

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, SEPTEMBER 8, 2021 AT 7:00pm

TELECONFERENCE Via ZOOM & TELEPHONE:

**Use ZOOM MEETING ID: 859 4543 6653 (<https://us02web.zoom.us/j/85945436653>) 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, September 7, 2021.

All Public Comment received before the above deadline will be provided to the Board at 9 a.m. on Wednesday, September 8, 2021, in a supplemental packet information that will also be posted on the website for public viewing.

Please note that the quality of the Zoom meeting cannot be guaranteed either because of internet issues on the side of the MCSD or your own connectivity issues. Therefore, MCSD cannot guarantee that the Public will be able to actively participate in the Board Meeting via Zoom. **If you have public input to provide on an agenda item, it is highly recommended you attend in person at Azalea Hall or submit written comments as outlined above.**

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.

None

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 August 4, 2021 | Pg. 5 |
| | Attachment 1 – Draft Minutes from August 4, 2021 | Pg. 6 |
| D.2 | Consider Approval of DRAFT July 2021 Treasurer’s Report | Pg. 11 |
| D.3 | Compliance with State Double Check Valve (DCV) Law | Pg. 31 |

E. CONTINUED AND NEW BUSINESS

- | | | |
|-----|---|---------------|
| E.1 | Approval to Proceed with Potential Issuance of \$8.5M in Public Bond Sales to Finance District Match for 4.5M Gallon Water Tank & Three Highway 101 Sewer Crossings and First Water & Sewer Mainline Replacement Project (Action) | Pg. 33 |
| | Attachment 1 – Summary Page of Numerical Analysis for \$4.5M private placement and public offering loans and refinancing for Davis Grunsky loan | Pg. 37 |
| | Attachment 2 – Aug. 2021 Numerical Analysis for \$8.5M 20- and 30-year public offering loans and refinancing for Davis Grunsky loan | Pg. 39 |
| | Attachment 3 – Analysis of Debt Coverage Ratios for water and wastewater funds for 20-year and 30-year bond sales | Pg. 74 |

	Attachment 4 – Presentation Slides	Pg. 78
E.2	Review Microgrid Construction Schedule and Review Groundbreaking Dates (Informational)	Pg. 85
	Attachment 1 – Microgrid Construction Schedule	Pg. 87
E.3	Approve Spending Reserve Funding for BMX Park CEQA Analysis (Action)	Pg. 91
	Attachment 1 – Biological Habitat Assessment Scope of Work	Pg. 93
	Attachment 2 – Cultural Resources Assessment Scope of Work	Pg. 98
E.4	Consider First Reading of Ordinance 2021-07 Adding Section 68.05 to Regulation 68, Latent Powers of Article Vi: Miscellaneous, Addressing Reclamation Authorities in the MCSD Rules and Regulations (Action)	Pg. 101
	Attachment 1 – Ordinance 2021-07	Pg. 103
E.5	Review and Discuss Annual Board Self-Evaluation (Information/Discussion)	Pg. 105
	Attachment 1 – Summary of Board Self-Evaluation Worksheets	Pg. 106
E.6	Consider Approval to Execute Construction Contract for Biosolids Removal Project (Action)	Pg. 113
	Attachment 1 – Construction Contract	Pg. 115
E.7	Consider Approval of LAFCO 2020 Municipal Service Review Administrative Draft (Action)	Pg. 143
	Attachment 1 – MCSD Municipal Services Review & Sphere of Influence Update, Administrative Review Draft, August 2021	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. Parks and Recreation Committee (Binder/Clark-Peterson)
- b. Area Fund (John Kulstad/Clark-Peterson)
- c. Redwood Region Economic Development Commission (Clark-Peterson/Binder)
- d. McKinleyville Senior Center Board Liaison (Clark-Peterson/Binder)
- e. Audit (Orsini/Couch)
- f. Employee Negotiations (Couch)
- g. McKinleyville Municipal Advisory Committee (Orsini)
- h. Humboldt Local Agency Formation Commission (Couch)
- i. Environmental Matters Committee (Couch/Clark-Peterson)
- j. AdHoc Committee – Community Forest (Mayo/Orsini)
- k. AdHoc Committee – Latent Powers (Couch/Orsini)

F.2 LEGISLATIVE AND REGULATORY REPORTS

F.3 STAFF REPORTS

- a. Support Services Department (Colleen M.R. Trask) **Pg. 183**

b. Operations Department (James Henry)	Pg. 185
c. Parks & Recreation Department (Lesley Frisbee)	Pg. 191
d. General Manager (Pat Kaspari)	Pg. 197
Attachment 1 – WWMF Monthly Self-Monitoring Report	Pg. 204

F.4 PRESIDENT’S REPORT

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

G. ADJOURNMENT

Posted 5:00 pm on September 3, 2021

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. A complete packet is also available for viewing at the McKinleyville Library at 1606 Pickett 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

September 8, 2021

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 the approval of the Minutes of the Board of Directors for the August 4, 2021 Regular Board Meeting

Discussion:

The Draft minutes are attached for the above listed meetings. A reminder that the minutes are approved by the legislative body that is the Board of Directors, not individual members of the Board who were present at a 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 August 4, 2021 Regular Board Meeting

**MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY
SERVICES DISTRICT HELD ON WEDNESDAY, AUG. 4, 2021 - 7:00 P.M.
IN PERSON AT AZALEA HALL – 1620 PICKETT ROAD, MCKINLEYVILLE, CALIFORNIA
and**

TELECONFERENCE Via ZOOM & TELEPHONE:

ZOOM MEETING ID: 858 4010 5980 (<https://us02web.zoom.us/j/85840105980>) and TOLL FREE: 1-888-788-0099

AGENDA ITEM A. CALL TO ORDER:

A.1 Roll Call: The regular session of the Board of Directors of McKinleyville Community Services District convened at 7:01 pm with the following Directors and staff in attendance in person at Azalea Hall:

Dennis Mayo, President	Pat Kaspari, General Manager
David Couch, Vice President (Via Zoom)	April Sousa, Board Secretary
Scott Binder, Director	Joseph Blaine, IT Specialist
Greg Orsini, Director	Colleen Trask, Finance Director
	Lesley Frisbee, Parks & Recreation Director
	James Henry, Operations Director

A.2 Pledge of Allegiance: The Pledge of Allegiance was led by President Mayo.

A.3 Additions to the Agenda: There were no Additions to the Agenda.

A.4 Approval of the Agenda:

Motion: It was moved to approve the agenda as delivered.

Motion by: Director Orsini ; **Second:** Director Binder

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Couch, Orsini, and Mayo Nays: None Absent: Clark-Peterson

Motion Summary: Motion Passed

AGENDA ITEM B. PUBLIC HEARINGS:

B.1 Take Public Comment on the 2020 Urban Water Management Plan and Adopt Resolution 2021-19 Approving the Plan for Submittal

President Mayo opened the public hearing at 7:05 p.m. Operations Director Henry reviewed the staff report with the Board. There were no comments from the Board or Public. The public hearing was closed at 7:09 p.m. Operations Director Henry thanked staff member Brian Anspach for his hard work on the document.

Motion: It was moved to approve Resolution 2021-19 approving the 2020 Urban Water Management Plan and authorize its submission to the Department of Water Resources.

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

Roll Call: Ayes: Binder, Couch, Orsini, and Mayo Nays: None Absent: Clark-Peterson

Motion Summary: Motion Passed

AGENDA ITEM C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:

There was no public comment.

AGENDA ITEM D. CONSENT CALENDAR:

D.1 Consider Approval of the Minutes of the Board of Directors

D.2 Consider Approval of June DRAFT 2021 Treasurer's Report

D.3 Compliance with State Double Check Valve (DCV) Law

D.4 Consider Approval of Resolution No. 2021-20 Providing Support to Orange County Water District (OCWD) First Vice President Cathy Green as a Candidate for the Office of ACWA Vice President

D.5 Consider Approval to Declare 2006 Ford F-250 Truck Surplus

Motion: It was moved to approve the Consent Calendar.

Motion by: Director Orsini; **Second:** Director Binder

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Couch, Orsini, and Mayo Nays: None Absent: Clark-Peterson

Motion Summary: Motion Passed

Cathy Green was present at the meeting and thanked the Board for their support.

AGENDA ITEM E. CONTINUED AND NEW BUSINESS:

E.1 Recognition of Staff Accomplishments from 2020-21 and Introduction of New District Staff Members

General Manager Kaspari reviewed this item and recognized employees as well as introduced new employees to the Board. The Board, staff, and public were given an opportunity to speak. The Board celebrated with cupcakes and photos. This was an informational only item; no action taken.

E.2 Consider Second Reading and Adoption of Ordinance No. 2021-06 Adding Article VII: Water Conservation Establishing Rules and Regulations for Rationing Water During a Water Shortage Emergency and Establishing Penalties for Violations Thereof

Operations Director James Henry gave an overview of the item. There were no comments from the Board or the public.

Motion: Approve the second reading and adoption of Ordinance 2021-06 Adding Article VII: Water Conservation Establishing Rules and Regulations for Rationing Water During a Water Shortage Emergency and Establishing Penalties for Violations Thereof, by title only.

Motion by: Director Binder **Second:** Director Orsini

Roll Call: Ayes: Binder, Couch, Orsini, and Mayo Nays: None Absent: Clark-Peterson

Motion Summary: Motion Passed

E.3 Consider Approval of Resolution 2021- 21 Initiating the Formation of Avelar/Imeson Subdivision Open Space Maintenance Zone (OSMZ) #28

General Manager Kaspari reviewed this item for the Board. The Board asked clarifying questions regarding the logistics of the assessment and when it would start. Phil Lazzar was present and answered questions and made comments to the Board.

Motion: Approve Resolution 2021-21 initiating the formation of the Avelar/Imeson Subdivision Open Space Maintenance Zone #28.

Motion by: Director Orsini; **Second:** Director Binder

Roll Call: Ayes: Binder, Couch, Orsini, and Mayo Nays: None Absent: Clark-Peterson

Motion Summary: Motion Passed

E.4 Consider Changes to Board of Directors Future Meetings: Continuation of Hybrid versus In-Person Meetings, September 2021 Board Meeting Date Change, and Review Board Meeting Dates, Times, and Location for 2022 Calendar Year

Board Secretary Sousa reviewed each part of this item separately. The Board discussed the question regarding continuing hybrid meetings in the future. Consensus and direction from the Board was that the Hybrid option was important and to keep this open for future meetings.

Regarding the September meeting, the Board discussed the logistics of moving the meeting from September 1 to September 8.

Motion: Move the date of the Regular September Board Meeting from September 1, 2021, to September 8, 2021.

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

Roll Call: Ayes: Binder, Couch, Orsini, and Mayo Nays: None Absent: Clark-Peterson

Motion Summary: Motion Passed

The Board also considered the upcoming schedule for 2022. Board Secretary asked members to review their personal schedules to see if there are conflicts with the 2022 Board Meeting schedule. This portion of the item was for information only and will be brought back in October for final approval.

E.5 Review and Discuss Annual Board Self-Evaluation

Since all Board members were not present, it was suggested to save this item for the September Board Meeting.

Motion: Table the item to the September Board Meeting.

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

Roll Call: Ayes: Binder, Couch, Orsini, and Mayo Nays: None Absent: Clark-Peterson

Motion Summary: Motion Passed

AGENDA ITEM F. REPORTS

F.1 ACTIVE COMMITTEE REPORTS

- a. **Parks and Recreation Committee (Binder/Clark-Peterson):** Director Binder had nothing further to report from Director Frisbee's report.
- b. **Area Fund (John Kulstad/Clark-Peterson):** Director Clark-Peterson not available to give a report.
- c. **Redwood Region Economic Development Commission (Clark-Peterson/Binder):** Director Clark-Peterson was not available to give a report.
- d. **McKinleyville Senior Center Advisory Council (Clark-Peterson/Binder):** Director Binder gave a short report regarding the most recent meeting.
- e. **Audit (Orsini/Couch):** Did not meet; has a meeting schedule for Thursday, August 5, 2021.
- f. **Employee Negotiations (Couch/Mayo):** Did not meet.
- g. **McKinleyville Municipal Advisory Committee (Orsini/Binder):** Director Orsini gave a brief report on the most recent meeting.
- h. **Local Agency Formation Commission (Couch):** Director Couch reported on the most recent meeting.
- i. **Environmental Matters Committee (Couch/Clark-Peterson):** Did not meet.
- j. **Ad Hoc Community Forest Committee (Mayo/Orsini):** Recreation Director Frisbee gave the report on this meeting.

- k. **Ad Hoc Latent Powers Committee (Orsini/Couch):** Did not meet.

F.2 LEGISLATIVE AND REGULATORY REPORTS

There were no Legislative and regulatory reports.

F.3 STAFF REPORTS

- a. **Support Services Department (Colleen M.R. Trask):** Finance Director, Colleen Trask, highlighted the most up to date eligible lock list customers.
- 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 added information regarding a groundbreaking ceremony for the Skate Park.
- d. **General Manager (Patrick Kaspari):** General Manager Kaspari added a brief report about chlorine shortages and how that will affect the district. He also mentioned that he has asked the Audit Committee to assist on some financing options.

F.3.2 PRESIDENT'S REPORT: Nothing to report.

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

Director Orsini asked to have a groundbreaking ceremony for the solar project, once the site was cleared.

G. ADJOURNMENT:

Meeting Adjourned at 8:23 P.M.

April Sousa, MMC, Board Secretary

This Page Left Intentionally Blank

**McKinleyville Community Services District
Treasurer’s Report
July 2021 **DRAFT****

Table of Contents

Page 2	Investments & Cash Flow Report
Page 3	Consolidated Balance Sheet by Fund
Page 4	Activity Summary by Fund with Selected Graphic Comparisons
Page 11	Capital Expenditure Report
Page 12	Summary of Long-Term Debt Report
Page 13	Cash Disbursement Report

Ratios

as of July 31, 2021 - **DRAFT**

- Utility Accounts Receivable Turnover Days	15
- YTD Breakeven Revenue, Water Fund:	\$ 293,464
- YTD Actual Water Sales:	\$ 357,395
- Days of Cash on Hand-Operations Checking/MM	184

**McKinleyville Community Services District
Investments & Cash Flow Report
as of July 31, 2021 - DRAFT**

Petty Cash & Change Funds 9,197.46

Cash

Operating & Money Market - Beginning Balance		4,181,071.78
Cash Receipts:		
Utility Billings & Other Receipts	826,287.29	
Money Market Account Interest	19.10	
Transfers from County Funds #2560, #4240, CalTRUST, Meas. B	-	
Other Cash Receipts (Pmt of SRF Solar Proj Grant Receivable)	-	
Total Cash Receipts		826,306.39
Cash Disbursements:		
Transfers to County Funds #2560, #4240, CalTRUST	-	
Payroll Related Expenditures (incl. CalPERS UAL pmt)	(403,070.74)	
Debt Service	(75,622.05)	
Capital & Other Expenditures	(277,328.68)	
Total Cash Disbursements		(756,021.47)
Operating & Money Market - Ending Balance		4,251,356.70
Total Cash		4,260,554.16

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

LAIF - Beginning Balance	138,802.65	
Interest Income	113.33	
LAIF - Ending Balance		138,915.98
Humboldt Co. #2560 - Beginning Balance	1,995,539.97	
Property Taxes and Assessments	-	
Transfer to/from Operating Cash	-	
Interest Income (net of adjustments)	2,560.94	
Humboldt Co. #2560 - Ending Balance		1,998,100.91
Humboldt Co. #4240 - Beginning Balance	3,409,034.64	
Transfer to/from Operating Cash	-	
Transfer to/from Biosolids Reserve	-	
Interest Income	3,572.41	
Humboldt Co. #4240 - Ending Balance		3,412,607.05
Humboldt Co. #9390 - Beginning Balance	663,032.08	
Reserves Recovery Deposits/Other Bal Withdrawals	-	
Humboldt Co. #9390 - Ending Balance		663,032.08
USDA Bond Reserve Fund - Beginning Balance	168,945.16	
Bond Reserve Payment/Transfer to Service Fund	7,270.83	
Debt Service Payment, Principal/Interest (Net)	-	
Interest Adjustment	0.34	
USDA Bond Reserve Fund - Ending Balance		176,216.33
CalTRUST - Beginning Balance	10,619,664.18	
Net Transfer to/from Designated Reserves: PERS/OPEB	-	
Net Transfer to/from Capacity Fees/Catastrophe/Other Reserves	-	
Net: Interest Income/Unrealized Gain/Loss	12,940.97	
CalTRUST - Ending Balance		10,632,605.15
Total Investments		17,027,494.98
Total Cash & Investments - Current Month		21,288,049.14
Total Cash & Investments - Prior Month		21,184,034.57
Net Change to Cash & Investments This Month		104,014.57

Cash & Investment Summary

Cash & Cash Equivalents		20,486,193.87
Davis-Grunsky Loan Reserve		625,638.94
USDA Bond Reserve		176,216.33
Total Cash & Investments		21,288,049.14

McKinleyville Community Services District
 Consolidated Balance Sheet by Fund
 as of July 31, 2021 - DRAFT

	Governmental Funds			Proprietary Funds		Total (Memorandum Only)
	Parks & General	Measure B	Streetlights	Water	Wastewater	
ASSETS						
Current Assets						
Unrestricted cash & cash equivalents	\$ 1,053,831.45	\$ (473,435.09)	\$ 73,118.28	\$ 8,124,035.05	\$ 11,868,879.11	\$ 20,646,428.80
Accounts receivable	3,873.15	-	4,174.01	570,738.25	604,013.84	1,182,799.25
Prepaid expenses & other current assets	48,574.14	1,763.89	4,632.93	121,716.70	78,144.06	254,831.72
Total Current Assets	1,106,278.74	(471,671.20)	81,925.22	8,816,490.00	12,551,037.01	22,084,059.77
Noncurrent Assets						
Restricted cash & cash equivalents	189,572.72	-	-	625,638.94	176,216.68	991,428.34
Other noncurrent assets	-	-	-	770,950.75	791,621.69	1,562,572.44
Capital assets (net)	-	-	-	8,259,851.43	28,223,174.79	36,483,026.22
Total Noncurrent Assets	189,572.72	-	-	9,656,441.12	29,191,013.16	39,037,027.00
TOTAL ASSETS	\$ 1,295,851.46	\$ (471,671.20)	\$ 81,925.22	\$ 18,472,931.12	\$ 41,742,050.17	\$ 61,121,086.77
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	\$ 76,480.58	\$ 4,048.61	\$ 2,225.37	\$ 245,551.56	\$ 325,741.56	\$ 654,047.68
Accrued payroll & related liabilities	104,881.15	-	-	37,444.07	35,831.79	178,157.01
Total Current Liabilities	181,361.73	4,048.61	2,225.37	282,995.63	361,573.35	832,204.69
Noncurrent Liabilities						
Long-term debt	-	-	-	2,073,075.91	15,969,535.82	18,042,611.73
Other noncurrent liabilities	-	-	-	4,371,938.52	4,472,341.47	8,844,279.99
Total Noncurrent Liabilities	-	-	-	6,445,014.43	20,441,877.29	26,886,891.72
TOTAL LIABILITIES	181,361.73	4,048.61	2,225.37	6,728,010.06	20,803,450.64	27,719,096.41
Fund Balance/Net Assets						
Fund balance	(2,491,789.45)	(475,719.81)	79,699.85	-	-	(2,887,809.41)
Net assets	3,606,279.18	-	-	5,558,145.54	8,684,960.56	17,849,385.28
Investment in capital assets, net of related debt	-	-	-	6,186,775.52	12,253,638.97	18,440,414.49
Total Fund Balance/Net Assets	1,114,489.73	(475,719.81)	79,699.85	11,744,921.06	20,938,599.53	33,401,990.36
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	\$ 1,295,851.46	\$ (471,671.20)	\$ 81,925.22	\$ 18,472,931.12	\$ 41,742,050.17	\$ 61,121,086.77
Difference in Reclass from Cap Assets to Net Assets:						
Investment in General Capital Assets	\$ 3,147,357.23					
General Long-term Liabilities						
PG&E Streetlights Loan	-			Non-debt Long-term Liabilities (included in Other Non-current Liabilities above)		
Meas. B Loan: Teen/Community Center	918,890.00					
OPEB Liability	2,830,881.35			OPEB Liability	2,882,587.78	2,894,654.86
CalPERS Pension Liability/Deferred Inflows-Outflows	578,984.59			CalPERS Pension Liability	632,676.35	698,072.98
Accrued Compensated Absences	115,011.87					8,608,123.99
TOTAL GENERAL LONG-TERM LIABILITIES	\$ 4,443,767.81					1,909,733.92

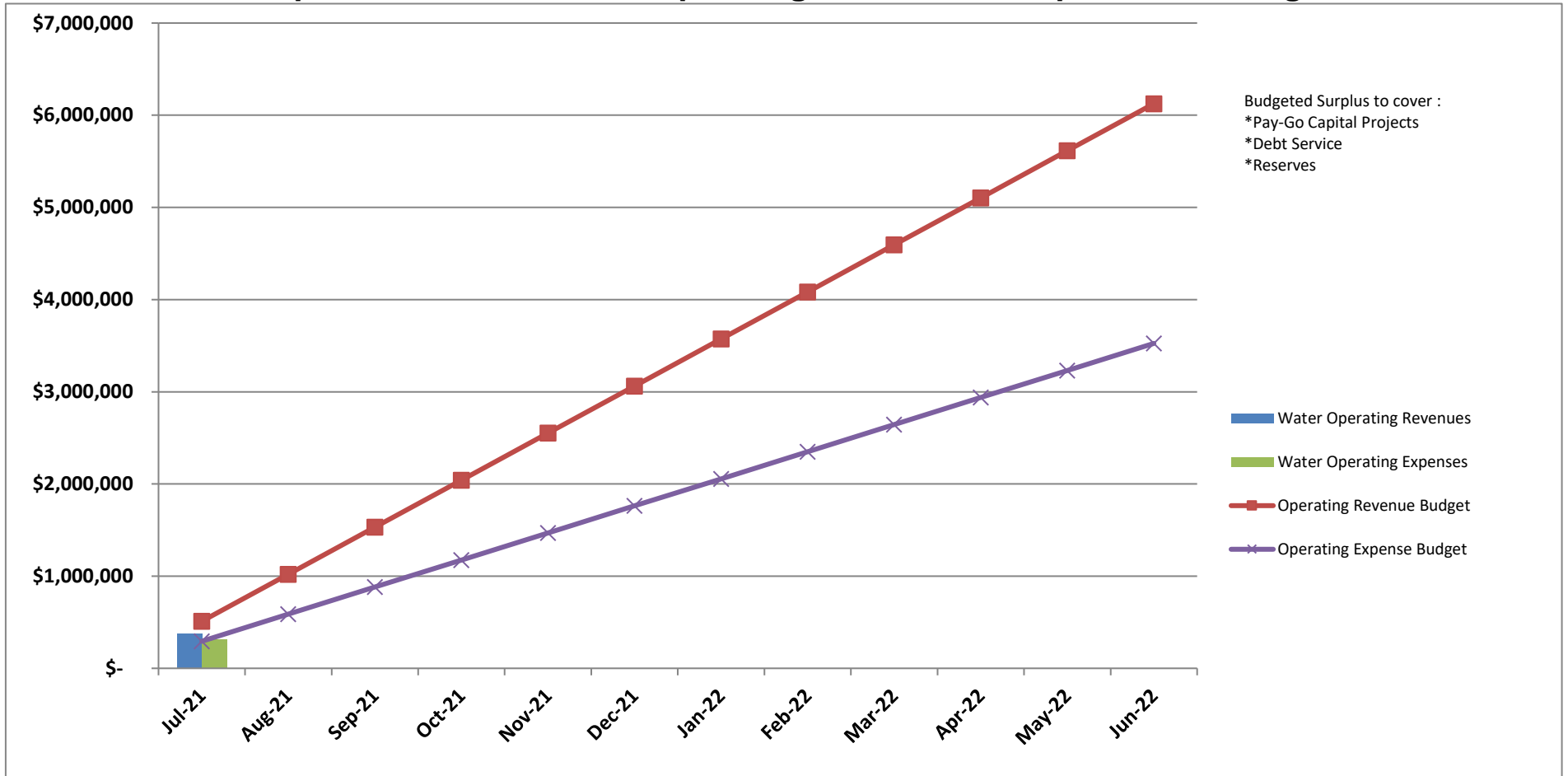
**McKinleyville Community Services District
Activity Summary by Fund, Approved Budget
July 2021 DRAFT**

Department Summaries	July	% of Year 8.33% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
Water						
Water Sales	357,395	357,395	349,212	8,183	2.34%	
Other Revenues	19,121	19,121	161,227	(142,106)	-88.14%	Includes YTD Capacity Fees \$4,250 Contrib.Construction \$0, Grants \$0 Capital Grant revenue will be posted during year-end fixed assets close
Total Operating Revenues	376,516	376,516	510,439	(133,923)	-26.24%	
Salaries & Benefits	132,640	132,640	93,929	38,711	41.21%	
Water Purchased	104,514	104,514	96,206	8,308	8.64%	Budget spread evenly across 12 months, but actuals vary seasonally
Other Expenses	44,756	44,756	70,266	(25,510)	-36.30%	Budget spread evenly across 12 months, but actuals vary by project & expenditure
Depreciation	30,250	30,250	33,333	(3,083)	-9.25%	
Total Operating Expenses	312,160	312,160	293,734	18,426	6.27%	
Net Operating Income	64,356	64,356	216,705	(115,497)		
Interest Income	2,081	2,081	4,167	(2,086)	-50.06%	Interest rates lower than anticipated.
Interest Expense	(4,488)	(4,488)	(8,426)	(3,938)	-46.74%	Budget is spread evenly across 12 months, but actuals vary by loan pmt schedule
Net Income (Loss)	61,949	61,949	212,446	(150,497)		
Wastewater						
Wastewater Service Charges	340,821	340,821	348,479	(7,658)	-2.20%	
Other Revenues	26,066	26,066	185,843	(159,777)	-85.97%	Includes YTD Capacity Fees \$391,177. Contrib.Constr. \$0, Grants \$6,629. Add'l Capital Grant revenue will be posted during year-end fixed assets close
Total Operating Revenues	366,887	366,887	534,322	(167,435)	-31.34%	
Salaries & Benefits	156,101	156,101	98,763	57,338	58.06%	
Other Expenses	51,060	51,060	92,067	(41,007)	-44.54%	Emergency repair project lines not req'd, lower election costs
Depreciation	96,667	96,667	102,083	(5,416)	-5.31%	Pension & OPEB expenses will be calculated as part of year-end close
Total Operating Expenses	303,827	303,827	292,913	10,914	3.73%	
Net Operating Income	63,060	63,060	241,409	(178,349)		
Interest Income	3,947	3,947	6,250	(2,303)	-36.86%	Interest rates lower than anticipated.
Interest Expense	(22,119)	(22,119)	(21,917)	202	0.92%	
Net Income (Loss)	44,887	44,887	225,742	(180,855)		
Enterprise Funds Net Income (Loss)	106,836	106,836	438,188	(331,352)		

McKinleyville Community Services District

July 2021 DRAFT

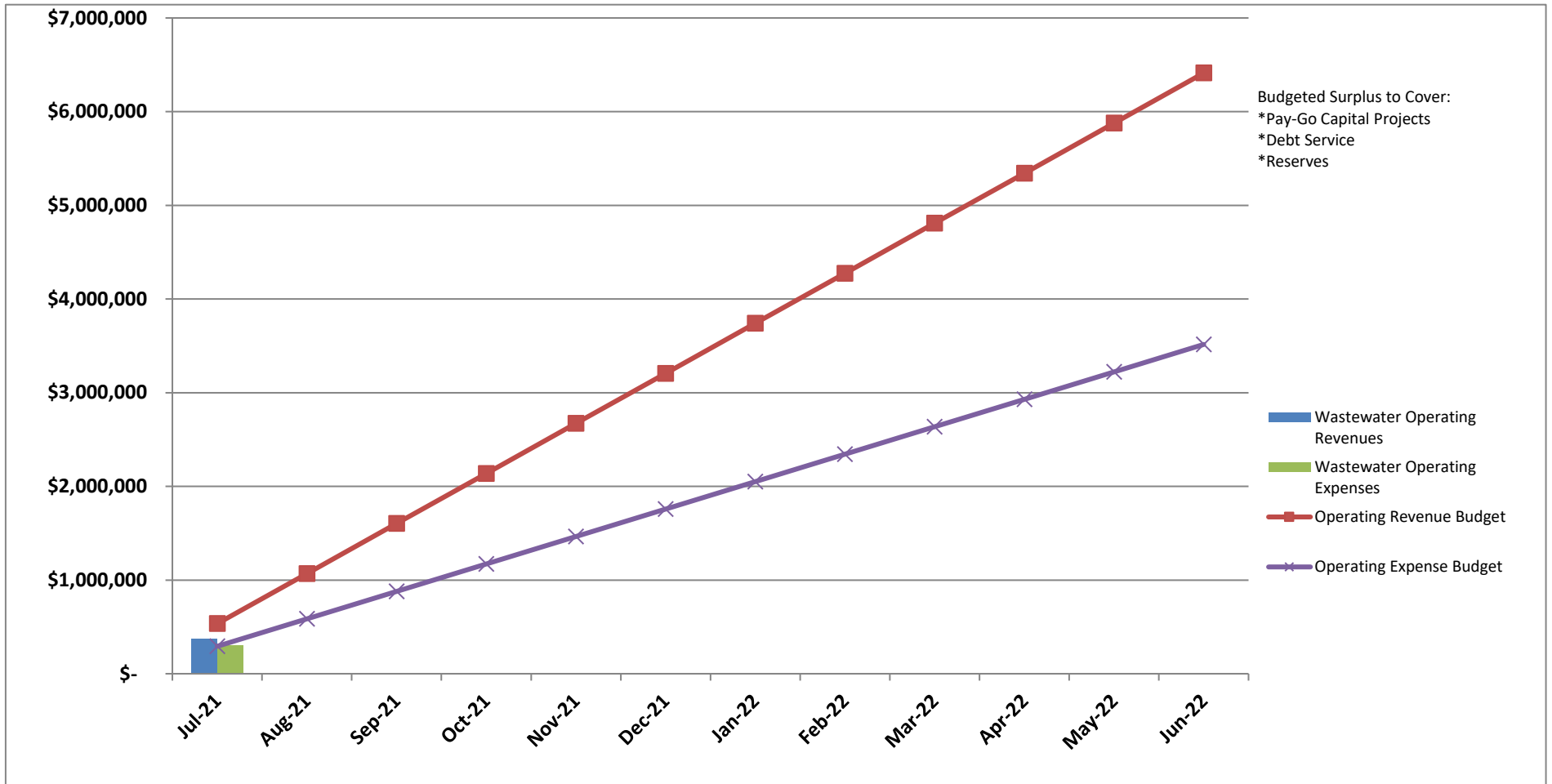
Comparison of Water Fund Operating Revenues & Expenses to Budget



McKinleyville Community Services District

July 2021 DRAFT

Comparison of Wastewater Fund Operating Revenues & Expenses to Budget

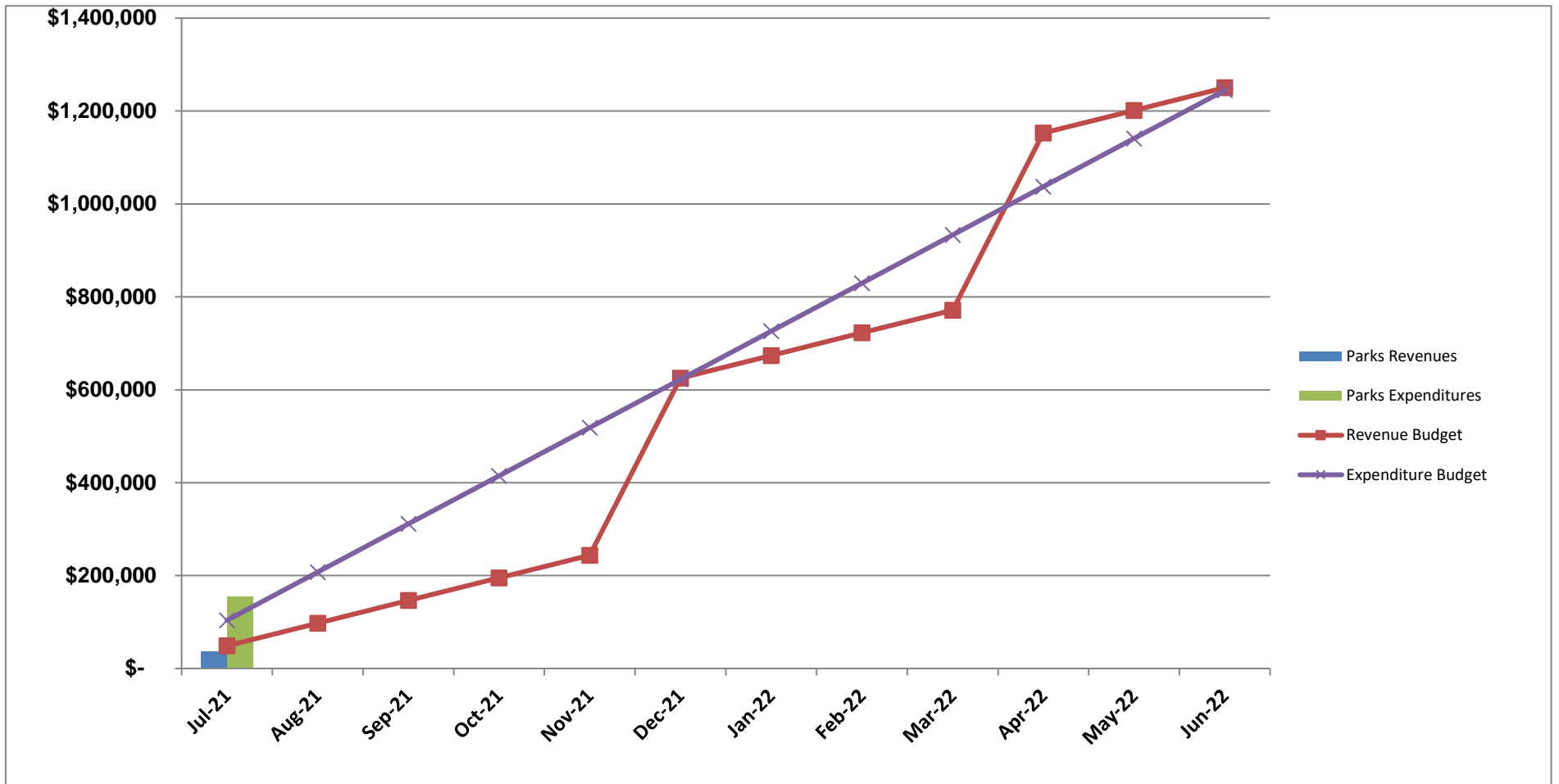


**McKinleyville Community Services District
Activity Summary by Fund, Approved Budget
July 2021 DRAFT**

	July	% of Year 8.33% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
Department Summaries						
*Parks & Recreation						
Program Fees	15,727	15,727	20,190	(4,463)	-22.11%	Budget spread evenly across 12 months, but actuals vary by program schedule
Rents & Facility Related Fees	4,519	4,519	4,227	292	6.91%	
Property Taxes	-	-	55,402	(55,402)	-100.00%	County Tax remittance: December, April, and June; per Auditor-Controller's office
Other Revenues	12,947	12,947	21,449	(8,502)	-39.64%	Budget spread evenly across 12 months, but actuals vary by schedule
Interest Income	2,546	2,546	2,917	(371)	-12.71%	Interest rates lower than anticipated.
Total Revenues	35,739	35,739	104,185	(68,446)	-65.70%	
Salaries & Benefits	126,787	126,787	73,030	53,757	73.61%	CalPERS UAL pmt in July, not spread over 12 months
Other Expenditures	27,244	27,244	20,510	6,734	32.83%	Budget spread evenly across 12 months, but actuals vary by payment schedule
Capital Expenditures	-	-	10,167	(10,167)	-100.00%	
Total Expenditures	154,031	154,031	103,707	50,324	48.53%	
Excess (Deficit)	(118,292)	(118,292)	478	(118,770)		
*Measure B Assessment						
Total Revenues	584	584	18,750	(18,166)	-96.89%	Interest & unrealized gains/losses; County Tax remittance December/April/June
Salaries & Benefits	8,652	8,652	4,896	3,756	76.71%	Budget spread evenly across 12 months; actuals vary by maintenance schedule
Other Expenditures	4,049	4,049	6,006	(1,957)	-32.59%	Budget spread evenly across 12 months, but actuals vary seasonally
Capital Expenditures/Loan Repayment	-	-	7,806	(7,806)	-100.00%	Budget is spread evenly across 12 months. Loan pmts are October & April
Total Expenditures	12,700	12,700	18,708	(6,008)	-32.11%	
Excess (Deficit)	(12,116)	(12,116)	42	(12,158)		
*Street Lights						
Total Revenues	9,980	9,980	9,953	27	0.27%	
Salaries & Benefits	5,581	5,581	4,200	1,381	32.87%	CalPERS UAL pmt in July, not spread over 12 months
Other Expenditures	3,389	3,389	3,273	116	3.54%	
Capital Expenditures/Loan Repayment	-	-	3,917	(3,917)	-100.00%	Budget spread evenly across 12 months, but actuals vary by project
Total Expenditures	8,969	8,969	11,390	(2,421)	-21.25%	
Excess (Deficit)	1,011	1,011	(1,437)	(2,448)		
Governmental Funds Excess (Deficit)	(129,398)	(129,398)	(917)	(128,481)		

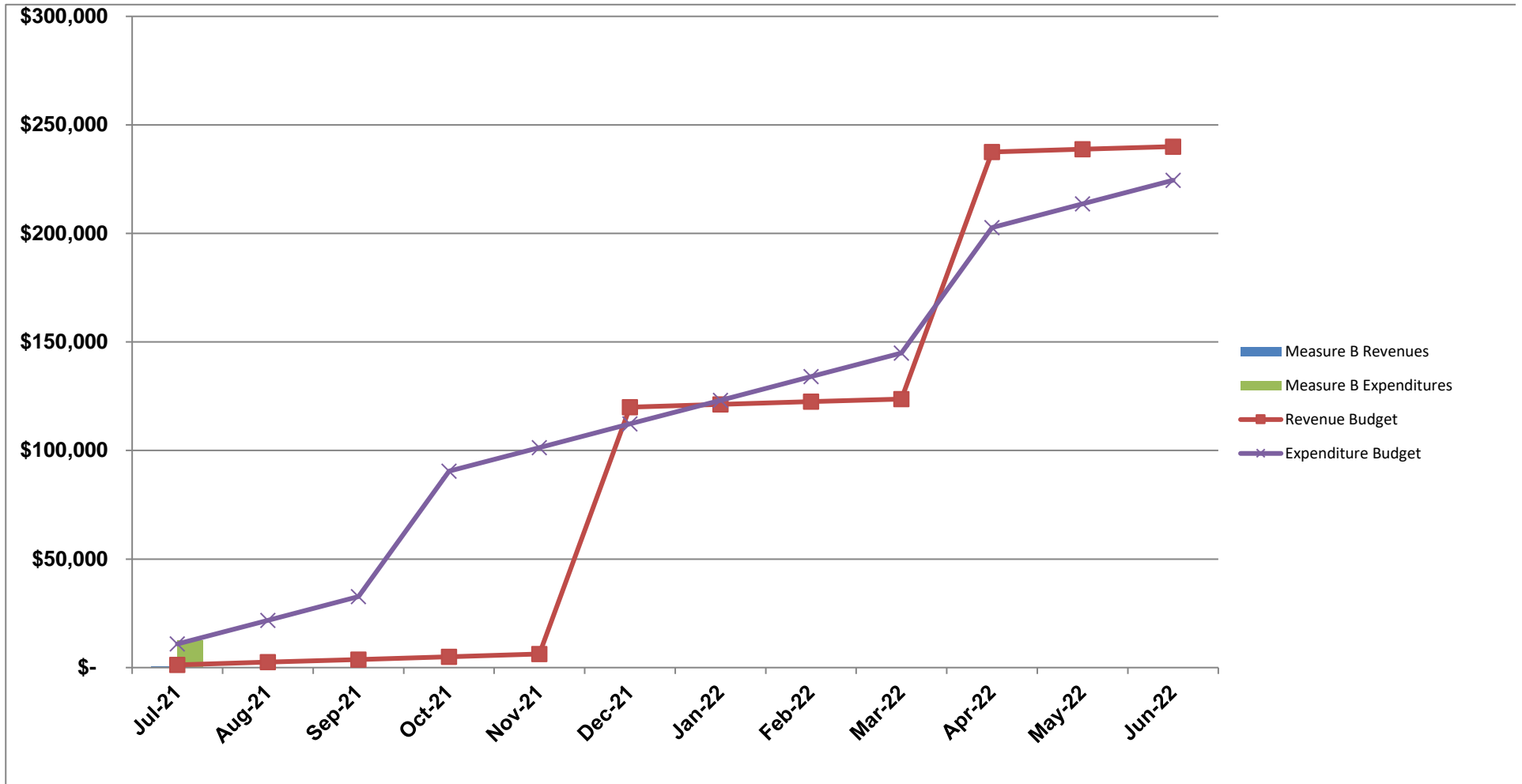
McKinleyville Community Services District July 2021 DRAFT

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



McKinleyville Community Services District July 2021 DRAFT

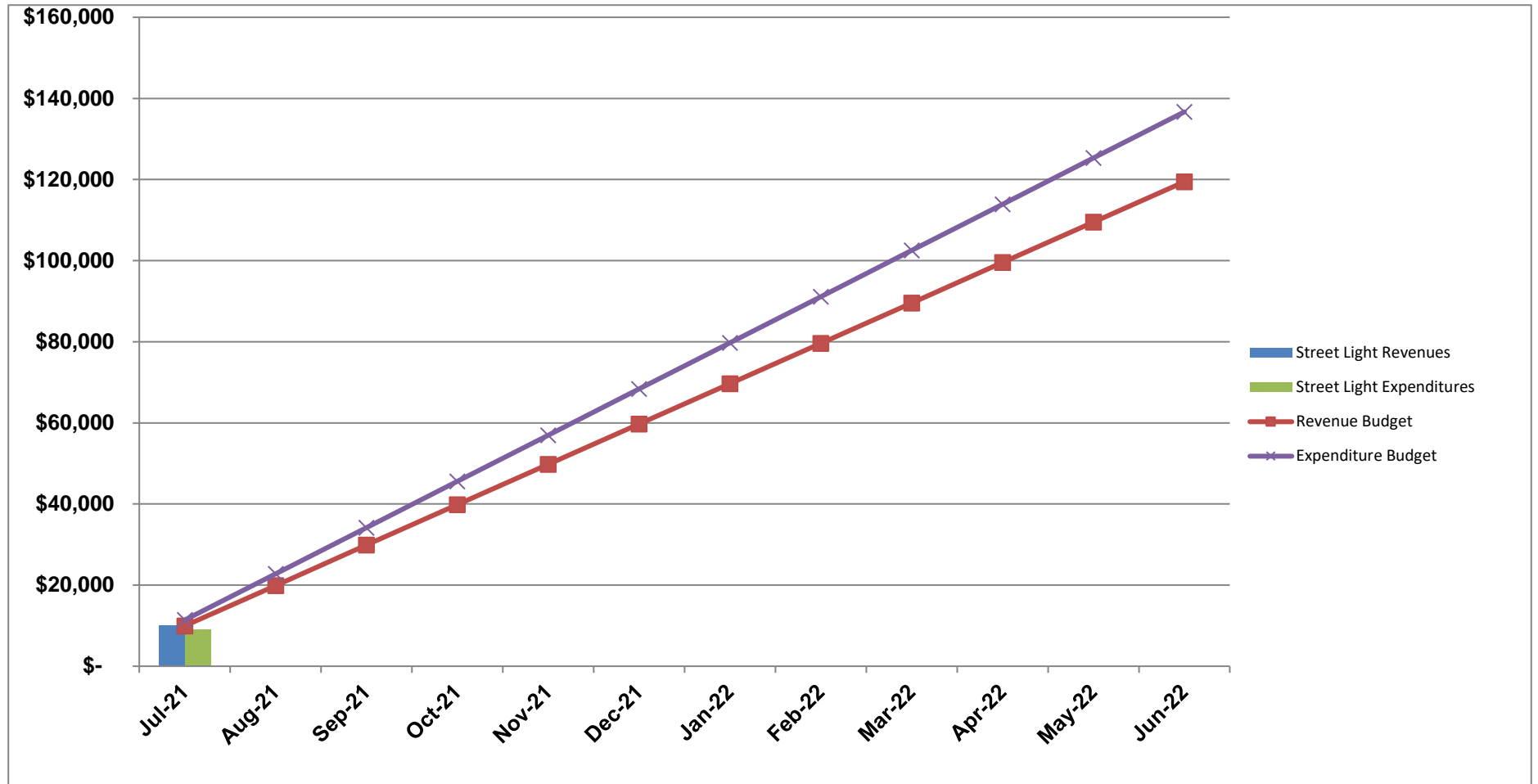
Comparison of Measure B Fund Total Revenues & Expenditures to Budget



McKinleyville Community Services District

July 2021 DRAFT

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



**McKinleyville Community Services District
Capital Expenditure Report
as of July 31, 2021 - DRAFT**

	July	YTD Total	FY 21-22 Budget	Remaining		Notes
				Budget \$	Budget %	
Water Department						
Ramey Pump Upgrades	-	-	-	-	#DIV/0!	
Water Tank Painting	-	-	500,000	500,000	100%	Water Tank Painting & Cathodic
4.5m New Water Tank	2,659	2,659	4,132,000	4,129,341	100%	Drilling, LACO Assoc.
Production Meter Replacements	-	-	8,000	8,000	100%	Production Meter Replacement
McCluski Tank3 Replace Roof Vents	-	-	6,000	6,000	100%	McCluski Tank3 Replace Roof Vents
Emergency Generator-Cochran	-	-	50,000	50,000	100%	CochranEmergency Generator
Fire Hydrant System Upgrade	-	-	7,000	7,000	100%	Fire Hydrant System Upgrade
Blake Station Upgrades	6,539	6,539	8,000	1,461	18%	Blake Station Upgrades
Digital Control & Radio Telemetry Upgrade	-	-	10,000	10,000	100%	Radio Telemetry upgrade
Water Main Rehab & Replacement	-	-	1,000,000	1,000,000	100%	Water Main Rehab
Property Purchase- Tank Site	-	-	-	-	#DIV/0!	Property Purch/Imprv.Tank Site
Subtotal	9,198	9,198	5,721,000	5,711,802	100%	
Wastewater Department						
Sewer Main Rehab & Replacement	-	-	1,000,000	1,000,000	100%	Sewer Main Rehab
WWMF Sludge Disposal - next	-	-	240,000	240,000	100%	Sludge handling/disposal
WWMF Recirculation Valve Replacement	-	-	15,000	15,000	100%	Recirculation Valve replacemnt
WWMF Pond Armoring	-	-	51,000	51,000	100%	WWMF Pond Armoring
WWMF Secondary Effluent Motor	-	-	6,000	6,000	100%	WWMF Secondary Effluent Motor
Collection Upgrades-UndercrossingsProj	-	-	1,149,000	1,149,000	100%	Collection System upgrades
Fischer Lift Station Generator	-	-	40,000	40,000	100%	Fischer Lift Stn Generator
Solar Project - CWSRF Grant/Loan	-	-	3,500,000	3,500,000	100%	WWMF Solar Project
WWMF - CEQA/ NPDES Permit	-	-	55,000	55,000	100%	NPDES Permit Project
Underground pipe locator & camera	-	-	5,000	5,000	100%	Underground pipe locator & came
WWMF Lab Cabinets	-	-	10,000	10,000	100%	WWMF Lab Cabinets
Subtotal	-	-	6,071,000	6,071,000	100%	
Water & Wastewater Operations						
Heavy Equipment	-	-	150,000	150,000	100%	backhoe, aircompressor
Utility Vehicles	-	-	42,000	42,000	100%	CCTV truck, 3/4 or 1-ton Pickup
Office, Corporate Yard & Shops	-	-	75,000	75,000	100%	Facilities upgrade/sealcoat
Computers & Software	3,401	3,401	19,000	15,599	82%	Server, PCs, GIS/SEMS/CADD
Fischer Ranch - Reclamation Site Upgrade (tree fa	-	-	100,000	100,000	100%	Match to 3rd party grant funding
Fischer Ranch - Barn & Fence upgrades, Irrig	-	-	80,000	80,000	100%	Barn/ house/ fence, Irrig. pipe, Un
Property behind main office - purchase	-	-	400,000	400,000	100%	Purch property behind main offc
Small Equipment & Other	-	-	40,000	40,000	100%	Misc,response, & GPS surveying
Subtotal	3,401	3,401	906,000	902,599	100%	
Enterprise Funds Total	12,598	12,598	12,698,000	12,685,402	100%	
Parks & Recreation Department						
Pierson Park - Landscaping & signage	-	-	8,000	8,000	100%	Pierson Pk-Landscape & signage
Azalea Hall Projects	-	-	6,000	6,000	100%	Major appliance replacemnt
McKinleyville Activity Center Upgrades	-	-	85,000	85,000	100%	Flooring replacement
Law Enforcement Facility Improvements	-	-	10,000	10,000	100%	LEF flooring/Library Carpet
Projects Funded by Quimby/Grants/ Other	-	-	505,000	505,000	100%	CommForest,SkatePk,LandAcq
Other Parks Projects & Equipment	-	-	8,000	8,000	100%	Utility truck from Ops?
Subtotal	-	-	622,000	622,000	100%	
Streetlights						
LED Repairs	-	-	7,000	7,000	100%	
Pole Inspection	-	-	40,000	40,000	100%	Pole Inspection/Replacement
Subtotal	-	-	47,000	47,000	100%	
Governmental Funds Total	-	-	669,000	669,000	100%	
All Funds Total	12,598	12,598	13,367,000	13,354,402	100%	

**McKinleyville Community Services District
Summary of Long-Term Debt Report
as of July 31, 2021 - DRAFT**

**Principal Maturities and
Scheduled Interest**

	%	Maturity Date		Balance- June 30, 2021	Balance- July 31, 2021	FY-22	Thereafter
Water Fund:							
I-Bank		8/1/30	P	577,202.62	577,202.62	49,497.90	527,704.79
Interest	3.37%		I			18,617.70	83,950.11
State of CA Energy Commission (ARRA)		12/22/26	P	66,498.64	66,498.64	11,815.54	54,651.66
Interest	1.0%		I			635.30	1,376.83
State of CA (Davis Grunsky)		1/1/33	P	1,274,456.41	1,274,456.41	92,381.69	1,182,074.72
State of CA (Davis Grunsky) Deferred Interest		1/1/33	P	204,416.09	204,416.09	17,035.12	187,380.97
Interest	2.5%		I			31,861.41	184,599.31
Total Water Fund-Principal				2,122,573.76	2,122,573.76	170,730.25	1,951,812.14
Total Water Fund-Interest						51,114.41	269,926.25
Total Water Fund				2,122,573.76	2,122,573.76	221,844.66	2,221,738.39
Wastewater Fund:							
WWMF SRF Loan		7/31/47	P	14,444,435.82	14,444,435.82	431,921.11	14,473,509.30
Interest	1.6%		I			231,110.97	3,226,319.37
Chase Bank (Pialorsi Property)		3/8/35	P	1,424,800.00	1,424,800.00	89,800.00	1,335,000.00
Interest	2.9%		I	-	-	26,646.55	177,948.30
USDA (Sewer Bond)		8/1/22	P	145,000.00	145,000.00	80,000.00	65,000.00
Interest	5.0%		I			5,250.00	1,625.00
Total Wastewater Fund-Principal				16,014,235.82	16,014,235.82	601,721.11	15,873,509.30
Total Wastewater Fund-Interest						263,007.52	3,405,892.67
Total Sewer Fund				16,014,235.82	16,014,235.82	864,728.63	19,279,401.97
Meas. B Fund: Teen/Comm Center Loan		11/1/29	P	918,890.00	918,890.00	95,351.00	832,319.00
	3.55%		I			32,100.93	123,030.36
Total Principal				19,055,699.58	19,055,699.58	867,802.36	18,657,640.44
Total Interest						346,222.86	3,798,849.28
Total				19,055,699.58	19,055,699.58	1,214,025.22	22,456,489.72

Non-debt Long Term Liabilities, District-wide

OPEB Liability	8,608,123.99
CalPERS Pension Liability	1,909,733.92

**McKinleyville Community Services District
 Summary of Grants
 as of July 31, 2021 - DRAFT**

District Grants	Total Grant Amount	Required District Match	Estimated District Asset Value
CalOES Hazard Mitigation Grant - 4.5 mg Tank	\$ 5,418,735	\$ 1,806,245	\$ 4,675,000
CalOES Hazard Mitigation Grant - Sewer Undercrossings	\$ 2,538,300	\$ 846,100	\$ 2,137,000
SWRCB Energy Efficiency Grant/Loan	\$ 2,500,000	\$2,500,000 Loan	\$ 4,100,000
CA State Dept of Parks & Rec - Habitat Conservation Fund	\$ 56,600	\$ -	\$ 56,600

Non-District Grants	Total Grant Amount	Required District Match	Estimated District Asset Value
CalTrout US Fish & Wildlife - Mad River Restoration	\$ 20,000	\$ -	\$ 20,000
CalTrout NOAA - Mad River Restoration	\$ 490,167	\$ 48,000	\$ 300,000

**McKinleyville Community Services District
Cash Disbursement Report
For the Period July 1 through July 31, 2021**

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
38610	7/1/2021	SDR01	SDRMA Ch 38610 06/28 VOIDED & REVERSED	(158,120.83)	70411u	LIABILITY & W/COMP INSURANCE
38562	7/1/2021	SDR01	SDRMA	126,352.65	070411P	PREPD PROPERTY/LIABILITY INSUR
38563	7/1/2021	SDR01	SDRMA	31,768.18	069943P	PREPD WORKERS COMP INSURANCE
38614	7/6/2021	*0024	AH KITCHEN DEPOSIT REFUND CB	100.00	C10702	AH KITCHEN DEPOSIT REFUND CB
38615	7/6/2021	EUR05	Eureka Oxygen Co	137.12	C10702	SAFETY TRAINING/SUPPLIES
38616	7/6/2021	HAR13	The Hartford - Priority A	408.00	775787	GROUP LIFE INSURANCE
38617	7/6/2021	HUL01	REIMB. FOR FENCE REPAIR LH	900.41	C10702	REIMB. FOR FENCE REPAIR LH
38618	7/6/2021	HUM01	HUMBOLDT BAY MUNICIPAL WATER DISTR	95,143.29	C10702	WTR PURCHASED
38619	7/6/2021	IND02	INDUSTRIAL ELECTRIC SERVICE	297.31	40289	REPAIRS/SUPPLY
38620	7/6/2021	KER01	KERNEN CONSTRUCTION	575.19	17603	REPAIRS/SUPPLY
38621	7/6/2021	MAY02	DENNIS MAYO	125.00	C10702	BOARD MEETING 6/2/2021
38622	7/6/2021	MCK03	MCKINLEYVILLE OFFICE SUPPLY	6.47	C10702	REPAIRS/SUPPLIES
38623	7/6/2021	MOO01	MOONSTONE ASSOCIATES, INC	250.00	174	CONSULTING MUSSEL STUDY
38624	7/6/2021	NOR04	NORTHCOAST ENVIRONMENTAL CONSTRUCTION	54,388.40	21-104.02	PIALORSI BARN PCB REMEDIATION
38625	7/6/2021	PGE05	PG&E	373.89	C10706	GAS & ELECTRIC S.L.- ZONE
38626	7/6/2021	PGE07	PG&E	1,062.52	C10706	GAS & ELECTRIC
38627	7/6/2021	PGE11	PG&E	24.29	C10706	GAS & ELECTRIC SEWER PUMP
38628	7/6/2021	PGE12	PG&E	134.54	C10706	GAS & ELECTRIC HILLER SPORTS
38629	7/6/2021	PIT01	PITNEY BOWES	418.05	C10702	OFFICE EQUIP LEASE
38630	7/6/2021	SLO01	FSA REIMBURSEMENT DS	694.96	C10706	FSA REIMBURSEMENT DS
38631	7/6/2021	STI03	STILLWATER SCIENCES	2,067.75	9400002	CONSULTING MUSSEL STUDY
38632	7/6/2021	TRE05	SAFETY REIMBURSEMENT JT	86.79	C10702	SAFETY REIMBURSEMENT JT

Number	Date	Number	Name	Amount	Invoice #	Description
38633	7/6/2021	UMP01	UMPQUA BANK	803.35	0621CT	OFFICE EQUIPMENT/SUBSCRIP
				824.75	0621JH	REPAIRS/SUPPLY
				55.47	0621PK	TRAVEL/SUBSCRIPTIONS
				473.26	0621BOARD	TRAVEL/SUBSCRIPTIONS/SUPP
				635.01	0621PARKS	OFFICE/ACTIVITY SUPPLIES
				22.43	0621ROUND	ROUND UP ON ACCOUNT
			Check Total:	<u>2,814.27</u>		
38634	7/6/2021	USA01	USA BLUEBOOK	2,761.89	635298	LAB TESTING SUPPLIES
38635	7/6/2021	VER01	VERIZON WIRELESS	76.94	C10702	CELL PHONES/TABLET
38636	7/6/2021	WES13	WESTERN WEB	1,081.10	25922	NEWSLETTER PRINTING
38637	7/6/2021	\B001	MQ CUSTOMER REFUND FOR BU	50.64	000C10701	MQ CUSTOMER REFUND FOR BU
38638	7/6/2021	\C002	MQ CUSTOMER REFUND FOR CH	2.85	000C10701	MQ CUSTOMER REFUND FOR CH
38639	7/6/2021	\C017	MQ CUSTOMER REFUND FOR CR	56.72	000C10701	MQ CUSTOMER REFUND FOR CR
38640	7/6/2021	\D001	MQ CUSTOMER REFUND FOR DA	34.29	000C10701	MQ CUSTOMER REFUND FOR DA
38641	7/6/2021	\G011	MQ CUSTOMER REFUND FOR GA	39.36	000C10701	MQ CUSTOMER REFUND FOR GA
38642	7/6/2021	\G013	MQ CUSTOMER REFUND FOR GR	1,581.29	000C10701	MQ CUSTOMER REFUND FOR GR
38643	7/6/2021	\M010	MQ CUSTOMER REFUND FOR MA	30.79	000C10701	MQ CUSTOMER REFUND FOR MA
38644	7/6/2021	\O001	MQ CUSTOMER REFUND FOR OF	9.54	000C10701	MQ CUSTOMER REFUND FOR OF
38645	7/6/2021	\R009	MQ CUSTOMER REFUND FOR RO	38.44	000C10701	MQ CUSTOMER REFUND FOR RO
38646	7/6/2021	\S012	MQ CUSTOMER REFUND FOR SC	20.65	000C10701	MQ CUSTOMER REFUND FOR SC
38647	7/12/2021	*0001	AH DEPOSIT REFUND KE	100.00	C10712	AH DEPOSIT REFUND KE
38648	7/12/2021	*0026	AH DEPOSIT REFUND PS	100.00	C10712	AH DEPOSIT REFUND PS
38649	7/12/2021	ACW01	CB&T/ACWA-JPIA	13,774.58	670274	GRP. HEALTH INS
38650	7/12/2021	BAD01	BADGER METER, Inc.	357.42	80076864	BEACON MBL HOSTING
38651	7/12/2021	DEP05	DEPARTMENT OF JUSTICE	32.00	518867	FINGERPRINTING
38652	7/12/2021	EUR06	EUREKA READY MIX	250.52	24850	REPAIRS/SUPPLY
38653	7/12/2021	FED02	FEDAK & BROWN LLP	73.00	C10712	ACCT. / AUDIT
38654	7/12/2021	GHD01	GHD	6,142.50	165314	MICROGRID
				8,975.58	165565	WATER RECYCLING PROGRAM F
				3,479.00	165589	WATER & SEWER MAINLINE RE
			Check Total:	<u>18,597.08</u>		

Number	Date	Number	Name	Amount	Invoice #	Description
38655	7/12/2021	HAR03	HARPER MOTORS CO.	1,004.29	C10712	VEHICLE REPAIRS
38656	7/12/2021	HEN01	HENSELL MATERIALS INC.	322.79	C10712	REPAIRS/SUPPLY
38657	7/12/2021	IBA01	US BANK-GLOBAL CORP TRUST	60,955.39	C10712	iBANK LOAN PAYMENT
38658	7/12/2021	INF02	INFOSEND	2,942.23	193979	OFFICE SUPPLIES/POSTAGE
38659	7/12/2021	INF03	INFINITE CONSULTING SERVICES	3,100.00	9189	PROFESSIONAL SERVICE
38660	7/12/2021	JON05	SAFETY REIMBURSEMENT CJ	250.00	C10712	SAFETY REIMBURSEMENT CJ
38661	7/12/2021	KEN03	KEN'S AUTO PARTS	115.99	C10712	CONSTRUCTION EQUIP REPAIR
38662	7/12/2021	LES01	LES SCHWAB TIRE CENTER	522.83	C10712	CONSTRUCTION EQUIP REPAIR
38663	7/12/2021	MCK04	MCK ACE HARDWARE	173.78	C10712	REPAIRS/SUPPLY
38664	7/12/2021	MEN01	MENDES SUPPLY CO.	1,556.07	C10712	REPAIRS/SUPPLY
38665	7/12/2021	MIL01	Miller Farms Nursery	1,993.67	C10712	REPAIRS/SUPPLY
38666	7/12/2021	MIT01	MITCHELL LAW FIRM	470.00	48176	LEGAL SERVICES
				678.00	48177	LEGAL SERVICES
				777.00	48178	LEGAL SERVICES
			Check Total:	<u>1,925.00</u>		
38667	7/12/2021	NOR01	NORTH COAST LABORATORIES	3,905.00	C10712	LAB TESTS
38668	7/12/2021	NOR13	NORTHERN CALIFORNIA SAFETY CONSORTIUM	120.00	27507	SAFETY TRAINING SUBSCRIPTION
38669	7/12/2021	ORE01	O'REILLY AUTOMOTIVE, INC.	41.60	C10712	GAS/OIL/LUBE
38670	7/12/2021	POI01	POINTS WEST SURVEYING CO.	6,338.75	12192	4.5 MG TANK PROJECT
38671	7/12/2021	STA09	S.W.R.C.B.	90.00	C10712	CERTIFICATION - CJ
38672	7/12/2021	SUD01	SUDDENLINK	273.44	C10712	TEEN CENTER INTERNET
38673	7/12/2021	THO02	Thomas Home Center	165.46	C10712	REPAIRS/SUPPLY
38674	7/12/2021	THR01	THRIFTY SUPPLY COMPANY	553.62	C10712	REPAIRS/SUPPLY
38675	7/12/2021	VAL01	VALLEY PACIFIC PETROLEUM	724.20	C10712	GAS/OIL/LUBE
38676	7/12/2021	VAL02	VALLEY PACIFIC	2,698.07	C10712	GAS/OIL/LUBE
38677	7/19/2021	*0005	KIDS CAMP REFUND AP	1,130.00	C10716	KIDS CAMP REFUND AP

Number	Date	Number	Name	Amount	Invoice #	Description
38678	7/19/2021	*0006	AH DEPOSIT REFUND JO	100.00	C10716	AH DEPOSIT REFUND JO
38679	7/19/2021	ATT01	AT&T	3,629.08	C10716	TELEPHONE/INTERNET
38680	7/19/2021	ATT02	AT&T	1,116.96	C10719	TELEPHONE/ADMIN
38681	7/19/2021	ATT04	AT&T	920.95	C10719	SWITCHED ETHERNET SERVICE
38682	7/19/2021	ATT05	AT&T	208.49	C10716	TEEN CENTER TELEPHONE
38683	7/19/2021	ATT06	AT&T	276.27	C10716	TELEPHONE AZALEA HALL
38684	7/19/2021	DEL02	DELFINO, MADDEN, O'MALLEY	1,317.50	146771	LEGAL SERVICES
38685	7/19/2021	FED01	FedEx Office	273.76	743022093	LAB TESTS SHIPPING
38686	7/19/2021	GRA02	GRAINGER	408.23	995879035	REPAIRS/SUPPLY
				167.44	995934645	REPAIRS/SUPPLY
			Check Total:	<u>575.67</u>		
38687	7/19/2021	HUM08	HUMBOLDT SANITATION	2,062.40	C10715	TRASH SERVICE
38688	7/19/2021	HUM22	HUMBOLDT COUNTY SHERIFF	25.00	4187	ALARM PERMIT RENWAL
38689	7/19/2021	KER01	KERNEN CONSTRUCTION	448.84	17744	REPAIRS/SUPPLY
38690	7/19/2021	MAD02	MAD RIVER UNION	40.00	C10716	SUBSCRIPTION RENEWAL
38691	7/19/2021	MCK11	MCKINLEYVILLE SENIOR CENTER	21.40	C10716	PARKS SHARE OF INTERNET
38692	7/19/2021	MER03	MERCER, FRASER COMPANY	541.23	104507	REPAIR/SUPPLY
38693	7/19/2021	MUD01	MUDDY WATERS COFFEE CO.,INC	160.00	71658945	OFFICE SUPPLIES
38694	7/19/2021	NOR35	NORTHERN HUMBOLDT EMPLOYMENT SVCS	1,689.32	21-193/4	CENTRAL AVE/PIERSON PARK
38695	7/19/2021	PGE01	PG & E (Office & Field)	35,452.31	C10719	GAS & ELECTRIC
38696	7/19/2021	SAF04	SAFWAY INC. FILE # 72905	12.37	C10715	LAB TESTS SUPPLIES
38697	7/19/2021	SLO01	FSA REIMBURSEMENT DS	77.98	C10719	FSA REIMBURSEMENT DS
38698	7/19/2021	STA01	STATEWIDE TRAFFIC	171.82	9006900	SAFETY SUPPLIES
38699	7/19/2021	STE01	SAFETY REIMBURSEMENT BS	185.71	C10716	SAFETY REIMBURSEMENT BS
38700	7/19/2021	SUD01	SUDDENLINK	136.37	C10719	INTERNET SERVICES

Number	Date	Number	Name	Amount	Invoice #	Description
38701	7/19/2021	TIM01	TIMES-STANDARD	285.00	C10716	ADVERTISEMENT
38702	7/19/2021	TWO01	TWO BROTHERS CATHODIC SERVICE	1,700.00	797	PROFESSIONAL SERVICES
38703	7/26/2021	*0009	PIERSON PARK REFUND KB	55.75	C10723	PIERSON PARK REFUND KB
38704	7/26/2021	BLA01	TRAINING REIMB JB	366.49	C10726	TRAINING REIMB JB
38705	7/26/2021	COR01	CORBIN WILLITS SYSTEMS, INC	963.05	C107151	MOM MONTHLY MAINT.
38706	7/26/2021	COU02	HUMBOLDT COUNTY ASSESSOR	348.85	C10723	MCSO OWNERSHIP
38707	7/26/2021	INF03	INFINITE CONSULTING SERVICES	1,319.67	9221	SUBSCRIPTIONS
38708	7/26/2021	MOR04	REC PROGRAM SUPPLIES REIMB JM	23.25	C10726	REC PROGRAM SUPPLIES REIMB JM
38709	7/26/2021	PGE10	PG&E STREETLIGHTS	3.56	C10726	GAS & ELECTRIC S.L.- ZONE
38710	7/26/2021	SMA01	SAFETY REIMBURSEMENT DS	161.63	C10726	SAFETY REIMBURSEMENT DS
38711	7/26/2021	THA01	THATCHER COMPANY, INC.	1,608.35	285021	REPAIRS/SUPPLY TREATMENT
38712	7/26/2021	THR01	THRIFTY SUPPLY COMPANY	6,538.61	49463701	BLAKE STATION UPGRADES
38713	7/26/2021	TUR02	REC PROGRAM SUPPLIES REIMB MT	44.10	C10726	REC PROGRAM SUPPLIES REIMB MT
D00061	7/6/2021	BIN01	BINDER, SCOTT	125.00	C10630	BOARD MEETING 6/2/2021
D00061	7/6/2021	COU07	COUCH, DAVID	125.00	C10630	BOARD MEETING 6/2/2021
D00061	7/6/2021	ORS01	ORSINI, GREGORY	125.00	C10630	BOARD MEETING 6/2/2021
D00061	7/6/2021	PET01	PETERSON, JOELLEN CLARK	125.00	C10630	BOARD MEETING 6/2/2021
			Check Total:	<u>500.00</u>		
				<u>353,341.27</u>		
Total Disbursements, Accounts Payable:				<u>353,341.27</u>		

Payroll Related Disbursements

17449-17459	7/8/2021		Various Employees	9,826.36		Payroll Checks
17460	7/8/2021	CAL12	CalPERS 457 Plan	8,436.45	C10708	RETIREMENT
				662.81	1C10708	PERS 457 LOAN PMT
			Check Total:	<u>9,099.26</u>		
17461	7/8/2021	DIR01	DIRECT DEPOSIT VENDOR- US	37,102.00	C10708	Direct Deposit
17462	7/8/2021	EMP01	Employment Development	1,594.03	C10708	STATE INCOME TAX
				826.67	1C10708	SDI
			Check Total:	<u>2,420.70</u>		

Number	Date	Number	Name	Amount	Invoice #	Description
17463	7/8/2021	EMP02	Employment Dev Department	1,953.30	C10630	SUI
17464	7/8/2021	HEA01	HEALTHEQUITY, ATTN: CLINT	175.00	C10708	HSA
17465	7/8/2021	HUM29	UMPQUA BANK--PAYROLL DEP.	5,544.01	C10708	FEDERAL INCOME TAX
				8,548.14	1C10708	FICA
				1,999.16	2C10708	MEDICARE
			Check Total:	<u>16,091.31</u>		
17466	7/8/2021	ACW01	CB&T/ACWA-JPIA	58,108.90	C10630	MED-DENTAL-EAP INSUR
17467	7/8/2021	PUB01	Public Employees PERS	20,075.17	C10630	PERS PAYROLL REMITTANCE
ACH pmt	7/14/2021		CalPERS	169,194.00		CalPERS UAL pmts Classic & PEPR
17468-17481	7/22/2021		Various Employees	12,573.54		Payroll Checks
17482	7/22/2021	CAL12	CalPERS 457 Plan	8,596.53	C10722	RETIREMENT
				662.81	1C10722	PERS 457 LOAN PMT
			Check Total:	<u>9,259.34</u>		
17483	7/22/2021	DIR01	DIRECT DEPOSIT VENDOR- US	37,376.75	C10722	Direct Deposit
17484	7/22/2021	EMP01	Employment Development	1,673.17	C10722	STATE INCOME TAX
				882.35	1C10722	SDI
			Check Total:	<u>2,555.52</u>		
17485	7/22/2021	HEA01	HEALTHEQUITY, ATTN: CLINT	175.00	C10722	HSA
17486	7/22/2021	HUM29	UMPQUA BANK--PAYROLL DEP.	5,860.55	C10722	FEDERAL INCOME TAX
				9,096.60	1C10722	FICA
				2,127.44	2C10722	MEDICARE
			Check Total:	<u>17,084.59</u>		
			Total Disbursements, Payroll:	<u>403,070.74</u>		
			Total Check Disbursements:	756,412.01		

This Page Left Intentionally Blank

This Page Left Intentionally Blank

of refinancing other existing District loans. Brandis Tallman then presented the Report (the Summary page of which is included as **Attachment 1** to this Staff Report) detailing a \$4.3M, 20-year private placement loan with an estimated All-In True Interest Rate of 2.98% or a \$4.3M, 20-year Public Offering (a Bond sale) with an estimated All-In Rate of 2.46%. They also calculated they could include the existing Davis-Grunsky loan (\$1.145M remaining balance) at an All-In rate of 1.85%, which would result in a savings of \$40,120 and release the current reserve fund estimated at \$125,000 to the District.

Finance Director Trask and GM Kaspari, along with Rick Brandis and Michael Garcia of Oppenheimer reviewed this report with the Audit Committee, Directors Couch and Orsini. At that meeting it was suggested that, if we were considering a bond sale, we have Brandis Tallman look at an \$8.5M bond sale, which would include an additional \$4M of funding for the first sewer and water main replacement project.

The first sewer and water main replacement project will consist of the replacement of the water and sewer main along Central Avenue from Sutter to Hiller Road. This is the first of the systematic replacement of the aging sewer and water mains throughout McKinleyville. The Request for Qualification for the design of the Central Avenue project has just been released. The intent is for the design to be completed in the 2022 calendar year and constructed in the 2023 calendar year. It is estimated that the construction of this project would be approximately \$4M.

Brandis Tallman, performed the analysis for an \$8.5M bond sale (\$4.68M water & \$3.82M sewer) for a 20-year financing and 30-year financing scenario. This Report is included as **Attachment 2** to this Staff Report. Page 3 of this report summarizes the analysis and shows an estimated All-In True Interest cost of 2.58% for a 20-year financing scenario and 2.95% for a 30-year financing scenario, as well as the David Grundsky refinancing at an estimated rate of 1.94% (increased from the estimated 1.85% in July).

All of the infrastructure projects to be funded by these loans have an expected life of approximately 50-years. This suggests that having the costs spread out over a time frame closer to the expected life (i.e. 30-years as opposed to 20-years) would more accurately reflect the true cost and would spread the cost among the Rate Payers who are actually using the infrastructure more equitably. The required costs per year for a 30-year loan would be spread out and result in lower rate impacts to rate payers on a year-to-year basis and would also have less of an impact on the District's Debt Coverage Ratio. All of these projects were considered in the District's last Rate Study and will be reassessed in the next Rate Study performed in 2022. However, the costs for both the 4.5MG tank and the sewer crossings increased from what was used in the last Rate Study by a total of \$6.6M, which will impact the next rate calculation. The use of a 30-year loan would have less of an impact to rates.

The advantage of the 20-year bond sale of course is that it would have a lower interest rate and result in lower overall total debt service payments of approximately \$1,922,767 over the life of the loan.

Financing and other organizations look at the debt service coverage ratio, also known as "debt coverage ratio", as a benchmark of an entity's ability to produce enough cash

to coverage debt payments. It is the ratio of net revenues available to debt servicing for interest and principal lease payments. A healthy ratio is 1.5 or higher. Brandis Tallman looked at the impact of a 20-year and 30-year \$8.5M bond sale to the District's debt coverage ratio. These analysis tables are included as **Attachment 3** to this Staff Report. The District's current FYE 2020 debt coverage ratio is a very healthy 3.05 for wastewater and 6.22 for water. The 20- and 30-year year bond sale would drop the wastewater to 2.00 and 2.12 respectively, and the water ratio to 2.01 and 2.30 respectively. All of which are still very healthy and will let the District easily borrow in the future if required.

The next steps, if the Board approves moving forward with financing the required matching funds, as opposed to funding them from reserves, would be to provide direction to Brandis Tallman on which option to pursue. The options as Staff sees them are:

1. \$4.3M private placement loan
2. \$4.3M and \$1.145M refinance of DG through a Public offering
3. \$8.5M Public offering for 20 years (with \$1.145M refinance of DG)
4. \$8.5M Public offering for 30 years (with \$1.145M refinance of DG)

Once an alternative is recommended, Brandis Tallman will move forward with formalizing the private placement loan or the Public Offering and bring the final terms back to the Board for final approval.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action
- Direct Staff to pursue private placement financing for the projects
- Direct Staff to fund projects out of Pay-Go (\$1M) and Mainline Replacement (\$3.47M) Reserve Funding

Fiscal Analysis:

As detailed above.

Environmental Requirements:

Not applicable. CEQA will be done for each of the Projects as the design and permitting for each is completed.

Exhibits/Attachments:

- Attachment 1 – Summary Page of Numerical Analysis for \$4.5M private placement and public offering loans and refinancing for Davis Grunsky loan
- Attachment 1 – Aug. 2021 Numerical Analysis for \$8.5M 20- and 30-year public offering loans and refinancing for Davis Grunsky loan
- Attachment 3 – Analysis of Debt Coverage Ratios for water and wastewater funds for 20-year and 30-year bond sales

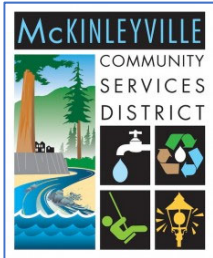
- Attachment 4 – Oppenheimer Board Presentation

Numerical Analysis

McKinleyville Community Services District 2021 Utility Revenue Financing

July 23, 2021

Presented To:



McKinleyville Community Services District
1656 Sutter Rd.,
McKinleyville CA 95519

Presented By:



Oppenheimer & Co. Inc.
580 California Street, Suite 2300
San Francisco, CA 94104

McKINLEYVILLE CSD
2021 Utility Revenue Financing
Summary of Scenarios
July 23, 2021

FINANCING SUMMARY	Private Placement (4) New Money	Public Offering (4) New Money	Public Offering DG Refunding
Anticipated Closing Date	11/17/2021	11/17/2021	11/17/2021
Par Amount	\$4,390,000	\$3,755,000	\$1,145,000
Premium	N/A	\$703,276	\$190,368
Cost of Defesance	N/A	N/A	\$1,286,590
Cost of Issuance (1)	\$90,000	\$158,276	\$48,778
Project Fund	\$4,300,000	\$4,300,000	N/A
Interest Rate/Arb Yield (2)	2.75%	1.51%	1.51%
All-In True Interest Cost (2)	2.98%	2.46%	1.85%
Final Maturity	5/1/2041	5/1/2041	5/1/2033
AVERAGE FY DEBT SERVICE			
Average FY Debt Service	\$291,999	\$277,708	\$120,909
Prior Average Debt Service	N/A	N/A	\$124,254
Average Savings	N/A	N/A	\$3,345
TOTAL DEBT SERVICE			
Total Debt Service	\$5,693,978	\$5,448,781	\$1,435,113
Prior Total Debt Service	N/A	N/A	\$1,475,233
Total Savings (3)	N/A	N/A	\$40,120
Net Present Value Savings	N/A	N/A	\$44,641
Net Present Value Savings %	N/A	N/A	3.50%

(1) Includes (if applicable) bond counsel, disclosure counsel, municipal advisor, underwriter's discount, placement agent, lender's legal fee, printing, rating, surety, CDIAC, and misc./rounding.

(2) Based on market rates, subject to change.

(3) Refunding would also release the District's reserve fund, estimated at \$125,000.

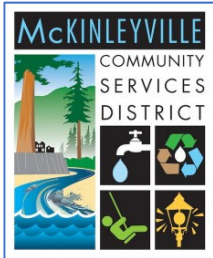
(4) The debt service will be paid by both the water (40%) and sewer funds (60%).

Numerical Analysis

McKinleyville Community Services District 2021 Utility Revenue Financing

August 20, 2021

Presented To:



McKinleyville Community Services District
1656 Sutter Rd.,
McKinleyville CA 95519

Presented By:



Oppenheimer & Co. Inc.
580 California Street, Suite 2300
San Francisco, CA 94104

MSRB G-17 Notice

Underwriter G-17 Notice

Oppenheimer is providing the information contained in this document for discussion purposes only in anticipation of serving as underwriter to McKinleyville Community Services District (the "Issuer"). The primary role of Oppenheimer, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and Oppenheimer, and Oppenheimer has financial and other interests that differ from those of the Issuer. Oppenheimer is acting as a principal and not as a municipal advisor, financial advisor or fiduciary to the Issuer or any other person or entity in connection with the issuance of municipal securities by the Issuer. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. The Issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer, then the Issuer is free to engage a municipal advisor to serve in that capacity.

McKINLEYVILLE CSD
2021 Utility Revenue Financing
Summary of Public Offering Scenarios
August 20, 2021

FINANCING SUMMARY	20-Year Financing Scenario			30-Year Financing Scenario		
	Water Revenue	Sewer Revenue	DG Refunding	Water Revenue	Sewer Revenue	DG Refunding
Anticipated Closing Date	11/17/2021	11/17/2021	11/17/2021	11/17/2021	11/17/2021	11/17/2021
Par Amount	\$4,125,000	\$3,370,000	\$1,150,000	\$4,315,000	\$3,525,000	\$1,150,000
Premium	\$705,703	\$575,561	\$180,839	\$519,610	\$423,360	\$180,839
Cost of Defesance	N/A	N/A	\$1,286,590	N/A	N/A	\$1,286,590
Cost of Issuance (1)	\$150,703	\$125,561	\$44,249	\$154,610	\$128,360	\$44,249
Project Fund	\$4,680,000	\$3,820,000	N/A	\$4,680,000	\$3,820,000	N/A
True Interest Cost (2)	2.32%	2.32%	1.51%	2.77%	2.77%	1.51%
All-In True Interest Cost (2)	2.58%	2.58%	1.94%	2.95%	2.95%	1.93%
Final Maturity	5/1/2041	5/1/2041	5/1/2033	5/1/2051	5/1/2051	5/1/2033
AVERAGE FY DEBT SERVICE						
Average FY Debt Service	\$305,737	\$249,558	\$121,527	\$238,020	\$194,488	\$121,527
Prior Average Debt Service	N/A	N/A	\$124,254	N/A	N/A	\$124,254
Average Savings	N/A	N/A	\$2,726	N/A	N/A	\$2,726
TOTAL DEBT SERVICE						
Total Debt Service	\$5,994,167	\$4,893,009	\$1,442,756	\$7,050,020	\$5,759,293	\$1,442,756
Prior Total Debt Service	N/A	N/A	\$1,475,233	N/A	N/A	\$1,475,233
Total Savings (3)	N/A	N/A	\$32,477	N/A	N/A	\$32,477
Net Present Value Savings	N/A	N/A	\$38,798	N/A	N/A	\$40,615
Net Present Value Savings %	N/A	N/A	3.04%	N/A	N/A	3.19%

(1) Includes bond counsel, disclosure counsel, municipal advisor, underwriter's discount, printing, rating, surety, bond insurance CDIA, and misc./rounding.

(2) Based on market rates, subject to change.

(3) Refunding would also release the District's reserve fund, estimated at \$125,000.

SOURCES AND USES OF FUNDS

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

Dated Date 11/17/2021
Delivery Date 11/17/2021

Sources:	2021 Water Revenue Financing (20 Year Term - Public Offering)	2021 Sewer Revenue Financing (20 Year Term - Public Offering)	Davis-Grunsky Act Refunding	Total
Bond Proceeds:				
Par Amount	4,125,000.00	3,370,000.00	1,150,000.00	8,645,000.00
Premium	705,703.35	575,561.10	180,838.60	1,462,103.05
	<u>4,830,703.35</u>	<u>3,945,561.10</u>	<u>1,330,838.60</u>	<u>10,107,103.05</u>

Uses:	2021 Water Revenue Financing (20 Year Term - Public Offering)	2021 Sewer Revenue Financing (20 Year Term - Public Offering)	Davis-Grunsky Act Refunding	Total
Project Fund Deposits:				
Project Fund	4,680,000.00	3,820,000.00		8,500,000.00
Refunding Escrow Deposits:				
Cash Deposit			1,286,589.93	1,286,589.93
Delivery Date Expenses:				
Cost of Issuance	76,344.71	62,371.31	21,283.98	160,000.00
Underwriter's Discount	37,125.00	30,330.00	10,350.00	77,805.00
Bond Insurance (40bps)	23,533.12	19,225.85	6,560.75	49,319.72
Surety (4%)	13,009.14	10,628.07	3,626.79	27,264.00
	<u>150,011.97</u>	<u>122,555.23</u>	<u>41,821.52</u>	<u>314,388.72</u>
Other Uses of Funds:				
Additional Proceeds	691.38	3,005.87	2,427.15	6,124.40
	<u>4,830,703.35</u>	<u>3,945,561.10</u>	<u>1,330,838.60</u>	<u>10,107,103.05</u>

ESCROW REQUIREMENTS

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

<i>Period Ending</i>	<i>Interest</i>	<i>Principal Redeemed</i>	<i>Total</i>
11/17/2021	12,133.52	1,274,456.41	1,286,589.93
	12,133.52	1,274,456.41	1,286,589.93

BOND SUMMARY STATISTICS

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

	2021 Water Revenue Financing (20 Year Term - Public Offering)	2021 Sewer Revenue Financing (20 Year Term - Public Offering)	Davis-Grunsk y Act Refunding	Aggregate
Dated Date	11/17/2021	11/17/2021	11/17/2021	11/17/2021
Delivery Date	11/17/2021	11/17/2021	11/17/2021	11/17/2021
Last Maturity	05/01/2041	05/01/2041	05/01/2033	05/01/2041
Arbitrage Yield	1.677561%	1.677561%	1.677561%	1.677561%
True Interest Cost (TIC)	2.317085%	2.315969%	1.514284%	2.249516%
All-In TIC	2.576779%	2.576312%	1.936934%	2.522788%
Average Coupon	4.000000%	4.000000%	4.000000%	4.000000%
Average Life (years)	11.328	11.298	6.364	10.656
Duration of Issue (years)	9.330	9.309	5.781	8.882
Par Amount	4,125,000.00	3,370,000.00	1,150,000.00	8,645,000.00
Bond Proceeds	4,830,703.35	3,945,561.10	1,330,838.60	10,107,103.05
Total Interest	1,869,166.67	1,523,008.89	292,755.56	3,684,931.12
Net Interest	1,200,588.32	977,777.79	122,266.96	2,300,633.07
Total Debt Service	5,994,166.67	4,893,008.89	1,442,755.56	12,329,931.12
Maximum Annual Debt Service	308,400.00	251,400.00	124,200.00	681,600.00
Average Annual Debt Service	308,095.37	251,496.74	125,943.74	633,748.60
Underwriter's Fees (per \$1000)				
Average Takedown				
Other Fee	9.000000	9.000000	9.000000	9.000000
Total Underwriter's Discount	9.000000	9.000000	9.000000	9.000000
Bid Price	116.207960	116.178964	114.825096	116.012702

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Bond Component	3,920,000.00	115.024	4.000%	5.332
Bond Component #2	225,000.00	119.625	4.000%	10.967
Term1	2,030,000.00	119.625	4.000%	12.532
Term	2,470,000.00	117.434	4.000%	17.537
	8,645,000.00			10.656

BOND SUMMARY STATISTICS

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,645,000.00	8,645,000.00	8,645,000.00
+ Accrued Interest			
+ Premium (Discount)	1,462,103.05	1,462,103.05	1,462,103.05
- Underwriter's Discount	-77,805.00	-77,805.00	
- Cost of Issuance Expense		-160,000.00	
- Other Amounts		-76,583.72	-49,319.72
	10,029,298.05	9,792,714.33	10,057,783.33
Target Value			
Target Date	11/17/2021	11/17/2021	11/17/2021
Yield	2.249516%	2.522788%	1.677561%

PRIOR BOND DEBT SERVICE

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
01/01/2022	92,381.69	2.500%	16,061.64	108,443.33	
06/30/2022					108,443.33
07/01/2022			14,654.49	14,654.49	
01/01/2023	94,691.23	2.500%	14,897.38	109,588.61	
06/30/2023					124,243.10
07/01/2023			13,480.58	13,480.58	
01/01/2024	97,058.51	2.500%	13,704.01	110,762.52	
06/30/2024					124,243.10
07/01/2024			12,345.15	12,345.15	
01/01/2025	99,484.97	2.500%	12,480.81	111,965.78	
06/30/2025					124,310.93
07/01/2025			11,043.98	11,043.98	
01/01/2026	101,972.10	2.500%	11,227.02	113,199.12	
06/30/2026					124,243.10
07/01/2026			9,779.80	9,779.80	
01/01/2027	104,521.40	2.500%	9,941.90	114,463.30	
06/30/2027					124,243.10
07/01/2027			8,484.02	8,484.02	
01/01/2028	107,134.44	2.500%	8,624.64	115,759.08	
06/30/2028					124,243.10
07/01/2028			7,195.38	7,195.38	
01/01/2029	109,812.80	2.500%	7,274.45	117,087.25	
06/30/2029					124,282.63
07/01/2029			5,794.47	5,794.47	
01/01/2030	112,558.12	2.500%	5,890.51	118,448.63	
06/30/2030					124,243.10
07/01/2030			4,399.06	4,399.06	
01/01/2031	115,372.07	2.500%	4,471.97	119,844.04	
06/30/2031					124,243.10
07/01/2031			2,968.76	2,968.76	
01/01/2032	118,256.37	2.500%	3,017.97	121,274.34	
06/30/2032					124,243.10
07/01/2032			1,511.01	1,511.01	
01/01/2033	121,212.71	2.500%	1,527.61	122,740.32	
06/30/2033					124,251.33
	1,274,456.41		200,776.61	1,475,233.02	1,475,233.02

BOND DEBT SERVICE**McKinleyville Community Services District
2021 Water Revenue Financing (20 Year Term - Public Offering)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
05/01/2022	110,000	4.000%	75,166.67	185,166.67	
06/30/2022					185,166.67
11/01/2022			80,300.00	80,300.00	
05/01/2023	145,000	4.000%	80,300.00	225,300.00	
06/30/2023					305,600.00
11/01/2023			77,400.00	77,400.00	
05/01/2024	150,000	4.000%	77,400.00	227,400.00	
06/30/2024					304,800.00
11/01/2024			74,400.00	74,400.00	
05/01/2025	155,000	4.000%	74,400.00	229,400.00	
06/30/2025					303,800.00
11/01/2025			71,300.00	71,300.00	
05/01/2026	165,000	4.000%	71,300.00	236,300.00	
06/30/2026					307,600.00
11/01/2026			68,000.00	68,000.00	
05/01/2027	170,000	4.000%	68,000.00	238,000.00	
06/30/2027					306,000.00
11/01/2027			64,600.00	64,600.00	
05/01/2028	175,000	4.000%	64,600.00	239,600.00	
06/30/2028					304,200.00
11/01/2028			61,100.00	61,100.00	
05/01/2029	185,000	4.000%	61,100.00	246,100.00	
06/30/2029					307,200.00
11/01/2029			57,400.00	57,400.00	
05/01/2030	190,000	4.000%	57,400.00	247,400.00	
06/30/2030					304,800.00
11/01/2030			53,600.00	53,600.00	
05/01/2031	200,000	4.000%	53,600.00	253,600.00	
06/30/2031					307,200.00
11/01/2031			49,600.00	49,600.00	
05/01/2032	205,000	4.000%	49,600.00	254,600.00	
06/30/2032					304,200.00
11/01/2032			45,500.00	45,500.00	
05/01/2033	215,000	4.000%	45,500.00	260,500.00	
06/30/2033					306,000.00
11/01/2033			41,200.00	41,200.00	
05/01/2034	225,000	4.000%	41,200.00	266,200.00	
06/30/2034					307,400.00
11/01/2034			36,700.00	36,700.00	
05/01/2035	235,000	4.000%	36,700.00	271,700.00	
06/30/2035					308,400.00
11/01/2035			32,000.00	32,000.00	
05/01/2036	240,000	4.000%	32,000.00	272,000.00	
06/30/2036					304,000.00
11/01/2036			27,200.00	27,200.00	
05/01/2037	250,000	4.000%	27,200.00	277,200.00	
06/30/2037					304,400.00
11/01/2037			22,200.00	22,200.00	
05/01/2038	260,000	4.000%	22,200.00	282,200.00	
06/30/2038					304,400.00
11/01/2038			17,000.00	17,000.00	
05/01/2039	270,000	4.000%	17,000.00	287,000.00	
06/30/2039					304,000.00
11/01/2039			11,600.00	11,600.00	
05/01/2040	285,000	4.000%	11,600.00	296,600.00	
06/30/2040					308,200.00
11/01/2040			5,900.00	5,900.00	
05/01/2041	295,000	4.000%	5,900.00	300,900.00	
06/30/2041					306,800.00
	4,125,000		1,869,166.67	5,994,166.67	5,994,166.67

BOND DEBT SERVICE

McKinleyville Community Services District 2021 Sewer Revenue Financing (20 Year Term - Public Offering)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
05/01/2022	90,000	4.000%	61,408.89	151,408.89	
06/30/2022					151,408.89
11/01/2022			65,600.00	65,600.00	
05/01/2023	120,000	4.000%	65,600.00	185,600.00	
06/30/2023					251,200.00
11/01/2023			63,200.00	63,200.00	
05/01/2024	125,000	4.000%	63,200.00	188,200.00	
06/30/2024					251,400.00
11/01/2024			60,700.00	60,700.00	
05/01/2025	130,000	4.000%	60,700.00	190,700.00	
06/30/2025					251,400.00
11/01/2025			58,100.00	58,100.00	
05/01/2026	135,000	4.000%	58,100.00	193,100.00	
06/30/2026					251,200.00
11/01/2026			55,400.00	55,400.00	
05/01/2027	140,000	4.000%	55,400.00	195,400.00	
06/30/2027					250,800.00
11/01/2027			52,600.00	52,600.00	
05/01/2028	145,000	4.000%	52,600.00	197,600.00	
06/30/2028					250,200.00
11/01/2028			49,700.00	49,700.00	
05/01/2029	150,000	4.000%	49,700.00	199,700.00	
06/30/2029					249,400.00
11/01/2029			46,700.00	46,700.00	
05/01/2030	155,000	4.000%	46,700.00	201,700.00	
06/30/2030					248,400.00
11/01/2030			43,600.00	43,600.00	
05/01/2031	160,000	4.000%	43,600.00	203,600.00	
06/30/2031					247,200.00
11/01/2031			40,400.00	40,400.00	
05/01/2032	170,000	4.000%	40,400.00	210,400.00	
06/30/2032					250,800.00
11/01/2032			37,000.00	37,000.00	
05/01/2033	175,000	4.000%	37,000.00	212,000.00	
06/30/2033					249,000.00
11/01/2033			33,500.00	33,500.00	
05/01/2034	180,000	4.000%	33,500.00	213,500.00	
06/30/2034					247,000.00
11/01/2034			29,900.00	29,900.00	
05/01/2035	190,000	4.000%	29,900.00	219,900.00	
06/30/2035					249,800.00
11/01/2035			26,100.00	26,100.00	
05/01/2036	195,000	4.000%	26,100.00	221,100.00	
06/30/2036					247,200.00
11/01/2036			22,200.00	22,200.00	
05/01/2037	205,000	4.000%	22,200.00	227,200.00	
06/30/2037					249,400.00
11/01/2037			18,100.00	18,100.00	
05/01/2038	215,000	4.000%	18,100.00	233,100.00	
06/30/2038					251,200.00
11/01/2038			13,800.00	13,800.00	
05/01/2039	220,000	4.000%	13,800.00	233,800.00	
06/30/2039					247,600.00
11/01/2039			9,400.00	9,400.00	
05/01/2040	230,000	4.000%	9,400.00	239,400.00	
06/30/2040					248,800.00
11/01/2040			4,800.00	4,800.00	
05/01/2041	240,000	4.000%	4,800.00	244,800.00	
06/30/2041					249,600.00
	3,370,000		1,523,008.89	4,893,008.89	4,893,008.89

BOND DEBT SERVICE**McKinleyville Community Services District
Davis-Grunsky Act Refunding**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
05/01/2022	85,000	4.000%	20,955.56	105,955.56	
06/30/2022					105,955.56
11/01/2022			21,300.00	21,300.00	
05/01/2023	80,000	4.000%	21,300.00	101,300.00	
06/30/2023					122,600.00
11/01/2023			19,700.00	19,700.00	
05/01/2024	80,000	4.000%	19,700.00	99,700.00	
06/30/2024					119,400.00
11/01/2024			18,100.00	18,100.00	
05/01/2025	85,000	4.000%	18,100.00	103,100.00	
06/30/2025					121,200.00
11/01/2025			16,400.00	16,400.00	
05/01/2026	90,000	4.000%	16,400.00	106,400.00	
06/30/2026					122,800.00
11/01/2026			14,600.00	14,600.00	
05/01/2027	95,000	4.000%	14,600.00	109,600.00	
06/30/2027					124,200.00
11/01/2027			12,700.00	12,700.00	
05/01/2028	95,000	4.000%	12,700.00	107,700.00	
06/30/2028					120,400.00
11/01/2028			10,800.00	10,800.00	
05/01/2029	100,000	4.000%	10,800.00	110,800.00	
06/30/2029					121,600.00
11/01/2029			8,800.00	8,800.00	
05/01/2030	105,000	4.000%	8,800.00	113,800.00	
06/30/2030					122,600.00
11/01/2030			6,700.00	6,700.00	
05/01/2031	110,000	4.000%	6,700.00	116,700.00	
06/30/2031					123,400.00
11/01/2031			4,500.00	4,500.00	
05/01/2032	110,000	4.000%	4,500.00	114,500.00	
06/30/2032					119,000.00
11/01/2032			2,300.00	2,300.00	
05/01/2033	115,000	4.000%	2,300.00	117,300.00	
06/30/2033					119,600.00
	1,150,000		292,755.56	1,442,755.56	1,442,755.56

BOND DEBT SERVICE BREAKDOWN**McKinleyville Community Services District
2021 Utility Revenue Financing (20-Year)**

<i>Date</i>	<i>2021 Water Revenue Financing (20 Year Term - Public Offering)</i>	<i>2021 Sewer Revenue Financing (20 Year Term - Public Offering)</i>	<i>Davis-Grunsky Act Refunding</i>	<i>Total</i>	<i>Annual Total</i>
05/01/2022	185,166.67	151,408.89	105,955.56	442,531.12	
06/30/2022					442,531.12
11/01/2022	80,300.00	65,600.00	21,300.00	167,200.00	
05/01/2023	225,300.00	185,600.00	101,300.00	512,200.00	
06/30/2023					679,400.00
11/01/2023	77,400.00	63,200.00	19,700.00	160,300.00	
05/01/2024	227,400.00	188,200.00	99,700.00	515,300.00	
06/30/2024					675,600.00
11/01/2024	74,400.00	60,700.00	18,100.00	153,200.00	
05/01/2025	229,400.00	190,700.00	103,100.00	523,200.00	
06/30/2025					676,400.00
11/01/2025	71,300.00	58,100.00	16,400.00	145,800.00	
05/01/2026	236,300.00	193,100.00	106,400.00	535,800.00	
06/30/2026					681,600.00
11/01/2026	68,000.00	55,400.00	14,600.00	138,000.00	
05/01/2027	238,000.00	195,400.00	109,600.00	543,000.00	
06/30/2027					681,000.00
11/01/2027	64,600.00	52,600.00	12,700.00	129,900.00	
05/01/2028	239,600.00	197,600.00	107,700.00	544,900.00	
06/30/2028					674,800.00
11/01/2028	61,100.00	49,700.00	10,800.00	121,600.00	
05/01/2029	246,100.00	199,700.00	110,800.00	556,600.00	
06/30/2029					678,200.00
11/01/2029	57,400.00	46,700.00	8,800.00	112,900.00	
05/01/2030	247,400.00	201,700.00	113,800.00	562,900.00	
06/30/2030					675,800.00
11/01/2030	53,600.00	43,600.00	6,700.00	103,900.00	
05/01/2031	253,600.00	203,600.00	116,700.00	573,900.00	
06/30/2031					677,800.00
11/01/2031	49,600.00	40,400.00	4,500.00	94,500.00	
05/01/2032	254,600.00	210,400.00	114,500.00	579,500.00	
06/30/2032					674,000.00
11/01/2032	45,500.00	37,000.00	2,300.00	84,800.00	
05/01/2033	260,500.00	212,000.00	117,300.00	589,800.00	
06/30/2033					674,600.00
11/01/2033	41,200.00	33,500.00		74,700.00	
05/01/2034	266,200.00	213,500.00		479,700.00	
06/30/2034					554,400.00
11/01/2034	36,700.00	29,900.00		66,600.00	
05/01/2035	271,700.00	219,900.00		491,600.00	
06/30/2035					558,200.00
11/01/2035	32,000.00	26,100.00		58,100.00	
05/01/2036	272,000.00	221,100.00		493,100.00	
06/30/2036					551,200.00
11/01/2036	27,200.00	22,200.00		49,400.00	
05/01/2037	277,200.00	227,200.00		504,400.00	
06/30/2037					553,800.00
11/01/2037	22,200.00	18,100.00		40,300.00	
05/01/2038	282,200.00	233,100.00		515,300.00	
06/30/2038					555,600.00
11/01/2038	17,000.00	13,800.00		30,800.00	
05/01/2039	287,000.00	233,800.00		520,800.00	
06/30/2039					551,600.00
11/01/2039	11,600.00	9,400.00		21,000.00	
05/01/2040	296,600.00	239,400.00		536,000.00	
06/30/2040					557,000.00
11/01/2040	5,900.00	4,800.00		10,700.00	
05/01/2041	300,900.00	244,800.00		545,700.00	
06/30/2041					556,400.00
	5,994,166.67	4,893,008.89	1,442,755.56	12,329,931.12	12,329,931.12

SAVINGS

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Annual Savings</i>	<i>Present Value to 11/17/2021 @ 1.6775612%</i>
01/01/2022	108,443.33		108,443.33		108,222.14
05/01/2022		105,955.56	-105,955.56		-105,152.26
06/30/2022				2,487.77	
07/01/2022	14,654.49		14,654.49		14,502.95
11/01/2022		21,300.00	-21,300.00		-20,962.68
01/01/2023	109,588.61		109,588.61		107,553.24
05/01/2023		101,300.00	-101,300.00		-98,866.50
06/30/2023				1,643.10	
07/01/2023	13,480.58		13,480.58		13,120.16
11/01/2023		19,700.00	-19,700.00		-19,066.82
01/01/2024	110,762.52		110,762.52		106,904.44
05/01/2024		99,700.00	-99,700.00		-95,692.89
06/30/2024				4,843.10	
07/01/2024	12,345.15		12,345.15		11,816.03
11/01/2024		18,100.00	-18,100.00		-17,228.03
01/01/2025	111,965.78		111,965.78		106,275.48
05/01/2025		103,100.00	-103,100.00		-97,316.84
06/30/2025				3,110.93	
07/01/2025	11,043.98		11,043.98		10,395.51
11/01/2025		16,400.00	-16,400.00		-15,351.32
01/01/2026	113,199.12		113,199.12		105,666.09
05/01/2026		106,400.00	-106,400.00		-98,767.90
06/30/2026				1,443.10	
07/01/2026	9,779.80		9,779.80		9,053.05
11/01/2026		14,600.00	-14,600.00		-13,440.01
01/01/2027	114,463.30		114,463.30		105,076.03
05/01/2027		109,600.00	-109,600.00		-100,052.87
06/30/2027				43.10	
07/01/2027	8,484.02		8,484.02		7,723.45
11/01/2027		12,700.00	-12,700.00		-11,497.28
01/01/2028	115,759.08		115,759.08		104,505.06
05/01/2028		107,700.00	-107,700.00		-96,689.55
06/30/2028				3,843.10	
07/01/2028	7,195.38		7,195.38		6,441.82
11/01/2028		10,800.00	-10,800.00		-9,615.24
01/01/2029	117,087.25		117,087.25		103,952.91
05/01/2029		110,800.00	-110,800.00		-97,824.68
06/30/2029				2,682.63	
07/01/2029	5,794.47		5,794.47		5,101.68
11/01/2029		8,800.00	-8,800.00		-7,704.84
01/01/2030	118,448.63		118,448.63		103,419.38
05/01/2030		113,800.00	-113,800.00		-98,808.83
06/30/2030				1,643.10	
07/01/2030	4,399.06		4,399.06		3,808.94
11/01/2030		6,700.00	-6,700.00		-5,769.00
01/01/2031	119,844.04		119,844.04		102,904.21
05/01/2031		116,700.00	-116,700.00		-99,648.14
06/30/2031				843.10	
07/01/2031	2,968.76		2,968.76		2,527.93
11/01/2031		4,500.00	-4,500.00		-3,810.51
01/01/2032	121,274.34		121,274.34		102,407.19
05/01/2032		114,500.00	-114,500.00		-96,149.86
06/30/2032				5,243.10	
07/01/2032	1,511.01		1,511.01		1,265.32
11/01/2032		2,300.00	-2,300.00		-1,915.33
01/01/2033	122,740.32		122,740.32		101,928.03
05/01/2033		117,300.00	-117,300.00		-96,869.26
06/30/2033				4,651.33	
	1,475,233.02	1,442,755.56	32,477.46	32,477.46	36,370.40

Savings Summary

PV of savings from cash flow	36,370.40
Plus: Refunding funds on hand	2,427.15
	38,797.55

SAVINGS

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

Savings Summary

Net PV Savings	38,797.55
----------------	-----------

SUMMARY OF REFUNDING RESULTS

McKinleyville Community Services District 2021 Utility Revenue Financing (20-Year)

Dated Date	11/17/2021
Delivery Date	11/17/2021
Arbitrage yield	1.677561%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	1,150,000.00
True Interest Cost	1.514284%
Net Interest Cost	1.670567%
Average Coupon	4.000000%
Average Life	6.364
Par amount of refunded bonds	1,274,456.41
Average coupon of refunded bonds	2.501984%
Average life of refunded bonds	5.916
PV of prior debt to 11/17/2021 @ 1.677561%	1,344,571.04
Net PV Savings	38,797.55
Percentage savings of refunded bonds	3.044243%
Percentage savings of refunding bonds	3.373700%

BOND PRICING**McKinleyville Community Services District
2021 Utility Revenue Financing (20-Year)**

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>	<i>Yield to Maturity</i>	<i>Call Date</i>	<i>Call Price</i>	<i>Premium (-Discount)</i>
2021 Water Revenue Financing (20 Year Term - Public Offering), Bond Component:									
	05/01/2022	110,000	4.000%	0.370%	101.650				1,815.00
	05/01/2023	145,000	4.000%	0.440%	105.159				7,480.55
	05/01/2024	150,000	4.000%	0.530%	108.454				12,681.00
	05/01/2025	155,000	4.000%	0.630%	111.501				17,826.55
	05/01/2026	165,000	4.000%	0.780%	114.073				23,220.45
	05/01/2027	170,000	4.000%	0.900%	116.467				27,993.90
	05/01/2028	175,000	4.000%	1.040%	118.434				32,259.50
	05/01/2029	185,000	4.000%	1.150%	120.306				37,566.10
	05/01/2030	190,000	4.000%	1.270%	121.821				41,459.90
	05/01/2031	200,000	4.000%	1.370%	123.249				46,498.00
		<u>1,645,000</u>							<u>248,800.95</u>
2021 Water Revenue Financing (20 Year Term - Public Offering), Term1:									
	05/01/2032	205,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	40,231.25
	05/01/2033	215,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	42,193.75
	05/01/2034	225,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	44,156.25
	05/01/2035	235,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	46,118.75
	05/01/2036	240,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	47,100.00
		<u>1,120,000</u>							<u>219,800.00</u>
2021 Water Revenue Financing (20 Year Term - Public Offering), Term:									
	05/01/2037	250,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	43,585.00
	05/01/2038	260,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	45,328.40
	05/01/2039	270,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	47,071.80
	05/01/2040	285,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	49,686.90
	05/01/2041	295,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	51,430.30
		<u>1,360,000</u>							<u>237,102.40</u>
2021 Sewer Revenue Financing (20 Year Term - Public Offering), Bond Component:									
	05/01/2022	90,000	4.000%	0.370%	101.650				1,485.00
	05/01/2023	120,000	4.000%	0.440%	105.159				6,190.80
	05/01/2024	125,000	4.000%	0.530%	108.454				10,567.50
	05/01/2025	130,000	4.000%	0.630%	111.501				14,951.30
	05/01/2026	135,000	4.000%	0.780%	114.073				18,998.55
	05/01/2027	140,000	4.000%	0.900%	116.467				23,053.80
	05/01/2028	145,000	4.000%	1.040%	118.434				26,729.30
	05/01/2029	150,000	4.000%	1.150%	120.306				30,459.00
	05/01/2030	155,000	4.000%	1.270%	121.821				33,822.55
	05/01/2031	160,000	4.000%	1.370%	123.249				37,198.40
		<u>1,350,000</u>							<u>203,456.20</u>
2021 Sewer Revenue Financing (20 Year Term - Public Offering), Term1:									
	05/01/2032	170,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	33,362.50
	05/01/2033	175,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	34,343.75
	05/01/2034	180,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	35,325.00
	05/01/2035	190,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	37,287.50
	05/01/2036	195,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	38,268.75
		<u>910,000</u>							<u>178,587.50</u>
2021 Sewer Revenue Financing (20 Year Term - Public Offering), Term:									
	05/01/2037	205,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	35,739.70
	05/01/2038	215,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	37,483.10
	05/01/2039	220,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	38,354.80
	05/01/2040	230,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	40,098.20
	05/01/2041	240,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	41,841.60
		<u>1,110,000</u>							<u>193,517.40</u>
Davis-Grunsky Act Refunding, Bond Component:									
	05/01/2022	85,000	4.000%	0.370%	101.650				1,402.50
	05/01/2023	80,000	4.000%	0.440%	105.159				4,127.20
	05/01/2024	80,000	4.000%	0.530%	108.454				6,763.20
	05/01/2025	85,000	4.000%	0.630%	111.501				9,775.85
	05/01/2026	90,000	4.000%	0.780%	114.073				12,665.70
	05/01/2027	95,000	4.000%	0.900%	116.467				15,643.65
	05/01/2028	95,000	4.000%	1.040%	118.434				17,512.30
	05/01/2029	100,000	4.000%	1.150%	120.306				20,306.00
	05/01/2030	105,000	4.000%	1.270%	121.821				22,912.05
	05/01/2031	110,000	4.000%	1.370%	123.249				25,573.90
		<u>925,000</u>							<u>136,682.35</u>

BOND PRICING**McKinleyville Community Services District
2021 Utility Revenue Financing (20-Year)**

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>	<i>Yield to Maturity</i>	<i>Call Date</i>	<i>Call Price</i>	<i>Premium (-Discount)</i>
Davis-Grunsky Act Refunding, Bond Component #2:									
	05/01/2032	110,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	21,587.50
	05/01/2033	115,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	22,568.75
	05/01/2034		4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	
	05/01/2035		4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	
	05/01/2036		4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	
		<u>225,000</u>							<u>44,156.25</u>
		8,645,000							1,462,103.05

Dated Date	11/17/2021	
Delivery Date	11/17/2021	
First Coupon	05/01/2022	
Par Amount	8,645,000.00	
Premium	1,462,103.05	
Production	10,107,103.05	116.912702%
Underwriter's Discount	-77,805.00	-0.900000%
Purchase Price	10,029,298.05	116.012702%
Accrued Interest		
Net Proceeds	10,029,298.05	

SOURCES AND USES OF FUNDS

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

Dated Date 11/17/2021
Delivery Date 11/17/2021

Sources:	2021 Water Revenue Financing (30 Year Term - Public Offering)	2021 Sewer Revenue Financing (30 Year Term - Public Offering)	Davis-Grunsky Act Refunding	Total
Bond Proceeds:				
Par Amount	4,315,000.00	3,525,000.00	1,150,000.00	8,990,000.00
Net Premium/OID	519,610.05	423,359.75	180,838.60	1,123,808.40
	<u>4,834,610.05</u>	<u>3,948,359.75</u>	<u>1,330,838.60</u>	<u>10,113,808.40</u>

Uses:	2021 Water Revenue Financing (30 Year Term - Public Offering)	2021 Sewer Revenue Financing (30 Year Term - Public Offering)	Davis-Grunsky Act Refunding	Total
Project Fund Deposits:				
Project Fund	4,680,000.00	3,820,000.00		8,500,000.00
Refunding Escrow Deposits:				
Cash Deposit			1,286,589.93	1,286,589.93
Delivery Date Expenses:				
Cost of Issuance	76,796.44	62,736.37	20,467.19	160,000.00
Underwriter's Discount	38,835.00	31,725.00	10,350.00	80,910.00
Bond Insurance (40bps)	27,362.70	22,353.08	7,292.49	57,008.27
Surety (4%)	10,729.42	8,765.06	2,859.52	22,354.00
	<u>153,723.56</u>	<u>125,579.51</u>	<u>40,969.20</u>	<u>320,272.27</u>
Other Uses of Funds:				
Additional Proceeds	886.49	2,780.24	3,279.47	6,946.20
	<u>4,834,610.05</u>	<u>3,948,359.75</u>	<u>1,330,838.60</u>	<u>10,113,808.40</u>

ESCROW REQUIREMENTS

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

<i>Period Ending</i>	<i>Interest</i>	<i>Principal Redeemed</i>	<i>Total</i>
11/17/2021	12,133.52	1,274,456.41	1,286,589.93
	12,133.52	1,274,456.41	1,286,589.93

BOND SUMMARY STATISTICS

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

	2021 Water Revenue Financing (30 Year Term - Public Offering)	2021 Sewer Revenue Financing (30 Year Term - Public Offering)	Davis-Grunk y Act Refunding	Aggregate
Dated Date	11/17/2021	11/17/2021	11/17/2021	11/17/2021
Delivery Date	11/17/2021	11/17/2021	11/17/2021	11/17/2021
Last Maturity	05/01/2051	05/01/2051	05/01/2033	05/01/2051
Arbitrage Yield	2.167190%	2.167190%	2.167190%	2.167190%
True Interest Cost (TIC)	2.765226%	2.765222%	1.514284%	2.689968%
All-In TIC	2.954906%	2.954806%	1.925292%	2.892250%
Average Coupon	3.598439%	3.595241%	4.000000%	3.617276%
Average Life (years)	17.614	17.630	6.364	16.181
Duration of Issue (years)	13.033	13.043	5.781	12.174
Par Amount	4,315,000.00	3,525,000.00	1,150,000.00	8,990,000.00
Bond Proceeds	4,834,610.05	3,948,359.75	1,330,838.60	10,113,808.40
Total Interest	2,735,019.72	2,234,292.50	292,755.56	5,262,067.78
Net Interest	2,254,244.67	1,842,657.75	122,266.96	4,219,169.38
Total Debt Service	7,050,019.72	5,759,292.50	1,442,755.56	14,252,067.78
Maximum Annual Debt Service	241,025.00	197,350.00	124,200.00	558,850.00
Average Annual Debt Service	239,344.31	195,524.83	125,943.74	483,849.91
Underwriter's Fees (per \$1000)				
Average Takedown				
Other Fee	9.000000	9.000000	9.000000	9.000000
Total Underwriter's Discount	9.000000	9.000000	9.000000	9.000000
Bid Price	111.141948	111.110206	114.825096	111.600650

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	2,645,000.00	114.907	4.000%	5.291
Term1	1,145,000.00	119.625	4.000%	12.534
Term	1,400,000.00	117.434	4.000%	17.527
Bond Component #2	1,875,000.00	98.304	2.594%	21.112
Bond Component #3	1,925,000.00	115.197	4.000%	27.533
	8,990,000.00			16.181

BOND SUMMARY STATISTICS

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,990,000.00	8,990,000.00	8,990,000.00
+ Accrued Interest			
+ Premium (Discount)	1,123,808.40	1,123,808.40	1,123,808.40
- Underwriter's Discount	-80,910.00	-80,910.00	
- Cost of Issuance Expense		-160,000.00	
- Other Amounts		-79,362.27	-57,008.27
	10,032,898.40	9,793,536.13	10,056,800.13
Target Value			
Target Date	11/17/2021	11/17/2021	11/17/2021
Yield	2.689968%	2.892250%	2.167190%

PRIOR BOND DEBT SERVICE

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
01/01/2022	92,381.69	2.500%	16,061.64	108,443.33	
06/30/2022					108,443.33
07/01/2022			14,654.49	14,654.49	
01/01/2023	94,691.23	2.500%	14,897.38	109,588.61	
06/30/2023					124,243.10
07/01/2023			13,480.58	13,480.58	
01/01/2024	97,058.51	2.500%	13,704.01	110,762.52	
06/30/2024					124,243.10
07/01/2024			12,345.15	12,345.15	
01/01/2025	99,484.97	2.500%	12,480.81	111,965.78	
06/30/2025					124,310.93
07/01/2025			11,043.98	11,043.98	
01/01/2026	101,972.10	2.500%	11,227.02	113,199.12	
06/30/2026					124,243.10
07/01/2026			9,779.80	9,779.80	
01/01/2027	104,521.40	2.500%	9,941.90	114,463.30	
06/30/2027					124,243.10
07/01/2027			8,484.02	8,484.02	
01/01/2028	107,134.44	2.500%	8,624.64	115,759.08	
06/30/2028					124,243.10
07/01/2028			7,195.38	7,195.38	
01/01/2029	109,812.80	2.500%	7,274.45	117,087.25	
06/30/2029					124,282.63
07/01/2029			5,794.47	5,794.47	
01/01/2030	112,558.12	2.500%	5,890.51	118,448.63	
06/30/2030					124,243.10
07/01/2030			4,399.06	4,399.06	
01/01/2031	115,372.07	2.500%	4,471.97	119,844.04	
06/30/2031					124,243.10
07/01/2031			2,968.76	2,968.76	
01/01/2032	118,256.37	2.500%	3,017.97	121,274.34	
06/30/2032					124,243.10
07/01/2032			1,511.01	1,511.01	
01/01/2033	121,212.71	2.500%	1,527.61	122,740.32	
06/30/2033					124,251.33
	1,274,456.41		200,776.61	1,475,233.02	1,475,233.02

BOND DEBT SERVICE

McKinleyville Community Services District 2021 Water Revenue Financing (30 Year Term - Public Offering)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
05/01/2022	75,000	4.000%	72,444.72	147,444.72	
06/30/2022					147,444.72
11/01/2022			78,012.50	78,012.50	
05/01/2023	80,000	4.000%	78,012.50	158,012.50	
06/30/2023					236,025.00
11/01/2023			76,412.50	76,412.50	
05/01/2024	85,000	4.000%	76,412.50	161,412.50	
06/30/2024					237,825.00
11/01/2024			74,712.50	74,712.50	
05/01/2025	90,000	4.000%	74,712.50	164,712.50	
06/30/2025					239,425.00
11/01/2025			72,912.50	72,912.50	
05/01/2026	95,000	4.000%	72,912.50	167,912.50	
06/30/2026					240,825.00
11/01/2026			71,012.50	71,012.50	
05/01/2027	95,000	4.000%	71,012.50	166,012.50	
06/30/2027					237,025.00
11/01/2027			69,112.50	69,112.50	
05/01/2028	100,000	4.000%	69,112.50	169,112.50	
06/30/2028					238,225.00
11/01/2028			67,112.50	67,112.50	
05/01/2029	105,000	4.000%	67,112.50	172,112.50	
06/30/2029					239,225.00
11/01/2029			65,012.50	65,012.50	
05/01/2030	110,000	4.000%	65,012.50	175,012.50	
06/30/2030					240,025.00
11/01/2030			62,812.50	62,812.50	
05/01/2031	115,000	4.000%	62,812.50	177,812.50	
06/30/2031					240,625.00
11/01/2031			60,512.50	60,512.50	
05/01/2032	115,000	4.000%	60,512.50	175,512.50	
06/30/2032					236,025.00
11/01/2032			58,212.50	58,212.50	
05/01/2033	120,000	4.000%	58,212.50	178,212.50	
06/30/2033					236,425.00
11/01/2033			55,812.50	55,812.50	
05/01/2034	125,000	4.000%	55,812.50	180,812.50	
06/30/2034					236,625.00
11/01/2034			53,312.50	53,312.50	
05/01/2035	130,000	4.000%	53,312.50	183,312.50	
06/30/2035					236,625.00
11/01/2035			50,712.50	50,712.50	
05/01/2036	135,000	4.000%	50,712.50	185,712.50	
06/30/2036					236,425.00
11/01/2036			48,012.50	48,012.50	
05/01/2037	145,000	4.000%	48,012.50	193,012.50	
06/30/2037					241,025.00
11/01/2037			45,112.50	45,112.50	
05/01/2038	150,000	4.000%	45,112.50	195,112.50	
06/30/2038					240,225.00
11/01/2038			42,112.50	42,112.50	
05/01/2039	155,000	4.000%	42,112.50	197,112.50	
06/30/2039					239,225.00
11/01/2039			39,012.50	39,012.50	
05/01/2040	160,000	4.000%	39,012.50	199,012.50	
06/30/2040					238,025.00
11/01/2040			35,812.50	35,812.50	
05/01/2041	165,000	4.000%	35,812.50	200,812.50	
06/30/2041					236,625.00
11/01/2041			32,512.50	32,512.50	
05/01/2042	175,000	2.500%	32,512.50	207,512.50	
06/30/2042					240,025.00
11/01/2042			30,325.00	30,325.00	
05/01/2043	180,000	2.500%	30,325.00	210,325.00	
06/30/2043					240,650.00
11/01/2043			28,075.00	28,075.00	
05/01/2044	180,000	2.500%	28,075.00	208,075.00	
06/30/2044					236,150.00
11/01/2044			25,825.00	25,825.00	
05/01/2045	185,000	2.500%	25,825.00	210,825.00	

BOND DEBT SERVICE

McKinleyville Community Services District 2021 Water Revenue Financing (30 Year Term - Public Offering)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
06/30/2045					236,650.00
11/01/2045			23,512.50	23,512.50	
05/01/2046	185,000	2.500%	23,512.50	208,512.50	
06/30/2046					232,025.00
11/01/2046			21,200.00	21,200.00	
05/01/2047	195,000	4.000%	21,200.00	216,200.00	
06/30/2047					237,400.00
11/01/2047			17,300.00	17,300.00	
05/01/2048	205,000	4.000%	17,300.00	222,300.00	
06/30/2048					239,600.00
11/01/2048			13,200.00	13,200.00	
05/01/2049	210,000	4.000%	13,200.00	223,200.00	
06/30/2049					236,400.00
11/01/2049			9,000.00	9,000.00	
05/01/2050	220,000	4.000%	9,000.00	229,000.00	
06/30/2050					238,000.00
11/01/2050			4,600.00	4,600.00	
05/01/2051	230,000	4.000%	4,600.00	234,600.00	
06/30/2051					239,200.00
	4,315,000		2,735,019.72	7,050,019.72	7,050,019.72

BOND DEBT SERVICE

McKinleyville Community Services District 2021 Sewer Revenue Financing (30 Year Term - Public Offering)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
05/01/2022	60,000	4.000%	59,142.50	119,142.50	
06/30/2022					119,142.50
11/01/2022			63,712.50	63,712.50	
05/01/2023	65,000	4.000%	63,712.50	128,712.50	
06/30/2023					192,425.00
11/01/2023			62,412.50	62,412.50	
05/01/2024	70,000	4.000%	62,412.50	132,412.50	
06/30/2024					194,825.00
11/01/2024			61,012.50	61,012.50	
05/01/2025	75,000	4.000%	61,012.50	136,012.50	
06/30/2025					197,025.00
11/01/2025			59,512.50	59,512.50	
05/01/2026	75,000	4.000%	59,512.50	134,512.50	
06/30/2026					194,025.00
11/01/2026			58,012.50	58,012.50	
05/01/2027	80,000	4.000%	58,012.50	138,012.50	
06/30/2027					196,025.00
11/01/2027			56,412.50	56,412.50	
05/01/2028	80,000	4.000%	56,412.50	136,412.50	
06/30/2028					192,825.00
11/01/2028			54,812.50	54,812.50	
05/01/2029	85,000	4.000%	54,812.50	139,812.50	
06/30/2029					194,625.00
11/01/2029			53,112.50	53,112.50	
05/01/2030	90,000	4.000%	53,112.50	143,112.50	
06/30/2030					196,225.00
11/01/2030			51,312.50	51,312.50	
05/01/2031	90,000	4.000%	51,312.50	141,312.50	
06/30/2031					192,625.00
11/01/2031			49,512.50	49,512.50	
05/01/2032	95,000	4.000%	49,512.50	144,512.50	
06/30/2032					194,025.00
11/01/2032			47,612.50	47,612.50	
05/01/2033	100,000	4.000%	47,612.50	147,612.50	
06/30/2033					195,225.00
11/01/2033			45,612.50	45,612.50	
05/01/2034	105,000	4.000%	45,612.50	150,612.50	
06/30/2034					196,225.00
11/01/2034			43,512.50	43,512.50	
05/01/2035	110,000	4.000%	43,512.50	153,512.50	
06/30/2035					197,025.00
11/01/2035			41,312.50	41,312.50	
05/01/2036	110,000	4.000%	41,312.50	151,312.50	
06/30/2036					192,625.00
11/01/2036			39,112.50	39,112.50	
05/01/2037	115,000	4.000%	39,112.50	154,112.50	
06/30/2037					193,225.00
11/01/2037			36,812.50	36,812.50	
05/01/2038	120,000	4.000%	36,812.50	156,812.50	
06/30/2038					193,625.00
11/01/2038			34,412.50	34,412.50	
05/01/2039	125,000	4.000%	34,412.50	159,412.50	
06/30/2039					193,825.00
11/01/2039			31,912.50	31,912.50	
05/01/2040	130,000	4.000%	31,912.50	161,912.50	
06/30/2040					193,825.00
11/01/2040			29,312.50	29,312.50	
05/01/2041	135,000	4.000%	29,312.50	164,312.50	
06/30/2041					193,625.00
11/01/2041			26,612.50	26,612.50	
05/01/2042	140,000	2.500%	26,612.50	166,612.50	
06/30/2042					193,225.00
11/01/2042			24,862.50	24,862.50	
05/01/2043	145,000	2.500%	24,862.50	169,862.50	
06/30/2043					194,725.00
11/01/2043			23,050.00	23,050.00	
05/01/2044	150,000	2.500%	23,050.00	173,050.00	
06/30/2044					196,100.00
11/01/2044			21,175.00	21,175.00	
05/01/2045	155,000	2.500%	21,175.00	176,175.00	

BOND DEBT SERVICE

McKinleyville Community Services District 2021 Sewer Revenue Financing (30 Year Term - Public Offering)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
06/30/2045					197,350.00
11/01/2045			19,237.50	19,237.50	
05/01/2046	155,000	2.500%	19,237.50	174,237.50	
06/30/2046					193,475.00
11/01/2046			17,300.00	17,300.00	
05/01/2047	160,000	4.000%	17,300.00	177,300.00	
06/30/2047					194,600.00
11/01/2047			14,100.00	14,100.00	
05/01/2048	165,000	4.000%	14,100.00	179,100.00	
06/30/2048					193,200.00
11/01/2048			10,800.00	10,800.00	
05/01/2049	175,000	4.000%	10,800.00	185,800.00	
06/30/2049					196,600.00
11/01/2049			7,300.00	7,300.00	
05/01/2050	180,000	4.000%	7,300.00	187,300.00	
06/30/2050					194,600.00
11/01/2050			3,700.00	3,700.00	
05/01/2051	185,000	4.000%	3,700.00	188,700.00	
06/30/2051					192,400.00
	3,525,000		2,234,292.50	5,759,292.50	5,759,292.50

BOND DEBT SERVICE

McKinleyville Community Services District Davis-Grunsky Act Refunding

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
05/01/2022	85,000	4.000%	20,955.56	105,955.56	
06/30/2022					105,955.56
11/01/2022			21,300.00	21,300.00	
05/01/2023	80,000	4.000%	21,300.00	101,300.00	
06/30/2023					122,600.00
11/01/2023			19,700.00	19,700.00	
05/01/2024	80,000	4.000%	19,700.00	99,700.00	
06/30/2024					119,400.00
11/01/2024			18,100.00	18,100.00	
05/01/2025	85,000	4.000%	18,100.00	103,100.00	
06/30/2025					121,200.00
11/01/2025			16,400.00	16,400.00	
05/01/2026	90,000	4.000%	16,400.00	106,400.00	
06/30/2026					122,800.00
11/01/2026			14,600.00	14,600.00	
05/01/2027	95,000	4.000%	14,600.00	109,600.00	
06/30/2027					124,200.00
11/01/2027			12,700.00	12,700.00	
05/01/2028	95,000	4.000%	12,700.00	107,700.00	
06/30/2028					120,400.00
11/01/2028			10,800.00	10,800.00	
05/01/2029	100,000	4.000%	10,800.00	110,800.00	
06/30/2029					121,600.00
11/01/2029			8,800.00	8,800.00	
05/01/2030	105,000	4.000%	8,800.00	113,800.00	
06/30/2030					122,600.00
11/01/2030			6,700.00	6,700.00	
05/01/2031	110,000	4.000%	6,700.00	116,700.00	
06/30/2031					123,400.00
11/01/2031			4,500.00	4,500.00	
05/01/2032	110,000	4.000%	4,500.00	114,500.00	
06/30/2032					119,000.00
11/01/2032			2,300.00	2,300.00	
05/01/2033	115,000	4.000%	2,300.00	117,300.00	
06/30/2033					119,600.00
	1,150,000		292,755.56	1,442,755.56	1,442,755.56

BOND DEBT SERVICE BREAKDOWN**McKinleyville Community Services District
2021 Utility Revenue Financing (30-Year)**

<i>Date</i>	<i>2021 Water Revenue Financing (30 Year Term - Public Offering)</i>	<i>2021 Sewer Revenue Financing (30 Year Term - Public Offering)</i>	<i>Davis-Grunsky Act Refunding</i>	<i>Total</i>	<i>Annual Total</i>
05/01/2022	147,444.72	119,142.50	105,955.56	372,542.78	
06/30/2022					372,542.78
11/01/2022	78,012.50	63,712.50	21,300.00	163,025.00	
05/01/2023	158,012.50	128,712.50	101,300.00	388,025.00	
06/30/2023					551,050.00
11/01/2023	76,412.50	62,412.50	19,700.00	158,525.00	
05/01/2024	161,412.50	132,412.50	99,700.00	393,525.00	
06/30/2024					552,050.00
11/01/2024	74,712.50	61,012.50	18,100.00	153,825.00	
05/01/2025	164,712.50	136,012.50	103,100.00	403,825.00	
06/30/2025					557,650.00
11/01/2025	72,912.50	59,512.50	16,400.00	148,825.00	
05/01/2026	167,912.50	134,512.50	106,400.00	408,825.00	
06/30/2026					557,650.00
11/01/2026	71,012.50	58,012.50	14,600.00	143,625.00	
05/01/2027	166,012.50	138,012.50	109,600.00	413,625.00	
06/30/2027					557,250.00
11/01/2027	69,112.50	56,412.50	12,700.00	138,225.00	
05/01/2028	169,112.50	136,412.50	107,700.00	413,225.00	
06/30/2028					551,450.00
11/01/2028	67,112.50	54,812.50	10,800.00	132,725.00	
05/01/2029	172,112.50	139,812.50	110,800.00	422,725.00	
06/30/2029					555,450.00
11/01/2029	65,012.50	53,112.50	8,800.00	126,925.00	
05/01/2030	175,012.50	143,112.50	113,800.00	431,925.00	
06/30/2030					558,850.00
11/01/2030	62,812.50	51,312.50	6,700.00	120,825.00	
05/01/2031	177,812.50	141,312.50	116,700.00	435,825.00	
06/30/2031					556,650.00
11/01/2031	60,512.50	49,512.50	4,500.00	114,525.00	
05/01/2032	175,512.50	144,512.50	114,500.00	434,525.00	
06/30/2032					549,050.00
11/01/2032	58,212.50	47,612.50	2,300.00	108,125.00	
05/01/2033	178,212.50	147,612.50	117,300.00	443,125.00	
06/30/2033					551,250.00
11/01/2033	55,812.50	45,612.50		101,425.00	
05/01/2034	180,812.50	150,612.50		331,425.00	
06/30/2034					432,850.00
11/01/2034	53,312.50	43,512.50		96,825.00	
05/01/2035	183,312.50	153,512.50		336,825.00	
06/30/2035					433,650.00
11/01/2035	50,712.50	41,312.50		92,025.00	
05/01/2036	185,712.50	151,312.50		337,025.00	
06/30/2036					429,050.00
11/01/2036	48,012.50	39,112.50		87,125.00	
05/01/2037	193,012.50	154,112.50		347,125.00	
06/30/2037					434,250.00
11/01/2037	45,112.50	36,812.50		81,925.00	
05/01/2038	195,112.50	156,812.50		351,925.00	
06/30/2038					433,850.00
11/01/2038	42,112.50	34,412.50		76,525.00	
05/01/2039	197,112.50	159,412.50		356,525.00	
06/30/2039					433,050.00
11/01/2039	39,012.50	31,912.50		70,925.00	
05/01/2040	199,012.50	161,912.50		360,925.00	
06/30/2040					431,850.00
11/01/2040	35,812.50	29,312.50		65,125.00	
05/01/2041	200,812.50	164,312.50		365,125.00	
06/30/2041					430,250.00
11/01/2041	32,512.50	26,612.50		59,125.00	
05/01/2042	207,512.50	166,612.50		374,125.00	
06/30/2042					433,250.00
11/01/2042	30,325.00	24,862.50		55,187.50	
05/01/2043	210,325.00	169,862.50		380,187.50	
06/30/2043					435,375.00
11/01/2043	28,075.00	23,050.00		51,125.00	
05/01/2044	208,075.00	173,050.00		381,125.00	

BOND DEBT SERVICE BREAKDOWN**McKinleyville Community Services District
2021 Utility Revenue Financing (30-Year)**

<i>Date</i>	<i>2021 Water Revenue Financing (30 Year Term - Public Offering)</i>	<i>2021 Sewer Revenue Financing (30 Year Term - Public Offering)</i>	<i>Davis-Grunsky Act Refunding</i>	<i>Total</i>	<i>Annual Total</i>
06/30/2044					432,250.00
11/01/2044	25,825.00	21,175.00		47,000.00	
05/01/2045	210,825.00	176,175.00		387,000.00	
06/30/2045					434,000.00
11/01/2045	23,512.50	19,237.50		42,750.00	
05/01/2046	208,512.50	174,237.50		382,750.00	
06/30/2046					425,500.00
11/01/2046	21,200.00	17,300.00		38,500.00	
05/01/2047	216,200.00	177,300.00		393,500.00	
06/30/2047					432,000.00
11/01/2047	17,300.00	14,100.00		31,400.00	
05/01/2048	222,300.00	179,100.00		401,400.00	
06/30/2048					432,800.00
11/01/2048	13,200.00	10,800.00		24,000.00	
05/01/2049	223,200.00	185,800.00		409,000.00	
06/30/2049					433,000.00
11/01/2049	9,000.00	7,300.00		16,300.00	
05/01/2050	229,000.00	187,300.00		416,300.00	
06/30/2050					432,600.00
11/01/2050	4,600.00	3,700.00		8,300.00	
05/01/2051	234,600.00	188,700.00		423,300.00	
06/30/2051					431,600.00
	7,050,019.72	5,759,292.50	1,442,755.56	14,252,067.78	14,252,067.78

SAVINGS

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Annual Savings</i>	<i>Present Value to 11/17/2021 @ 2.1671902%</i>
01/01/2022	108,443.33		108,443.33		108,158.01
05/01/2022		105,955.56	-105,955.56		-104,920.21
06/30/2022				2,487.77	
07/01/2022	14,654.49		14,654.49		14,459.25
11/01/2022		21,300.00	-21,300.00		-20,865.76
01/01/2023	109,588.61		109,588.61		106,969.48
05/01/2023		101,300.00	-101,300.00		-98,171.06
06/30/2023				1,643.10	
07/01/2023	13,480.58		13,480.58		13,017.34
11/01/2023		19,700.00	-19,700.00		-18,886.85
01/01/2024	110,762.52		110,762.52		105,809.81
05/01/2024		99,700.00	-99,700.00		-94,560.08
06/30/2024				4,843.10	
07/01/2024	12,345.15		12,345.15		11,666.72
11/01/2024		18,100.00	-18,100.00		-16,982.85
01/01/2025	111,965.78		111,965.78		104,678.40
05/01/2025		103,100.00	-103,100.00		-95,699.57
06/30/2025				3,110.93	
07/01/2025	11,043.98		11,043.98		10,214.49
11/01/2025		16,400.00	-16,400.00		-15,059.64
01/01/2026	113,199.12		113,199.12		103,574.64
05/01/2026		106,400.00	-106,400.00		-96,656.61
06/30/2026				1,443.10	
07/01/2026	9,779.80		9,779.80		8,852.37
11/01/2026		14,600.00	-14,600.00		-13,120.85
01/01/2027	114,463.30		114,463.30		102,497.98
05/01/2027		109,600.00	-109,600.00		-97,440.42
06/30/2027				43.10	
07/01/2027	8,484.02		8,484.02		7,515.71
11/01/2027		12,700.00	-12,700.00		-11,169.96
01/01/2028	115,759.08		115,759.08		101,447.83
05/01/2028		107,700.00	-107,700.00		-93,709.35
06/30/2028				3,843.10	
07/01/2028	7,195.38		7,195.38		6,238.22
11/01/2028		10,800.00	-10,800.00		-9,296.30
01/01/2029	117,087.25		117,087.25		100,423.63
05/01/2029		110,800.00	-110,800.00		-94,350.81
06/30/2029				2,682.63	
07/01/2029	5,794.47		5,794.47		4,916.54
11/01/2029		8,800.00	-8,800.00		-7,413.24
01/01/2030	118,448.63		118,448.63		99,424.86
05/01/2030		113,800.00	-113,800.00		-94,838.96
06/30/2030				1,643.10	
07/01/2030	4,399.06		4,399.06		3,652.95
11/01/2030		6,700.00	-6,700.00		-5,523.81
01/01/2031	119,844.04		119,844.04		98,450.98
05/01/2031		116,700.00	-116,700.00		-95,181.82
06/30/2031				843.10	
07/01/2031	2,968.76		2,968.76		2,412.67
11/01/2031		4,500.00	-4,500.00		-3,630.91
01/01/2032	121,274.34		121,274.34		97,501.47
05/01/2032		114,500.00	-114,500.00		-91,396.02
06/30/2032				5,243.10	
07/01/2032	1,511.01		1,511.01		1,201.79
11/01/2032		2,300.00	-2,300.00		-1,816.22
01/01/2033	122,740.32		122,740.32		96,575.76
05/01/2033		117,300.00	-117,300.00		-91,634.38
06/30/2033				4,651.33	
	1,475,233.02	1,442,755.56	32,477.46	32,477.46	37,335.25

Savings Summary

PV of savings from cash flow	37,335.25
Plus: Refunding funds on hand	3,279.47
	37,335.25

SAVINGS

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

Savings Summary

Net PV Savings	40,614.72
----------------	-----------

SUMMARY OF REFUNDING RESULTS

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

Dated Date	11/17/2021
Delivery Date	11/17/2021
Arbitrage yield	2.167190%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	1,150,000.00
True Interest Cost	1.514284%
Net Interest Cost	1.670567%
Average Coupon	4.000000%
Average Life	6.364
Par amount of refunded bonds	1,274,456.41
Average coupon of refunded bonds	2.501984%
Average life of refunded bonds	5.916
PV of prior debt to 11/17/2021 @ 2.167190%	1,309,660.92
Net PV Savings	40,614.72
Percentage savings of refunded bonds	3.186827%
Percentage savings of refunding bonds	3.531715%

BOND PRICING

McKinleyville Community Services District 2021 Utility Revenue Financing (30-Year)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
2021 Water Revenue Financing (30 Year Term - Public Offering), Bond Component:									
	05/01/2022	75,000	4.000%	0.370%	101.650				1,237.50
	05/01/2023	80,000	4.000%	0.440%	105.159				4,127.20
	05/01/2024	85,000	4.000%	0.530%	108.454				7,185.90
	05/01/2025	90,000	4.000%	0.630%	111.501				10,350.90
	05/01/2026	95,000	4.000%	0.780%	114.073				13,369.35
	05/01/2027	95,000	4.000%	0.900%	116.467				15,643.65
	05/01/2028	100,000	4.000%	1.040%	118.434				18,434.00
	05/01/2029	105,000	4.000%	1.150%	120.306				21,321.30
	05/01/2030	110,000	4.000%	1.270%	121.821				24,003.10
	05/01/2031	115,000	4.000%	1.370%	123.249				26,736.35
		<u>950,000</u>							<u>142,409.25</u>
2021 Water Revenue Financing (30 Year Term - Public Offering), Term1:									
	05/01/2032	115,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	22,568.75
	05/01/2033	120,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	23,550.00
	05/01/2034	125,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	24,531.25
	05/01/2035	130,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	25,512.50
	05/01/2036	135,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	26,493.75
		<u>625,000</u>							<u>122,656.25</u>
2021 Water Revenue Financing (30 Year Term - Public Offering), Term:									
	05/01/2037	145,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	25,279.30
	05/01/2038	150,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	26,151.00
	05/01/2039	155,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	27,022.70
	05/01/2040	160,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	27,894.40
	05/01/2041	165,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	28,766.10
		<u>775,000</u>							<u>135,113.50</u>
2021 Water Revenue Financing (30 Year Term - Public Offering), Bond Component #2:									
	05/01/2042	175,000	2.500%	2.760%	95.397				-8,055.25
	05/01/2043	180,000	2.500%	2.760%	95.397				-8,285.40
	05/01/2044	180,000	2.500%	2.760%	95.397				-8,285.40
	05/01/2045	185,000	2.500%	2.760%	95.397				-8,515.55
	05/01/2046	185,000	2.500%	2.760%	95.397				-8,515.55
		<u>905,000</u>							<u>-41,657.15</u>
2021 Water Revenue Financing (30 Year Term - Public Offering), Bond Component #3:									
	05/01/2047	195,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	29,634.15
	05/01/2048	205,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	31,153.85
	05/01/2049	210,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	31,913.70
	05/01/2050	220,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	33,433.40
	05/01/2051	230,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	34,953.10
		<u>1,060,000</u>							<u>161,088.20</u>
2021 Sewer Revenue Financing (30 Year Term - Public Offering), Bond Component:									
	05/01/2022	60,000	4.000%	0.370%	101.650				990.00
	05/01/2023	65,000	4.000%	0.440%	105.159				3,353.35
	05/01/2024	70,000	4.000%	0.530%	108.454				5,917.80
	05/01/2025	75,000	4.000%	0.630%	111.501				8,625.75
	05/01/2026	75,000	4.000%	0.780%	114.073				10,554.75
	05/01/2027	80,000	4.000%	0.900%	116.467				13,173.60
	05/01/2028	80,000	4.000%	1.040%	118.434				14,747.20
	05/01/2029	85,000	4.000%	1.150%	120.306				17,260.10
	05/01/2030	90,000	4.000%	1.270%	121.821				19,638.90
	05/01/2031	90,000	4.000%	1.370%	123.249				20,924.10
		<u>770,000</u>							<u>115,185.55</u>
2021 Sewer Revenue Financing (30 Year Term - Public Offering), Term1:									
	05/01/2032	95,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	18,643.75
	05/01/2033	100,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	19,625.00
	05/01/2034	105,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	20,606.25
	05/01/2035	110,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	21,587.50
	05/01/2036	110,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	21,587.50
		<u>520,000</u>							<u>102,050.00</u>
2021 Sewer Revenue Financing (30 Year Term - Public Offering), Term:									
	05/01/2037	115,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	20,049.10
	05/01/2038	120,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	20,920.80
	05/01/2039	125,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	21,792.50

BOND PRICING**McKinleyville Community Services District
2021 Utility Revenue Financing (30-Year)**

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>	<i>Yield to Maturity</i>	<i>Call Date</i>	<i>Call Price</i>	<i>Premium (-Discount)</i>
2021 Sewer Revenue Financing (30 Year Term - Public Offering), Term:									
	05/01/2040	130,000	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	22,664.20
	05/01/2041	<u>135,000</u>	4.000%	1.970%	117.434 C	2.829%	05/01/2031	100.000	<u>23,535.90</u>
		625,000							108,962.50
2021 Sewer Revenue Financing (30 Year Term - Public Offering), Bond Component #2:									
	05/01/2042	140,000	2.500%	2.760%	95.397				-6,444.20
	05/01/2043	145,000	2.500%	2.760%	95.397				-6,674.35
	05/01/2044	150,000	2.500%	2.760%	95.397				-6,904.50
	05/01/2045	155,000	2.500%	2.760%	95.397				-7,134.65
	05/01/2046	<u>155,000</u>	2.500%	2.760%	95.397				<u>-7,134.65</u>
		745,000							-34,292.35
2021 Sewer Revenue Financing (30 Year Term - Public Offering), Bond Component #3:									
	05/01/2047	160,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	24,315.20
	05/01/2048	165,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	25,075.05
	05/01/2049	175,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	26,594.75
	05/01/2050	180,000	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	27,354.60
	05/01/2051	<u>185,000</u>	4.000%	2.210%	115.197 C	3.199%	05/01/2031	100.000	<u>28,114.45</u>
		865,000							131,454.05
Davis-Grunsky Act Refunding, Bond Component:									
	05/01/2022	85,000	4.000%	0.370%	101.650				1,402.50
	05/01/2023	80,000	4.000%	0.440%	105.159				4,127.20
	05/01/2024	80,000	4.000%	0.530%	108.454				6,763.20
	05/01/2025	85,000	4.000%	0.630%	111.501				9,775.85
	05/01/2026	90,000	4.000%	0.780%	114.073				12,665.70
	05/01/2027	95,000	4.000%	0.900%	116.467				15,643.65
	05/01/2028	95,000	4.000%	1.040%	118.434				17,512.30
	05/01/2029	100,000	4.000%	1.150%	120.306				20,306.00
	05/01/2030	105,000	4.000%	1.270%	121.821				22,912.05
	05/01/2031	<u>110,000</u>	4.000%	1.370%	123.249				<u>25,573.90</u>
		925,000							136,682.35
Davis-Grunsky Act Refunding, Bond Component #2:									
	05/01/2032	110,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	21,587.50
	05/01/2033	115,000	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	22,568.75
	05/01/2034		4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	
	05/01/2035		4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	
	05/01/2036	<u>225,000</u>	4.000%	1.740%	119.625 C	2.387%	05/01/2031	100.000	<u>44,156.25</u>
		8,990,000							1,123,808.40

Dated Date	11/17/2021	
Delivery Date	11/17/2021	
First Coupon	05/01/2022	
Par Amount	8,990,000.00	
Premium	<u>1,123,808.40</u>	
Production	10,113,808.40	112.500650%
Underwriter's Discount	<u>-80,910.00</u>	<u>-0.900000%</u>
Purchase Price	10,032,898.40	111.600650%
Accrued Interest		
Net Proceeds	<u>10,032,898.40</u>	



All materials, including proposed terms and conditions, are indicative and for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation and will be evidenced by a formal agreement. Opinions expressed are our present opinions only and are subject to change without further notice. The information contained herein is confidential. By accepting this information, the recipient agrees that it will, and it will cause its directors, partners, officers, employees and representatives to use the information only to evaluate its potential interest in the strategies described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited. Except in so far as required to do so to comply with applicable law or regulation, express or implied, no warranty whatsoever, including but not limited to, warranties as to quality, accuracy, performance, timeliness, continued availability or completeness of any information contained herein is made. Opinions expressed herein are current opinions only as of the date indicated. Any historical price(s) or value(s) are also only as of the date indicated. We are under no obligation to update opinions or other information.

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. Oppenheimer does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and or counsel. The materials should not be relied upon for the maintenance of your books and records or for any tax, accounting, legal or other purposes. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of any potential transaction or structure described herein that are necessary to support any U.S. federal income tax benefits, without Oppenheimer imposing any limitation of any kind.

Oppenheimer shall have no liability, contingent or otherwise, to the user or to third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance or completeness of the data or formulae provided herein or for any other aspect of the performance of this material. In no event will Oppenheimer be liable for any special, indirect, incidental or consequential damages which may be incurred or experienced on account of the user using the data provided herein or this material, even if Oppenheimer has been advised of the possibility of such damages. Oppenheimer will have no responsibility to inform the user of any difficulties experienced by Oppenheimer or third parties with respect to the use of the material or to take any action in connection therewith. The fact that Oppenheimer has made the materials or any other materials available to you constitutes neither a recommendation that you enter into or maintain a particular transaction or position nor a representation that any transaction is suitable or appropriate for you.

© 2021 Oppenheimer & Co. Inc. Transacts Business on All Principal Exchanges and Member SIPC. All rights reserved. No part of this presentation may be reproduced in any manner without the written permission of Oppenheimer. Oppenheimer & Co. Inc., including any of its affiliates, officers or employees, does not provide legal or tax advice. Investors should consult with their tax advisor regarding the suitability of Municipal Securities in their portfolio. PF090711RM1

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
Revenues, Expenses and Debt Service Coverage Calculations
For Discussion Purposes Only

WASTEWATER ENTERPRISE

Description	Actual FYE 2016	Actual FYE 2017	Actual FYE 2018	Actual FYE 2019	Actual FYE 2020	Projected (1) FYE 2021	Projected (1) FYE 2022	Projected (1) FYE 2023	Projected (1) FYE 2025
OPERATING & NON-OPERATING REVENUES:									
Sewer Revenue	2,512,782	3,055,922	3,324,146	3,699,858	3,686,262				
Other service charges	90,818	95,339	95,929	82,951	88,614				
Operating Grant	4,333	0	66,089	3,335	183,216				
Interest Earnings	31,428	25,175	111,139	193,427	247,637				
TOTAL OP & NON-OP REVENUE	2,639,361	3,176,436	3,597,303	3,979,571	4,205,729	4,205,729	4,205,729	4,205,729	4,205,729
OPERATING EXPENSES:									
Salaries and related expenses	974,929	491,572	563,219	571,062	569,025				
Employee benefits	0	498,870	680,783	642,322	746,866				
Other Operating Expense	447,062	494,883	624,948	590,865	584,633				
TOTAL OPERATING EXPENSES	1,421,991	1,485,325	1,868,950	1,804,249	1,900,524	1,957,540	2,016,266	2,076,754	2,139,057
NET REVENUE FOR DEBT SERVICE	1,217,370	1,691,111	1,728,353	2,175,322	2,305,205	2,248,189	2,189,463	2,128,975	2,066,672
DEBT SERVICE									
State Revolving Fund Loan #1 (1996)	40,920								
Umpqua Bank Loan	55,734	55,734	27,624						
State Revolving Fund Loan #2 (1998)	27,906	27,906	27,882						
USDA Revenue Bonds (1982)	88,750	95,750	92,250	87,000	93,250	89,250	85,250	66,625	
State Revolving Fund Loan #3 (2015)				435,807	663,032	663,032	663,032	663,032	663,032
2020 Installment Sale Agreement						110,553	116,447	116,333	116,388
2021 Sewer Revenue Bonds (2)							151,409	251,200	251,400
TOTAL DEBT SERVICE	213,310	179,390	147,756	522,807	756,282	862,835	1,016,137	1,097,190	1,030,820
DEBT SERVICE COVERAGE	5.71	9.43	11.70	4.16	3.05	2.61	2.15	1.94	2.00

(1) Projections assume 0% growth in revenues and 3% growth in operating expenses.

(2) Preliminary numbers, subject to change. Based on 20 Year Term.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
Revenues, Expenses and Debt Service Coverage Calculations
For Discussion Purposes Only

WATER ENTERPRISE

Description	Actual FYE 2016	Actual FYE 2017	Actual FYE 2018	Actual FYE 2019	Actual FYE 2020	Projected (1) FYE 2021	Projected (1) FYE 2022	Projected (1) FYE 2023	Projected (1) FYE 2025
OPERATING & NON-OPERATING REVENUES:									
Water Revenue	\$2,953,489	\$3,287,859	\$3,180,456	\$3,311,915	\$3,660,510				
Other service charges	\$148,479	\$132,751	\$147,399	\$143,141	\$126,560				
State Grants	\$11,904	\$0	\$0	\$0	\$89,989				
Other Revenues	\$35,018	\$11,122	\$45,377	\$134,908	\$165,380				
TOTAL OP & NON-OP REVENUE	\$3,148,890	\$3,431,732	\$3,373,232	\$3,589,964	\$4,042,439	4,042,439	4,042,439	4,042,439	4,042,439
OPERATING EXPENSES:									
Water Purchase	\$855,642	\$933,907	\$867,122	\$1,056,472	\$1,094,722				
Salaries and related expenses	\$908,707	\$495,126	\$482,153	\$461,711	\$509,490				
Employee Benefits	\$0	\$465,960	\$595,365	\$549,586	\$624,094				
Other Operating Expenses	\$265,279	\$304,436	\$337,087	\$370,121	\$421,250				
TOTAL OPERATING EXPENSES	\$2,029,628	\$2,199,429	\$2,281,727	\$2,437,890	2,649,556	2,729,043	2,810,914	2,895,241	2,982,099
NET REVENUE FOR DEBT SERVICE	1,119,262	1,232,303	1,091,505	1,152,074	1,392,883	1,313,396	1,231,525	1,147,198	1,060,340
DEBT SERVICE									
ARRA Loan	12,451	12,451	12,451	12,451	12,451	12,390	12,390	12,390	12,390
Davis Grunsky Loan	141,278	141,278	141,278	141,278	141,278	141,278	141,278	141,278	141,278
I-Bank Loan	70,792	70,648	70,498	70,343	70,183	70,018	69,848	69,671	68,756
2021 Water Revenue Bonds (2)							185,167	305,600	304,800
TOTAL DEBT SERVICE	224,521	224,377	224,227	224,072	223,912	223,686	408,683	528,939	527,224
DEBT SERVICE COVERAGE	4.99	5.49	4.87	5.14	6.22	5.87	3.01	2.17	2.01

(1) Projections assume 0% growth in revenues and 3% growth in operating expenses.

(2) Preliminary numbers, subject to change. Based on 20 Year Term.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
 Revenues, Expenses and Debt Service Coverage Calculations
 For Discussion Purposes Only

WASTEWATER ENTERPRISE

Description	Actual FYE 2016	Actual FYE 2017	Actual FYE 2018	Actual FYE 2019	Actual FYE 2020	Projected (1) FYE 2021	Projected (1) FYE 2022	Projected (1) FYE 2023	Projected (1) FYE 2025
OPERATING & NON-OPERATING REVENUES:									
Sewer Revenue	2,512,782	3,055,922	3,324,146	3,699,858	3,686,262				
Other service charges	90,818	95,339	95,929	82,951	88,614				
Operating Grant	4,333	0	66,089	3,335	183,216				
Interest Earnings	31,428	25,175	111,139	193,427	247,637				
TOTAL OP & NON-OP REVENUE	2,639,361	3,176,436	3,597,303	3,979,571	4,205,729	4,205,729	4,205,729	4,205,729	4,205,729
OPERATING EXPENSES:									
Salaries and related expenses	974,929	491,572	563,219	571,062	569,025				
Employee benefits	0	498,870	680,783	642,322	746,866				
Other Operating Expense	447,062	494,883	624,948	590,865	584,633				
TOTAL OPERATING EXPENSES	1,421,991	1,485,325	1,868,950	1,804,249	1,900,524	1,957,540	2,016,266	2,076,754	2,139,057
NET REVENUE FOR DEBT SERVICE	1,217,370	1,691,111	1,728,353	2,175,322	2,305,205	2,248,189	2,189,463	2,128,975	2,066,672
DEBT SERVICE									
State Revolving Fund Loan #1 (1996)	40,920								
Umpqua Bank Loan	55,734	55,734	27,624						
State Revolving Fund Loan #2 (1998)	27,906	27,906	27,882						
USDA Revenue Bonds (1982)	88,750	95,750	92,250	87,000	93,250	89,250	85,250	66,625	
State Revolving Fund Loan #3 (2015)				435,807	663,032	663,032	663,032	663,032	663,032
2020 Installment Sale Agreement						110,553	116,447	116,333	116,388
2021 Sewer Revenue Bonds (2)							119,143	192,425	194,825
TOTAL DEBT SERVICE	213,310	179,390	147,756	522,807	756,282	862,835	983,872	1,038,415	974,245
DEBT SERVICE COVERAGE	5.71	9.43	11.70	4.16	3.05	2.61	2.23	2.05	2.12

(1) Projections assume 0% growth in revenues and 3% growth in operating expenses.

(2) Preliminary numbers, subject to change. Based on 30 Year Term.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
Revenues, Expenses and Debt Service Coverage Calculations
For Discussion Purposes Only

WATER ENTERPRISE

Description	Actual FYE 2016	Actual FYE 2017	Actual FYE 2018	Actual FYE 2019	Actual FYE 2020	Projected (1) FYE 2021	Projected (1) FYE 2022	Projected (1) FYE 2023	Projected (1) FYE 2025
OPERATING & NON-OPERATING REVENUES:									
Water Revenue	\$2,953,489	\$3,287,859	\$3,180,456	\$3,311,915	\$3,660,510				
Other service charges	\$148,479	\$132,751	\$147,399	\$143,141	\$126,560				
State Grants	\$11,904	\$0	\$0	\$0	\$89,989				
Other Revenues	\$35,018	\$11,122	\$45,377	\$134,908	\$165,380				
TOTAL OP & NON-OP REVENUE	\$3,148,890	\$3,431,732	\$3,373,232	\$3,589,964	\$4,042,439	4,042,439	4,042,439	4,042,439	4,042,439
OPERATING EXPENSES:									
Water Purchase	\$855,642	\$933,907	\$867,122	\$1,056,472	\$1,094,722				
Salaries and related expenses	\$908,707	\$495,126	\$482,153	\$461,711	\$509,490				
Employee Benefits	\$0	\$465,960	\$595,365	\$549,586	\$624,094				
Other Operating Expenses	\$265,279	\$304,436	\$337,087	\$370,121	\$421,250				
TOTAL OPERATING EXPENSES	\$2,029,628	\$2,199,429	\$2,281,727	\$2,437,890	2,649,556	2,729,043	2,810,914	2,895,241	2,982,099
NET REVENUE FOR DEBT SERVICE	1,119,262	1,232,303	1,091,505	1,152,074	1,392,883	1,313,396	1,231,525	1,147,198	1,060,340
DEBT SERVICE									
ARRA Loan	12,451	12,451	12,451	12,451	12,451	12,390	12,390	12,390	12,390
Davis Grunsky Loan	141,278	141,278	141,278	141,278	141,278	141,278	141,278	141,278	141,278
I-Bank Loan	70,792	70,648	70,498	70,343	70,183	70,018	69,848	69,671	68,756
2021 Water Revenue Bonds (2)							147,445	236,025	237,825
TOTAL DEBT SERVICE	224,521	224,377	224,227	224,072	223,912	223,686	370,961	459,364	460,249
DEBT SERVICE COVERAGE	4.99	5.49	4.87	5.14	6.22	5.87	3.32	2.50	2.30

(1) Projections assume 0% growth in revenues and 3% growth in operating expenses.

(2) Preliminary numbers, subject to change. Based on 30 Year Term.

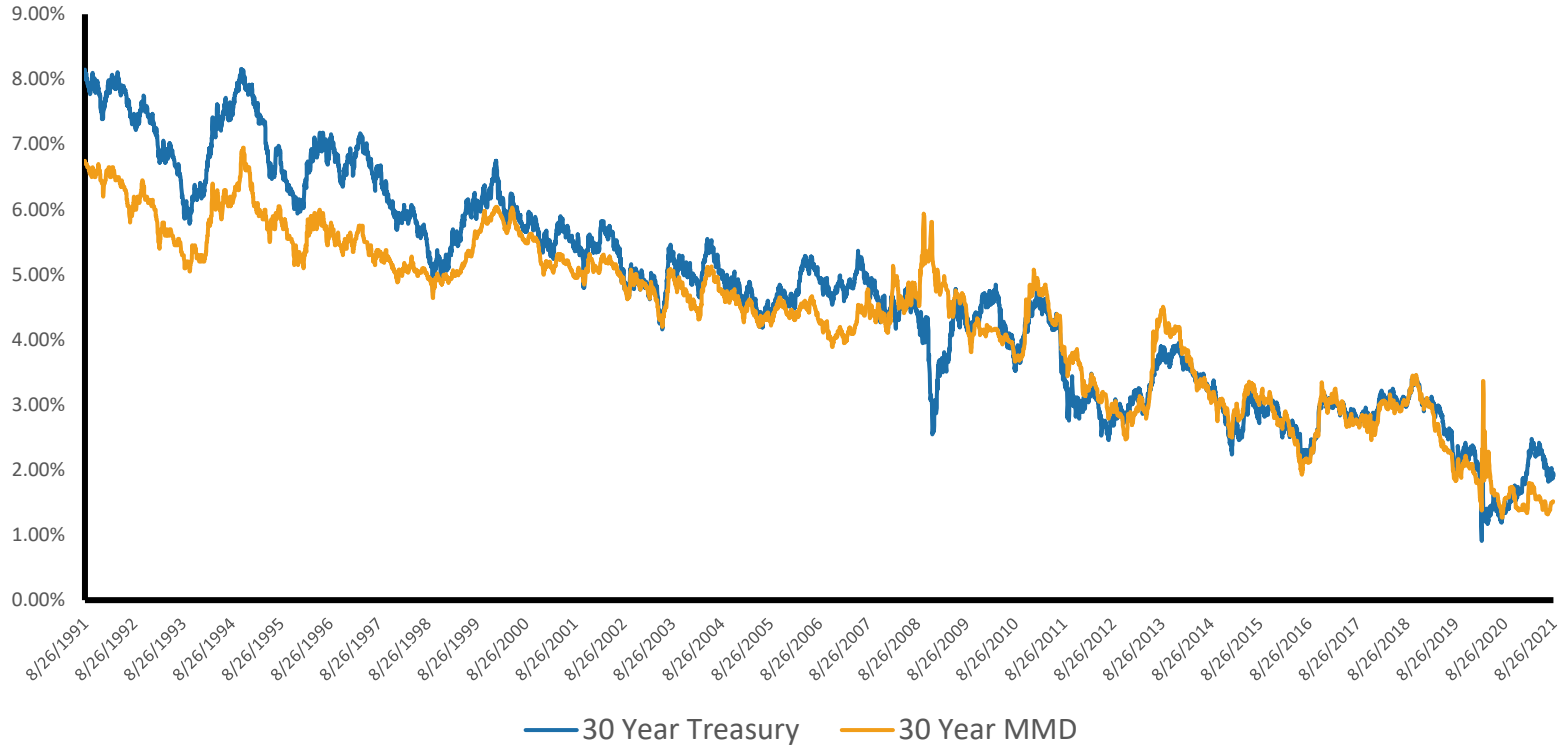


MCKINLEYVILLE COMMUNITY SERVICES DISTRICT 2021 WATER AND WASTEWATER REVENUE BONDS

Board Meeting - September 8, 2021

Market Rates – 30 Year History

Treasury and MMD Yields
1991-2021



*30-year treasury and MMD rates are near their historical all-time lows.

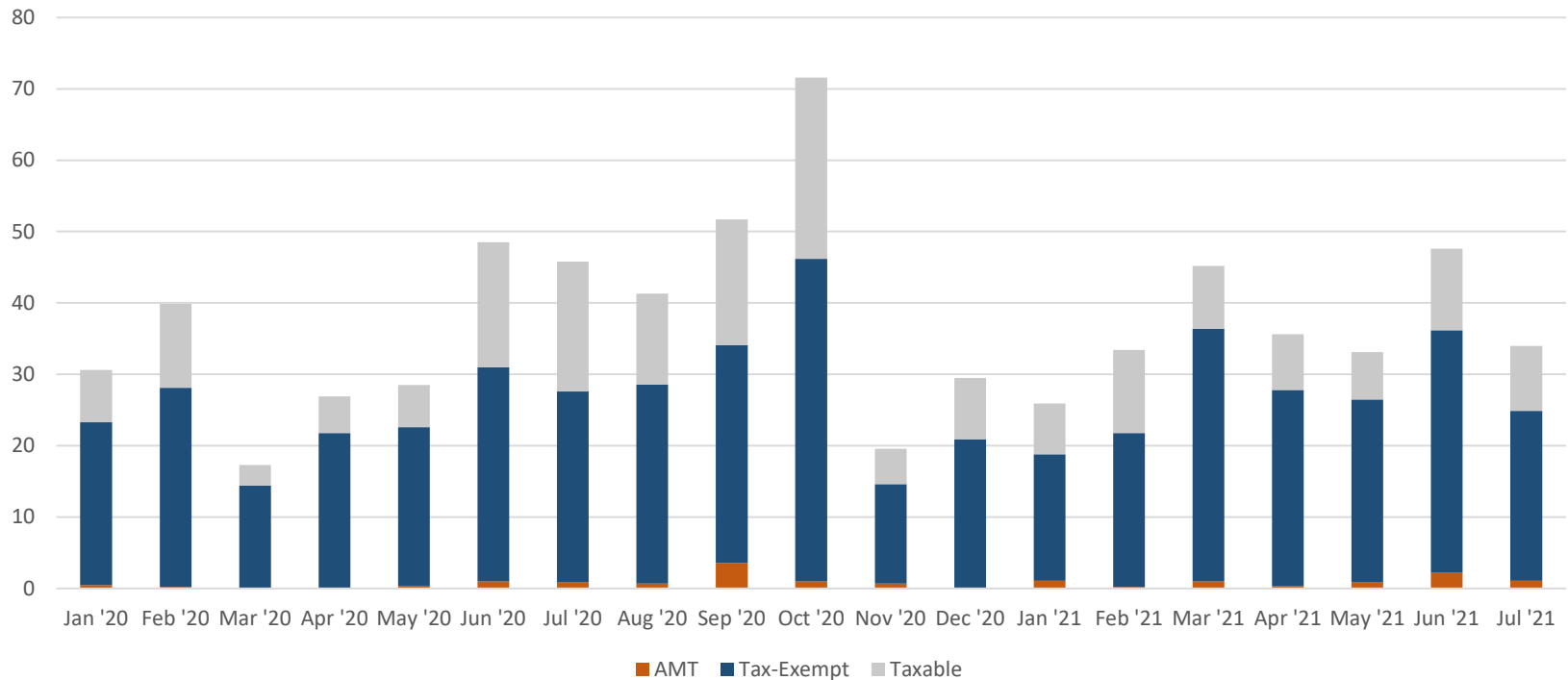
All-time lows

30-Year Treasury – 3/9/2020 - 0.91%

30-Year MMD – 8/7/2020 - 1.27%

Municipal Bond Supply

Municipal Bond Issuance (\$ billions)



- Through the first seven months of the year, muni volume is at \$263 billion.
- Issuance in July totaled \$31.9 billion.
- Demand has been strong with 25 consecutive weeks of municipal bond inflows.

Project Discussion

- District received Hazard Mitigation Grants from the Federal Emergency Management Agency (FEMA), each requiring a 25% match.
- The match for the \$10.3 million, 4.5MG Tank project would be \$2.6 million. The District's match for the \$6.7 million Sewer Crossing Project would be \$1.7 million, for a total District cost of \$4.3 million for both projects.
- In May, began evaluating financing options for the District's \$4.3 million match with Oppenheimer. Both a private placement and a public offering method of sale were evaluated.
- After consultation with the Audit committee and due to the historically low interest rates, it was suggested that we review an additional \$4M of funding for the first sewer and water main replacement project to total an \$8.5M public bond sale.
- After further consultation with the Audit committee, it was determined a 30 year public offering would provide the most benefit to the District due to the historically low rates and lower fiscal impact on the enterprise funds compared to a 20 year term.

Preliminary Financing Results

FINANCING SUMMARY	20 Year Private Placement	20 Year(1) Public Offering	20 Year(1) Public Offering	30 Year(1) Public Offering
Project Fund	\$4,300,000	\$4,300,000	\$8,500,000	\$8,500,000
Premium	N/A	\$703,276	\$1,281,264	\$942,970
Cost of Issuance	\$90,000	\$158,276	\$276,264	\$282,970
Par Amount	\$4,390,000	\$3,755,000	\$7,495,000	\$7,840,000
All-In True Interest Cost	2.97%	2.46%	2.58%	2.95%

DEBT SERVICE				
Average FY Debt Service	\$286,337	\$277,708	\$555,295	\$432,508
Total Debt Service	\$5,727,322	\$3,590,190	\$10,887,176	\$12,809,312

(1) Public offering results exclude the Davis Grunsky Loan refunding. Refunding would result in NPV savings of approximately \$40,000 (3.19%) and release the reserve fund estimated at \$125,000.

Advantages of 30-Year Term

- Would spread costs among Rate Payers who are actually using the infrastructure.
- Would result in lower rate impacts to rate payers.
- Less of an impact on the District's Debt Service Coverage Ratio.
- Provides for improved flexibility for financing any future improvements.

Financing Calendar

	Public Offering	Responsible Party
Week 1	Kick-off conference call with financing team	ALL
Week 2	Distribute financing calendar and IPL	UW
Week 3	1st draft of POS and legal documents distributed	BC/DC
Week 4	Comments due on documents and POS	ALL
Week 5	Agenda deadline for Board meeting	District
Week 6	Board meeting to approve transaction and related documents	District/UW
Week 7	Rating presentation review and conference call	UW/District
Week 8	Receive rating & bond insurance quotes	UW/District
Week 9	Distribute POS to investors	UW
Week 10	Pre-price bonds, price bonds / finalize numbers	UW
Week 11	Pre closing	BC/DC
Week 12	Close transaction	UW/BC



All materials, including proposed terms and conditions, are indicative and for discussion purposes only. Finalized terms and conditions are subject to further discussion and negotiation and will be evidenced by a formal agreement. Opinions expressed are our present opinions only and are subject to change without further notice. The information contained herein is confidential. By accepting this information, the recipient agrees that it will, and it will cause its directors, partners, officers, employees and representatives to use the information only to evaluate its potential interest in the strategies described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited. Except in so far as required to do so to comply with applicable law or regulation, express or implied, no warranty whatsoever, including but not limited to, warranties as to quality, accuracy, performance, timeliness, continued availability or completeness of any information contained herein is made. Opinions expressed herein are current opinions only as of the date indicated. Any historical price(s) or value(s) are also only as of the date indicated. We are under no obligation to update opinions or other information.

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy. Oppenheimer does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and or counsel. The materials should not be relied upon for the maintenance of your books and records or for any tax, accounting, legal or other purposes. In addition, we mutually agree that, subject to applicable law, you may disclose any and all aspects of any potential transaction or structure described herein that are necessary to support any U.S. federal income tax benefits, without Oppenheimer imposing any limitation of any kind.

Oppenheimer shall have no liability, contingent or otherwise, to the user or to third parties, or any responsibility whatsoever, for the correctness, quality, accuracy, timeliness, pricing, reliability, performance or completeness of the data or formulae provided herein or for any other aspect of the performance of this material. In no event will Oppenheimer be liable for any special, indirect, incidental or consequential damages which may be incurred or experienced on account of the user using the data provided herein or this material, even if Oppenheimer has been advised of the possibility of such damages. Oppenheimer will have no responsibility to inform the user of any difficulties experienced by Oppenheimer or third parties with respect to the use of the material or to take any action in connection therewith. The fact that Oppenheimer has made the materials or any other materials available to you constitutes neither a recommendation that you enter into or maintain a particular transaction or position nor a representation that any transaction is suitable or appropriate for you.

© 2021 Oppenheimer & Co. Inc. Transacts Business on All Principal Exchanges and Member SIPC. All rights reserved. No part of this presentation may be reproduced in any manner without the written permission of Oppenheimer. Oppenheimer & Co. Inc., including any of its affiliates, officers or employees, does not provide legal or tax advice. Investors should consult with their tax advisor regarding the suitability of Municipal Securities in their portfolio. PF090711RM1

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.2 **Review Microgrid Construction Schedule and Review Groundbreaking Dates**

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

TYPE OF ACTION: **Staff Direction**

Recommendation:

Staff recommends that the Board review the information provided, discuss, take public comment and provide Staff direction on preferred groundbreaking date and recommendations for individuals to invite to the groundbreaking.

Discussion:

Construction has begun on the Microgrid project at the District's Wastewater Management Facility (WWMF). The project will consist of the installation of solar panels and a battery system with sufficient capacity to run the entire WWMF. The current construction schedule is included as **Attachment 1**. Ameresco is the Prime Contractor for this \$3.2M project, which is funded by a grant and loan from the State Water Resource Control Board. Hooven & Co. are the contractor performing the civil site work and have been working the last couple weeks on clearing and grading the site for the solar panels. They will also be digging the utility trenches over the next few weeks, and the racks for the solar arrays should start going in the end of September or the first part of October. Staff and the Contractor thought this would be a good time to have a groundbreaking ceremony, hopefully before it starts raining.

The weeks of October 11th (Columbus Day) or October 18th were tentatively selected by Staff and the Contractor and Staff would like feedback from the Board on any conflicts of Board Members of these two weeks and if the Board had a preferred date.

Once a date is determined, Staff will send invites to the State Water Resources Control Board Staff, Senator McGuire, Assembly Member Woods, the Humboldt County Board of Supervisors, past MCSD Directors Shel Barsanti, Mary Burke, & John Corbett, the Prime Contractor-Ameresco, Subcontractors, Engineer-GHD, media outlets, and District Staff. If there are other individuals that should be invited, please let Staff know.

Alternatives:

Take Action

Fiscal Analysis:


Not applicable

Environmental Requirements:

Not applicable

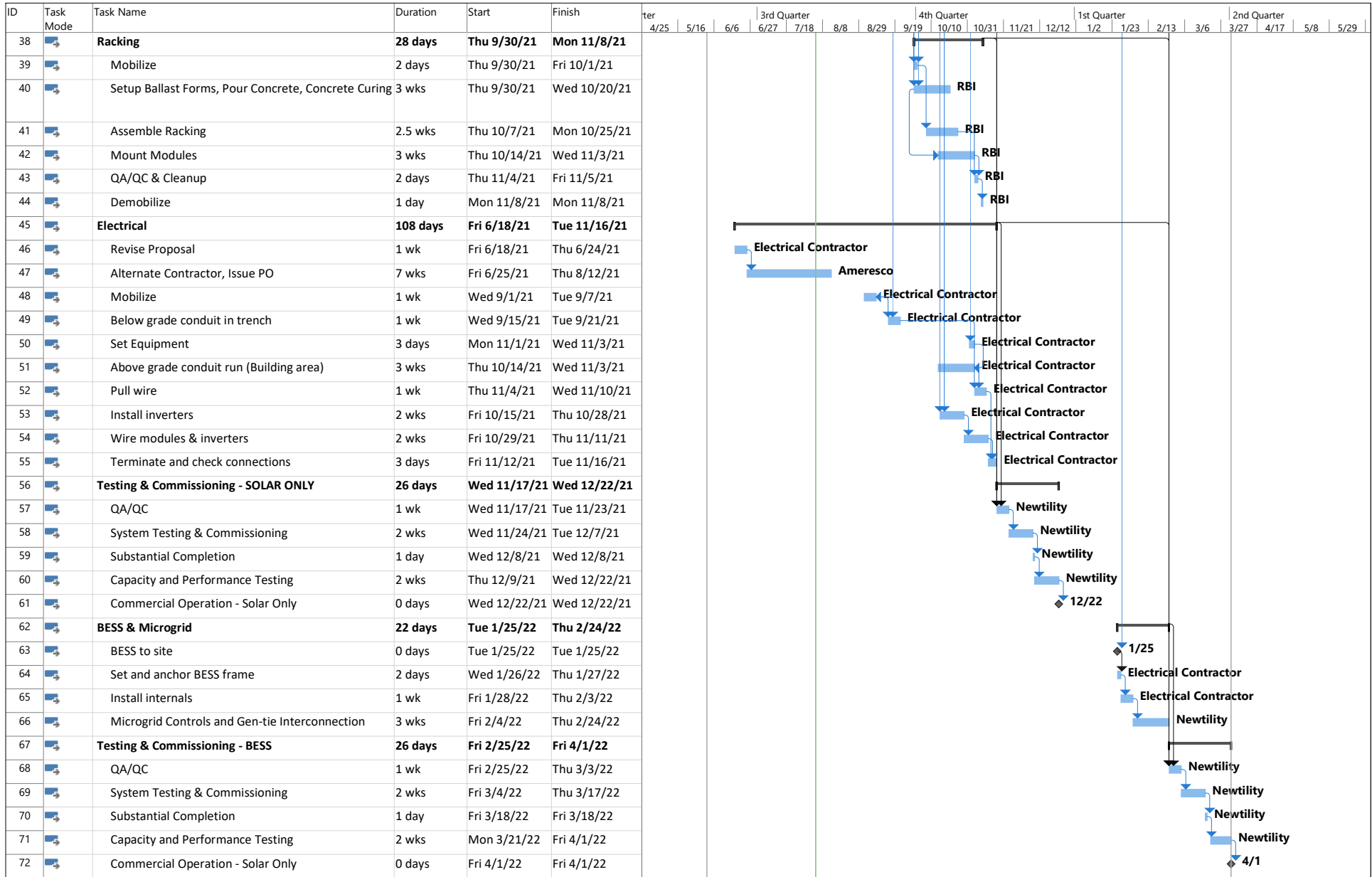
Exhibits/Attachments:

- Attachment 1 – Microgrid Construction Schedule

McKinleyville Community Services District SUBMITTAL TRANSMITTAL FORM					
Date:			Contract Title: McKinleyville CSD Microgrid Project		
To: GHD 718 Third Street Eureka, CA 95501 Jordan.King@ghd.com			From:		
Attention: Jordan King			Submitted By:		
Phone: (707) 267-2241 Fax: (707) 444-8330			Signature: 		
Spec Section	Submittal No.	Rev. No.	Qty.	Subject of Shop Drawing or Submittal	Review Action
Owner's Review Comments:					
Signature: _____ Date: _____					
Review Action Explanation:					
NET: Reviewed, No Exceptions Taken		MCN: Make Corrections Noted (no resubmission required)		R&R: Revise/Resubmit REJ: Rejected	

Shaded areas for Engineer use only.

This review is only for general conformance with the design concept and the information given in the Construction Documents. Notations made on the submittals during this review do not relieve the Contractor from compliance with the requirements of the construction documents, including without limitation, the plans and specifications, and all applicable laws and codes. Review of that specific item shall not include review of an assembly of which the item is a component. The Contractor is responsible for: dimensions to be confirmed and correlated at the jobsite; information that pertains solely to the fabrication processes or to the means, methods techniques, sequences and procedures of construction; and coordination of the Work with all other trades and performing all Work in a safe and satisfactory manner. This review is not for constructability or Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto. This review is subject to all provisions of the Contract Documents.



Project: Construction Schedule, Date: Wed 8/4/21	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

This Page Left Intentionally Blank

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider Approving Environmental Investigations for CEQA Categorical Exemption Filing for the BMX Track and Park Project**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the board review the information provided, take public comment and approve the General Manager to execute Professional Service contracts for the environmental investigations necessary for a filing a CEQA Categorical Exemption for the BMX Track and Park Project.

Discussion:

When staff met with the Statewide Park Development and Community Revitalization Grant Program (Prop 68 Grant) officer in July we learned that the State is very interested in our application for the BMX Track and Park at the School Rd. and Washington Ave. property; however, the state does not generally fund projects that have not completed the CEQA process. After discussion with the Grant Program officer and with staff at GHD, District staff determined that a Class-32 Categorical exemption is feasible for the project.

In order to file the categorical exemption a biological habitat assessment and cultural resources assessment must be completed. The scope of work for each of these can be reviewed in **Attachments 1 & 2**. The total cost for these assessments is approximately \$9,150.00. If the Prop 68 grant funds are awarded, this expense will be an eligible cost to be reimbursed by the grant.

Given that there is significant community support for this project and that MCK BMX community is actively fundraising to bring the project to fruition, compliance with CEQA is going to be a required no matter how the project gets funded. Completing the compliance process sooner rather than later, will open the doors for other funding opportunities in the future.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

This was an unbudgeted expenditure that will be funded from the General Fund and reimbursed from the Project 68 grant if the grant application is successful

Environmental Requirements:

To support eventual CEQA finding for the project

Exhibits/Attachments:

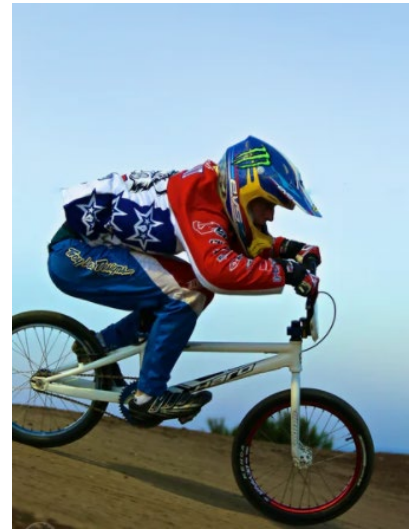
- Attachment 1 – Biological Habitat Assessment Scope of Work
- Attachment 2 – Cultural Resources Assessment Scope of Work



Habitat Assessment and Wetlands/Upland Delineation

McKinleyville BMX Track

August 2021



Task 1 Biological Studies

1.1 Sensitive Natural Communities Assessment

Vegetation communities within the designated Project Study Boundary (PSB) will be documented in the field and classified at the alliance level according to the Manual of California Vegetation using the Rapid Assessment method. Vegetation communities onsite will be evaluated to determine whether they qualify as Sensitive Natural Communities (which include vegetation communities with a State rarity ranking of S1, S2 or S3). Sensitive Natural Communities will be mapped using GPS and aerial imagery. Detailed habitat description(s) with dominant species listed and a description of abiotic conditions will be included based on site observations. Findings of the assessment will be included in the Technical Memorandum described in sub-task 1.3. If applicable, recommendations for further actions or conservation measures to protect Sensitive Natural Communities will be included in the memorandum.

1.2 Wetlands/Upland Delineation

A GHD wetlands team will conduct a wetlands delineation within the designated PSB focused on identifying wetlands that meet the definition of the U.S. Army Corp of Engineers (USACE) criteria (three-parameter approach) from the Corps of Engineers Wetlands Delineation Manual (USACE 1987) and Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Western Mountains, Valleys and Coast Region (USACE 2010) and one-parameter wetlands as defined by the Community Plan.

Vegetation and soil data will be collected at transects across the presumed wetland boundary with two plots (upland/wetland) per transect (intermediate plots may be placed without collection of data as appropriate). Soil pits will be dug to approximately 18 inches. Data on soil color, texture and redoximorphic features will be collected. Data on hydrologic conditions will be collected if observed.

Vegetation data collection will consist of listing the five dominant species at each plot. The species will then be classified as to whether or not they are wetlands indicators, using the most current standard reference for plant wetland indicators: State of California 2016 Wetland Plant List (Lichvar et al. 2016). The list classifies plants based on the probability that they would be found in wetlands, ranging from Obligate (almost always in wetlands), Facultative/wet (67% to 99% in wetlands), Facultative (34% to 66% in wetlands), Facultative/up 1% to 33% in wetlands) to Non-indicator (less than 1% in wetlands). Plants not listed are included in the uplands category. If 50% or greater of the dominant plant species at each plot are classified as either Obligate (OBL), Facultative/wet (FACW), or Facultative (FAC), the vegetative mix is determined to be hydrophytic (wetland plants).

A determination of the wetland boundary will be made based on soil, hydrology (if present), and vegetation parameters (three-parameter approach) and the one-parameter approach. Once wetland and upland characteristics are determined for each transect data points will be collected on the wetland boundary. Transect points along the wetland boundary will be mapped using Global Positioning System (GPS) capability on a suitable device with post-processing analysis to establish sub-meter accuracy.

Based upon previous visits to the site and analysis of the U.S. Fish and Wildlife's National Wetland Inventory Mapper, no three-parameter wetlands exist within the PSB. It is anticipated that this

wetland delineation as described will confirm the absence of wetlands and presence of uplands. A technical memo will be prepared to describe findings, which is described in sub-task 1.3.

1.3 Technical Memorandum

GHD will provide a Technical Memorandum that will include the findings of the Sensitive Natural Community assessment and wetland delineation within the Project Area. The memo will include supporting data forms for the Sensitive Natural Community assessment and wetland delineation, site photos, and a map. A single draft will be provided to the client for review and comment prior to finalizing the technical memorandum. This technical memorandum is not a full wetland delineation report, and therefore it will not satisfy the USACE. However, this is not expected to be an issue because the PSB is assumed to be comprised entirely of uplands.

Assumptions

This scope of work and associated budget is based upon the following assumptions:

- Assumes the client will provide one (1) combined set of comments to GHD phase using track changes in Microsoft Word on all reviewed draft documents.
- Site access will be facilitated and/or provided by the client to support all field investigations.
- The budget presented for each task is an estimate. Some tasks may require greater or lesser effort. The total fee estimate will not be exceeded without a signed contract amendment.
- Current charge out rates apply through December 2022, after which point hourly rate increases will be negotiated.
- No wetlands are expected (one or three-parameter) onsite, but if wetlands are detected, a contract amendment may be necessary to perform a wetland delineation and prepare a report and maps to USACE standards.
- The technical memorandum will not satisfy the USACE for a preliminary jurisdictional determination of wetlands, however the site is assumed to be comprised entirely of uplands and therefore a technical memorandum is assumed to be an appropriate method of summarizing findings of sub-task 1.2.

Task 1 Timeline

Task 1 will be completed by October 5, 2021.

Task 1 Budget

The Project will be billed on a time and materials basis for a total fee of \$4,845 (see Table 1 below for a budget breakdown). If wetlands are observed and preparation of a full wetland delineation report is required (to meet USACE standards), GHD will notify MCSD and either prepare an amendment to this scope of work and fee or develop a separate scope of work and fee.

Table 1. Budget Breakdown

Sub-task	Cost
Sub-task 1.1 – Sensitive Natural Community Assessment	\$725
Sub-task 1.2 – Wetland Delineation	\$1,590
Sub-task 1.3 – Technical Memorandum	\$2,530
Total	\$4,845

August 24, 2021

FIRM INTRODUCTION

James Roscoe M.A., Principal Investigator
Roscoe and Associates
Cultural Resources Consultants
3781 Brookwood Drive
Bayside, CA 95524
(707) 845-5239

Roscoe and Associates (RA) is a cultural resources consulting firm providing professional cultural resources management services to Federal, State, and local agencies; Northwest California Tribes; and private individuals for over 35 years. RA personnel have extensive experience implementing and meeting the full range of State and Federal legislative laws and regulations regarding prehistoric and historic cultural resources.

Key personnel possess education and experience which exceeds existing consultant qualification requirements. RA staff has the personnel, facilities, and equipment necessary to complete a variety of tasks in an efficient and timely manner including: project inventory; site mapping; excavation; NAGPRA assistance; historical research, identification and management of cultural resources as dictated by federal and state laws; determining eligibility of sites to the California Register of Historic Resources, the National Register of Historic Places, and as Traditional Cultural Properties; Ethnographic Consulting; and construction monitoring.

SCOPE OF WORK

Roscoe and Associates is pleased to submit this scope of work for an archaeological survey report (ASR) for the McKinleyville Community Services District (MCSD) Project located at APN#508-242-043, McKinleyville, Humboldt County, California.

The objective of the cultural resources investigation is to identify known or unknown cultural resources located within the project's Area of Potential Effects (APE). This will be accomplished by conducting background historic research, correspondence with knowledgeable individuals and tribes, an intensive pedestrian field survey, and preparation of an Archaeological Survey Report (ASR) per professional reporting standards.

This project is subject to regulatory compliance with the California Environmental Quality Act (CEQA) and potential oversight from federal agencies which would require compliance with Section 106 of the National Historic Preservation Act (NHPA). This cultural resource

survey is designed to satisfy these environmental requirements by identifying and recording cultural resources within the project APE and offering a preliminary significance evaluation of the identified cultural resources. If needed, recommendations will be designed to protect resources integrity.

Pre-field research will include conducting background and archival research at local libraries, historical societies, and any other repositories that might contain information about the project area. A formal records check of the APE with a 1/2-mile radius will be conducted by Roscoe and Associates at the Northwest Information Center (NWIC), the regional office of the California Historical Resources Information System located in Rohnert Park, CA. All relevant documents will be reviewed and information pertinent to the project area will be included in the report. Roscoe and Associates will conduct consultations with the Native American Heritage Commission and local Native American tribes throughout the duration of the investigation.

The field survey will consist of an intensive pedestrian reconnaissance (10 meter transects) of the APE. All previously recorded and newly identified historic period or prehistoric cultural resources will be documented on DPR 523 series archaeological site records to a standard consistent with the Department of the Interior guidelines for recording historic resources. This is a Phase I – cultural resources investigation; no collecting and no ground disturbance exceeding ten centimeters below ground surface will be conducted.

An ASR detailing the regional prehistory, ethnographic/historic background, Native American consultation, study methods, findings and recommendations will be prepared. Maps will be provided showing the cultural resources survey area, any archaeological site locations, and historic imagery. The final report will be supplied to Pat Kaspari, P.E. of MCSD and the NWIC.

Name: MCSD APN 508-242-043 P. Kaspari

Personnel	Hourly Rate	Subtotal
Principal Investigator	95.00	855.00
Research Associate	40.00	1,680.00

Project Management, Prefield Research, & NA Consultaion	Hours	n	Total Hours	Cost	Subtotal
Principal Investigator	3	1	3	285.00	
Research Associate	5	1	5	200.00	
					485.00
 Field Investigation					
Principa Investigator	8	1	8	760.00	
Research Associate	8	1	8	320.00	
					1,080.00
 Report Preparation and Site Record Production					
Principal Investigator	6	1	6	570.00	
Research Associate	29	1	29	1,160.00	
					1,730.00
				Labor Total:	3,295.00

OTHER DIRECT COSTS	Unit Cost	n	Cost	
Mileage - CA Rate '21 (One RT to NWIC)	0.560	540	302.40	
Records Search NWIC	150.00	1	150.00	
			Total ODCs	452.40
			Cost Subtotal	\$ 3,747.40
			Overhead @15%	562.11
			Total Cost	\$ 4,309.51

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **ACTION**

ITEM: E.4 **Consider First Reading of Ordinance 2021-07 Adding Section 68.05 to Regulation 68, Latent Powers of Article Vi: Miscellaneous, Addressing Reclamation Authorities in the MCSD Rules and Regulations**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends that the Board review the provided material, discuss, take public comment, and conduct the first reading of Ordinance No. 2021-07 (**Attachment 1**) Adding Section 68.05, by title only.

Discussion:

As the Board may recall, the Latent Powers Committee brought forth a list of recommendations in February of 2021, which the Board directed staff to complete. To date, the Board has completed the recommendations regarding policies on homeless services, clarification regarding the relationship between MCSD and the McKinleyville Municipal Advisory Committee (MMAC), and clarification of Library Powers. Staff is now prepared to bring the next item forward for consideration. This item addresses the reclamation authorities exercised by MCSD as they pertain to current water, wastewater, and parks and recreation powers.

The District currently executes reclamation powers such as reclaimed wastewater to irrigate adjacent lands, the ability to modify, dismantle, and reclaim obsolete facilities, such as the old percolation ponds in order to connect and restore them to the Mad River, and the reclamation of biosolids from the wastewater process. The District has reclaimed, treated wastewater for irrigation at the Fischer property since the 1980's, and used stormwater detention basin installed as part of the District's Open Space powers to reclaim stormwater for groundwater recharge, also since the 1980's. These current executed powers are a part of the District's Wastewater Authority under Government Code 61100(b) and the District's National Pollution Discharge Elimination System permit and were uses that were well established prior to January 1, 2005.

Ordinance No. 2021-04 added regulation 68: Latent Powers to the Rules and Regulations and became effective May 7, 2021. Ordinance No. 2021-07 adds 68.05 to clarify current reclamation uses and specifies the reserved right to proceed independently on reclamations projects based upon the history of similar projects executed before January 1, 2005.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Ordinance No. 2021-07

ORDINANCE NO. 2021-07

**AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
ADDING SECTION 68.05 TO REGULATION 68, LATENT POWERS OF ARTICLE VI:
MISCELLANEOUS, ADDRESSING RECLAMATION AUTHORITIES IN THE MCSD
RULES AND REGULATIONS**

WHEREAS, the McKinleyville Community Services District (MCSD) recently discussed and appointed an ad-hoc subcommittee to review the District's Latent Powers; and

WHEREAS, the Latent Powers Committee recommended, later approved by the full MCSD Board, to clarify existing and future Latent Powers of the District; and

WHEREAS, the District wishes to clarify their powers and authorities relating to reclamation authorities as they pertain to current water, wastewater, and parks and recreation powers; and

WHEREAS, the District currently executes reclamation powers such as reclaimed wastewater to irrigate adjacent lands, the ability to modify, dismantle, and reclaim obsolete facilities, such as the old percolation ponds in order to connect and restore them to the Mad River, and the reclamation of biosolids from the wastewater process; and

WHEREAS, these current executed powers are a part of the District's Wastewater Authority under Government Code 61100(b) and the District's National Pollution Discharge Elimination System permit; and

WHEREAS, these uses were well established prior to January 1, 2005 with reclaimed, treated wastewater being used for irrigation at the Fischer property since the 1980's and the use of existing stormwater detention basins installed as part of the District's Open Space powers to reclaim stormwater for groundwater recharge; and

WHEREAS, the District wishes the right to proceed independently on reclamation projects based on this history.

NOW, THEREFORE, the Board of Directors of the McKinleyville Community Services District ordains as follows:

Rule 68.05: Reclamation Authorities, is added to Regulation 68, Latent Powers, of Article VI of the District's adopted Rules and Regulations to read as follows:

Rule 68:05: Reclamation Authorities

The District does not intend to construct, maintain and/or operate flood protection facilities under California Government Code Section 61100(r) as these powers are generally under the purview of Humboldt County in the McKinleyville area.

The District does, however, exercise “reclamation” powers under existing water, wastewater, and parks and recreation authority.

Current powers covered by the Districts Wastewater Authority under 61100(b) and the District’s National Pollution Discharge Elimination System (NPDES) permit include, but is not limited to:

- Use of reclaimed wastewater to irrigate adjacent lands,
- The authority to modify, dismantle, and reclaim obsolete and unused facilities, such as the old percolation ponds to connect and restore them to the Mad River,
- Reclamation of biosolids from the wastewater process,
- Use of stormwater basins to recharge groundwater.

These uses and powers were established before January 1, 2005, with the use of reclaimed treated wastewater at the Fischer property for irrigation since the 1980’s.

The District reserves the legal rights to proceed independently on reclamation projects based upon a history of such projects before January 1, 2005. The District will seek permission from the County to proceed either on a programmatic or project-by-project basis as appropriate for other projects that may be considered “flood control”.

This Ordinance shall take effect and be in full force and effective thirty (30) days after its passage.

Introduced at a regular meeting of the Board of Directors held on _____ and passed and adopted by the Board of Directors on _____, upon the motion of Director _____ and seconded by Director _____ and by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Attest:

Dennis Mayo, Board President

April Sousa, MMC, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.5 **Annual Board Self-Evaluation Review and Discussion**

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

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board review the information presented (process, desired outcomes, and overall compilation of data), open for public comment, and discuss the results of the 2021 Board Self-Evaluation.

Discussion:

Per the Board of Directors Policy Manual Rule 11, the Board is committed to its own performance as a board in order to identify the Board's strengths and areas in which it may improve the Board's functioning. The goals of the self-evaluation are to clarify roles, to enhance harmony and understanding among Board members, and to improve the efficiency and effectiveness of the Board meetings. The ultimate goal is to improve MCSD policies for the benefit of the McKinleyville community and employees of the District.

Members of the Board completed the approved self-evaluation questionnaire, consisting of several open-ended questions. The results have been compiled for the number of Board Members that completed the forms (**Attachment 1**).

Alternatives:

Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Summary of Board Self-Evaluation Worksheets

McKinleyville Community Services District
Board of Directors Self-Evaluation Worksheet

In order to truly understand how the Board is doing as elected officials for the McKinleyville Community Services District, please answer each question while specifically thinking about you and your opinion on your own effectiveness as a Board member.

1. Please briefly describe your understanding the vision and mission of the McKinleyville Community Services District?
 - To provide water, sewer, parks, recreation and streetlight services for MCSD customers and the McKinleyville community.
 - To deliver wastewater, sewer, streetlights, open space, library, and parks/rec services to the residents of the District in a fiscally responsible and equitable manner.
 - It's pretty cut and dry. "...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" can only be interpreted one way.
 - Maintain an atmosphere that allows MCSD to fulfill our mission statement to our rate payers.
 - I focus on the powers of the District

2. Over the last year, in what ways have you supported the vision and mission of MCSD?
 - I serve on multiple MCSD committees, participate fully during MCSD BOD meetings and make myself available to community members for their input.
 - Very little other than attend board meetings and maintain a landscaping strip in my neighborhood.
 - As a member of the Board, I've participated in decision-making in order to serve the community well as a whole. I do my research quite thoroughly, learning about the issues at hand. I've then used that knowledge to confidently support (or not) items that come before us with a firm resolve to uphold the mission/vision of the District. That is precisely what I was elected to do, and I hold that trust seriously.
 - Local & state advocacy and attention to MCSD bottom line.
 - Last year with Covid have had limited contact with public so mainly through meetings and committee assignments.

3. In what ways do you think the Board or Staff could better supported the vision and mission of MCSD?
 - At this point, I see no deficiencies in board or staff's effort in carrying out the mission and vision of MCSD.
 - I see Scott Binder and some staff members active in the community, I think that goes a long way in supporting the vision/mission of the MCSD. It also seems that

everyone is extremely knowledgeable about the projects and potentials of the MCSD.

- I currently think that both the Board and Staff are doing all they can do to support the vision and mission. If anything, Staff could better promote to the public the work that the District is doing on their behalf, although I'm not sure in what form that would take.
- Doing a fine job now – perhaps an eye to more community PR articles, news, etc.
- Think it is good.

4. Do you feel you have a good working relationship with the other Board members? Explain.

- Absolutely, I have had a working relationship with Directors Couch and Mayo for over 10 years and have been communicating with Directors Clark-Peterson and Binder since they announced their candidacies.
- No. I don't want to blame it all on COVID or my full-time job, but I think these two things have something to do with it. Nevertheless, this lack of a working relationship has been bothering me, so I finally started thinking up ways to change this. I started with Scott, who walks a lot in my neighborhood, and I recently joined him to talk shop and get more acquainted. I had also not been putting the PARC meetings on my calendar, but I have added them and will make that a priority so that I can be more informed, connected, and engaged. Hopefully these baby steps will help!
- Sure. Although we have diverse backgrounds, we all have good common sense and respect our mutual commitment to the job that we are entrusted to. Personally, I don't interact with fellow board members much outside of the realm of District business; when we are in session, I can work with them all to a good result.
- Yes.
- Think so. Have to be careful due to Brown act.

5. Do you have any suggestions for improving the working relationship with the other Board members?

- I think a board retreat would be a great way also would encourage all board members to participate in association conferences.
- I don't have any suggestions, but I am open to yours!
- Other than getting together socially and learning more about one another, no. Of course, that would have to be done on a one-on-one basis, as to not give a public perception of the possibility of a Brown Act violation.
- Keep up our ACWA and CSDA trainings and keep listening.
- No.

6. Do you feel you have a good working relationship with the General Manager? Explain.

- A good working relationship is a two-way street and am comfortable with my access to GM Kaspari and his responsiveness. My main reason for running for the MCSD board was to provide support to the GM.
 - Yes, in that Pat is welcoming, responsive, and patient and as a new person to the MCSD world I thoroughly appreciate those qualities!
 - Yes. GM Kaspari has always been very responsive to my questions and needs. He is knowledgeable, respectful, and professional. His communication skills drive my opinion the most; he is always quick to answer emails that may or may not be timely...and if he doesn't have an answer for me, he knows who to ask.
 - Yes.
 - Feel it is good. Will be more involved with GM next year.
7. Do have any suggestions for improving the working relationship between the General Manager and the Board?
- not at this time
 - No suggestions. It seems like a functional, pleasant relationship as far as I can tell.
 - No, I think that he does just fine. My fellow Board members with tenure may be able to answer this better, as they can weigh this question against the responsiveness of the former GM.
 - none
 - No.
8. What are MCSD's major programs and services that you would like to know more about?
- Since I have only been retired for a tad over one year, I am still fairly informed on all programs and services.
 - I know what they all are superficially, but don't have the dollar amounts or timelines
 - I am most interested in knowing more about the infrastructure related to water delivery and wastewater removal and treatment, from the Ranney wells in the Mad River, to ratepayer usage, and back to the river or ocean. The complete cycle. I'm particularly intrigued by the geographical physics involved in the movement of the product.
 - Never stop studying.
 - All good.

9. Do you follow trends and important developments in industries and services that MCSD provides? If yes, please give examples. If no, what would help you to do more in this area?

- I follow water and wastewater related regulations, water quality and supply standards state and federal and special district legislative advocacy
- No. I appreciate the emails that Dennis/Pat forward us on the occasional relevant topic because otherwise I do not follow these trends.
- I try to follow what I read on the CSDA website, as well as some trade publications such as WWD. I've been reading lately about infrared wastewater treatment and have discussed the pros/cons and limitations of this approach at our WW facility with members of the staff.
- Yes – fuel and material costs, legislative effects, EPA & ESA changes.
- Yes, due to my work in water and wastewater.

10. Do you understand MCSD's financial statements? What would help you with this?

- Not only do I understand the financial statements I have high level of understanding on revenues, reserves and cash flow requirements.
- No. The only thing I can think of that would increase my comprehension is a monthly 15-minute meeting with Colleen where I could ask questions and/or she could point out columns/figures of interest.
- I have a basic working knowledge of District finances and am learning more as items that relate to it pass through the Board. I have asked and have been receiving monthly Treasurer's Reports in .xls format, as this makes it easier for me to follow. Thanks to Finance Director Trask for this very clean method of passing on such information.
- Well enough.
- Yes. Has taken a while but good now. Financial statements have been made easier to understand through my time on board due to staff effort.

11. Do you feel that the District and Board act knowledgeably and prudently when making recommendations about MCSD finances and financial policies in consideration of the District as a whole?

- As of right now yes. With the on boarding a new finance director I believe special effort could be necessary to ensure clear and concise policy positions will be necessary.
- Yes - totally.
- Yes, I do. Recommendations and policy are well thought out and prudent, to the best of my limited but increasing awareness.

- Yes.
- Yes.

12. In what ways do you prepare for and participate at Board/Committee meetings as well as other MCSD events?

- Review the board packets early enough to have time for a full review. take good notes at board and committee meetings and get my assignments accomplished on time.
- I meet for 30-60 minutes with Pat and April to go over agenda items. I read the agenda packet.
- I fully read the board packet, ask questions of staff if something isn't clear, and do outside research on my own if applicable.
- Studying our materials and packets, attend public venues, legislative advocacy.
- Read material, study issues.

13. What skills do you possess that you would be willing to volunteer to further the MCSD vision and mission?

- I am willing to provide effort for just about anything that the board or staff feel I could provide help at getting accomplished
- At least before COVID, I had people skills ha. Also, project coordinating, community organizing and event production and social media skills. If the MCSD ever had a table at a fair, I'd be interested in tending to it - that would allow me to interact with people and learn what they're interested in and although I probably wouldn't know the answers to the questions, I'd be good at finding out the answers (by talking to staff/board) and reporting back to the inquirers which would help me learn!
- In particular, furthering the Disaster Preparedness segment of our Board's Five-Year Strategic Plan. As a CERT team member and one who has many Continuing Education credits primarily focusing on rural and tribal disaster planning and mitigation, I could be of service in this regard. As always, I'm very accessible to the public via social media, and people trust me to give complete and accurate answers to their questions.
- Ha Ha. I am barely plugging along with limited skills – so just keep showing up.
- Anything to help out

14. Do you complete assignments and responsibilities assigned to you in a responsible and timely manner? If no, what can assist you in this?

- Yes, I make it a priority.
- I don't recall an assignment or responsibility that was assigned to me as of yet.
- Yes. I very much operate by schedule, both calendar and clock. I very rarely am late for anything.

- Yes.
- Yes.

15. How often do you take advantage of opportunities to enhance the MCSD public image by periodically speaking to others about the work of the District?

- Every opportunity that I am available for. Now that COVID restrictions are loosening up I will have to reestablish my connections to the community.
- When I'm out and about, people often tell me they're glad I'm on the board and that they voted for me, and I always use that opportunity to speak highly of the staff/fellow board members and their foresight and how well they run McKinleyville.
- Very frequently. As one who is prevalent and transparent on local social media, I not only am able to answer questions posed on the various platforms of our community members, but also take the initiative to promote trending projects such as the Community Forest, the BMX track, the Mad River Floodplain, and other work that the District is involved in. I also promote the use of District physical resources such as Azalea Hall and the Teen Center/Activity Center.
- Every day.
- Frequently.

16. Do you have additional ideas for programs or outreach to enhance MCSD's public image?

- Social media is ever changing, and I think using it to the utmost will only improve our ability to tell our story at MCSD.
- Monthly or quarterly call-in radio show on KMUD.
- Weekly Q&A in Mad River Union where readers send questions in to be answered in the column by relevant staff.
- The most cost-effective method would be to use Facebook to better promote District transparency by producing content such as cost savings that District staff has identified for each month, information relating to the 4.5M gallon tank plan, the water/sewer mainline plan, and especially the micro-grid project which appeals to a very broad section of our community. More collaboration with the Chamber of Commerce co-sponsoring community events would be another good way.
- I'm pretty well understood on that.
- No.

17. What are the potential challenges you see impacting the Board and/or District in the next 1-3 years? What can be done to limit or overcome these challenges?

- making the Parks Department solvent should be our highest priority. the next water and sewer rate study will be important. Getting through the next audit with a new finance director may present some challenges and should be taken on in a proactive way.
- All I can think of is needing the hike up the tax to support parks/rec. I think that implementing ideas within number 16 as soon as possible will help with that eventual effort to raise and PASS the tax.
- The proposed Trinidad Rancheria Mainline Extension to wheel water to the Westhaven area is likely to be one of the more contentious challenges that we may encounter within that time frame. What can be done to limit or overcome challenges would depend upon the specific issues raised during the process, so those will be addressed as they surface.
- Fuel Costs – impacts from anti-fossil fuel advocates.
- Never be strong armed into positions with negative potential future financial costs.
- Always have regulatory issues. District is pro-active with those. Growth in Mckinleyville is a challenge but just have to plan for it and I think district has.

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **ACTION**

ITEM: E.6 **Consider Approval to Execute Construction Contract for Biosolids Removal Project**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

The Staff recommends the Board review the information provided, take public comment and:

- Award the bid for Treatment Pond Dredging and Biosolids Removal Project to Synagro-WWT, Inc. for an amount not to exceed \$778,875.00 with a 70,460.00 contingency based on solids classification, totaling \$849,335.00
- Include a 10% project contingency of \$84,933.50
- For a total amount of \$934,268.50 and
- Authorize the General Manager to execute the documents to allow the award of the contract and the notice to proceed

Discussion:

During the treatment plant upgrade in 2017, a Biosolids Basin was installed to store the biosolids that are generated by the new treatment plant process. It was also projected by the design engineers that the Basin would need to be dredged every 4 to 7 years due to it filling up with biosolids.

District staff conducts sludge depth measurements annually to verify remaining capacity in the basin. This information is also submitted as part of the WWMF Annual Report. The capacity of the basin is 9-feet of depth, which leaves a remaining 3-foot water cap above the sludge level to cut down on odor. The sludge depth results show that this project will need to take place the 2021 calendar year as the basin will reach its 9-foot depth capacity level this year.

In 2014 the District advertised the dredging project for the treatment plant upgrade and Synagro was the lowest, most responsive bidder by over half the cost of the other bidder. Synagro was awarded the project and were great to work with. The District has reached out to Synagro again to perform the same

services as before and has requested a new quote to dredge the Biosolids Basin. Their quote came in below what was budgeted for the project.

Attachment A of the Construction Contract, describes their proposed scope of work for this effort which includes Mobilization, Dredging, Dewatering the Solids, Transportation to land application and Demobilization.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

The District has earmarked \$240,000 annually in the CIP to cover the costs of dredging as it comes up. The CIP Sinking Reserve Fund has \$1,360,499 in it, more than enough to cover the \$934,268.50 cost, including contingency.

Environmental Requirements:

Carried out by the Biosolids Contractor.

Exhibits/Attachments

- Attachment 1 - Construction Contract

**AGREEMENT BETWEEN THE MCKINLEYVILLE
COMMUNITY SERVICES DISTRICT AND SYNAGRO-WWT, INC
PROVIDING FOR CONSTRUCTION SERVICES ASSOCIATED WITH
BIOSOLIDS BASIN DREDGING AND REMOVAL PROJECT**

THIS AGREEMENT BETWEEN THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AND SYNAGRO-WWT, INC., PROVIDING FOR CONSTRUCTION SERVICES ASSOCIATED WITH BIOSOLIDS BASIN DREDGING AND REMOVAL PROJECT (this “Agreement”), is entered into as of September 9, 2021 (the “Effective Date”), between the McKinleyville Community Services District, a duly formed community services district pursuant to California Government Code § 6100, et seq. (hereinafter referred to as “District” or “MCSD”), and Synagro-WWT, Inc. (hereinafter “Contractor”). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MCSD and Contractor agree as follows:

AGREEMENT

1. Scope of Work

Contractor shall furnish to the District, upon its request, the Work set forth in the “Scope of Work” (hereinafter “Work”) described in “**Attachment A**”, which is attached hereto and incorporated by reference. The Work shall be performed in accord with the “Plans, Specifications and Drawings”, as further described in “**Attachment A**”. Requests by the District to Contractor to perform under this Agreement will be made by the General Manager of the District, or an authorized representative thereof. Work provided at the District’s request by Contractor under this Agreement will be performed in a manner consistent with the requirements and standards established by applicable federal, state and county laws, ordinances, regulations, and resolutions. Such laws, ordinances, regulations, and resolutions include, but are not limited to, those to which reference is made in this Agreement.

2. Term and Progress Schedule

The term of this Agreement shall be from September 2, 2021, through November 30, 2021, unless sooner terminated as provided below. The Work shall be weather-tight by November 30, 2021, and completed within 90 days of the date following the District’s provision of written Notice to Proceed to Contractor.

3. **Standard of Care in Performing the Work**

Contractor represents and warrants to the District each of the following:

(i) Contractor is knowledgeable and experienced in providing services comparable to the Work, and will maintain all necessary licensure pursuant to Section 7 of this Agreement when performing the Work;

(ii) The Work will be performed in a manner consistent with the level of care and skill ordinarily exercised by other professional contractors under similar circumstances in accordance with customarily accepted good and sound professional practices and procedures;

(iii) Contractor and its agents, subordinates, and employees and any subcontractors performing Work under this Agreement shall perform every part of the Work hereunder in strict accordance with this Agreement, applicable federal, state, county and municipal laws, orders, rules, regulations and directives, including, but not limited to, EPA and OSHA regulations, environmental, health and safety laws, and laws pertaining to wages and other conditions of employment, as further set forth in this Agreement;

(iv) Contractor shall be strictly responsible for the proper performance of the Work and for any loss or damage to the District or to others by reason of Contractor's failure to properly perform the Work;

(v) The Contractor has carefully examined the Specifications, Plans and Drawings, and such Specifications, Plans and Drawings set forth in **Attachment A** are full and complete, and are sufficient to have enabled the Contractor to determine the cost of the work therein in order to enter into this Agreement;

(vi) The Specifications, Plans and Drawings are sufficient to enable Contractor to construct the Work outlined therein in accordance with applicable laws, statutes, building codes and regulations, and otherwise to fulfill all Contractor's obligations hereunder; and

(vii) The Contractor has visited the site, examined all conditions affecting the Work, and is fully familiar with all of the conditions thereon and affecting the same.

4. Contract Sum

A. Compensation and Progress Payments.

The District shall pay Contractor the amounts recited and in accordance with the timing intervals set forth in the “Bid Schedule” (set forth in “[Attachment A](#)”) for the Work described in “Scope of Work” (set forth in [Attachment A](#)) which are performed by Contractor at the District’s request. The total project cost shall not exceed the total amount for the entirety of the Work set forth in the Bid Schedule, unless otherwise authorized by the District in writing prior to Contractor incurring additional expenses. Payment intervals shall be in accord with paragraph 4.E. of this Agreement, below.

B. Travel and Per Diem.

Unless otherwise agreed by the parties, Contractor will not be paid or reimbursed for travel expenses or per diem which Contractor incurs in providing the Work requested by the District under this Agreement.

C. No Additional Consideration.

Except as expressly provided in paragraph 4.G. of this Agreement, below, Contractor shall not be entitled to, nor receive from the District, any additional consideration, compensation, salary, wages, or other type of remuneration in excess of the total amount set forth in the Bid Schedule set forth in [Attachment A](#) for services or work rendered under this Agreement. Specifically, Contractor shall not be entitled, by virtue of this Agreement, to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays, or other paid leaves of absence of any type or kind whatsoever.

D. Limit Upon Amount Payable Under Agreement.

The total sum of all payments made by the District to Contractor for the Work performed under this Agreement shall not exceed amounts specified in the Bid Schedule (set forth in [Attachment A](#)) and/or any authorized adjustments made consistent with the terms and conditions of this Agreement (hereinafter referred to as “Contract Limit”) and the Public Contract Code. The District expressly reserves the right to deny any payment or reimbursement requested by Contractor for services or work performed which is in excess of the Contract Limit.

E. Billing and Payment.

Contractor shall submit to the District, not more than once per month, an itemized statement of all the Work described in the Scope of Work, which were done at the District's request. The statement to be submitted will cover the period from the first day of the preceding month through and including the last day of the preceding month. All statements submitted in request for payment should identify the date on which the Work were performed and describe the nature of the Work which were performed on each day. Invoicing shall be informative and concise regarding work performed during that billing period. The District shall make payment to Contractor within thirty (30) days of receipt of an itemized statement, but shall retain ten percent (10%) of each such payment in accordance with Section 9203 of the Public Contract Code until the project is completed. Should Contractor produce incorrect invoices, the District shall withhold payment until corrected.

F. Federal and State Taxes.

(1) The District will not withhold any federal or state income taxes or social security from any payments made by the District to Contractor under the terms and conditions of this Agreement.

(2) The District shall withhold California State income taxes from payments made under this Agreement to non-California resident independent contractors when it is anticipated that total annual payments to Contractor under this Agreement will exceed one thousand four hundred ninety-nine dollars (\$1,499.00).

(3) Except as set forth above, the District has no obligation to withhold any taxes or payments from sums paid by the District to Contractor under this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. The District has no responsibility or liability for payment of Contractor's taxes or assessments.

(4) The total amounts paid by the District to Contractor, and taxes withheld from payments to non-California residents, if any, will be reported annually by the District to the Internal Revenue Service and the California State Franchise Tax Board.

G. Changes to Scope of the Work.

If at any time during the progress of the Work the District desires to make any additions to, alterations of, deviations or omissions from the Work, District shall have the right to do so to the extent permitted by the California Public Contract Code and the same shall in no way affect or make void this Agreement. No extra work shall be made except on the District's written request by change order ("Change Order"). All Change Orders

will be in writing and signed by the District and the District's Engineer. Each Change Order shall identify the proposed change in the Work and will include a proposed basis for adjustment, if any, in the Bid Schedule. The District may prepare a Change Order without invalidating the Agreement, order changes in the Work within the general scope of the Agreement consisting of additions, deletions, or other revisions, with the Bid Schedule being adjusted accordingly. Any changes that decrease the cost of the Work shall be evaluated on a lump-sum basis and deducted from the sums set forth in the Bid Schedule set forth in Attachment A. Any extra Work that increases the cost of the Work shall at District's option be evaluated (i) on a lump-sum basis, the amount thereof to be agreed on in writing before execution of the Work or (ii) on the basis of "Actual Necessary Cost" (defined below), plus ten percent (10%).

“Actual Necessary Cost” shall be limited to:

- (i) expenditures for materials, supplies, and labor (including foremen's wages) furnished by Contractor;
- (ii) additional cost to Contractor for insurance required because of authorized changes; and
- (iii) an allowance based on current market rental prices for the use of vehicles and equipment. The "Actual Necessary Cost" shall not include any allowance for Contractor's office expense, general superintendent, or other overhead or general expense.

Contractor shall not be entitled to compensation for any extra Work unless the District has issued a written Change Order designating in advance the amount of additional compensation to be paid for the extra Work prior to Contractor incurring the expense or performing the extra Work. Without limitation on the Contractor's obligation to comply with the extra Work and Change Order protocol, if main or trunkline utilities are not identified by the District in the Plans, Specifications and Drawings made a part of the Work, Contractor may be compensated for the costs of locating, repairing damage not due to the failure of the Contractor to exercise reasonable care, and removing or relocating such utility facilities not indicated in the Plans Specifications and Drawings, and for equipment on the project necessarily idled during such work and Contractor shall not be assessed any delay damages directly caused by the failure to identify the utilities in accord with Government Code Section 4215.

5. Work Schedule

Upon the issuance of a formal written “Notice to Proceed” from the District, Contractor's obligation is to perform, in a timely manner, the Work identified in the

Scope of Work which is requested by the District. It is understood by Contractor that the performance of the Work will require a varied schedule. Contractor, in arranging its own schedule, will coordinate with the District to ensure that all Work requested by the District under this Agreement will be performed within the time frames set forth by the District in Attachment A. Contractor shall endeavor to perform the Work during normal business hours in order to limit the impacts of construction traffic and noise on surrounding property owners.

6. Guaranties and Warranties

A. Manufacturer's Specifications and Warranties—Assignment.

The Contractor shall assemble for the District's Architect and/or Engineer's approval and transmittal to the District three (3) complete copies in looseleaf binders of all operating and maintenance data from all manufacturers whose equipment is installed in the Work. The Contractor shall also prepare a checklist or schedule showing the type of lubricant to be used at each point of application, the intervals between lubrication for each item of equipment, and the routine maintenance tasks necessary to maintain each item of equipment. In addition, the Contractor shall secure and deliver to the District written warranties and guaranties from subcontractors, sub-subcontractors and suppliers bearing the date of Substantial Completion or some other date as may be agreed to by the District and stating the period of warranty.

B. Contractor's Warranty.

Contractor guarantees all equipment, material, supplies and Work furnished on the job against defective construction or workmanship for a period of one (1) year following recordation of a Notice of Completion on the Work for patent defects and for a period of ten (10) years following recordation of a Notice of Completion on the Work for latent defects, except when a longer guaranty is provided by the supplier or manufacturer of any equipment, material or supplies incorporated into the Work. Upon receipt of written notification from District that any Work is defective, Contractor shall immediately remedy, repair, or replace, without cost to District and to District's entire satisfaction, all such defective construction or workmanship. Contractor expressly agrees to act as coguarantor of any such equipment, material or supplies incorporated into the Work for the period during which any guaranty is effective. Contractor shall supply District with all warranty and guaranty documents relative to equipment and materials incorporated in the Work and guaranteed by the suppliers or manufacturers of such equipment and materials.

7. Required Licenses, Certificates and Permits

Any licenses, certificates, or permits required by federal, state, county, or municipal governments for Contractor to provide the Work described in Attachment A must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates, and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates, contractor's licenses, and business licenses. Such licenses, certificates, and permits will be procured and maintained in force by Contractor at no expense to the District. Contractor will provide the District, upon execution of this Agreement, with evidence of current and valid licenses, certificates and permits which are required to perform the Work identified in Attachment A. Where there is a dispute between Contractor and the District as to what licenses, certificates, and permits are required to perform the Work identified in Attachment A, District reserves the right to make such determination for purposes of this Agreement.

8. Office Space, Supplies, Equipment, Etc.

Contractor shall provide such office space, supplies, equipment, vehicles, reference materials, support services, and telephone service as is necessary for Contractor to provide the Work identified in Attachment A to this Agreement. The District is not obligated to reimburse or pay Contractor for any expense or cost incurred by Contractor in procuring or maintaining such items. The costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

9. District Property

A. Personal Property of District.

Any personal property such as, but not limited to, protective or safety devices, badges, identification cards, keys, uniforms, etc., provided to Contractor by the District pursuant to this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the District. Contractor will use reasonable care to protect, safeguard, and maintain such items while they are in Contractor's possession. Contractor will be financially responsible for any loss or damage to such items, partial or total, which is the result of Contractor's negligence.

B. Products of Contractor's Work and Services.

Any and all compositions, publications, plans, designs, specifications, blueprints, maps, formulas, processes, photographs, slides, video tapes, computer programs,

computer disks, computer tapes, memory chips, films, audio-visual presentations, exhibits, reports, studies, patents, trademarks, copyrights, or intellectual properties of any kind which are created, produced, assembled, compiled by, or are the result, product or manifestation of, Contractor's services or work under this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the District. At the termination of the Agreement, Contractor will convey possession and title to all such properties to District.

10. Workers' Compensation Insurance

Contractor shall provide workers' compensation insurance coverage, in the legally required amount, for all Contractors' employees utilized in providing Work pursuant to this Agreement. By executing a copy of this Agreement, Contractor acknowledges its obligations and responsibilities to its employees under the California Labor Code, and warrants that Contractor has complied and will comply during the term of this Agreement with all provisions of the California Labor Code with regard to its employees. Contractor, at the time of execution of this Agreement, will provide the District with evidence of the required workers' compensation insurance coverage.

11. Public Work

A. Determination.

The Work to be provided by Contractor under this Agreement constitute a Public Work within the meaning of California Labor Code Sections 1720 and 1720.3. Accordingly, and as required by Section 1771 of the California Labor Code, Contractor and any subcontractor under him, shall pay not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holiday and overtime work, to all workers employed in the execution of those Work described in [Attachment A](#) of this Agreement.

B. Prevailing Wage Rate.

The general prevailing rate of per diem wages applicable to each class of worker employed in the execution of the Work that constitute a Public Work described in this Agreement has been determined by the Director of the California Department of Industrial Relations (hereinafter referred to as "Director"). The Director's determination is available through a link to CA Dept of Industrial Relations website : <http://www.dir.ca.gov>

C. Apprentices.

Pursuant to Section 1777.5 of the California Labor Code, properly registered apprentices performing services and work that constitute a Public Work, if any, shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered.

D. Penalty for Non-Payment of Prevailing Wages.

Pursuant to Section 1775 of the California Labor Code, Contractor, and any subcontractor under him, shall as a penalty to the District, forfeit not more than two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the general rate of per diem wages for the performance of services and work that constitute a Public Work, as determined by the Director of Industrial Relations, for the work or craft for which the worker is employed in the performance of the Work provided under this Agreement that constitute a Public Work, except as provided by subdivision (b) of Section 1775, of the California Labor Code.

E. Payroll Records.

Pursuant to Section 1776 of the California Labor Code, Contractor, and any subcontractor under him, shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the performance of the Work requested by the District, as described in the Scope of Work of this Agreement. Failure to provide certified payrolls and supporting documentation within 10 days of request by the MCSD or the DIR may result in penalties of one hundred dollars (\$100.00) per day per worker for each day the requested information is late (beyond the initial 10 days).

F. Inspection of Payroll Records.

Contractor, and any subcontractor under him, shall comply with each of the additional requirements set forth in California Labor Code Section 1776, regarding: (1) the form of records; (2) the provision of records upon request to the District, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the California Department of Industrial Relations; and, (3) the inspection of records by the public.

G. Posting of Prevailing Wages at Job Sites.

Pursuant to California Labor Code Section 1773.2, Contractor shall post at each job site in connection with this Agreement a copy of the Director's determination of the general prevailing rate of per diem wages for each classification of work required in the execution of the Work described in Attachment A of this Agreement that constitute a Public Work.

H. Hours.

Pursuant to Section 1810 of the California Labor Code, the time of services of any worker employed by Contractor, or by any subcontractor under him, in the performance of the Work described in the Scope of Work of this Agreement that constitute a Public Work, is limited and restricted to eight hours during any one calendar day, and 40 hours during any one calendar week, except as otherwise provided by the California Labor Code.

I. Overtime.

Pursuant to California Labor Code Section 1815, the performance of the Work, as described in the Scope of Work of this Agreement that constitute a Public Work, by employees of Contractor, or employees of any subcontractor under him, in excess of eight hours per calendar day at not less than one and one-half (1 ½) times the basic rate of pay.

J. Records of Hours.

Contractor, and any subcontractors under him, shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the performance of the Work requested by the District, as described in the Scope of Work of this Agreement. The record shall be kept open at all reasonable hours to the inspection of the District and to the Division of Labor Standards Enforcement as required by Labor Code Section 1812.

K. Penalty for Violation of Overtime Work Hours.

Pursuant to California Labor Section 1813, Contractor, and any subcontractors under him, shall, as a penalty to the District, forfeit twenty-five dollars (\$25.00) for each worker employed by the respective contractor or subcontractor in the execution of the Work requested by the District that constitute a Public Work, as described in the Scope of Work of this Agreement, for each calendar day during which the worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of the California Labor Code.

L. Contractor Registration Requirements

No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

All contractors/subcontractors and related construction services subject to prevailing wage, including but not limited to: trucking, surveying and inspection work must be registered with the Department of Industrial Relations as a “public works contractor”. Those you fail to register and maintain their status as a public works contractor shall not be permitted to perform work on the project.

M. Department of Industrial Relations Jurisdiction

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

N. Payment Conditioned on Full Labor Compliance

MCSO may withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., the MCSO may continue to hold sufficient funds to cover estimated wages and penalties under the contract.

12. Insurance

A. General Liability.

Contractor shall procure, and maintain during the entire term of this Agreement, a policy of general liability insurance which covers all the Work to be performed by Contractor under this Agreement. Such policy shall have a per occurrence combined single limit coverage of not less than one million dollars (\$1,000,000). Such policy shall not exclude or except from coverage any of the Work required to be performed by Contractor under this Agreement. The required policy of insurance shall be issued by an insurer authorized to sell such insurance by the State of California, and have at least a “Best’s” policyholder’s rating of “A” or “A+”. Prior to commencing any work under this

Agreement, Contractor shall provide the District: 1) a certificate of insurance documenting evidence of the required coverage; 2) an additional insured endorsement applying to the McKinleyville Community Services District, its agents, officers and employees; and, 3) a notice of cancellation or change of coverage endorsement indicating that the policy will not be modified, terminated, or canceled without thirty (30) days' written notice to the District.

B. Business Vehicle.

Contractor shall procure and maintain in force throughout the duration of this Agreement, a business auto liability insurance policy with minimum coverage levels of one million dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. The coverage shall include all Contractor-owned, non-owned, and hired vehicles employed by the Contractor in the performance of the Work requested by the District, as described in the Scope of Work ([Attachment A](#)). A certificate of insurance shall be provided to the District by Contractor prior to commencing any work under this Agreement. The policy shall maintain a provision prohibiting the cancellation or modification of said policy except upon thirty (30) days' written notice to the District.

C. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions shall be declared by Contractor and must be approved by the District prior to Contractor commencing the Work requested by the District under this Agreement. If possible, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the District, its officials, officers, employees, and volunteers, or Contractor shall provide evidence satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

D. Subcontractors.

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein for Contractor.

E. Unemployment, Disability, and Liability Insurance.

Contractor shall maintain, if so required by law, unemployment, disability and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the Contractor in performing work associated with this Agreement.

13. Bonds

Contractor shall furnish and maintain a performance bond in an amount equal to one hundred percent (100%) of the Contract Limit. Contractor shall also furnish and maintain a labor and materials payment bond in the amount equal to one hundred percent (100%) of the Contract Limit. The bonds shall comply with the requirements of California Civil Code Section 3248 and must be issued by an “Admitted Surety Insurer.” For purposes of this Agreement, an Admitted Surety Insurer means a corporate insurer or inter-insurance exchange to which the California State Insurance Commissioner has issued a certificate of authority to transact surety insurance in California, as defined in Section 105 of the California Insurance Code. Bonds shall be in a form acceptable to the McKinleyville Community Services District Counsel. The Attorney-in-Fact (resident agent) who executes the bonds on behalf of the surety company must attach a copy of his Power of Attorney as evidence of his authority. A notary shall acknowledge this Power of Attorney as of the date of the execution of the surety bond that it covers. If any surety becomes unacceptable to the District or fails to furnish reports as to its financial condition as requested by the District, Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the District and of persons supplying labor or materials in the prosecution of the work contemplated by this Agreement.

14. Status of Contractor

Contractor, its agents, officers, employees, and subcontractors shall constitute independent contractors, and not agents, officers, or employees of the District. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of, or exercise any right or power vested in, the District, except as expressly provided by law or set forth in Attachment A of this Agreement. No agent, officer, or employee of the District is to be considered an employee of Contractor. It is understood by both Contractor and the District that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or joint venture.

As an independent contractor, Contractor: (1) shall determine the method, details, and means of performing the Work to be provided by Contractor under this Agreement (unless otherwise specified herein); (2) shall be responsible to the District only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall be not be subjected to the District’s control with respect to the physical action or activities of Contractor in fulfillment of this Agreement; and (3) Contractor, its agents, officers and employees are, and at all times during the term of this Agreement shall, represent and conduct themselves as independent contractors, and not as employees of District.

15. Defense and Indemnification

Contractor shall defend, indemnify, and hold harmless the District, its agents, officers, employees and retained engineers and/or architects from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney's fees, arising out of, resulting from, or in connection with, the performance of this Agreement by Contractor, or Contractor's agents, officers, employees, or subcontractors. Contractor's obligation to defend, indemnify, and hold the District, its agents, officers, employees and retained engineers and/or architects harmless applies to any actual or alleged personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Contractor's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other cost which is caused in whole or in part by any act or omission of Contractor, its agents, employees, suppliers, or anyone directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable. Contractor's obligation to defend, indemnify, and hold the District, its agents, officers, employees and retained engineers and/or architects harmless under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

16. Records and Audit

A. Records.

Contractor shall prepare and maintain all records required by the various provisions of this Agreement, and federal, state, county, and municipal law, ordinances, regulations, and directions. Contractor shall maintain these records for a minimum of four (4) years from the termination or completion of this Agreement. Contractor may fulfill its obligation to maintain records as required by this paragraph by substitute photographs, micrographs, or other authentic reproduction of such records.

B. Inspections and Audits.

Any authorized representative of the District shall have access to any books, documents, papers, and records, including, but not limited to, financial records of Contractor, which the District determines to be pertinent to this Agreement, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Contractor. Further, the District has the right, at all reasonable times, to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement. In addition to the foregoing, Contractor acknowledges that all contracts for public works project with a contract sum in excess of

\$10,000.00 are potentially subject to examination and audit by the California State Auditor pursuant to Government Code Section 8546.7 for three years after final payment.

17. Non-Discrimination

During the performance of this Agreement, Contractor, its agents, officers, employees, and subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, against any employee, or applicant for employment, or person receiving services under this Agreement, because of race, religion, color, ancestry, national origin, physical handicap, medical condition, marital status, age, or sex. Contractor and its agents, officers, employees, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), and the applicable regulations promulgated thereunder in the California Code of Regulations. Contractor shall also abide by the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said act.

18. District Termination and Cancellation Rights

This Agreement may be canceled by the District without cause, and at will, for any reason by giving to Contractor 30 days' written notice ("Termination Notice") of such intent to cancel. Upon receipt of Termination Notice, Contractor shall stop all performance under this Agreement except as directed by the District. In the event of any such cancellation, Contractor shall be entitled to compensation for all work performed prior to receipt of the Termination Notice as well as work performed after receipt of the Termination Notice and prior to expiration of the thirty (30) day notice period to the extent such post-notice work was performed at the direction of the District, assuming all of said work falls within the Scope of the Work commissioned by the District. In the event the District issues a Termination Notice without cause, following such termination and within forty-five (45) days after receipt of a billing from Contractor seeking payment of sums authorized by this Section 18, the District shall pay to Contractor as its sole compensation for performance of the Work the following:

- (a) For Work Performed. The amount of the Contract Sum allocable to the portion of the Work properly performed by Contractor as of the date of termination, less sums previously paid to Contractor;
- (b) For Close-out Costs. Reasonable costs of Contractor and its subcontractors and sub-subcontractors for: (i) demobilizing and (ii) reasonable sums in administering the close-out of its participation in the Project (including, without limitation, all billing and accounting functions, not

including attorney or expert fees) for a period of no longer than thirty (30) Days after receipt of the notice of Termination Notice.

19. Assignment

This is an agreement for the services of Contractor. The District has relied upon the skills, knowledge, experience, and training of Contractor as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement, or any part of it, without the express written consent of the District. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of the District.

20. Default

If Contractor abandons the Work, or fails to proceed with the Work requested by the District in a timely manner, or fails in any way as required to conduct the Work as required by this Agreement, the District may declare Contractor in default and terminate this Agreement upon five (5) days' written notice to Contractor. Contractor shall be liable to the District for all additional costs and expenses incurred by the District in finishing the Work as well as any damages incurred as a result of Contractor's default, which at the option of the District may be charged against any amounts due from the District to Contractor hereunder. Upon such termination by default, District will pay to Contractor all amounts owing to Contractor for services and work satisfactorily performed through the date of termination assuming said work falls within the Scope of the Work commissioned by the District, less any offsets the District is entitled under this Agreement. This Section 20 is not intended to constitute and shall not constitute a limitation on any damages the District may seek in the event of Contractor's default.

21. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided in paragraph 28 below.

22. Confidentiality

Contractor agrees to comply with various provisions of the federal, state, and county laws, regulations, and ordinances providing that information and records kept, maintained, or accessible by Contractor in the course of providing the Work under this Agreement, shall be privileged, restricted, or confidential. Contractor agrees to keep confidential all such privileged, restricted or confidential information and records.

Disclosure of such information or records shall be made by Contractor only with the express written consent of the District.

23. Conflicts

Contractor agrees that it has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the Work under this Agreement. Contractor agrees to complete and file a conflict of interest statement.

24. Post-Agreement Confidences

Contractor agrees not to use any confidential, protected, or privileged information which is gained from the District in the course of providing the Work under this Agreement, for any personal benefit, gain, or enhancement.

25. Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or if it is found in contravention of any federal, state, or local statute, ordinance, or regulation, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby, and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

26. Funding Limitations

The ability of the District to enter into this Agreement is based upon available funding from various sources. In the event that such funding fails, is reduced, or is modified, from one or more sources, the District has the option to terminate, reduce, or modify this Agreement, or any of its terms, within ten (10) days of its notifying Contractor of the termination, reduction, or modification of available funding, except, however, the District can not reduce Contractor's right(s) to recover payments due for work performed prior to the notification. Any reduction or modification of this Agreement made pursuant to this provision must comply with the requirements (except the requirement of mutual consent) of paragraph 28 below.

27. Venue

This Agreement shall be governed under the laws of the State of California and venue for any litigation under this Agreement shall be the county of Humboldt, State of California.

28. Amendment

This Agreement may be extended, modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties hereto, if such amendment or change is in written form, signed by authorized representatives of the parties, in full compliance with the Public Contract Code, and attached to the original Agreement to maintain continuity.

29. Notice

Any notice, communication, amendments, additions, deletions to this Agreement, including change of address of either party during the term of this Agreement, shall be in writing and may be personally serviced, or sent by prepaid first class mail to the respective parties as follows:

McKinleyville Community Services District:

Attention: Patrick Kaspari, General Manager
1656 Sutter Rd.
P.O. Box 2037
McKinleyville, CA 95519
Phone: (707) 839-3251
Fax: (707) 839-8456

Contractor:

30. Entire Agreement

This Agreement, along with Attachment A, contains the entire agreement of the parties, and no representations, inducements, promises, or agreements otherwise between the parties not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term of provision hereof may be changed, waived, discharged, or terminated, unless the same be in writing executed by the parties hereto.

31. Relief for Force Majeure/Uncontrollable Circumstances

Neither Party shall be liable to the other Party for breach or for failure or delay in the performance of its obligations hereunder caused by any act or occurrence beyond its

reasonable control, including, but not limited to: fires; floods; strikes (except any strikes involving personnel); a change in Federal, State, or local law or ordinance; orders or judgments of any Federal, State or local court, administrative agency or governmental body; change in permit conditions or requirements; accidents; extreme weather conditions including, for example, hurricanes, tornadoes, unusually high amounts of precipitation, unusual extremes of temperature or wind, or unusually extended periods of adverse weather conditions; acts of war, aggression or terrorism (foreign or domestic); and acts of God. It is specifically understood that, without limitation, none of the following acts, events or circumstances shall constitute an act or occurrence beyond a Party's reasonable control: (i) reasonably anticipated weather conditions normal for the region in which the work is performed or (ii) any failure to pay any sums in accordance with the terms of this Agreement. Whenever the provisions of this Section are believed to apply, the Party relying thereon shall give prompt notice to the other Party of the circumstances, the basis for applicability of this Section and the time required to cure such breach or delay. Contractor shall promptly provide notice of the need, if any, for additional compensation or for renegotiation of terms in order to mitigate the effects of such event or to comply with a change in law or regulation or interpretation thereof. Contractor shall be entitled to additional time and compensation if such event delays performance into a season different from that assumed when this Agreement was executed. Contractor and City shall use reasonable best efforts to agree on appropriate mitigating actions under the circumstances.

Signatures

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____

Name: Patrick Kaspari

Title: General Manager

Date: _____

CONTRACTOR

By: _____

Name: _____

Title: _____

Date: _____

**NONCOLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND
SUBMITTED WITH BID**

The undersigned declares:

I am the _____ of _____, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on ___[date], at ___[city], ___[state].

Signature: _____

Print Name: _____

Date: _____

ATTACHMENT “A”

[See Attached Document]

August 18, 2021

Mr. James Henry
McKinleyville Community Services District
Via electronic mail:

Re: Proposal for McKinleyville CSD Lagoon Solids Removal

Dear James:

Synagro-WWT, Inc., a California Class A General Engineering Contractor, license #801688, is pleased to provide the following proposal to dredge, dewater, transport and land apply class b biosolids located at the McKinleyville CSD wastewater treatment facility.

Scope of Work

Synagro will provide all the necessary equipment and personnel to remove up an estimated 300 dry tons of biosolids from the ponds, dewater the solids and transport the dewatered solids cake to an approved land application program operated by Synagro. The proposal details are as follows:

1. Mobilization – Delivery and installation of all equipment necessary to perform the solids removal, dewatering and transport to the land application site
2. Dredging – Dredging or pumping of solids in ponds to either within approximately one (1) foot of pond depth or to maximum contract amount, whichever occurs first. Great care will be taken to ensure the dredge does not negatively impact the integrity of the pond liner. This includes the use of guide wheels to keep the cutter head off of the pond bottom.
3. Dewatering – Solids will be dewatered to facilitate safe and lawful transport to land application location.
4. Transportation and land application of biosolids – Synagro will load, transport and land apply class b biosolids at Synagro’s land application facility in Sacramento, CA. In the event the material does not meet class b for any reason other than vector attraction reduction, it will be disposed of at a sanitary landfill permitted to accept biosolids. Vector attraction reduction can be achieved through incorporation within 6 hours if it cannot be met by other means.
5. Demobilization – Breakdown and removal of all equipment.

Other Terms and Conditions:

1. Synagro will be provided reasonable access to wastewater processing ponds and corresponding working areas.
2. Synagro will be responsible for providing its own temporary power.
3. McKinleyville will make available up to 200 gallons per minute of reclaim or potable water. In the event the water must be obtained from the pond system being dredged, Synagro will provide the pump and water line to deliver the water to the work area at its own expense and return filtrate or centrate to the pond system.
4. Synagro and McKinleyville will agree to a mutually acceptable sampling and measurement protocol to determine the daily percent solids and total dry tons removed.
5. The estimated volumes included herein are for estimation and “not to exceed quantity” determination only, McKinleyville will only be billed for the actual volume removed from the pond system at the agreed upon unit price, which will be the removal of material to within one foot of the pond bottom or less or to the agreed upon contract quantity, whichever is achieved first..
6. McKinleyville warrants that the material Synagro will be processing is not hazardous and meets the criteria for land application of class b biosolids
7. Synagro will pay not less than the general prevailing rate of wages as determined by the California Department of Labor.

Measurement and Payment

Synagro’s pricing for the services mentioned above is as follows:

Description	Unit of Measure	Units	Unit Price	Extended
Mobilization	Lump Sum	1	\$24,400.00	\$ 24,400.00
Solids Removal, Dewatering, and transfer to adjacent on site storage	Dry ton	333	\$ 1,065.00	\$354,645.00
Demobilization	Lump Sum	1	\$24,400.00	\$ 24,400.00
Laboratory Analysis (if required)	Lump Sum	1	\$ 1,450.00	\$ 1,450.00
Total – before trans and land application				\$404,895.00
Transportation and Land Application offsite-Silva Ranch Sacramento	Wet ton	2,710	\$ 138.00	\$373,980.00
Total				\$778,875.00
Contingency – upcharge if material does not meet class b for other than VAR	Wet ton	2,710	\$ 26.00	\$ 70,460.00

(1) Dry tons are determined by multiplying the actual tonnage removed per scale tickets by the percent solids as determined by a California state certified laboratory. For example, if 100 tons are removed and the percent solids is 32, the dry ton equivalent for measurement and payment would be $100 \times 32\% = 32$ dry tons.

In the event the material does not meet class b for a reason other than vector attraction reduction, the additional fee for landfill disposal will be \$26.00 per ton.

The 333 dry-ton volume is an estimate based on the sampling and survey conducted by Synagro in June of 2021. Billing will be based on the actual dry tons removed.

Please note that this proposal is based on Synagro's standard terms and conditions, a copy of which is attached and shall be strictly non-binding upon Synagro until the parties negotiate and execute a binding agreement.

If you have any questions or require further information, please contact me at 650-333-0729 or jpugliaresi@synagro.com.

Very truly yours,

John Pugliaresi

John Pugliaresi
Business Development Manager



August 18, 2021

Mr. James Henry
McKinleyville Community Services District
Via electronic mail:

Re: Proposal for McKinleyville CSD Lagoon Solids Removal

Dear James:

Synagro-WWT, Inc., a California Class A General Engineering Contractor, license #801688, is pleased to provide the following proposal to dredge, dewater, transport and land apply class b biosolids located at the McKinleyville CSD wastewater treatment facility.

Scope of Work

Synagro will provide all the necessary equipment and personnel to remove up an estimated 300 dry tons of biosolids from the ponds, dewater the solids and transport the dewatered solids cake to an approved land application program operated by Synagro. The proposal details are as follows:

1. Mobilization – Delivery and installation of all equipment necessary to perform the solids removal, dewatering and transport to the land application site
2. Dredging – Dredging or pumping of solids in ponds to either within approximately one (1) foot of pond depth or to maximum contract amount, whichever occurs first. Great care will be taken to ensure the dredge does not negatively impact the integrity of the pond liner. This includes the use of guide wheels to keep the cutter head off of the pond bottom.
3. Dewatering – Solids will be dewatered to facilitate safe and lawful transport to land application location.
4. Transportation and land application of biosolids – Synagro will load, transport and land apply class b biosolids at Synagro’s land application facility in Sacramento, CA. In the event the material does not meet class b for any reason other than vector attraction reduction, it will be disposed of at a sanitary landfill permitted to accept biosolids. Vector attraction reduction can be achieved through incorporation within 6 hours if it cannot be met by other means.
5. Demobilization – Breakdown and removal of all equipment.

Other Terms and Conditions:

1. Synagro will be provided reasonable access to wastewater processing ponds and corresponding working areas.
2. Synagro will be responsible for providing its own temporary power.
3. McKinleyville will make available up to 200 gallons per minute of reclaim or potable water. In the event the water must be obtained from the pond system being dredged, Synagro will provide the pump and water line to deliver the water to the work area at its own expense and return filtrate or centrate to the pond system.
4. Synagro and McKinleyville will agree to a mutually acceptable sampling and measurement protocol to determine the daily percent solids and total dry tons removed.
5. The estimated volumes included herein are for estimation and “not to exceed quantity” determination only, McKinleyville will only be billed for the actual volume removed from the pond system at the agreed upon unit price, which will be the removal of material to within one foot of the pond bottom or less or to the agreed upon contract quantity, whichever is achieved first..
6. McKinleyville warrants that the material Synagro will be processing is not hazardous and meets the criteria for land application of class b biosolids
7. Synagro will pay not less than the general prevailing rate of wages as determined by the California Department of Labor.

Measurement and Payment

Synagro’s pricing for the services mentioned above is as follows:

Description	Unit of Measure	Units	Unit Price	Extended
Mobilization	Lump Sum	1	\$24,400.00	\$ 24,400.00
Solids Removal, Dewatering, and transfer to adjacent on site storage	Dry ton	333	\$ 1,065.00	\$354,645.00
Demobilization	Lump Sum	1	\$24,400.00	\$ 24,400.00
Laboratory Analysis (if required)	Lump Sum	1	\$ 1,450.00	\$ 1,450.00
Total – before trans and land application				\$404,895.00
Transportation and Land Application offsite-Silva Ranch Sacramento	Wet ton	2,710	\$ 138.00	\$373,980.00
Total				\$778,875.00
Contingency – upcharge if material does not meet class b for other than VAR	Wet ton	2,710	\$ 26.00	\$ 70,460.00

(1) Dry tons are determined by multiplying the actual tonnage removed per scale tickets by the percent solids as determined by a California state certified laboratory. For example, if 100 tons are removed and the percent solids is 32, the dry ton equivalent for measurement and payment would be $100 \times 32\% = 32$ dry tons.

In the event the material does not meet class b for a reason other than vector attraction reduction, the additional fee for landfill disposal will be \$26.00 per ton.

The 333 dry-ton volume is an estimate based on the sampling and survey conducted by Synagro in June of 2021. Billing will be based on the actual dry tons removed.

Please note that this proposal is based on Synagro's standard terms and conditions, a copy of which is attached and shall be strictly non-binding upon Synagro until the parties negotiate and execute a binding agreement.

If you have any questions or require further information, please contact me at 650-333-0729 or jpugliaresi@synagro.com.

Very truly yours,

John Pugliaresi

John Pugliaresi
Business Development Manager

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **ACTION**

ITEM: E.7 **Consider Approval of Administrative Draft Copy of LAFCO 2021 Municipal Service Review**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

The Staff recommends the Board review the information provided, take public comment, and consider approval of the August 2021, LAFCO Administrative Draft, McKinleyville Community Services District, Municipal Services Review and Sphere of Influence Update.

Discussion:

Local Agency Formation Commissions (LAFCOs) are independent regulatory commissions that were established by the State legislature in 1963 to encourage the orderly growth and development of local governmental agencies including special districts. Humboldt LAFCo is a seven-member commission comprised of two members of the Humboldt County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. LAFCo is responsible for implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act") (California Government Code Section 56000 et seq.) for purposes of facilitating changes in local governmental structure and boundaries that fosters orderly growth and development, promotes the efficient delivery of services, and encourages the preservation of open space and agricultural lands. Some of LAFCo's duties include regulating jurisdictional boundary changes and the extension of municipal services. This includes city and special district annexations, incorporations/formations, consolidations, and other changes of organization.

The CKH Act outlines requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services.

The purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. While LAFCOs have no direct regulatory authority over cities and special districts, MSR's provide information concerning the governance structures and efficiencies of service providers – and may also serve as the basis for subsequent LAFCO decisions. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study's determinations must be made in the following areas:

- (1) Growth and population projections for the affected area.
- (2) Location and characteristics of any disadvantaged unincorporated communities within or continuous to the sphere of influence.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
- (4) Financial ability of the agency to provide services.
- (5) Status of and opportunities for shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by Commission policy.

The updated MCSD MSR is organized according to these determinations listed above, and no major changes were made to the updated MSR. However, the MSR does contain the new information that the District has been working on with our Latent Powers Committee and have added discussions of homelessness, the Community Forest, and reclamation.

LAFCO plans on taking our MSR to the regularly scheduled LAFCO September 15th Board Meeting for approval.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

No impact.

Environmental Requirements:

None

Exhibits/Attachments

- Attachment 1 - August 2021, LAFCO Administrative Draft, MCSD, Municipal Services Review and Sphere of Influence Update

McKinleyville Community Services District Municipal Services Review and Sphere of Influence Update



Public Review Draft
September 2021



www.humboldtlafo.org

HUMBOLDT LOCAL AGENCY FORMATION COMMISSION

Commissioners:

Virginia Bass, District 4 Supervisor

Mike Wilson, District 3 Supervisor

Stephen Avis, City of Ferndale

Mike Losey, City of Fortuna

Troy Nicolini, Peninsula Community Services District

Debra Lake, Fruitland Ridge Fire Protection District

Ali Lee, Public Member

Alternate Members:

Michelle Bushnell, District 2 Supervisor

Gordon Johnson, City of Rio Dell

David Couch, McKinleyville Community Services District

Skip Jorgensen, Public Member

Staff:

Colette Metz, AICP, Executive Officer

Krystle Heaney, AICP, LAFCo Analyst/Clerk

Jason Barnes, GIS Analyst

Ryan Plotz, Legal Council

Acknowledgements:

LAFCo would like to thank McKinleyville CSD General Manager Patrick Kaspari and Board Secretary April Sousa for their assistance during the preparation of this MSR and SOI update.

TABLE OF CONTENTS

1.0	MSR/SOI BACKGROUND	5
1.1	Role and Responsibility of LAFCo	5
1.2	Purpose of Municipal Service Reviews	5
1.3	Purpose of Spheres of Influence	6
1.4	Disadvantaged Unincorporated Communities	7
2.0	McKINLEYVILLE COMMUNITY SERVICES DISTRICT	8
2.1	Agency Overview	8
2.2	Principal Act for Community Services Districts	8
2.3	Formation and Development	8
2.4	Boundary and Sphere of Influence	10
2.5	Land Use and Zoning	13
2.6	Growth and Population	14
2.7	Disadvantaged Unincorporated Communities	15
2.8	Municipal Services	15
2.9	Organizational Structure	26
2.10	Accountability and Transparency	28
2.10	Financial Overview	29
3.0	MCSD MSR DETERMINATIONS	32
4.0	MCSD SOI DETERMINATIONS	35

List of Figures

Figure 1: MCSD Boundary and SOI	11
Figure 2: MCSD Land Use Designations	12
Figure 3: Water Lines	17
Figure 4: Wastewater System	20
Figure 5: MCSD Recreation Facilities	Error! Bookmark not defined.
Figure 6: Organizational Chart	27
Figure 7: Water Expenses	30
Figure 8: Wastewater Expenses	30

List of Tables

Table 1: MCSD Land Use Summary	14
Table 2: 2019 Water Demand	16
Table 3: MCSD Water Base Rates	18
Table 4: MCSD Water Use Rates	18
Table 5: Influent Treated in 2019	21
Table 6: MCSD Sewer Rates	22
Table 7: MCSD Recreation Services	23
Table 8: MCSD Board of Directors	26
Table 9: MCSD Annual Budget Summary	29
Table 10: MCSD Audit Summary	31

1.0 MSR/SOI BACKGROUND

1.1 Role and Responsibility of LAFCo

Local Agency Formation Commissions (LAFCos) are independent regulatory commissions that were established by the State legislature in 1963 to encourage the orderly growth and development of local governmental agencies including cities and special districts. Today, there is a LAFCo in each of California's 58 counties. Humboldt LAFCo is a seven-member commission comprised of two members of the Humboldt County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act") (California Government Code Section 56000 et seq.) for purposes of facilitating changes in local governmental structure and boundaries that fosters orderly growth and development, promotes the efficient delivery of services, and encourages the preservation of open space and agricultural lands. Some of LAFCo's duties include regulating jurisdictional boundary changes and the extension of municipal services. This includes city and special district annexations, incorporations/formations, consolidations, and other changes of organization. LAFCo seeks to be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs, and actions.

The CKH Act outlines requirements for preparing Municipal Service Reviews (MSRs) for periodic Sphere of Influence (SOI) updates. MSRs and SOIs are tools created to empower LAFCo to satisfy its legislative charge of "discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances" (§56301). CKH Act Section 56301 further establishes that "one of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local agencies in each county and to shape the development of local agencies so as to advantageously provide for the present and future needs of each county and its communities." SOIs therefore guide both the near-term and long-term physical and economic growth and development of local agencies, and MSRs provide the relevant data to inform LAFCo's SOI determinations.

1.2 Purpose of Municipal Service Reviews

As described above, MSRs are designed to equip LAFCo with relevant information and data necessary for the Commission to make informed decisions on SOIs. The CKH Act, however, gives LAFCo broad discretion in deciding how to conduct MSRs, including geographic focus, scope of study, and the identification of alternatives for improving the efficiency, cost-effectiveness, accountability, and reliability of public services. The

purpose of a MSR in general is to provide a comprehensive inventory and analysis of the services provided by local municipalities, service areas, and special districts. A MSR evaluates the structure and operation of the local municipalities, service areas, and special districts and discusses possible areas for improvement and coordination. While LAFCo has no direct regulatory authority over cities and special districts, MSR's provide information concerning the governance structures and efficiencies of service providers – and may also serve as the basis for subsequent LAFCo decisions. The MSR is intended to provide information and analysis to support a sphere of influence update. A written statement of the study's determinations must be made in the following areas:

- (1) Growth and population projections for the affected area
- (2) Location and characteristics of any disadvantaged unincorporated communities within or continuous to the sphere of influence
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
- (4) Financial ability of the agency to provide services.
- (5) Status of and opportunities for shared facilities
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by Commission policy.

This MSR is organized according to these determinations listed above. Information regarding each of the above issue areas is provided in this document.

1.3 Purpose of Spheres of Influence

In 1972, LAFCos were given the power to establish SOIs for all local agencies under their jurisdiction. As defined by the CKH Act, “‘sphere of influence’ means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission” (§56076). All boundary changes, such as annexations, must be consistent with an agency's sphere of influence with limited exceptions.

Pursuant to Humboldt LAFCo policy, a MSR is conducted prior to or in conjunction with its mandate to review and update each local agency's sphere of influence every five years or as necessary. The municipal service review process is intended to inform the Commission as to the availability, capacity, and efficiency of local governmental services prior to making sphere of influence determinations.

LAFCo is required to make five written determinations when establishing, amending, or updating an SOI for any local agency that address the following (§56425(c)):

- (1) The present and planned land uses in the area, including agricultural and open space lands.

- (2) The present and probable need for public facilities and services in the area.
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (5) For an update of an SOI of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Service reviews may also contain recommendations for sphere of influence or government structure changes needed to implement positive service changes. Where more detailed analysis of service options is necessary, service reviews may contain recommendations for special studies where there is the potential to reduce service gaps and improve service levels.

1.4 Disadvantaged Unincorporated Communities

SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of SOI determination number 5 listed above. Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income.

Humboldt LAFCo has adopted DUC policy, which identifies 31 inhabited unincorporated “legacy” communities for purposes of implementing SB 244. These legacy communities were defined as part of the Humboldt County 2014 Housing Element for areas not located within the sphere of influence of a city. Therefore, additional review is needed to determine “disadvantaged unincorporated communities” within and adjacent to city spheres of influence.

CKH Act Section 56375(a)(8)(A) prohibits LAFCo from approving a city annexation of more than 10 acres if a DUC is contiguous to the annexation territory but not included in the proposal, unless an application to annex the DUC has been filed with LAFCo. The legislative intent is to prohibit selective annexations by cities of tax-generating land uses while leaving out under-served, inhabited areas with infrastructure deficiencies and lack of access to reliable potable water and wastewater services. DUCs are recognized as social and economic communities of interest for purposes of recommending SOI determinations pursuant to Section 56425(c).

2.0 MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

2.1 Agency Overview

The McKinleyville Community Services District (MCSD) 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. The District primarily provides water, wastewater, and parks and recreation services. Additional services include street lighting and libraries.

McKinleyville is located in an area that was historically inhabited by the Wiyot whose territory extended from Little River near Trinidad in the north, to Bear River Ridge in the south. The Wiyot people called this area Goudi'ni, meaning "over in the woods". They worked with the natural bounty of the bay, ocean, forests, and rivers to provide sustenance for themselves. However, an influx of white settlers eventually led to an end of the Wiyots native way of life.

Primary Contact	Pat Kaspari, General Manager
E-mail	pkaspari@mckinleyvillecsd.com
Address	PO Box 2037, 1656 Sutter Road, McKinleyville, CA 95519
Phone	(707) 839-3251
Website	https://www.mckinleyvillecsd.com/

2.2 Principal Act for Community Services Districts

The CSD principal act is the Community Services District Law (Government Code §61000, et seq.) which authorizes CSDs to provide up to 31 types of governmental services within their boundaries. Services, facilities, functions or powers enumerated in the District's principal act but not identified in the formation resolution or later activated, are considered "latent," meaning that they are authorized by the principal act under which the District is formed but are not being exercised. Latent powers and services activation require LAFCo authorization in accordance with Government Code §56824.10 et seq.

2.3 Formation and Development

McKinleyville CSD was formed on April 21, 1970, after a special election was held within the area proposed for district formation¹. The district was formed as an independent special 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. Within three months of the District's formation, residents voted to add wastewater disposal authority to the list of activated

¹ Humboldt County Board of Supervisors Resolution No. 70-36.

powers. Later residents voted to add street lighting powers in 1972, park and recreation powers were added in 1984, and most recently, library powers were activated in 1995.

Latent Powers

In an effort to better identify the current and potential future services provided by MCSD, the District conducted a Latent Powers study in 2020-21. The District sought input from LAFCo on several service items including library, police, reclamation, parks, and social services which was included as part of the report.

Based on the report, which primarily discussed the services listed above, several recommendations were made to the District's Board including:

- 1) Authorize General Manager to request copy of or new certification for activation of library powers vote from 1995. Subsequently move forward with "Library Powers" Ordinance to strengthen and clarify the District's powers.
- 2) Move forward with a resolution detailing the District's powers related to law enforcement with input from the County Sheriff, County Board of Supervisors, and Firth District Supervisor.
- 3) Move forward with a resolution reiterating the Parks and Recreation Powers including development and management of Community Forests.
- 4) Move forward with an ordinance delineating the District's ability to provide reclamation services under current water, wastewater, and park services.
- 5) Create a policy statement detailing the limitations of the District in the area of homelessness and how the District may provide support to other entities for this cause.
- 6) Formalize support for McKinleyville Municipal Advisory Committee (MMAC) in the form of regular meetings, an annual stipend of in kind services, providing a meeting space, providing letters of support for grant applications, and establishing an annual joint meeting between MMAC and MCSD Boards.

LAFCo currently recognizes the following active powers for MCSD: water, wastewater, parks and recreation (including open space management), street lighting, and library (based on previous LAFCo approval and Humboldt County election records^{2,3}). All other powers are considered latent at this time and would require activation by LAFCo before provision of such services began. All active services will be discussed further under Section 2.8 – Municipal Services.

Homelessness

Discussion of DUCs typically focuses on the provision of vital services to the community including water, wastewater, and fire/ emergency response. However, low to mid income communities, especially those in more populated areas along transit corridors, also often experience a high level of homelessness.

² Humboldt LAFCo, Resolution 95-02: Approving the Activation of Library Powers for the McKinleyville Community Services District. Adopted April 26, 1995.

³ Humboldt County Office of Elections, Elections Summary: District Elections on November 7, 1995. McKinleyville CSD Measure J passed with 78.65% Yes and 21.35% No.

The Humboldt Housing and Homeless Coalition takes part in the biennial Point-in-Time count which seeks to identify the number of homeless persons in the County on a single night in January. The last count identified a total of 1,470 unsheltered people within the county of which, 121 were located in McKinleyville⁴. Based on the transient nature of homeless persons and the limitations of the count based on volunteer availability and safety, the actual number of unsheltered homeless persons could be much higher. However, this does indicate that at on any given night there are over 100 persons seeking shelter, typically on public and open space lands such as parks, forested areas, shopping centers, and the like.

MCSD is aware of the need for additional support services to address homelessness in the community. While the District is unable to directly provide social services and aid to homeless persons, it can offer the use of facilities to third parties that are authorized and experienced in providing these services. MCSD has established Rule 68.03 – Services for Those Experiencing Homelessness, which outlines the limitations and abilities of the District on this issue.

2.4 Boundary and Sphere of Influence

McKinleyville CSD is the largest district of its type in Humboldt County, covering roughly 12,600 acres, or approximately 19.7 square miles. When formed, the District had a land area of 19 square miles or 12,160 acres. The Azalea Park Annexation in 1973 added approximately a half square mile or 320 acres (MCSD Resolution No. 89), and the Hunt Annexation in 1986 added approximately 30 acres along Hunts Drive in southern McKinleyville (LAFCo Resolution No. 86-5).

Currently, the District's SOI is coterminous with its boundary. However, MCSD provides water directly to Patrick Creek CSD through a water services agreement established in 1973. As such, it is recommended that MCSD's SOI be expanded to include the Patrick Creek CSD area in northern McKinleyville. While consolidation of the two districts is not likely at this time since it would require activation of road maintenance powers by MCSD and the Patrick Creek CSD Board has indicated they do want to consolidate, it could be a feasible option in the future if both districts agree.

MCSD's SOI also includes large areas of timber and natural resource land that is not provided municipal services by the District. These include forested areas east of Central Avenue and beach areas along the Pacific Ocean. An exception to this includes the timber resource areas adjacent to residential areas between Murray Road and Hunts Drive that have recently been acquired by MCSD for management as a community forest as part of their parks and recreation program. Figure 1 shows the existing and recommended SOI for the District.

⁴ Humboldt Housing and Homeless Coalition, Press Release - Unsheltered Point-in-Time Count Numbers Finalized. February 20, 2019.

Figure 1: McKinleyville CSD Boundary and SOI

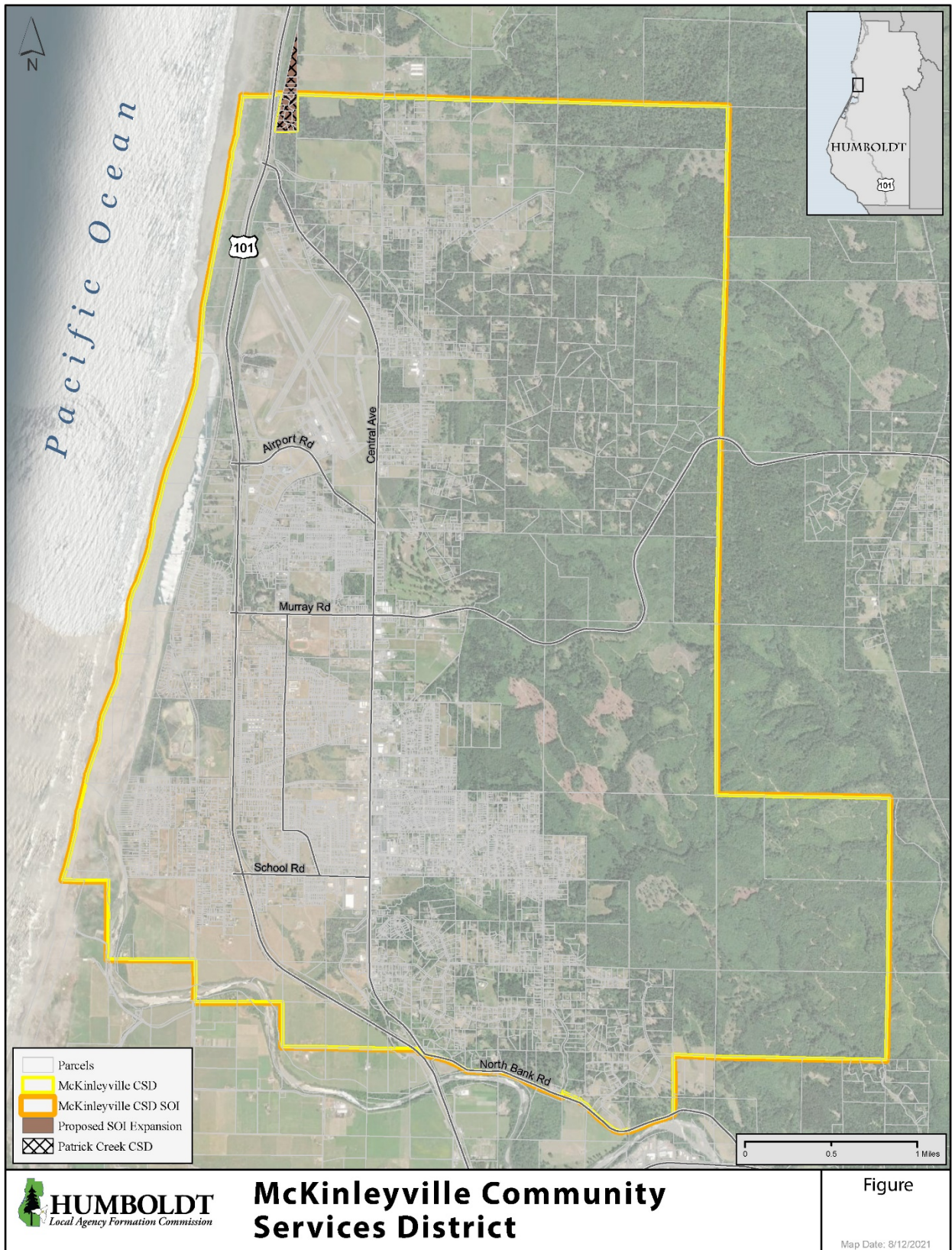
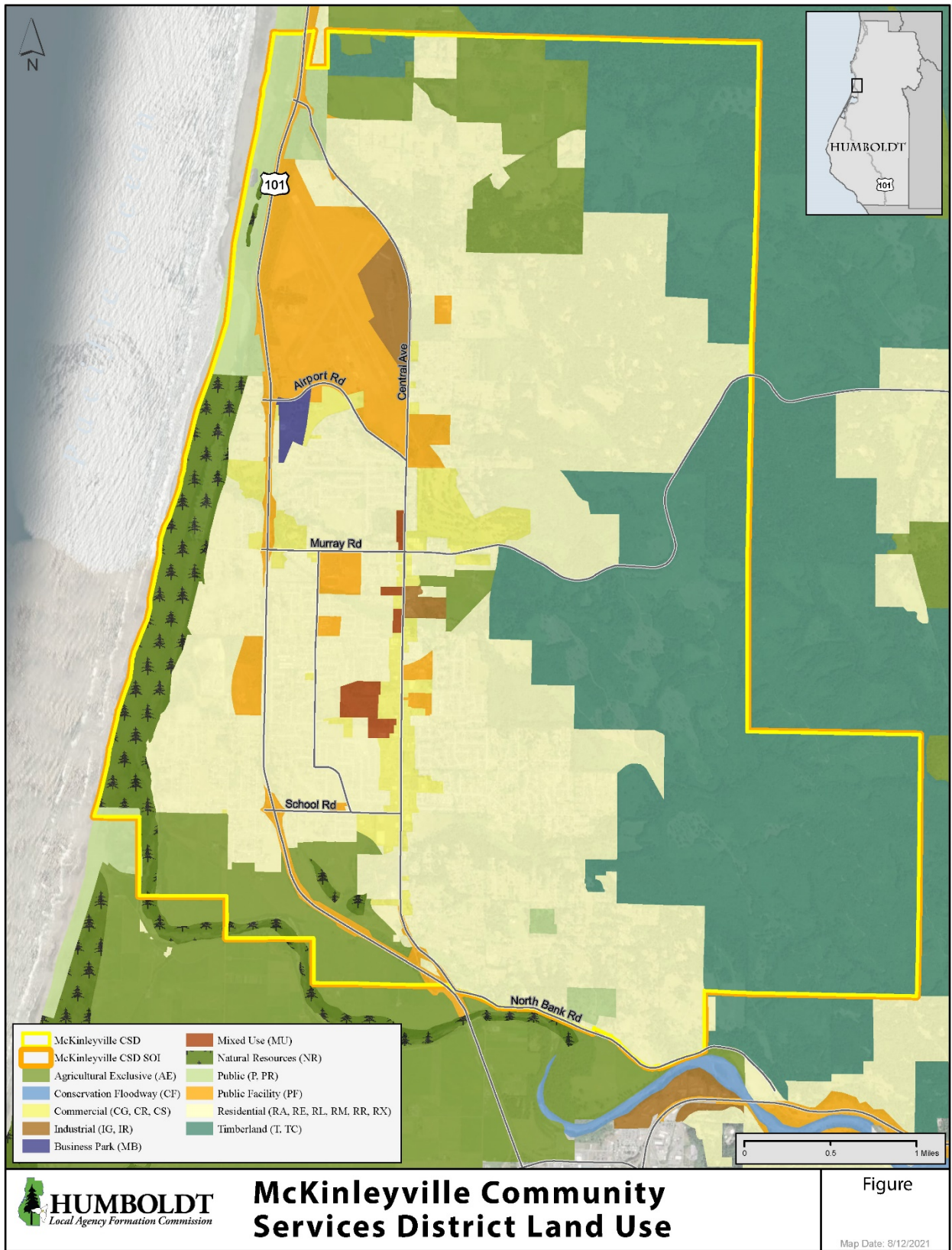


Figure 2: McKinleyville CSD Land Use Designations



2.5 Land Use and Zoning

Land uses within the District are currently subject to the Humboldt County General Plan, McKinleyville Community Plan, McKinleyville Area Local Coastal Plan (for coastal portions), and Zoning Regulations (Humboldt County Code Title III, Division 1). The McKinleyville Community Plan (adopted in 2002 and amended in 2017) includes the developed McKinleyville area and the surrounding watersheds as well as the Dows Prairie area. Most of the developed area of McKinleyville is mapped as an Urban Development Area and the Dows Prairie, Beau Pre Heights, and areas off Azalea Avenue are mapped as Urban Expansion Area.

McKinleyville's economic base is primarily that of a residential “bedroom community” with local and some regional commercial services along a centralized strip. Limited agricultural production, including timber production, and light manufacturing is also pursued in the area. McKinleyville is the site of the County's only regional airport facility, the California Redwood Coast – Humboldt County Airport (ACV). The adjacent Airport Business Park encompasses an approximate 53 acre site. The Business Park provides land for light manufacturing, regional visitor serving facilities, and commercial-industrial opportunities for the community⁵.

Under the Humboldt County General Plan, land uses within the District are primarily Residential Agriculture (RA), Residential Low Density (RL), and Timberland (T) (see Table 1). Other land uses include Agricultural Exclusive (AE), Commercial Services (CS), Commercial Recreation (CR), Public Facility (PF), Residential Estates (RE), Residential Medium Density (RM), Mixed Use (MU), Natural Resources (NR), Timberland Commercial (TC), and Industrial General (IG)⁶. The surrounding area is predominantly AE and T which are both low density, growth limiting designations.

Under Humboldt County Zoning Regulations, zoning within the District is a mix of Agriculture General (AG), Agriculture Exclusive (AE), Natural Resources (NR), Business Park (MB), Public Facilities (PF), Timberland Production (TPZ), Residential Suburban (RS), Residential One-Family (R-1), Community Commercial (C-2), Airport (AV), and Unclassified (U)⁷. Zoning outside of the District's boundary is primarily TPZ and AE. These zoning designations indicate low density development and limited growth.

⁵ Humboldt County General Plan – Community Area Plans: McKinleyville Community Plan. Adopted December 10, 2002 and amended October 23, 2017 by Resolution 17-96.

⁶ Humboldt County Web GIS, Jurisdiction Boundaries & Land Use, Planning Layers, Current General Plan Land Use. Accessed January 14, 2021.

⁷ Humboldt County Web GIS, Jurisdiction Boundaries & Land Use, Planning Layers, Zoning. Accessed October 19, 2020.

Table 1: MCSD Land Use Summary

General Plan Land Use	MCSD Boundary	
	Acres	% of Total
Residential Agricultural	1590	13 %
Residential Estates	1282	10 %
Residential Low Density	2414	19 %
Residential Medium Density	192	2 %
Mixed Use	56	<1 %
Commercial Services	285	2 %
Commercial Recreation	152	1 %
Industrial General	120	1 %
Public Facility	885	7 %
Agricultural Exclusive	1081	9 %
Natural Resources	747	6 %
Timberland	3584	28 %
Timberland Commercial	34	<1 %
Other	178	1 %
Total	12,600	100.0%

2.6 Growth and Population

McKinleyville is the most populated unincorporated area in Humboldt County and is one of the fastest growing communities in the county. MCSD is located within the McKinleyville Census Designated Place (CDP), which has a population of approximately 17,208 according to the 2019 American Community Survey 5-year Estimates. This is an increase of 760 persons from the 2014 estimate⁸. However, the District Boundary is smaller than that of the census boundary, therefore the District population is likely smaller.

The District estimates that it currently serves a population of 17,190⁹. McKinleyville can be expected to grow at a similar rate as the County if not more¹⁰. The growth rate could further be impacted by people seeking to move out of densely populated areas to more rural areas due to the Covid-19 pandemic. The District estimates an annual growth rate of 0.74% based on the previous rate of service connections. With this growth rate, there could be approximately 18,400 residents by 2030¹¹.

⁸ US Census, American Community Survey 5-year Estimates, McKinleyville Census Designated Place, Table S0101 for 2014 and 2019.

⁹ MCSD, Draft Urban Water Management Plan 2020. Section 3.4: Service Area Population and Demographics.

¹⁰ Estimated growth rate for the County is approximately 0.62% according to the 2017 Humboldt County General Plan Update.

¹¹ MCSD, Draft UWMP 2020.

2.7 Disadvantaged Unincorporated Communities

Disadvantaged unincorporated communities, or “DUCs,” are inhabited territories (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual median household income.

The estimated 2019 MHI for McKinleyville CDP is \$54,614.¹² This is 77 percent of the estimated California MHI of \$71,228¹³ which means the District qualifies as a DUC. McKinleyville and the nearby communities of Westhaven, Fieldbrook, and Glendale are also considered legacy communities which are disadvantaged communities not within the SOI of an incorporated City^{14,15}. As such, special consideration will be given to the provision of water, wastewater, and fire services in the area.

2.8 Municipal Services

Water Services

MCSD purchases water wholesale from the Humboldt Bay Municipal Water District (HBMWD) which it then provides to the communities of McKinleyville and Patrick's Creek. HBMWD is a water wholesaler that serves a large part of the County including McKinleyville, Arcata, the Samoa Peninsula, and Eureka. The source of HBMWD's water is several wells located along the Mad River which flows out of Ruth Reservoir located approximately 79 miles to the east. The wells are approximately 60 to 90 feet deep which provides for natural filtration. MCSD currently has a peak demand allocation of 2.6 million gallons per day (MGD)¹⁶.

The District receives water from HBMWD by way a single 18" transmission line that is buried under the Mad River¹⁷. Due to the proximity of several fault lines in the area, the line is at risk from severe ground shaking and could rupture in the event of a large earthquake. The District is aware of this risk and is working on developing additional emergency storage.

The District currently maintains approximately 88 miles of distribution mains over four pressure zones¹⁸ (Figure 3). The distribution system is in generally good condition. However, approximately half of the system was installed in the 1970's and is nearing the end of its useful life. In order to address this, the District has been working on a Water Main Line Replacement and Rehabilitation Master Plan. The plan takes a comprehensive look at the existing water system and identifies necessary steps and timelines for replacement of aging infrastructure. According to the plan, the District will need to spend approximately \$1 million every year on water main replacements in order to

¹² US Census, ACS 2019 5-year Estimates, Table S1903 for McKinleyville Census Designated Place. Accessed January 14, 2021.

¹³ US Census, ACS 2018 5-year Estimates, State of California, Table S1903. Accessed April 7, 2020.

¹⁴ Humboldt LAFCo, Boundary Change Policies and Procedures. Adopted May 16, 2018. Chapter 7 – Disadvantaged Unincorporated Communities: Section 7.2(2).

¹⁵ Humboldt County General Plan 2017. Appendix F – Map Book. Unincorporated Legacy Communities.

¹⁶ MCSD, 2020 Urban Water Management Plan – Section 6.3 Surface Water. August 2021.

¹⁷ Kennedy Jenks, 4.5MG Water Reservoir Preliminary Design Report – Section 1.1. January 2021.

¹⁸ MCSD, 2020 UWMP – Section 3.1 General Description.

achieve 80% system replacement over the next 100 years¹⁹. By taking steps to plan for infrastructure updates early on, the District is able to better identify necessary rate increases and other funding mechanisms to ensure continued fiscal stability.

MCSD reports overall very good water quality for the District based on regular water quality testing and the most recent consumer confidence reports²⁰. Average daily demand for the District was approximately 1.1 MGD in 2019 based on a total consumption of 405.3 MG (see Table 2). Reported water demand for 2020 was slightly higher at 450MG or 1.23 MG average daily demand²¹. This is approximately 47% of the Districts allocation from HBMWD and indicates there is enough water to meet current and future demands.

MCSD currently has six storage tanks at three sites totaling 5.25MG. This equals approximately two days of emergency water supply for the community²². However, due to the seismic vulnerability of the main transmission line from HBMWD, the District seeks to have five days of emergency water supply and is therefore in the process of preliminary design and permitting for a new 4.5MG water reservoir off of Cochran Road. The addition of this tank would provide another two days of emergency water supply.

Table 2: 2019 Water Demand

Million Gallons Per Month			
Month	Residential	Commercial	Total
January	25.528	3.953	29.481
February	23.769	3.217	26.986
March	25.814	3.996	29.81
April	25.106	3.384	28.49
May	26.687	3.735	30.422
June	28.274	3.647	31.921
July	36.757	7.16	43.917
August	39.067	4.52	43.587
September	37.981	4.661	42.642
October	32.104	4.068	36.172
November	26.997	3.761	30.758
December	27.396	3.724	31.12
Total	355.48	49.826	405.306

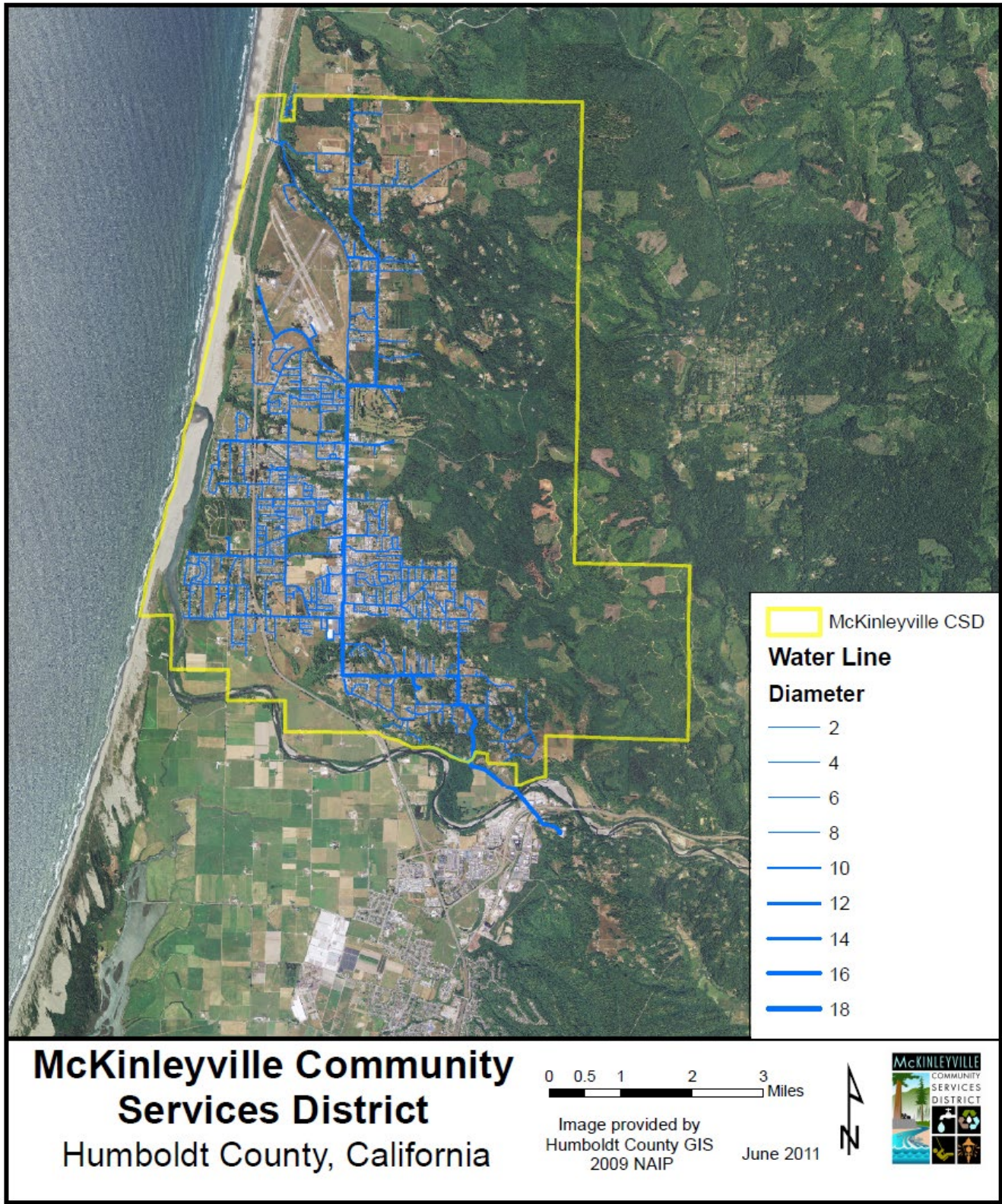
¹⁹ GHD, MCSD Water Main Replacement and Rehabilitation Master Plan Phase 2. January 2019.

²⁰ MCSD, Consumer Confidence Report 2020.

²¹ MCSD, 2020 UWMP – Section 4.2.

²² Kennedy Jenks, 4.5MG Water Reservoir Preliminary Design Report. January 2021.

Figure 3: Water Lines



The District also maintains an emergency intertie with the City of Arcata that was installed in 2013. In the event of an emergency, the intertie can be activated to provide water between the two systems. Typically, the water in the intertie remains stagnant. However, in order to maintain a chlorine residual, a bypass was installed to regularly flush the system²³.

Water Rates

Water rates in the District are calculated based on meter size and water use. Customers are charged a base rate every month based on the size of the meter at the property and then charged a use fee based for every 100 cubic feet of water. The District currently uses a tiered system so that the more water is used, the more it will cost per 100 cubic feet. The District has set annual rate increases that will take place until FY 2023 at which point the rates will be reassessed.

Table 3: MCSD Water Base Rates

Meter Size*	FY 2021	FY 2022	FY 2023
5/8 Inch	\$ 18.68	\$ 19.80	\$ 20.39
¾ Inch	\$ 26.71	\$ 29.11	\$ 30.59
1 Inch	\$ 42.59	\$ 47.52	\$ 50.98

* MCSD has meters ranging from 5/8 inch up to 8 inches.

Table 4: MCSD Water Use Rates

Use Level (per 100 cu.ft.)	FY 2021	FY 2022	FY 2023
Block 1: 0 to 8 CCF	\$ 1.78	\$ 1.89	\$ 1.95
Block 2: Over 8 CCF	\$ 4.45	\$ 4.73	\$ 4.88

Out of Agency Service Connections

MCSD has several legacy connections within the City of Arcata's SOI on the south bank of the Mad River. The District provides water services to several industrial customers, including Eureka Ready Mix in the Boyd Road area. However, according to a Memorandum of Understanding between the District and the City, the City will take on water service for this area in the event that Eureka Ready Mix wishes to further subdivide its property²⁴. MCSD is also not allowed to extend service to any other parcels within the City's SOI or Urban Services Boundary.

MCSD also has an existing agreement to supply water to the Patrick Creek CSD located at the northern edge of McKinleyville off of Little River Drive. When the Patrick Creek CSD was originally formed, they relied on wells within their District to serve the small community there. However, the system proved difficult to maintain and was transferred to MCSD in

²³ MCSD, 2020 UWMP – Section

²⁴ McKinleyville CSD and City of Arcata, Memorandum of Understanding Pertaining to the Annexation of the Eureka Ready Mix Parcel, March 7, 2016.

1973. Customers in Patrick Creek CSD purchase water directly from MCSD as established by a Joint Powers Agreement between the two districts²⁵.

Due to potential development at the Trinidad Rancheria located just south of the city of Trinidad, HBMWD has begun discussion with MCSD regarding “wheeling” of water through the MCSD system for a mainline extension up to the Trinidad area. While the project is still within early stages of planning and development, should it move forward, it would require additional agreements between MCSD and HBMWD.

Services Included Under Water Powers

In accordance with GC §61100(a), a CSD may “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”. This allows the District to conduct a wide range of activities related to the development and sale of water. According to Water Code §71610:

“. . . a district may acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of the district, its inhabitants, or the owners of rights to water in the district”.

Based on the above language, the District is lawfully able to recycle wastewater for irrigation as it does at the Fischer property and capture stormwater for groundwater recharge.

Wastewater Services

The District provides wastewater services to approximately 6,280 ‘service units’ which includes residences (including individual apartments), as well as business and commercial units. Wastewater is transported through 73 miles of sewer mains to a wastewater treatment plant located in between Hiller Park and the Mad River off of Fischer Avenue²⁶ (Figure 4). The facility was last upgraded in 2017 and has a current dry weather capacity of 1.37 MGD, wet weather capacity of 1.69 MGD, and peak capacity of 3.08 MGD.

Demand can vary throughout the year based on weather conditions with the highest demand typically in the wet weather months of February, March, and April. In 2019 the plant treated a total of 356.7 MG of influent (Table 5). The highest reported month was March with a total of 41.023 MG or approximately 1.3 MGD which is below the wet weather design capacity and less than half of its peak capacity. This indicates that there is sufficient capacity to manage current and future demand.

²⁵ Joint Powers Agreement for Provision Water Services to Patrick Creek Community Services District. Signed February 27th, 1973.

²⁶ GHD, MCSD Sanitary Sewer Main Line Replacement and Rehabilitation Master Plan – Section 1.2. January 2019.

Figure 4: Wastewater System



Table 5: Influent Treated in 2019

Month	Influent (MG)
January	29.994
February	37.085
March	41.023
April	35.358
May	30.449
June	26.802
July	26.073
August	26.201
September	25.459
October	24.917
November	24.495
December	28.827
Total	356.683

Like the water system, approximately half of the sewer force mains are from the 1970's and nearing the end of their useful life. While much of the system is still in good condition there are a couple areas of concern. There are existing capacity issues with the middle and southern Highway 101 crossings in the District and a portion of the main along Central Avenue has been severely corroded by sewer gas and will need to be replaced in the next five to ten years²⁷.

In an effort to better identify and plan for necessary repairs, the District has developed a Sanitary Sewer Main Line Replacement and Rehabilitation Master Plan. Phase I of the plan took a comprehensive look at the existing infrastructure including sizing, useful life of materials, and other factors to determine the timeline of repairs for the system. Phase II discusses the different types of replacement methods and costs. Based on the plan, the District will need to begin investing approximately \$1 million per year for sewer line replacements in order to maintain an adequate level of service and prevent major system issues²⁸.

Sewer Rates

Sewer rates are calculated on a monthly basis and are based on the total amount of water delivered to the property. Each customer pays a base charge of \$33.58 and then a volumetric charge of \$1.01 to \$16.86 per 100 cubic feet depending on the use of the property. The MCSD Board has set rate increases that will take effect until FY2023 at which point rates will be reassessed. A small list of common use types and charges are listed below.

²⁷ GHD, Sanitary Sewer Line Master Plan – Section 1.2.

²⁸ GHD, Sanitary Sewer Line Master Plan – Section 3.1.

Table 6: MCSD Sewer Rates

Use	FY 2021	FY 2022	FY 2023
Base Charge	\$ 33.58	\$ 34.59	\$ 35.63
Apartment/ Multi-Unit	\$ 2.81	\$ 2.89	\$ 2.98
Market	\$ 11.18	\$ 11.56	\$ 11.92
Motel/ Hotel	\$ 7.33	\$ 7.37	\$ 7.45
Restaurant/ Tavern	\$ 12.79	\$ 13.81	\$ 14.90
Single Family Residential	\$ 2.81	\$ 2.89	\$ 2.98

Services Included Under Wastewater Powers

In accordance with GC §61100(b), a CSD may “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”. This allows the District to provide a wide range of services related to wastewater. The following Health and Safety Code (HSC) sections are applicable to current district operations:

HSC §6512: *[The District] A district may acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate garbage dumpsites and garbage collection and disposal systems, sewers, drains, septic tanks, and sewerage collection, outfall, treatment works and other sanitary disposal systems, and storm water drains and storm water collection, outfall and disposal systems, and water recycling and distribution systems, as the board deems necessary and proper. . .*

HSC §6520.7: *[The District] may sell, or otherwise dispose of, any water, sewage effluent, fertilizer, or other byproduct resulting from the operation of a sewerage system, sewage disposal plant, refuse disposal plant or process, or treatment plant, and construct, maintain, and operate such pipelines and other works as may be necessary for that purpose.*

HSC §6520.9: *[The District] may construct, maintain, and operate such pipelines or other works as may be necessary to conserve and put to beneficial use any water or recycled effluent recovered from the operation of the wastewater system, plant, or works, by sale or disposition for agricultural or industrial purposes, or by discharging or spreading the water or recycled effluent in such a manner as to percolate into the underground gravels and replenish the natural water resources.*

Based on the above language, the District is lawfully able to construct and utilize recycled water systems and produce biosolids from wastewater treatment systems. Additionally, the application of treated wastewater to agricultural fields is a common practice and has been utilized by the District since the 1980's.

Street Lighting Services

The District currently owns and maintains 400+ streetlights in over 95 different lighting zones. District residents pay a monthly surcharge based on what zone they are in to fund electricity charges, annual maintenance of the system, and any necessary replacements. In FY21/22, the District budgeted \$40,000 to continue with pole inspection and reporting that will identify and prioritize replacement needs. An additional \$7,000 has been set aside for photocell (light) replacement²⁹.

Recreation Services

MCSD is able to provide a range of recreation and open space opportunities to area residents (Figure 5). These include recreation facilities and programs, parks, and trails. Many of the District's facilities and parks can be rented for both private and public events which helps cover the costs of operations and maintenance.

Table 7: MCSD Recreation Services

Parks	Facilities
<ul style="list-style-type: none"> • Hiller Park • Hiller Sports Complex • Pierson Park • Larissa Park 	<ul style="list-style-type: none"> • Azalea Hall • McKinleyville Activity Center • McKinleyville Teen & Community Center • McKinleyville Library • Law Enforcement Facility
Trails	Programs
<ul style="list-style-type: none"> • Hiller Park Loop Trails • Mid Town Trail • School Road Trail 	<ul style="list-style-type: none"> • Summer Kids Camp • Paint Classes • Birthday Parties • Chalk the Town • School Break Camps • Youth Sports • Virtual Recreation and Wellness

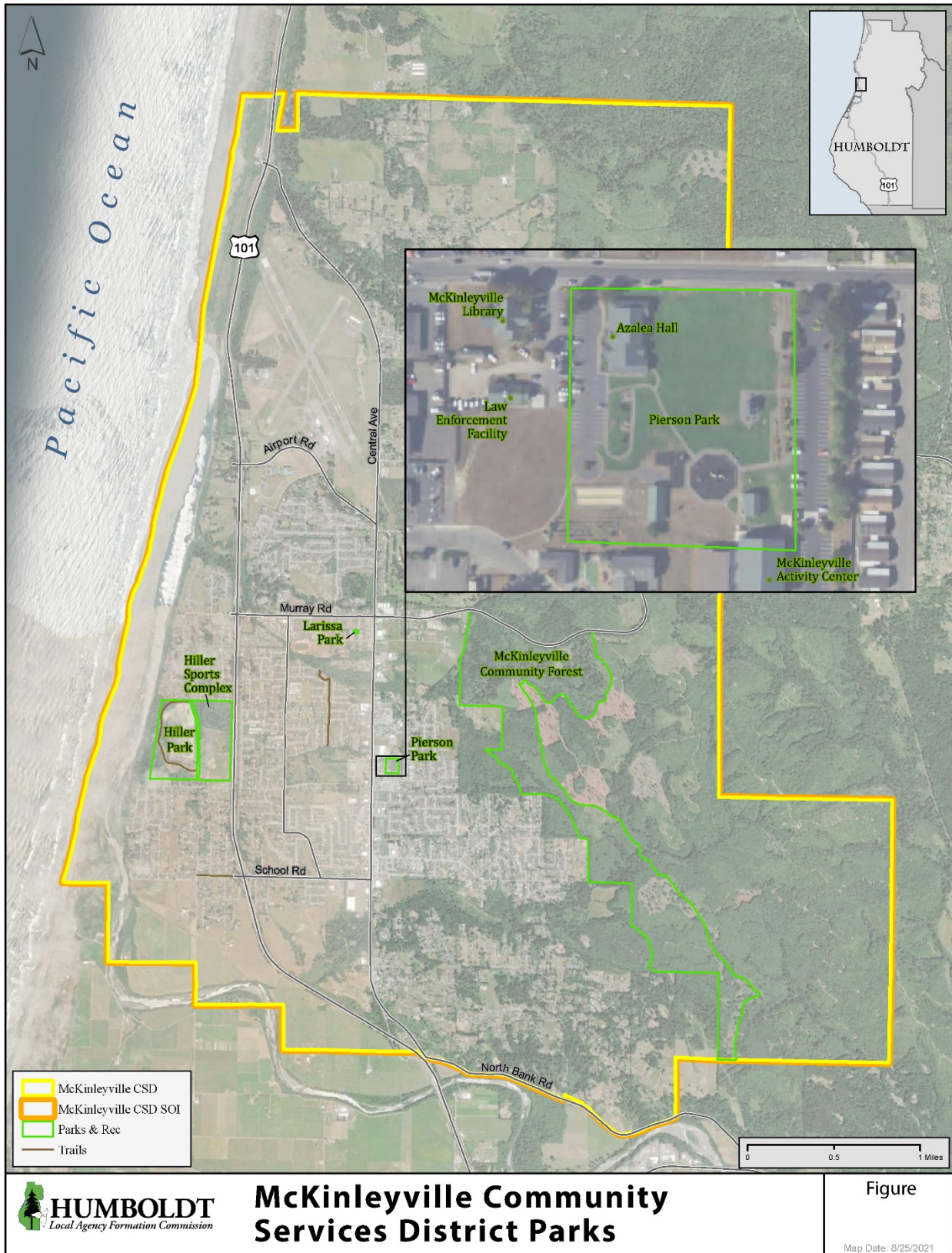
MCSD maintains a Parks and Recreation Advisory Committee which is discussed further in Section 2.9: Organizational Structure. This community driven committee provides feedback to the District on parks and recreation needs. Currently the Committee is overseeing planning for a BMX and skate park and a community forest³⁰.

In addition to general parks and recreation facilities, the District owns the McKinleyville Library and Law Enforcement Facility. The library is home to the McKinleyville branch of the Humboldt County Public Library system. The county operates the library while the District maintains the building and grounds. The Law Enforcement Facility is located adjacent to the library and is operated by the Humboldt County Sheriff's Department.

²⁹ MCSD, Approved Budget for FY2021-22: Exhibit 11. Adopted June 2, 2021.

³⁰ MCSD, Parks and Recreation Committee (PARC) Meeting Minutes for June 17, 2021.

Figure 5: MCSD Recreation Facilities



In 1995, the District conducted proceedings for activation of library powers. This included working through the LAFCo process and holding an election which received 78.65% voter approval. As such, LAFCo considers library powers to be active for the district. While the District does not directly provide these services, they do work with the County to ensure that adequate library services are provided to the community. The District also recently passed Ordinance 2021-05 which further establishes and clarifies their library powers³¹.

Due to the COVID-19 Pandemic, Parks & Recreation is only running one program-an afternoon recreation program for elementary school children. When state and county guidelines allow, we will return to offering youth and adult sports programs as well as leisure classes, playgroups and day camps.

Community Forest

As mentioned above, the District is in the process of establishing a community forest. In 2020 the Trust for Public Lands (TPL) was awarded \$3.8 million by the California Natural Resources Agency for the acquisition of land to create the McKinleyville Community Forest. TPL will be purchasing 550+ acres of forest property from Green Diamond Resource Company that is located on the eastern edge of town³², and transfer it to the District. The District will be responsible for the management of the forest and the development of trails and other recreation opportunities. There is also an opportunity for the District to actively manage timber for sales which could help offset costs of managing recreational access.

Services Included Under Park Powers

In accordance with GC §61100(e), the District may "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. . .". Applicable Public Resources Code (PRC) includes:

PRC §5786: (a) Organize, promote, conduct, and advertise programs of community recreation, including, but not limited to, parks and open space, parking, transportation, and other related services that improve the community's quality of life.

(b) Establish systems of recreation and recreation facilities, including, but not limited to, parks and open space.

(c) Acquire, construct, improve, maintain, and operate recreation facilities, including, but not limited to, parks and open space, both inside and beyond the district's boundaries.

Based on the above language the District is lawfully able to improve parcels and take on construction activities for maintenance and operation of recreation and open space

³¹ MCSD, Ordinance 2021-05: Adding Section 68.04 to Regulation 68, Latent Powers of Article VI: Miscellaneous, Addressing Library Powers of the MCSD Rules and Regulations. Adopted July 7, 2021.

³² MCSD, Community Forest Press Release. December 17, 2020.

facilities. This includes all property owned by the District and any that is jointly managed with other entities such as the future Community Forest, Mad River access, and beach access.

2.9 Organizational Structure

MCSD is governed by a five-member Board of Directors that are elected to staggered four year terms. Board meetings are typically held on the first Wednesday of the month at 7:00pm at Azalea Hall unless otherwise noticed. Board members receive \$125 per meeting up to a maximum of \$750 per month (six meetings)³³.

Table 8: MCSD Board of Directors

Board Member	Title	Term Expiration
Dennis Mayo	President	December 2022
David Couch	Vice President	December 2022
Scott Binder	Member	December 2024
Joellen Clark-Peterson	Member	December 2022
Greg Orsini	Member	December 2024

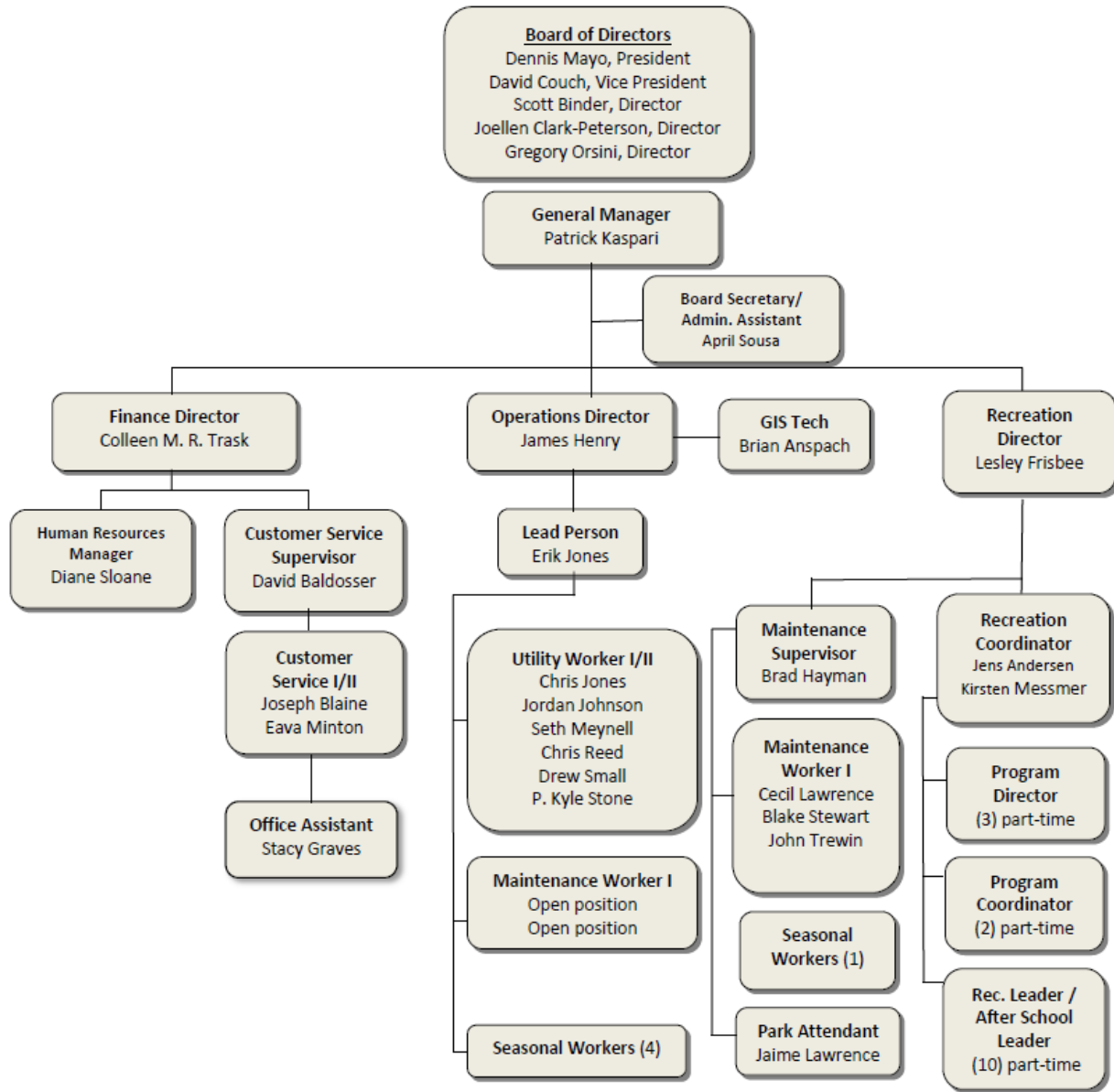
MCSD also maintains a Parks and Recreation Advisory Committee that provides input on District owned and operated recreation facilities as well as the needs and desires of the community for updated or expanded facilities. This unique committee is made up of nine members, of which two may be high school students. Committee composition includes one McKinleyville Area Fund representative, one MCSD Board representative, and seven public members with two alternates. The committee typically meets every third Thursday at 6:30pm at the MCSD conference room unless otherwise noticed.

This District currently maintains 29.5 full time equivalent employees in both full-time and part-time positions. These include the District Manager, department directors, and support staff.

³³ MCSD Ordinance 2012-01. An Ordinance of the McKinleyville community Services District Amending the Board Policy Manual to Revise the Board of Directors Compensation Rate. Adopted April 4, 2012.

Figure 6: Organizational Chart

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



McKinleyville Municipal Advisory Committee

The McKinleyville Municipal Advisory Committee (MMAC), formed by the Humboldt County Board of Supervisors in 2012, is comprised of eight voting members including three members appointed by the 5th District Supervisor, three members appointed by the full Board of Supervisors, and two members representing MCSD (i.e., a Board Member and the General Manager). The committee provides recommendations to the County on the need for and adequacy of services provided by the County and also has the ability to provide input on land use and zoning updates in the McKinleyville area³⁴. Most recently, MMAC has been reviewing and providing input on the McKinleyville Town Center Master Plan.

MCSD and MMAC have recently started working more closely together on services planning for the area. The MCSD General Manager, Board President, MMAC Chair, and 5th District Humboldt County Supervisor are to meet monthly and a joint meeting of the MCSD Board and MMAC is scheduled to occur annually. MCSD is also providing support through in kind services for MMAC including providing a regular meeting space for the committee and letters of support for grant funding³⁵.

McKinleyville Incorporation

As one of the largest and most populated areas of Humboldt County, McKinleyville is considered a candidate for potential incorporation. Incorporation is defined as the creation or establishment of a new city with corporate powers. At least 500 registered voters must reside within the proposed territory. Most cities incorporate to gain local control of land use decisions and to access new revenues to support local services. Incorporation shifts local government responsibility for an unincorporated area under the jurisdiction of a county board of supervisors to a newly established city council. City incorporation requires LAFCo approval and majority voter approval as part of an election. The long-term financial viability of a city is key to LAFCo approval of an incorporation proposal, including requiring revenue neutrality³⁶, a comprehensive fiscal analysis, and a plan for services. While the idea has been discussed several times in the past, there has been no major community support that has led to a preliminary feasibility study for McKinleyville incorporation and MCSD remains neutral on the topic.

2.10 Accountability and Transparency

The District maintains a website in compliance with SB929. Board agendas and notices are posted at least 72 hours in advance of scheduled Board meetings in accordance with the Ralph M. Brown Act and meeting minutes are posted on the District's website when available. The District office located at 1656 Sutter Road is also open to the public Monday through Friday. District staff are available to take account payments, assist with recreation program registrations, and answer general questions.

³⁴ Humboldt County, Boards and Commissions, McKinleyville Municipal Advisory Committee. Accessed July 29, 2021 from <https://humboldt.gov.org/238/McKinleyville-Municipal-Advisory-Committ>.

³⁵ MCSD, Resolution 2021-07: Revising the Board Policy Manual, Appendix A, to Formalize Support for the MMAC and Clarify the Board's Role and Responsibilities. Adopted April 7, 2021.

³⁶ Revenue Neutrality (GC 56815) - Any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and any other subject agencies.

Financial documents including budgets and audits are prepared on an annual basis in accordance with CSD law. Annual budgets are submitted to the County Auditor/ Controller once approved and financial information is regularly submitted to the State Controller's office³⁷.

2.10 Financial Overview

Fees for Services

The District budgeted for gains in the past five financial years. Water and wastewater revenues and expenses account for a majority of the budget. The most recent rate study was completed in 2018. The District did anticipate a loss of revenue from the Covid-19 pandemic, most notably in Parks and Recreation. The reduction was primarily due to the cancellation of programs and the closing of facilities for public meetings, gatherings etc. The District was able to adjust expenditures in personnel costs by redistributing workloads to other departments and using fewer part-time and seasonal employees. Revenues are expected to rebound throughout FY21/22 but will likely remain lower than pre-covid amounts.

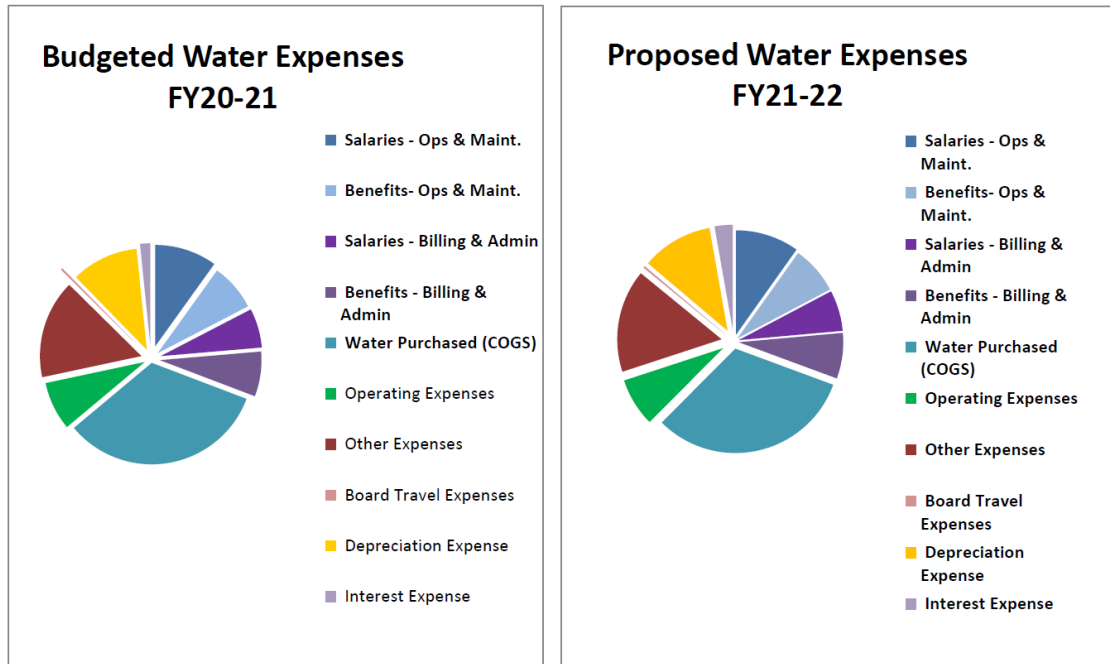
Table 9: MCSD Annual Budget Summary

Category	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Water	4,044,493	4,142,409	4,041,697	4,488,043	6,175,268
Recreation	1,433,910	1,295,612	1,322,896	1,094,628	1,250,216
Lighting	101,250	107,416	112,270	116,818	119,435
Wastewater	3,822,457	4,099,852	4,255,674	6,240,769	6,486,869
Measure B	-	210,000	212,512	224,332	225,004
Revenues	9,402,110	9,855,289	9,945,049	12,164,590	14,256,792
Water	2,828,439	2,829,489	3,234,714	3,390,101	3,625,938
Recreation	1,469,393	1,294,964	1,300,634	1,089,509	1,244,475
Lighting	101,076	104,136	101,844	90,826	136,676
Wastewater	3,205,046	2,709,535	3,404,813	3,536,184	3,777,967
Measure B	-	209,799	212,124	223,361	224,499
Expenditures	7,571,848	7,147,923	8,254,129	8,329,981	9,009,555
Gain/ (Loss)	\$1,830,262	\$2,707,366	\$1,690,920	\$3,834,609	\$5,247,237

The charts below show the major expense categories for water and wastewater services. The largest expense is salaries and benefits for District personnel that keep things running smoothly and ensure the water stays on. The next largest expense is generally depreciation of assets such as pipelines and equipment.

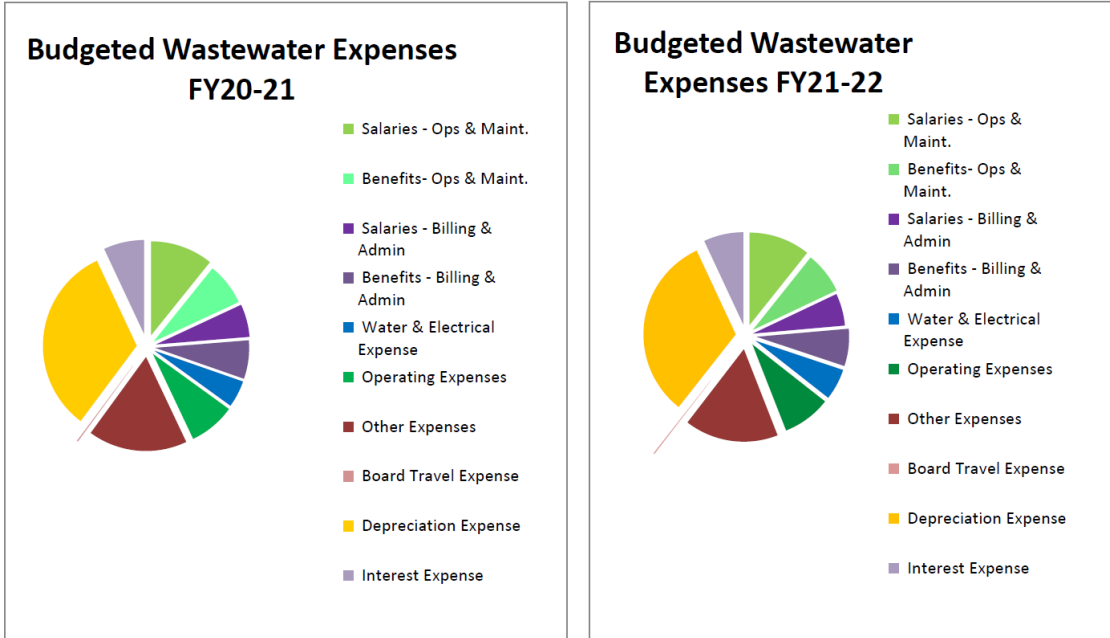
³⁷ California State Controller's Office, By the Numbers: Special Districts Financial Data. Accessed July 29, 2021 from https://districts.bythenumbers.sco.ca.gov/#!/year/2019/revenue/0/district_type/Independent/0/activity/Community+Services/0/county/Humboldt/0/entity_name/McKinleyville+Community+Services+District/0/category.

Figure 7: Water Expenses



Source: MCSD FY2021-22 Approved Budget

Figure 8: Wastewater Expenses



Source: MCSD FY2021-22 Approved Budget

District Audits

MCSD contracts for annual audits with an impartial third party accounting firm. The last audit available is for FY19/20 and was conducted by Fedak & Brown LLP. Over the last five fiscal years the District has shown an increase in overall net position of more

than \$3 million. This indicates the District has sound financial planning and is able to grow its net position over time. This will allow the District to plan for increasing expenses and large capital outlays.

Table 10: MCSD Audit Summary

Category	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
District Revenues	8,609,252	8,631,360	9,285,671	10,689,551	10,800,937
District Expenses	5,890,969	6,259,333	7,455,068	7,984,112	8,474,980
Total Gain/ (Loss)	2,718,283	2,372,027	1,830,603	2,705,439	2,326,257
Net Position Year End	\$27,586,386	\$29,958,413	\$26,021,854	\$28,727,293	\$31,053,550

District revenues are primarily from fees for services including water and wastewater service charges and recreation program fees. In FY19/20, the District reported over \$8 million in fees for services accounting of approximately 75% of total revenues. Additional revenue comes from grants, property taxes, and voter approved special assessments including Measure B for parks, open space, and recreational facilities, which was renewed for 20 years in FY2012/13.

3.0 MCKINLEYVILLE MSR DETERMINATIONS

As set forth in Section 56430(a) of the CKH Act- In order to prepare and to update the SOI in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for a service review the county, the region, the sub-region, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

(1) Growth and population projections for the affected area

- a) The District estimates a total population of 17,190. With an estimated growth rate of 0.74%, there could be 18,400 residents in the District by 2030.
- b) As the largest unincorporated community in Humboldt County, McKinleyville is expected to grow at the same rate if not faster than other unincorporated areas.

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

- a) McKinleyville Census Designated Place had a 2019 estimated MHI that is 77% of the State MHI which qualifies it as a DUC. The MCSD adequately provides water and wastewater services to the community and fire protection services are provided by the Arcata Fire Protection District.
- b) The communities of Westhaven to the north and Fieldbrook and Glendale to the east are also considered DUCs. Both of these communities are served by separate CSDs (i.e., Westhaven CSD and Fieldbrook-Glendale CSD).

(3) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.

- a) The District currently uses approximately 47% of its allocation from HBMWD which indicates there is enough water supply to meet current and future demands.
- b) The current transmission line from HBMWD is susceptible to failure from seismic activity. In the event of a break in this line, the District currently has 5.25MG of water storage which is the equivalent of two days of emergency supply. The District is currently working on development of an addition 4.5MG water reservoir in order to increase emergency backup supply.
- c) The District's wastewater treatment facility was upgraded in 2017 and has a peak demand capacity of 3.08MGD. Based on peak usage in 2019 (1.3MGD) there is adequate capacity to meet current and future demand.
- d) The District has completed an assessment of both their water and wastewater distribution systems which will need to be continuously upgraded to prevent pipeline failures. A plan has been put in place to ensure there are enough reserve funds to take on yearly replacement projects and ensure continued service to the community.

- e) The District provides a wide range of park and recreation activities for the community and is continuing coordination with outside entities on development of a community forest.
- f) The District currently maintains over 400 streetlights and has been working on inspections to prioritize pole replacement needs. Additional funding has also been set aside for light replacement when needed.

(4) Financing ability of agencies to provide services.

- a) The District adopts an annual budget in accordance with CSD law and conducts regular audits which are made available to the public on their website.
- b) Over the last five fiscal years, the District has budgeted for a net gain in revenues. This will allow the District to build up funds to support major capital outlay projects.
- c) The District's overall position has increase by approximately 12% over the last five fiscal years from \$27.6 million in FY2015/16 to \$31.1 million in FY2019/20. This indicates the District is in good standing and is able to adequately cover annual expenses.

(5) Status of and, opportunities for, shared facilities

- a) MCSD currently leases out buildings to both the Humboldt County Library and Sheriffs Department for provision of services to the community.
- b) MCSD maintains an emergency intertie with the City of Arcata and has worked on upgrading the intertie to ensure high quality water can be delivered when needed.
- c) MCSD provides water directly to the Patrick Creek CSD though an existing services agreement. Residents in Patrick Creek are directly billed by the District and the District is responsible for maintaining pipelines in the area.

(6) Accountability for community service needs, including governmental structure and operational efficiencies.

- a) The District is governed by a five-member Board of Directors elected to staggered four-year terms. It also facilitates a Parks and Recreation Advisory Committee that is made up of local community members that provide guidance on recreation needs and opportunities.
- b) MCSD provides in kind support for the McKinleyville Municipal Advisory Committee and regularly attends meetings in order to provide updates on the District and provide input on community needs.

(7) Any other matter related to effective or efficient service delivery.

- a) Due to potential development at the Trinidad Rancheria located just south of the city of Trinidad, HBMWD has begun discussion with MCSD regarding "wheeling" of water through the MCSD system for a mainline extension up to the Trinidad area. While the project is still within early stages of planning and development, should it

move forward, it would require additional agreements between MCSD and HBMWD.

- b) Currently, MCSD's SOI is coterminous with its boundary. However, MCSD provides water directly to Patrick Creek CSD through a water services agreement established in 1973. As such, it is recommended that MCSD's SOI be expanded to include the Patrick Creek CSD area in northern McKinleyville. While consolidation of the two districts is not likely at this time since it would require activation of road maintenance powers by MCSD and the Patrick Creek CSD Board has indicated they do want to consolidate, it could be a feasible option in the future if both districts agree.

4.0 MCKINLEYVILLE SOI DETERMINATIONS

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development of local governmental agencies to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city, as defined by G.C. Section 56036, and enact policies designed to promote the logical and orderly development of areas within the sphere. In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to the following:

(1) Present and planned land uses in the area, including agricultural and open-space lands.

- a) Under the Humboldt County General Plan, land uses within the District are primarily Timberland (28%), Residential Low Density (19%), Residential Agricultural (13%), and Residential Estates (10%).

(2) Present and probable need for public facilities and services in the area.

- a) McKinleyville is the largest unincorporated community in Humboldt County and continues to experience growth and development. As such, there is expected to be a continued need for water, wastewater, and other services for the foreseeable future.
- b) MCSD also has an existing agreement to supply water to the Patrick Creek CSD located at the northern edge of McKinleyville off of Little River Drive. Customers in Patrick Creek CSD purchase water directly from MCSD as established by a Joint Powers Agreement between the two districts.

(3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

- a) The District currently has ample water supply to meet current and future demand and is working on additional storage to the District to ensure continued service in emergency situations.
- b) The District has additional capacity at their wastewater treatment plant to support future growth in the area.
- c) Additional park and recreation services are being explored to meet the growing demands of the Community. This includes development of a Community Forest and construction of a skate/ BMX park.

(4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

- a) The City of Arcata located south of the District provides additional employment, recreation, retail, and other services for area residents. It is also the location of

Humboldt State University which is attend by students from all over the county, state, and country.

b) The surrounding communities of Fieldbrook, Glendale, and Westhaven have limited options for retail and employment services. It is likely that residents from these areas frequent McKinleyville for everyday needs.

(5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

a) Unincorporated territory surrounding the District qualifies as disadvantaged. Should future annexations or service extensions be proposed, special consideration will be given to any DUCs affected by the annexation consistent with GC §56375(8)(A) and LAFCo policy.

This Page Left Intentionally Blank

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.A **Support Services – July–Aug 2021 Report**

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

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

The District has \$1,364,472.64 to date in the Trust Account for the next Biosolids Disposal project.

Customer adjustments at July month-end total \$385.85, which represents 0.9% of the annual \$42,000 budget for this sub-item. (GL# 501/551-62120)

Total Board Travel as of July 31, 2021 stands at \$2,250.00 which is 5.1% of the approved \$17,500 budget for this item. (GL# 001/005/501/551 62090/62155-888)

Audit/Budget Update:

Fedak & Brown made their initial information request, and the chosen sample data has been provided to them. Audit confirmations have gone out, and final onsite field work is scheduled for October.

Treasurer's Report Highlights:

Water Fund capacity fees collected through July totaled \$4,250.42. Wastewater Fund capacity fees of \$12,421.00 were collected through the end of July. No capital contributions have been received for FY2021-22. 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.

The Balance Sheet

The Balance Sheet shows the assets and liabilities for each major Fund. Assets are listed first, in the order of liquidity. Subtotal lines are provided for the major categories of assets: cash and cash equivalents, accounts receivable, and prepaid expenses. Capital asset totals are listed last. Liabilities are shown in the next section. Current liabilities consist of Accounts Payable and Payroll Payables. Long-term debt and other non-current liabilities are listed for the Water and Wastewater Funds.

Of note is the fact that the governmental funds do not show either non-current assets or non-current liabilities. Generally Accepted Accounting Principles and the Government Accounting Standards Board both require a modified accrual basis of accounting for governmental funds. That means current financial resources are set against current financial requirements, and long-term assets or debt are listed separately. In this case, a net total value for General Capital Assets is shown at the bottom of the Balance Sheet report. General Long-term Liabilities are also shown there, including a summary of the actuarially calculated Pension and Other Post-Employment Benefits (OPEB) liabilities.

OTHER UPDATES

Our wholesale water provider, Humboldt Bay Municipal Water District, received their Board's approval on their budget in July. Our pass-through charge was updated accordingly in August.

The governor's moratorium on non-payment lock is set to expire at the end of September. State funds have been budgeted to pay the customers' past due water bills directly to the water utilities. A survey was developed to collect information on the total water bills unpaid due to the lock moratorium. The District has already returned it with the requested information. The State currently intends to collate all the reimbursement requests, compare that total to the total budgeted to cover those requests, and allocate the funds proportionately. They have stated that any surplus would be available to cover unpaid wastewater bills. We are not likely to see sufficient funds to cover all past due amounts. We are currently laying out a plan to allocate whatever funds we do receive and developing options for the payment of past due wastewater accounts. We intend to bring the plan for both allocation and collection to the Board at the October meeting.

As of 30 August 2021, the number of customers on the Lock eligible list who have not made a payment since July stands at 67, with a total past due of \$43,610. This is an decrease of \$9,274 from last month. Of these, 43 have made payments in May, June, or July. Their total outstanding balance is \$24,876. 9 customers have not made a payment since December 2020 (down 2). Their outstanding balance is \$9,956, down \$5,371 from last month's report.

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.B **Operations Department – July/August 2021 Report**

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

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 49.1 million gallons of water in July.
Three 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 Routes 14 and 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 2.0 million gallons and the average usage per day was 1.6 million gallons.

Water Distribution Maintenance:

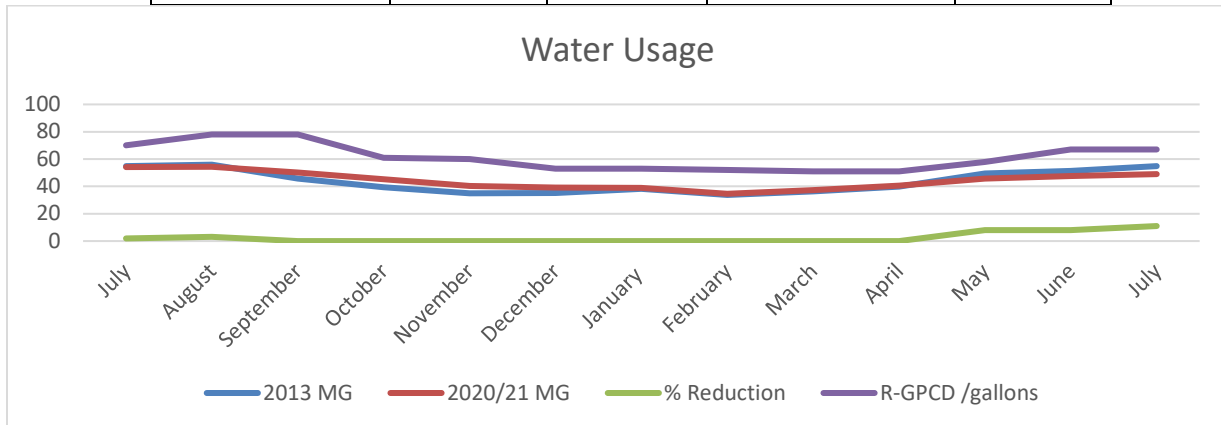
Weekly Bacteria Samples were collected on Schedules 1, 2, 5, and 6 which represent different locations in the water distribution system. The schedules are made up of a sample taken in each pressure zone. The annual valve exercising continues along with hydrant inspections to ensure that they work properly when needed in an emergency. Any issues found are tagged to have a work order generated for repairs. A meter angle-stop was replaced on Peeples Road due to not operating properly. A new water service was installed on Hoffman.

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. Semi-annual amp and megging took place at all stations to verify motors are balanced and running efficiently. It was found that Pump 1 at Northbank was experiencing electrical wire issues. Wahlund Construction was called in to troubleshoot, replace the wire and repair the section of conduit that possibly damaged the wire insulation. The scheduled greasing of the pumps and string trimming around the station was also completed at Northbank. A new pump and motor was replaced at the Blake station as part of the Capital Improvement Plan.

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 (MG)	2020/21 (MG)	% Reduction	R-GPCD
July	54.757	54.111	2	70
August	55.908	54.366	3	78
September	45.702	50.074	(-8)	78
October	39.439	45.279	(-13)	61
November	34.879	40.336	(-13)	60
December	35.203	39.076	(-11)	53
January	38.241	38.974	(-2)	53
February	33.751	34.603	(-2)	52
March	36.244	37.375	(-3)	51
April	39.755	40.465	(-2)	51
May	49.407	45.752	8	58
June	51.337	47.654	8	67
July	54.757	49.099	11	67



R-GPCD = Residential Gallons Per Capita Day

New Construction Inspections:

Imeson Court: Avaral plans have been reviewed and commented. This project has started. The sewer mains and laterals are being installed in June with water infrastructure to follow in September. Midtown Court Tract: Plans were reviewed and sent back to developer to make corrections.

Sewer Department:**WasteWater Statistics:**

25.1 million gallons of wastewater were collected and pumped to the WWMF. 24.3 million gallons of wastewater were treated and discharged to land disposal or reclamation in July.

Sewer Station Maintenance:

Monthly inspections and daily routines were conducted on all sewer stations. Quarterly servicing was completed at the B Street and Fischer station, which included wet well washing and pump inspections. The wet well washing is important, in order to prevent hydrogen sulfide buildup, which is detrimental to the concrete casings and grease buildup which will plug the pumps. Pump shimming is done to keep pumps running efficiently and to reduce rags from plugging up the pumps. The semi-annual amp and megging was completed at all sewer facilities to ensure motors are balanced and running efficiently.

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. Staff mowed the Little Pond sewer R.O.W., the Fischer and School Road fence lines and around the storage facility at the ranch. The Smart Covers, which record sewer flow data, is being rotated around selected manholes to capture dry weather flows that can be used to compare to the wet weather flows, that was recorded during the winter. This will help locate any inflow or infiltration issues in the sewer mains. A new sewer service was installed on C Avenue.

Wastewater Management Facility:

Daily and weekly maintenance continues at the treatment plant to perform required service on the equipment. String trimming took place around the plant along with lubing motors and weir gates. The annual calibration of the SO₂ sensor was completed, along with the entry gate repair and painting the piping around the facility.

Daily Irrigation and Observation of Reclamation Sites:

Discharge has been going to land since May 1st. Irrigation sites have been mowed and pipe has been laid out and is being utilized for discharge. The farmer worked the lower fields and planted corn. A car drove through the Pialorsi fencing. CHP contacted the District and a report was filed. Repairs were made and his insurance will be billed for the time and materials.

Street Light Department:

One photo-cell was replaced on Nursery Way due to light staying on during the day.

Promote Staff Training and Advancement:

Weekly tailgate meetings and training associated with job requirements. Staff received training on Tractor Loader safety, Excavation and Trenching safety and Emergency Evacuation.

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.

Attended Micro-grid progress update and kickoff meetings

Working with Synagro on costs and contract to dredge Biosolids Basin

Submitted the Hazardous Waste Manifest

Attended Emergency Operations meetings with staff

Dug test pits for the Coho project to get a soils profile

Reviewed the Sewer Master Plan and submitted comments to the engineers

GIS:**Plans and Programs**

- Finalized Urban Water Management Plan
 - Attended Board meeting approving Plan
 - Revised Plan to Final Draft
 - Submitted Plan to DWR & California State Library
- Revised/Updated COVID-19 Prevention Program and the Injury Illness Prevention Program to include new Cal/OSHA updates.

Maps Completed/General GIS

- Began developing procedures for adding Easements to the GIS
 - Using docstar, old files.
- Created map-based Fire Hydrant Inspections forms through ArcGIS Field Maps for more streamline data collection and reporting.
- Created map-based manhole and cleanout inspections forms using ArcGIS Field Maps for more streamline data collection and reporting.
- GPS'd new water and sewer services and updated GIS accordingly.
- Water & Sewer Main Rehab project data review and map production
 - Map production and data review

Misc. Work Completed

- Central Avenue Open Space Zone

- Re-Assessed all parcels along central avenue for the 2021 reformation process.
 - Calculated frontages, total areas, and projected cost.
 - Started drafting engineers report
- Attended TAC meeting
- Operations document filing
- Posted documents onto website
- Doc Star search
- USA's

This Page Left Intentionally Blank

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.C **Parks & Recreation Director's Report for August 2021**

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

TYPE OF ACTION: **None**

TEEN & COMMUNITY CENTER-BOYS & GIRLS CLUB PARTNERSHIP:

Staff continues to meet with BGCR staff weekly. The Teen Club is open Monday- Friday 12:00pm-6:00pm. The Teen Club is running a wide variety of programs including a weekly cooking program, a cycling program, an art program, a community service program and several BGCA national programs such as Power Hour, SMART Girls, SMART Moves and Youth for Unity. The Club's average daily attendance decreased slightly in the last month from 20.5 teens on average per day to 17 teens per day.

Participants are learning about interpersonal communication and self-awareness in SMART Girls and SMART Moves. Participants get Academic assistance during Power Hour. The Keystone Club focuses on developing leadership skills and behaviors.

PARK AND RECREATION COMMITTEE:

The Park and Recreation Committee (PARC) met on August 18, 2021. The notes from the meeting can be reviewed in **Attachment 1**.

COMMUNITY FOREST UPDATES:

Staff continues planning and preparing for the acquisition of a Community Forest.

Staff met with staff of Green Diamond Resource Co (GDR) on August 20, 2021. Access points were discussed as well as the potential for a joint grant application for hazard mitigation projects that serve to reduce wildfire risks associated with the forest.

The adhoc Community Forest Committee met with BBW Associates to review the DRAFT "McKinleyville Community Forest Framework Plan" on August 23rd.

RECREATION PROGRAM UPDATES

The Kids Camp Summer Day Camp served 30+ youth per week in the last few weeks of the program. Camp ended on August 20th. The Adult Wood-bat softball league started on August 1st. It is off to a great start with 9 teams. Due to the recent COVID surge, all other indoor programs that had been planned to re-start this month have been postponed or cancelled.

PARK & FACILITY MAINTENANCE UPDATES:

Several open space zones received mowing, hedging and weeding maintenance and detention basins received clearing as part of the Open Space Maintenance Zone agreements. Due to the recent COVID surge, the SWAP program has not provided labor on

Saturdays this month. The Parks crew and NHES continue the routine schedule for maintenance on Central Ave. landscaping. Redwood mulch continues to be placed along Central this month. Three different homeless camps were cleaned out of various OSMZ's this month. Staff continues to keep up with daily/weekly routine facility and vehicle maintenance. Monthly inspections were conducted on all facilities and Open Spaces. At Hiller Sports Site staff have spent many hours on gopher trapping and hole filling. Sprinkler repairs were completed and fields were fertilized and aerated this month as well.

OTHER UPDATES:

- Staff participated in volunteer service for the McKinleyville Chamber of Commerce, the McKinleyville Family Resource Center, and the Boys and Girls Club of the Redwoods
- Staff is preparing to renew the Central Ave. OSMZ through the 218 process. The Central Ave. OSMZ sunsets every 5 years and must go through the renewal process.
- Mad River Youth Soccer League will began hosting games and practices at Hiller Sports Site this month.
- Staff is preparing for an ALL-District Employee Emergency Operations Training to be held in October.
- Staff continues to provide support to other departments of the District; assisting with accounts payable, payroll, and facilitating professional development workshops.

ATTACHMENTS:

Attachment 1 – PARC Meeting Notes from 8-18-21

Wednesday, August 18, 2021

6:30pm

Recreation Advisory Committee Meeting

NOTES

Members Present: Johnny Calkins, Scott Binder, Charlie Caldwell, Laura Bridy, John Kulstad; Ben Winker, Jeff Dunk, Phil Heidrick, Chad Sefcik

Members Absent: none

Guests: Pat Kaspari

Meeting Notes:

Communications:

- Update on program cancellations due to indoor masking mandate.

Public Comment:

- None.

Recreation Director Report

- Recreation Program Updates
 - The Kids Camp Summer Day Camp is serving 30+ youth per week in the last few weeks of the program. Camp ends on August 20th. The Adult Wood-bat softball league started on August 1st. It is off to a great start with 9 teams. Due to the recent COVID surge, all other indoor programs that had been planned to re-start this month have been postponed or cancelled.
- Park & Facility Maintenance Updates
 - Several open space zones received mowing, hedging and weeding maintenance and detention basins received clearing as part of the Open Space Maintenance Zone agreements. The Parks crew and NHES continue the routine schedule for maintenance on Central Ave. landscaping. Redwood mulch continues to be placed along Central this month. Three different homeless camps were cleaned out of various OSMZ's this month. Staff continues to keep up with daily/weekly routine facility and vehicle maintenance. Monthly inspections were conducted on all facilities and Open Spaces. At Hiller Sports Site sprinkler repairs were completed and fields were fertilized and aerated.
- Other updates:
 - Staff is preparing to renew the Central Ave. OSMZ through the 218 process. The Central Ave. OSMZ sunsets every 5 years and must go through the renewal process.
 - Mad River Youth Soccer League will be hosting games and practices at Hiller Sports Site beginning August 15th.
 - Staff is preparing for an ALL-District Employee Emergency Operations Training to be held in October.
 - Staff compiled maintenance hours data of OSMZ's, parks and facilities for FY 20/21.
 - Staff met with the Prop. 68 Grant program officer at both the BMX Track and Park project site as well as Pierson Park.
 - Staff continues to provide support to other departments of the District; assisting with accounts payable, payroll, and facilitating professional development workshops.

BMX Track & Park Project:

- Staff reported on site visit with Statewide Park Development Grant program officer.

- Staff reported on movement towards filing a Class 32 Categorical Exemption to meet CEQA requirements for the project.

Community Forest

- Staff reported on the DRAFT report from BBW Associates outlining the elements of a Community Forest Management Plan.
 - Committee members asked questions about the report and the recommendations within the report

Parks & Recreation Development Guidelines

- Staff presented the most recent draft of guidelines to the committee for review.
 - Discussion of the usefulness of the guidelines followed the presentation.
 - The following additional questions were requested to be added to the guidelines:
 - What are the short and/or long term benefits of the proposed development?
 - What factors contribute to the urgency or uniqueness of the proposed development (i.e. Will the opportunity disappear if not acted upon right now? And why?)

Ad Hoc Committees Review of Need and Purpose

- Staff asked the PARC to review and clarify the need and purpose of the existing Ad Hoc Committees.
- Discussion of existing adhoc committees, specifically Hewitt Ranch and the River Property was had.
 - The committee agreed that not all existing adhoc committees needed to continue as such, but did not want to eliminate the subjects of the committees from PARC and public awareness.
 - Staff proposed that adhoc committees that currently do not have any actions or projects associated with them will no longer be reported on as adhoc committees, but would be included in the Dept. Director reports so that the PARC and the public continue to be informed of the status and potential associated with District owned properties.
- Adhoc committees that will remain include:
 - BMX Track (combined with Washington and School Rd. property)
 - Fischer Ranch estuary project
 - Skate park
 - Community Garden

Report on Actions of MCSD Board

- Staff reported on the Board's approval to initiate the formation of OSMZ #28 (Avelar/Imeson subdivision).

AdHoc Committee Reports:

- Hewitt Ranch— no report
- Skate Park—groundbreaking postponed due to COVID. Design team working on updating cost estimates
- School and Washington Property—no report
- River Property—no report
- Fischer Ranch Estuary project—Construction to begin in 2022.
- BMX— See notes on above
- Community Garden—no report

Agenda Items for next meeting:

- Qtrly Skate Park Report

- Park and recreation development guidelines
- Intermodal transportation committee report—B. Winker

Adjournment:

- Adjourned: 7:30pm

This Page Left Intentionally Blank

McKinleyville Community Services District

BOARD OF DIRECTORS

September 8, 2021

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.D **General Manager’s Report for September 2021 Meeting**

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

TYPE OF ACTION: **Information Only**

A summary of activity for the month of August 2021

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 =	\$2,548
• SWAP =	\$0
• CSW =	\$975
• Rec Leader Work Experience Subsidy =	\$1,494
• Repair Vac-Con wire remote =	\$160
• Install Pump at Blake Station =	\$320
• Change U-Joint in Fischer Driveline =	\$240
• Setup MQ Generator for District Use =	\$320
• Repair Pole Gate at WWMF Entrance =	\$480
• <u>Repair Truck Shop Rafter =</u>	<u>\$180</u>
TOTAL COST SAVINGS FOR August =	\$6,717

At the start of the District’s 2021/22 Fiscal Year, Staff was responsible for over \$6,717 in savings to the District and its Rate Payers.

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 – The District continues to track COVID related costs including costs related to people not paying their water bills. Guidance has come out on AB/SB 48, the California Water and Wastewater Arrearage Payment Program from the State Water Resources Control Board (SWRCB). The time period covered by the program will be from March 4, 2020 to June 15, 2021. Community water systems have been asked to provide, via an Electronic Annual Report (EAR) portal survey, their residential and commercial arrearages that have accrued for their billing periods between these dates. The State Water Board’s Program will be a direct one-time payment to water systems. Water systems will be the applicant to receive funding under this Program and will deliver the benefits directly to customers as credits. Water systems’ customers do not need to apply for these benefits.

The Program will initially prioritize drinking water residential and commercial arrearages and revenue loss. If the Program still has funding available, it will extend to wastewater residential and commercial arrearages and revenue loss by February 2022. Staff thinks that it is highly unlikely that benefits will be available to pay outstanding sewer fees.

“Past-due bills” means customer water bills that are 60 days or more past due and includes both active and inactive accounts, and accounts that have payment plans or payment arrangements. The key information being collected in the survey includes: a) the number of residential and commercial accounts and total accrued debt; total amount of late fees; the number of accounts and total accrued debt with \$600 in debt or more. b) Revenue loss: i. 2019 total revenues; and 2019 total expenses for maintaining water system. ii. Revenue loss that has occurred during the COVID-19 pandemic (within billing cycles that include March 4, 2020 through June 15, 2021). Community water systems must complete the survey by September 10, 2021. The District has completed the survey as detailed below.

The State Water Board is using the survey results to determine the total amount of residential and commercial arrearages from community water systems. They will then use this information to determine whether there are sufficient funds to reimburse the total amount of reported arrearages and revenue shortfalls of community water systems. If the total need is greater than available funding, the State Water Board will develop an allocation formula to disburse the funds on a proportional basis to each community water system applicant. This will be based on reported arrearages and the State Water Board’s estimation of customer arrearages for community water systems unable to report arrearages but report water enterprise revenue shortfalls.

After the September survey deadline, the State Water Board will analyze the information collected to determine the allocation of the Program funds. The State Water Board will then adopt a resolution to provide guidance on Program eligibilities and requirements. Within 14 days of adopting the resolution, the State Water Board will begin accepting applications from community water systems for funds to assist customers who have past-due bills from the COVID-19 pandemic bill relief period.

We have completed the Survey and reported 168 accounts that are past due for a total of \$47,746.22 in water arrearages that are 60 or more days past due and between the March 4, 2020 and June 15, 2021 dates. The \$47k number doesn’t include the unpaid wastewater fees, which are approximately the same again. Although it is not clear yet, if I had to guess, I doubt that the wastewater fees will be covered by this program, and the unpaid wastewater fees will still be outstanding after this program is implemented.

As previously reported, the Governor’s ban on locking water services for customers that do not pay their bills has been extended to September 30, 2021. Starting on October 1, we could reinstate our “typical” lock program, unless the State extends the ban on locking. We have been sending out “friendly reminders” with bills that have past due amounts. We typically send out

three months of friendly reminders on unpaid bills before scheduling a lock date. After the due date on the third friendly reminder bill, a final notice is generated. This notice is mailed to the property owner and the customer (if different) and informs them of the pending lock date, at least 60 days after the date of the notice. It should be noted that up to this point, we have been following all these steps, we just have not been locking the service on the lock date we have established for these dates. Staff and Board will need to finalize our approach for locking services. Staff will likely bring recommendations to the Board at our October Board meeting.

4.5 Gallon Water Tank Project – The District continues work on this Project with Kennedy Jenks (KJ) and their subconsultants. All Phase 1 documents, with the exception of the land purchase agreement, have been completed and have been submitted to CalOES/FEMA.

On July 29th, a meeting was held with Doug Shaw and Janne Page of American Hospital Management Corp. (AHMC) along with Russ Gans, District Legal Counsel, Ryan Plotz of Mitchell Law firm, Michael Pulley of Points West Surveying, Operations Director Henry and GM Kaspari to discuss the land purchase for the tank. It was generally a good meeting. Mr. Shaw did sign the General Plan Conformance review application and that has been submitted to County Planning. We reviewed the proposed land purchase and site layout. Mr. Shaw requested that we look at moving the tanks to be south of the existing tanks to leave some additional room for his development. He also requested a right-of-way across the District's future property to allow access to the Hewitt Ranch property. The District requested Kennedy/Jenks Engineers to look at the feasibility of moving the tank. An initial assessment of moving the tank indicated that it would be a very expensive proposition and possibly impossible. The area that Mr. Shaw would like to have the tank moved to is above the existing tanks and would require extensive additional excavation, and the remaining soil bearing on the tank may not prevent the tank from sliding down the hill. After the meeting, Points West also pointed out that when the District acquired the Hewitt Ranch site, there was/is a no access prohibition surrounding the entire site, to allow access only from Bryan Road. This will prevent the District from granting access to AHMC to Hewitt Ranch, since we don't have access either. Mr. Shaw still wanted pedestrian access across the acquired land to allow for future access to the park. We agreed to pedestrian access now and if AHMC were to sell us the land, we would work on obtaining access to the Hewitt Ranch property from the west, and if successful, give AHMC ROW to our Hewitt Ranch access point. We also realized that the retained parcel would also require a drainage easement across District property and that was added to the Purchase Agreement. The revised Purchase Agreement was forwarded to Mr. Shaw on August 18th and is for the purchase of approximately 6.5 acres for \$253,511. We continue to wait for a response from Mr. Shaw. Meanwhile, we are moving forward with eminent domain discussions with Michael Colantuono.

As reported over the last several months, the estimated construction cost for this project is significantly higher than the value estimated in the grant application. KJ's construction cost estimate came in at \$9.3M (\$10.3M including engineering and CM) or \$3.1M over the cost estimate submitted with the grant application. The grant was for a total of \$7.2M (\$5.4 Federal

share and \$1.8M match). We have reached out to CalOES to see if there are additional grant funds available to cover the shortfall. We have been told there is additional funding, and the District has submitted a letter with the revised cost estimate and a revised Benefit Cost Analysis asking for an additional \$3.1M. If available, FEMA/CalOES would cover \$2.33M or 75% of the additional cost, and the District would have to match that with \$777,000 above our original match commitment of \$1.8M. There has been some additional back and forth with CalOES on the additional funding request, so the request is working its way through their system, but we have not received a definitive response yet.

The total District match for the \$10,331,280 project would be \$2,582,820, assuming CalOES/FEMA funds the additional request. \$4,132,000 was budget for the permitting, engineering, property purchase and initial construction costs in this Fiscal Year. The remaining construction cost will be budgeted for in the 2022/23 Fiscal Year. As detailed in the August Board packet, we have been discussing funding options with Brandis Tallman/Oppenheimer & Co. on financing for the \$2.6M from this project and the \$1.7M match from the Highway 101 Sewer Crossing Project and should have made a decision on which option to pursue at this Board Meeting.

Water and Sewer Mainline Master Plan Phase 3c – GHD has submitted the *Draft Sanitary Sewer Main Line Replacement and Rehabilitation Master Plan*, July 2021 detailing which sewer mainline pipes should be replaced first, second, etc. District Staff reviewed the Report and provided comments. We are waiting on their final report, and the Draft Water Mainline Report.

Meanwhile, the District has released the Request for Qualifications for the first mainline replacement design for the replacement of the water and sewer mains on Central Avenue between Sutter and Hiller. Both the water and sewer lines in this section are asbestos cement (AC) dating from the early 1970's. The sewer lines in particular are degrading and in urgent need of replacement. Since we are replacing the sewer lines in this section, it would likely be most efficient and economical to replace the AC waterlines as well. The RFQ was released on August 23rd and is due back on October 8. The intent is to have the design completed in 2022 and then have the work done in the summer of 2023.

SRF Energy Efficiency WWMF Micro-grid Project – Work has started on the installation of the microgrid at the Wastewater Management Facility (WWMF). As discussed at the September Board meeting, the current schedule has the construction completed in February 2022, and the facility brought on-line in April 2022. We will update the Board as we go on how well the construction is going.

TESLA Batteries – Tesla has generally completed the battery installations at our Ramey/North Bank Water Pump Station and Fischer Sewer Lift Station sites; however, when they were performing commissioning to ensure the station functioned as intended, a few issues were discovered that needed repair. Once Tesla makes their repairs, they also need to commission both sites with the District while the stations are operating at full capacity. This final

commissioning date has not yet been scheduled. The final commissioning and Permission to Operate from PG&E is estimated to be granted in September for the Ramey Pump Station and in November for the Fischer Pump Station.

Mad River Restoration Project – The grant funding for the final design and construction of the Mad River Restoration project has been secured. Funding has been secured by CalTrout from NOAA, the Wildlife Conservation Board, USFWS and the State Coastal Conservancy in the amount of approximately \$1.53M. Permits have been finalized, including the Coastal Development Permit from the Coastal Commission. Meanwhile, CalTrout is moving forward on the final design and construction bid documents. The District has had several meetings with CalTrout and their engineers to determine where excess soils from the percolation ponds can be used/spread on District roads around the Fischer and Pialorsi sites, and where excess, suitable soils can be spread on the Pialorsi site to amend the existing soils. The use of soils from the percolation ponds on the Fischer/Pialorsi sites has been approved in the District's NPDES permit. It is expected that the rehabilitation work will be performed from August 15 through October 15, 2022.

Sewer Undercrossing Project – GHD has completed and submitted the Phase 1 reports to CalOES and FEMA for this project. The 30% Basis of Design Report as well as the biological and cultural resource environmental reports were formally submitted the first part of February. This completes the District's tasks agreed to under Phase 1 of the Hazard Mitigation Grant. FEMA now needs to complete their National Environmental Policy Act (NEPA) review and issue a Finding of No Significant Impact (FONSI) to release the Phase 2 funding of the grant. We have requested a status updated from CalOES and have heard that the NEPA process review has been started by FEMA, but we have yet to hear any schedule for completion.

The 30% Basis of Design Report also had an Opinion of Probably Construction Cost for the three crossing of \$5,650,000. This is \$3,513,000 more than the Hazard Mitigation Grant construction cost estimate. The overall estimated construction, engineering, and permitting costs is \$6,760,130 or \$3,512,800 more than the original grant cost estimate. District Staff completed a formal letter request and submitted it to CalOES staff to see if there is additional grant funding available in this Hazard Mitigation Grant disaster request. We have had some back and forth with CalOES on the request and have clarified some information, but we have not heard back yet if there are enough additional funding to cover the increased cost estimate. If there is available grant funding to cover a portion of this cost, at a minimum, the District's share would still approximately double from \$801,100 to \$1,690,033. We will discuss funding options with the Board at the September Board Meeting.

Pialorsi Ranch Property – GHD has begun working on the new recycled water grant to facilitate the irrigation design. They performed infiltration studies and soil assessment at the end of March. However, the County has required a Coastal Development Permit for the installation of the monitoring wells to monitor groundwater elevations. The CDP application was

submitted back in May and was finally approved at the August 19th Zoning Administrator's Meeting. We can now move forward with scheduling a driller to install the wells.

The Sousa's have begun on the next round of the house improvements including replacing window, upgrading bathrooms, etc. Their work on the outside and surrounding grounds has been outstanding. They are helping tremendously to turn the house and grounds into a true District asset.

Andy Titus, the current leaseholder for the Fischer and Pialorsi properties has planted corn on most of the property, which is coming in nicely. Operations Director Henry continues to coordinate with Mr. Titus on working on both properties and it has been a good working relationship.

Reporting by Sheriff's office, County Public Work, County DHHS – A regular meeting has been scheduled with President Mayo, GM Kaspari, Supervisor Madrone, and Maya Conrad, the current President of the McKinleyville Municipal Advisory Committee (MMAC), to occur on the last Monday of every month to discuss various topics of concern to all three organizations and the community. This month we discussed the Multimodal study and pedestrian and bike path options, the Town Center project, a potential Town Hall on Incorporation, an update on the Community Forest, and discussions on Homelessness. These conversations continue to be fruitful.

Grant Applications – As mentioned in previous GM Reports, the \$15,000 Community Forest Technical Assistance grant from the North Coast Resource Partnership to assist with a Forest Management Plan has been funded. The Consultants, BBW, are moving forward on preparing the Draft Forest Management Plan. We anticipate that the Draft Plan will be presented to the Board at the October Board Meeting. This is reported under Parks & Rec Director's Community Forest Report.

The McCluski Tanks and the Mad River Crossing Hazard Mitigation grant applications were submitted to CalOES in March. We received a request for additional information on both grant applications and responded to those requests. We have not heard, and I do not expect to hear anything on the grant approvals until September/October 2021.

Parks & Rec. Director Frisbee also submitted the Prop. 68 Parks grant for the Skate Park, upgrades to Azalea Hall and Pierson Park, and the BMX site development as reported in Parks & Recreation Directors Frisbee's report.

Meetings –The General Manager attended various meetings in August including a MMAC Meeting, Muni Meeting with HBMWD, a PARC meeting, a Rotary meeting, a County Zoning Administrator meeting, several meetings on the Community Forest with Green Diamond and Trust for Public Lands as well as the Community Forest Committee, a meeting on the Draft Mutual Aid Agreement with Russ Gans and our insurer SDRMA, a Patrick Creek CSD Board

Meeting, and local walks for the County's Multimodal project. The Price Factor 2 update, local water rate comparisons, CSDA & ACWA Conferences, County drought declaration, COVID reimbursements, and hybrid meetings were discussed at the HBMWD Muni Meeting.

Attachments:

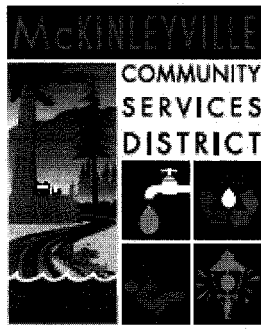
- Attachment 1 – WWMF Monthly Self-Monitoring Report

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) 839-5964

R.W.Q.C.B. NORTH COAST REGION
5550 SKYLANE BLVD., SUITE A
SANTA ROSA, CA 95403

August 17, 2021

RE: MONTHLY MONITORING REPORT

Dear Justin:

Enclosed is the Monthly Monitoring Report for July 2021 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number R1-2018-0032.

The normal discharge of effluent was 31 days going to 002, 003, 004 and 006. The required monitoring and water quality constituents that were tested and reported was in compliance in July.

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			Compliance
Ammonia Impact Ratio	mg/L	1.0			1.0			Compliance
Dichlorobromomethane	ug/L	.56			1.4			Compliance
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 July are as follows. Median was <1.8 and a Maximum of <1.8. Four samples were collected in the month of July and was in compliance.

Monthly River Monitoring was conducted in July.

Started Land Discharge on May 3rd.

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

JULY 2021

Discharge Monitoring	002 LND-001	002 LND-001	004 REC-001	003 REC-001	006 REC-001	005 REC-001	001 EFF-001				
DATE	INF-001 MGD	EFF-001 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	0.825	0.583	1172			0.223		0.360		0.583	0.000
2	0.803	0.783	912		0.450			0.333		0.333	0.000
3	0.795	0.723	897		0.723					0.000	0.000
4	0.785	0.722	868		0.722					0.000	0.000
5	0.858	0.719	769		0.719					0.000	0.000
6	0.820	0.589	1442		0.270			0.319		0.319	0.000
7	0.838	0.801	963			0.369		0.432		0.801	0.000
8	0.816	0.815	866			0.424		0.391		0.815	0.000
9	0.806	0.816	1102		0.430	0.173		0.213		0.386	0.000
10	0.809	0.815	900		0.815					0.000	0.000
11	0.851	0.816	977		0.816					0.000	0.000
12	0.827	0.870	806		0.167	0.415		0.288		0.703	0.000
13	0.808	0.740	833			0.345		0.395		0.740	0.000
14	0.804	0.715	822			0.326		0.389		0.715	0.000
15	0.806	0.864	902			0.472		0.392		0.864	0.000
16	0.794	0.704	942		0.296	0.241		0.167		0.408	0.000
17	0.791	0.547	744		0.547					0.000	0.000
18	0.830	0.539	796		0.539					0.000	0.000
19	0.822	0.787	1003		0.205	0.387	0.126	0.069		0.582	0.000
20	0.807	0.952	1042			0.631	0.201	0.120		0.952	0.000
21	0.825	1.110	1208			0.719	0.285	0.106		1.110	0.000
22	0.810	1.164	1213			0.680	0.388	0.096		1.164	0.000
23	0.801	0.795	1148		0.244	0.347	0.178	0.026		0.551	0.000
24	0.802	0.549	707		0.549					0.000	0.000
25	0.834	0.549	827		0.549					0.000	0.000
26	0.818	0.663	796		0.194	0.469				0.469	0.000
27	0.799	1.168	1410			1.033		0.135		1.168	0.000
28	0.798	1.154	1281			1.024		0.130		1.154	0.000
29	0.801	1.011	1182			0.869		0.142		1.011	0.000
30	0.784	0.740	1187		0.378	0.309		0.053		0.362	0.000
31	0.791	0.544	750		0.544					0.000	0.000
TOTAL	25.158	24.347		0.000	9.157	9.456	1.178	4.556	0.000	15.190	0.000
AVERAGE	0.812	0.785	983	0.000	0.000	0.498	0.236	0.000	0.000	0.490	0.000
MAXIMUM	0.858	1.168	1442	0.000	0.816	1.033	0.388	0.432	0.000	1.168	0.000
MINIMUM	0.784	0.539	707	0.000	0.167	0.173	0.126	0.026	0.000	0.000	0.000
DAYS	31	31		0	19	19	5	20	0	21	0
DAYS WITH NO DISCHARGE = 0											