



Mission statement of McKinleyville Community Services District:
“Provide McKinleyville with safe and reliable water, wastewater, lighting, open space, parks and recreation, and library services in an environmentally and fiscally responsible manner.”

**NOTICE IS HEREBY GIVEN THAT A REGULAR MEETING OF THE
MCKINLEYVILLE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS
WILL BE HELD**

WEDNESDAY, October 7, 2020 AT 7:00pm

TELECONFERENCE Via ZOOM & TELEPHONE:

Use ZOOM MEETING ID: 675 633 6928 (<https://zoom.us/j/6756336928>) or DIAL IN TOLL FREE: 1-888-788-0099 (No Password Required!)

To participate, please teleconference using the toll free number listed above, or join through the internet at the Zoom App with weblink and ID number listed above, or the public may submit written comments to the Board Secretary at: comments@mckinleyvillecsd.com up until 4:30 p.m. on Tuesday, October 6, 2020.

All Public Comment received before the above deadline will be provided to the Board at 9 a.m. on Wednesday, October 7, 2020 in a supplemental packet information that will also be posted on the website for public viewing.

AGENDA
7:00 p.m.

A. CALL TO ORDER

A.1 Roll Call

A.2 Pledge of Allegiance

A.3 Additions to the Agenda

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

A.4 Approval of the Agenda

A.5 Closed Session Discussion

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

NO CLOSED SESSION SCHEDULED

B. PUBLIC HEARINGS

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

NO PUBLIC HEARING SCHEDULED

C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS

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

D. CONSENT CALENDAR

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

- | | | |
|-----|---|---------------|
| D.1 | Consider Approval of the Minutes of the Board of Directors Regular Meeting on September 2, 2020 | Pg. 5 |
| | Attachment 1 – Draft Minutes from September 2, 2020 | Pg. 6 |
| D.2 | Consider Approval of August 2020 Treasurer’s Report | Pg. 11 |

E. CONTINUED AND NEW BUSINESS

- | | | |
|-----|---|---------------|
| E.1 | Review and Discuss the McKinleyville Skatepark Quarterly Project Status Update Presented by the Humboldt Skatepark Collective (HSC) | Pg. 32 |
| | Attachment 1 – HSC Quarterly Status Report | Pg. 33 |
| E.2 | Consider Approval of Hay Lease for the Fischer and Pialorsi Properties with Andy Titus | Pg. 34 |
| | Attachment 1 – Request for Proposals | Pg. 36 |
| | Attachment 2 – Proposal from Andy Titus | Pg. 38 |
| | Attachment 3 – Proposal from David Collenberg | Pg. 39 |
| | Attachment 4 – Proposal Rating Score Sheet | Pg. 41 |
| | Attachment 5 – Draft Lease Agreement | Pg. 42 |
| E.3 | Consider Approval of 2019-2024 Strategic Plan Revisions | Pg. 64 |
| | Attachment 1 – Red-Lined Strategic Plan Document | Pg. 65 |
| E.4 | Review Proposed District Rules and Procedures for Personal Wireless Service Facilities (Cell Towers) | Pg. 77 |
| | Attachment 1 – Draft Personal Wireless Service Facility Policy | Pg. 79 |

E.5	Consider Approval of Modification of Parks & Recreation CIP Budget to Appropriate Funds for the Replacement of Aging Toro Mower at Hiller Sports Site	Pg. 82
	Attachment 1 – Draft Revised Parks/General Fund Budget FY20-21	Pg. 84
E.6	Review Virtual Meeting Regulations to be Inserted into the Board Policy Manual	Pg. 89
	Attachment 1 – Draft Virtual Meeting Guidelines	Pg. 91
E.7	Approve the Regular Board Meeting Dates, Time, and Location for the 2021 Calendar Year	Pg. 92
	Attachment 1 – Proposed 2021 Board Meeting Calendar Year	Pg. 93
E.8	Consider Special Board Meeting to Tour Proposed Community Forest Trail Heads and Property	Pg. 94
	Attachment 1 – Map of Proposed Community Forest	Pg. 95
E.9	Consider Director Corbett’s Proposal to Establish Committee to Clarify District’s Authority with regards to Library and Law Enforcement, Community Forest Operation, Support for the McKinleyville Municipal Advisory Committee, Reclamation, and Homelessness	Pg. 96
	Attachment 1 – MCSD Clarification of Authority Memo, Director Corbett	Pg. 98
	Attachment 2 – July 31, 2020 Memo from Board Secretary Sousa to Director Corbett	Pg. 101
	Attachment 3 – LAFCo Municipal Service Review, January 2009	Pg. 108
E.10	Consider the Audit Committee’s Proposal to Amend the Debt Management & Capital Financing Policy Manual to Include Language Outlining the Procedures for the District to Accept or Approve Grants	Pg. 126
	Attachment 1 – Debt Management and Capital Financing Policy Manual	Pg. 128
	Attachment 2 – Audit Committee Memo	Pg. 133
E.11	Consider Audit Committee’s Proposal to Increase Transparency with a Monthly Listing of Both Types of Current MCSD Grants Awarded: 1) MCSD Grants, Where the District Receives and Administers the Monies and Contract, and 2) Nonprofit Grants Where a Nonprofit Applies for the Grant, Receives, and Manages the Monies for an MCSD Project	Pg. 135
	Attachment 1 – Grant Expenditure Sample Listing	Pg. 137
E.12	Consider Approval of a Proposal and Rental Agreement with Justin and April Sousa for the Rental, Repair, and Caretaker Position for the Pialorsi House and Property and Budgeting for Necessary Repairs	Pg. 138
	Attachment 1 – Sousa Proposal	Pg. 141
	Attachment 2 – A&I Roofing Proposal	Pg. 146

F. REPORTS

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

F.1 ACTIVE COMMITTEE REPORTS

- a. Recreation Advisory Committee (Couch/Mayo)
- b. Area Fund (John Kulstad/Barsanti)
- c. Redwood Region Economic Development Commission (Mayo/Burke)
- d. McKinleyville Senior Center Board Liaison (Barsanti/Burke)
- e. Audit (Corbett/Barsanti)
- f. Employee Negotiations (Couch/Corbett)
- g. McKinleyville Municipal Advisory Committee (Burke/Mayo)
- h. Humboldt Local Agency Formation Commission (Couch)
- i. Environmental Matters Committee (Couch/Corbett)
- j. AdHoc Committee – Community Forest (Corbett/Mayo)

F.2 LEGISLATIVE AND REGULATORY REPORTS

F.3 STAFF REPORTS

- a. Support Services Department (Colleen M.R. Trask) **Pg. 149**
- b. Operations Department (James Henry) **Pg. 151**
- c. Parks & Recreation Department (Lesley Frisbee) **Pg. 156**
- d. General Manager (Pat Kaspari) **Pg. 158**
Attachment 1 – WWMF Monthly Self-Monitoring Report **Pg. 163**

F.4 PRESIDENT’S REPORT

F.5 BOARD MEMBER COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEMS REQUESTS

G. ADJOURNMENT

Posted 5:00 pm on October 2, 2020

Pursuant to California Government Code Section 54957.5. this agenda and complete Board packet are available for public inspection on the web at McKinleyvillecsd.com/minutes or upon request at the MCSD office, 1656 Sutter Road, McKinleyville. If you would like to receive the complete packet via email, free of charge, contact the Board Secretary at (707)839-3251 to be added to the mailing list.

McKinleyville Community Services District will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 839-3251. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements for accommodations.

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of the Minutes of the Board of Directors**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **Roll Call Vote – Consent Calendar**

Recommendation:

Staff recommends that the Board review and approval of the draft minutes from the September 2, 2020 regularly scheduled Board Meeting.

Discussion:

The Draft minutes are attached for the above listed meeting.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Minutes from September 2, 2020

MINUTES OF THE CLOSED/REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, SEPTEMBER 2, 2020 6:00/7:00 P.M.

TELECONFERENCE Via ZOOM & TELEPHONE:

ZOOM MEETING ID: 675 633 6928 (<https://zoom.us/j/6756336928>) and TOLL FREE: 1-888-788-0099

CLOSED SESSION

AGENDA ITEM A. CALL TO ORDER

A.1 Roll Call: The Closed session of the Board of Directors of McKinleyville Community Services District convened at 6:01 pm with the following Directors and staff in attendance:

Mary Burke, President

Dennis Mayo, Vice President

John Corbett, Director

David Couch, Director

Pat Kaspari, General Manager

Russell Gans, Legal Counsel

April Sousa, Board Secretary

A.3 Closed Session Discussion

a. Significant exposure to litigation pursuant to § 54956.9(b): 1 Potential Case; Phil Lazzar Claimant

b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (California Government Code § 54954.5 and 54957) Title: General Manager—Patrick Kaspari

Regular Session

AGENDA ITEM A. CALL TO ORDER:

A.1 Report Out of Closed Session

Item A.3.a. had nothing to report out. For item A.3.b. it was reported that General Manager Kaspari passed his 3-month evaluation with an overall approval from the Board.

A.2 Roll Call: The regular session of the Board of Directors of McKinleyville Community Services District convened at 7:00 pm with the following Directors and staff in attendance:

Mary Burke, President

Dennis Mayo, Vice President

John Corbett, Director

David Couch, Director

Pat Kaspari, General Manager

Colleen Trask, Finance Director

James Henry, Operations Director

Lesley Frisbee, Recreation Director

April Sousa, Board Secretary

A.3 Pledge of Allegiance: The Pledge of Allegiance was led by Director Couch.

A.4 Additions to the Agenda: General Manager Kaspari brought forward an item to consider for addition to the agenda: Letter of Commitment from MCSD to Accept Community Forest Land and Commitment to Operation and Maintenance Cost. Mr. Kaspari noted that on Friday, August 28, 2020, MCSD was notified about passing the second-round process for funding and on Monday, August 31, 2020, a meeting took place to discover the next steps needed. This letter is one of those steps and needs to be written and signed prior to the end of a month. This is the only Board meeting available prior to the deadline to discuss the item.

Motion: It was moved to add the additional action item to Consider a letter of Commitment from MCSD to Accept Community Forest Land and Commitment to Operation and Maintenance Cost and to Approve the Agenda with this addition.

Motion by: Director Mayo; **Second:** Director Corbet

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

AGENDA ITEM B. PUBLIC HEARINGS: There were no Public Hearings.

AGENDA ITEM C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:

There was no public comment.

AGENDA ITEM D. CONSENT CALENDAR:

Item D.4: Authorize General Manager to Send Letter of Support for Humboldt Bay Municipal Water District's Application for a US Economic Development Administration Industrial System Rehabilitation Project Grant, was pulled from the Consent Agenda

- D.1 Consider Approval of the Minutes of the Board of Directors Regular Meeting on August 5, 2020
- D.2 Consider Approval of July 2020 Draft Treasurer's Report
- D.3 Compliance with State Double Check Valve (DCV) Law
- D.5 Approval of Proposal to Conduct a Capacity Fee Study from Willdan Financial Services

Motion: It was moved to approve Consent Calendar.

Motion by: Director Corbett; **Second:** Director Mayo

There were no comments from the Board or public.

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

D.4 Authorize General Manager to Send Letter of Support for Humboldt Bay Municipal Water District's Application for a US Economic Development Administration Industrial System Rehabilitation Project Grant

General Manager Kaspari gave an overview of the item. Director Couch expressed concerns if there appeared to be a future request regarding filtration systems. Director Mayo also commented on the item.

Motion: It was moved to approve the Authorization of the General Manager to Send Letter of Support for Humboldt Bay Municipal Water District's Application for a US Economic Development Administration Industrial System Rehabilitation Project Grant.

Motion by: Director Corbett; **Second:** Director Mayo

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

AGENDA ITEM E. CONTINUED AND NEW BUSINESS:

Please note, the items are listed as they appeared at the meeting.

E.1 Consider Approval of Professional Services Agreement with US Ecology to Perform Remediation and Demolition of PCB Impacted Milking Shed at Pialorsi Ranch

General Manager Kaspari gave an overview explaining the scope of work for the PCB remediation. There was no public comment on this item.

Motion: Authorize the General Manager to execute the Professional Services Agreement with USEcology to provide services to perform remediation and demolition of the PCB impacted milking parlor at the Pialorsi Ranch not to exceed \$54,405 with a 20% (\$10,881) contingency totally \$65,286.

Motion by: Director Couch; **Second:** Director Corbett

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

E.2 Consider Approval of Professional Services Agreement with GHD to Perform Phase 3c of the Mainline Replacement and Rehabilitation Master Plan

General Manager Kaspari gave an overview of the item and explained the scope of work for phase 3c of the Mainline Replacement and Rehabilitation Master Plan. The Board gave overall comments regarding the necessity and overall satisfaction with the project.

Motion: Authorize the General Manager to execute the amendment to the existing Professional Services Agreement with GHD to provide services to perform Phase 3c of the Mainline Replacement and Rehabilitation Master Plan not to exceed \$71,500 with a 10% (\$7,150) contingency totaling \$78,650.

Motion by: Director Corbett; **Second:** Director Mayo

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

E.3 Consider Approval of a Temporary 50% Reduction in Facility Use Fees for the McKinleyville Senior Center at Azalea Hall

After a brief review of the item by Recreation Director Lesley Frisbee, the Board was given the opportunity to ask questions. Greg Orsini, McKinleyville Resident, asked a clarifying question regarding the reduction.

Motion: Approve a temporary 50% reduction in facility use fees for the McKinleyville Senior Center at Azalea Hall.

Motion by: Director Mayo; **Second:** Director Couch

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

E.4 BMX Track Development Proposal Presentation

Jason and Wendy Orlandi gave a presentation of a BMX track project to be placed at the Washington Ave./School Rd. District owned property site. The Board asked clarifying questions regarding insurance, public use, restrooms, and exact costs. Neighbors to the property were available and gave comments regarding invasive plants, barrier concerns, zoning and environmental concerns. Comments and direction were given back to the Orlandi's and BMX track supporters regarding next steps, including neighborhood outreach to mitigate concerns and finalizing exact cost estimates. Director Couch also noted that this project was supported by the Recreation Advisory Committee. This was an informational only item, no action taken.

E.7 Discuss and Consider Approval of Resolution 2020-22 Adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Mad River Floodplain and Public Access Enhancement Project, and Approving the Project based on Approval of Final Construction Funding

President Burke recused herself stating that she worked for the non-profit who was working on this project. It was noted that while there is no legal conflict of interest, she would recuse herself to mitigate the appearance of any conflict of interest. President Burke turned off her video and muted herself. Vice President Mayo took over the running of the meeting for this item.

General Manager Kaspari gave an overview of the item to date. Greg Orsini gave public comment by giving historical information on the project from when he was General Manager of the District. The Board gave comments of support for the project and thanked staff for clarifying the specifics of the project for the Board and the public to understand it better.

Board Secretary April Sousa noted that 14 letters of public comment were received regarding E.7 that were incorporated in the initial Board Packet and 2 letters of public comment were received prior to the Tuesday 4:30 p.m. deadline and therefore were provided to the Board and public in a supplemental packet Wednesday morning. Of the 16 letters, 2 letters were received expressing concern for the project from Beryl Feldman and Bruce MacLaren, 1 letter expressing both concern and support from Bonnie MacGregor, and 13 letters expressing support for the project from Redwood Community Action Agency, Ken Hamik and Cherie Newell, Harriet Hill, Lisa Dugan and John Calkins, Kate McClain, Coastal Conservancy, Bonnie Oliver, Linda Doerflinger, Twila Sanchez (Yurok Tribal Member and McKinleyville Resident), Coalition for Responsible Transportation Priorities, McKinleyville Land Trust, Joyce King, and the Blue Lake Rancheria.

Motion: Approve Resolution 2020-22 adopting the Mitigated Negative Declaration and the Mitigation Monitoring Report Program and approves the Mad River Floodplain and Public Access Enhancement Project, based on Board approval of final construction funding requirements.

Motion by: Corbett; **Second:** Director Couch

Roll Call: Ayes: Corbett, Couch, and May Nays: None Absent: Barsanti

Motion Summary: Motion Passed

President Burke was invited back into the meeting after this item to continue running the meeting.

E.8 Consider Approval of the Location of the Solar Panels for the Microgrid Project to be Located at the Wastewater Management Facility

General Manager Kaspari reviewed the project and item with the Board. The Board was given an opportunity to ask clarifying questions in regard to the location of the microgrid in pond 5. There was no other public comment.

Motion: Approve the Pond 5 site for the solar array to be installed at the District's Wastewater Management Facility as part of the Microgrid Project.

Motion by: Mayo; **Second:** Director Corbett

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

E.9 Letter of Commitment from MCSD to Accept Community Forest Land and Commitment to Operation and Maintenance Cost

An overview of this additional item was given by General Manager Kaspari. It was reviewed that MCSD heard from Trust for Public Lands about making it through to the next round for funding consideration, and there were specific documents needed. One of these documents is a letter from MCSD committing to accepting the land and maintenance of the land as well as accepting any deed restrictions on the land. Mr. Kaspari read the draft letter. Board and the Public discussed the deed restrictions and expressed concerns and support.

Motion: Approve the draft letter to be sent to express a commitment from MCSD to accept the Community Forest land and operation and maintenance cost.

Motion by: Corbett; **Second:** Director Couch

Roll Call: Ayes: Corbett, Couch, Mayo and Burke Nays: None Absent: Barsanti

Motion Summary: Motion Passed

E.5 Annual Review and Discussion of 2019-2024 Strategic Plan

Board Secretary Sousa reviewed the proposed revisions. The Board gave feedback and direction to staff for minor changes. There was no other public comment. This was an informational only item, no action taken. This will be brought back for approval at the October 7, 2020 meeting.

E.6 Discussion regarding Digital Meeting Guidelines, Procedures, and Universal Technology Elements

This item was opened by General Manager Kaspari and Board Secretary Sousa. Universal technology devices were discussed and the questions regarding the difference between tablets and laptops were discussed. Direction was given to staff to move forward with the purchase of laptops and draft guidelines regarding decorum, public comment guidelines, and other virtual meeting procedures. This was an informational only item; no action taken.

AGENDA ITEM F. REPORTS

F.1 ACTIVE COMMITTEE REPORTS

- a. Recreation Advisory Committee (Couch/Mayo):** Reiterated that the RAC supported the BMX track.

- b. **Area Fund (John Kulstad/Barsanti):** Did not meet.
- c. **Redwood Region Economic Development Commission (Mayo/Burke):** Nothing to report.
- d. **McKinleyville Senior Center Advisory Council (Barsanti/Burke):** Did not meet.
- e. **Audit (Corbett/Barsanti):** Nothing to report.
- f. **Employee Negotiations (Couch/Corbett):** Reported that they met to discuss the trailer rental and overtime implications.
- g. **McKinleyville Municipal Advisory Committee (Burke/Mayo):** Reported on community safety updates and additional support to Board of Supervisors.
- h. **Local Agency Formation Commission (Couch):** Did not meet.
- i. **Environmental Matters Committee (Couch/Corbett):** Did not meet.
- j. **AdHoc Community Forest Committee (Burke/Corbett):** President Burke reported that she wished to change the make up of this committee to be Director Mayo and Director Couch, since Director Mayo would be continuing on the Board next year to allow for some continuity.

F.2 LEGISLATIVE AND REGULATORY REPORTS

Director Mayo stated he was working to get support for Garamendi's bill. Director Corbett gave a report on State Water Resources Board Legislation.

F.3 STAFF REPORTS

- a. **Support Services Department (Colleen M.R. Trask):** Finance Director, Colleen Trask, highlighted that the county tax allocation was still not available for the treasurer's report and noted the "on-site" Auditor visit that was done remotely. She also gave an update on the lock list.
- b. **Operations Department (James Henry):** Operations Director, James Henry, had nothing further to add to his written report.
- c. **Parks & Recreation Department (Lesley Frisbee):** Recreation Director, Lesley Frisbee, had nothing further to add to her written report.
- d. **General Manager (Patrick Kaspari):** General Manager Kaspari had nothing further to add to his written report.

F.3.2 PRESIDENT'S REPORT: President Burke had nothing to report but asked County Supervisor Madrone if he would like to speak. He commented about regular meetings with MCSD and the McKinleyville Municipal Advisory Committee that have been good.

F.4 BOARD MEMBER COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:

Director Corbett commented that the meeting was well done, efficient, and got a lot done.

G. ADJOURNMENT:

Meeting Adjourned at 9:53 p.m.

April Sousa, CMC, Board Secretary

McKinleyville Community Services District
DRAFT Treasurer's Report
August 2020

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Page 3	Consolidated Balance Sheet by Fund
Page 4	Activity Summary by Fund with Selected Graphic Comparisons
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Page 12	Summary of Long-Term Debt Report
Page 13	Cash Disbursement Report

Ratios

as of August 31, 2020

- Utility Accounts Receivable Turnover Days	12
- YTD Breakeven Revenue, Water Fund:	\$ 390,868
- YTD Actual Water Sales:	\$ 748,173
- Days of Cash on Hand-Operations Checking/MM	165

**McKinleyville Community Services District
Investments & Cash Flow Report
as of August 31, 2020**

Petty Cash & Change Funds 9,197.46

Cash

Operating & Money Market - Beginning Balance 3,602,665.26

Cash Receipts:

Utility Billings & Other Receipts	764,545.33	
Money Market Account Interest	111.87	
Transfers from County Funds #2560, #4240, CalTRUST, Meas. B	-	
Other Cash Receipts (Pmt of SRF Solar Proj Grant Receivable)	-	

Total Cash Receipts 764,657.20

Cash Disbursements:

Transfers to County Funds #2560, #4240, CalTRUST	-	
Payroll Related Expenditures	(238,975.10)	
Debt Service	(729,971.41)	
Capital & Other Expenditures (incl. Hiller Trailer purchase)	(578,505.79)	

Total Cash Disbursements (1,547,452.30)

Operating & Money Market - Ending Balance 2,819,870.16

Total Cash 2,829,067.62

Investments (Interest and Market Valuation will be re-calculated as part of the year-end close, if material)

LAIF - Beginning Balance 138,138.96

Interest Income	-	
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LAIF - Ending Balance 138,138.96

Humboldt Co. #2560 - Beginning Balance 1,067,255.53

Property Taxes and Assessments	-	
Transfer to/from Operating Cash	-	
Interest Income (net of adjustments)	1,414.11	

Humboldt Co. #2560 - Ending Balance 1,068,669.64

Humboldt Co. #4240 - Beginning Balance 3,319,714.63

Transfer to/from Operating Cash	-	
Transfer to/from Biosolids Reserve	-	
Interest Income	2,135.40	

Humboldt Co. #4240 - Ending Balance 3,321,850.03

Humboldt Co. #9390 - Beginning Balance 663,032.08

Reserves Recovery Deposits/Other Bal Withdrawals	-	
Interest Income	-	

Humboldt Co. #9390 - Ending Balance 663,032.08

USDA Bond Reserve Fund - Beginning Balance 178,209.84

Bond Reserve Payment/Transfer to Service Fund	(8,568.55)	
Debt Service Payment, Principal/Interest (Net)	(62,514.79)	
Interest Adjustment	0.81	

USDA Bond Reserve Fund - Ending Balance 107,127.31

CalTRUST - Beginning Balance 10,604,346.16

Net Transfer to/from Designated Reserves: PERS/OPEB	-	
Net Transfer to/from Capacity Fees/Catastrophe/Other Reserves	-	
Net: Interest Income/Unrealized Gain/Loss	10,363.32	

CalTRUST - Ending Balance 10,614,709.48

Total Investments 15,919,544.98

Total Cash & Investments - Current Month 18,748,612.60

Total Cash & Investments - Prior Month 19,588,567.40

Net Change to Cash & Investments This Month (839,954.80)

Cash & Investment Summary

Cash & Cash Equivalents	18,026,566.18
Davis-Grunsky Loan Reserve	614,919.11
USDA Bond Reserve	107,127.31

Total Cash & Investments 18,748,612.60

McKinleyville Community Services District
Consolidated Balance Sheet by Fund
as of August 31, 2020

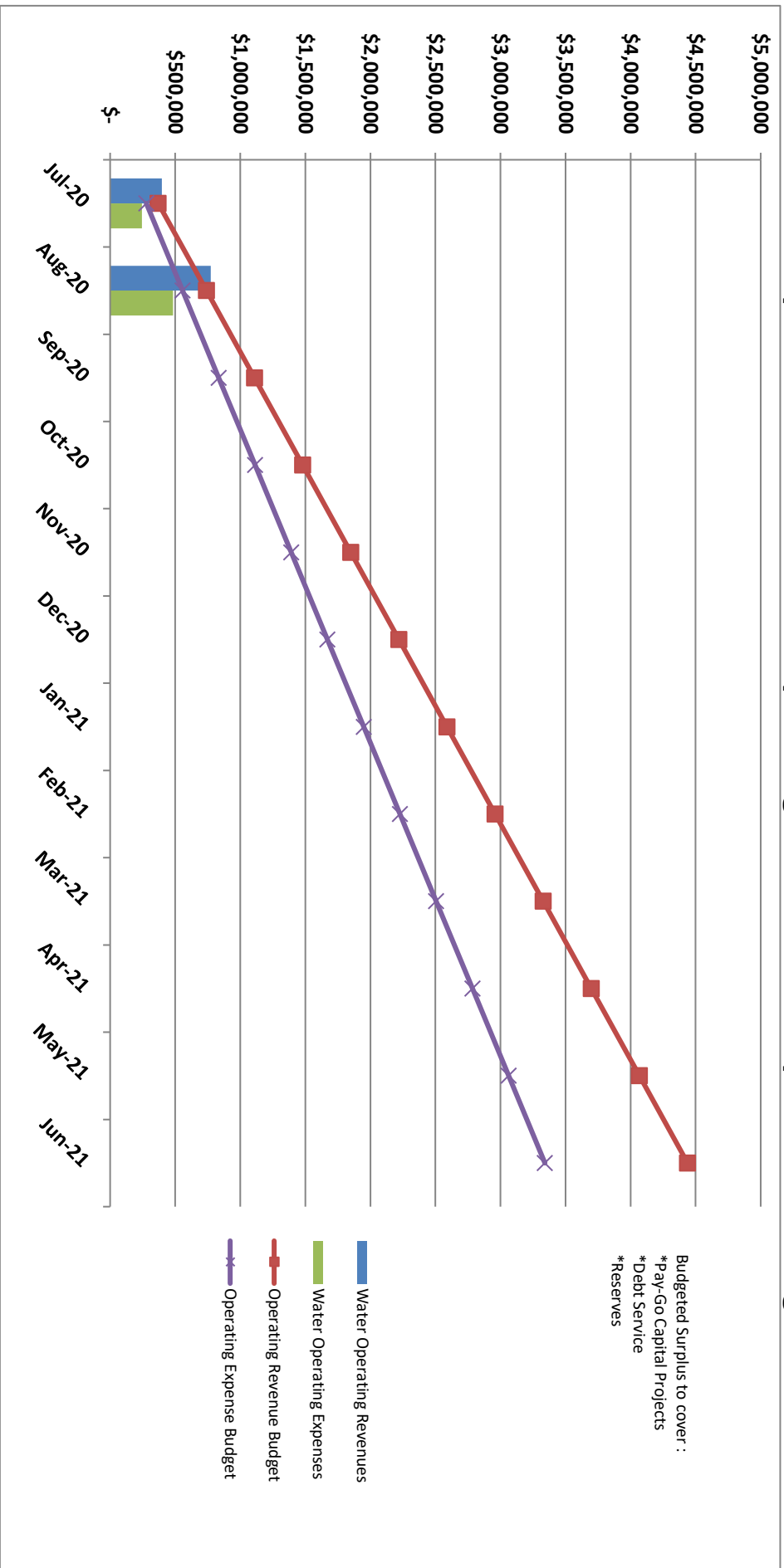
	Governmental Funds				Proprietary Funds				Total (Memorandum Only)
	Parks & General	Measure B	Streetslights	Water	Wastewater				
ASSETS									
Current Assets									
Unrestricted cash & cash equivalents	\$ 1,054,508.06	\$ (512,708.54)	\$ 39,612.35	\$ 7,077,108.92	\$ 10,514,789.96	\$ 18,173,310.75			
Accounts receivable	8,862.24	-	3,608.14	355,626.23	458,400.85	826,497.46			
Prepaid expenses & other current assets	48,737.45	979.78	4,339.04	125,075.27	76,484.44	255,615.98			
Total Current Assets	1,112,107.75	(511,728.76)	47,559.53	7,557,810.42	11,049,675.25	19,255,424.19			
Noncurrent Assets									
Restricted cash & cash equivalents	179,443.49	-	-	614,919.11	107,127.31	901,489.91			
Other noncurrent assets	-	-	-	142,990.32	160,322.48	303,312.80			
Capital assets (net)	-	-	-	8,353,525.86	28,230,307.86	36,583,833.72			
Total Noncurrent Assets	179,443.49	-	-	9,111,435.29	28,497,757.65	37,788,636.43			
TOTAL ASSETS	\$ 1,291,551.24	\$ (511,728.76)	\$ 47,559.53	\$ 16,669,245.71	\$ 39,547,432.90	\$ 57,044,060.62			
LIABILITIES & FUND BALANCE/NET ASSETS									
Current Liabilities									
Accounts payable & other current liabilities	\$ 77,056.58	\$ -	\$ 654.17	\$ 265,631.29	\$ 85,426.05	\$ 428,768.09			
Accrued payroll & related liabilities	91,194.48	-	-	38,020.52	36,416.97	165,631.97			
Total Current Liabilities	168,251.06	-	654.17	303,651.81	121,843.02	594,400.06			
Noncurrent Liabilities									
Long-term debt	-	-	-	2,241,404.40	16,058,435.82	18,299,840.22			
Other noncurrent liabilities	-	-	-	3,433,208.77	3,503,962.77	6,937,171.54			
Total Noncurrent Liabilities	-	-	-	5,674,613.17	19,562,398.59	25,237,011.76			
TOTAL LIABILITIES	168,251.06	-	654.17	5,978,264.98	19,684,241.61	25,831,411.82			
Fund Balance/Net Assets									
Fund Balance	(2,349,400.99)	(511,728.76)	46,905.36	-	-	(2,814,224.39)			
Net assets	3,472,701.17	-	-	4,578,859.27	7,691,319.25	15,742,879.69			
Investment in capital assets, net of related debt	-	-	-	6,112,121.46	12,171,872.04	18,283,993.50			
Total Fund Balance/Net Assets	1,123,300.18	(511,728.76)	46,905.36	10,690,980.73	19,863,191.29	31,212,648.80			
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,291,551.24	\$ (511,728.76)	\$ 47,559.53	\$ 16,669,245.71	\$ 39,547,432.90	\$ 57,044,060.62			
Difference in ReClass from Cap Assets to Net Assets:									
Investment in General Capital Assets	\$ 3,158,541.23								
General Long-term Liabilities									
PG&E Streetlights Loan	-								
Meas. B Loan: Teen/Community Center	1,010,944.00								
OP&EB Liability	2,780,563.56	OP&EB Liability		2,831,350.93	2,843,203.52	8,455,118.01			
CALPERS Pension Liability/Deferred Inflows-Outflows	593,397.33	CALPERS Pension Liability		521,240.01	580,283.81	1,694,921.15			
Accrued Compensated Absences	61,436.81								
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 4,446,341.70								
				Non-debt Long-term Liabilities (included in Other Non-current Liabilities above)					

**McKinleyville Community Services District
Activity Summary by Fund, Approved Budget
August 2020**

Department Summaries	August	% of Year 16.67% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
Water						
Water Sales	360,833	748,173	652,957	95,216	14.58%	Budget is spread evenly across 12 months, but actuals vary by with seasonal usage
Other Revenues	13,370	24,197	86,717	(62,520)	-72.10%	Includes YTD Capacity Fees \$3713. Contrib.Construction \$0.
Total Operating Revenues	374,203	772,369	739,674	32,695	4.42%	
Salaries & Benefits	66,989	157,513	174,663	(17,150)	-9.82%	
Water Purchased	97,371	193,602	187,589	6,013	3.21%	
Other Expenses	44,452	71,711	134,160	(62,449)	-46.55%	Budget is spread evenly across 12 months, but actuals vary by purchasing sched.
Depreciation	30,250	60,500	60,500	-	0.00%	
Total Operating Expenses	239,062	483,327	556,912	(73,585)	-13.21%	
Net Operating Income	135,142	289,043	182,762	(40,890)		
Interest Income	4,657	9,486	8,333	1,153	13.83%	Interest rates higher than anticipated.
Interest Expense	(3,580)	(8,135)	(9,188)	(1,054)	-11.47%	Interest will be re-adjusted in Sept. 2020
Net Income (Loss)	136,218	290,394	181,907	108,487		
Wastewater						
Wastewater Service Charges	329,284	675,710	667,410	8,300	1.24%	
Other Revenues	21,283	44,651	360,218	(315,567)	-87.60%	Includes YTD Capacity Fees \$19,401. Contrib.Construction \$0.
Total Operating Revenues	350,567	720,361	1,027,628	(307,267)	-29.90%	
Salaries & Benefits	91,140	200,847	184,683	16,164	8.75%	Budget spread evenly across 12 months, but payroll actuals vary by job assignment
Other Expenses	73,553	99,416	170,154	(70,738)	-41.57%	Budget is spread evenly across 12 months, but actuals vary by purchasing sched.
Depreciation	96,667	192,500	193,333	(833)	-0.43%	
Total Operating Expenses	261,360	492,763	548,170	(55,407)	-10.11%	
Net Operating Income	89,207	227,599	479,458	(251,859)		
Interest Income	6,122	14,518	12,500	2,018	16.14%	Interest rates higher than anticipated.
Interest Expense	(26,312)	(53,212)	(41,194)	12,018	29.17%	Budget is spread evenly across 12 months, but actuals vary by loan pmt schedule
Net Income (Loss)	69,017	188,904	450,764	(261,860)		
Enterprise Funds Net Income (Loss)	205,235	479,298	632,671	(153,373)		

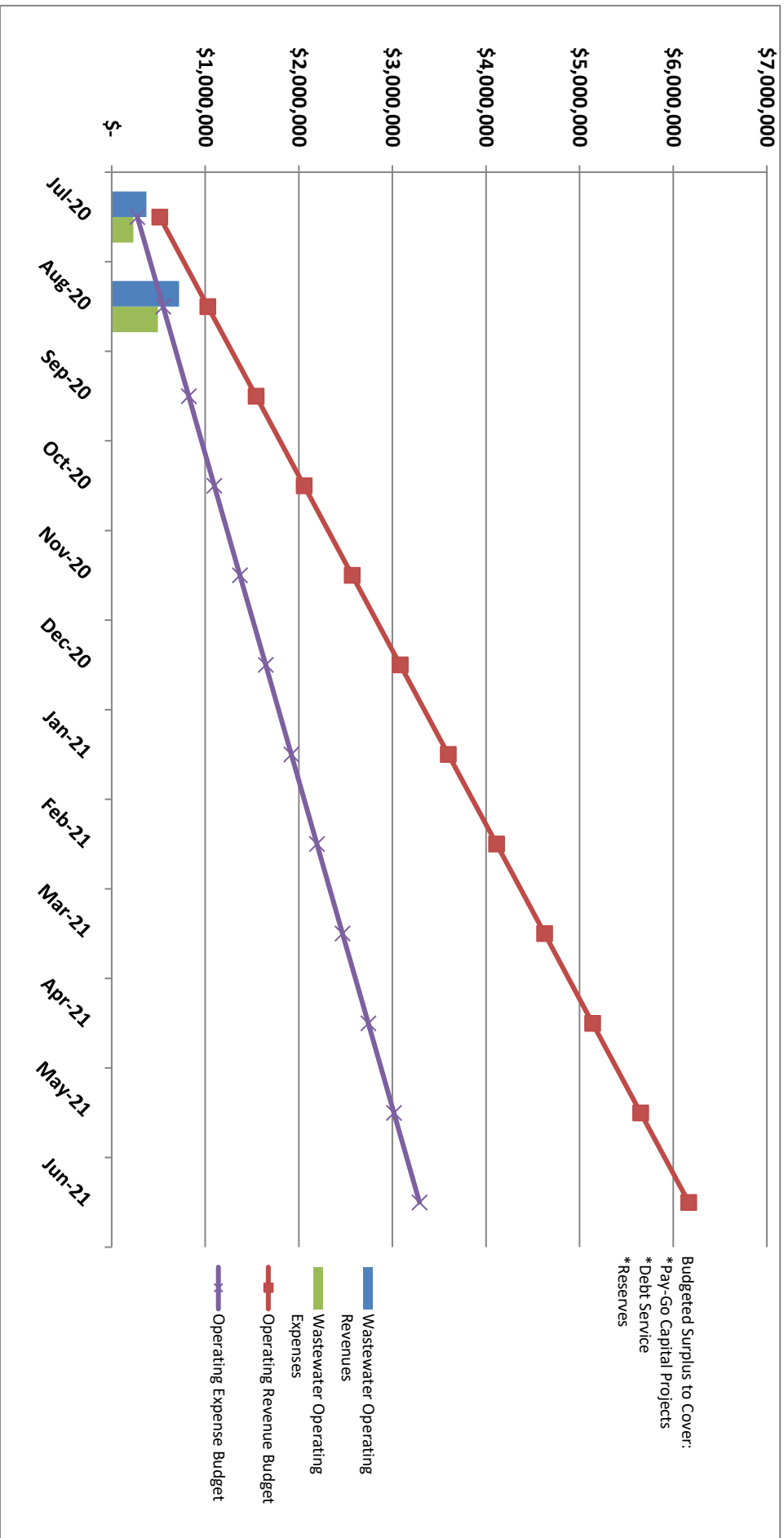
McKinleyville Community Services District August 2020

Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District August 2020

Comparison of Wastewater Fund Operating Revenues & Expenses to Budget

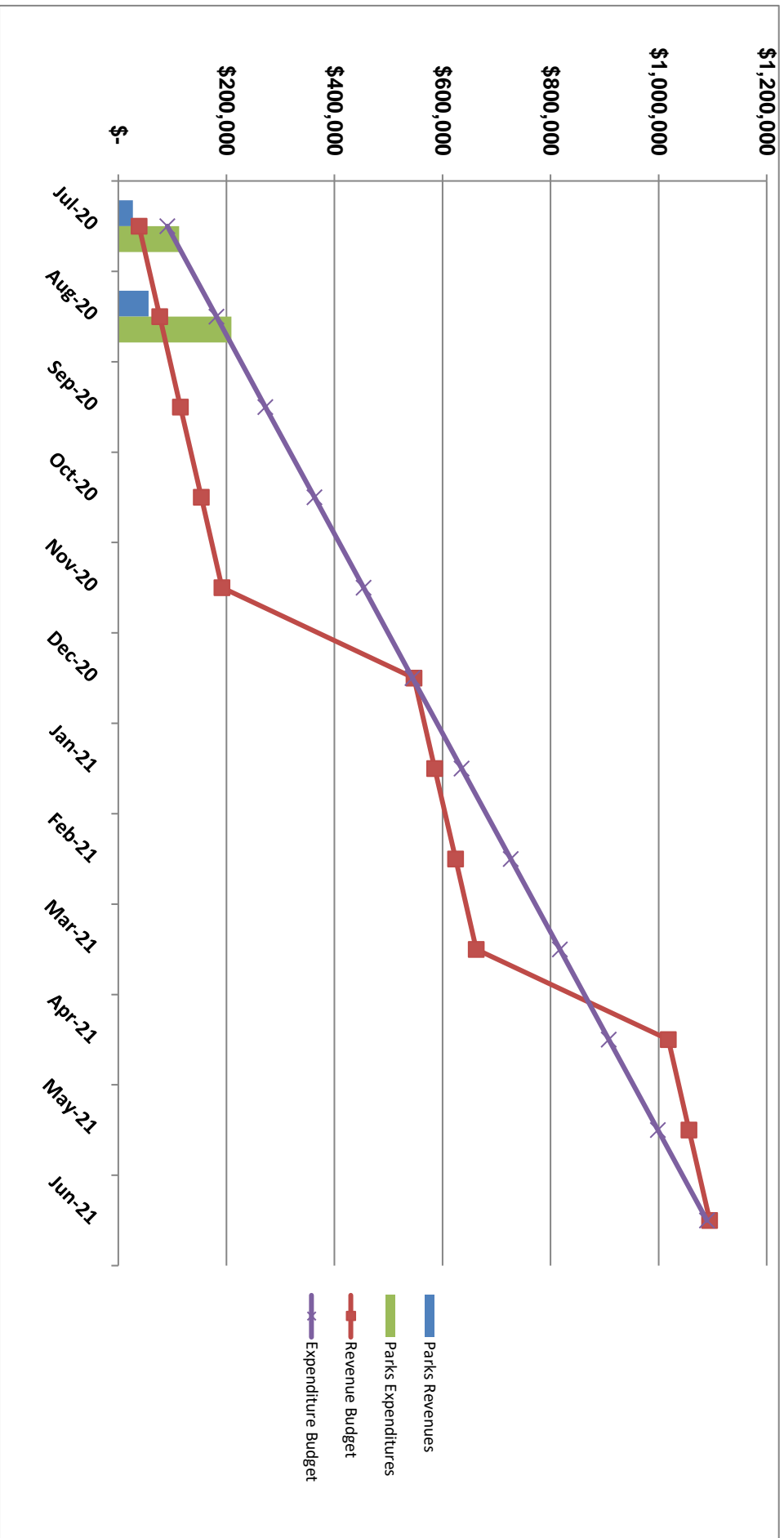


McKinleyville Community Services District
Activity Summary by Fund, Approved Budget
August 2020

Department Summaries	August	% of Year 16.67% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
*Parks & Recreation						
Program Fees	9,519	20,210	34,374	(14,164)	-41.21%	Budget is spread evenly across 12 months, but actuals vary by project schedule
Rents & Related Fees	1,140	1,575	6,481	(4,906)	-75.70%	Budget is spread evenly across 12 months, but actuals vary by project schedule
Property Taxes	-	-	105,640	(105,640)	-100.00%	County Tax remittance: December, April, and June; per Auditor-Controller's office.
Other Revenues	15,338	28,329	28,443	(114)	-0.40%	
Interest Income	2,964	6,061	7,500	(1,439)	-19.19%	Interest rates higher than anticipated.
Total Revenues	28,962	56,174	182,438	(126,264)	-69.21%	
Salaries & Benefits	62,846	159,830	134,742	25,088	18.62%	Budget is spread evenly across 12 months, but actuals vary by job assignment
Other Expenditures	22,540	38,147	40,341	(2,194)	-5.44%	
Capital Expenditures	11,184	11,184	6,500	4,684	72.06%	Budget is spread evenly across 12 months, but actuals vary by project schedule
Total Expenditures	96,570	209,162	181,583	27,579	15.19%	
Excess (Deficit)	(67,609)	(152,988)	855	(153,843)		
*Measure B Assessment						
Total Revenues	281	586	37,389	(36,803)	-98.43%	Interest & unrealized gains/losses; County Tax remittance December/April/June
Salaries & Benefits	6,746	16,047	11,735	4,312	36.74%	Budget spread evenly across 12 months, but actuals vary by job assignment
Other Expenditures	4,466	6,427	4,250	2,177	51.23%	
Capital Expenditures/Loan Repayment	-	-	21,242	(21,242)	-100.00%	Budget is spread evenly across 12 months, but actuals vary by project schedule
Total Expenditures	11,213	22,474	37,227	(14,753)	-39.63%	
Excess (Deficit)	(10,931)	(21,888)	162	(22,050)		
*Street Lights						
Total Revenues	9,835	19,726	19,470	256	1.31%	
Salaries & Benefits	3,559	14,703	7,992	6,711	83.97%	Overage related to lump sum final payroll, not spread evenly over 12 months
Other Expenditures	3,291	7,215	6,812	403	5.91%	
Capital Expenditures/Loan Repayment	-	-	333	(333)	-100.00%	Budget is spread evenly across 12 months, but actuals vary by project schedule
Total Expenditures	6,850	21,917	15,137	6,780	44.79%	
Excess (Deficit)	2,984	(2,192)	4,333	6,525		
Governmental Funds Excess (Deficit)	(75,556)	(177,067)	5,350	(182,417)		

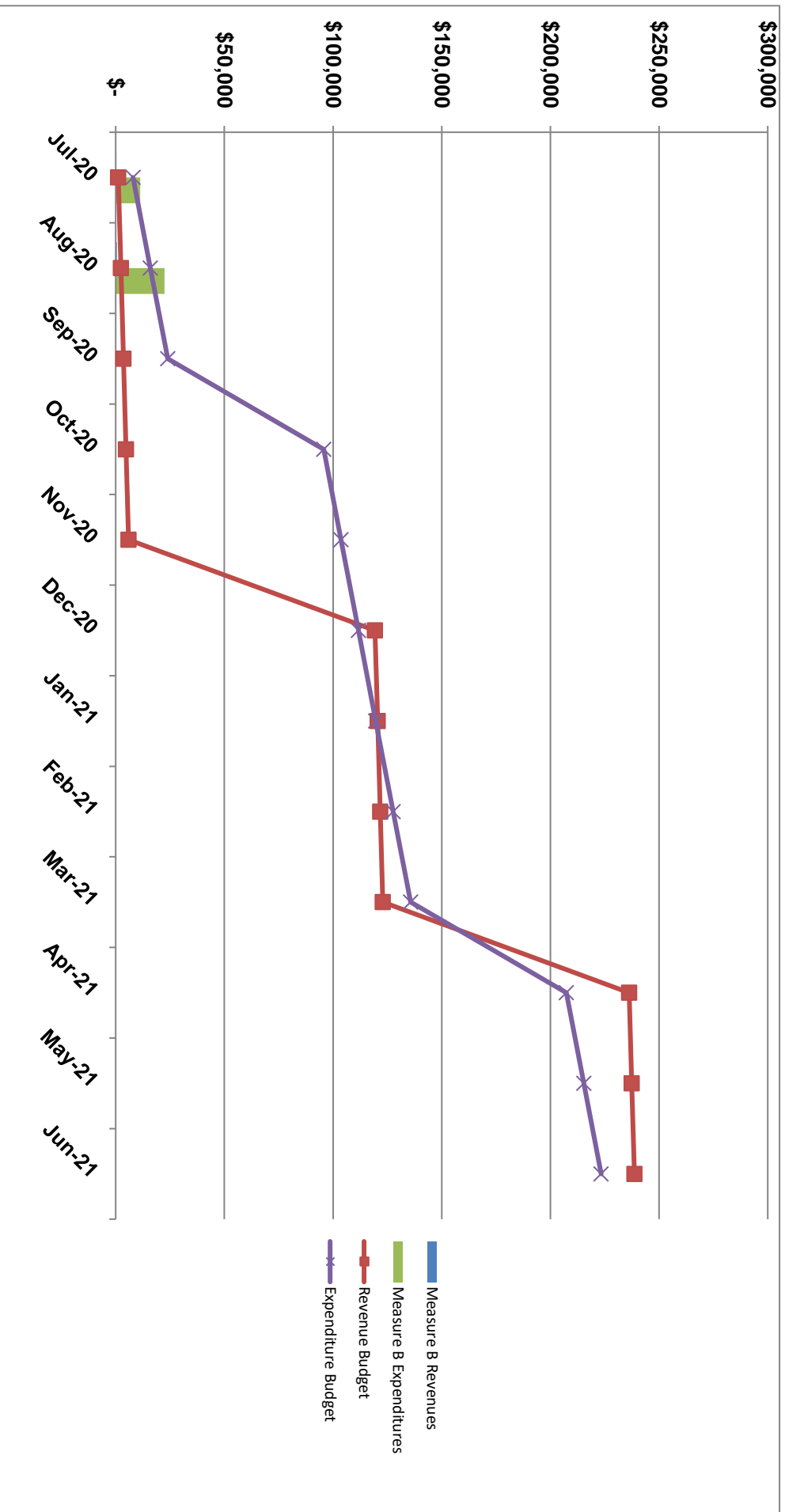
McKinleyville Community Services District August 2020

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



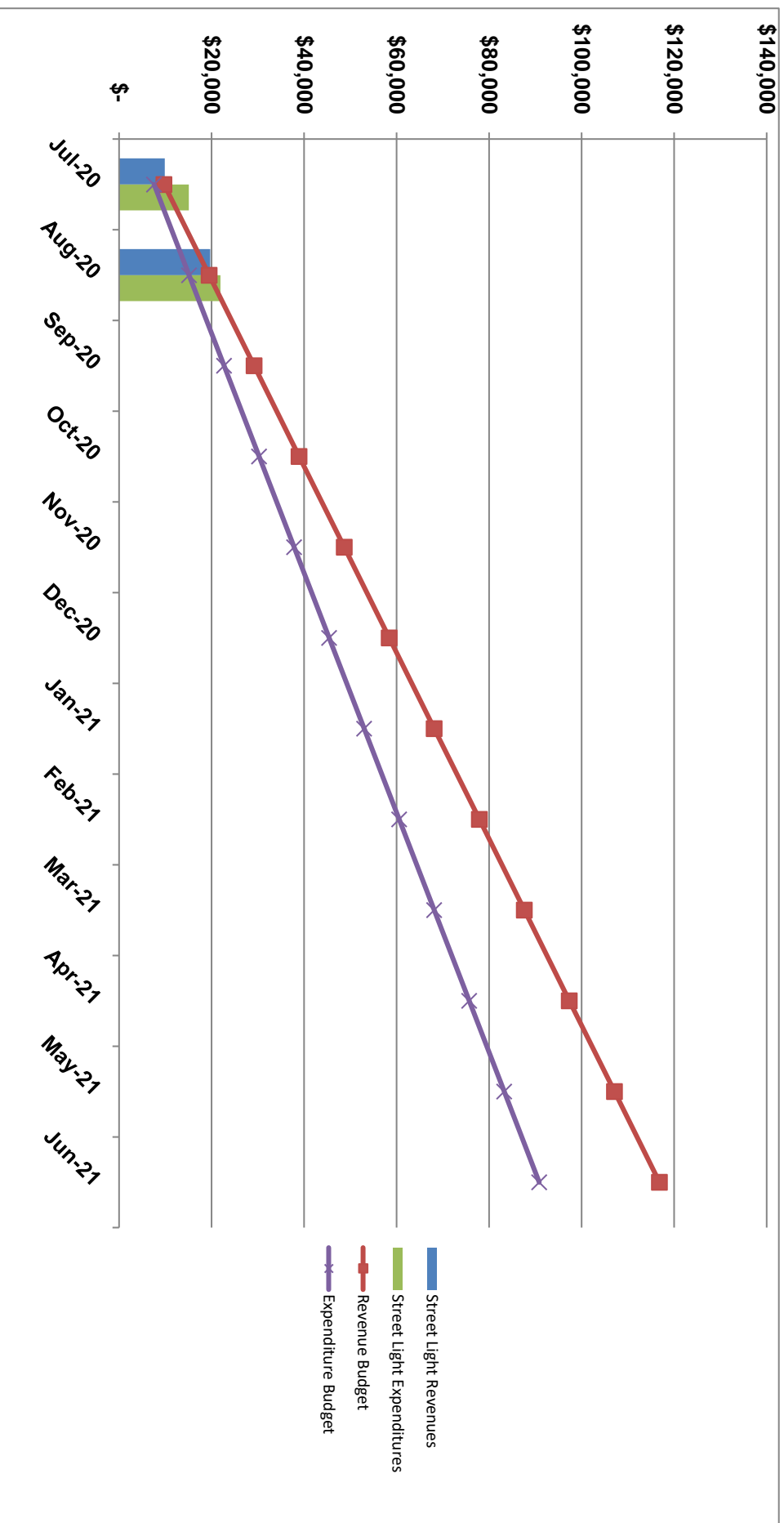
McKinleyville Community Services District August 2020

Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District August 2020

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



**McKinleyville Community Services District
Capital Expenditure Report
as of August 31, 2020**

	August	YTD Total	FY 20-21 Budget	Remaining		Notes
				Budget \$	Budget %	
Water Department						
Ramey Pump Upgrades	-	-	-	-	#DIV/0!	
Water Tank Painting	-	-	500,000	500,000	100%	Water Tank Painting & Cathodic
Alternative Energy Master Plan	-	-	50,000	50,000	100%	Alternative energy master plan
4.5m New Water Tank	26,537	26,537	178,000	151,463	85%	Drilling, LACO Assoc.
Production Meter Replacements	-	-	-	-	#DIV/0!	Production Meter Replacement
N.BankBoosterStation VFD#2 replacement	-	-	25,000	25,000	100%	Emergency Water Supply
Emergency Generator-Cochran	-	-	25,000	25,000	100%	CochranEmergency Generator
Fire Hydrant System Upgrade	-	-	7,000	7,000	100%	Fire Hydrant System Upgrade
Tank Seismic Actuators	-	-	20,000	20,000	100%	Tank Seismic Actuators
Customer Radio Meter Testing	-	-	10,000	10,000	100%	Customer Radio meter testing
Water Tank Upgrade-Norton#2 Tree Svc	-	-	7,000	7,000	100%	Water Tank Upgrade-Norton Tree
Water Main Rehab & Replacement	74	1,440	900,000	898,560	100%	Water Main Rehab
Property Purchase- Tank Site	-	-	-	-	#DIV/0!	Property Purch/Imprv.Tank Site
Subtotal	26,611	27,977	1,722,000	1,694,023	98%	
Wastewater Department						
Sewer Main Rehab & Replacement	72	1,395	900,000	898,605	100%	Sewer Main Rehab
WWMF Sludge Disposal - next	-	-	240,000	240,000	100%	Sludge handling/disposal
WWMF Recirculation Valve Replacement	-	-	12,000	12,000	100%	Recirculation Valve replacemnt
Alternative Energy Master Plan	-	-	50,000	50,000	100%	Alternative energy master plan
WWMF Chlorine Injector/Controllers	28,996	28,996	10,000	(18,996)	-190%	Chlorine Injector/Controllers
Collection Upgrades-UndercrossingsProj	27,542	33,271	1,335,000	1,301,729	98%	Collection System upgrades
Sewer Lift Stn Upgrade-Hiller	6,804	6,804	538,000	531,196	99%	Sewer lift stn Upgrade-Hiller
Solar Project - CWSRF Grant/Loan	2,290	5,389	1,250,000	1,244,612	100%	WWMF Solar Project
WWMF Alt. Disinfection/ Feasibility Study	-	-	70,000	70,000	100%	Alt. Disinfection Feasibility Study
WWMF - next NPDES Permit	14,218	24,796	50,000	25,204	50%	NPDES Permit Project
Customer Radio Meter Testing	500	-	10,000	10,000	100%	Radio meters testing
Underground pipe locator & camera	-	-	5,000	5,000	100%	Underground pipe locator & camei
Flow Totalizers	-	39,698	45,000	5,302	12%	Flow Totalizers
Sewer Lift Station Other Upgrades	-	181,321	-	(181,321)	#DIV/0!	SwrLiftStnUpgrade-Letz
Subtotal	80,423	321,669	4,515,000	4,193,331	93%	
Water & Wastewater Operations						
Heavy Equipment	-	-	150,000	150,000	100%	backhoe, emerg.generators, aircoi
Utility Vehicles	-	-	38,000	38,000	100%	CCTV truck, 3/4 or 1-ton Pickup
Office, Corporate Yard & Shops	55,777	55,777	25,000	(30,777)	-123%	Facilities upgrade/sealcoat
Computers & Software	-	-	18,000	18,000	100%	Server, PCs, GIS/SEMS/CADD
Fischer Ranch - Reclamation Site Upgrade (tr	1,565	4,595	200,000	195,405	98%	Match to 3rd party grant funding
Fischer Ranch - Barn & Fence upgrades, Und	148	148	55,000	54,852	100%	Underground valving/piping
Pialorsi Ranch Survey	-	3,009	30,000	26,991	90%	Pialorsi Ranch Survey
Small Equipment & Other	-	-	40,000	40,000	100%	Misc,response, & GPS surveying
Subtotal	55,777	63,529	556,000	492,471	89%	
Enterprise Funds Total	164,522	413,175	6,793,000	6,379,825	94%	
Parks & Recreation Department						
Hiller Park & Sports Complex	11,184	11,184	-	(11,184)	#DIV/0!	Hiller Sports Sealcoat-CountyGrant
Pierson Park Upgrades	-	-	-	-	#DIV/0!	
Washington Avenue Park Project	-	-	-	-	#DIV/0!	
Azalea Hall Projects	-	-	32,000	32,000	100%	Flooring, Pkg Lot resurface
McKinleyville Activity Center Upgrades	-	-	6,000	6,000	100%	Major Appliance replacement
Law Enforcement Facility Improvements	-	-	24,000	24,000	100%	LEF flooring/Library Carpet
Projects Funded by Quimby/Other Funds	-	-	-	-	#DIV/0!	Covered Picnic Area
Projects Funded by Measure B Renewal	-	-	-	-	#DIV/0!	Teen Center Constr&Loan svc
Other Parks Projects & Equipment	-	-	14,000	14,000	100%	Brush&LawnMowers/Trailer
Subtotal	11,184	11,184	76,000	64,816	85%	
Streetlights						
Pole Replacement	-	-	2,000	2,000	100%	Pole Replacement
Subtotal	-	-	2,000	2,000	100%	
Governmental Funds Total	11,184	11,184	78,000	66,816	86%	
All Funds Total	186,890	424,359	6,871,000	6,446,641	94%	

**McKinleyville Community Services District
Summary of Long-Term Debt Report
as of August 31, 2020**

**Principal Maturities and
Scheduled Interest**

	Maturity Date	%	Balance - July 31,		FY-21	Thereafter
			2020	31, 2020		
Water Fund:						
I-Bank	8/1/30					
Interest		3.37%	577,202.62	577,202.62	-	577,202.69
State of CA Energy Commission (ARRA)	12/22/26					
Interest		1.0%	78,165.68	78,165.68	11,698.27	66,467.20
State of CA (Davis Grunsky)	1/1/33					
State of CA (Davis Grunsky) Deferred Interest	1/1/33		1,364,584.89	1,364,584.89	90,128.48	1,274,456.41
Interest		2.5%	221,451.21	221,451.21	17,035.12	204,416.09
Total Water Fund-Principal			2,241,404.40	2,241,404.40	118,861.87	2,122,542.39
Total Water Fund-Interest					44,593.06	321,040.66
Total Water Fund			2,241,404.40	2,241,404.40	163,454.93	2,443,583.05
Wastewater Fund:						
WWWMF SRF Loan	7/31/47					
Interest		1.6%	14,869,555.02	14,444,435.82	-	14,905,430.41
Chase Bank (Pialorsi Property)	3/8/35					
Interest		2.9%	1,508,500.00	1,469,000.00	44,200.00	1,424,800.00
USDA (Sewer Bond)	8/1/22					
Interest		5.0%	225,000.00	145,000.00	-	145,000.00
Total Wastewater Fund-Principal			16,603,055.02	16,058,435.82	44,200.00	16,475,230.41
Total Wastewater Fund-Interest					17,580.51	3,668,900.19
Total Sewer Fund			16,603,055.02	16,058,435.82	61,780.51	20,144,130.60
Meas. B Fund: Teen/Comm Center Loan						
Total Principal	11/1/29					
Total Interest		3.55%	1,010,944.00	1,010,944.00	92,054.00	927,670.00
Total			19,855,403.42	19,310,784.22	352,687.04	23,670,514.94

Non-debt Long Term Liabilities, District-wide

OPeB Liability	8,455,118.01
CalPERS Pension Liability	1,694,921.15

8,455,118.01
1,694,921.15

**McKinleyville Community Services District
Cash Disbursement Report
For the Period August 1 through August 31, 2020**

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
37344	8/3/2020	ACC04	ACCURATE DRUG TESTING SERVICE	90.00	522	DOT PHYSICAL EXAM
37345	8/3/2020	BUR01	MARY C. BURKE	125.00	C00731	BOARD MTG 7/1/2020
37346	8/3/2020	GHD01	GHD	100.00	145474	GRANT FUNDING ASSISTANCE
37347	8/3/2020	MAY02	DENNIS MAYO	125.00	C00731	BOARD MTG 7/1/2020
37348	8/3/2020	MUN02	MUNICIPAL MAINTENANCE	569.51	8015422	REPAIRS/ SUPPLIES
37349	8/3/2020	PGE11	P&GE STREETLIGHTS	24.18	C00731	GAS & ELECTRIC SEWER PUMP
37350	8/3/2020	PGE12	P&GE	57.69	C00731	GAS & ELECTRIC HILLER SPORTS SITE
37351	8/3/2020	PRO01	PROFESSIONAL CREDIT SERVICE	30.56	C00731	RECOVERY OF BAD DEBT
37352	8/3/2020	SHN01	SHN ENGINEERING	2,716.25	106018	MAD RIVER PUBLIC ACCESS PROJ
37353	8/3/2020	SOU03	FSA REIMBURSEMENT AS	257.80	C00731	FSA REIMBURSEMENT AS
37354	8/3/2020	TWO01	TWO BROTHERS CATHODIC SERVICE	1,600.00	751	PROFESSIONAL SERVICES
37355	8/3/2020	UND01	UNDERGROUND SERVICE ALERT	863.17	202015243	ANNUAL SUBSCRIPTION
37356	8/3/2020	VER01	VERIZON WIRELESS	75.74	C00731	CELL PHONES/ TABLET
37357	8/7/2020	MAL02	M. AND C. MALIN	1,000.00	C00807P	HILLER TRAILER PURCHASE DEPOSIT
37358	8/10/2020	10102	101 NETLINK	960.00	C00810	BACKUP INTERNET SERVICES
37359	8/10/2020	ACW01	CB&T/ACWA-JPIA	10,548.40	C00810	GRP. HEALTH INS

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
37360	8/10/2020	ADV01	ADVANCED SECURITY SYSTEM	966.00	523487	SECURITY SYSTEMS
37361	8/10/2020	BAD01	BADGER METER, Inc.	354.18	80057566	BEACON MOBILE HOSTING
37362	8/10/2020	COA01	COASTAL BUSINESS SYSTEMS	1,110.83	C00731	COPIER MONTHLY PMT
37363	8/10/2020	COR01	CORBIN WILLITS SYSTEMS, INC	924.31	C00810	MOMS MONTHLY MAINTENANCE
37364	8/10/2020	FED02	FEDAK & BROWN LLP	791.00	C00810	ACCT. / AUDIT
37365	8/10/2020	G3E01	G3 ENGINEERING INC.	39,698.00	2020-6731	SMARTCOVER SYSTEMS
37366	8/10/2020	GAN01	GAN CONFERENCING	15.38	45301	PROFESSIONAL SERVICES
37367	8/10/2020	GHD01	GHD	15,018.75	146347	HILLER LIFT STATION UPGRADE
				5,728.39	146841	SEWER CROSSING PROJECT
				3,098.25	146938	WASTEWATER MICROGRID PROJ
				2,688.50	146940	WATER/SEWER MASTER PLAN
			Check Total:	26,533.89		
37368	8/10/2020	HAR13	The Hartford - Priority A	447.13	C00810	GROUP LIFE INSURANCE
37369	8/10/2020	HUM01	HUMBOLDT BAY MUNICIPAL WATER DISTRICT	96,231.46	C00810	WTR PURCHASED
37370	8/10/2020	HUM08	HUMBOLDT SANITATION	2,774.90	C00810	TRASH SERVICE
37371	8/10/2020	IND02	INDUSTRIAL ELECTRIC SERVICE	80.83	36414	REPAIRS/SUPPLY
37372	8/10/2020	INF02	INFOSEND	2,857.60	175838	PRINTING/MAILING OF UTILITY BILLS
37373	8/10/2020	MCK04	MCK ACE HARDWARE	506.54	C00810	REPAIRS/SUPPLY
37374	8/10/2020	MER03	MERCER, FRASER COMPANY	166,302.25	1	HILLER LIFT STATION UPGRADE
37375	8/10/2020	MIT01	MITCHELL LAW FIRM	2,020.00	46093	LEGAL SERVICES
				914.50	46094	LEGAL SERVICES
				545.00	46095	LEGAL SERVICES
				92.50	46096	LEGAL SERVICES
			Check Total:	3,572.00		

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
37376	8/10/2020	MUDD01	MUDDY WATERS COFFEE CO.,INC	160.00	C00810	OFFICE SUPPLIES
37377	8/10/2020	ORE01	O'REILLY AUTOMOTIVE, INC.	21.54	C00707	REPAIRS/SUPPLY
			Check Total:	29.06	C00810	REPAIRS/SUPPLY
				50.60		
37378	8/10/2020	SEQ01	Sequoia Gas Co.	196.30	C00810	FUEL/HILLER SPORTS SITE
37379	8/10/2020	SUD01	SUDDENLINK	194.23	C00731	TEEN CENTER INTERNET
37380	8/10/2020	UMP01	UMPOUA BANK	88.47	0720CT	OFFICE SUPPLIES
				8.66	0720DS	OFFICE SUPPLIES
				395.00	0720IH	CWEA RENEWAL
				54.85	0720LF	TRAINING/ REC OFFICE SUPP
				99.00	0720 PK	SOALR PANEL SYSTEM
				460.00	0720BOARD	TRAINING/ OFFICE SUPPLIES
				676.28	0720PARKS	REC SUPPLIES/ REPAIRS & S
				0.74	0720ROUND	ROUND UP TO NEXT DOLLAR
			Check Total:	1,783.00		
37381	8/10/2020	USB01	U.S. BANK TRUST N.A.	7,270.83	C00810	SEWER BOND PAYMENT
37382	8/10/2020	VAL01	VALLEY PACIFIC PETROLEUM	540.66	C00810	GAS/OIL/LUBE
37383	8/10/2020	VAL02	VALLEY PACIFIC PETROLEUM	2,595.90	C00810	GAS/OIL/LUBE
37384	8/10/2020	\B019	MQ CUSTOMER REFUND FOR BL	80.37	000C00801	MQ CUSTOMER REFUND FOR BL
37385	8/10/2020	\D011	MQ CUSTOMER REFUND FOR DE	103.54	000C00801	MQ CUSTOMER REFUND FOR DE
37386	8/10/2020	\D012	MQ CUSTOMER REFUND FOR DE	62.15	000C00801	MQ CUSTOMER REFUND FOR DE
37387	8/10/2020	\K011	MQ CUSTOMER REFUND FOR KI	70.21	000C00801	MQ CUSTOMER REFUND FOR KI
37388	8/10/2020	\K012	MQ CUSTOMER REFUND FOR KU	89.87	000C00801	MQ CUSTOMER REFUND FOR KU
37389	8/10/2020	\M001	MQ CUSTOMER REFUND FOR MC	50.49	000C00801	MQ CUSTOMER REFUND FOR MC
37390	8/10/2020	\P005	MQ CUSTOMER REFUND FOR PO	53.84	000C00801	MQ CUSTOMER REFUND FOR PO

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
37391	8/10/2020	\Y006	MQ CUSTOMER REFUND FOR YU	38.80	000C00801	MQ CUSTOMER REFUND FOR YU
37392	8/11/2020	HUM05	HUMBOLDT COUNTY	26.50	C00811P	MOBILEHOME TAX CLEARANCE
37393	8/14/2020	ACC04	ACCURATE DRUG TESTING SERVICES	120.00	503	PROFESSIONAL SERVICES
37394	8/14/2020	BAS01	BASIC LABORATORY INC.	197.50	2007331	LAB TESTING
37395	8/14/2020	CHA07	CHASE BANK	52,397.67	38531	PIALORSI LOAN PAYMENT
37396	8/14/2020	DRU01	DRUGFREE USA	214.00	6887	DRUG TESTING
37397	8/14/2020	HAR03	HARPER MOTORS CO.	143.73	C00810	VEHICLE REPAIRS
37398	8/14/2020	INF03	INFINITE CONSULTING SERVICE	373.78	8574	SUBSCRIPTIONS
			Check Total:	2,250.00	8583	PROFESSIONAL SERVICES
				<u>2,623.78</u>		
37399	8/14/2020	ISE01	I-SECURE INC.	393.00	91120	OFFICE SUPPLIES/ SHRED SERVICE
37400	8/14/2020	KER01	KERNEN CONSTRUCTION	490.52	13770	REPAIRS/ SUPPLIES
37401	8/14/2020	LAI01	LANCE LAIR	135.61	C00813	SAFETY ALLOTMENT REIMB LL
37402	8/14/2020	MAD03	MAD RIVER COMMUNITY HOSPITAL	145.00	180538	PROFESSIONAL SERVICES
37403	8/14/2020	MER03	MERCER, FRASER COMPANY	309.23	101339	REPAIRS/ SUPPLIES
37404	8/14/2020	MIL01	Miller Farms Nursery	138.37	C00810	REPAIRS/SUPPLY
37405	8/14/2020	NOR01	NORTH COAST LABORATORIES	14,140.00	C00813	LAB TESTING
37406	8/14/2020	NOR13	NORTHERN CALIFORNIA SAFET	120.00	26666	SAFETY TRAINING
37407	8/14/2020	PGE01	PG & E (Office & Field)	28,608.01	C00814	GAS & ELECTRIC
37408	8/14/2020	POI01	POINTS WEST SURVEYING CO.	2,953.75	11904	PIALORSI RANCH SURVEY
37409	8/14/2020	S&S02	S & S WORLDWIDE, INC.	21.96	100562738	REC PROGRAM SUPPLIES

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
37410	8/14/2020	STA11	STAPLES CREDIT PLAN	564.97	C00813	OFFICE SUPPLIES
37411	8/14/2020	THA01	THATCHER COMPANY, INC.	1,383.78	C00810	REPAIRS/SUPPLY TREATMENT
37412	8/14/2020	THO02	Thomas Home Center	1,112.15	C00813	REPAIRS/SUPPLY
37413	8/14/2020	THR01	THRIFTY SUPPLY COMPANY	2,534.89	C00810	REPAIRS/ SUPPLIES
37414	8/14/2020	WIL09	WILLDAN FINANCIAL SERVICE	466.46	010-45335	MEASURE B
37415	8/14/2020	ZEP01	ZEP MANUFACTURING CO.	148.68	C00810	REPAIRS/ SUPPLIES
37416	8/19/2020	COU01	COUNTY OF HUMBOLDT	677.00	C00819P	TAX DEPOSIT FY 20-21
37417	8/24/2020	*0005	JOB AT5 DEPOSIT REFUND CP	374.63	C00820	JOB AT5 DEPOSIT REFUND CP
37418	8/24/2020	*0006	JOB ARO DEPOSIT REFUND MF	128.87	C00820	JOB ARO DEPOSIT REFUND MF
37419	8/24/2020	*0009	JOB AT1 DEPOSIT REFUND HG	33.64	C00820	JOB AT1 DEPOSIT REFUND HG
37420	8/24/2020	ATT01	AT&T	3,039.16	C00820	PHONE/INTERNET SERVICES
37421	8/24/2020	ATT02	AT&T	1,110.47	C00820	TELEPHONE ADMIN/GENERAL
37422	8/24/2020	ATT04	AT&T	912.54	C00820	SWITCHED ETHERNET SERVICE
37423	8/24/2020	ATT05	AT&T	191.10	C00820	TELEPHONE TEEN/FAM CTR
37424	8/24/2020	ATT06	AT&T	245.12	C00820	TELEPHONE AZALEA HALL
37425	8/24/2020	CWE01	CWEA	91.00	C00820	CERT RENEWAL-D. SMALL
37426	8/24/2020	DEL02	DELFINO, MADDEN, O'MALLEY	913.00	142590	LEGAL SERVICES
37427	8/24/2020	GRA02	GRAINGER	300.43	961935076	REPAIRS/ SUPPLIES
37428	8/24/2020	HIG02	HIGH ROCK CONSERVATION CAMP	200.00	C00820	PROFESSIONAL SERVICES
37429	8/24/2020	HOO01	HOOVEN & CO., INC.	11,184.00	16984	SEAL COAT PROJ.HILLER SPORTS SITE

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
37430	8/24/2020	HUM14	HUMBOLDT HUMAN RESOURCES	177.91	76282	PROFESSIONAL SERVICES
37431	8/24/2020	JAC04	JACKSON & EKLUND, INC.	540.00	431564	ACCT. / AUDIT
37432	8/24/2020	KER01	KERNEN CONSTRUCTION	488.88	14080	REPAIRS/ SUPPLIES
37433	8/24/2020	MCK11	MCKINLEYVILLE SENIOR CENTER	21.40	C00820	PARKS SHARE OF INTERNET
37434	8/24/2020	PGF10	PG&E STRETLIGHTS	3.53	C00820	GAS & ELECTRIC S.L. - ZONE
37435	8/24/2020	STA08	SWRCB ACCOUNTING OFFICE	663,032.08	C00813	SRF LOAN PAYMENT
37436	8/24/2020	WIL09	WILLDAN FINANCIAL SERVICE	4,466.46	45335	MEASURE B
37437	8/31/2020	BAD01	BADGER METER, Inc.	7,399.47	C00827	REPAIRS/ SUPPLIES
37438	8/31/2020	BOR01	BORGES & MAHONEY CO.	27,574.90	C00827	WWMF SEWER SYSTEM
37439	8/31/2020	BTM01	BT METAL SALES & FABRICAT	55.31	36914	REPAIRS/SUPPLY
37440	8/31/2020	BUR01	MARY C. BURKE	125.00	C00827	BOARD MTG 8/5/2020
37441	8/31/2020	COA01	COASTAL BUSINESS SYSTEMS	1,230.52	C00827	COPIER MONTHLY PAYMENT
37442	8/31/2020	COR01	CORBIN WILLITS SYSTEMS, INC	924.31	C00827	MOMS MONTHLY MAINTENANCE
37443	8/31/2020	DEP05	DEPARTMENT OF JUSTICE	64.00	461536	FINGERPRINTING
37444	8/31/2020	GHD01	GHD	146.00	147251	WATER/SEWER MASTER PLAN
				350.00	147462	GRANT FUNDING ASSISTANCE
				27,542.21	147740	HIGHWAY 101 SEWER CROSSING
			Check Total:	28,038.21		
37445	8/31/2020	GRA02	GRAINGER	23.28	962668185	REPAIRS/ SUPPLIES
				45.77	962820154	REPAIRS/ SUPPLIES
			Check Total:	69.05		
37446	8/31/2020	HCD01	HCD	73.00	C00827	MOBILE HOME PURCHASE-DECA

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
37447	8/31/2020	IND02	INDUSTRIAL ELECTRIC SERVICE	204.04	C00827	REPAIRS/SUPPLY
37448	8/31/2020	MAY02	DENNIS MAYO	125.00	C00827	BOARD MTG 8/5/2020
37449	8/31/2020	MCK03	MCKINLEYVILLE OFFICE SUPP	11.75	52188	SOLAR PROJECT
37450	8/31/2020	MCM01	McMaster-Carr Supply Co.	168.23	43428700	REPAIRS/ SUPPLIES
37451	8/31/2020	MUD01	MUDDY WATERS COFFEE CO.,INC	80.00	57670190	OFFICE SUPPLIES
37452	8/31/2020	PGE05	PG&E STREETLIGHTS	371.73	C00827	GAS & ELECTRIC S.L.- ZONE
37453	8/31/2020	PGE06	PG&E-STREETLIGHTS	17.04	C00827	GAS & ELECTRIC S.L.- ZONE
37454	8/31/2020	PGE07	PG&E STREETLIGHTS	1,055.99	C00831	GAS & ELECTRIC
37455	8/31/2020	PGE08	PG&E STREETLIGHTS	16.34	C00831	GAS & ELECTRIC S.L.- ZONE
37456	8/31/2020	PGE09	PG&E STREETLIGHTS	82.69	C00827	GAS & ELECTRIC S.L.- ZONE
37457	8/31/2020	PGE14	PACIFIC GAS & ELECTRIC CO	14.72	C00831	GAS/ELECTRIC ANDERSON AVE
37458	8/31/2020	SLO01	FSA REIMBURSEMENT DS	152.86	C00831	FSA REIMBURSEMENT DS
37459	8/31/2020	SOU03	FSA REIMBURSEMENT AS	167.80	C00827	FSA REIMBURSEMENT AS
37460	8/31/2020	SUD01	SUDDENLINK	194.23	C00827	TEEN CENTER INTERNET
37461	8/31/2020	THA01	HATCHER COMPANY, INC.	1,383.78	C00827	REPAIRS/SUPPLY TREATMENT
37462	8/31/2020	THR01	THRIFTY SUPPLY COMPANY	213.27	C00827	REPAIRS/ SUPPLIES
			Check Total:	1,147.15	C00828	WW/MF UPGRADE
				<u>1,360.42</u>		
37463	8/31/2020	USA01	USA BLUEBOOK	991.68	C00827	LAB TESTING SUPPLIES
37464	8/31/2020	USB01	U.S. BANK TRUST N.A.	7,270.83	C00827	SEWER BOND PAYMENT
D00050	8/5/2020	BAR02	SHEL BARSANTI	125.00	C00731	BOARD MTG 7/1/2020

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
D00050	8/5/2020	COR07	JOHN W. CORBETT	125.00	C00731	BOARD MTG 7/1/2020
D00050	8/5/2020	COU09	DAVID COUCH	125.00	C00731	BOARD MTG 7/1/2020
D00051	8/31/2020	BAR02	SHEL BARSANTI	125.00	C00827	BOARD MTG 8/5/2020
D00051	8/31/2020	COR07	JOHN W. CORBETT	125.00	C00827	BOARD MTG 8/5/2020
D00051	8/31/2020	COU09	DAVID COUCH	125.00	C00827	BOARD MTG 8/5/2020
D00051	8/31/2020	MAL02	M & C MALIN	54,000.00	C00831	PURCHASE OF HILLER PARK TRAILER
				<u>1,307,144.07</u>		
Total Disbursements, Accounts Payable:				<u>1,307,144.07</u>		

Payroll Related Disbursements

16995-17002	8/6/2020		Various Employees	10,528.04		Payroll Checks
17003	8/6/2020	CALL12	CalPERS 457 Plan	4,000.00	C00731	RETIREMENT
				7,046.24	C00806	RETIREMENT
				719.04	1C00806	PERS 457 LOAN PMT
Check Total:				<u>11,765.28</u>		

17004	8/6/2020	DIR01	DIRECT DEPOSIT VENDOR- US	41,392.56	C00806	Direct Deposit
17005	8/6/2020	EMP01	Employment Development	-	C00723A	STATE INCOME TAX
17005	8/6/2020	EMP01	Employment Development	46.94	C00731	STATE INCOME TAX
				2,031.49	C00806	STATE INCOME TAX
				28.73	1C00723A	SDI
				47.11	1C00731	SDI
				737.00	1C00806	SDI
Check Total:				<u>2,891.27</u>		

17006	8/6/2020	HEA01	HEALTHEQUITY, ATTN: CLINT	175.00	C00806	HSA
17007	8/6/2020	HUM29	UMPQUA BANK--PAYROLL DEP.	-	C00723A	FEDERAL INCOME TAX
				156.46	C00731	FEDERAL INCOME TAX

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Invoice #	Description
17008	8/6/2020	ACW01	CB&T/ACWA-JPIA	61,297.33	C00731	MED-DENTAL-EAP INSUR
17009	8/6/2020	PUB01	Public Employees PERS	22,175.07	C00731	PERS PAYROLL REMITTANCE
17010-17017	8/24/2020		Various Employees	9,252.50		Payroll Checks
17018	8/24/2020	CAL12	CalPERS 457 Plan	6,487.74	C00824	RETIREMENT
			Check Total:	719.04	1C00824	PERS 457 LOAN PMT
				7,206.78		
17019	8/24/2020	DIR01	DIRECT DEPOSIT VENDOR- US	35,878.25	C00824	Direct Deposit
17020	8/24/2020	EMP01	Employment Development	1,546.23	C00824	STATE INCOME TAX
			Check Total:	641.66	1C00824	SDI
				2,187.89		
17021	8/24/2020	HEA01	HEALTHEQUITY, ATTN: CLINT	175.00	C00824	HSA
17022	8/24/2020	HUM29	UMPOQA BANK--PAYROLL DEP.	5,287.29	C00824	FEDERAL INCOME TAX
			Check Total:	7,955.88	1C00824	FICA
				1,860.70	2C00824	MEDICARE
				15,103.87		
			Total Disbursements, Payroll:	238,975.10		
			Total Check/Wire Disbursements:	1,546,119.17		

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.1 **Review and Discuss the McKinleyville Skatepark Quarterly Project Status Update Presented by the Humboldt Skatepark Collective (HSC)**

PRESENTED BY: **Lesley Frisbee, Recreation Director and Charlie Caldwell, HSC**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board review the information provided, discuss, take public comment, and air questions about the status update of the McKinleyville Skate Park as presented by the Humboldt Skatepark Collective.

Discussion:

At the October 4, 2017 meeting, the Board approved a right of entry agreement between MCSD and the HSC for the development of a skate park in McKinleyville. Since that time the HSC has committed to working on an alternate design of the park and has been seeking funding for the project.

The HSC has presented the quarterly reports at regular intervals since the right of entry agreement was approved. The current report includes detail on the current status, in addition to project and budget overviews.

Attachment 1 outlines the most recent summary of the current project status.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Quarterly Report from Humboldt Skatepark Collective



HSC QUARTERLY MCSD REPORT

PROJECT SUMMARY

REPORT DATE	PROJECT NAME	PREPARED BY
09/17/2020	McKinleyville Skatepark	Charlie

STATUS SUMMARY

- Current quarterly status
- A. Summary of current fundraising efforts:
 - Small amounts of funding is coming in from : Your Cause, Amazon Smile and Holaday in Humboldt supporters
 - B. Summary of current funds
 - \$119,887.95
 - C. Summary of Grant Applications, next Prop 68 round in December

Project Overview

Task	% DONE	DUE DATE	DRIVER	NOTES
Stamped Design & Permitting	99%	Sept 2020	Humboldt County	working on addressing MCSD GM comments should be completed by end of September ready for county submittal.
Contract between Liquid Stone Design and MCSD	.50%	.Sept 2020	MCSD, LSD & HSC	LSD working on State Contractors License

BUDGET OVERVIEW

CATEGORY	SPENT	budgeted	% on track	ON TRACK?	NOTES
Permitting & engenearing	\$ 9712.50	95%		Yes	Engineering cost for stamped design and preparation for all documents needed for permit submittal.

RISK AND ISSUE HISTORY

ISSUE	DATE
Fund raising events for summer were put on hold as well as setting up portable ramp system.	

CONCLUSIONS/RECOMMENDATIONS

Follow through with permit process, determine if we go for partial construction with funds we have or wait for next prop 68 grant round. we will be contuning to write other grants as the become avaiuble.

Humboldt Creamery property in Fernbridge and is familiar with the permit requirements and coordination required for properties utilizing reclaimed water for irrigation. His references were also happy with his communication and operational abilities. It is proposed that the initial lease for a period of one year be signed with Mr. Titus, with the option to extend the lease by five or more years if favorable to both parties. The Draft Lease Agreement is included as **Attachment 5** and has been submitted to Mr. Titus for review. Any proposed changes would be run by District Legal Counsel, and major revisions would be brought back to the Board for approval.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Monthly income from the Pjalorsi and Fischer Hay lease would be \$3,666/month to the Wastewater Enterprise Fund. Current income for just the Fischer Ranch lease is \$1,500/month.

Environmental Requirements:

Hay operations must comply with District's Waste Discharge Permit requirements.

Exhibits/Attachments:

- Attachment 1 – Request for Proposals
- Attachment 2 – Proposal from Andy Titus
- Attachment 3 – Proposal from David Collenberg
- Attachment 4 – Proposal Rating Score Sheet
- Attachment 5 – Draft Lease Agreement

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

Request for Proposals for Lease of 220 acres of Pastureland

McKinleyville Community Services District (MCSD) is requesting proposals from interested parties to lease and manage approximately 220 acres of pastureland located along the Mad River in McKinleyville, CA. The property consists of:

- 39 acre upper terrace (Upper Fischer Ranch on the attached map) of which 36 acres can be irrigated with recycled water,
- 62 acres of bottom land (Lower Fischer Ranch) of which 45 acres can be irrigated with recycled water
- 44 acres of bottom land (West Pialorsi Ranch) of which 38 acres can be irrigated with recycled water, and
- 75 acres of bottom land (East Pialorsi Ranch) of which 55 acres can be irrigated with recycled water.

For a Total of 220 acres, of which 174 acres can be irrigated. (See Attached Map)

There is also a large hay barn (8,250 square feet) on the Fischer Ranch, and a hay barn (2,800 square feet) on the Pialorsi Ranch available for use. For many years, both properties were operated as dairy ranches, but due to current environmental regulations it is necessary to restrict grazing of livestock on the parcel. The hay and silage produced from the Fischer property for the last five years has been certified organic.

The District is interested in considering various lease terms including a long-term lease (up to 5 years with option to renew). The District is interested in receiving proposals of how to best utilize the properties and allow the continued use of treated water for irrigation within the parameters of the MCSD Waste Discharge Permit. Selection criteria will be based on best overall value to the District, not necessarily highest lease price.

Please provide a brief proposal including name and contact information, and detailing proposed lease amount per month, any proposed management strategies you would like to highlight, any limitations or restrictions, and any proposed changes or edits to the draft lease.

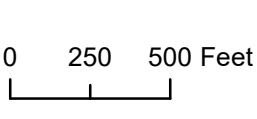
Please provide proposals in a sealed envelope by 3:30 pm August 31, 2020. Label outside of envelop "Ranch Lease" and deliver to MCSD Office at 1656 Sutter Road, McKinleyville, CA. 95519.

A tour of the property can be arranged, or questions answered by contacting:

Patrick Kaspari
pkaspari@mckinleyvillecsd.com
(707) 839-3251



McKinleyville Community Services District
Fischer and Pjalorsi Ranches



James Henry

From: fernvalleefarms@aol.com
Sent: Wednesday, August 19, 2020 2:31 PM
To: James Henry
Subject: Rent and management proposal

Hello James this is Andy Titus with Fern Vallee farms I would like to provide you with my proposal for renting and managing the McKinleyville property I would be willing to pay \$200 an acre which is \$44,000 a year around \$3666 a month and change I currently rent the property that borders Humboldt creamery at Fernbridge and I take all of their wastewater seven days a week 365 days a year so I am well aware of what it takes to work together with an organization to make sure the property is used efficiently and effectively for both parties if you choose my proposal I feel like we could work closely together to farm whatever pieces of land need to be farm to make sure that the nutrients are being utilized effectively and that you meet all the specs that you need to meet to keep your standards where I'm sure they need to be my initial plan would be to basically just make silage three or four time A year up there which would be a quick in and out within three or four days to where your downtime would be minimal and we would obviously have to rotate cutting to where you were still able to utilize arrogating where it needed to be and we could communicate and work effectively together to make sure that works for both of us if you wanted crops that would absorb more nutrients such as corn I would be willing to plant corn up there I would also be willing to plant clover's which would utilize quite a bit of water and the nutrients that you would be putting out on the fields I am certified organic I actually have that ranch certified up there for David Colenberg right now it would be a huge boost to my operation to be able to get an additional 220 acres for making feed and I feel like that we could work well together staying in close communication and utilizing the property well for both of us I hope that you except my proposal sincerely Andrew Titus

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Get the new AOL app: mail.mobile.aol.com

To whom it may concern,

This proposal is regarding the pastureland located on the Pialorsi and Fischer Ranches. Lost Coast Hay would like to propose the following lease terms in addition to the five-year lease proposal accepted by MCSD in April of 2019:

- Due to Pialorsi Ranch land being mostly thistle, which is not a desirable trait for hay, we would like to improve the land by farming it and replanting the hay at our own expense.
- During year one, we will farm and replant the lower portion of the East Pialorsi Ranch land.
- During year two, we will farm and replant the lower Fischer Ranch 45 acres due to high water damage to crops which killed off most of the desirable grass and caused a large amount of dock weed to grow.
- During year three, we will farm and replant the West portion of the Pialorsi Ranch.
- We will provide one full time employee to staff the ranch land during summer months. This employee will be present to ensure that the ranch is constantly in its most desirable state by weed eating fence lines and building edges, removing thistle and other undesirable weeds from the property, and any other maintenance that may need to be performed on the land.
- We will dedicate farm and hay equipment to the ranch to ensure that all jobs can be done as efficiently as possible. A list of equipment to be dedicated is available upon request.
- Crops to be produced will be large silage bales, large dry bales, and three string bales.
- We would like to negotiate removing inner fence lines and installing larger gates to make access and production more efficient at our cost.

The desired lease terms are as follows:

- The lease fee shall be a total sum of \$1,500/month to include the Pialorsi and Fischer Ranch lands. An increase in rent to the current lease is not feasible as the Pialorsi Ranch is not currently desirable hay ground and will require a large amount of labor and material costs to get it to a desirable state. Once in the desirable state, the land will be more valuable for MCSD for years to come.
- The lease shall be five years with a five-year option, the lease shall begin when the lease paperwork is signed and delivered.
- Lost Coast Hay shall be allowed a reasonable amount of time once hay is cut to allow it to dry properly before baling and allowed ample time to cure in field once baled before removing from field. Failing to do so greatly diminishes the quality of hay and creates an extreme hazard for spontaneous combustion and devastating barn fires.
- MCSD shall give advance notice of a general time estimate of when water will be applied to each field in order to properly coordinate hay production and efficiency for all parties.
- MCSD shall provide a written agreement describing irrigation technique and availability.

In conclusion, we feel that it would be in great interest for MCSD to grant Lost Coast Hay the lease of the Pialorsi Ranch land in addition to the existing Fischer Ranch lease. We truly feel we could make the land better for years to come and increase land value which would be greatly beneficial to MCSD.

Thank you for your time and consideration.

David Collenberg
Lost Coast Hay
(707) 498-3666

Fischer Pialorsi Hay Lease SOQ Score Sheet September 2020

Criteria		Points Possible	Collenberg Points Awarded	Titus Points Awarded
1	Price	30	14	24
2	Qualifications and experience on similar projects	30	20	22
3	Proposed Farming Approach	30	20	20
4	References	10	2	8
5				
Total Points Possible		100	55	73

LEASE AGREEMENT

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, herein called “Lessor”, hereby leases to, Andy Titus herein called “Lessee”, those certain premises, herein called “Premises”, in the County of Humboldt, State of California, described as follows: The real property in the unincorporated area of McKinleyville, Humboldt County, California described in Exhibit A, attached hereto, including all improvements thereon, on the terms and conditions set forth herein.

ARTICLE 1. TERM OF LEASE

1.1 Original Term. This initial lease shall be for a term of one (1) year commencing on approximately January 1, 2021 (“Commencement Date”) and ending on December 31, 2021, unless the District at its sole discretion, decides to sell the property, thereby vacating the Lease. In the event Lessor sells and/or conveys the Premises, this lease shall automatically terminate effective immediately at the close of escrow. The actual final commencement date and the date the lessee will be established upon Board approval of this lease and a 30-day notification to the current lessee has been provided.

1.2 Extension of Term. The Term of this Lease can be extended as provided in Article 11 hereof.

1.3 Hold over. Should Lessee hold over and continue in possession of said Premises after expiration of the term of this lease or any extension thereof, Lessee’s continued occupancy of said Premises shall be considered a month-to-month tenancy subject to all terms and conditions of this Lease.

ARTICLE 2. RENT

2.1 Rent. Lessee agrees to pay Lessor \$3,666.00 per month for the initial term of the Lease commencing on January 1, 2021. For the period from January 1 to December 31, 2021. Rent shall be prorated on a 30-day month for any portion of a month included in the term. However, rent may be adjusted upon renewal of the Lease in accordance with Section 2.2.

2.2 Rent Adjustment. Rent for the period of January 1, 2021 through December 31, 2021 shall be \$3,666.00 per month. The amount of the monthly rent for any extended term of the Lease pursuant to Article 11 herein may be adjusted to a mutually agreed upon rate.

2.3 Rent Payments. Rent shall be payable on the first day of the month, at the office of Lessor at 1656 Sutter Road, McKinleyville, California, or at such other place or places as Lessor may from time to time designate by written notice delivered to Lessee. Unless previously agreed upon by the Lessor in writing, should any rent payment be ten (10) or more days late, interest at the rate of ten percent (10%) per annum or the maximum amount allowed by law if said rate is higher than the maximum amount allowed by law, may accrue and be payable on all amounts due.

2.4 Deposit. Lessee shall place a deposit equal to the first month's Lease amount (\$3,666) to Lessor at start of Lease. This Deposit will be returned to Lessee at end of lease period subject to the terms stated in Article 10 for defaults and remedies.

ARTICLE 3. USE OF PREMISES

3.1 Uses. Said Premises shall, during the term of this Lease and any extensions thereof, be used for the purpose of growing fodder crop for baling or to process as

silage for uses normally incident to such purposes. The Lessee shall farm the land in general conformance with the proposal and emails to James Henry dated August 26, 2020 and September 13, 2020. Within six months start of lease, lessee shall disk and/or plow and reseed half the farmable acreage, then the remainder within eight months of the first seeding. The lessee shall reseed with a mix of grasses such as annual rye, perennial rye, and orchard grass. The lessee has the option to plant corn on a portion of the farmable acreage if the market will support it. If corn is planted a suitable grass mixture will replace it at the time the corn is harvested. Said use(s) shall comply with all applicable zoning requirements and permit procedures. In conducting the business specified in this section and on said Premises, Lessee shall be entitled to sell such merchandise and render such services, as are customarily sold and rendered by the operators of businesses of the same type in the county and state where said Premises are located. Lessor makes no representation concerning the Premises' suitability for such use.

3.2. Restrictions on Use. Use of the Premises shall be restricted as set forth below.

3.2.1. Irrigation Set Backs. No irrigation is to occur within 100' of the perimeter fences or within 200' of the bottom of the slope between the lower and upper pastures.

3.2.2. Discharge Permit Compliance. Lessee shall not operate in any manner to cause a waste discharge violation or violation of any state, federal or local law or regulation affecting the environment or the storage, handling, use or discharge of any hazardous material, pollutant or substance.

3.2.3. Storage of Equipment or Materials. Lessee is only to store those pieces of equipment or materials owned or leased by Lessee and needed as part of the agricultural operation. Equipment is to be stored only within the two hay barns, the milk barns and the area designated on Exhibit A. The grounds and buildings are to be kept clean and free of debris and nonoperational equipment.

3.2.4. Livestock and Animals. No livestock or animals of any sort are to be brought onto the Premises at any time.

3.2.5. Burning. No burning of any type is to be done on the Premises. All trash and vegetation is to be removed from the Premises by the Lessee for disposal.

3.2.6. Residence. The Lessee shall not reside nor allow any employee to reside upon the Premises.

3.3. Insurance Hazards. Lessee shall not commit or permit the commission of any acts on said Premises nor use or permit the use of said Premises in any manner that will increase the existing rates for or cause the cancellation of any fire, liability, or other insurance policy insuring said Premises or the improvements on said Premises. Lessee shall, at its own cost and expense, comply with any and all reasonable requirements of Lessor's insurance carriers necessary for the continued maintenance at reasonable rates of fire and liability insurance policies on said Premises and the improvement on said Premises; provided, however that in the event Lessee believes the requirements are unreasonable, Lessor shall seek coverage with other reputable carrier which may or may not have such unreasonable requirements. Requirements which are imposed on

an industry-wide basis shall be complied with by Lessee regardless of Lessee's assessment of reasonableness.

3.4. Waste or Nuisance. Lessee shall not commit or permit the commission by others of any waste on said Premises; Lessee shall not maintain, commit, or permit the maintenance of commission of any nuisance as defined in Section 3479 et seq. of the California Civil Code on said Premises; and Lessee shall not use or permit the use of said Premises for an unlawful purpose.

3.5. Compliance With Law. Lessee shall at Lessee's own cost and expense comply with all statutes, ordinances, regulations, and requirements of all governmental entities, federal, state, county or municipal, relating to Lessee's use and occupancy of said premises whether such statutes, ordinances, regulations, and requirements be now in force or hereinafter enacted. This shall include, but not be limited to, compliance with ADA requirements, obligations regarding workers' compensation insurance and employers' liability insurance as set forth in the Labor Code, and all laws relating to sanitation and odor abatement, as well as any state, federal or local law or regulation affecting the environment or the storage, handling, use or discharge of any hazardous material, pollutant or substance. The judgment of any court of competent jurisdiction, or the admission by Lessee in a proceeding brought against Lessee by a government entity, that Lessee has violated any such statute, ordinance, regulation, or requirement shall be conclusive as between Lessor and Lessee and shall be grounds for termination of the Lease by Lessor. Lessee shall be deemed in violation of this provision if Lessee's activities are the cause of Lessor being found in violation of any statutes, ordinances,

waste discharge regulation, and requirements of any governmental entities, including federal, state, county or municipal.

3.6. Weed Abatement. Lessee shall be responsible to keep Premises free of invasive weeds such as Canadian Thistle, Baltic Grass and other invasive plants deemed detrimental to the grass crop. Invasive weeds shall not be allowed to go to seed and must be removed or cut down by mechanical means.

ARTICLE 4. TAXES AND UTILITIES

4.1 Payment of Utility Charges. Lessee shall pay, and hold Lessor and the property of Lessor free and harmless from all charges for the furnishing of gas, water, electricity, telephone service, and other public utilities to said Premises during the term of the Lease or any extension thereof and for the removal of garbage and rubbish from said premises during the term of this Lease or any extension thereof, except as expressly provided for herein.

4.1.1. Irrigation Water. Lessor will provide treated wastewater for irrigation to those areas south of the flood irrigation cells and not closer than 100 feet from the nearest property boundary, and 200' from the bottom of the slope, except as set forth below. Lessee may purchase water from Lessor to irrigate those portions of the Premises not irrigated with treated wastewater for the period between October 1 and May 15, when Lessor is not irrigating with treated wastewater.

4.1.2. All Other Water. Lessee may purchase water from Lessor for all other uses at the prevailing rates and charges.

4.2. Personal Property Taxes. Lessee shall pay before they become delinquent all taxes, assessments, or other charges levied or imposed by any governmental entity on the furniture, trade fixtures, appliances, and other personal property placed by Lessee in, on, or about said Premises including, without limiting the generality of the other terms used in this section, any fixtures, machinery, plant equipment or office equipment brought on said Premises by Lessee.

4.3. Real Property Taxes. Subject to Lessee's obligation to reimburse Lessor as hereinafter provided, all real property taxes and assessments levied or assessed against said Premises by any governmental entity, including any special assessment imposed on or against said Premises for the construction or improvement of public works in, on, or about said Premises, shall be paid by Lessor before they become delinquent. Lessee shall promptly reimburse Lessor, within fifteen (15) days of the date of receipt of a request for reimbursement, for all real property taxes and assessments paid by Lessor during the term of the Lease, or any extension thereof. In the event that a portion of the Premises are later developed by Lessor for use by other tenants, the real property taxes and assessments levied against the Premises will be prorated in an equitable manner based upon the value and size of the improvements and ground area occupied by each Lessee.

ARTICLE 5. ALTERATIONS, REPAIRS AND MAINTENANCE

5.1 Conditions of Premises. Lessee acknowledges herein that he has inspected and approved the condition of the Premises. Lessor makes no warranties of any kind or nature, express or implied, regarding the condition of the Premises or any improvements located thereon, or the suitability of the Premises and improvements

thereon for Lessee's intended use. Lessee assumes occupancy of the Premises based solely on Lessee's inspection and assessment of the Premises, and assumes occupancy of the Premises in its existing condition, with all faults and defects present, both patent and latent.

5.2 Maintenance by Lessor. Lessor shall have no maintenance obligation whatsoever, except being responsible for normal wear and tear of buildings, roofs and wiring. Notwithstanding the above, if this Lease through extension pursuant to Section 1.2 continues in effect for more than 15 years, Lessee shall be solely responsible for maintaining and restoring all improvements and facilities, including but not limited to all fencing, so that they are in the condition they were in at the commencement of this Lease. Lessor shall cooperate, at Lessee's expense, with any reasonable demand of Lessee in arranging repairs or maintenance. Capital improvements required by governmental mandate shall be the responsibility of Lessor.

5.3 Maintenance by Lessee. Except as otherwise expressly provided in Section 5.2 of this Lease, Lessee shall at his own cost and expense keep and maintain all portions of said Premises as well as improvements of said Premises and all facilities appurtenant to said Premises in good order and repair and in as safe and clean a condition as they were when received by Lessee from Lessor. Without limiting the foregoing, Lessee is responsible for damages directly attributed to the hay operation such as broken pipes, damages to buildings, fences or structures or other damages associated with the operation and use of the Premises.

5.3.1. Harvesting. Lessee may harvest at his discretion however, Lessor may advise Lessee when the Premises must be harvested. Lessee agrees to cut

and remove crop using commercially reasonable methods from the areas designated for harvesting by Lessor within twenty (20) calendars days of notice to harvest by Lessor.

5.4. Alterations and Liens. Lessee shall not make or permit any other person to make any alterations to said Premises or to any improvement thereon to the facilities appurtenant thereto without first obtaining the written consent of Lessor. Lessee shall keep the Premises free and clear from any and all liens, claims, and demands for work performed, materials furnished, or operations conducted on said Premises at the instance or request of Lessee. Furthermore, any and all alterations, additions, and improvements, except furniture and trade fixtures, made or placed in or on said Premises by Lessee or any other person shall on expiration or sooner termination of this lease become the property of the Lessor and remain in said premises; provided, however, that Lessor shall have the option on expiration or sooner termination of the Lease of requiring Lessee, at Lessee's sole cost and expenses, to remove any or all such alterations, additions and improvements from said Premises and restore the Premises to its original condition.

5.5. Inspection by Lessor. Lessee shall permit Lessor or Lessor's agents, representatives, or employees to enter said Premises at all reasonable times for the purpose of inspecting said Premises to determine whether Lessee is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Lessor's interest in said Premises under this Lease or to perform Lessor's duties under this Lease.

5.6. Surrender of Premises. On expiration or sooner termination of this Lease, or any extensions or renewals of this Lease, Lessee shall promptly surrender and deliver said Premises to Lessor in as good condition as they were at the commencement of this Lease in accordance with Section 5.2 and 5.3 herein. Lessee shall remove all equipment and supplies from the Premises prior to the end of the term. Should Lessee fail to remove any equipment or supplies, Lessor may, at its own discretion remove equipment or supplies and bill Lessee for actual costs of removal. Lessee agrees to pay Lessor's actual costs of removal. Lessee acknowledges that all equipment and supplies left on the Premises may become the property of Lessor at Lessor's discretion.

ARTICLE 6. INDEMNITY AND INSURANCE

6.1. Hold Harmless Clause. Lessee agrees to defend, indemnify and hold Lessor and the property of Lessor, including, without limitation, the Premises, free and harmless from any and all claims, liability, loss, damage, penalties, fees and expenses of any kind resulting from or arising out of Lessee's occupation and use of the Premises, and all improvements thereon, specifically including, without limitation, any claim, liability loss, or damage arising by reason of:

6.1.1. The death of injury of any person or persons, including Lessee or any person who is an employee of agent of Lessee, or by reason of damage to or destruction of any property, including property owned by Lessee or any person who is an employee or agent of Lessee, and caused or allegedly caused by either the condition of said Premises or some act or omission of Lessee or of some agent, contractor, employee, servant or sublessee or licensee on said Premises;

6.1.2. Any work performed on said Premises or materials furnished to said Premises at the instance or request of Lessee or any agent or employee of Lessee;

6.1.3. Lessee's failure to perform any provision of this Lease or to comply with any provision of law or any requirement imposed on Lessee or the leased Premises by any duly authorized governmental agency or political subdivision; and

6.1.4. Any death, damage or injury occurring to any person arising out of any use, act, omission or other occurrence relating to or arising out of Lessee's use of the Premises.

6.2 Liability Insurance. Lessee shall obtain, prior to commencement of the term of this Lease, comprehensive general public liability insurance issued by carriers acceptable to Lessor insuring the performance by Lessee of all obligations set forth in this Lease including all contractually assumed liability which insurance shall insure the Lessor, its officers, agents, employee and Lessee in the amount of not less than \$1,000,000 for any individual claimant and \$1,000,000 in the aggregate. A certificate of insurance shall be provided to Lessor prior to the inception of the term which shall provide that coverage provided by the policy shall not be canceled or amended until the Lessor is first provided with at least thirty (30) days written notice concerning such cancellation notice, and naming Lessor as an additional named insured. Failure of Lessee to maintain insurance pursuant to this section for a period longer than four (4) days shall be grounds for immediate termination of the Lease.

6.3 Waiver of Subrogation. The parties agree to release each other, and their respective authorized representatives, from any claims for damage to any person, the Premises or any improvements on the Premises, or Lessee's trade fixtures, equipment, merchandise, or personal property located on the premises, caused by or resulting from risks insured against under any insurance policies carried by the parties pursuant to this Lease that are in force at the time of any such damage to the extent of the available insurance proceeds. Each party shall cause each insurance policy carried pursuant to this Lease by that party to be written to provide that the insurance company waives all right of recovery by way of subrogation against either party in connection with any damage covered by the policy.

ARTICLE 7. SIGNS AND TRADE FIXTURES

7.1 Installation and Removal of Trade Fixtures. Lessee shall have the right at any time and from time to time during the term of this lease and any renewal or extension of such term, at Lessee's sole cost and expense, to install and affix in, to, or on said Premises such items, herein called "trade fixtures" for use in Lessee's trade or business as Lessee may, in his sole discretion, deem advisable. Any and all such trade fixtures that cannot be removed without structural damage to said Premises or any building or improvements on said Premises shall remain the property of Lessor and may not be removed by Lessee at any time or times prior to the expiration or sooner termination of this Lease.

7.2 Unremoved Trade Fixtures. Any trade fixtures described in this Article that are not removed from said Premises by Lessee within thirty (30) days after the expiration or

sooner termination, regardless of cause, of this Lease shall be deemed abandoned by Lessee and shall automatically become the property of Lessor as owner of the real property to which they are affixed. However, Lessor may demand that Lessee remove said fixtures and restore Premises to original condition, all at Lessee's expense.

7.3 Signs. Lessee may install such signs as Lessee requires for its business operations, subject to the laws of any governmental agency having jurisdiction. On the expiration or sooner termination of this Lease, or any extension thereof, Lessee shall remove all such signs and shall repair any damage to the Premises caused by the removal.

ARTICLE 8. DESTRUCTION AND CONDEMNATION

8.1 Partial Destruction. If, during the term, the Premises are totally or partially destroyed from any cause, rendering the Premises totally or partially inaccessible or unusable, Lessor shall restore the Premises to substantially the same condition it was immediately before destruction, if the restoration can be made under the existing laws and can be completed within one hundred eighty (180) days after the date of the destruction. Such destruction shall not terminate this Lease. If the restoration cannot be made in the time stated in this section, then within fifteen days after the parties determine that the restoration cannot be made in the time stated in this paragraph Lessee can terminate this Lease immediately by giving written notice to Lessor. If Lessee fails to terminate this Lease and if restoration is permitted under the existing laws, Lessor shall restore the Premises within a reasonable time and this Lease shall continue in full force and effect. If the existing laws do not permit the restoration, or

cannot be achieved at a reasonable cost to Lessor, either party can terminate this Lease immediately by giving notice to the other party.

8.2 Insurance Proceeds. Any insurance proceeds received by Lessor because of the total or partial destruction of said Premises or any building on said Premises shall be the sole property of Lessor, free from any claims of Lessee, and may be used by Lessor for whatever purpose Lessor may desire.

8.3 Abatement of Rent. Should Lessor be required under Section 8.1 of this Lease to repair and restore said Premises to their former condition following partial or full destruction of said Premises.

8.3.1 Lessee shall not be entitled to any damages for any loss or inconvenience sustained by Lessee by reason of the making of such repairs and restoration;

8.3.2. Lessor shall have full right to enter said premises and take possession of so much of said Premises, including the whole of said Premises as may be reasonably necessary to enable Lessor promptly and efficiently to carry out the work of repair and restoration; and

8.3.3 The rent payable by Lessee to Lessor pursuant to Section 2.1 of the Lease shall be abated to the extent that the Lessee shall be prevented from using the whole of said Premises. The extent of abatement of rent shall be calculated as the percentage reduction in the useable area of the Premises.

8.4. Condemnation. Should, during the term of this Lease or any renewal or extension thereof, title and possession of all or portions of said Premises be taken

under the power of eminent domain by any public or quasi-public agency or entity, this Lease shall terminate as of the date actual physical possession of said Premises is taken by the agency or entity exercising the power of eminent domain and both Lessor and Lessee shall thereafter be released from all obligations herein. If a lesser portion of the Premises is taken, the Lease will terminate as to the part taken, except that if the remaining portion is not reasonably suitable for Lessee's continuing use, then Lessee shall have the option to terminate the Lease in its entirety. In the event of such partial taking which does not result in termination of the Lease, an equitable reduction in the rent shall be made.

ARTICLE 9. ASSIGNMENT AND SUBLEASES

9.1. Subleasing or Assigning as Breach. Lessee shall not encumber, assign, or otherwise transfer this Lease, any right or interest in this Lease, or any right or interest in said Premises or any of the improvements that may now or hereafter be constructed or installed on said Premises without the express prior written consent of Lessor, which shall be given or refused in Lessor's sole discretion. Neither shall Lessee sublet said Premises or any part thereof without the prior express written consent of Lessor. Under no circumstance shall any sublessee use the Premises for grazing or raising of livestock. A consent by Lessor to one assignment, one subletting, or one occupation of said Premises by a person shall not constitute consent to any such action involving others. Any encumbrance, assignment, subletting, or transfer without the prior express written consent of Lessor, whether it

be voluntary or involuntary, by operation of law or otherwise, is void and shall, at the option of Lessor, terminate this Lease.

ARTICLE 10. DEFAULT AND REMEDIES

10.1. Default by Lessee. Lessee shall be in default hereunder if (i) Lessee fails to timely pay rent or other charges due hereunder, or (ii) Lessee fails to perform any other obligation of Lessee under this Lease within fourteen (14) days after written notice from Lessor specifying the failure and stating that it is a “notice of default”, provided that if the nature of the obligation is such that more than 14 days is reasonably required for its cure, then within such longer period as is reasonably necessary for the cure, as long as the cure is begun during the 14 day period and prosecuted with diligence to completion. Notwithstanding the above, failure of Lessee to perform an obligation under this Lease which is expressly stated to be grounds for termination of the Lease shall result in immediate default by Lessee and is grounds for immediate termination of the Lease unless an express cure period is specified, in which case such cure period will control notwithstanding Section 10.2 below.

10.2. Lessor's Cure Right. Upon a default by Lessee pursuant to clause (ii) of Section 10.1 above, Lessor, without prejudice to its other remedies, shall have the right to notify Lessee that if Lessee fails to cure the default within fourteen (14) days, then Lessor may cure the default and the cost of the cure shall immediately be deducted from the Lessee's Deposit held by the Lessor. Upon notice, Lessee must reinstate the Deposit to the full amount within 14 days. In addition, in the event of an emergency risking injury to persons or immediate damage to property, Lessor shall

have the right to cure the default after giving telephone notice to Lessee and allowing such time for Lessee to cure the default as is reasonable in the circumstances.

10.3. Lessor's Remedies. Following a default by Lessee pursuant to Section 10.1, Lessor shall have the option to either (i) cure the default pursuant to Section 10.2 , or (ii) terminate this Lease by notice to Lessee and recover the difference between the rent due hereunder and the fair rental value of the Premises for the remainder of the then unexpired Lease Term, together with reletting costs including necessary Lease improvements and leasing commissions, or (iii) re-enter and re-take possession of the Premises without terminating this Lease and re-let them in a commercially reasonable manner to a substitute Lessee and Lessor may continue to collect the difference, if any, between the rent and other charges payable under this Lease and the lower rent collected from Lessor's substitute Lessee.

10.4. Waiver of Breach. The waiver by Lessor or Lessee of any breach by the other party of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by either party.

ARTICLE 11. EXTENSION OF TERM

11.1. Option for Lease Renewal. Provided that Lessee is not in default of any term of this Lease, no later than December 13, 2021 the Lessee shall have the option or an extended term of this Lease, for five (5) years, however, that the rent shall be subject to adjustment at the commencement of each extended term as provided in Section 2.2. Such extension of the Lease shall not occur if written notice is not received by the District by December 13, 2021. If proper notice not to extend has occurred, at the

end of the Lease Term, Lessor may consider a month-to-month tenancy of the Premises to Lessee as described in Section 1.3. Furthermore, this lease shall terminate automatically in the event Lessor sells or conveys the Premises as stated in Section 1.1, above.

ARTICLE 12. MISCELLANEOUS

12.1. Force Majeure - Unavoidable Delays. Should the performance of any act required by this Lease to be performed by either Lessor or Lessee be prevented or delayed by reason of an act of God, strike, lockout, labor troubles, inability to secure materials, restrictive governmental laws or regulation, or any other cause except financial inability not the fault of the party required to perform the act, the time for performance of the act will be extended for a period equivalent to the period of delay and performance of the act during the period of delay will be excused; provided, however, that nothing contained in this section shall excuse the prompt payment of rent by Lessee as required by this Lease or the performance of any act rendered difficult solely because of the financial condition of the party, Lessor or Lessee, required to perform the act.

12.2. Attorney's Fees. Should any litigation be commenced between the parties to this Lease concerning said Premises, this Lease or the rights and duties of either in relation thereto, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted in the litigation, to a reasonable sum for costs and attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

12.3. Notice. Except as otherwise expressly provided by law, any and all notices or other communications required by this Lease or by law to be served on or given to either party hereto by the other party hereto shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of such personal service, when deposited in the United States mail, first class postage prepaid, addressed as follows:

To Lessee: Andy Titus
Fern Vallee Farms
XXXXX
xxxx, CA 955xx
707-xxx-xxxx

To Lessor: McKinleyville Community Services District
P.O. Box 2037
McKinleyville, CA 95519
707-839-3251 707-839-8456 (fax)

Either party, Lessee or Lessor, may change its address for the purpose of this section giving written notice of such change to the other party in the manner provided in this section.

12.4. Binding on Heirs and Successors. This Lease shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, Lessor and Lessee, but nothing in this section contained shall be construed as a consent by the Lessor to any assignment of the Lease or any interest herein by Lessee.

12.5. Partial Invalidity. Should any provision of this Lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions of this Lease shall remain in full force and effect unimpaired by the holding.

12.6. Sole and Only Agreement. This instrument constitutes the sole and only agreement between Lessor and Lessee respecting said Premises, the leasing of said Premises to Lessee, or the Lease Term herein specified, and correctly sets forth the obligations of Lessor and Lessee to each other as of its date. Any agreements or representations respecting said Premises or their leasing by Lessor to Lessee not expressly set forth in this instrument are null and void.

12.7. Time of Essence. Time is expressly declared to be of the essence for this Lease.

12.8. Transfers by Lessor. Lessor shall have the right to transfer and assign, in whole or in part, all of the Lessor's rights and obligations under this Lease and on the Premises, and in such event and on assumption by Lessor's transferee of Lessor's obligation under this Lease, no further liability or obligation shall accrue against Lessor under this Lease, and Lessor shall be entirely relieved of all agreements and conditions of this Lease to be performed by Lessor. Lessee agrees to consent to any such transferee or assignee.

12.9. Modification. This Lease may not be altered, changed, or amended except by an instrument in writing signed by Lessee and Lessor.

LESSOR:

McKinleyville Community Services District

Dated: _____

By: _____

Mary Burke, Board President

LESSEE:

Dated: _____

By: _____

Andy Titus

Exhibit A Property Description and Use of Property



**McKinleyville Community Services District
Fischer and Pjalorsi Ranches Hay Lease Exhibit A**

0 300 600 Feet



McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider Approval of 2019-2024 Strategic Plan Revisions**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the revisions to the Strategic Plan (**Attachment 1**), take public comment, and approve the revisions to the 2019-2024 Strategic Plan.

Discussion:

The McKinleyville Community Services Districts Strategic Plan was approved September 4, 2019. As a part of the process, the Strategic Plan is reviewed by Staff and the Board annually 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. The Strategic Plan will continue to be presented to the Board annually for approval.

At the September 2, 2020 Board of Director's meeting, proposed revisions were brought to the Board. Many of the revisions were to the timeline of specific goals due to the pandemic causing delays. The Board was given the opportunity to review staff changes as well as offer direction for other changes to this living document. All revisions from staff and the Board are present in the attached, red-lined document.

Alternatives:

Take no Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Strategic Plan 2019-2024 – Red Lined Staff and Board Revisions

Strategic Plan

2019-2024

McKinleyville Community
Services District

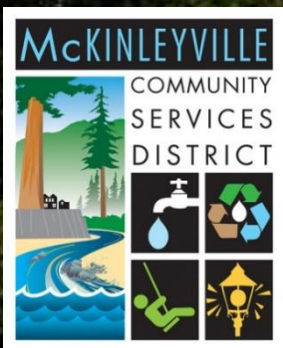


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Plan Revisions

Date	Description of Change
<u>October 5, 2020</u>	<u>Change of due dates and direction of action in some cases due, in general, to pandemic causing delays.</u> <u>Addition to purpose regarding what district does.</u>

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. These objectives represent goals that are above and beyond the daily operations of the District required to fulfill our Mission Statement to:

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

The Plan was updated in July 2019, and approved in September 2020 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 and 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						
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 <u>TBD</u>	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 <u>12/31/2020</u>	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 <u>12/31/20</u>	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 <u>videos</u> 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 <u>TBD</u>	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 <u>TBD</u>	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 <u>TBD</u>	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 3/31/2022	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

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.4 **Review Proposed District Regulations and Procedures for Personal Wireless Service Facilities (Cell Towers)**

PRESENTED BY: **Pat Kaspari, General Manager**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board review the proposed policy language regarding procedures for construction and lease of personal wireless service facilities on District property, take public comment, and provide feedback to Staff. Staff will present a final draft of this policy at the November 4, 2020 Board meeting.

Discussion:

Due to public comments and concerns received at both the June and July Board of Directors meeting regarding cellular towers being placed on District property. Staff was directed to return to the Board a draft policy for consideration. Staff consulted with the County on current regulations. The County considers these towers as quasi-public structures and their uses, principally permitted or otherwise, is found in County Code Section 314-85.1. There are also countless State and Federal regulations as well. It should be noted that cellular towers fall collectively under the term “personal wireless service facility” along with other facilities constructed for the provision of personal wireless services. This policy is intended to establish guidelines for the approval of the installation of new infrastructure on District land and is not intended to cover existing structures or supersede/replace any State, County, or Federal guidelines. It is also not intended to cover components of the District’s SCADA system needed to operate and maintain District facilities.

This draft policy contains a path from proposal submittal to approval, which includes multiple appearances at Board meetings to include informational sessions, public hearings, formal discussion and approval/denial of proposal. Staff is open to suggestions regarding edits to this policy draft.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Personal Wireless Service Facility Policy

Purpose

MCSD is committed to being responsible and responsive to its ratepayers and community. In recent times, the erecting of personal wireless service facilities (cellular towers) on public lands has become a general practice throughout the county and the state. As of the adoption of this policy, Humboldt County does not have specified regulations for the placing of personal wireless service facilities on public land; however, these facilities are considered quasi-public structures, and their uses (principally permitted or otherwise) are laid out in County Code section 314-85.1. County Code and other State and Federal regulations cover the permitting, installation, and operation of these facilities, and it is not the intent to supersede or replace any of those regulations with this Policy.

The District currently has personal wireless service facilities (PWSF) on some of its properties and collects rents for the leasing of the area for the PWSF. This rental payment goes into the general fund and can be used on any project the Board approves as it is not constrained by water and sewer fee restrictions. This policy is intended to establish guidelines for the approval for the installation of a new PWSF infrastructure on District land. It is not the intent for this policy to cover any existing PWSF structures. It is also not the intent for this policy to cover District communication antenna or other infrastructure required for the operation and monitoring of District facilities. Additionally, this policy is not intended to prohibit any personal wireless service provider's ability to provide personal wireless services, unreasonably discriminate among providers of functionally equivalent personal wireless services, deny any request for authorization to place, construct, or modify PWSF on the basis of environmental effects of radio frequency emissions to the extent that such facilities comply with the Federal Communication Commission's (FCC) regulations concerning such emissions, or impose any unreasonable, discriminatory, or anticompetitive fees that exceed the reasonable cost to provide the services for which the fee is charged.

Definitions

Personal Wireless Service Facility (PWSF) – facilities for the provision of personal wireless services, including transmitters, antennas, structures supporting antennas (such as Cellular Towers), and other electronic equipment that is typically installed in close proximity to a transmitter.

Personal wireless service provider – any entity that provides commercial mobile services, Licensed and unlicensed wireless services, and common carrier wireless exchange access services.

Proposal and Review procedures

1. **Proposal.** A proposal of any new PWSF must include the following information and materials:
 - a. Construction Drawings and specific measurements/dimensions of facility. Including location of tower, tower height, location of supporting wiring and other infrastructure, set back requirements from other structures or infrastructure, operational parameters.
 - b. Photo simulations that show the existing location and the proposed PWSF in context from at least three vantage points.
 - c. Project narrative and justification that explains in plain factual detail whether the proposed facility meets both the requirements of Humboldt County zoning and FCC regulations.

- d. RF Exposure Compliance Report that certifies the proposed small wireless facility, both individually and cumulatively with all other emitters that contribute more than 5% to the cumulative emissions in the vicinity (if any), will comply with applicable federal RF exposure standards and limits.
- e. Regulatory Authorization that shows the applicant has regulatory status under federal and state law to provide the services and construct the PWSF proposed in the application.
- f. Proposed Lease monthly/annual lease amount, lease terms, copy of draft lease agreement or statement of willingness to sign District lease agreement.
- g. Any necessary environmental studies required to allow the District to perform the required CEQA (California Environmental Quality Act) evaluation and permitting.
- h. Necessary Plan review fees as established by the District to pay for Staff time to review the proposal.

2. Voluntary Pre-submittal Conference. MCSD strongly encourages but does not require applicants to schedule and attend a pre-submittal conference with District staff. This will streamline the review process, identify any latent issues in connection to the proposal, discover any potential concerns, and address the completeness of the proposal.

3. District Board Review. At a duly convened meeting of the MCSD Board of Directors, the following will be required, and may cause the need of multiple reviews:

- a. Information session to inform the Board of the project proposal and allow for the Board to ask questions.
- b. Public Hearing for neighbors/community/ratepayers to communicate concerns or support for the project. Although Applicant is not required to attend the Public Meeting to answer questions, they are strongly encouraged to.
- c. Formal discussion and vote of the Board to approve or deny the proposal.
- d. In the event of an approval, a formal discussion and vote of a contract/lease for the PWSF.
- e. Additional approval may be required if, for instance, the Board approves the Project in concept but requires the applicant to submit a final design, environmental studies and other necessary permits for complete approval.
- f. District will need to comply with CEQA on the project. This may be at the initial meeting or a subsequent meeting. Note that CEQA needs to be completed before the project is formally approved by the Board.

Required Approvals

1. Interested parties shall send a proposal of PWSF development for consideration to the General Manager. The General Manager will then work with the applicant to bring the project proposal to the Board for Board approval.

2. If the location in which the personal wireless service facility is to be located is not principally permitted, the provider will need to obtain permission through the Humboldt County Planning Department to construct this quasi-public structure on non-principally permitted zones.

3. Applicant is required to obtain all other required permits, license, pay any other necessary fees, etc. for project approval, construction, and operation.

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **ACTION**

ITEM: E.5 **Consider Approval of Modification of Parks & Recreation CIP Budget to Appropriate Funds for the Replacement of Aging Toro Mower at Hiller Sports Site**

PRESENTED BY: **Lesley Frisbee, Recreation Director**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the information provided, air questions, discuss, take public comment and approve the modification of the Parks & Recreation CIP budget for the replacement of the aging Toro mower at Hiller Sports Site.

Discussion:

The existing Toro mower at Hiller Sports Site was purchased in 2015. It currently has over 3,600 hours of use. A mower of its size and scope typically lasts for 3,000 hours of use. It was budgeted to be replaced in the spring of FY 2019-2020, however, due to the COVID-19 pandemic and lost revenues, the Parks & Recreation Dept. did not purchase the replacement during that time. In finalizing the budget for FY 2020-2021, staff mistakenly failed to edit the Parks CIP to include the replacement purchase in the current fiscal year and so it is necessary to request a budget modification in order to be able to replace the aged mower.

At this time the existing mower is in consistent need of repairs, and it is recommended that it be replaced. The replacement cost is \$15,780.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

The old mower will be sold to offset the cost of the new mower. However, the price range for used mowers of that type ranges from immaterial to modest (approximately \$700 to \$4,250), so offsetting revenue lines were not adjusted. Given the useful life of less than five years for these mowers (as currently used by the District), one possible recommendation would be to treat them as an expense rather than a capital asset on future purchases.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Revised Parks/ General Fund Budget FY20-21

McKinleyville Community Services District
Budget Summary: Net Position - All Funds
FY2020-21

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 \$27,792,166 as of June 30, 2021.

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, 2021, the net position of the District is projected to remain nearly unchanged from the FY18-19 total of 27,919,237. A decrease of approximately 0.4% or \$127,071 is projected for a total net position of \$27,792,166. This includes an decrease of approximately 4% for the current fiscal year and an offsetting increase of approximately 4% for the proposed budgeted year.

Total revenues are projected to increase at the end of the budget year by 23.7%, or \$2,295,751 for a total of \$11,989,590 from all revenue sources. This compares to an overall decrease projected for the current year of - 9.31% or \$995,712 for a total of \$9,693,839 in projected actual revenues for this fiscal year.

Total expenditures are projected to increase at the end of the budget year by 7.6% or \$593,059 for a total of \$8,345,981 for all expenditure types. This compares to an overall decrease projected for the current year of - 2.9% or (\$231,190) for a total of \$7,752,922 in projected actual expenditures for this fiscal year.

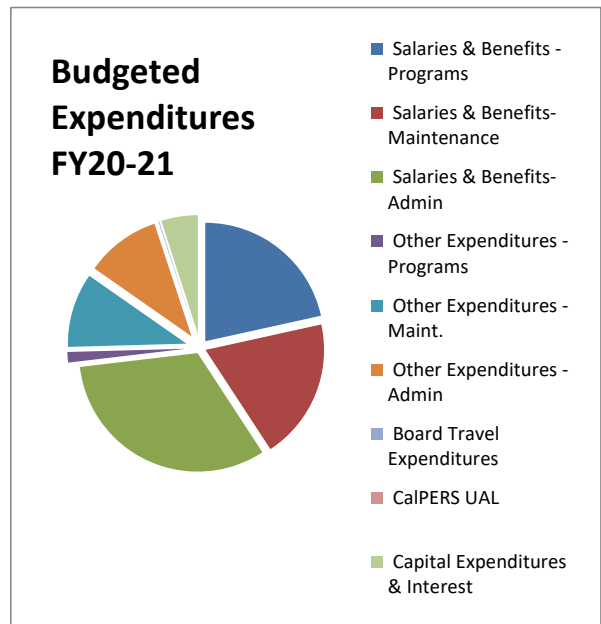
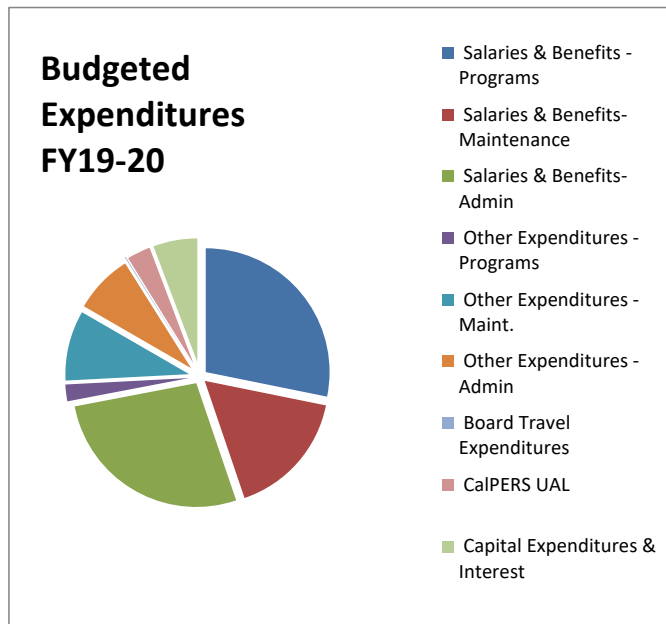
Even though the overall net position is not expected to change by a materially significant amount, the impact of the various State and local government orders related to the COVID19 pandemic are apparent in the decreases projected for the current fiscal year followed by modest increases for the budgeted year. Aside from that, the total projected revenue loss of the current fiscal year is also in small part due to the loss of expected capital projects grant income for the Parks/General Fund. Likewise, the total revenue budget for FY20-21 is increased by the expected receipt of capital projects grant income for both the Water and Wastewater Funds. The net projected decrease in expenditures for the current fiscal year includes the removal of the grant-dependent capital projects for the Parks/General Fund as well as the reduction in part-time Parks staff due to the COVID19 orders. The net budgeted increase in expenditures for FY20-21 is smaller than the expected increase in revenues from all sources, even allowing for the capital projects grant income.

McKinleyville Community Services District
Summary Budgets - All Funds, Draft Revised for Parks/Gen'l Fund
FY 2020-21

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks Fund	Measure B Fund	Total (Memorandum Only)
Revenues						
Water Sales	3,917,744					3,917,744
Sewer Service Charges		4,004,460				4,004,460
Capacity Fees	100,000	100,000				200,000
Streetlight Charges			98,268			98,268
Program Fees	-			206,245		206,245
Facility Fees	-			37,015		37,015
Property Taxes	-			633,841		633,841
Measure B Assessment	-				221,132	221,132
Open Space Fees	-			115,315		115,315
Contributions & Other Program	-			1,300		1,300
Other Revenue	320,299	1,986,309	18,500	16,912		2,342,020
Contributed Construction	100,000	75,000		-		175,000
Proceeds from Long Term Debt (Gov't only)	-		-	-		-
Quimby Fees/Capital Proj. Grants	-			39,000		39,000
Interest Revenue	50,000	75,000	50	45,000	3,200	173,250
Total Revenues	4,488,043	6,240,769	116,818	1,094,628	224,332	12,164,590
Expenditures						
Salaries & Benefits - Operations & Maint.	590,676	639,198	2,832			1,232,706
Salaries & Benefits - Billing & Admin	454,804	433,238	45,120			933,162
Salaries & Benefits - Rec Programs	-			238,156		238,156
Salaries & Benefits- Parks Maintenance	-			212,718	70,409	283,127
Salaries & Benefits- Parks&Rec Admin	-			357,588		357,588
Water Purchased (COGS)	1,125,534					1,125,534
Water & Electrical Expense	-	164,000	17,300			181,300
Operating Expenses	262,900	292,250	-			555,150
Other Expenses	528,061	594,335	23,174			1,145,570
Other Expenditures - Rec Programs	-			15,850		15,850
Other Expenditures - Parks Maintenance	-			112,075	25,500	137,575
Other Expenditures - Parks&Rec Admin	-			113,022		113,022
Depreciation Expense	363,000	1,160,000				1,523,000
Board Travel Expense	10,000	6,000	400	1,100		17,500
CalPERS UAL - Gov't Funds only	-			-		-
Debt Service - Gov't Funds only	-		-	-	92,054	92,054
Interest Expense	55,126	247,163		-	35,398	337,687
Parks/Meas.B Capital Expenditures	-		2,000	55,000		57,000
Total Expenditures	3,390,101	3,536,184	90,826	1,105,509	223,361	8,345,981
Excess (Deficit)	1,097,942	2,704,585	25,992	(10,881)	971	3,818,609
Fund Balance - July 1, 2019						
	8,974,118	18,260,731	19,231	1,245,711	(580,554)	27,919,237
Projected Surplus (Deficit) FY2019-20	1,125,940	922,579	28,658	(22,221)	5,261	2,060,217
Debt Principal FY2019-20 (Enterprise only)	(162,868)	(500,344)				(663,212)
New Borrowing FY2019-20(Enterprise only)	-	1,508,500				1,508,500
Capital Expenditure FY2019-20(Enterprise)	(137,057)	(1,669,804)				(1,806,861)
Projected Fund Balance June 30, 2020	9,800,133	18,521,661	47,889	1,223,490	(575,293)	29,017,881
Budgeted Excess (Deficit) FY2020-21	1,097,942	2,704,585	25,992	(10,881)	971	3,818,609
Anticipated Borrowing FY2020-21(Enterprise)	-	-				-
Capital Project grant funding (contingent)	183,500	1,880,250				2,063,750
Debt Principal FY2020-21 (Enterprise only)	166,746	(588,819)				(422,073)
Capital Expenditure FY2020-21(Enterprise)	(1,832,500)	(4,853,500)				(6,686,000)
Projected Fund Balance June 30, 2021	9,415,821	17,664,177	73,881	1,212,609	(574,322)	27,792,166

McKinleyville Community Services District
Parks/General Fund DRAFT Revised Operating Budget
FY 2020-21

Description	Parks/General Fund Approved Budget FY2019-20		Parks/General Fund Proposed Budget FY2020-21		Difference (Memorandum Only)	
Revenues						
Program Fees	368,779	28%	206,245	19%	(162,534)	-9.0%
Facility Fees	87,375	7%	37,015	3%	(50,360)	-3.2%
Property Taxes	631,898	48%	633,841	58%	1,944	10.1%
Open Space Fees	112,162	8%	115,315	11%	3,153	2.1%
Contributions & Other Program	1,000	0%	1,300	0.1%	300	0.0%
Other Revenue	17,682	1%	16,912	2%	(770)	0.2%
Quimby Fees/ Grants/Loans	77,000	6%	39,000	4%	(38,000)	-2.3%
Interest Revenue	27,000	2.0%	45,000	4.1%	18,000	2.1%
Total Revenues	1,322,896	100%	1,094,628	100%	(228,267)	-20.9%
Expenditures						
Salaries & Benefits - Programs	366,551	28%	238,156	22%	(128,395)	-6.6%
Salaries & Benefits- Maintenance	215,857	17%	212,718	19%	(3,139)	2.6%
Salaries & Benefits- Admin	353,909	27%	357,588	32%	3,679	5.1%
Other Expenditures - Programs	28,406	2%	15,850	1%	(12,556)	-0.8%
Other Expenditures - Maint.	119,190	9%	112,075	10.1%	(7,115)	1.0%
Other Expenditures - Admin	100,421	8%	113,022	10.2%	12,601	2.5%
Board Travel Expenditures	1,300	0.1%	1,100	0.1%	(200)	0.0%
CalPERS UAL	40,000	3%	-	0.0%	(40,000)	-3.1%
Capital Expenditures & Interest	75,000	6%	55,000	5%	(20,000)	-0.8%
Total Expenditures	1,300,634	100%	1,105,509	100%	(195,125)	-17.7%
Excess (Deficit)	22,262		(10,880)			



Attachment 1

McKinleyville Community Services District

General Fund (Parks & Recreation) **DRAFT Revised** Capital Improvement Project Budget

For the Fiscal Years Ending June 30, 2021 - 2030

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2021	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
1. Hiller Park & Sports Complex Projects										
Totals:	14	0	50	0	25	0	0	13	5	0
2. Pierson Park Projects										
Totals:	0	0	60	0	22	5	0	0	0	0
3. Azalea Hall Projects										
Totals:	0	24	111	25	66	6	11	6	21	31
4. McKinleyville Activity Center Projects										
Totals:	15	85	42	10	70	26	0	0	0	0
5. Other Park Projects & Equipment										
Totals:	16	18	16	11	0	11	0	12	0	12
6. Law Enforcement Facility Projects										
Totals:	0	0	6	0	5	10	0	21	0	0
7. McKinleyville Library Projects										
Totals:	10	0	6	0	6	20	21	0	0	0

Attachment 1

McKinleyville Community Services District

General Fund (Parks & Recreation) **DRAFT Revised** Capital Improvement Project Budget

For the Fiscal Years Ending June 30, 2021 - 2030

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2021	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
8. Teen & Community Center										
Totals:	0	10	0	0	0	20	0	5	0	0
9. Projects Contingent Upon Grant Funding										
Totals:	0	0	0	0	0	0	10	0	0	0
10. Projects Funded by Quimby & Other Funds										
Totals:	0	0	0	25	0	0	0	0	0	0
Total Planned Capital Expenditures	55	137	291	71	194	98	42	57	26	43

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.6 **Review Virtual Meeting Rules to be Inserted into the Board Policy Manual**

PRESENTED BY: **April Sousa, Board Secretary**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board review the suggested Rules, take public comment, and give feedback on the proposed Rules to incorporate virtual meeting etiquette, participation, public comment, and Brown Act requirements into current Board Policy Manual. This item will come back to the Board integrated within other updates to the Board Policy Manual at the November Board Meeting.

Discussion:

In April 2020, MCSD conducted its first virtual meeting due to the COVID-19 pandemic in accordance with guidance put forth by the State of California. Due to continued COVID-19 impacts, it has become necessary to formalize and include procedures and Rules within the Board Policy Manual for current and future situations.

The Board directed Staff to draft language for these procedures. Attachment 1 provides the draft language and suggested areas for each portion of these procedures. Primarily, Board member etiquette and participation procedures would be found in Part 4, which deals with the Code of Ethics of Board Members. Part 5 is primarily concerned with Board Meeting Procedures, which includes location of meetings, Brown Act compliance requirements for transparency and open meeting laws, organization of the meetings and preparation of the meetings. Part 6 gives guidelines on Board Meeting Conduct.

One Rule regarding Virtual Meeting Board Member Participation could be located in Rule 4-2 or Rule 6-8, or both.

Staff is open to combining all regulations into a separate rule titled "Virtual Meetings" instead of spreading out the Rules throughout other sections if the Board would prefer this method.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Regulations and Procedures for Virtual Meetings

Part 4 (Code of Ethics)**Rule 4-1 (Objectives)****Rule 4-1J Virtual Meeting Etiquette**

In the event that Board meetings are held on a virtual platform, or a Board member attends a meeting remotely or by teleconference, the Board member is expected to express the same decorum as they would in person. For any virtual meeting participation, Board members should attend dressed appropriately and provide full attention to the proceedings of the Board meeting.

Rule 4-2 (Information)**Rule 4-2E Virtual Meeting Board Member Participation (or Rule 6-8)**

When attending a meeting remotely or virtually, Board members should keep microphones muted unless speaking. In order to be called upon for discussion, motions, or voting, Board members should use the "Raise Hand" feature of the virtual platform. If this is not accessible, the Board member may physically raise their hand and wait to be called upon by the Chair.

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, McKinleyville or the District Office at 1656 Sutter Road, McKinleyville 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.

5-1a: Virtual Meetings – On March 12, California State Governor Newsom signed Executive Order N-25-20 with clarifying regulations through Executive Order N-29-20 on March 20, 2020, relaxing specific location meeting requirements of the Brown Act. On April 1, 2020 MCSD approved Resolution 2020-05 aligning with executive orders to allow for Regular board meetings to meet virtually via zoom at the following location Zoom: <https://zoom.us/j/6756339628> or Toll Free: 1-888-788-0099. This regulation will remain in effect until rescinded by the Governor. If similar circumstances in the future require virtual meetings, a new Resolution will be drafted and voted on by the Board.

Rule 6-3: Public Input

6-3C: Public Input for Virtual Meetings – the public will be permitted to participate live at each virtual meeting in accordance with the same regulations as attending and speaking at a live board meeting. For members who are unable to attend the meeting live, the public may send letters and/or emails to the Board Secretary no later than 4:30 p.m. the day prior to the meeting. A supplemental packet of all received letters will be presented to the board the day of the meeting and posted online for public viewing. Any letters received after the deadline will be held until the next meeting. The Board secretary will record a summary of the letters/emails received during the meeting for public record.

2021 Proposed MCSD Board Meetings

Per MCSD Rules and Regulations and the Board of Directors Policy Manual, all Regular Meetings of the Board of Directors shall be held on the first Wednesday of every month at 7:00 p.m. at either Azalea Hall 1620 Pickett Road, or the District Office, 1656 Sutter Road, as specified by the agenda. On April 1, 2020, in accordance with California State Governor's Executive Orders regarding open public meeting laws, MCSD declared an emergency due to COVID-19 and confirmed a virtual platform as the location for MCSD Board meetings indefinitely. Meeting locations for 2021 may be the afore mentioned locations or by Teleconference via Zoom & Telephone (zoom meeting ID 6756336928 or Dial in at 1-888-788-0099).

DATE
January 6, 2021
February 3, 2021
March 3, 2021
April 7, 2021
May 5, 2021
June 2, 2021
July 7, 2021
August 4, 2021
September 1, 2021
October 6, 2021
November 3, 2021
December 1, 2021

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.8 **Consider Special Board Meeting to Tour Proposed Community Forest Access Points and Property**

PRESENTED BY: **Pat Kaspari, General Manager**

TYPE OF ACTION: **Direction to Staff**

Recommendation:

Staff recommends that the Board review the information, take public comment, and provide direct to Staff regarding a special meeting to tour the proposed Community Forest trail heads and property.

Discussion:

The District is in the next round for possible grant funding to purchase 550-acres of Community Forest land. Although the grant award is not guaranteed, Staff is beginning the planning and community outreach for the establishment of a Community Forest. An Ad Hoc Committee has been established consisting of Directors Corbett and Mayo, Parks & Recreation Director Frisbee, and GM Kaspari. Other Members of the Board have expressed interest in seeing the proposed Community Forest property. District staff is asking Board members if they would be interested in a tour of the proposed property and access points where the proposed forest intersects existing roads. Board members could choose to tour the trails in person or virtually through a series of maps and videos. If more than three Board members wish to tour the property at one time, a special meeting will need to be scheduled to avoid Brown Act issues. A virtual tour could be scheduled as part of a Regularly Scheduled Board Meeting or a Special Board meeting.

Alternatives:

Take Action

Fiscal Analysis:

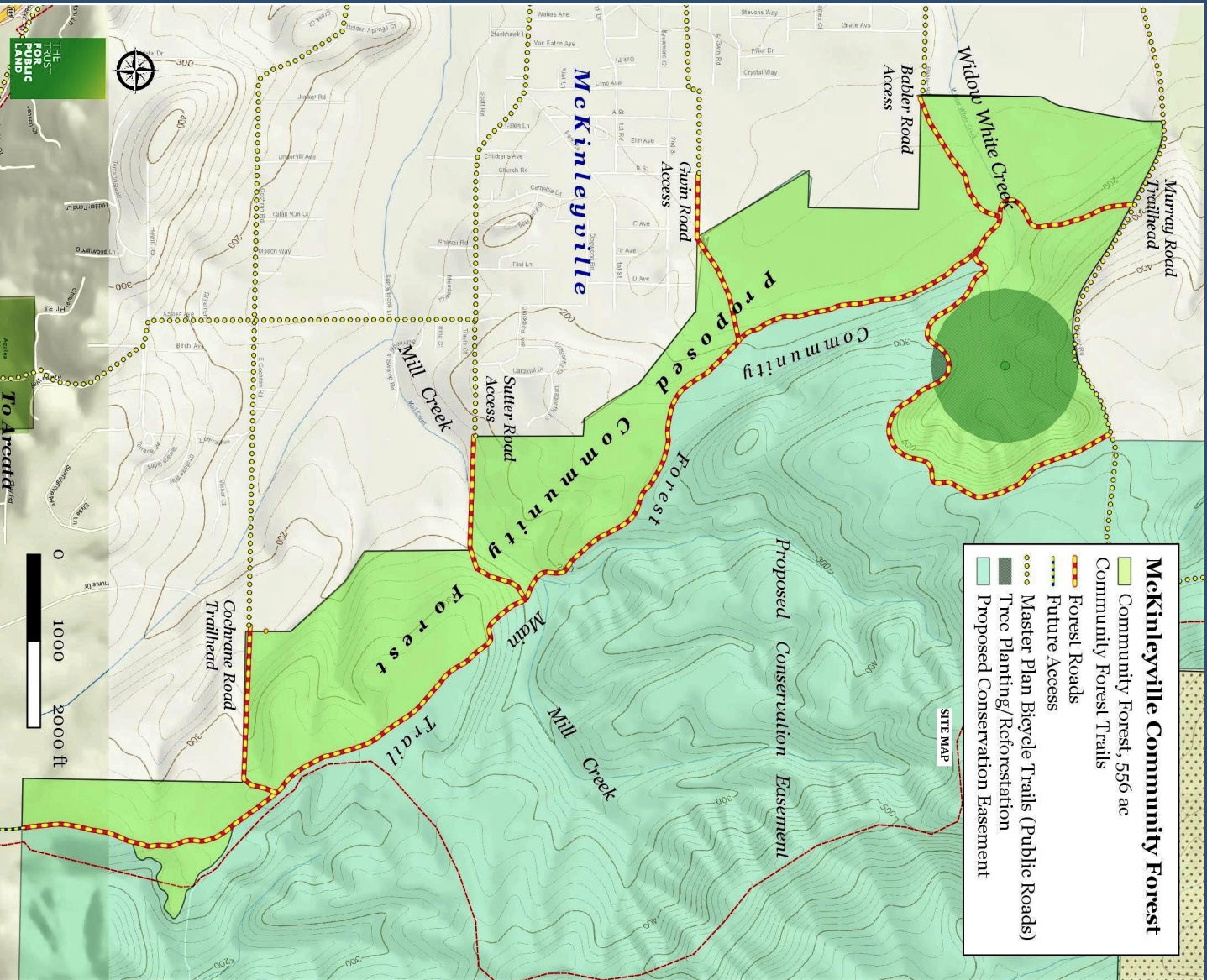
Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Map of Proposed Community Forest



- McKinleyville Community Forest**
- Community Forest, 556 ac
 - Community Forest Trails
 - Forest Roads
 - Future Access
 - Master Plan Bicycle Trails (Public Roads)
 - Tree Planting/Reforestation
 - Proposed Conservation Easement

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **ACTION**

ITEM: E.9 **Consider Director Corbett's Proposal to Establish Committee to Clarify District's Authority with regards to Library and Law Enforcement, Community Forest Operation, Support for the McKinleyville Municipal Advisory Committee, Reclamation, and Homelessness**

PRESENTED BY: **Pat Kaspari, General Manager**

TYPE OF ACTION: **Establishment of Committee**

Recommendation:

Staff recommends that the Board review the provided information, take public comment, have the Board President appoint a committee of two Board Members and others as appropriate to consider clarification of the District's Authority.

Discussion:

Director Corbett has prepared a memo directed to the Board outlining his recommendations with regards to clarifying certain aspects of the District's authority (Attachment 1). Director Corbett's memo recommends that a Committee be established to review and clarify the District's authority with respect to five specific areas:

- 1) Law Enforcement & Library
- 2) Community Forest
- 3) Support of McKinleyville Municipal Advisory Committee (MMAC)
- 4) Reclamation
- 5) Homeless

Staff directs the Board to Attachment 1, Director Corbett's Memo. Attachment 2, a memo from Board Secretary to Director Corbett with regards to the process for establishing or expanding the District's Latent Powers is included as a reference. Attachment 3 is also for reference and is the current Municipal Services Review by the Local Agency Formation Commission (LAFCo) which outlines their understanding of the District's powers as of 2009.

Director Corbett's recommended Motion is:

The following proposed steps and actions will be taken.

- The Board Chair appoint a committee consisting of two Board Members. It is recommended but not required that the General Manager and Greg Orsini be added to the committee.

- The committee will review and document past District resolutions asserting authority, the documentation of any filings with LAFCo, and actions before January 1, 2005 as those were retroactively approved by legislation. The committee will research and review Section 61000 latent powers to determine if activities fit into those provisions for jurisdiction.
- The committee would report back with proposed language and a recommendation regarding the subject area. The MCSD board would vote on each recommended item separately.
- The approved language would be forwarded to Legal Counsel for review and an outline of the proposed legal actions to proceed.
- A final version will come back for an additional Board vote within one to two months.
- If successful, a letter would be written to the County requesting specific permission for each approved subject area.
- An application will be made to LAFCo to approve of the exercise of authority by the District to finalize the clarification.

Alternatives:

Take No Action

Fiscal Analysis:

No impact except for approximately 24 hours of Staff time and cost associated with Legal Counsel review.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – MCSD Clarification of Authority Memo, Director Corbett
- Attachment 2 – July 31, 2020 Memo from Board Secretary Sousa to Director Corbett
- Attachment 3 – LAFCo Municipal Service Review, Jan. 2009

MCS D Clarification of Authority Proposals

We have a vibrant MckMac the District has solved community problems that may be at the periphery of the District's traditional authority. This has resulted in the need to clarify current and future initiatives as clearly being in the scope and jurisdiction of the District. This will require a careful review of when various activities began and whether they fall within the scope of latent powers for Special Districts as specified in Government Code 61000 or are otherwise provided for by Government Code. I have included Government Code Sections 61000 and 61100 for background.

No additional revenue or taxes would be required for any of the proposed changes. The District is planning to use our tremendous community support throughout the years and grants as we have done in the past.

After study by the committee these items may have a history of prior approval by the BOS, LAFCO, or code sections relating to latent powers being accepted implemented prior to January 1, 2006. Such items may or may not suggest that LAFCO concur in writing that no application is needed.

Note that while not being proposed 61100 (ac) provides for the financing the operations of area planning commissions formed pursuant to Section 65101. This would be established and run by the County.

The following areas have been identified for review.

Law Enforcement and Library: The clarification of authority is not expected to change existing efforts. We currently lease the facilities at below cost and have benefited from a significant increase in services from the county.

Sample Language: **The District is authorized to enter into collaborative agreements with Humboldt County or others that support the provision of Library and Law Enforcement Services.**

The entire history of the establishment of these services should be researched. There is a resolution but it is unclear whether it needed to be forwarded to LAFCO and whether it was. 61100 (i) allows special districts to "provide for police protection and law enforcement services by establishing and operating a police department that employees peace officers." Section 61100 (k) provides for library services.

Community Forrest: We have a long range strategic plan to create a community forest. It is the right time to establish our authority to receive property, operate, and manage a community forest for public and economic benefits.

Community Forest sample language: **The District is authorized to acquire, manage, and operate a community forest for current and future generations. Such forests may be managed for conservation, environmental, fire, and timber operations.**

Support of the MMAC: We have a vibrant community process. The district needs to be able to support and enter into contracts with the county on behalf of the McMAC.

Sample Language: **The MCSD has authority to apply resources to support the McMac including entering collaborative contracts with the county as well as direct support of the McMac.**

Reclamation: Reclamation is strongly favored by the State of California and having projects is important towards meeting future regulatory demands. Reclamation in recycling water and other uses makes sure we wisely conserve our natural resources. Many subdivisions have small open spaces the District currently manages uses to recharge water and to reduce flooding. This stays clear, reduces fire potential and has converted excess water to recharging our ground water aquifer. This is paid for by the landowners. The district applies treated sewer water to keep our dairy farms productive. Reclamation is clearly within the powers of a special district. 61100 Government Code.

Reclamation: Sample language: **The District is authorized to seek grants, enter into contracts, seek grants, to provide district land, and other resources to further reclamation projects such as flood plain restoration, ground water recharge, prevent flooding, the use of land for sewage treatment, the recycling of water and environmental projects.**

Homeless: There should be a discussion and recommendation of whether the district should consider providing support for the homeless which is expected to be primarily the use of district land. No sample language is recommended. A determination needs to be made whether providing for the homeless is outside the latent powers of the district and that the district would be exceeding its authority to participate in such a project. See Government Code 61100. Section D allows the district to create a leasehold interest in property for the benefit of the district. Section 61100 (s) allow the operation of, provision and maintenance of community facilities.

Motion: The following proposed steps and actions will be taken.

The Board Chair appoint a committee consisting of two Board Members . It is recommended but not required that the General Manager and Greg Orsini be added to the committee.

The committee will review and document past District resolutions asserting authority, the documentation of any filings with LAFCO and actions before January 1, 2005 as those were retroactively approved by legislation. The committee will research and review Section 61000 latent powers to determine if activities fit into those provisions for jurisdiction.

The committee would report back with proposed language and a recommendation regarding the subject area. The MCSD board would vote on each recommended item separately.

The approved language would be forwarded for legal counsel for review and an outline of the proposed legal actions to proceed.

A final version will come back for an additional board vote within one to two months.

If successful, a letter would be written to the County requesting specific permission for each approved subject area.

An application will be made to LAFCO to approve of the exercise of authority by the District to finalize the clarification.

Projects are expected to continue operations and programs during the clarification process.

PHYSICAL ADDRESS:

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WEBSITE:

WWW.MCSD.COM

To: John Corbett
From: April Sousa, Board Secretary
CC: Russell Gans, District Counsel
Pat Kaspari, General Manager
MCSD Board of Directors
Date: July 31, 2020
Subject: Process to Exercise New Authorities

General Questions:

1. If MCSD is to expand authority, such as adding floodplain management, would that have to go to a Public Ballot?
2. Or, if MCSD wanted to host a Homeless Tent site outside MCSD's Emergency authority under COVID, could MCSD do that or what Authority would MCSD have to assume to be allowed to do that, and what is the process of expanding the District's Authority?

Answer to Question 1:

The answer to this question first lies in whether the authority the Board seeks to exercise is authority specifically afforded to the District under the California Community Services District Law (Government Code Section 61000 et seq.) or a "latent power" the District may, potentially, exercise. Government Code Section 61002(h) states, in pertinent part, as follows;

"Latent power" means those services and facilities authorized by Part 3 (commencing with Section 61100) that the local agency formation commission has determined, pursuant to subdivision (i) of Section 56425, that a district did not provide prior to January 1, 2006."

Government Code Section 61100 states, in pertinent part, as follows:

Within its boundaries a district may do any of the following: ...

(r) Plan, design, construct, improve, maintain, and operate flood protection facilities. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities within the boundaries of another special district that provides those facilities unless the other special district gives its written consent. A district

shall not plan, design, construct, improve, maintain, or operate flood protection facilities in unincorporated territory unless the board of supervisors gives its written consent. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities within a city unless the city council gives its written consent.

Here, it is clear that MCSD did not provide floodplain management or protection services prior to January 1, 2006. Section 61100(r), however, lists floodplain protection as a permissible service of special districts, rendering it a "latent" power in this circumstance as to MCSD. To exercise a latent power, a special district must first get approval from the applicable Local Area Formation Commission (here, Humboldt LAFCo). Additionally, to exercise flood plan management services in an unincorporated area of the County, Board of Supervisors approval is also required. Additionally, an ordinance from the MCSD Board is required to fully exercise this power.

In discussion with Humboldt LAFCo Executive Officer, Colette Metz, the following recommendations, and requirements, were provided by her. First, if there is not a need for the latent power to be acted upon, she recommended avoiding any attempt to exercise (and thus "adopt") a latent power. Metz noted that many projects actually fall within the sphere of current authority vested in special districts. An example includes the decommissioning of the existing MCSD percolation ponds with the salmonid habitat restoration project and trails as a way to mitigate the hazards that would take place from this decommissioning. This would fit within MCSD's existing wastewater facilities management and recreation authorities, and the decommissioning is part of MCSD's continued provision of wastewater treatment facilities and mitigating facility impacts.

Speaking with Ms. Metz: if MCSD is presented with an opportunity, and would like to exercise other latent powers, such as floodplain management, LAFCo will need to know the financial viability of enacting the latent power prior to approval. This means the District will need to provide LAFCo with a detailed explanation of the proposed project(s) and latent power needs, why there is a desire to enact this power, why other agencies that currently encompass the area that have the power are not sufficient, what the costs are associated with exercising this power, and what the source and amount of revenues would be to offset these costs. If it is deemed to be financially viable for the District to exercise and enact this latent power, LAFCo will give permission and no vote of MCSD constituents is required; however, California Election Code section 9603 allows for the district to have an advisory election to allow voters to voice their opinions on substantive issues if they so choose. The final step is to introduce and approve, at an open public meeting, an ordinance adding in this latent power.

Answer to Question 2:

Cities and Counties perform a broad array of services for the protection of the health, safety and welfare of all their citizens. Special Districts are limited purpose local governments that provide only the services desired by their residents. Authority such as homeless/social services (outside of emergency powers) are not latent powers authorized for Special Districts to exercise as contemplated by Government Code Section 61100. Consequently, pledging District resources to these services could be alleged to constitute an act in excess of the District's jurisdictional authority.



California Code, Government Code - GOV § 61060

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A district shall have and may exercise all rights and powers, expressed and implied, necessary to carry out the purposes and intent of this division, including, but not limited to, the following powers:

- (a) To adopt ordinances following the procedures of Article 7 (commencing with [Section 25120 \(https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l7727af701af511e98d8ffd1464e83236&cite=CAG\)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l7727af701af511e98d8ffd1464e83236&cite=CAG)) of Chapter 1 of Part 2 of Division 2 of Title 3.
- (b) To adopt, by ordinance, and enforce rules and regulations for the administration, operation, and use and maintenance of the facilities and services listed in Part 3 (commencing with [Section 61100 \(https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l7727af711af511e98d8ffd1464e83236&cite=CAG\)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l7727af711af511e98d8ffd1464e83236&cite=CAG)).
- (c) To sue and be sued in its own name.
- (d) To acquire any real or personal property within or outside the district, by contract or otherwise, to hold, manage, occupy, dispose of, convey, and encumber the property, and to create a leasehold interest in the property for the benefit of the district.
- (e) To acquire by eminent domain any real or personal property within or outside the district. If a district acquires real or personal property of a public utility by eminent domain, the district shall also pay for the cost of the removal, reconstruction, or relocation of any structure, railways, mains, pipes, conduits, wires, cables, or poles that must be moved to a new location.
- (f) To appoint employees, to define their qualifications and duties, and to provide a schedule of compensation for performance of their duties.
- (g) To engage counsel and other professional services.
- (h) To enter into and perform all contracts, including, but not limited to, contracts pursuant to Article 43 (commencing with [Section 20680 \(https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000219&refType=LQ&originatingDoc=l7727fd901af511e98d8ffd1464e83236&cite=CAG\)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000219&refType=LQ&originatingDoc=l7727fd901af511e98d8ffd1464e83236&cite=CAG)) of Chapter 1 of Part 3 of the Public Contract Code.
- (i) To adopt a seal and alter it.
- (j) To enter joint powers agreements pursuant to the Joint Exercise of Powers Act, Chapter 5 (commencing with [Section 6500 \(https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l772824a01af511e98d8ffd1464e83236&cite=CAG\)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l772824a01af511e98d8ffd1464e83236&cite=CAG)) of Division 7 of Title 1.
- (k) To provide insurance pursuant to Part 6 (commencing with [Section 989 \(https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l772824a11af511e98d8ffd1464e83236&cite=CAG\)](https://1.next.westlaw.com/Link/Document/FullText?findType=L&originatingContext=document&transitionType=DocumentItem&pubNum=1000211&refType=LQ&originatingDoc=l772824a11af511e98d8ffd1464e83236&cite=CAG)) of Division 3.6 of Title 1.
- (l) To provide training that will assist the members of the board of directors in the governance of the district.

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(m) To construct any works along, under, or across any street, road, or highway, subject to the consent of the governing body in charge, and along, under, or across any other property devoted to a public use.

(n) To take any and all actions necessary for, or incidental to, the powers expressed or implied by this division.

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GOVERNMENT CODE - GOV

TITLE 6. DISTRICTS [58000 - 62262] (*Title 6 added by Stats. 1951, Ch. 331.*)

DIVISION 3. COMMUNITY SERVICES DISTRICTS [61000 - 61250] (*Division 3 repealed and added by Stats. 2005, Ch. 249, Sec. 3.*)

PART 3. PURPOSES, SERVICES, AND FACILITIES [61100 - 61226.5] (*Part 3 repealed and added by Stats. 2005, Ch. 249, Sec. 3.*)

CHAPTER 1. Authorized Services and Facilities [61100 - 61107] (*Chapter 1 repealed and added by Stats. 2005, Ch. 249, Sec. 3.*)

61100. Within its boundaries, a district may do any of the following:

- (a) Supply water for any beneficial uses, in the same manner as a municipal water district, formed pursuant to the Municipal Water District Law of 1911, Division 20 (commencing with Section 71000) of the Water Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail.
- (b) Collect, treat, or dispose of sewage, wastewater, recycled water, and storm water, in the same manner as a sanitary district, formed pursuant to the Sanitary District Act of 1923, Division 6 (commencing with Section 6400) of the Health and Safety Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail.
- (c) Collect, transfer, and dispose of solid waste, and provide solid waste handling services, including, but not limited to, source reduction, recycling, and composting activities, pursuant to Division 30 (commencing with Section 40000), and consistent with Section 41821.2 of the Public Resources Code.
- (d) Provide fire protection services, rescue services, hazardous material emergency response services, and ambulance services in the same manner as a fire protection district, formed pursuant to the Fire Protection District Law, Part 2.7 (commencing with Section 13800) of Division 12 of the Health and Safety Code.
- (e) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code.
- (f) Organize, promote, conduct, and advertise programs of community recreation, in the same manner as a recreation and park district formed pursuant to the Recreation and Park District Law, Chapter 4 (commencing with Section 5780) of Division 5 of the Public Resources Code.
- (g) Acquire, construct, improve, maintain, and operate street lighting and landscaping on public property, public rights-of-way, and public easements.
- (h) Provide for the surveillance, prevention, abatement, and control of vectors and vectorborne diseases in the same manner as a mosquito abatement and vector control district formed pursuant to the Mosquito Abatement and Vector Control District Law, Chapter 1 (commencing with Section 2000) of Division 3 of the Health and Safety Code.
- (i) Provide police protection and law enforcement services by establishing and operating a police department that employs peace officers pursuant to Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code.
- (j) Provide security services, including, but not limited to, burglar and fire alarm services, to protect lives and property.

- (k) Provide library services, in the same manner as a library district formed pursuant to either Chapter 8 (commencing with Section 19400) or Chapter 9 (commencing with Section 19600) of Part 11 of the Education Code.
- (l) Acquire, construct, improve, and maintain streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works. A district shall not acquire, construct, improve, or maintain any work owned by another public agency unless that other public agency gives its written consent.
- (m) Convert existing overhead electric and communications facilities, with the consent of the public agency or public utility that owns the facilities, to underground locations pursuant to Chapter 28 (commencing with Section 5896.1) of Part 3 of Division 7 of the Streets and Highways Code.
- (n) Provide emergency medical services pursuant to the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act, Division 2.5 (commencing with Section 1797) of the Health and Safety Code.
- (o) Provide and maintain public airports and landing places for aerial traffic, in the same manner as an airport district formed pursuant to the California Airport District Act, Part 2 (commencing with Section 22001) of Division 9 of the Public Utilities Code.
- (p) Provide transportation services.
- (q) Abate graffiti.
- (r) Plan, design, construct, improve, maintain, and operate flood protection facilities. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities within the boundaries of another special district that provides those facilities unless the other special district gives its written consent. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities in unincorporated territory unless the board of supervisors gives its written consent. A district shall not plan, design, construct, improve, maintain, or operate flood protection facilities within a city unless the city council gives its written consent.
- (s) Acquire, construct, improve, maintain, and operate community facilities, including, but not limited to, community centers, libraries, theaters, museums, cultural facilities, and child care facilities.
- (t) Abate weeds and rubbish pursuant to Part 5 (commencing Section 14875) of the Health and Safety Code. For that purpose, the board of directors shall be deemed to be a "board of supervisors" and district employees shall be deemed to be the "persons" designated by Section 14890 of the Health and Safety Code.
- (u) Acquire, construct, improve, maintain, and operate hydroelectric power generating facilities and transmission lines, consistent with the district's water supply and wastewater operations. The power generated shall be used for district purposes, or sold to a public utility or another public agency that generates, uses, or sells electrical power. A district shall not acquire hydroelectric power generating facilities unless the facilities' owner agrees.
- (v) Acquire, construct, improve, maintain, and operate television translator facilities.
- (w) Remove snow from public streets, roads, easements, and rights-of-way. A district may remove snow from public streets, roads, easements, and rights-of-way owned by another public agency, only with the written consent of that other public agency.
- (x) Provide animal control services pursuant to Section 30501 of the Food and Agricultural Code. Whenever the term "board of supervisors," "county," "county clerk," or "animal control officer" is used in Division 14 (commencing with Section 30501) of the Food and Agricultural Code, those terms shall also be deemed to include the board of directors of a district, a district, the general manager of the district, or the animal control officer of a district, respectively. A district shall not provide animal control services in unincorporated territory unless the county board of supervisors gives its written consent. A district shall not provide animal control services within a city unless the city council gives its written consent.
- (y) Control, abate, and eradicate pests, in the same manner as a pest abatement district, formed pursuant to Chapter 8 (commencing with Section 2800) of Division 3 of the Health and Safety Code. A district's program to control, abate, or eradicate local pine bark beetle infestations shall be consistent with any required plan or program approved by the Department of Forestry and Fire Protection.
- (z) Construct, maintain, and operate mailboxes on a district's property or rights-of-way.
- (aa) Provide mail delivery service under contract to the United States Postal Service.
- (ab) Own, operate, improve, and maintain cemeteries and provide interment services, in the same manner as a public cemetery district, formed pursuant to the Public Cemetery District Law, Part 4 (commencing with Section 9000) of Division 8 of the Health and Safety Code.
- (ac) Finance the operations of area planning commissions formed pursuant to Section 65101.

(ad) Finance the operations of municipal advisory councils formed pursuant to Section 31010.

(ae) Acquire, own, improve, maintain, and operate land within or without the district for habitat mitigation or other environmental protection purposes to mitigate the effects of projects undertaken by the district.

(af) Construct, own, improve, maintain, and operate broadband facilities and provide broadband services. For purposes of this section, broadband has the same meaning as in subdivision (a) of Section 5830 of the Public Utilities Code. A district shall comply with Article 12 (commencing with Section 53167) of Chapter 1 of Part 1 of Division 2 of Title 5 when providing broadband services pursuant to this subdivision. If the district later determines that a private person or entity is ready, willing, and able to acquire, construct, improve, maintain, and operate broadband facilities and to provide broadband services, and to sell those services at a comparable cost and quality of service as provided by the district, the district may do one of the following:

(1) Diligently transfer its title, ownership, maintenance, control, and operation of those broadband facilities and services at a fair market value to that private person or entity.

(2) Lease the operation of those broadband facilities at a fair market value to that private person or entity.

(Amended by Stats. 2018, Ch. 963, Sec. 5. (AB 1999) Effective January 1, 2019.)



Municipal Service Review

ADOPTED
January 2009

Prepared by:



For the District Sphere of Influence Report

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LOCAL AGENCY FORMATION COMMISSION AUTHORITY

Latent Powers, Enabling Legislation and Empowered Services

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions. The major goals of LAFCo as established by The Act are to:

- Encourage orderly growth and development;
- Promote orderly development;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
- Exercise its authority to ensure that affected populations receive efficient services;
- Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
- Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to encourage government structures that reflect local circumstances, conditions and financial resources;
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary,

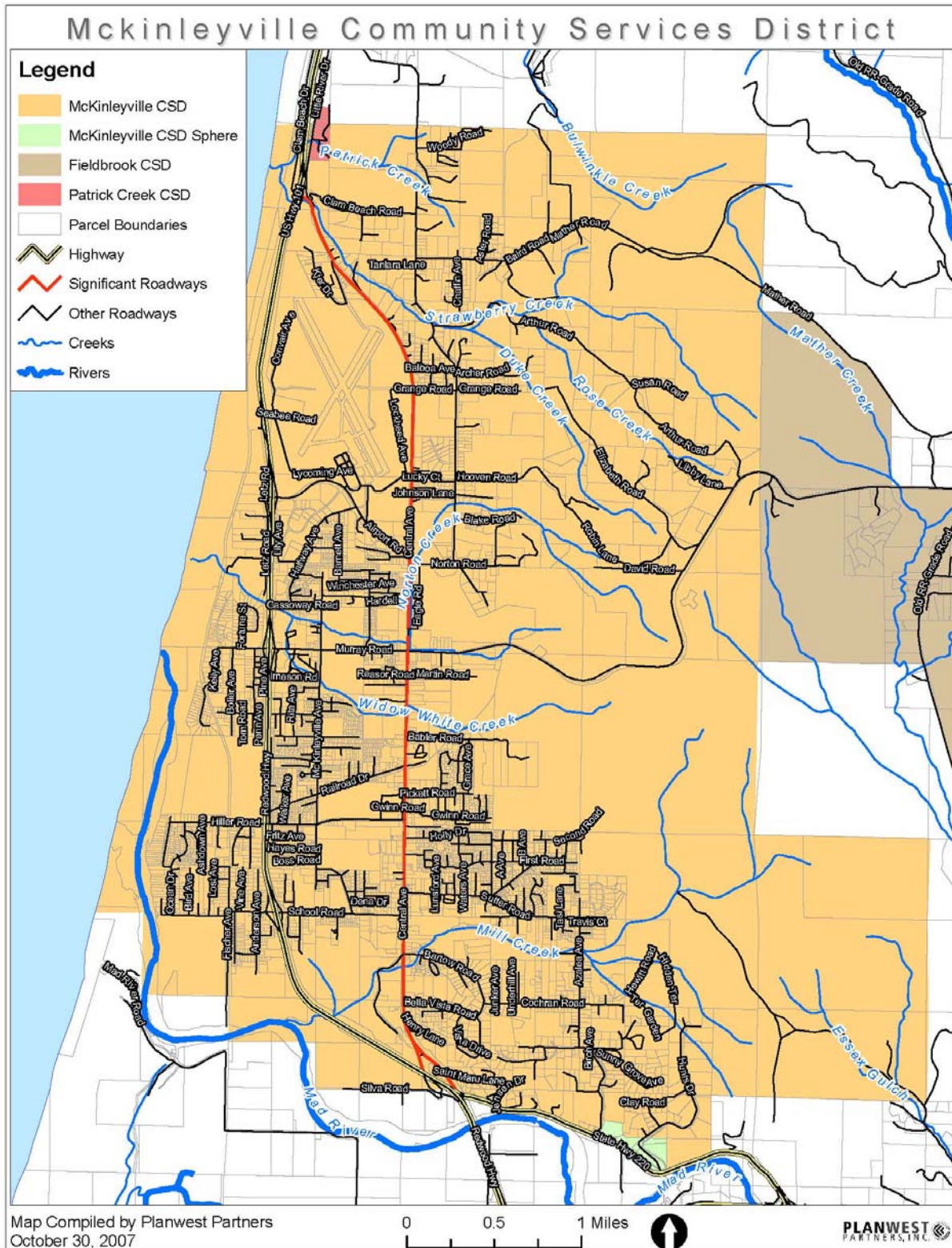
As set fourth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Humboldt LAFCo shall review and update each Sphere of Influence (SOI).

Additionally, an MSR shall be conducted with, or in conjunction with the action to establish or to update a SOI pursuant to The Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents.

In order to prepare and to update Spheres of Influence in accordance with § 56425, Humboldt LAFCo shall conduct a service review of the municipal services provided in the McKinleyville Community Services District (CSD). The commission shall include in the designated for service review area any other geographic area as is appropriate for an analysis of the services to be reviewed, and shall prepare a written statement of determinations with respect to the following:

- (1) Growth and population projections for the affected area;
- (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies;
- (3) Financial ability of agencies to provide services;
- (4) Status of, and opportunities for, shared facilities;
- (5) Accountability for community service needs, including governmental structure and operational efficiencies; and
- (6) Any other matter related to effective or efficient service delivery, as required by commission policy.

Figure 1. McKinleyville CSD Boundary and Sphere of Influence



AGENCY PROFILE

The McKinleyville Community Services District (CSD) extends north from the Mad River to Patrick Creek and east from the Pacific Ocean to the foothills bordering the community of Fieldbrook. The district is located along Highway 101 approximately 12 miles north of the City of Eureka and 5 miles south of the City of Trinidad. Figure 1 (on page 2) shows the district Boundary and Sphere of Influence (SOI).

The McKinleyville CSD is the largest district of its type in Humboldt County, covering 12,480 acres, or approximately 19.5 square miles. The district provides the following services to its residents:

- 1) Water Service,
- 2) Wastewater Collection and Treatment,
- 3) Parks and Recreation Services, and
- 4) Street Lighting.

Table 1: McKinleyville CSD Profile

Agency Name	Date of Formation	Enabling Legislation
McKinleyville Community Services District	April 21, 1970	California Government Code section 61000
Contact Person	Contact Title	Email/Website
Tom Marking	General Manager	mcsdgm@mckinleyvillecsd.com www.mckinleyvillecsd.com
Mailing Address	Physical Address	Phone
P.O. Box 3251, McKinleyville, CA 95519	District Office 1656 Sutter Road, McKinleyville, CA 95519	Phone: (707) 839-3251

Formation

The McKinleyville CSD was formed on April 21, 1970 after a special election was held within the area proposed for district formation. The district was formed as an independent multi-purpose district organized pursuant to section 61000 et seq. of the California Government Code. Although the district now provides several services, it was originally formed to provide a community water supply system only. The district’s mission statement is as follows: “To respond with excellence to McKinleyville’s needs for those services within our jurisdiction and to provide the highest quality, timely services in the most cost effective manner.”

Governance

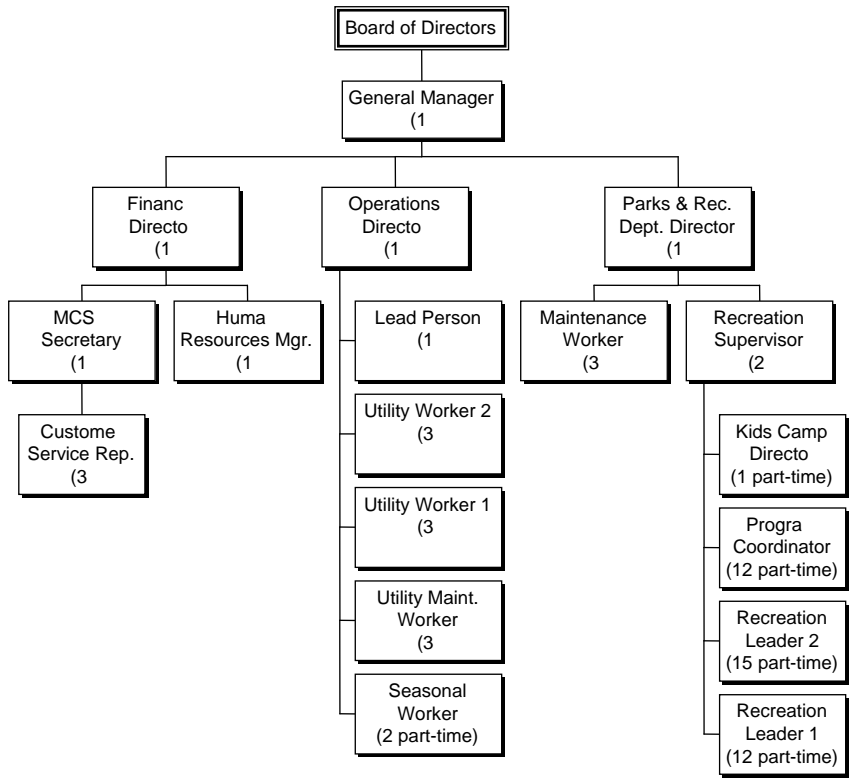
The McKinleyville CSD is governed by a five-member Board of Directors elected in odd numbered years to serve four-year rotating terms. The Board of Directors holds public meetings on the third Wednesday of every month at Azalea Hall (1620 Pickett Road in McKinleyville). Public notification is given six days prior to the meeting. The meeting agenda and materials are posted on the district web site at www.mckinleyvillecsd.com. Table 2, on page 4, shows the existing Board composition.

Table 2: McKinleyville CSD Board of Directors.

Board Member	Title	Term Expiration
John Corbett	President	December 2011
Bill Wennerholm	Vice President	December 2009
Jeff Dunk	Director	December 2009
Helen Edwards	Director	December 2011
Dennis Mayo	Director	December 2009

The McKinleyville CSD employs a General Manager who is responsible for administering and implementing policies set by the Board. The district’s staff consists of 24 full-time and 42 part-time employees, and 10 volunteers. Figure 2 (on page 4) shows the McKinleyville CSD Organizational Chart.

Figure 2 McKinleyville CSD Organization Chart



GROWTH AND POPULATION

County Population and Growth

According to the State of California Department of Finance, Humboldt County has an estimated 2008 population of 132,821. The County grew at an overall rate of 0.6 percent during 2007^[1]. Assuming this growth continues, the population of Humboldt County will reach approximately 147,000 by the year 2025.

District Population and Housing Projections

The McKinleyville CSD serves approximately 14,000 people. The average population growth rate for unincorporated areas of the County is 0.8 percent^[1]. At this growth rate, McKinleyville's population would reach approximately 16,000 by the year 2025.

A Community Infrastructure and Services (CIS) Report was prepared as part of the Humboldt County General Plan Update^[2]. The report identified Urban Study Areas (USA) and Water Study Areas (WSA) within special districts in order to develop land use planning scenarios and to focus the analysis for timing and location of new facilities.

The report identified both a USA and a WSA for McKinleyville; the two areas combined have essentially the same boundary as the McKinleyville CSD. In 2000, the McKinleyville USA and WSA combined had 6,371 dwelling units and 2,874 vacant or underdeveloped acres. The CIS report estimates an additional 2,347 to 4,249 housing units for the McKinleyville USA and WSA combined, by the year 2025^[2].

The McKinleyville area has been identified as one of three major development areas within the County^[2]. The District's proximity to the City of Arcata, which has limited developable acreage, makes it a primary target for future development within the County.

SERVICES

The McKinleyville CSD currently provides water service to 6,300 connections and wastewater service to 5,700 connections. The district has a Parks and Recreation Department that maintains and operates indoor and outdoor facilities for community members' use. Street Lighting is provided by the district within its boundary. The McKinleyville CSD also provides water service for the Patrick's Creek Water District on Clam Beach Road east of Highway 101.

Water

Water Source and Demand

The McKinleyville CSD purchases potable water from the Humboldt Bay Municipal Water District (HBMWD). The HBMWD treats water from the Mad River and reports there is an ample water supply to meet the future needs of their customers. The McKinleyville CSD has an average daily use of 2.2 million gallons per day (MGD) in the summer and a peak daily use of

2.7 MGD. The existing water system exceeds demand, as it is designed to serve 10,000 homes and currently serves 6,300.

Infrastructure

Approximately 5,900 of the District's 6,300 existing connections are residential. The water system consists of 70 miles of water mains, a pump station, and four storage tank sites. The system's existing storage capacity is 5.25 million gallons (MG). This exceeds the District's peak daily use of 2.7 MGD.

There are six existing storage tanks in three locations: McCluski Hill (100,000 gal & 150,000 gal), Cochran Road (1 MG & 1.5 MG), and Norton Road (1 MG & 1.5 MG). A fourth storage tank site, located east of Beau Pre Golf Course on Murray Road, has been purchased for future development.

The district's water is diverted from a HBMWD facility on Essex Hill under the Mad River to the North Bank Pump Station at North Bank and Azalea Roads. From there the water is pumped to McKinleyville CSD's six storage tanks and gravity fed throughout the distribution system to customers and fire hydrants. The district installs and maintains fire hydrants in accordance with the California Fire Code.

Infrastructure Needs and Deficiencies

The district's water system is in good condition and there are no existing deficiencies. The District's planned water system upgrades are designed to meet the future needs of the growing community.

Maintenance Schedule

Water meters are continually replaced so that no meter is used for more than 15 years. Storage tanks are scheduled for recoating in the fiscal year (FY) 10/11, FY 13/14 and FY 16/17 ^[4].

Planned Upgrades

The North Bank Pump Station is currently being engineered for an upgrade that will increase its pumping capacity to 4.5 MGD for future growth. The estimated cost of this project is \$950,000.

A storage tank project on Murray Road is scheduled to begin after the North Bank Pump Station upgrade is complete. This will increase the District's storage capacity, enhance fire flows, and allow for new growth, especially in northern McKinleyville. The district ultimately plans to add 6 MG of storage capacity at the site. They are currently investigating the feasibility of building one in ground 6 MG tank or two above ground 3 MG tanks. The District expects these details to be finalized within one year. Current project estimates include design costs of \$75,000 and construction costs of approximately 3.2 million ^[3].

The older fire hydrants in commercial areas are being upgraded to four inch steamer nozzles on an ongoing basis.

The district is considering the development of emergency backup infrastructure for a situation in which the main transmission line under the Mad River is broken (i.e. seismic activity). Projects

being considered include the development of a well and the inclusion of supply pipes in the Mad River/Highway 101 Bridge scheduled for completion in 2010 ^[3].

Wastewater

Infrastructure

The McKinleyville CSD's wastewater system consists of a collection system, a wastewater management facility (WMF), and a discharge system. The collection system consists of four sewer lift stations and 48 miles of sewer mains that collect wastewater from 5,700 customers. The sewer mains converge at the Fischer Road Pump Station where raw sewage is pumped to the WMF. The Pump Station has a capacity of 2,100 gallons per minute with both 100 horsepower pumps running.

The WMF is located at Hiller Park on a 68 acre parcel. The facilities cover 34 acres of this area with an 18 acre wooded buffer and a 16 acre open parcel to the south. In 2005, the McKinleyville CSD completed a wetland project to enhance their WMF as part of a compliance project through the Regional Water Quality Control Board (RWQCB). The WMF now includes two primary oxidation ponds, two secondary oxidation ponds, two treatment wetlands, a chlorine disinfection facility, and an effluent pumping station. The ponds have twelve 5-horsepower aerators to provide additional oxygen in the warmer months.

The current flows range between 0.95 MGD (during dry weather) and 1.1 MGD (during wet weather). The system's treatment capacity is 1.61 MGD. The hydraulic capacity of the disinfection facilities is 3.3 MGD. The district has some of the lowest inflow and infiltration rates in the County ^[2].

The system discharges effluent into the Mad River during the wet months and applies treated wastewater for agricultural irrigation at the Fischer Irrigation Site and Hiller Park during the dry months.

Infrastructure Needs and Deficiencies

McKinleyville CSD's wastewater system is currently operating at approximately 76% of its designed capacity and is capable of providing service to approximately 1,500 additional connections ^[2]. The collection system will require piping upgrades in response to future community development.

During dry months, the district relies solely on land application for wastewater discharge. As population growth continues, the District may need additional irrigation area for effluent discharge. SHN Consulting Engineers & Geologists is currently performing a two year study of the district's WMF that will result in a twenty year plan for keeping the district in compliance with all applicable standards.

Some of the district's main lines are nearing capacity and some are also being considered for bursting. The district is currently investigating the proper approach for increasing main lines capacity ^[3].

Maintenance Schedule

The district conducts smoke testing and manhole inspections every winter ^[4].

Planned Upgrades

The McKinleyville CSD meets the discharge standards currently in effect. A new discharge permit issued by the RWQCB on August 1, 2008 requires increased monitoring and performance studies of the disposal process and irrigation methods. Additionally, the California Toxics Rule, which goes into effect on May 18, 2010, will require substantial changes in public awareness regarding disposal of pollutants and compliance with effluent limitations. The McKinleyville CSD anticipates substantial modification to their WMF to maintain future compliance with these new regulatory requirements.

As stated previously, the district upgraded their treatment facilities in 2005; the two wetlands that were constructed as part of this project were expected to mature in 2008. Staff is currently evaluating the treatment wetlands' performance with regard to treatment capacity and effectiveness. Engineering studies will determine the extent of sewer system upgrades that will be necessary to meet the new RWQCB standards. The district is tentatively planning a 2-5 million upgrade project that will put their WMF in compliance with the new RWQCB standards. The specifics of this project will be based upon the results of the studies performed and may be initiated in FY 09/10 ^[3].

The district is currently investigating another project that will increase the capacity of their wastewater collection system to accommodate expected growth and development. The project will increase the capacity of the main trunk lines either by adding parallel lines or removing and replacing the existing lines.

The area immediately north of the Norton and Airport Road intersection, is an area of eventual expansion for wastewater service. This would include a wastewater collection system between Central Avenue and Dows Prairie Road that extends north to Grange Road.

Parks and Recreation

Governance and Operations

The McKinleyville CSD's Department of Parks and Recreation has three divisions: Parks, Recreation, and Administration. Their mission statement is "to create community and increase quality of life through people, recreation programs, public utilities, and parks". The Department offers a variety of programs and facilities to meet community needs.

In 1975, the State adopted the Quimby Act which is designed to ensure adequate open space acreage (3–5 acres per 1,000 residents) in jurisdictions adopting Quimby Act standards. The McKinleyville CSD has adopted these standards and receives 70 percent of Parkland fees collected pursuant to California Government Code Section 66477 to be used for land acquisition and park development.

The McKinleyville Parks and Recreation Department employs six full time and forty part time and seasonal workers. Figure 2 (on page 4) shows the Department's management structure. The Department is governed by a seven-member Recreation Advisory Committee that is appointed by the district Board of Directors. Committee Member terms of service range from one to four years. The Committee holds quarterly meetings (on the fourth Tuesday of January, April, July, and October) that are open to the public. All meetings are noticed in compliance with state and federal law.

The district maintains and operates four parks:

- 1) Pierson Park,
- 2) Hiller Park,
- 3) Larissa Park, and
- 4) Hewitt Park.

The district also has three indoor recreation facilities:

- 1) McKinleyville Activity Center,
- 2) Azalea Hall, and
- 3) The McKinleyville Library.

The Department of Parks and Recreation is also responsible for maintaining open space zones throughout the McKinleyville CSD.

Infrastructure ^[5]

- **Hiller Park/Sports Complex:** Hiller Park is the district's largest recreation facility, covering approximately 58 acres. It is located adjacent to the 68 acre wastewater management facility. Hiller Park consists of baseball and soccer fields, trails, and playgrounds. This facility was completed in 2004 in collaboration with local sports groups.
- **Larissa Park:** Larissa Park is a small park located on Larissa Circle. It features a playground and picnic tables.
- **Pierson Park:** Pierson Park is located at 1608 Pickett Road and provides facilities for outdoor gatherings. The park features a covered picnic area, picnic tables, barbeque pits, full service restrooms, a playground, and horseshoe grounds.
- **Hewitt Ranch:** This 14.5 acre parcel of land was donated to the District in 1998 and is an undeveloped recreation area at this time.
- **Trails:** The district has walking trails at Hiller Park with informational kiosks. The School Road and Mid-Town trails accommodate bikers and walkers.
- **Azalea Hall:** Azalea Hall is a special event facility located at 1620 Pickett Road. The building has two rooms overlooking Pierson Park and accommodates up to 300 people for meetings and special events.

- **McKinleyville Activity Center:** This 10,000 square foot facility is capable of hosting sporting events, skate parties, and large special events. Located at 1705 Gwin Road, this facility features a full-size gymnasium, bleachers, a spacious lobby, a sound system, and a variety of indoor sporting equipment.
- **McKinleyville Library:** This is a branch of the Humboldt County Library and is located at 1606 Pickett Road.
- **Law Enforcement Facility:** The District has a facility in Pierson Park that is leased to the Sheriff's Department as a sub-station. The building was constructed by the Rotary Club and donated to the district in 1998 to be used for this purpose.

Demand and Capacity

In 1975, the State adopted the Quimby Act which is designed to ensure adequate open space acreage (3–5 acres per 1,000 residents) in jurisdictions adopting Quimby Act standards. McKinleyville has 50 acres of community parkland and a population of 14,000 (an average of 3.6 acres per 1,000 residents). The Quimby Act standard of 3–5 acres per 1,000 residents is currently being met by the McKinleyville CSD and plans are underway for an additional park facility at Hewitt Ranch that will add 14.5 acres of parkland. This will allow the district to remain in compliance with Quimby Act standards with future population growth.

Infrastructure Needs and Deficiencies

The McKinleyville Activity Center is in need of additional storage space for contractors providing programs through the Center. Recreation staff is currently investigating possible solutions for this deficiency.

The full-time Parks and Recreation staff shares the McKinleyville CSD office, utilizing what was formerly a conference room for the district. As a result, the district is in need of a conference room. The district plans to build an addition to the office to provide a conference room and additional storage space. The inclusion of solar panels is also being investigated for this project ^[3].

Planned Upgrades

The Parks and Recreation Department is completing the last soccer field at the Hiller Sports Complex. As mentioned previously, an addition to the district office is being planned to provide room for conferences and classes. There are also small trail, park, and signage upgrades planned, including the continued development of the Hiller Park Trails.

The Hewitt Property was donated to the district in FY 98/99. Following public meetings held in 2007, the Board identified a range of developable projects for the property. The district has chosen to develop trails and a playground at the site. The preliminary budget for this project is \$25,000, which will be reimbursed by Quimby funds.

McKinleyville's 2009 Capital Improvement Program discusses a variety of other upgrades that are being considered by the Parks and Recreation Department. The McKinleyville Senior Center has indicated an interest in a building addition to Azalea Hall to accommodate additional senior

programs. The Senior Center is currently working on a design plan and funding sources to present to the Board of Directors. The Friends of the McKinleyville Library has expressed an interest in a library expansion. The organization is working to secure funding from the County and State for this project ^[3].

Open Space and Stormwater Detention Basins

The District considers acceptance of open space areas and storm water detention basin dedications from developers. Currently, the District has accepted eight detention basins that have been required by the County as a condition of development to meet storm water regulations. Some of these may have a recreational component with trails or recreation, other do not. The District also constructed a five acre storm water marsh and detention basin area at Hiller Park. Developers may purchase capacity from this detention basin in lieu of constructing detention basins within their development. The County determines whether the developer must construct a basin within their development or if they may purchase capacity from this existing basin.

Street Lighting

The McKinleyville CSD provides street lighting within its boundary. Street lights are funded by direct charges on monthly utility bills and through the district's general fund.

Other Service Providers

The district is within the Arcata Fire Protection District (AFPD) SOI and part of the district also falls within the State Responsibility Area protected by the California Department of Forestry and Fire Protection (CAL FIRE). Potable water is provided by the Humboldt Bay Municipal Water District (HBMWD).

The County of Humboldt provides general governmental services and law enforcement services throughout the McKinleyville CSD boundary. The County also provides road maintenance and storm drainage services for the district.

Budget

The McKinleyville CSD's primary sources of revenue include: water user fees (32%), sewer user fees (28%), and parks and general revenue (12%). The District's primary expenditures include: employee wages and benefits (46%), purchased water (10%), and utilities (5%). Table 3, on page 12, shows a comparison of the District's budget to actual spending ^[6].

Table 3. McKinleyville CSD Budget.

Budget Summary	FY 07-08 (Actual)	FY 08-09 (Budget)
Total Operating Revenue	\$4,193,668	\$4,242,283
Total Operating Expenses	(3,359,036)	(3,787,985)
Operating Budget Surplus	\$834,632	\$454,298
Total Non-Operating Revenue	210,277	204,000
Total Long Term Debt Payment	(487,872)	(542,241)
Total Capital Outlay	(277,595)	(338,241)
Net Income	557,037	116,057
Plus Depreciation Expense	621,027	655,000
Total Debt Service and Fixed Assets	(302,072)	(774,018)
Total Cash Flow to Reserves	875,991	7,1032

The McKinleyville CSD's total outstanding debt, at the close of fiscal year 2008 was \$5,439,795. The district expects an increase in the general fund of \$34,534 for the fiscal year 2008-2009 ^[6].

SERVICE RATES

On October 15, 2008, the McKinleyville CSD Board approved sewer and water rate increases which will go into effect on January 1, 2009. The operating expenses have increased by 10% in sewer and 3% in water since the last rate increase in July 2007. The water rate increase is an increase over the past year for fuel, materials increase, and cost of living adjustment. The sewer budget has been impacted by the new permit ordered by the RWQCB, which requires extensive testing and monitoring. Table 4, on page 13, shows the updated sewer and water rates.

Table 4: Service Rates

Sewer Service Rates	
User Classification	Monthly Charge
Single Family Residence	\$16.56 + \$0.22 ccf up to 12 ccf
Apartment or Multiple Living Units (each)	\$16.56 + \$0.22 ccf up to 12 ccf/provided that the \$0.22/ccf consumption charge for multiple unit customers shall be calculated by summing the product of the average actual water consumed per unit multiplied by the above schedule for all units.
Mobile Home	\$16.56 + \$0.22 ccf up to 12 ccf
Mobile Home Park (per space)	\$16.56 + \$0.22 ccf up to 12 ccf provided that the \$0.22ccf consumption charge for multiple unit customers shall be calculated by summing the product of the average actual water consumed per unit multiplied by above schedule for all units.
Office Buildings and Post Office (up to 2,000 sq. ft / 7 people)	\$17.60
Church, Hall or Rectory	\$17.60
Restaurant or Tavern	\$17.60 plus \$2.86/100 cf of water over 440 cf
Bakery	\$17.600 plus \$2.61/100 cf of water over 440 cf
Motel or Hotel	\$17.60 plus \$2.61/100 cf of water over 759 cf
Market	\$17.60 plus \$3.34/100 cf of water over 440 cf
Retail Store, Banks, Theater and all others	\$17.60 plus \$2.48/100 cf of water over 769 cf
Gas Station (No Market)	\$17.60 plus \$2.13/100 cf of water over 786 cf
Laundromat	\$17.60 plus \$2.61/100 cf of water over 840 cf
Fire Station or School	\$17.60 plus \$1.33/100 cf of water over 769 cf
Barber or Beauty Shop	\$17.60 plus \$1.99/100 cf of water over 440 cf
Coast Guard Station or Airport	\$17.60 plus \$2.39/100 cf of water over 769 cf
Car Washes	\$17.60 plus \$2.65/100 cf of water over 769 cf
Industrial	To be Calculated based on flow & load
Septage Delivered to Headworks	\$247 plus \$182.18 per 100 cf over 133.67 cf per dump
Customers Without MCSD Water Service	\$17.60
Water Service Rates	
Type of Service	Minimum Monthly Charge
Multiple living units	\$6.54
5/8-1 inch meters	\$6.54
1 ½-2 inch meters	\$33.84
3 inch or larger meters	\$55.22
Water Consumption	Charge Per 100 cubic feet
100-500 cubic feet	\$0.97
Over 500 Cubic Feet	\$1.45

MUNICIPAL SERVICE REVIEW DETERMINATIONS

Growth and population projections for the affected area

The McKinleyville CSD serves approximately 14,000 people and has been identified as one of three major development areas within the County. The average population growth rate for unincorporated areas of the County is 0.8%. At this rate, McKinleyville's population would reach approximately 16,000 by the year 2025.

The district's proximity to the City of Arcata, which has limited developable acreage within the City and Sphere of Influence, makes it a primary target for future development within the County. The Humboldt County General Plan growth projections for McKinleyville indicate that the area will gain between 2,347 and 4,249 residential units by 2025.

The McKinleyville Community Plan (MCP), adopted in 2002, is a long-range statement of public policy for public and private land use in the District. The MCP uses the County's Alternative Growth Projection which assumes a higher rate of population growth for McKinleyville than the county as a whole and estimates a total of 6,621 dwelling units for the planning area in the year 2020^[7].

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

The district's existing infrastructure adequately serves the residents of the community with some capacity for growth. As noted above, future growth within the district is projected as part of the Humboldt County General Plan Update. The MCP, adopted in 2002, is a long-range statement of public policy for public and private land use in the district. This information should be periodically reviewed by the district to determine the type and extent of additional facilities, equipment, and personnel that will be necessary to accommodate growth.

The district's water system is currently operating at 63% capacity. To meet the increasing water demand from future residential development, the district has planned upgrades to the water system. The North Bank Pump Station is currently being upgraded to have a pumping capacity of 4.5 MGD. The district is also planning a project that will add 3-6 million gallons of storage capacity to the system to meet increasing demands. A project is also being investigated that would provide backup infrastructure to be used in emergency situations.

The district's Wastewater system is currently operating at 76% capacity. The housing growth projections indicate that the district will need to expand its wastewater system to provide adequate services. The district is considering an expansion of the collection system include those areas north to Grange Road (on Central Avenue) and east to Dows Prairie Road. The district is currently testing and monitoring the wastewater treatment system to determine the need for system upgrades.

The Parks and Recreation Department meets the standards of the Quimby Act and is expanding park supply to meet future needs.

Financing ability of agencies to provide services

The McKinleyville CSD is currently operating on a cash balance of \$7,032. The Board has approved a 3% water rate increase going into effect January 1, 2009 in response to the increased cost of services. Wastewater Service costs have increased by 10% since July 2007 due to the new permit ordered by the RWQCB, which requires costly testing and monitoring. The Board approved a sewer rate increase which is also going into effect January 1, 2009 in response to this increased cost.

The district takes measures that avoid unnecessary costs such as conserving water by regularly monitoring the system for leaks and providing users with information about water conservation practices.

Status of and, opportunities for, shared facilities

The district has a Memorandum of Understanding (MOU) with the Humboldt County Library. The MOU transfers all library equipment owned by the city to the county. The county is responsible for maintenance, supplies and property insurance and equipment, but the district owns the library building and pays for building repairs and maintenance.

The district provides a facility at Pierson Park for use as a substation by the Humboldt County Sheriff's Department. An agreement is in place for maintenance and use of the building.

The district provides water to the Patricks Creek County Water District. The district's roads and streets are maintained by the County. The district shares authority with the County regarding parks and recreation.

The district lies within the AFD Boundary. Prior to approval of any subdivision, the McKinleyville CSD works with the AFD to identify hydrant locations, emergency access, and water mains that should be increased to provide adequate fire flows.

Accountability for community service needs, including governmental structure and operational efficiencies

The five-member Board of Directors is elected by district residents. The Board holds regular meetings that are open to the public with notice and agenda posted in accordance with the Brown Act. District staff can also be reached by phone, email, or in person at the district office during their regular business hours.

Service, infrastructure, and budget decisions are made by CSD Staff and overseen by the Board of Directors. Figure 2 (on page 4) shows the district's tiered management structure. The General Manager oversees all district business and operations. Financial statements, annual budgets, and independent auditor reports are posted on the district website at www.mckinleyvillecsd.com for public review.

Any other matter related to effective or efficient service delivery, as required by commission policy

There are no further matters to report regarding the McKinleyville CSD.

REFERENCES

1. State of California; Department of Finance. 2008. *Population Estimates with Annual Percentage Change*. www.dof.ca.gov/research/demographic/reports/estimates/e-1_2006-07/documents/E-1table.xls.
2. Humboldt County General Plan Update: Community Infrastructure and Services Technical Report. July 2008. http://co.humboldt.ca.us/planning/gp/PrelimHearingDraft/Group7c/Technical%20Report/Comm_Inf_Serv_Tech_Report.pdf.
3. McKinleyville Community Service District. Adopted June 18, 2008. *Capital Improvement Program for FY 08/09*.
4. McKinleyville Community Service District. Adopted June 18, 2008. *FY 08/09 MCSD Action Plan*.
5. McKinleyville Department of Parks and Recreation. December 2008. <http://mckinleyvillecsd.com/mcsdparks.html>.
6. McKinleyville Community Service District. Adopted June 18, 2008. *MCSD FY 08/09 Budget*.
7. McKinleyville Community Plan. December 2002. County of Humboldt, Community Development Services Department. <http://co.humboldt.ca.us/planning/complans.asp>

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **ACTION**

ITEM: E.10 **Consider the Audit Committee's Proposal to Amend the Debt Management & Capital Financing Policy Manual to Include Language Outlining the Procedures for the District to Accept or Approve Grants**

PRESENTED BY: **Pat Kaspari, General Manager**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the information provided, take public comment, and Direct Staff to Revise the Debt Management & Capital Financing Manual to add Section 7. Grant Procurement and Approval Policy statement.

Discussion:

The Audit Committee would like to create a policy that outlines the steps to be taken when the District either applies for and accepts a grant and/or when another Agency or Non-profit applies for a grant on behalf of the District. The intent of the policy is to ensure that the Board is fully aware of the operational, legal, and financial impacts of any proposed grants when applying for and prior to acceptance of grants, including any long term operation and maintenance costs and obligations associated with completed grant projects.

The policy update should consider that, immediately upon the commencement of the preparation of environmental documents under CEQA or permits of environmental statutes for any proposed project, the Board should receive a report with a proposed action of project approval by the board. In cases where the developmental nature of the project do not allow for entirely accurate budget projections, estimates should be made for preparation of the environmental documents. Given that District budget costs cannot be completed before the environmental review, rough estimates of the costs of the project and a list of revenue sources for the project should be identified.

Staff would edit the Debt Management & Capital Financing Policy Manual to detail the steps to be taken to review grant applications and projects with the Board and Public prior to applying for a grant or having another agency apply for a grant on behalf of the District. It would then detail the steps to be taken to review and approve the actual grant agreements prior to acceptance. It would also layout the steps to be taken during the execution of the grant project. The application and execution of a grant funded project is typically a multi-year process, and it would help ensure that the Board is fully aware of potential advantages, disadvantages, matching fund requirements, how the grant fits into

the District's Capital Improvement Plan, budgeting and Strategic Plans, future operation and maintenance obligations, etc. prior to applying for and accepting a grant. This would help ensure the District is not saddled with funding and obligations that the Board and Rate Payers are not willing to accept. It is felt that having these Policies fully delineated would help to ensure that future Boards are aware of the information that past Boards have not had available to make decisions on pursuing and accepting grants and their decision process. Future Boards would then be privy to this information when they are voting on implementing a grant funded project, and if there are any changes that may subsequently change the Board's actions.

In cases where the General Manager has determined the time period is too short for Board approval, the Board Chair may approve. Such applications shall be fully explained at the next regular board meeting. All grants regardless of value amount must be approved and reported to the board.

Staff would make draft revisions for review by the Audit Committee and then bring a Draft Policy back to the entire Board for review in November.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

No current fiscal impacts except for Staff time to revise Debt Management and Capital Financing Policy Manual.

Environmental Requirements:

Not applicable

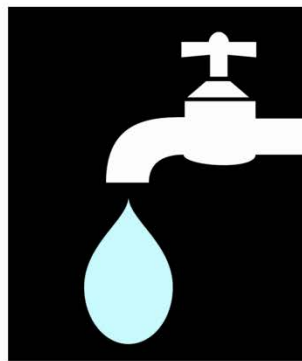
Exhibits/Attachments:

- Attachment 1 – Debt Management and Capital Financing Policy Manual
- Attachment 2 – Audit Committee Memo

MCKINLEYVILLE



COMMUNITY SERVICES DISTRICT



MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT AND CAPITAL FINANCING POLICY

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Section 1. INTRODUCTION

In order to comply with Senate Bill 1029, which provides for the adoption of a debt policy to oversee proposed debt service, and because McKinleyville Community Services District (MCSD or the District) may borrow money and incur or assume indebtedness, and issue bonds or other evidences of indebtedness, the District has determined that it is advisable to create a Debt Management and Capital Financing Policy.

Section 2. PUBLIC PURPOSE

There will be a clearly articulated public purpose for the issuance of long-term financings by the District, where the District states why this form of financing is preferred over other funding options.

Public improvements help to achieve clearly identified community facility and infrastructure goals in accordance with the District's adopted facility and infrastructure plans. These are set forth in key policy documents such as the Strategic Plan or Capital Improvement Plan. Such improvements include the study, design, construction and/or acquisition of:

- Water supply, distribution, and treatment systems
- Waste collection and treatment systems
- Parks, trails, community centers, and other recreational facilities
- Other governmental facilities and improvements such as offices, information technology systems, and telecommunication systems

Section 3. CAPITAL FINANCING

The McKinleyville Community Services District will use debt-financing for capital improvement projects where project revenues or specific resources will be sufficient to service the long-term debt.

Debt financing will NOT be considered for any recurring purpose such as current operating and maintenance expenditures.

Capital Improvements will be financed primarily through user fees, services charges, assessments, or developer agreements when benefits can be specifically attributed to users of the asset.

Criteria for Pay-go Financing:

- Per the District's current policy, capital projects less than \$500,000.00 are to be financed from regular revenue sources.
- Outside funding sources are not available for the project.
- Current revenues and adequate fund balances are available.
- Paying for the project will not adversely affect the debt parity ratios required to be maintained for current District indebtedness.

Criteria for Long-Term Financing:

- Revenues available for debt-service are deemed sufficient and reliable, such that long-term financings, if chosen, could be marketed with investment-grade credit ratings.
- Other sources such as low-interest loans and/or grants are available for specific projects.
- Market conditions present favorable interest rates and demand for District financings.
- Project is mandated by state or federal requirements, and resources to fund those mandates are insufficient or unavailable.
- Project is immediately required to meet or relieve capacity needs, and current resources are insufficient or unavailable.
- The life of the project or asset to be financed is 10 years or longer.

Section 4. DEBT MANAGEMENT

The District will avoid the General Fund to secure long-term financings except when marketability can be significantly enhanced.

A feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations.

The District will generally conduct financings on a competitive basis; however, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.

The District staff will monitor all forms of debt annually, coincident with the review process and preparation of the District's Financial Statements. Concerns, if any, and recommended remedies to address those concerns, will be reported to the Board of Directors.

The District will diligently monitor its compliance with bond covenants and loan conditions to ensure its adherence to federal arbitrage regulations.

The District shall maintain rates, charges, and assessments sufficient to generate revenues in the amounts necessary to cover operation and maintenance costs, and shall ensure net revenues sufficient to meet or exceed 1.10 times the annual debt service in each fiscal year, except when an indebtedness requires a higher debt parity ratio.

Section 5. ACCOUNTING POLICY

The McKinleyville Community Services District will establish and maintain accounting systems according to Generally Accepted Accounting Principles (GAAP) and the standards of the Government Accounting Standards Board (GASB).

An annual audit will be performed by an independent public accounting firm that will issue an opinion of the annual financial statements. Total indebtedness, including direct and

overlapping debt will be analyzed in determining financial condition. All legally required full disclosures will be provided in the financial statements and bond representations.

Target debt ratios will be calculated annually and reviewed for conformity with legal requirements, lender stipulations, and this policy.

Financial systems will be maintained to monitor expenditures and revenues on a monthly basis, with thorough analysis and adjustments (if required).

Section 6. INDEPENDENT DISCLOSURE COUNSEL

The District will retain the services of a bond and/or disclosure counsel in conjunction with specific project financings under the following circumstances:

- The financing will be negotiated, and the funding agency or underwriter has not separately engaged an underwriter's counsel for disclosure purposes.
- The revenue source for repayment is not under the management or control of the District.
- The bonds will not be rated or insured.
- The funding agency, bond counsel, or underwriter requires the District retain an independent disclosure counsel based on the circumstances of the financing.

Audit Committee

The audit committee met through an e-mail exchange.

Present: Corbett, Barsanti, Kaspari

Date: 9-22-20

The committee reviewed agenda item E. 5 of the July 1, 2020 regular board meeting. E.5 Discuss and Consider Adoption of Initial Study/Mitigated Negative Declaration CEQA documents for the Mad River Flood Plan and Public Access Enhancement Project and response to comments. The Board of Directors pulled the item for CEQA public notice provisions, failure to have a project to approve and to get better transparency of the project and the role of the parties.

The committee reviewed agenda item E. 7 of the September 2, 2020 Discuss and Consider Approval of resolution 2020-22 Adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Mad River Flood Plan and Public Access Enhancement Project based on Approval of Final Conservation Funding. This later action provided for Board project approval with conditions, allowed the finding of a Mitigated Negative Declaration.

The goal of the Committee review was to determine whether additional regulation or Board Direction was desirable. There were no other similar facts in the record. The Committee determined that additional direction was needed anyway.

One: The Committee notes that the role of non-profits has grown in our society and that the role of non-profits participating in grant and outright funding of public agencies is increasingly significant. The non-profit role is expected to continue and increase.

Two: The District is successfully using grants, non-profits and community groups to supplement the funding of operations, capital improvements and to develop new projects and services for the residents of McKinleyville.

Three: Traditionally Boards have been concerned with whether grants fit the governmental purpose of the organization, don't have hidden costs, and that maintenance requirements

are affordable for the District.

Four: Nationally, similar trends are being discussed by federal, state, and auditing guidelines that are attempting to add clarity and accountability of such transactions.

Similar to our situation, current practices can lead to confusion between advisory and procurement contracts. Thus standard legislative bond requirements can be delayed or changed. In the private sector participating in both the adversary development and project design and construction oversight have become increasingly separated to maintain accountability.

The committee therefore recommends:

The Board review the information provided, take public comment and Direct staff:

To Revise the Debt Management & Capital Financing Manual to add Section 7. Grant Procurement and Approval Policy.

The audit committee recommends that the Board review the provided information, take public comment, and direct Staff to provide a monthly listing of current Grants. The listing to include Grants Awarded to MCSD and those awarded to Non-Profits for the benefits of MCSD within the jurisdiction of the District.

Triggers for review would be requests for temporary or permanent right of ways, soils, and permission to make measurements of District Policy.

General Manager waivers of this policy require the concurrence of the Acting Board Chairman.

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **Action**

ITEM: E.11 **Consider Audit Committee’s Proposal to Increase Transparency with a Monthly Listing of Both Types of Current MCSD Grants Awarded:**

1) MCSD Grants, Where the District Receives and Administers the Monies and Contract

2) Nonprofit Grants Where a Nonprofit Applies for the Grant, Receives, and Manages the Monies for an MCSD Project

PRESENTED BY: Audit Committee

TYPE OF ACTION: Staff Direction

Recommendation:

The audit committee recommends that the Board review the provided information, take public comment, and direct Staff to provide a monthly listing of current grants. The listing to include grants awarded to MCSD and those awarded to Non-Profits for the benefit of MCSD.

Discussion:

With the goal being to increase transparency, board and public knowledge of grants awarded for the benefit of MCSD; the audit committee would like to have a listing of the existing grants currently awarded to the District or to nonprofits for District benefit. This would be included as an attachment to the monthly Treasurer’s report.

The audit committee would like the listing separated into two lists: MCSD and nonprofits. The listing will generally define the differences between the two types of grants and list the approximate amount of the grant and related MCSD grant project.

Please review the following sample of a listing. (**Attachment 1**)

Alternatives:

Take No Action

Fiscal Analysis:

No current fiscal impacts except for Staff time to prepare and update each month for the treasurer’s report.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Sample Listing

Item E. 11 Attachment 1

MCKINLEYVILLE COMMUNITY SERVICE DISTRICT (MCSD)

CURRENT GRANTS BY RECEIPIENT TYPE

Date of Treasurer's Report here

Note about this sample report:

Grant, Approx Amount and MCSD Projects are made up. The nonprofit entites exist but (except for California Trout) do not have current grants for the benefit of MCSD.

The nonprofits are here to show that many nonprofits have a name that sounds like a government agency, but are nonprofits. The nonprofit entities here are examples of real nonprofits that obtain grants for the benefit of government agencies.

1) MCSD Grants where the District receives and administers the monies and contract.

Grant money goes through the MCSD's books.

Grant	Approx. Amount	MCSD Project
MCSD - HCF (ongoing)	\$ 14,000	Mad River Project
MCSD in kind	8,000	Mad River Project
RCAA	45,000	Mad River Project
<hr/>		
Total money going directly to MCSD	\$ <u>67,000</u>	

2) Grants where MCSD does not apply, receive or manage the monies and contract. A nonprofit applies, receives the monies and administers the contract. No grant money goes through the MCSD books.

Grant	Approx. Amount	Receiving all the Grant Money to manage	MCSD Project receiving benefit
NOAA Community Based Restoration	\$ 490,167	The nonprofit " California Trout"	Mad River Project
WCB Public Access	384,797	The nonprofit " California Trout"	Mad River Project
USFWS NCWC	376,754	The nonprofit " California Trout"	Mad River Project
SCC	276,184	The nonprofit " California Trout"	Mad River Project
Racial Equity Training	25,000	The nonprofit "Government Alliance for Racial Equity"	Staff Training
California Prop. 1 grant program	1,500,000	The nonprofit "California Rural Water Association"	Sewer Project
<hr/>			
Total money going directly to nonprofits	\$ <u>3,052,902</u>		

(Note to Staff): Grants should be spelled out not abbreviated for the public and board.

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **Action**

ITEM: E.12 **Consider Approval of a Proposal and Rental Agreement with Justin and April Sousa for the Rental, Repair, and Caretaker Position for the Pialorsi House and Property and Budgeting for Necessary Repairs**

PRESENTED BY: **Pat Kaspari, General Manager**

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the provided information, take public comment, and authorize the General Manager to negotiate the final rental agreement for the rental, repair, and caretaker position for the Pialorsi house and property. Staff further recommends the Board authorizes an expenditure of up to \$50,000 in repair costs for roofing and miscellaneous repairs of the Pialorsi house and property for Fiscal Year 2020/21. Financing to come from a portion of the remaining loan procured for the purchase of the Pialorsi property.

Discussion:

At the June 3, 2020 meeting, the Board approved Resolution 2020-12 authorizing the acceptance and recordation of a grant deed to the Pialorsi Property. The lower areas of the property will be utilized for reclamation, and recycled water will be utilized to grow hay and other fodder crops. The existing property also contains a hay barn that has been offered for use to the Haying Lessee. Upon final selection of the Lessee, it will be determined if they will intend to use the barn for their operations. If they chose to, the District would likely have to perform some repairs to stabilize the barn.

That leaves the other structures on the property including the house, garage, a shop and a couple of other storage sheds. The existing house is the biggest remaining asset; however, it is in no condition for occupancy. The roof is missing several shingles, one corner of the foundation has settled and requires stabilization, and the inside is in general disrepair. Staff has considered three options.

1. Do not fix up the dwelling unit, allow it to deteriorate, and tear it down in time.
2. Professionally fix the dwelling unit up. It would likely cost in excess of \$100,000 to have a contractor come in and refurbish the house to allow it to be a rental once repair are complete.

3. Hire a Staff member to live in the house and serve as the Caretaker of the property, similar to the District's Fischer Ranch house and Hiller Park Caretaker positions. As with Fischer Ranch this would also allow the Staff member to invest time and energy to complete the repairs, as approved by the District, and credit this work towards their rent. Considerable work needs to be invested prior to the house becoming livable, but this work would also be credited toward future rental. The District would oversee the repairs and purchasing materials for repairs. Caretaker duties would consist mainly of daily oversight of the property and reporting on any issues observed.

It should be noted that, although District Staff currently regularly inspects the property, it has become more and more prevalent that people are using and dumping things on the property, and if a Caretaker is not present on the property, these activities and vandalism will likely increase.

To gauge Staff interest, the General Manager asked all Staff if anyone was interested in the Caretaker position including the rental and repair of the house and property. One proposal was received from Board Secretary April Sousa and her husband, Justin. Their proposal is included as Attachment 1. It should be noted that negotiations have not begun with the Sousas on their proposal; however, there are items that would be discussed. It is felt their schedule is likely too ambitious, and we would adjust it and establish discrete milestones to be met with agreed upon dates.

It is also felt that it is getting too late in the year to start a roofing project for just the Sousas, so the District would hire a roofer to install the roof. District Staff would do the work to tear off the roof and put down plywood to reduce the cost by \$10,000. The roofing cost would then be \$13,265 (see Attachment 2, A&I Roofing cost estimate). District Staff would also likely utilize the dumpster for the roofing materials to also dispose of other garbage and debris around the property and would likely assist the Sousas to do an initial cleanup of the house. The Sousa's estimate, minus roofing costs is for another \$9,500 in material costs through the end of this fiscal year. Total costs estimate for house repairs are then $\$13,265 + \$9,500 = \$22,765$ through the end of the current Fiscal Year (See Table under Fiscal Analysis).

There are some other items that were not included in the Fiscal Year 2020/21 budget but are required and would come out of the loan procured for the property purchase. These include installing a fence between the remaining Pialorsi property and District property as detailed in the purchase agreement; performing the remediation for the Milk Barn approved by the Board in September; removing the dilapidated and unsafe manufactured home off the property; and costs in excess of the amount budgeted for the survey of the property. There are other unbudgeted repairs needed at the property including stabilizing the existing barn, as well as putting additional doors on the storage sheds and making them secure. Some of these detailed costs are detailed in the Table below. It is requested that an additional \$50,000 be authorized to cover additional cost for the repairs to the house, barn and the other outbuildings on the Property, and authorize the General Manager to review and approve of these expenditures.

Alternatives:

Take No Action

Fiscal Analysis:

The following table details the original loan amount for the Pialorsi Property, the purchase price, budgeted items related to the property purchase, and the unbudgeted items required to finalize the property purchase and rehabilitation.

FY 2020/21 Budgeted Items

Survey	\$35,000.00
House/Barn/Outbuildings Rehab	\$5,000.00
Irrigation Piping	\$50,000.00

Item	Value/Cost
Pialorsi Property Loan Amount	\$1,450,000.00
Purchase Price	\$1,275,666.04
Loan Balance Subtotal	\$174,333.96
Unbudgeted Items	
Fencing detailed in purchase agreement	\$15,020.22
PCB Remediation (includes contingency)	\$65,286.00
Demo/removal of Trailer (estimate)	\$5,000.00
Additional Survey Costs beyond what was budgeted	\$8,500.00
Requested Additional Rehab Costs	\$50,000.00
Unbudgeted Subtotal	\$143,806.22
Loan balance minus Unbudgeted Total	\$30,527.74

Environmental Requirements:

Minor repairs to an existing structure are exempt from CEQA requirements. It is not anticipated that any alterations to the structure would take place that would trigger the requirement for a County building permit.

Exhibits/Attachments:

- Attachment 1 – Sousa Proposal
- Attachment 2 – A&I Roofing Proposal

The following proposal created on September 7, 2020 is hereby presented to McKinleyville Community Services District by April & Justin Sousa for the purposes of obtaining a residential lease of a portion of MCSD's recently acquired property known as the Pialorsi Ranch. April Sousa is currently the Board Secretary for MCSD and answered in the affirmative when the General Manager inquired about possible interest by employees of MCSD in leasing the residence and providing security/caretaker responsibilities at the ranch.

It is our understanding that MCSD is interested both in preserving the value of the single-family residence and associated residential accessory structures currently developed on the home site, and also in supervisory and caretaking activities over the entire ranch in order to provide security from trespassing and any other matters that would interfere with MCSD's intended use of the fields, generally limited to treated wastewater reclamation and leased hay production. A map of these areas is included with this proposal.

In order to effectively preserve the value of the residence and have on-site caretaking occur, common repairs and renovation of a 1954 ranch house will be necessary. We propose to provide all labor for these tasks at an agreed upon rate, to be paid in the form of rent credits, employee pay, or otherwise, whichever method suits the needs of MCSD. A brief summary list of work anticipated to be performed along with estimated material costs is included with this proposal. We propose that the materials for the approved repairs and renovation are to be paid for by MCSD and estimate the cost of these materials to fall in the range of \$15,000 to \$25,000, much of which is for the roofing, windows, flooring, paint, heating system, electrical system, kitchen, and bathrooms. The list of repairs and renovations included with this proposal is preliminary and subject to revisions with the approval of the MCSD General Manager.

From our conversations with MCSD to date, the concept that has been conveyed to us is that the residential lease area will move through distinct phases of rental value for MCSD during the repair and renovation process. We propose the phasing, valuation, and timeframe to be as follows:

Phase 1 – Current condition (\$0 rental value), Proposal acceptance through December 31, 2020

Phase 2 – Habitable condition (\$600 rental value), January 1, 2021 through June 31, 2021

Phase 3 – Minimum rentable condition (\$1,200), July 1, 2021 through Dec. 31, 2021

Average rentable condition (\$1,800), Jan. 1, 2022 and on (*unless further phases negotiated)

We propose to end our improvements and rental value increases after Phase 3 is completed and the residence, accessory structures, and yard are all in average rentable condition. At this point the investment in the house is protected for the long term and at average rentable condition we would feel comfortable sustaining the condition of the lease area and the security/caretaking duties of the ranch. Should MCSD wish to further improve the house beyond Phase 3, we would appreciate the opportunity to negotiate with 1-year notice in writing from MCSD.

Security/Caretaking responsibilities will be like those at MCSD's Fischer Ranch site. April and Justin Sousa will provide surveillance for the residence and accessory structures, the on-site ranch structures, and the four Pialorsi Ranch parcels on a daily basis, checking for broken fences/gates, trespassers, reporting any damage or illegal dumping by trespassers to the district, as well as any safety concerns observed as a

result of these inspections. This may include having to report to the proper authority, such as law enforcement personnel, any misuse of district property. It is proposed that these security services possess a valuation of \$250/month and will be taken off the rental price once Phase 1 Habitable condition of the residence is achieved.

Upon acceptance of this proposal, MSCD will have the utilities turned on as soon as possible so that Phase 1 repairs can begin immediately, and the roof replacement can be completed before the rainy season sets in. MCSD will cover the utility expenses until April and Justin occupy the residence at the end of Phase 1. This includes Gas & Electricity from PG&E and water service from MCSD.

Regarding animals, among our motivations for this proposal is the opportunity to have our horse and possibly one more future horse on the property with us, along with various standard pets, small pet farm animals, and vegetable gardening space. On the included site map showing the residential lease area closely, the east half of the lease area shown is of ample size to support all of these endeavors simultaneously. We would keep the activities within these areas with the sole exception being horse riding on the perimeter of the ranch for fence checking/property monitoring and also utilizing the access trail west to Fischer road for Hammond trail riding. Accepting this proposal will grant express permission for these activities to occur.



506-341-17

PIALORSI RANCH
PARCELS FOR
CARETAKING/SECURITY

PROPOSED
RESIDENTIAL
LEASE
AREA

508-091-37

508-031-01

508-081-34

FISCHER AVE.

ANDERSON AVE.

HIGHWAY 101

**PROPOSED
RESIDENTIAL
LEASE AREA**



GATE

GATE

SHED 2

SHED 1

SHOP

GARAGE

HOUSE

BACK
YARD

FRONT
YARD

SHED 3

pp

ANDERSON AVE.

pp

SILO

TANK
ROOM

MILKING
PARLOR

SILO

BIRD
SHED

HAY BARN

MCSD STORAGE

GATE

GATE

Pialorsi Ranch House Restoration Estimates				
	Labor hours		Materials (+10% contingency)	
	680		\$19,855	
Foundation inspection			\$100	Joe Strang, contractor
Water, Power, Gas service			\$150	MCS D
Phase 1 - Current Condition				
Dumpster for house contents			\$100	
Clear house of all contents	32			
Clean and disinfect	24		\$100	cleaning supplies
Electrical review, grounded outlets, system map	4			
Floor stripping and sealing	40		\$200	odor eliminating paint
Functioning bathroom & sink	16		\$50	
Strip roof, stack shingles in shed 3	24			
Roof replacement	40		\$6,000	dimensional shingles, caps, felt, flashing, nails
Gutter repair	8		\$100	
Broken window repair	8			Living room southeast, Main bathroom
Door repair	8		\$100	Garage south, shore up north garage door
Electric wiring updates	16		\$300	3-wire, receptacles, ground wire, gfci circuit
Fence repair, high traffic spots, signage	8		\$200	
Phase 2 - Habitable				
Window repairs	40		\$2,000	multiple failed windows, just fix the emergencies
Siding repairs/weatherproofing	40		\$500	just emergency spots
Drywall repair and paint prep	16		\$200	
Paint Interior	40		\$1,000	odor resistant paint/primer
Flooring & trim	80		\$4,000	laminiate, carpet, vinyl tile
2nd bathroom functional	32		\$200	
Fence repair	16		\$200	
Driveway cleanup	8			asphalt health, weed kill, drainage
Yard cleanup	80			vegetation removal, pruning, debris removal
Phase 3 - Minimum Rental Value				
Kitchen update/oven/range/gas plumbing	8		\$1,000	
Main bathroom update	40		\$500	
Chimney inspection/cleaning	8			
Siding repairs	16		\$100	
Paint Exterior	24		\$1,000	
Shop cleaning and wiring updates if needed	24		\$200	
Shed restoration (2 sheds in driveway)	40		\$200	
Average Rental Value				

JOB # 41645
DATE: 9/16/2020
REF: TC091120EW

A & I ROOFING, INC.
ADDRESS: 4935-B Boyd Rd. Arcata, CA 95521
PHONE: (707) 826-2653 / FAX: (707) 826-2699
Email: office@aandiroofing.com
Contractor State License # 678789

JOB # 41645

TO: MCSD
ATTN: James Henry
P.O. Box 2037
McKinleyville, CA 95519

JOB LOCATION:
1300 Anderson Ave.
McKinleyville, CA 95519
(707) 496-2295
jhenry@mckinleyvillecsd.com

WE PROPOSE TO FURNISH ALL MATERIALS AND PERFORM ALL LABOR NECESSARY TO COMPLETE THE FOLLOWING

**AREA TO BE ROOFED:
HOUSE AND ATTACHED GARAGE ONLY**

30 YEAR, CERTAINTTEED LANDMARK, DIMENSIONAL SHINGLE SPECIFICATION
Apply 30 year, algae resistant, dimensional, fiberglass, class A, fire rated, composition shingles

CONTRACT PRICE: \$23,265.00

ABOVE PRICE INCLUDES:

- Remove and dispose of existing roofing.
- Clean existing decking.
- New metal at perimeter.
- New plumbing and vent flashings.
- 15# underlayment of felt.
- 1/2" CDX plywood over skip sheathing.
- Chimney flashings.
- Metal roof to wall step flashings.
- 9 attic vents.
- Complete clean up of all roof related debris.
- 10 year workmanship warranty.

OPTIONS:

- For Malarkey Highlander NEX, 40 year, algae resistant, composition, shingle specification, ADD: \$600.00
SELECT OPTION: YES _____ NO _____
- For owner to tear off and 1/2" CDX plywood are done, DEDUCT: \$10,000.00
SELECT OPTION: YES _____ NO _____
- If owner does own tear-off the deck must be clean, prepped, and ready to accept load & application at one time or an additional cost will be incurred.

NOTES:

- The above price does not include any carpentry other than specified.
- If damage is found in the roof decking or wood structure after the existing roofing is removed, the extent of the damage will be determined, and an estimate for repairs will be given.
- Your roof should have yearly checks and routine maintenance when needed to maintain the guaranteed.

WE PROPOSE:

During roof removal, dirt and debris will filter into your attic or other areas. We will attempt to do everything possible to eliminate this, and ask that you do the same. We will not be held responsible for any loss that may occur. All jobs are completed with quality workmanship and according to state and local codes for the sum(s) as specified above. Balance is due upon completion of work and upon receipt of invoice.

*FINANCE CHARGES will incur monthly on the unpaid balance at the rate of 18% per annum. Any change from the above specifications involving extra cost of material or labor will only be executed upon authorization by owner. All work to be substantially completed within 45 days from start of work. A downpayment is required upon acceptance of contract. **THE DOWNPAYMENT MAY NOT EXCEED \$1,000.00 OR 10 PERCENT OF THE CONTRACT PRICE WHICHEVER IS LESS. DEPOSIT AMOUNT REQUIRED: \$1,000.00**

We declare, under penalty or perjury, that the above information contained in this bid is a true representation made therein. Due to petroleum product increases, this proposal is good for 30 days; prices could increase or decrease after this time period. Please call for an updated proposal if necessary. Respectfully submitted for A & I ROOFING, INC. By: Thomas Christian, RMO *Thomas H Christian*

ACCEPTANCE OF PROPOSAL:

A & I Roofing is hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which I, the undersigned, agree to pay the amount mentioned in said proposal, according to the terms thereof.

ACCEPTED: _____ Date _____, 2020



FOR YOUR CONVENIENCE WE ACCEPT VISA AND MASTERCARD



Cost Estimate Contract Terms

4935-B Boyd Rd. Arcata, CA 95521 :: P.O. Box 6512 Eureka, CA 95502 :: office@aandiroofing.com :: 707-826-2653 :: 707-826-2699 Fax

FOR THE PURPOSE OF THE FOLLOWING TERMS: •A & I ROOFING, INC., WILL BE REFERRED TO AS "CONTRACTOR"
•HOMEOWNER/RESPONSIBLE PARTY WILL BE REFERRED TO AS "OWNER"

THIS contract may be withdrawn by "Contractor" if not accepted within 30 days, or if "Contractor" is not authorized by "Owner" to commence work within 30 days. Should material costs increase over 5% prior to commencement of work, that price shall be added to the contract price.

WORK under this agreement shall be commenced upon written notice to proceed at first available date for "Contractor", unless specific dates are agreed to, and the satisfaction of the following conditions are met:

- Site preparation and/or construction has been completed in it's entirety.
- The materials as specified are available to "Contractor", Once work commences, "Contractor" agrees to proceed until completed or, within a reasonable time, subject to delays allowed under this agreement.

UNLESS otherwise noted in this agreement, the scope of work and the price quoted does not include in any manner whatsoever replacing or removing fascia, trim, dry-rot, sheathing, rafters, structural members, siding, masonry, vents, caulking, sheet metal, flashing, mechanical units, gas lines, conduit, solar or correcting deficiencies in draining, also any painting other than the roof penetration flashings. If during the course of construction new or unforeseen items become necessary, these items will be classed "extra work". Every effort will be made to contact homeowner prior to extra work being started. Such extra work deemed necessary by "Contractor" is unconditionally authorized by "Owner" if total of extra work is 10% or less of the total contract price. Should extra work deemed necessary by "Contractor" exceed 10% of total contract price, upon authorization by "Owner", "Contractor" will perform said extra work and will furnish the labor and materials as may be required for the proper completion of the whole work contemplated. "Owner" agrees to pay for all costs associated with extra work. Acceptance of this proposal without provisions for such corrections shall constitute acceptance of these conditions by "Owner" and shall release "Contractor" of any and all liability in connection with same.

"CONTRACTOR" Is not responsible for correcting any collection or ponding of water. "Contractor" is not responsible for any existing structural defects or irregularities that contribute to ponding of water. This contract is for the new roofing materials and roofing system that will contour to the existing structure and it's irregularities. Any attempt to decrease the amount of ponding is only an "Attempt", not a guaranty. An attempt to decrease ponding will always be included in the scope of work and will always be at an additional charge.

"CONTRACTOR" Is not responsible for damage or delay caused by "Owner" or "Owners" agents, acts of God, earthquakes, fire, vandalism or other causes beyond the control of the "Contractor" to include pipes or wiring not seen in attics or roof sheathing and all vaulted areas where the interior ceiling is fastened to the same rafters as the roofing and all work performed by others not provided by "Contractor". Contractor is not liable for damage to the building or driveway due to normal roofing activity including but not limited to walking, running, pounding, loading or storage of roofing material, or the placement or removing of equipment not including the sole negligence of "Contractor". All homes built to U.B.C. requirements should not have problems with industry standard re-roofing process.

"OWNER" Agrees to remove or protect all personal or real property which could be damaged by the "Contractor" in the performance of this agreement, to include but not be limited to: landscaping, carpets, furniture, lighting fixtures, hanging items, vehicles and any other work that might produce significant amounts of dust, debris and noise. "Owner" specifically acknowledges that dust, dirt, and debris may filter through open spaces such as tongue and groove ceilings, attic spaces, garages, and cracks or holes and settle upon the unprotected contents. By signing this agreement, "Owner" accepts absolute responsibility for any and all personal property in, around and near all structures to be roofed, and does hereby release "Contractor" from all liability of the conditions described above, but not including the sole negligence of "Contractor".

"CONTRACTOR" Will take all reasonable precautions while removing and replacing existing skylights in the case of homemade skylights, skylights sealed internally or externally, weathered skylights and aged skylights. Contractor will not be responsible for breaks or or leakage, as well as any interior damage caused by removing or replacing skylights. Skylights do have a life expectancy and become fragile when aged. Replacement of aged skylights is normal maintenance.

NO warranty is implied or given on repairs unless specified.

IT is an industry standard that all roofs have regular maintenance, about every 2 to 4 years to maintain our workmanship warranty, if applicable. Contractor agrees to make every reasonable effort to match existing colors, but does not guarantee color matches and will take all reasonable precautions, but is not liable or responsible for the staining of exterior surfaces to include new or existing gutters.

IF the work shall be stopped by the "Owner" for a period of ten days or if contract is cancelled by "Owner", then "Contractor" has the option to demand and receive payment for all work executed and materials ordered or supplied and any other loss sustained. In the event of the work stoppage for any reason, "Owner" shall provide protection of and be responsible for any damage to building or loss of materials on premises.

OUR workmanship warranty does not extend to damage occasioned by fire, extreme wind, lightning, settling or moving of infrastructure or defects in the roof framing or decking, roof flashings, or injury or damage occasioned by others. "Owner" agrees to take reasonable steps to prevent damage and to ascertain the cause of any defect or leak prior to notifying "Contractor". "Owner" agrees to pay "Contractor" for all inspection and repair required which is noticed under this guarantee but not covered under same.

SHOULD litigation or arbitration be commenced for any reason by the parties to and arising from this agreement, the terms of this contract shall be controlling. Reasonable attorney's fees and costs will be awarded to the prevailing party whether in court or through arbitration.



A & I ROOFING, INCORPORATED

COMMERCIAL GENERAL LIABILITY INSURANCE (CGL)

A & I Roofing, INC. carries commercial general liability insurance written by Craig Hansen Insurance. You may call Craig Hansen Insurance Agency at (707) 445-9691 to check the contractor's CGL insurance coverage.

WORKERS COMPENSATION INSURANCE

A & I Roofing, INC. carries worker's compensation insurance for all its employees. You may call Craig Hansen Insurance Agency at (707) 445-9691 to check the contractor's WC insurance coverage.

CONTRACTORS BOARD NOTICE (CSLB)

CSLB is the state consumer protection agency that licenses and regulates construction contractors. Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgements that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline, CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information:

VISIT: CSLB's website at www.cslb.ca.gov

CALL: CSLB at 1-800-321-CSLB

WRITE: CSLB at P.O. Box 26000, Sacramento, CA 95826

MECHANICS LIEN WARNING

Under the mechanics Lien Law any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his work or supplies has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by the court officer and the proceeds of the sale used to satisfy the indebtedness.

CODES

As per Building Code Section R314, owner is responsible for equipping dwelling with smoke alarms

As per Building Code Section R315, owner is responsible for providing a carbon monoxide alarm for all dwellings that have attached garages and or fuel-burning appliances.

PAYMENT

All payments are due upon completion of the job or receipt of invoice.

RIGHT TO CANCEL

The buyer has the right to cancel this contract within three business days. A written notice is required for cancellation.

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.A **Support Services – Aug-Sept 2020 Report**

PRESENTED BY: **Colleen M. R. Trask, Finance Director**

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has \$1,093,173.22 to date in the Trust Account for the next Biosolids Disposal project.

Customer adjustments at August month-end total \$1543.83, which represents 7.0% of the annual \$22,000 budget for this sub-item. (GL# 501-62120)

Total Board Travel as of Aug 31, 2020 remains at \$350.00 which is 2.0% of the approved \$17,500 budget for this item. (GL# 001/005/501/551 62090/62155-888)

Audit/Budget Update:

The final on-site visit for the FY2019-20 audit will be done remotely on Oct 7-8. All additional documentation requested so far has been provided. Any documentation requests that come from the final on-site work will be supplied promptly for timely completion of the audited financials.

Treasurer's Report Highlights:

Water Fund capacity fees collected in August totaled \$3,713. Wastewater Fund capacity fees of \$19,401 were collected through the end of August. No capital contributions have been received yet in FY2020-21. Capital Contributions and Capacity fees are included in the income vs. expenses graphs of the Treasurer's Report, but they are called out separately on the Budget to Actuals report.

Activity Summary

The Activity Summaries by Fund provides information on revenues and expenses or expenditures for each Fund, both current month and year-to-date. There is also a column showing the year-to-date budget and amounts and percent over or under. Lines that deviate from the calculated budget by more than 10% have an explanatory note. Often, this is no more than a reminder that, while the budget is divided evenly across twelve months, actual expenses often do not follow the same pattern. Other time, there

are specific reasons for a deviation, such as contributed construction or the collection of unexpected capacity fees.

The Water and Wastewater Funds are listed first, followed by the graphs showing revenue versus expenses versus budgets. Parks, Measure B, and Streetlights information is given next, with accompanying graphs for each.

OTHER UPDATES

The governor's order to suspend non-payment lock policies remains in effect, and we are now starting to see more impact, even with staff's continued, concerted attempts to keep people at least reasonably current on their water bills. The current lock list is somewhat longer than normal, and we are starting to see higher total balances as monthly water bills accumulate with higher summer/ fall water use. If the governor does not rescind the order, we are likely to face higher bad debt for the FY20-21 fiscal year.

The County has posted tax allocation funds for 30 June. The interest apportionment continues to be delayed and has not been applied to the Quimby Funds held by the County on the District's behalf. The interest apportionment will therefore be estimated to prevent any further delay in the completion of the finalized trial balance for the auditors.

The revised Reserve policy is expected to be brought to the Board for action during the regularly scheduled public meeting in November 2020. Discussions on the implementation of IRS Section 115 Trusts for the pension and OPEB reserves and on District investment policy will follow.

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.B **Operations Department – August 2020 Report**

PRESENTED BY: **James Henry, Operations Director**

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 54.4 million gallons of water in August. Six water quality complaints were investigated and rectified. Daily, weekly and monthly inspections of all water facilities were conducted.

Double Check Valve Testing:

Annual routine testing was conducted on Route 15 along with a minimal number of retests. Customers with failed DCV's were notified to make repairs and call the office to schedule a retest.

Average and Maximum Water Usage:

The maximum water usage day was 2.5 million gallons and the average usage per day was 1.7 million gallons.

Water Distribution Maintenance:

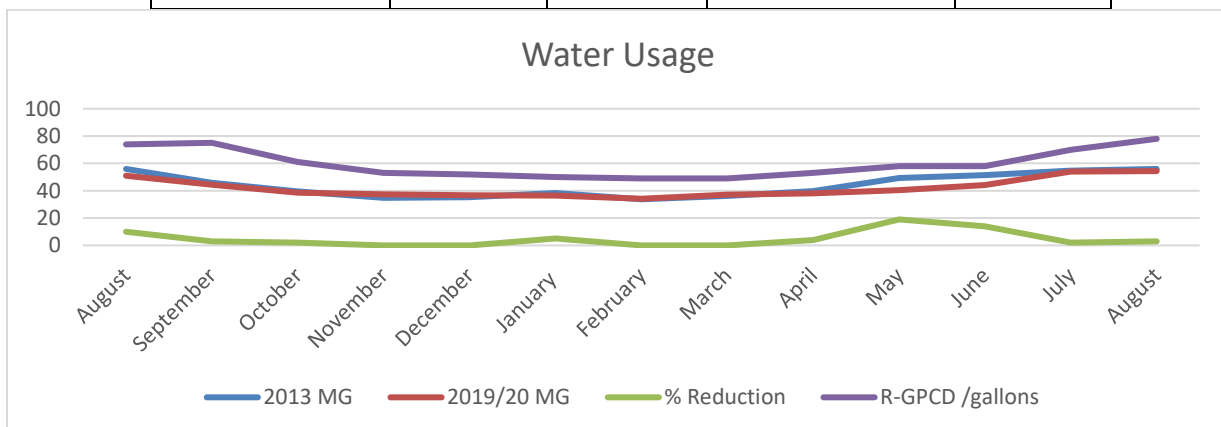
Weekly Bacteria Samples were collected on Schedules 1, 2, 3, 5 and 6 which represent different locations in the water distribution system. The schedules are made up of a sample taken in each pressure zone. Several water service installation and repair trenches were prepped and paved. The 3" and Larger meters were calibrated by an external contractor. Two of the meters came in reading low, which were repaired on the spot and the rest came in reading good. A new water service was installed on Anderson.

Water Station Maintenance:

Monthly inspections and daily routines were conducted at the water stations. Any minor issues found are repaired during inspections but if they require parts or extensive labor, the issue is documented on the monthly sheet which will then generate a work order for repairs. Norton Tank has been getting pressure washed by staff and was completed in August. Staff located a few bad spots in the Norton tank roof when pressure washing and installed patches along with paint. Hedge trimming and mowing also took place at the Norton site. Pressure washing and painting was completed at the North Bank pump station.

As of July 2014, 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.

	2013	2019/20	% Reduction	R-GPCD
August	55.908	50.871	10	74
September	45.702	44.361	3	75
October	39.439	38.625	2	61
November	34.879	37.462	(-7)	53
December	35.203	36.588	(-4)	52
January	38.241	36.457	5	50
February	33.751	34.130	(-1)	49
March	36.244	37.145	(-2)	49
April	39.755	38.065	4	53
May	49.407	40.355	19	58
June	51.337	44.200	14	58
July	54.757	54.111	2	70
August	55.908	54.366	3	78



R-GPCD = Residential Gallons Per Capita Day

New Construction Inspections:

Bo Day Subdivision; Manhole has been installed. Water main and services are installed. Tie-in is completed. Testing was completed and corrections were made. St. light installation pending. Imeson Court, Avalor plans have been reviewed and commented. Engineer sent corrected plans back to staff for review and approval. Valedao Lime. Water and sewer services and sewer main have been installed and tested. Streetlights were installed and paving is completed. Punch list items were corrected. Asbuilts were reviewed by staff and commented. Corrections were made and delivered to staff. This project is completed.

Sewer Department:**WasteWater Statistics:**

26.0 million gallons of wastewater were collected and pumped to the WWMF. 20.6 million gallons of wastewater were treated and discharged to land disposal or reclamation in August.

Sewer Station Maintenance:

Monthly inspections and daily routines were conducted on all sewer stations. Staff shimmed pumps, washed the wetwell and lubed at Fischer as part of the quarterly maintenance. Fischer had several issues last month that staff repaired including replacing an hour meter on one of the pumps, replaced the check valve on pump three, replacing vibration sensor mount, replacing bearings in pump 1 motor, replaced the bearing water valves and replacing the conduit and wire to the grinder. Hedge trimming and mowing was completed at the Kelly lift station. Pressure washing and painting took place at the B Street lift station. The air reliefs at Kelly were removed, serviced and put back into operation due to not functioning properly. Staff installed a new Davit Crane mount for pump removal for the Hiller Station upgrade.

Sewer Collection System:

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. A new sewer service was installed on Anderson Avenue. Quarterly hydro-cleaning was completed on 13,000 feet of sewer main using the vac-con and 3000 psi of water through a spinning nozzle. This is done to remove grit and grease from the mains and help prevent sewer spills. Customers were notified in advance. Clearing was completed at the sewer easement to accommodate surveying for the Highway 101 Crossing project.

Wastewater Management Facility:

Daily and weekly maintenance continues at the treatment plant to perform required service on the equipment. Staff installed the Biosolids pump and are waiting on wiring to show up to complete the project. Hedge trimming was completed. Dosage room doors were prepped and painted. The chemical dosage vacuum switches were calibrated to accommodate the new equipment install.

Daily Irrigation and Observation of Reclamation Sites:

Discharge has been going to the Land since April 28th. Irrigation pipe has been moved daily along with observations and reporting. String trimming took place at the Hiller site.

Street Light Department:

No streetlights issues were reported.

Promote Staff Training and Advancement:

Weekly tailgate meetings and training associated with job requirements. Staff received training on Hoist Safety, Lock-out Tag-out, Driving Distractions and Bloodborne Pathogens. Several staff members also attended First Aid and CPR refresher.

Special Notes:

Monthly river samples were completed.

Monthly 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.

Tesla Surveyors came out to conduct site visits for proposed battery sites.

Staff attended meetings regarding the Hiller Sewer Lift Station upgrade.

Staff received the Local Limits Study and is in review process.

Staff received the Ammonia Study report, reviewed, made comments and submitted

Staff is still separated into teams to avoid possible COVID spread within the staff.

Staff received proposals for the Ranch hay lease and reviewed for best candidate.

Attended webinar covering the new water monitoring reporting tool.

Staff attended a Micro-grid progress update meeting.

GIS:

Plans and Programs

- Begin 5-Year review of Urban Water Management Plan
 - Attended guidance book release webinar to discuss the new sections and requirements added to the 2020 plan
 - Reviewed previous seismic studies to see if they cover new seismic requirements.
- Completed annual review of the lock out tag out procedures and standard requirements.
- Updated the Spill Prevention and Control Countermeasures (SPCC) change in management.

Maps Completed/General GIS

- Maintained the Operations I Pad to be used for facility inspections and USA's
- Maintained and update ArcGIS online maps for I Pad use.
 - Added new streetlights layer
 - Created new parks map showing responsibility and ownership
 - Updated Operations map and published as a web service
- GPS'd and updated new water/sewer services.
- Generated maps and visual aids as requested

- Mapped sewer lateral on Kelly Ave. with easement.
- Fisher and Pialorsi Ranches Farmable land map
- Reviewed Valadao Lime Ave Sub AutoCAD data for completeness.

Misc. Work Completed

Created spread sheet summarizing meter repairs
Inspected Pialorsi Ranch and Mullen Trailer weekly
Installed WaterCAD on GM computer
Service Orders
USA's

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.C **Parks & Recreation Director's Report for September 2020**

PRESENTED BY: **Lesley Frisbee, Recreation Director**

TYPE OF ACTION: **None**

TEEN & COMMUNITY CENTER-BOYS & GIRLS CLUB PARTNERSHIP:

The Boys & Girls Club has hired a new Teen Club Director. She starts on October 5th. For the month of September, the Teen Club ran programming on Tuesday and Thursday afternoons. BGCR is working to develop an advisory committee specifically for the McKinleyville Club to increase engagement and participation at the Club.

Staff continues to meet with BGCR staff regularly.

RECREATION ADVISORY COMMITTEE:

The Recreation Advisory Committee meeting on September 17, 2020 was held over Zoom due to COVID-19. The notes from the meeting can be reviewed in **Attachment 1**.

RECREATION PROGRAM UPDATES:

We began a Recreational Afternoon Program this month serving elementary school children in the afternoon. Program activities are focused on social and emotional skills, art, and physical movement. Staff continue planning for alternative youth sports activities to be offered this winter and spring.

New Heart Community Church intends to resume use of the Activity Center for Sunday services beginning October 4th. The McKinleyville Senior Center Executive Director, Rene Quintana, reached out to inquire about what is needed to reopen the Senior Center at Azalea Hall. Staff provided the Mr. Quintana the contact information for the County's Public Health Business Compliance branch.

Staff is working to update the cost estimates for the Pierson Park Expansion and Renovation project for the Statewide Park Development and Revitalization Grant application due in December.

As of the writing of these notes the County Public Health Dept. did not have an estimated date or timeline for re-opening picnic areas, playgrounds and community centers.

PARKS & FACILITY MAINTENANCE:

Several open space zones received mowing, hedging and weeding maintenance as part of the Open Space Maintenance Zone agreements. The Parks crew and NHES continue the routine schedule for maintenance on Central Ave. landscaping. Staff continues to keep up with daily/weekly routine facility maintenance. Monthly inspections were conducted on all facilities and Open Spaces.

Replacement of the flooring in the Activity Center Lobby has been delayed due to delivery delays of the flooring material. Once the flooring is received by the installers the replacement will be scheduled within that same month.

OTHER UPDATES:

- Staff is planning and preparing for the acquisition of a Community Forest.
- Staff continues to work with the community members interested in developing a BMX track at the Washington Ave.-School Rd. property. Staff is working with the BMX community to draft a possible operating agreement to guide the partnership between the Humboldt Skatepark Collective's BMX committee and MCSD and the responsibilities of each entity in the operation and maintenance of a BMX Track and Park should the project be approved by the MCSD Board..
- Staff has facilitated and participated in a series of communication skills workshops for all District staff. These are monthly workshops conducted in small groups.
- Staff is currently seeking volunteers willing facilitate the drop-in Pickleball program. Once volunteers are secured staff will begin advertising the program.
- Staff is currently working with the State of California to receive a childcare license waiver so that full day programming can be offered during the times that schools are offering distance/online learning. Once the licensing requirement is waived, Staff will open enrollment for full day childcare programming which will include support for students doing online-distance learning as well as other enrichment activities.
- Staff continues to provide administrative support to the Support Services Dept.
- Staff is participating in the planning and preparation of MCSD's 50-year anniversary events/publications.
- Staff is reviewing and updating cost estimates for the Prop 68-Statewide Park Development and Community Revitalization Grant application to be submitted for the Pierson Park Expansion and Renovation Project.

McKinleyville Community Services District

BOARD OF DIRECTORS

October 7, 2020

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.D **General Manager’s Report for October 2020 Meeting**

PRESENTED BY: **Patrick Kaspari, General Manager**

TYPE OF ACTION: **Information Only**

A summary of activity for the month of September 2020

Cost Savings Related to District Activities – The following is a review of some of the recent cost savings opportunities District staff identified for the month:

• Use of NHE Services =	\$3,796
• Use of SWAP program =	\$3,570
• Fischer Pump 2 Control Repair =	\$300
• Repair Rust Holes in Tank 2A top =	\$920
• Chemical Dosage Upgrade WWMF =	\$3,200
• Fischer Pump 1 Repair =	\$360
• Clear behind Knox Cove for Tree Felling =	\$360
• <u>Install Davit Crane Mount at Hiller =</u>	<u>\$280</u>
TOTAL COST SAVINGS FOR AUG	\$12,786

The cumulative cost savings for the District to date from July 1, 2020 is \$91,808

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, ratepayers, and the community.

COVID- 19 – We received a bit of good news in the form of a letter from the Governor’s Office of Emergency Services (CalOES) stating that our request for Public Assistance for the State and Federally declared disaster FEMA-4482-DR-CA-COVID-19 Pandemic has been approved. We now have 60-days from the Sept. 1st date on the letter to submit damages. We have continued to track costs related to the COVID response and will continue to keep records and submit for disaster reimbursement for expenses and lost revenue. As of August 31, \$44,850 has been tracked in staff time and expenses directly attributed to COVID-19. This includes all the Personal Protective Equipment, disinfection and cleaning supplies, and Staff time directly related to COVID-19 response. The additional computer equipment required to allow staff to work socially distanced from home if required, and well as Board computer equipment to allow for socially distanced Board Meetings have not hit the books yet. We will submit all these claims and continue to track COVID related expenses to potential claim additional expenses.

Community Forest – Still no word on whether the grant for the funding of the purchase of the Community Forest was successful. Trust for Public Lands (TPL) submitted the additional information requested by the California Natural Resource Agency before the September 25th due date. Part of the requested information was a Tribal Outreach Plan, which Staff and the Community Forest Committee crafted together. The Commitment Letter from the District to accept the land that the Board approved at the October Board Meeting was also submitted.

Parks & Rec Director Frisbee, Operations Director Henry, Recreational Coordinator, Jens Andersen and I did a tour of potential access points. There are two access points off of Murry Road, which will need improvement, but can be fairly readily developed into trailheads with parking. We looked at access points off of Hunts Drive, East Cochran, Sutter Road, 2nd Road, D Avenue, and Babler Road. None of these alternative access points will be straightforward in the least. The most promising are probably East Cochran and 2nd, but we will have to discuss with Green Diamond about trail easements and potentially parking lot easement on their property to accommodate them.

We have also talked to Green Diamond about obtaining copies of their GIS data for roads, elevations, trees, etc. and are setting up a meeting to discuss. We likely will also have to sign a Non-Disclosure Agreement for obtaining the data.

Discussions were also held with the RAC about their participation on the Ad Hoc Community Forest Committee. We hope to hear back on the grant soon, and Staff will continue to work with the Forest Committee to plan next steps.

4.5 Gallon Water Tank Project – The District continues work on this Project with Kennedy Jenks (KJ) and their subcontractors. KJ submitted a Draft and Final Technical Memo, “Design Criteria & Alternative Evaluation”. This memo established the design criteria and also evaluated two options for the reservoir, a welded steel tank and a prestressed concrete tank. The memo recommended the installation of a prestressed concrete tank for several reasons including: Lower overall life cycle costs, \$4,795,000 vs. \$7,187,600 for the welded steel tank; height of the tank approximately 4-feet shorter than welded steel; the tank can be partially buried, reducing the cut slopes; smaller range of water temperatures; no active corrosion protection system required; minimal maintenance requirements. District Staff agreed with the recommendation and KJ is moving forward with the prestressed concrete tank design.

KJ continues to work on assessing other design components including the overflow line alternatives, the operations alternatives, and environmental documents including a wetlands delineation and viewshed analysis, which will be forthcoming before the end of the year. I have also asked KJ to do a presentation to the Board, sometime in the first quarter of 2021.

An appraisal of the property was also conducted by Frank Mileham as the previous appraisal had expired. The new appraisal was completed the end of August. The price for the entire property has gone up by \$85,000 or by \$6,300/acre since the 2012 Appraisal by

Brooks. If the District purchases 4.72 acres of the entire 13.1 acres at \$34,300/acre that is \$161,896. We forwarded the appraisal to Doug Shaw of American Hospital Group with a request to finalize negotiations on the property purchase.

Funding for this project is with a Hazard Mitigation Grant through Cal OES and FEMA and will be a 75% grant/ 25% cost match by MCSD. Estimated total project cost will exceed \$6,000,000.

Water and Sewer Mainline Master Plan Phase 3c – Phase 3b of the Master Planning effort is complete, and Staff received the Final Phase 3b Report detailing the outcome of the water and sewer piping testing. The scope of work for Phase 3c from GHD was approved by the Board at the September Board Meeting and they are working on setting up a Kick-off Meeting. Phase 3c will consist of updating the replacement schedule and plan for which pipes to replace when, as well as further assessing the costs associated with the District replacing pipes as compared to going out to bid for a Contractor to replace pipes. We anticipate with receipt of the Phase 3c Report, we will be able to move into the actual pipe replacement phase, likely in 2022.

SRF Energy Efficiency WWMF Micro-grid Project – The High-Level Location Analysis Report, which included a high-level review of six separate locations around the Wastewater Management Facility (WWMF) for the location of the solar array, went to the Board in September. Ameresco is currently moving forward on the design of the Solar Array for the Pond 5 area and has commenced the geotechnical and environmental studies and permitting required for this area.

The original Design/Build Contract amount with Ameresco is for \$2,065,520 with a \$206,552 contingency. Given the greater cost for constructing the system in the Pond 5 area, a contract change order will likely be required. We discussed this with Ameresco and agreed to move forward until a final, firm cost of the construction is obtained, and then we would negotiate this change order. This project is funded by a \$2.5M grant/\$2.5M loan from the State Water Resources Control Board.

Hiller Lift Station Pump Upgrade – Work on the station upgrade continued in September. The new system is almost complete and has been connected into the existing sewer system. The main remaining item is the control panel required to talk to the District's SCADA system. This panel is supposed to be delivered and installed mid-November. Meanwhile, the pumps and pump panel has been installed and tested by Flygt, the manufacturer. District staff obtained training on pumps the last week in September. If needed, the District could operate the station before the SCADA panel is installed, but we do not intend to unless required.

The original construction contract amount is for \$508,500 with a \$50,850 contingency. So far there has been two change orders, Change Order #1, which is a deductive change order for the cost of the wet well coating in the amount of minus \$2,695. Change Order #2 was for the addition of disconnect switches to the SCADA panel for an additional amount of

\$4,033.5. Total contract amount is now \$509,838.50. This project is funded by a \$2.5M grant/\$2.5M loan from the State Water Resources Control Board.

TESLA Batteries – As the Board approved at the August Board Meeting, Tesla has submitted grant applications on the District’s behalf to PG&E for their Self Generation Incentive Program (SGIP). Applications were submitted for the Ramey Pump Station, the Fischer Lift Station, and the Wastewater Management Facility. We have not yet received confirmation that the grants will be funded but have received confirmation that they are in review. Meanwhile, Tesla has started on the design process and their technicians were here in September collecting data from each station and surveying in each of the battery locations. We will of course let the Board know when we receive confirmation on the grant.

Local Limits – Sampling was completed for this project, and we received a Draft Report from Freshwater Environmental Services. The Local Limits Study will compare the sewage as it travels through the collection system, through the treatment process, to effluent disposal to calculate the load and removal of constituents. This information will be used to then establish how much of various constituents can be discharged by individual, generally commercial, users. The Report will be review and finalized and the results and conclusions brought to the Board for review and discussion.

Sewer Undercrossing Project – GHD is moving forward on the design and environmental permitting work of the sewer undercrossing project. A preliminary layout for each of the sites was submitted by GHD and reviewed with their staff. All three of the sites have also been surveyed, and we are waiting on the CalTrans encroachment permit to finalize the highway surveying. The environmental work is scheduled to begin in early October. It is estimated that Phase 1 of the Project would be completed in December 2020, the Phase 2 design completed in early 2022, and the Project construction completed in August 2023. This is a Hazard Mitigation Grant through Cal OES and FEMA and will be a 75% grant/25% cost share by MCSD. Estimated total project cost is \$3.5M.

Cell Towers on District Property – We have not heard anything from the Cell Tower Broker on the Cochran Tank site and continue to not know if that site even remains in consideration. We will report to the Board and public if this changes.

Reporting by Sheriff’s office, County Public Work, County DHHS – During the July Board Meeting, President Burke and the rest of the Board expressed interest in reviving 2x2 (the GM and one Board Member) meetings with County Staff. A regular meeting has been scheduled with President Burke, GM Kaspari, Supervisor Madrone, and Maya Conrad, the current President of the McKinleyville Municipal Advisory Committee, to occur on the last Monday of every month to discuss various topics of concern to all three organizations and the community. During the September meeting, President Burke and I updated them on the Latent Powers discussion we were going to have with the MCSD Board, as well as the status of the Community Forest and we discussed the turnaround at the end of School by Verwer. Supervisor Madrone talked about homeless encampments again, and the fact the District already spends money on cleaning up after them, and perhaps we could rent land to

the County or some other non-profit to run a permanent camp on our land. We said we would see what the Latent Powers Committee came up with. He also brought up the idea of a Clam Beach Watershed Council again. It should be noted that Clam Beach is outside the District boundaries.

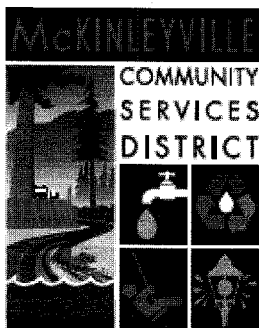
President Burke is working to set up meetings with Virgil Moorehead Senior and Junior of Big Lagoon Rancheria and owners of The Club, and with Ted Hernandez of the Wiyot. President Burke and GM Kaspari also have been talking with Humboldt County Staff on the changes to School Road parking and a potential turn-around.

Director Mayo and GM Kaspari had a meeting scheduled with Sheriff Honsel on September 8. We discussed our relationship in general and he is in favor of the 2x2 meetings. We also discussed SWAP and he was going to check into whether we could get additional work from SWAP since we missed half of the year.

Meetings –The General Manager attended various meetings in August including a MMAC meeting, RAC Meeting, a CSDA Chapter Meeting,

Attachments:

- Attachment 1 – WWMF Monthly Self-Monitoring Report

PHYSICAL ADDRESS:1656 SUTTER ROAD
McKINLEYVILLE, CA 95519**MAILING ADDRESS:**P.O. BOX 2037
McKINLEYVILLE, CA 95519

mckinleyvillecsd.com

MAIN OFFICE:PHONE: (707) 839-3251
FAX: (707) 839-8456**PARKS & RECREATION OFFICE:**PHONE: (707) 839-9003
FAX: (707) 839-5964R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

September 23, 2020

RE: MONTHLY MONITORING REPORT

Dear Justin:

Enclosed is the Monthly Monitoring Report for August 2020 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number R1-2018-0032.

The normal discharge of effluent was 30 days going to 002, 003, 004 and 006. The required monitoring and water quality constituents that were tested and reported was in compliance in August.

Effluent Limitations Parameters	Units	Average Monthly	Average Weekly	Avg. % Removal	Max Daily	Instant Max	Instant Min	Results
Monitoring Location EFF- 001								
BOD	mg/L	30	45	>85				Compliance
TSS	Mg/L	30	45	>85				Compliance
PH	s.u.					6.5	8.5	Compliance
Settleable Solids	ml/L	0.1			0.2			Compliance
Chlorine Total Residual	mg/L	0.1			0.2			Compliance
Carbon Tetrachloride	ug/L	.25			.75			N/A
Ammonia Impact Ratio	mg/L	1.0			1.0			N/A
Dichlorobromomethane	ug/L	.56			1.4			N/A
Monitoring Location LND-001, REC-001								
Nitrate		10						Compliance
PH		6.0- 9.0	6.0 - 9.0					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 240. The reported results for the month of August are as follows. Median was <1.8 and a Maximum of 2.0. Four samples were collected in the month of August and was in compliance.

Monthly River Monitoring was conducted in August.

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
EFFLUENT DISCHARGE DISPOSAL**

August 2020

Discharge Monitoring	002 LND-001	002 LND-001	004 REC-001	003 REC-001	006 REC-001	005 REC-001	001 EFF-001				
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	RIVER MGD
1	0.824	0.519	640	0.519						0.000	0.000
2	0.868	0.518	605	0.518						0.000	0.000
3	0.846	0.748	990	0.327		0.312	0.109			0.421	0.000
4	0.838	0.845	1110			0.642	0.144	0.059		0.845	0.000
5	0.845	0.856	1112			0.696	0.084	0.076		0.856	0.000
6	0.824	0.855	1097			0.625	0.137	0.093		0.855	0.000
7	0.827	0.683	1035	0.365		0.248	0.046	0.024		0.318	0.000
8	0.836	0.549	660	0.549						0.000	0.000
9	0.869	0.547	646	0.547						0.000	0.000
10	0.845	0.195	646	0.195						0.000	0.000
11	0.810	0.000	0	Shut Down to Clean CCB						0.000	0.000
12	0.827	0.257	700			0.257				0.257	0.000
13	0.825	0.585	711			0.585				0.585	0.000
14	0.821	0.607	720	0.344		0.263				0.263	0.000
15	0.841	0.591	708	0.591						0.000	0.000
16	0.908	0.591	697	0.591						0.000	0.000
17	0.840	0.842	1216	0.221		0.419	0.126	0.076		0.621	0.000
18	0.823	0.788	1052			0.629	0.078	0.081		0.788	0.000
19	0.832	0.789	1062			0.617	0.085	0.087		0.789	0.000
20	0.834	0.845	1209			0.614	0.180	0.051		0.845	0.000
21	0.840	0.655	1059	0.381		0.214	0.040	0.020		0.274	0.000
22	0.819	0.638	703	0.638						0.000	0.000
23	0.882	0.648	776	0.648						0.000	0.000
24	0.842	0.960	1343	0.264		0.447	0.173	0.076		0.696	0.000
25	0.821	0.924	1140			0.720	0.126	0.078		0.924	0.000
26	0.845	0.887	1134			0.676	0.131	0.080		0.887	0.000
27	0.821	0.914	1213			0.703	0.134	0.077		0.914	0.000
28	0.816	0.665	1112	0.401		0.202	0.041	0.021		0.264	0.000
29	0.834	0.612	742	0.612						0.000	0.000
30	0.895	0.606	684	0.606						0.000	0.000
31	0.843	0.899	1323	0.278		0.405	0.135	0.081		0.621	0.000
TOTAL	26.041	20.618		8.595	0.000	9.274	1.769	0.980	0.000	12.023	0.000
AVERAGE	0.840	0.665	891	0.000	0.000	0.000	0.000	0.000	0.000	0.388	0.000
MAXIMUM	0.908	0.960	1343	0.648	0.000	0.720	0.180	0.093	0.000	0.924	0.000
MINIMUM	0.810	0.000	0	0.195	0.000	0.000	0.040	0.020	0.000	0.000	0.000
DAYS	31	30		19	0	19	16	15	0	19	0

DAYS WITH NO DISCHARGE = 1

McKINLEYVILLE COMMUNITY SERVICES DISTRICT WASTEWATER MANAGEMENT FACILITY MONITORING DATA

MONTH: August 2020

DATE	INFLUENT FLOW		EFFLUENT FLOW		EFFLUENT MAXIMUM GPM	RIVER CFS	RIVER Dilution	INFLUENT MONITORING		EFFLUENT MONITORING		RIVER CL RES	RIVER CL RES	SETTLABLE SOLIDS	TOTAL COLIFORM	RSW-001		RSW-002						
	M.G.D.	M.G.D.	M.G.D.	M.G.D.				R.O.D. mg/L	TSS mg/L	pH	TEMP					B.O.D. mg/L	TSS mg/L	CL RES	CL RES	TIME	PH	TEMP	D.O.	TIME
1	0.824	0.519	640	N/A	N/A	N/A	N/A	7.0	19.9			2.0												
2	0.868	0.518	605	N/A	N/A	N/A	N/A	7.0	19.9			2.0												
3	0.846	0.748	990	N/A	N/A	N/A	N/A	7.2	19.6			1.7			2		15:20	8.3	22.8	11.6	15:30	8.6	22.6	10.9
4	0.838	0.845	1110	N/A	N/A	N/A	N/A	7.1	19.7			2.7												
5	0.845	0.856	1112	N/A	N/A	N/A	N/A	7.1	19.7			3.1												
6	0.824	0.855	1097	N/A	N/A	N/A	N/A	7.0	19.6			2.8												
7	0.827	0.683	1035	N/A	N/A	N/A	N/A	390	260	7.1	19.9	8.5	1.2	3.0	3.0	<0.1								
8	0.836	0.549	660	N/A	N/A	N/A	N/A	7.1	19.4			2.3												
9	0.869	0.547	640	N/A	N/A	N/A	N/A	7.1	19.0			2.5												
10	0.845	0.195	646	N/A	N/A	N/A	N/A	7.1	18.3			2.5			<1.8									
11	0.810	0.000	0	N/A	N/A	N/A	N/A					Shut Down to Clean CCB					10:20	7.6	19.5	9.9	10:30	8.3	19.6	9.4
12	0.827	0.257	700	N/A	N/A	N/A	N/A	6.9	19.7			4.1												
13	0.825	0.585	711	N/A	N/A	N/A	N/A	7.1	18.8			5.8												
14	0.821	0.607	720	N/A	N/A	N/A	N/A	7.2	19.6	6.9	1.2	2.8			<0.1									
15	0.841	0.591	708	N/A	N/A	N/A	N/A	7.0	20.0			4.7												
16	0.908	0.591	697	N/A	N/A	N/A	N/A	7.0	20.3			4.2												
17	0.840	0.842	1216	N/A	N/A	N/A	N/A	7.0	19.3			4.0			<1.8									
18	0.823	0.788	1052	N/A	N/A	N/A	N/A	7.0	19.3			4.3					14:40	7.6	22.2	8.6	14:50	8.7	22.3	11.4
19	0.832	0.789	1062	N/A	N/A	N/A	N/A	7.1	19.1			3.8												
20	0.834	0.845	1209	N/A	N/A	N/A	N/A	7.1	19.3			3.3												
21	0.840	0.655	1059	N/A	N/A	N/A	N/A	6.9	20.0	6.1	1.6	3.2			<0.1									
22	0.819	0.638	703	N/A	N/A	N/A	N/A	6.9	19.8			4.1												
23	0.882	0.648	776	N/A	N/A	N/A	N/A	7.0	19.5			3.7												
24	0.842	0.960	1343	N/A	N/A	N/A	N/A	7.2	19.0			3.3			<1.8									
25	0.821	0.924	1140	N/A	N/A	N/A	N/A	7.0	19.0			4.1												
26	0.845	0.887	1134	N/A	N/A	N/A	N/A	7.0	18.9			3.4					10:30	7.6	19.6	8.3	10:40	7.8	18.5	8.8
27	0.821	0.914	1213	N/A	N/A	N/A	N/A	6.9	18.9			3.6												
28	0.816	0.665	1112	N/A	N/A	N/A	N/A	7.1	18.8	5.3	1.8	2.7			<0.1									
29	0.834	0.612	742	N/A	N/A	N/A	N/A	7.1	18.5			2.8												
30	0.895	0.606	684	N/A	N/A	N/A	N/A	7.1	18.5			2.4												
31	0.843	0.899	1323	N/A	N/A	N/A	N/A	7.2	18.5			2.7												

MONTHLY TESTS EFF-001 DISCHARGE TO RIVER

Parameter	Amount	Unit	Frequency	Value	Limit	Remarks
Ammonia Nitrogen	N/A	mg/L	Monthly	N/A	N/A	
Nitrate Nitrogen	N/A	mg/L	Monthly	N/A	N/A	
Phosphate	N/A	mg/L	Monthly	N/A	N/A	
Bio Phosphate	N/A	mg/L	Monthly	N/A	N/A	
Carbon Dioxide	N/A	mg/L	Monthly	N/A	N/A	
Chloride	N/A	mg/L	Monthly	N/A	N/A	
Electroconductivity	N/A	µmhos/cm	Monthly	N/A	N/A	
Turbidity %	N/A	%	Monthly	N/A	N/A	

MONTHLY TESTS LND-001, REC-001 DISCHARGE TO PERC PONDS and LAND

Organic Nitrogen	TSS	Ammonia Nitrogen	Nitrate Nitrogen	600ppm Chloride	600ppm Chloride
1.50	290	ND	0.83	ND	44
					54
					250

MONTHLY RIVER RSW-001

TSS	Ammonia Nitrogen	Settling Time	BOD & TSS
160	ND	200	30 DAY AVERAGE
			BOD
			7
			37
			98

MONTHLY RIVER RSW-002

TSS	Ammonia Nitrogen	Settling Time	BOD	TSS
1400	310	ND	720	1.2

Signature: _____

Remarks: _____

EFF-001
REC-001
Quantity
Permit Exceedance