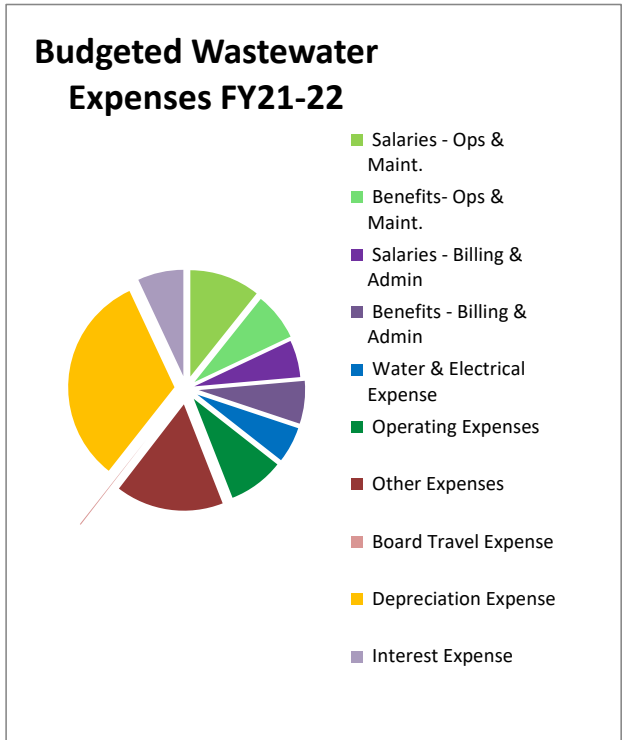
McKinleyville Community Services District
Enterprise Funds: Water Operating Budget
FY 2021-22

Description	Water Fund Approved Budget FY20-21		Water Fund Proposed Budget FY21-22		Difference (Memorandum Only)	
Water Revenues						
Water Sales	3,917,744	87%	4,190,549	68%	272,805	7%
Capacity Fees	100,000	2%	100,000	2%	-	0%
Other Revenue	320,299	7%	1,734,719	28%	1,414,420	442%
Contributed Construction	100,000	2%	100,000	2%	-	0%
Interest Revenue	50,000	1.1%	50,000	1%	-	0%
Total Revenues	4,488,043	100%	6,175,268	100%	1,687,225	38%
Water Expenses						
Salaries - Ops & Maint.	336,772	10%	356,558	10%	19,786	5.9%
Benefits- Ops & Maint.	253,904	7%	269,382	7%	15,478	6.1%
Salaries - Billing & Admin	212,484	6%	228,947	6%	16,463	7.7%
Benefits - Billing & Admin	242,320	7%	255,765	7%	13,445	5.5%
Water Purchased (COGS)	1,125,534	33%	1,154,476	32%	28,942	2.6%
Operating Expenses	262,900	8%	271,900	7%	9,000	3.4%
Other Expenses	534,561	16%	577,796	16%	43,235	8.1%
Board Travel Expenses	10,000	0.3%	10,000	0%	-	0.0%
Depreciation Expense	363,000	11%	400,000	11%	37,000	10.2%
Interest Expense	55,126	2%	101,114	3%	45,989	83.4%
Total Expenses	3,396,601	100%	3,625,939	100%	229,338	7%
Excess (Deficit)	1,091,442		2,549,329			



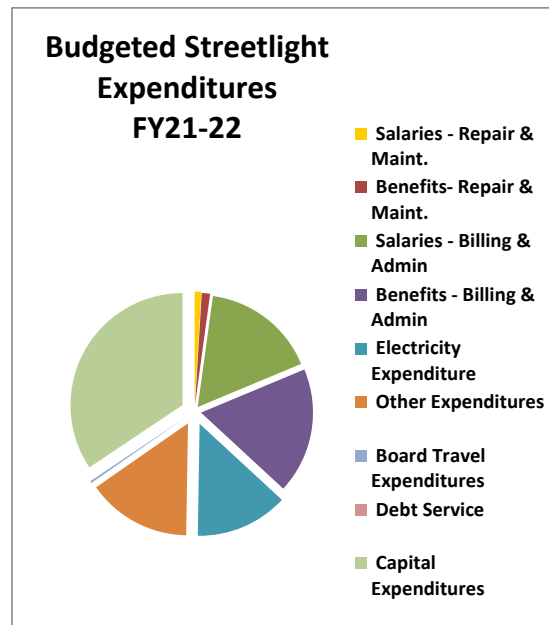
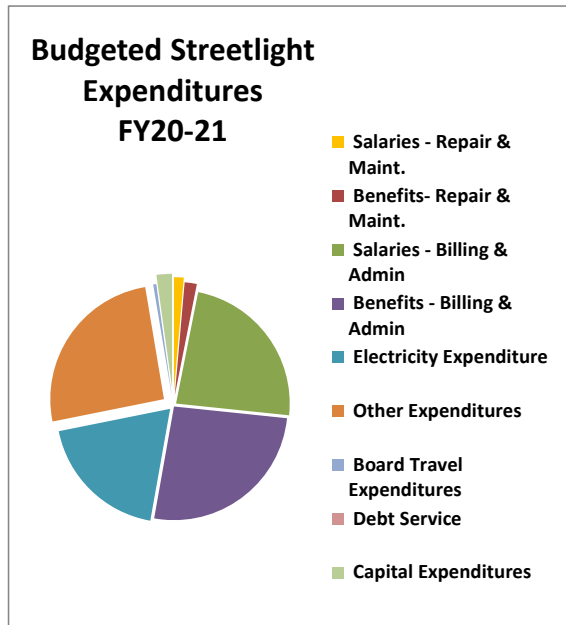
McKinleyville Community Services District
Enterprise Funds: Wastewater Operating Budget
FY 2021-22

Description	Wastewater Fund Approved Budget FY20-21		Wastewater Fund Proposed Budget FY21-22		Difference (Memorandum Only)	
Wastewater Revenues						
Sewer Service Charges	4,004,460	64%	4,181,750	64%	177,290	4%
Capacity Fees	100,000	2%	125,000	2%	25,000	25%
Other Revenue	1,986,309	32%	2,030,119	31%	43,810	2%
Contributed Construction	75,000	1%	75,000	1%	-	0%
Interest Revenue	75,000	1%	75,000	1%	-	0%
Total Revenues	6,240,769	100%	6,486,869	100%	246,100	3.9%
Wastewater Expenses						
Salaries - Ops & Maint.	381,622	11%	405,042	11%	23,419	6%
Benefits- Ops & Maint.	257,576	7%	274,035	7%	16,460	6%
Salaries - Billing & Admin	199,340	6%	212,836	6%	13,496	7%
Benefits - Billing & Admin	233,898	7%	245,896	7%	11,998	5%
Water & Electrical Expense	164,000	5%	206,500	5%	42,500	26%
Operating Expenses	282,250	8%	320,000	8%	37,750	13%
Other Expenses	604,335	17%	619,650	16%	15,315	3%
Board Travel Expense	6,000	0%	6,000	0%	-	0%
Depreciation Expense	1,160,000	33%	1,225,000	32%	65,000	6%
Interest Expense	247,163	7%	263,008	7%	15,845	6%
Total Expenditures	3,536,184	100%	3,777,966	100%	241,782	6.8%
Excess (Deficit)	2,704,585		2,708,903			



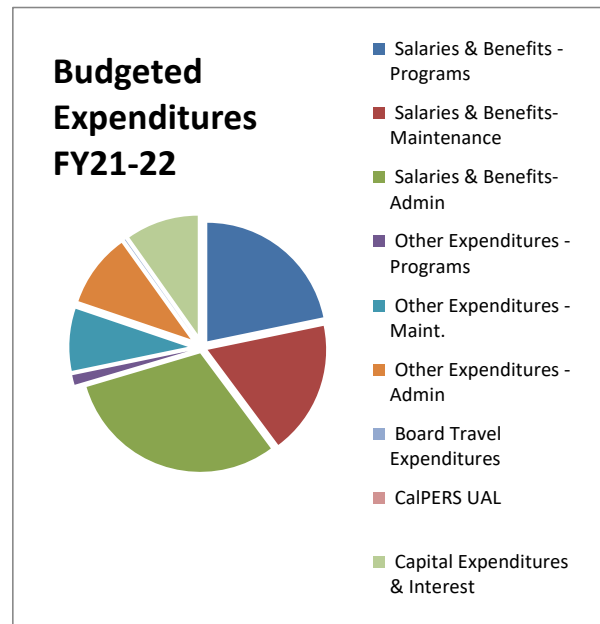
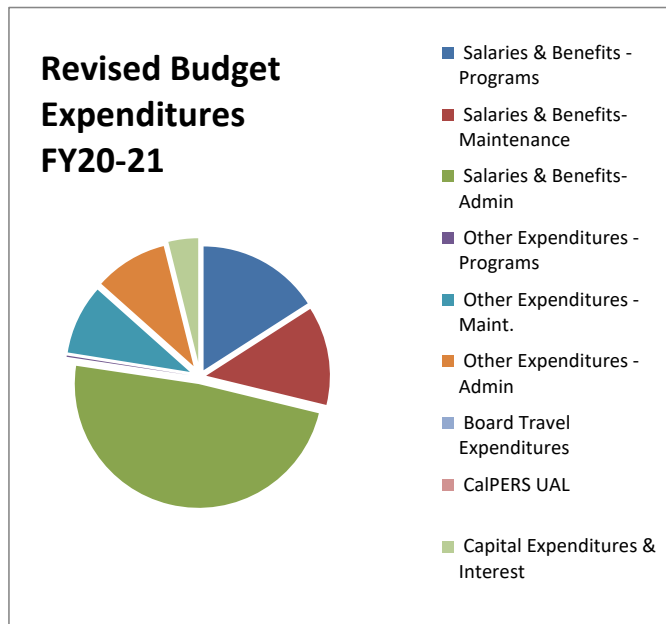
McKinleyville Community Services District
Streetlights Fund Operating Budget
FY 2021-22

Description	Streetlights Fund Approved Budget FY20-21		Streetlights Fund Proposed Budget FY21-22		Difference (Memorandum Only)	
Streetlight Revenues						
Streetlight Charges	98,268	84%	100,885	84%	2,618	2.7%
Other Charges	18,500	16%	18,500	15%	-	0.0%
Proceeds from Debt	-	0%	-	0%	-	0.0%
Interest Revenue	50	0%	50	0%	-	0.0%
Total Revenues	116,818	100%	119,435	100%	2,618	2%
Streetlight Expenditures						
Salaries - Repair & Maint.	1,262	1%	1,314	1%	52	4.1%
Benefits- Repair & Maint.	1,570	2%	1,641	1%	72	4.6%
Salaries - Billing & Admin	21,373	24%	22,617	17%	1,245	5.8%
Benefits - Billing & Admin	23,747	26%	24,829	18%	1,082	4.6%
Electricity Expenditure	17,300	19%	18,300	13%	1,000	5.8%
Other Expenditures	23,174	26%	20,575	15%	(2,599)	-11.2%
Board Travel Expenditures	400	0%	400	0%	-	0.0%
Debt Service	-	0%	-	0%	-	0.0%
Capital Expenditures	2,000	2%	47,000	34%	45,000	2250.0%
Total Expenditures	90,825	100%	136,676	100%	45,851	50%
Excess (Deficit)	25,992		(17,241)			



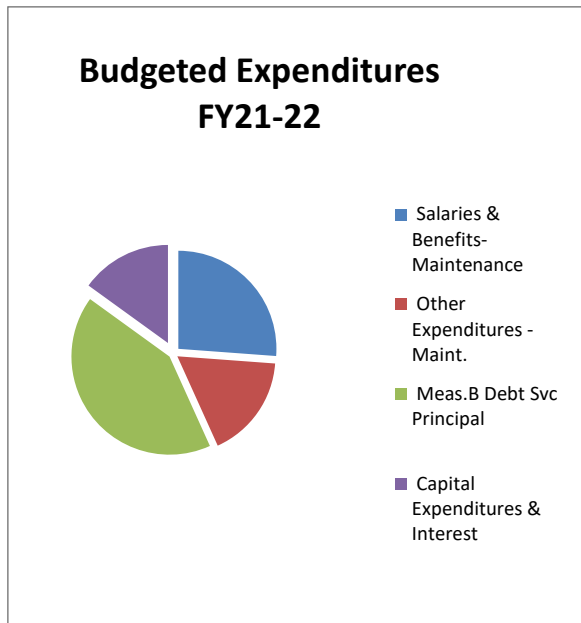
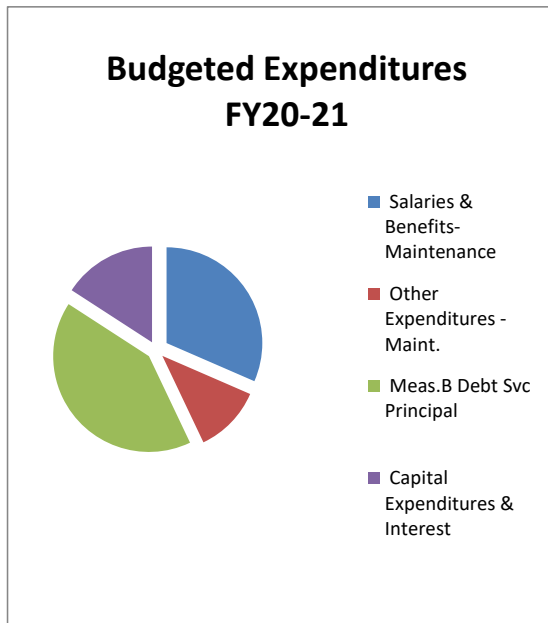
**McKinleyville Community Services District
Parks/General Fund Operating Budget
FY 2021-22**

Description	Parks/General Fund Revised Budget FY2020-21		Parks/General Fund Proposed Budget FY2021-22		Difference (Memorandum Only)	
Revenues						
Program Fees	80,415	8%	242,280	19%	161,865	10.9%
Facility Fees	8,350	1%	49,150	4%	40,800	3.1%
Property Taxes	642,500	68%	664,824	53%	22,324	-14.6%
Open Space Fees	122,825	13%	126,600	10%	3,775	-2.8%
Contributions & Other Program	1,300	0%	1,650	0.1%	350	0.0%
Other Revenue	18,612	2%	25,712	2%	7,100	0.1%
Quimby Fees/ Grants/Loans	39,000	4%	105,000	8%	66,000	4.3%
Interest Revenue	35,000	3.7%	35,000	2.8%	-	-0.9%
Total Revenues	948,002	100%	1,250,216	100%	302,214	24.2%
Expenditures						
Salaries & Benefits - Programs	172,356	16%	270,708	22%	98,352	5.8%
Salaries & Benefits- Maintenance	139,464	13%	224,907	18%	85,443	5.2%
Salaries & Benefits- Admin	525,832	49%	380,740	31%	(145,092)	-18.0%
Other Expenditures - Programs	1,809	0%	16,550	1%	14,741	1.2%
Other Expenditures - Maint.	98,174	9%	105,245	8.5%	7,071	-0.6%
Other Expenditures - Admin	103,175	10%	123,225	9.9%	20,050	0.4%
Board Travel Expenditures	-	0.0%	1,100	0.1%	1,100	0.1%
CalPERS UAL	-	0%	-	0.0%	-	0.0%
Capital Expenditures & Interest	42,040	4%	122,000	10%	79,960	5.9%
Total Expenditures	1,082,850	100%	1,244,476	100%	161,626	13.0%
Excess (Deficit)	(134,848)		5,740			



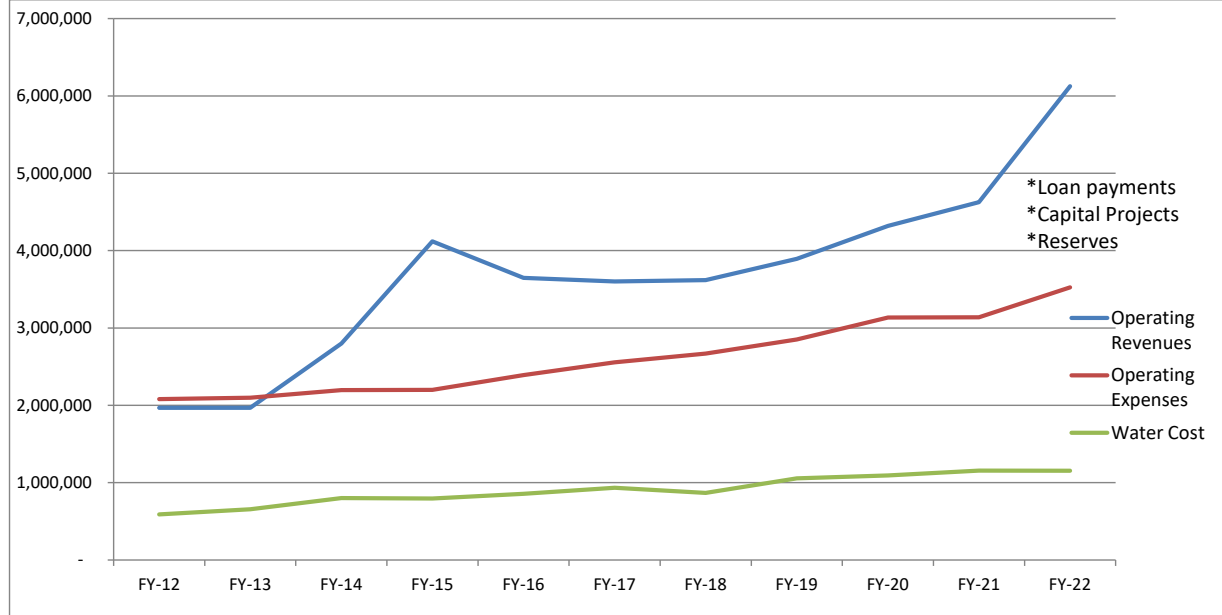
**McKinleyville Community Services District
Measure B Fund Operating Budget
FY 2021-22**

Description	Measure B Fund Approved Budget FY20-21		Measure B Fund Proposed Budget FY21-22		Difference (Memorandum Only)	
Revenues						
Measure B Assessment	221,132	99%	221,304	98%	172	0%
Grants/Contributions	-	0%	-	-	-	0%
Other Revenue	-	0%	-	0%	-	0%
Proceeds from Debt	-	-	-	0%	-	0%
Quimby Fees/ ReservesDraw	-	0%	-	0%	-	0%
Interest Revenue	3,200	1.4%	3,700	0.02	500	0%
Total Revenues	224,332	100%	225,004	100%	672	0%
Expenditures						
Salaries & Benefits- Maintenance	70,409	32%	58,756	26%	(11,653)	-5%
Other Expenditures - Maint.	25,500	11%	38,325	17.1%	12,825	6%
Meas.B Debt Svc Principal	92,054	41%	93,674	41.7%	1,620	1%
Capital Expenditures & Interest	35,398	16%	33,744	15%	(1,654)	-1%
Total Expenditures	223,361	100%	224,499	100%	1,138	1%
Excess (Deficit)	971		505		(466)	



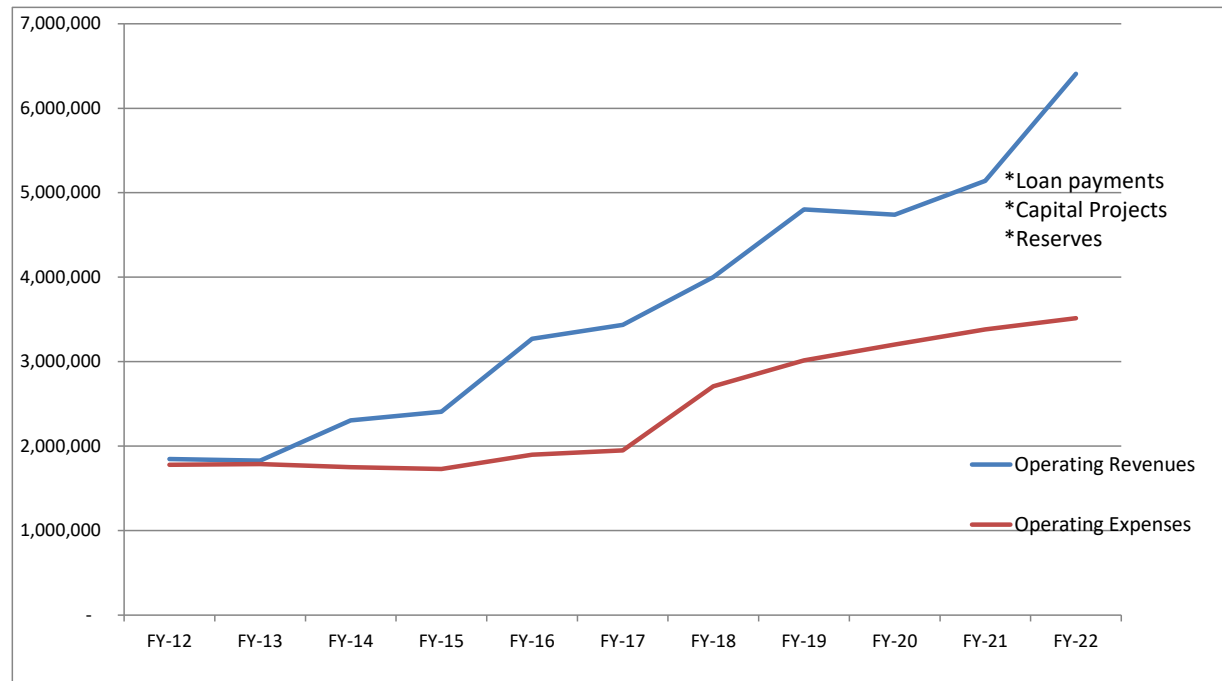
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2012-2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
Operating Revenues											
Water Sales	1,545,469	1,665,273	2,237,058	2,855,251	2,971,172	3,307,872	3,201,667	3,333,250	3,689,722	4,101,709	4,190,549
Other Water Revenues	422,166	302,600	561,962	1,263,244	677,733	293,149	416,418	560,739	628,746	524,745	1,934,719
Total Operating Revenues	1,967,635	1,967,873	2,799,019	4,118,496	3,648,905	3,601,020	3,618,085	3,893,989	4,318,467	4,626,454	6,125,268
Operating Expenses											
Salaries & Benefits	724,139	776,264	766,832	820,713	901,568	961,086	873,905	793,755	884,086	892,037	1,105,152
Water Cost	589,650	657,440	801,270	795,098	855,642	933,907	867,122	1,056,472	1,094,722	1,155,738	1,154,476
Other Expenses	477,803	363,133	325,537	258,732	290,102	314,758	562,998	610,340	700,340	728,367	865,196
Depreciation	288,634	302,545	303,585	325,895	344,400	346,630	363,985	389,295	455,902	363,000	400,000
Total Operating Expenses	2,080,227	2,099,382	2,197,224	2,200,438	2,391,712	2,556,381	2,668,010	2,849,862	3,135,050	3,139,142	3,524,824
Net Operating Income (Loss)	(112,592)	(131,509)	601,796	1,918,057	1,257,193	1,044,639	950,075	1,044,127	1,183,417	1,487,312	2,600,444
Interest Income	17,492	10,565	11,079	15,510	19,797	31,579	41,491	79,233	85,414	52,576	50,000
Interest Expense	(82,524)	(86,060)	(81,588)	(75,483)	(72,104)	(68,446)	(64,890)	(61,108)	(57,336)	(52,527)	(101,114)
Net Income (Loss)	(177,624)	(207,005)	531,286	1,858,084	1,204,887	1,007,773	926,676	1,062,252	1,211,494	1,487,361	2,549,330



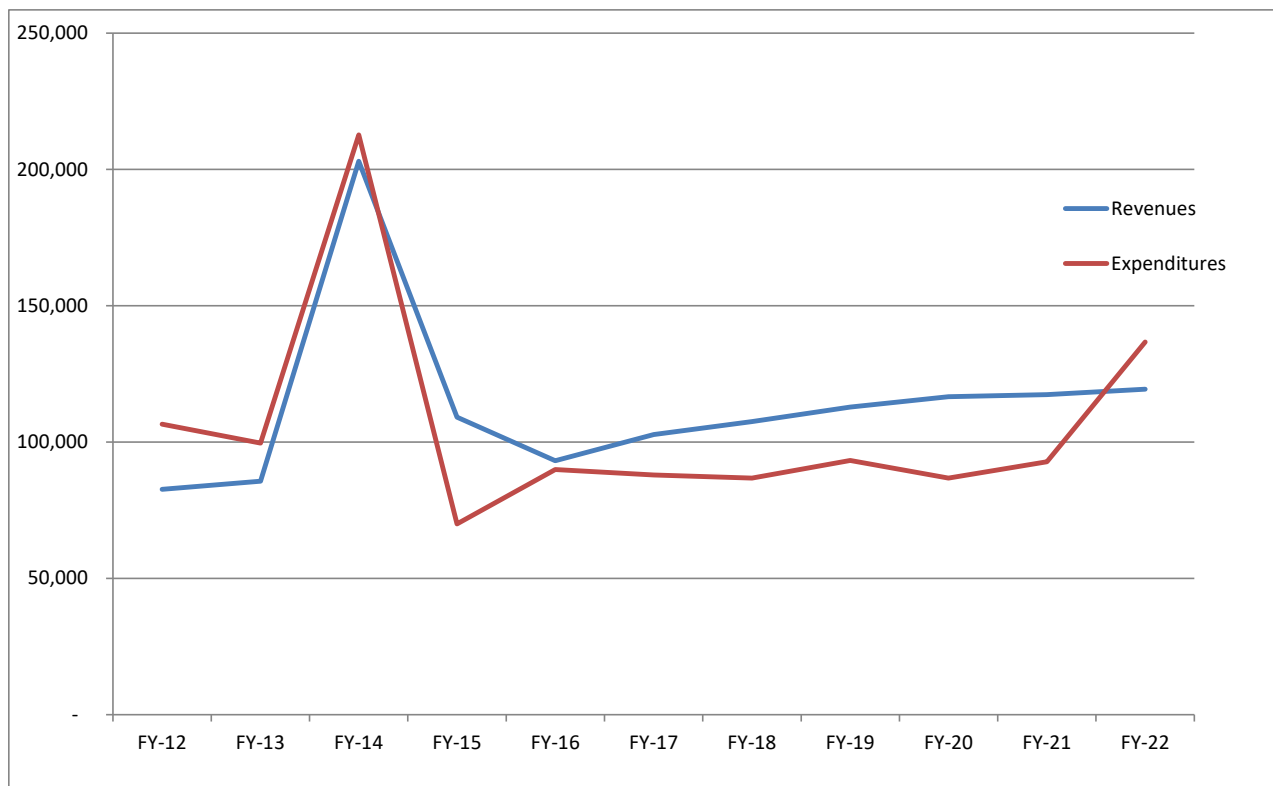
McKinleyville Community Services District
Wastewater Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2012-2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
Operating Revenues											
Wastewater Service Charges	1,401,100	1,502,097	1,768,170	2,062,271	2,519,832	3,062,739	3,333,752	3,705,348	3,716,614	3,954,854	4,181,750
Other Wastewater Revenues	445,849	326,569	536,218	345,588	750,463	373,867	667,985	1,095,942	1,024,698	1,185,726	2,226,119
Total Operating Revenues	1,846,949	1,828,665	2,304,387	2,407,859	3,270,295	3,436,606	4,001,736	4,801,290	4,741,313	5,140,580	6,407,869
Operating Expenses											
Salaries & Benefits	764,920	798,884	843,382	865,751	966,967	990,442	1,040,516	991,199	1,040,090	1,168,414	1,165,152
Other Expenses	555,245	527,474	446,363	394,667	467,984	505,812	838,285	822,444	949,667	1,014,748	1,124,806
Depreciation	460,549	462,065	462,621	469,397	464,200	453,677	829,508	1,201,128	1,211,865	1,200,000	1,225,000
Total Operating Expenses	1,780,714	1,788,423	1,752,365	1,729,815	1,899,151	1,949,931	2,708,309	3,014,771	3,201,622	3,383,162	3,514,959
Net Operating Income (Loss)	66,235	40,243	552,022	678,044	1,371,144	1,486,676	1,293,428	1,786,519	1,539,691	1,757,418	2,892,910
Interest Income	28,519	20,701	18,989	20,496	21,382	30,154	48,208	120,116	135,107	83,325	75,000
Interest Expense	(50,190)	(37,857)	(37,521)	(31,558)	(27,900)	(23,803)	(198,112)	(225,072)	(313,825)	(247,163)	(263,008)
Net Income (Loss)	44,564	23,087	533,489	666,982	1,364,626	1,493,026	1,143,524	1,681,562	1,360,973	1,593,580	2,704,903



McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2012-2022

	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual Est	2022 Budget
Revenues	82,665	85,658	203,009	109,123	93,109	102,744	107,557	112,870	116,620	117,434	119,435
Expenditures											
Salaries & Benefits	32,501	35,260	45,591	35,942	40,767	37,296	36,852	38,155	39,693	54,686	45,401
Other Expenditures	53,501	47,119	43,141	31,804	29,261	30,719	30,022	35,272	37,198	38,070	44,275
Debt Service	-	-	-	-	19,865	19,865	19,865	19,865	9,863	-	-
Capital Expenditures	20,520	17,250	123,950	2,229	-	-	-	-	-	-	47,000
Total Expenditures	106,523	99,629	212,681	69,975	89,893	87,880	86,739	93,293	86,753	92,757	136,676
Excess (Deficit)	(23,858)	(13,971)	(9,672)	39,148	3,216	14,864	20,817	19,578	29,868	24,678	(17,241)



McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2012-2022

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual Est.	Budget
Combined Revenues											
Programs	262,680	309,625	324,140	320,470	360,399	384,959	374,327	285,629	198,879	136,313	223,280
Rentals	57,321	58,779	66,980	67,407	85,536	89,029	96,868	87,948	69,903	9,723	49,150
Property Taxes	506,315	560,445	516,221	523,970	547,214	574,220	598,430	615,380	677,798	645,460	664,824
Measure B Assessment	203,432	205,420	206,270	202,749	204,177	208,775	209,573	210,254	212,622	222,711	221,304
State Bonds & Grants	-	-	10,000	25,000	48,876	-	-	7,215	10,128	-	95,000
Other Revenue	120,948	134,120	120,119	1,612,221	296,868	212,637	198,827	244,785	243,124	177,438	186,662
Interest Revenue	3,047	3,216	6,755	12,773	19,661	16,287	18,799	53,839	51,911	32,529	35,000
Total Revenues	1,153,743	1,271,604	1,250,484	2,764,590	1,562,731	1,485,907	1,496,824	1,505,049	1,464,365	1,224,173	1,475,220
Combined Expenditures											
Salaries & Benefits	764,022	786,004	846,593	909,802	859,611	920,016	975,993	1,017,783	961,057	872,184	917,879
Other Expenditures	273,307	309,326	386,777	348,872	2,401,700	458,267	323,053	308,048	288,697	266,038	337,677
Debt Service	-	-	-	36,228	79,968	82,831	84,288	85,798	88,872	90,434	91,000
Capital Expenditures	21,902	73,024	177,463	132,323	158,519	80,568	45,473	69,128	36,025	42,039	122,000
Total Expenditures	1,059,231	1,168,355	1,410,834	1,427,225	3,499,798	1,541,682	1,428,807	1,480,757	1,374,652	1,270,695	1,468,557
Combined Excess (Deficit)	94,513	103,249	(160,349)	1,337,365	(1,937,067)	(55,775)	68,017	24,292	89,714	(46,522)	6,663

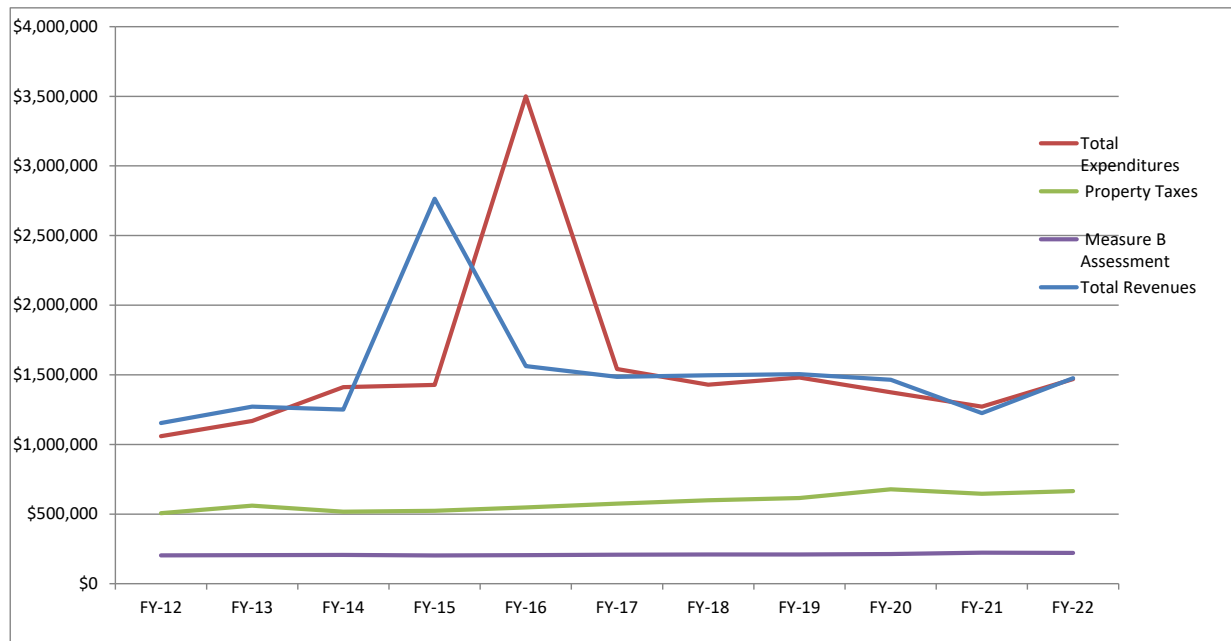


Exhibit 11-1

McKinleyville Community Services District
 Enterprise Funds Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2022 - 2031

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031
1. Heavy Equipment										
Totals:	150	380	30	0	127	0	190	500	0	0
2. Utility Vehicles										
Totals:	42	42	72	42	65	44	66	67	69	46
3. Water System										
Totals:	5,721	7,715	2,217	1,427	1,417	1,419	1,442	1,462	1,690	1,420
4. Sewer System										
Totals:	6,071	7,109	2,302	1,327	1,297	1,393	1,292	7,347	1,492	1,342
5. Office, Corporation Yard & Shops										
Totals:	475	0	3,010	0	10	0	14	0	10	0
6. Computers, Software & Equipment										
Totals:	19	33	46	161	34	12	12	34	12	12
7. Reclamation (Fischer & Pialorsi Ranches)										
Totals:	180	127	5	5	5	5	15	5	5	5

Exhibit 11-1

**McKinleyville Community Services District
Enterprise Funds Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2022 - 2031**

	1	2	3	4	5	6	7	8	9	10
(All numbers in \$000s)										
	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031

8. Small Equipment & Other										
Totals:	40	20	20	20	35	42	20	15	20	20

Total Planned Expenditures	12,698	15,426	7,702	2,982	2,990	2,915	3,051	9,430	3,298	2,845
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Departmental Allocations:

Water Fund	6,084	7,953	3,806	1,539	1,553	1,468	1,593	1,520	1,746	1,459
Wastewater Fund	6,614	7,473	3,896	1,444	1,438	1,447	1,458	7,910	1,553	1,386
Total	12,698	15,426	7,702	2,982	2,990	2,915	3,051	9,430	3,298	2,845

	0	0	0	0	0	0	0	0	0	0
Internal Funds/Reserves/Loans - District Share	5,187	6,569	7,152	2,982	2,990	2,915	3,051	9,430	3,298	2,845
Potential Grant Funding Expected	7,511	8,857	550							

Exhibit 11-2

**McKinleyville Community Services District
Streetlights Fund Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2022 - 2031**

	1	2	3	4	5	6	7	8	9	10
	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031
1. Heavy Equipment										
Totals:	0	0	0	83	0	0	0	0	0	0
2. Poles and Lights										
Totals:	47	7	0	0	0	0	0	0	0	0
Total Planned Expenditures	47	7	0	83	0	0	0	0	0	0

Exhibit 11-3

McKinleyville Community Services District
 General Fund (Parks & Recreation) Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2022 - 2031

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031
1. Hiller Park & Sports Complex Projects										
Totals:	0	50	0	25	0	0	13	5	0	0
2. Pierson Park Projects										
Totals:	8	125	0	12	0	0	0	0	0	0
3. Azalea Hall Projects										
Totals:	6	118	36	66	6	11	6	21	31	0
4. McKinleyville Activity Center Projects										
Totals:	85	47	10	70	26	0	0	0	0	0
5. Other Park Projects & Equipment										
Totals:	8	24	11	0	11	0	12	0	12	18
6. Law Enforcement Facility Projects										
Totals:	0	6	0	5	10	0	21	0	0	0

Exhibit 11-3

McKinleyville Community Services District
 General Fund (Parks & Recreation) Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2022 - 2031

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031
7. McKinleyville Library Projects										
Totals:	10	6	0	6	20	21	0	0	0	0
8. Teen & Community Center										
Totals:	0	5	5	0	20	0	5	0	0	0
9. Projects Contingent Upon Grant Funding										
Totals:	5	0	0	0	0	10	0	0	0	0
10. Projects Funded by Quimby & Other Funds										
Skate Park/ Washington property proj Totals:	500	400	225	0	0	0	0	0	0	0
Total Planned Capital Expenditures	622	781	287	184	93	42	57	26	43	18

Exhibit 11, Appendix A

Capital Improvement Plan Water, Sewer and Streetlights Funds Fiscal Year 2021-22

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

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Heavy Equipment and Utility Vehicles

In 1998, the Board adopted a Fleet Replacement Plan to ensure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Water and Wastewater Funds plan to replace one light $\frac{3}{4}$ ton utility truck and an air compressor with various attachments. Funds have also been set aside for the replacement of the oldest of the District's backhoes, which has been serving the District since 1979.

Water System

The largest Water project for FY2021-22 is the start of the construction phase of the proposed 4.5 million gallon new storage tank. \$450,000 of that amount is for the purchase of the property where the tank will be located. The project is expected to be between 20% to 40% complete in FY21-22, with a maximum of \$4.13 million expended. Of that, 75% (\$3.1 million) will be grant funded. Other funding is being sought for the balance.

\$500,000 is budgeted for a recoating project scheduled this year. Each tank recoating cycle is approximately 20 to 30 years for preventative maintenance to avoid corrosion and maintain structural integrity. Other projects currently proposed for the Water Fund include grant funding for upgrading the Cochran generator (\$50,000); \$8,000 to upgrade the computer used for reading meters; and \$8,000 to replace the pump and motor at Blake station. The fire hydrant system is still scheduled to be upgraded. The District will use this \$7,000 budget item to upgrade dry barrel hydrants in commercial areas to wet barrel hydrants. \$6,000 has been designated to replace the roof vents with rotary vents at the McCluski Tank. Grant and loan funding will be sought for the eventual replacement of the McCluski tank.

\$1,000,000 will be set aside for the Water Main Rehabilitation/ Replacement Project, per the last Board approved Rate Study. Other projects that may need to accumulate

Exhibit 11, Appendix A

Repair & Replacement reserves for future execution include the Mad River crossing and the upgrade of the Digital control and radio telemetry system.

Wastewater System

\$240,000 is still being set aside annually to pay for the next bio-solids project. These should occur on a five-to-seven year cycle, the next of which is expected to take place this year. \$55,000 has been set aside to fund the new National Pollutant Discharge Elimination System (NPDES) permit studies that will be part of the new permit requirements. The \$1,000,000 showing as budgeted for the Wastewater Mainline Rehabilitation/ Replacement Project will not be directly spent. Rather, it is a set-aside of rates to build up reserves for the replacement project, as approved by the Board in the 2018 rate study.

The undercrossings project budget portion for the current fiscal year is \$1,149,000, with the balance being budgeted for the next fiscal year. Of that, the District is responsible for 25% with the rest being grant funded. Phase II of the Micro-grid Solar Project being constructed at the Wastewater Management Facility will be started. This project is also funded by the State Revolving Fund: half grant and half low-interest loan. Ideally, the entire Phase II should be completed in this budget year, but the grant revenue estimated in the budget reflects a likelihood that the project may extend beyond that. A Repair & Replacement reserve has been designated for continuing as-needed replacement for pumps and generators.

The remaining projects are for smaller dollar amounts. Replacement of recirculation valves (\$15,000), another \$10,000 for lab cabinets, \$51,000 for pond armoring, \$5,000 for an underground pipe locator and camera, and \$6,000 for a secondary effluent motor. Funding for these smaller projects will come from pay-go funding according to the approved Reserves policy for the maintenance and replacement of capital infrastructure.

Office, Corporation Yard, Computers and Software

\$75,000 has been budgeted to finish the architectural design of the District's operations and administrative office, with renovations to be completed in the following years. \$400,000 has been budgeted for purchase of the property behind the District offices if it ever comes up for sale. \$11,000 has been set aside for the regular upgrade and replacement of office equipment and printers. An additional \$8,000 has been added for AutoCAD software.

Reclamation (Fischer & Pialorsi Ranch)

\$100,000 has been budgeted for two projects. One is to populate a portion of the ranch with trees for the Biofiltration (Tree Farm) project. The other is to restore the perc ponds into suitable off-stream habitat for salmon and other aquatic species. This is a grant-funded project, with the grant administered by CalTrout. A total of \$80,000 is available for replacement and maintenance of underground valves and piping, irrigation pipes and fittings, improvements on the Pialorsi house, and a furnace at the Fischer house.

Exhibit 11, Appendix A

Small Equipment and Other

Evaluation and possible replacement of the GPS surveying equipment is scheduled in 2021-22 for \$20,000 if needed. Various types of emergency equipment comprise the rest of this line item.

Streetlights

\$40,000 is set for a pole inspection scheduled for fiscal year 2021-22. Replacement of some failing photocells is also scheduled, with a \$7,000 budget.

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

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

Exhibit 11 Appendix B

Capital Improvement Plan Parks and General Fund Fiscal Year 2021-22

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities was renewed in FY2012-13 for 20 years.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Utility Vehicles and Equipment

In 1998, the Board adopted a Fleet Replacement Plan to ensure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. Where possible, the District has started to exchange some of the heavier utility vehicles with light compact trucks for savings in capital and operating costs. The light duty truck scheduled to be replaced in fiscal year 2020-21 will be replaced in fiscal year 2021-22.

Facility Projects

\$6,000 has been budgeted for replacement of the furnace in Azalea Hall. While the floor in the Activity Center is technically at the end of its official useful life, it is still functional and serviceable. \$85,000 is showing in the budget for replacement of this floor, but that project is entirely grant dependent. \$10,000 is budgeted for the replacement of the carpet at the McKinleyville Library. This replacement is more urgent than the Activity Center floor. Grants are being sought for the library carpeting. Quimby funds might also be considered to support the completion of this project.

Parks and Trails Projects

\$8,000 has been budgeted for the removal of a Monterey pine and the repair of that section of the retaining wall forming the roundabout in Pierson Park. \$5,000 has been allocated to start the grant-funding and forest management process for the proposed Community Forest. As more information becomes available for that project, more accurate projections for future required funding will be possible. The Skate Park and the Washington Avenue property are budgeted for \$200,000 and \$300,000 respectively, but these projects are completely grant-dependent and will not be undertaken unless the grant funding is received.

The District will continue to pursue additional grant funding for new projects, which may be included in the budget in future years but are contingent upon successfully receiving grants.

Exhibit 11 Appendix B

Small Equipment, Contingency and Other

Nothing has been set aside in the upcoming fiscal year for unanticipated capital emergency equipment repair or replacement of greater than \$5,000. Smaller and less expensive (more than \$500 but less than \$5,000) new equipment and emergency replacement of existing equipment cannot generally be anticipated. These are considered expenditures, rather than capital assets, and are included in the repairs/maintenance/supplies line of the Parks & General Fund Operating Budget.

Note on Appendix B – Parks & General Fund Capital Improvement Plan

The Parks and General Fund Capital Improvement Program's planned capital expenditures are shown in thousands: 10 = \$10,000. The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars since future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

Strategic Plan

2019-2024

McKinleyville Community
Services District



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APPENDIX A: Progress Reports A-1

Plan Revisions

Date	Description of Change

Introduction

Purpose

This Strategic Plan (Plan) exists to empower the McKinleyville Community Services District (District) to accomplish its mission by providing vision and specific objectives for the next five years.

The Plan was updated in July 2019 by the District's Board of Directors and staff with the understanding that it is a living document that will be reviewed regularly and revised as needed to better serve the District and the McKinleyville community. The Plan was purposefully fashioned as a succinct, workable document so that it can be easily used to:

- Measure District success
- Generate focused work plans
- Adopt comprehensive, goal-oriented budgets
- Communicate District values and direction to the community

History

The McKinleyville Community Services District created on April 7, 1970 when McKinleyville's voters 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.

Services

The District boundary encompasses 12,140 acres ranging from North Bank Road on the south to Patrick's Creek on the north and has over 5,300 active water services and 4,470 active sewer connections. The District is an independent, special district governed by a five member Board of Directors. The District provides the following services:

- Water
- Wastewater
- Street Lights
- Open Space
- Parks & Recreation
- Library Services

Mission, Vision & Values

Mission

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

Vision

The District is an engaged, collaborative and responsible public agency that is committed to enhancing and preserving McKinleyville's quality of life through the implementation of clear and forward thinking policies and plans for service provision within its scope of power.

The District has established the following visionary goals for the next five years:

- 1 The Parks & Recreation Department has developed and implemented an effective strategy that will close the gap between revenues and expenses, allowing for the long term sustainability of the department.
- 2 The District is prepared for a major natural disaster and the public is educated and aware of MCSD's role in response to a major natural disaster.
- 3 The District will know the number of building permits allocated by the county within the District AND will know the impact accommodating allocated permits will have on District capacity.
- 4 The District will have an effective strategic partnership plan in place.
- 5 The District will have acquired the property for a community forest and will have a plan for sustainable management of said property.

Mission, Vision & Values

Values

The Board of Directors has collectively established the following core values, along with the defining traits, culture and actions.

INTEGRITY

- Definition - Truthfulness; Saying what you mean and doing what you say.
- Culture - Trustworthy performance; Incorruptible.
- Actions - Communicate using non-discriminatory language; Provide clear and factually accurate information to public, staff and fellow board members; Make decisions transparently; Form opinions/make judgments based on facts, not assumptions.

RESPONSIBILITY

- Definition - Dependable and accountable; Doing what is necessary in the best possible way and with the best possible intentions.
- Culture - Accepting all consequences, both good and bad; Adaptive Management.
- Actions - Follow through with commitments and follow up to evaluate results and outcomes; Give full attention to listening to public, staff and/or fellow board members during discussion and comment periods; Accept ownership of decisions and all results/outcomes/consequences of decisions; do not engage in blaming or making excuses; Focus decision making to that which serves the best interest of McKinleyville residents within the powers of the MCSD (water, sewer, streetlights, parks & rec and library powers).

FAMILY

- Definition - Group/Unit that is not always chosen, connected by commonalities and shared experience with defined roles.
- Culture - Efficiency, lightheartedness, respect, listening (open eared), care for members, forgiveness, and understanding with respected leadership.
- Actions - Listen to HEAR, not to REPLY; focus listening until person stops talking and THEN formulate your reply; Do not engage in gossip; Remain mindful and considerate of commonalities between self and others when engaging in challenging dialogue; Volunteer in the community; Express gratitude, regularly and often; Develop a shared vision and goal that we work to achieve together.

Mission, Vision & Values

Values Cont.

FAIRNESS

- Definition - Decisions based on rules, facts and circumstances.
- Culture - Consideration given to all facets in a consistent manner.
- Actions - Clearly communicate criteria for fairness in decisions; Judge according to facts; leave out emotion, 'shoulds', judgements and assumptions; Listen and give due consideration to all sides of an issue with an open mind before forming opinions or making judgements and decisions; Give equitable and consistent consideration to issues and options when making decisions.

Goals & Objectives

GOAL 1

The Parks & Recreation Department has developed and implemented an effective strategy that will close the gap between revenues and expenses, allowing for the long term sustainability of the department.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Plan and Implement an annual "Spirits & Appetizers" Event as a fundraiser in Coordination with a local non-profit	Rec. Director	7/1/2019	2/28/2020	Willing & interested non-profit; Volunteers; Vendors; Activity & Teen Ctrs	No interested and willing non-profit; competing events;	Raise minimum of \$10,000 in first year
Add 2-3 revenue generating classes/programs to annual offerings	Rec. Coordinators	7/1/2019	6/30/2023	Facility space; available staff/instructors; supplies and/or technology depending on program	No interest in classes; will not generate revenue exceeding the cost of offering;	Increase dept. revenue by \$5k-\$10k
Implement a comprehensive marketing plan	Rec. Director	6/15/2019	6/30/2020	Staff time; money to invest in marketing strategies	Lack of resources to invest in marketing; possibility of not getting return on investment of marketing.	Increase facility revenue by \$8k-\$15k
Survey community to determine feasibility of increasing Measure B Assessment amount	GM & Rec. Director	7/1/2021	12/31/2021	Consultant/contractor to implement survey and write report	Lack of resources to hire consultants; community does not support increase.	Increase is feasible; know amount of feasible increase based on community support
Implement process for re-assessment of Measure B at higher rate	GM & Rec. Director	1/1/2022	11/10/2022	Consultant/contractor to implement process for reassessing measure B	Community does not support increase	Community supports reassessment and votes to increase in measure tax

Goals & Objectives

GOAL 2

The District is prepared for a major natural disaster and the public is educated and aware of MCSD's role in response to a major natural disaster.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Plan and implement Public Education materials related to Disaster Preparedness and the District	EOP Team	8/1/2019	12/31/2019	Staff time; materials	Public does not participate; method of distributing materials does not reach whole community;	Disaster preparedness Education materials related the District's role and the roles of community members are available and distributed widely
Host 2-3 public workshops or trainings related to disaster preparedness specific to McKinleyville	EOP Team	1/2/2020	6/30/2022	Staff time; facility space; materials/resources	Public does not participate; Outreach/invitation methods not effective; lack of staff time	Workshops hosted and community feedback regarding increased knowledge evaluated
Create process for updating public. Outline all methods of putting information out to public.	EOP Team & Admin Staff	5/1/2020	12/31/2020	Staff Time	Lack of staff time; methods are not effective	Information campaign is ready to launch and surveys of public indicate an increase in awareness and knowledge

Goals & Objectives

GOAL 3

The District will know the number of building permits allocated by the county within the District AND will know the impact accommodating allocated permits will have on District capacity.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Create process by which county permit allocation information is shared with the District	GM	7/29/2019	12/31/2019	Staff time; County Staff time/participation	County does not cooperate	Process is effective and efficient for collecting the necessary data
Integrate County information into District's Hydraulic Flow Analysis	GIS Tech	1/1/2020	6/30/2020	Staff time; County zoning and building permit data; hydraulic analysis software; GIS software;	Inadequate data or format of data;	Integrated data allows analysis of zoning, planning and hydraulic capacity.
Determine or set annual date for providing this information to the MCSD Board of Directors	GM, GIS Tech and BOD	7/1/2020	8/31/2020	Staff time; Modeling analysis; coordination w/county	Lack of agreement between county and MCSD related to the outcome of the analysis.	An annual date is set and agreed upon by both county and MCSD

Goals & Objectives

GOAL 4

The District will have an effective strategic partnership plan in place.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Create a comprehensive list of existing partnerships including projects in progress or completed through the partnership	GM & Dept. Heads	6/1/2021	6/30/2021	Staff time	Lack of staff time; lack of participating/willing partners	List serves as a resource for current and future work of the District
Create a comprehensive list of potential partnerships that have not yet been developed	GM & Dept. Heads, BOD	2/1/2022	3/32/2022	Staff time	Lack of staff time; lack of participating/willing partners	List serves as a resource for current and future work of the District
Create a rubric for determining when to partner, with whom and for what	GM & Dept. Heads, BOD	7/1/2021	12/31/2021	Staff time	Lack of staff time	Rubric exists to guide partnership decisions
Outline the required steps and considerations for developing and implementing partnership agreements	GM & Dept. Heads	1/1/2022	6/30/2022	Staff time	Lack of staff time	Clear guidelines and expectations for staff to follow when developing partnerships and engaging in work with existing partners.
Create a rubric of criteria for measuring the effectiveness of a partnership	GM & Dept. Heads, BOD	7/1/2022	12/31/2022	Staff time	Lack of staff time	Rubric exists to measure effectiveness of partnership

Goals & Objectives

GOAL 5

The District will have acquired the property for a community forest and will have a plan for sustainable management of said property.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	HAZARD FORECAST	DESIRED OUTCOME
Define amenities of Community Forest as desired by the community residents	GM, Rec. Dir & BOD	1/1/2019	12/31/2021	Staff time; public input; resources/materials	Lack of public participation	Parameters are defined for a Community Forest
Identify potential properties	GM & BOD	1/1/2022	12/31/2023	Staff time	Lack of available property	Potential properties are identified and available
Identify funding for acquisition of property	GM, Rec. Dir & BOD	7/1/2022	6/30/2024	Staff time	Lack of funding options; lack of public support for new taxes	Funding for acquisition obtained.
Identify Forest management strategies for identified properties	Forest Consultant	1/1/2023	12/31/2024	Resources to fund consultant; staff time	Lack of resources for consultant; lack of resources to support management strategies	Management strategies identified are feasible and funded.

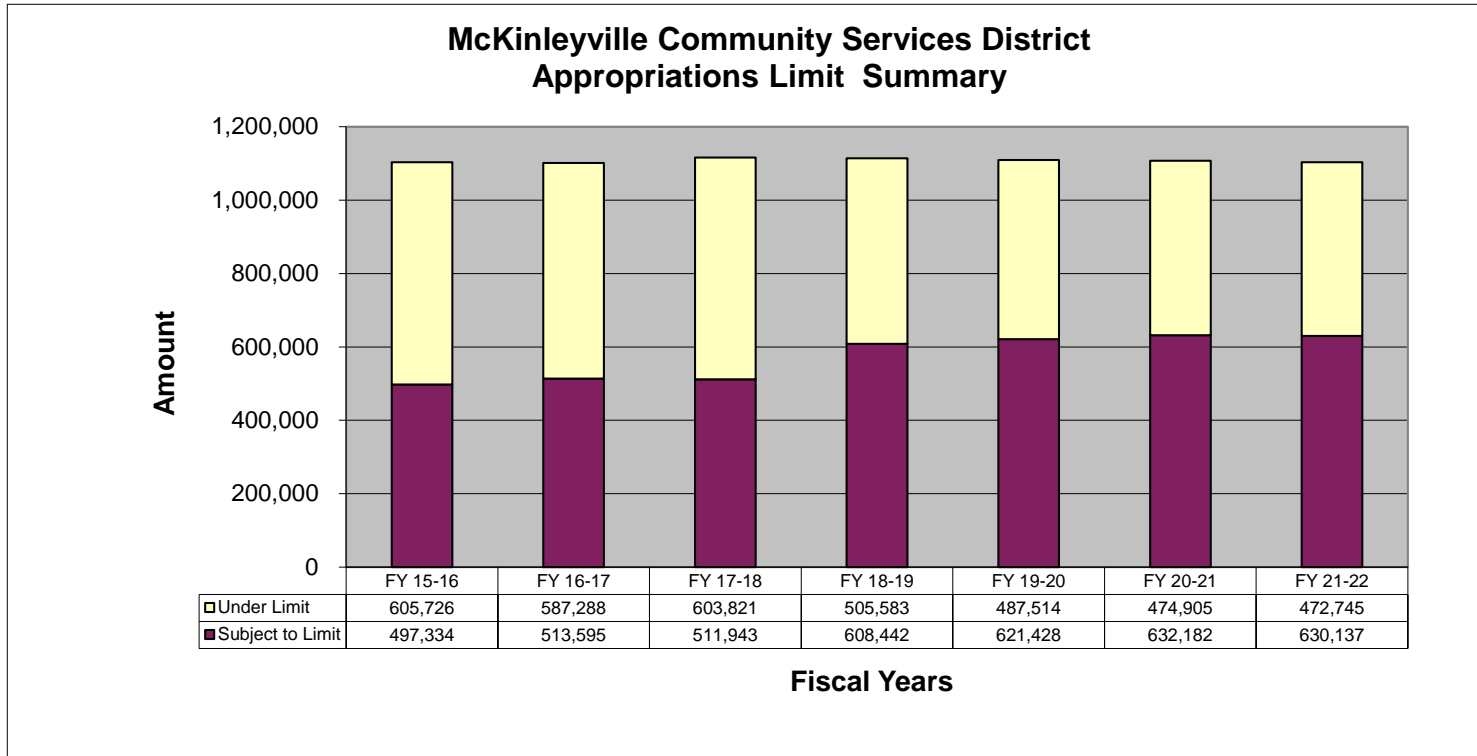
Plan Review, Revisions & Reporting

The District will review this Plan at least once annually to ensure that the Plan continues to be accurate and best serve the needs of the District. Plan revisions may be made at any time. All revisions must be approved by the Board of Directors. A record of revisions will be kept on the Table of Contents page.

At the end of each fiscal year, the General Manager will prepare a brief report for the Board of Directors summarizing the progress that has been made toward attaining the District's goals and objectives. Reports will be included in the Appendix of this Plan.

McKinleyville Community Services District Appropriations Limit Calculation Summary FY 21-22 Budget

Prior Year Final Appropriation Limit		\$ 1,107,086
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	0.222%	
MCSD Unincorporated County Population Percent Change	-0.600%	
Compounded Percentage as an Adjustment Factor	-0.380%	
Annual Adjustment Amount to Appropriation Limit		(4,205)
Current Year Appropriation Limit		1,102,882
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	649,575	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	(19,438)	
Current Year Appropriations Subject to Appropriation Limit		630,137
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		\$ (472,745)
Percentage Under the Limit		-43%



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

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

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

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	795,645	649,575	1,445,220
Street Lighting Fund	119,436	-	119,436
Water Fund	6,175,268	-	6,175,268
Wastewater Fund	6,486,869	-	6,486,869
Total Proceeds and Non Proceeds of Taxes	13,577,218	649,575	14,226,793
Summary of Exclusions			
Court Order Costs	-	-	-
Federal Mandates	19,438	-	19,438
Qualified Capital Equipment	-	-	-
Qualified Debt Service	-	-	-
Total Exclusions to Appropriations Subject to Limit	19,438		

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 21-22 Budget

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

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	273,530	273,530			
Miscellaneous Fees & Reimbursements	25,562	25,562			
Total General Fund	299,092	299,092	-	-	-
Street Lighting Fund	119,436		119,436		
Water Operations Fund	6,175,268			6,175,268	
Wastewater Operations Fund	6,486,869				6,486,869
Total Estimate of User Fees	13,080,665	299,092	119,436	6,175,268	6,486,869
Current Year Adopted Budget					
Operations & Equipment	8,887,556	1,346,975	136,676	3,625,939	3,777,966
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	4,193,109	(1,047,883)	(17,240)	2,549,329	2,708,903

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 21-22 Budget

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

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	634,824				634,824	-	634,824
Special Assessment	221,304				221,304	221,304	-
Charges for Services	273,530				273,530	273,530	-
Grants	114,700				114,700	114,700	-
Development Fees	136,600				136,600	136,600	-
Interest (4)	38,700				38,700	23,949	-
Miscellaneous Fees & Reimbursements	25,562				25,562	25,562	14,751
Other Financing Sources	-				-	-	-
Other Sources	-				-	-	-
TOTAL GENERAL FUND REVENUES	1,445,220	0	0	0	1,445,220	795,645	649,575
Street Lighting Fund	119,436	17,241				119,436	
Water Fund	6,175,268	(2,549,329)				6,175,268	
Wastewater Fund	6,486,869	(2,708,903)				6,486,869	
Debt Service Fund	-					-	
Total All Funds	14,226,793	(5,240,991)	-	-	1,445,220	13,577,218	649,575

(1) See Worksheet 2.1 for Detail to all Funds

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

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

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

**McKinleyville Community Services District
Revenue Estimates Detail
FY 21-22 Budget**

**Proceeds Detail (Worksheet 2.1
of Guidelines)**

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	5,200	5,200		Reimbursement for Services
42020	PROC. FEES	1,800	1,800		User Fees for Services
42030	BAD CHECK FEES	40	40		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	100	100		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	2,000	2,000		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	16,572	16,572		Use of Property fees
44000	OPEN SPACE FEES	111,600	111,600		Development Fees
45000	OPEN SPACE FEES	15,000	15,000		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	9,600	9,600		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	23,300	23,300		User Fees for Services
48002	EVENT SERVICES	1,100	1,100		User Fees for Services
48010	INSURANCE FEES	150	150		User Fees for Services
48020	AD INCOME	15,000	15,000		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	223,280	223,280		User Fees for Services
48051	FRF DISCOUNT	(700)	(700)		User Fees for Services
48055	PROGRAM GRANTS	19,700	19,700		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	INT. REVENUE	38,700	23,949	14,751	Allocated
51001	SECURED TAXES	634,824		634,824	
51060	MEASURE B ASSMT	221,304	221,304		Special Assessment Restricted Specific Use
52000	OTHER INCOME	-	-		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	1,650	1,650		Donations
53002	QUIMBY FEES	10,000	10,000		Development fees
54001	STATE GRANTS	95,000	95,000		Related to Restricted Grants
56000	GAIN ON DISPOSAL	-	-		Miscellaneous Fees and Reimbursements
Total General Fund		1,445,220	795,645	649,575	
Street Lighting					
41050	ADMIN FEE	15,000	15,000		
42020	PROC. FEES	3,500	3,500		
43195	OTHER OP. REV.	-	-		
47001	ST. LIGHT CHGS	94,113	94,113		
47001	ST. LIGHT CHGS	6,773	6,773		
50001	INT. REVENUE	50	50		
Total Street Lighting		119,436	119,436	-	User Fees for Services
Water Fund					
40000	WATER BASE CHG	1,769,334	1,769,334		
40001	MTR. WATER SALE	2,421,215	2,421,215		
41001	NEW SVC. FEES	25,000	25,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	1,000	1,000		
42001	PERMIT FEES	1,000	1,000		
42010	CONN. FEES	100,000	100,000		
42020	PROC. FEES	17,500	17,500		
42030	BAD CHECK FEES	500	500		
42040	RECONN. FEES	5,000	5,000		
42050	DCV INSPECTION	22,000	22,000		
43010	REC. BAD DEBTS	900	900		
43190	CELL TOWER REV.	16,919	16,919		
43195	OTHER OP. REV.	10,000	10,000		
43197	LEASE REVENUE	3,600	3,600		
43198	PAVING FEES	3,000	3,000		
43199	SERVICE UPGRADE	-	-		
46000	AFTER HRS CHGS	500	500		

**McKinleyville Community Services District
Revenue Estimates Detail
FY 21-22 Budget**

**Proceeds Detail (Worksheet 2.1
of Guidelines)**

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
48060	EQUIP USAGE FEE	450	450		
48070	SALE OF SCRAP	350	350		
50001	INT. REVENUE	50,000	50,000		
50005	LATE CHARGES	12,500	12,500		
51011	CONTRIB CONST	100,000	100,000		
52000	OTHER INCOME	1,000	1,000		
54001-2	GRANTS	1,599,500	1,599,500		
56000	GAIN ON DISPOSAL	4,000	4,000		
57000	UNREALIZED GAIN/LOSS	10,000	10,000		
Total Water		6,175,268	6,175,268	0	User Fees for Services
Wastewater Fund					
40002	SWR SVC CHGS.	4,181,750	4,181,750		
40010	STORM WATER FEE	350	350		
41001	NEW SVC. FEES	22,000	22,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	1,000	1,000		
41040	SWR CONST PRMT	2,500	2,500		
42001	INSPECTION FEES	-	-		
42010	CONN. FEES	125,000	125,000		
42020	PROC. FEES	-	-		
42030	BAD CHECK FEES	300	300		
42040	RECONN. FEES	-	-		
42050	DCV INSPECTION	-	-		
43010	REC. BAD DEBTS	900	900		
43190	CELL TOWER REV.	16,919	16,919		
43195	OTHER OP. REV.	6,500	6,500		
43197	LEASE REVENUE	38,400	38,400		
43198	PAVING FEES	1,000	1,000		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	-	-		
50001	INT. REVENUE	75,000	75,000		
50005	LATE CHARGES	12,500	12,500		
51011	CONTRIB CONST	75,000	75,000		
52000	OTHER INCOME	2,000			
54001-2	GRANTS	1,911,750			
56000	GAIN ON DISPOSAL	4,000	4,000		
57000	UNREALIZED GAIN/LOSS	10,000	10,000		
Total Wastewater		6,486,869	4,573,119	0	User Fees for Services
Debt Service					
Total Debt Service		-	-	-	Debt Related
Total All Funds		14,226,793	11,663,468	649,575	

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 21-22 Budget

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

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 649,575
Less Allowed Exclusions (From Worksheet #7)	(19,438)
Current Year Appropriations Subject to Limit	<u>\$ 630,137</u>
Current Year Appropriations Limit (From Worksheet #6)	1,102,882
Current Year Appropriations Over or (Under) Limit	<u>\$ (472,745)</u>
Percentage Over or (Under) Limit	<u><u>-43%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

Population and Growth Factors (Worksheet #5 of Guidelines)

FY 21-22 Budget

	Percent Change Indices		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCS D (Unincorporated County)	Humboldt County Total		
FY 08-09	4.29	22.13	0.83	0.64	123.14368%	540,411
FY 09-10	0.62	12.02	0.57	0.45	112.65851%	608,820
FY 10-11	-2.54	37.77	0.69	0.53	138.72061%	844,558
FY 11-12	2.51	10.50	0.72	0.66	111.29560%	939,956
FY 12-13	3.77	16.80	0.10	0.00	116.91680%	1,098,967
FY 13-14	3.10	0.02	0.50	0.40	100.51970%	1,104,678
FY 14-15	-0.23	0.50	-0.1	-0.03	100.43433%	1,109,476
FY 15-16	3.82	-0.08	-0.5	-0.30	99.42169%	1,103,060
FY 16-17	5.37	-0.30	0.1	0.00	99.80269%	1,100,883
FY 17-18	3.69	0.25	1.1	1.00	101.35177%	1,115,765
FY 18-19	3.67	0.25	-0.4	-0.30	99.84407%	1,114,025
FY 19-20	3.85	0.14	-0.6	-0.54	99.54377%	1,108,942
FY 20-21	3.73	0.23	-0.4	-0.50	99.83264%	1,107,086
FY 21-22	5.73	0.22	-0.6	-1.50	99.62020%	1,102,882

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

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

[3] PCI = Per Capita Personal Income - California 4th Quarter - Calculated by State Department of Finance. See Price-Population Letter, Annual

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

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 21-22 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)

Prior Year Appropriations Limit (From Worksheet #5)	\$ 1,107,086
Current Year Growth Factors (From Worksheet #5)	
Non-Residential Assessed Valuation Percent Change	0.22%
MCSD Unicorporated County Population Percent Change	-0.60%
Compounded Total Percentage Adjustment Factor	-0.380%
Current Year Annual Adjustment Amount	\$ (4,205)
Other Adjustments to Limit (see detail worksheets)	
Reduction In Limit	
Loss of Responsibility	0
Transfer of Services to Private Sector	0
Transfer of Services to Fees	0
Increase in Limit	
Assumed Responsibility of Services	0
Total Adjustments to Limit	\$ -
Current Year Appropriations Limit	\$ 1,102,882

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 21-22 Budget

Exclusions to Appropriations Limit (Worksheet #7 of Guidelines)

	Exclusions
Court Orders	-
Federal Mandates	
Fair Labor Standards Act Payments	-
FICA and Medicare Payments	15,838
Unemployment Payments	3,600
Total Federal Mandates	19,438
Qualified Capital Outlays (Assets of over \$100,000)	-
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	-
Total Exclusions	19,438