



**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, MARCH 4, 2020 AT 6:30/7:00pm  
Azalea Hall, 1620 Pickett Road  
McKinleyville, California**

---

**CLOSED SESSION AGENDA**  
**6:30 p.m.**

**A. CALL TO ORDER**

A.1 Roll Call

**A.2 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.*

**A.3 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.*

**a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code 54956.8)**

Agency Negotiators: Greg Orsini, General Manager, Russell Gans, Legal Counsel  
Parties with Whom Negotiating: Michael Malin, Cheryl Malin  
Property: Malin Manufactured Home Unit: 795 Hiller Road, McKinleyville, Humboldt County, CA  
Under Negotiation: Price and terms of payment, manufactured home unit and future site lease terms.

A.4 Report out of Closed Session

# **REGULAR MEETING 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

## **B. PUBLIC HEARINGS**

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

**NO PUBLIC HEARING SCHEDULED**

## **C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS**

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

## **D. CONSENT CALENDAR**

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

- |     |                                                                                                                                                                                                                                  |               |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| D.1 | Consider Approval of the Minutes of the Board of Directors<br>Regular Meeting on February 5, 2020                                                                                                                                | <b>Pg. 6</b>  |
|     | Attachment 1 – Draft Minutes from February 5, 2020                                                                                                                                                                               | <b>Pg. 7</b>  |
| D.2 | Consider Approval of January 2020 Treasurer’s Report                                                                                                                                                                             | <b>Pg. 13</b> |
| D.3 | Consider Approval of Hiller Sports Complex Facility Use Agreement<br>Contracts Between MCSD and the Following Youth Sport Organizations:<br>Mad River Girls Fastpitch Softball (Humboldt ASA) and McKinleyville<br>Little League | <b>Pg. 34</b> |
|     | Attachment 1 – HSC Agreement between MCSD and Mad River<br>Girls Fastpitch Softball (Humboldt ASA)                                                                                                                               | <b>Pg. 36</b> |
|     | Attachment 2 – HSC Agreements between MCSD and                                                                                                                                                                                   | <b>Pg. 72</b> |

	McKinleyville Little League Attachment 2a – Supplemental Maintenance Agreement Between McKinleyville Little League and MCSD	<b>Pg. 109</b>
D.4	Consider Approval of the Facility Use Agreement between MCSD and the McKinleyville Senior Center for the Use of Azalea Hall Attachment 1 – Facility Use Agreement between MCSD and the McKinleyville Senior Center	<b>Pg. 116</b> <b>Pg. 118</b>
<b>E. CONTINUED AND NEW BUSINESS</b>		
E.1	Consider Adoption of Resolution 2020-02 Recognizing, Honoring, and Commending Diane Sloane for Twenty-five (25) years of service Attachment 1 – Resolution 2020-02	<b>Pg. 132</b> <b>Pg. 133</b>
E.2	Consider Second Reading and Adoption of Ordinance NO. 2020-01 Amending Rules 9.05, 10.01, and 10.03 of MCSD Rules and Regulations Attachment 1 – Ordinance No. 2020-01	<b>Pg. 134</b> <b>Pg. 136</b>
E.3	Consider Adoption of a Resolution Authorizing the Execution and Delivery by MCSD of an Installment Contract and Authorizing the General Manager to Execute all Necessary Documents and Related Actions and Select Chase as the Winning Proposal for the Real Property Purchase of the Pialorsi Ranch Attachment 1 – Resolution 2020-03.1 (Taxable Resolution) Attachment 2 – Resolution 2020.03.2 (Tax Exempt Resolution) Attachment 3 – Installment Purchase Contract Attachment 4 – Memorandum Considering Tax-Exempt Financing for the Acquisition of Real Property Attachment 5 – PowerPoint Presentation Slides	<b>Pg. 139</b> <b>Pg. 142</b> <b>Pg. 146</b> <b>Pg. 150</b> <b>Pg. 182</b> <b>Pg. 186</b>
E.4	Consider Attendance at the CSDA Special Districts Legislative Days May 19-20, 2020 in Sacramento Attachment 1 – 2020 Legislative Days Brochure	<b>Pg. 190</b> <b>Pg. 191</b>
E.5	Consider Appointment of Cassidy Bertoldi for Vacant Alternate Seat on the Recreation Advisory Committee Attachment 1 – Letter of Application from Cassidy Bertoldi	<b>Pg. 195</b> <b>Pg. 196</b>
E.6	Review Information for the Draft Capital Improvement Plan for the Operational Funds: Water, Wastewater, and Streetlights, FY2020-21 Attachment 1 – Draft Capital Improvement Plan Budget for the Water, Wastewater, and Streetlights Funds Attachment 2 – Draft Capital Improvement Plan Narrative for the Water, Wastewater, and Streetlights Funds	<b>Pg. 197</b> <b>Pg. 198</b> <b>Pg. 204</b>
E.7	Discuss and Consider Committee Assignments and Appointment of Committee Chairs by the Board President for the 2020 Calendar Year Attachment 1 – 2019 Positions, Staff Member Appointments	<b>Pg. 207</b> <b>Pg. 209</b>

and 2019 Committee Assignments

E.8	Reserve Policy Review for Repair and Replacement Reserves	<b>Pg. 210</b>
	Attachment 1 – 2012 Repair and Replacement Reserve Policy	<b>Pg. 212</b>
	Attachment 2 – CIP 20-year Budget	<b>Pg. 213</b>
E.9	Consider Approval of General Manager Contract with Patrick Kaspari for a Five-year Term	<b>Pg. 216</b>
	Attachment 1 – General Manager Employment Agreement with Patrick Kaspari	<b>Pg. 217</b>
E.10	Consider Adoption of Resolution No. 2020-04 Designating the General Manager the Authorized Representative for Pursuing Grant Funding for a Recycled Wastewater System Project	<b>Pg. 228</b>
	Attachment 1 – Resolution 2020-04	<b>Pg. 230</b>
E.11	Consider Approval of Professional Services Agreement with GHD to Perform Phase 3b of the Mainline Replacement and Rehabilitation Master Plan	<b>Pg. 232</b>
	Attachment 1 – Professional Services Agreement	<b>Pg. 234</b>

## **F. REPORTS**

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

### **F.1 ACTIVE COMMITTEE REPORTS**

- a. Recreation Advisory Committee (Couch/Mayo)
- b. Area Fund (John Kulstad/Burke)
- c. Redwood Region Economic Development Commission (Mayo/Barsanti)
- d. McKinleyville Senior Center Board Liaison (Barsanti/Burke)
- e. Audit (Corbett/Barsanti)
- f. Employee Negotiations (Couch/Corbett)
- g. Water Task Force (Burke)
- h. AdHoc No Drugs & Toxics Down the Drain (Burke)
- i. McKinleyville Municipal Advisory Committee (Burke/Mayo)
- j. Cornerstone Committee (Couch)
- k. Groundwater Sustainability Committee (Corbett/Burke)
- l. Humboldt Local Agency Formation Commission (Couch)

### **F.2 STAFF REPORTS**

- |                                                     |                |
|-----------------------------------------------------|----------------|
| a. Support Services Department (Colleen M.R. Trask) | <b>Pg. 248</b> |
| b. Operations Department (James Henry)              | <b>Pg. 250</b> |
| c. Parks & Recreation Department (Lesley Frisbee)   | <b>Pg. 255</b> |
| d. General Manager (Greg Orsini)                    | <b>Pg. 259</b> |
| Attachment 1 – WWMF Monthly Self Monitoring Report  | <b>Pg. 263</b> |

### **F.3 PRESIDENT'S REPORT**

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

**G. ADJOURNMENT**

**Posted 5:00 pm on February 28, 2020**

*Pursuant to California Government Code Section 54957.5. this agenda and complete Board packet are available for public inspection on the web at [McKinleyvillecsd.com/minutes](http://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

March 4, 2020

TYPE OF ITEM: **ACTION**

---

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

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

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

**Recommendation:**

Staff recommends that the Board review the draft minutes from the February 5, 2020.

**Discussion:**

The Draft minutes are attached for the above listed meeting.

**Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action

**Fiscal Analysis:**

Not applicable

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments:**

- Attachment 1 – Draft Minutes from February 5, 2020

**MINUTES OF THE SPECIAL/REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, FEBRUARY 5, 2020 AT 5:30/7:00 P.M. AZALEA HALL, 1620 PICKETT ROAD, MCKINLEYVILLE, CA**

**Closed Session Meeting**

**AGENDA ITEM A. CALL TO ORDER:**

**A.1 Roll Call:** The closed session meeting of the Board of Directors of McKinleyville Community Services District convened at 5:34 pm with the following Directors and staff in attendance:

- |                         |                                     |
|-------------------------|-------------------------------------|
| Mary Burke, President   | Gregory Orsini, General Manager     |
| Shel Barsanti, Director | Colleen Trask, Finance Director     |
| John Corbett, Director  | James Henry, Operations Director    |
| David Couch, Director   | Lesley Frisbee, Recreation Director |
| Dennis Mayo, Director   | April Sousa, Board Secretary        |
|                         | Russel Gans, Legal Counsel          |

**A.2 Public Comment and Written Communications:** There was no public present for comment.

**A.3 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.*

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code 54956.8)  
 Agency Negotiators: Greg Orsini, General Manager, Russell Gans, Legal Counsel  
 Parties with Whom Negotiating: Dolores Pialorsi, Trustee  
 Property: Humboldt County Assessor Parcel Nos. 506-341-017, 508-031-001, 508-081-034 and 508-091-037, located at/near Fischer Road, McKinleyville, Humboldt County, CA  
 Under Negotiation: Purchase Agreement (Price and Terms of Payment)
  
- b. PUBLIC EMPLOYEE APPOINTMENT. Title: General Manager. (Government Code § 54957(b)(1)).

**A.4 Report Out of Closed Session**

General Manager reported the following for item A.3a

**Motion:** It was moved to proceed with purchasing the property and authorize the General Manager to execute the purchase agreement with Dolores Pialorsi, Trustee.

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

**Motion Summary:** Motion passed unanimously

There was nothing to report out for item A.3b

**Regular Meeting**

**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 7:00 pm with the following Directors and staff in attendance:

- |                         |                                     |
|-------------------------|-------------------------------------|
| Mary Burke, President   | Gregory Orsini, General Manager     |
| Shel Barsanti, Director | Colleen Trask, Finance Director     |
| John Corbett, Director  | James Henry, Operations Director    |
| David Couch, Director   | Lesley Frisbee, Recreation Director |
| Dennis Mayo, Director   | April Sousa, Board Secretary        |

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

After the pledge, President Burke spoke of the passing of former Board Member, George Wheeler, and asked for a moment of silence.

**A.3 Additions to the Agenda:** There were no additions to the agenda.

**A.4 Approval of the Agenda:**

**Motion:** It was moved to adopt the agenda.

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

There were no comments from the Board or Public.

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

**Motion Summary:** Motion Passed

**AGENDA ITEM B. PUBLIC HEARINGS:**

There were no public Hearings

**AGENDA ITEM C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:**

Director Corbett noted the new set up arrangements and asked for a change in the location of a cord so he can stand easier for the pledge.

Operations Director James Henry introduced a new employee, Lance Lair, to the MCSD crew.

**AGENDA ITEM D. CONSENT CALENDAR:**

- D.1 Consider Approval of the Minutes of the Board of Directors
  - Minutes from Regular Meeting December 4, 2019
  - Draft Minutes from Special Meeting January 10, 2020
  - Draft Minutes from Special Meeting January 11, 2020
- D.2 Consider Approval of November and December 2019 Treasurer's Report
- D.3 Compliance with State Double Check Valve (DCV) Law
- D.4 Consider approval of Budget Modification for 2019-2020 Capital Improvement Plan
- D.5 Consider Approval of a Mainline Extension Agreement for Avelar Subdivision
- D.6 Approve Conveyance of Water and Sewer Facilities Related to the Bo Day/Griffith Subdivision
- D.7 Consider Approval for Association of California Water Agencies (ACWA) Related Travel for Dennis Mayo
- D.8 Consider Approval of Memorandum of Understanding (MOU) between McKinleyville Community Services District (MCSD) and the McKinleyville Chamber of Commerce for Beautification and Decoration within the County Right of Way Along Central Avenue in McKinleyville, CA

Director Corbett asked to remove item D.7 from the Consent Calendar

**Motion:** It was moved to approve the consent calendar items D.1-D.6 and D.8.

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

There were no comments from the Board or Public.

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

**Motion Summary:** Motion Passed

**D.7 Consider Approval for Association of California Water Agencies (ACWA) Related Travel for Dennis Mayo**

Director Corbet asked if Director Mayo would give regular reports to the board on all ACWA issues and meetings. Director Mayo agreed and noted he was taking a larger role in the Agriculture Committee. There were no comments from the public.



**Motion:** It was moved to approve the ACWA related travel for Dennis Mayo

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

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

**Motion Summary:** Motion Passed

## **AGENDA ITEM E. CONTINUED AND NEW BUSINESS:**

### **E.1 Presentation of MCSD Employee of the Year to Kyle Stone**

General Manager Orsini gave an overview, and it was noted that James Henry's name was left off the list. He received the award in 2011.

The Board and public gave comments and Kyle gave a short speech. Pictures were taken with the Board.

This was a presentation item. No action taken

### **E.2 Consider Appointment of Applicants Josh Zender and Kassidy Bertoldi for Vacant Seats on the Recreation Advisory Committee (RAC) and Consider Re-Appointment of John Kulstad**

Parks Director Lesley Frisbee gave an overview of the item. It was noted that one applicant, Kassidy Bertoldi, was not present. Applicant Josh Zender spoke on his reasons for applying for the open position on the RAC. The Board took the opportunity to comment and ask questions of Mr. Zender. There was no other public comment.

**Motion:** Appoint Josh Zender and re-appoint John Kulstad to the Recreation Advisory Committee for a four (4) year term as regular voting members and to invite Kassidy Bertoldi to the March meeting before appointing as an alternate member.

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

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

**Motion Summary:** Motion Passed

### **E.3 Presentation from Justin McDonald, Arcata Fire District, regarding Measure R, a Special Tax Proposed for the March 2020 Ballot**

Fire Chief Justin McDonald gave information on Measure R, which is a proposed special tax to be voted upon with the March ballot. Clarifying questions from the Board were answered by Chief McDonald, and the public was given the opportunity to also ask questions from the Fire Chief on this measure

This was an informational item only. No action was taken.

### **E.6 Consideration of Scott Appeal**

This item was moved forward on the agenda as there was a member of the public who came to speak on its behalf.

General Manager Orsini gave an overview of the appeal process and initial information on this item. Mr. Scott presented written documentation to the Board regarding the particulars of this appeal. The Board asked clarifying questions of Mr. Scott and further discussion took place regarding the appeal process. There was no other public comment.

**Motion:** Deny the claim with an option to re-open if new sufficient facts become available.

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

Further board comment consisted of asking for further investigation if the incident occurs again.

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

**Motion Summary:** Motion Passed

### **E.4 Approve FY 2018-2019 Audited Financial Statements**

Chris Brown, from Fedak and Brown (Auditors) presented the Audited Financials for Fiscal Year 2018-2019 to the Board. The Board asked clarifying questions regarding debt obligations and other items. Director

Corbett asked for a report or letter detailing the significance in dollars or percent of the operating revenue and capital assets. There was no public comment.

**Motion:** Approve the District's Audited Financial Statements for Fiscal Year 2018-2019.

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

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

**Motion Summary:** Motion Passed

### **E.5 Consideration of Reynolds Claim for Damages**

General Manager Orsini gave an overview of the Claim for Damages. Ms. Reynolds had been contacted by the Board Secretary but was not present to speak with the Board on this item. The Board asked clarifying questions and discussion on the District's Rules and Regulations regarding a separate shut off valve on the customer's side of the meter took place. The Board requested that some form of communication (letter or door hanger) be developed to notify residents of this rule when their water is shut off. There was no other public comment.

**Motion:** Deny the Claim for Damages from Rachelle Reynolds.

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

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

**Motion Summary:** Motion Passed

### **E. 7 Review of Tactical Planning Matrix CY 2020-25**

General Manager Orsini gave an overview of the Tactical Planning Matrix. Staff completed suggestions made from the Board when the Matrix was reviewed in the fall. The Board was given an opportunity to comment and ask questions. There was no public comment.

This was an information only item. No action was taken.

### **E.8 Consider Updates to the MCSD Rules and Regulations regarding Disconnection of Services**

The item was presented by General Manager Orsini and discussed by the Board. It was noted that the Policy would be by resolution and that the Ordinance would allow for this change to take place. Language translation requirements were discussed. There was no additional public comment.

**Motion:** Adopt Resolution No. 2020-01 implementing a policy governing the disconnection of water services for nonpayment of water rates and charges and conduct a first reading, by title only, of Ordinance 2020-01 amending rules 9.05, 10.01, and 10.03 of the MCSD Rules and Regulations.

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

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

**Motion Summary:** Motion Passed

### **E.9 Discuss and Consider Committee Assignments and Appointment of Committee Chairs by the Board President for the 2020 Calendar Year**

Board Secretary Sousa presented this item for review and consideration. President Burke asked if anyone was requesting a change. The necessity for some committees was briefly discussed. No action taken as it was asked for this item to be brought back to the March agenda for review and final committee appointments assigned. There was no public comment.

### **E.10 Review of the 2019 Integrated Pest Management Plan Annual Report**

The report was presented by Operations Director James Henry. It was noted by President Burke that plan was something important to the late former Board Director George Wheeler. There was no public comment.

This was an informational only item. No action taken.

## **E.11 Review Information for the Draft Capital Improvement Plan for the Parks and General Fund, FY2020-21**

Finance Director Colleen M.R. Trask gave the overview of this item. Clarification and the relationship of the Quimby Funds to this item was discussed. There was no public comment.

This was an informational only item. No action taken.

## **E.12 Approve Bid Proposal and Award Ameresco Contract for WWMF Microgrid Project**

General Manager Orsini reviewed the item with the Board and answered clarifying questions. There was no public comment.

**Motion:** Authorize the General Manager to execute the final agreement and associated contract documents for a price not to exceed \$2,065,520, with the addition of a 10% contingency of \$206,552 for a total price of \$2,272,072.00.

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

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

**Motion Summary:** Motion Passed

## **AGENDA ITEM F. REPORTS**

### **F.1 ACTIVE COMMITTEE REPORTS**

- a. **Recreation Advisory Committee (Couch/Mayo):** Director Couch announced that Johnny Calkins was the new Chair and Scott Binder was the new Vice Chair.
- b. **Area Fund (John Kulstad/Burke):** Did not meet.
- c. **Redwood Region Economic Development Commission (Mayo/Barsanti):** Director Mayo noted a presentation on Jobs and Employment that took place.
- d. **McKinleyville Senior Center Advisory Council (Barsanti/Burke):** AB5 and Independent Contractor status as it involves the Senior Center was a part of this report.
- e. **Audit (Corbett/Barsanti):** The audit was reviewed by the committee and questions answered prior to the meeting's full Board review.
- f. **Employee Negotiations (Couch/Corbett):** Did not meet.
- g. **Water Task Force (Burke):** Did not meet
- h. **AdHoc No Drugs & Toxics Down the Drain (Burke):** Did not meet.
- i. **McKinleyville Municipal Advisory Committee (Burke/Mayo):** Director Burke gave a report and noted continued planning for the Town Center Ordinance.
- j. **Cornerstone Committee (Couch):** Did not meet.
- k. **Groundwater Sustainability Committee (Corbett/Burke):** Did not meet.
- l. **Local Agency Formation Commission (Couch):** Director Couch reported on a planning meeting.

### **F.2 STAFF REPORTS**

- a. **Support Services Department (Colleen M.R. Trask):** Finance Director, Colleen Trask highlighted the PG&E LED project loan was paid off.
- b. **Operations Department (James Henry):** Operations Director, James Henry had nothing further to report.

- c. **Parks & Recreation Department (Lesley Frisbee):** Recreation Director, Lesley Frisbee reported briefly on recent RAC activity including the BMX track and an idea for a pollinating garden.
- d. **General Manager (Greg Orsini):** General Manager Orsini notified the board of funding for Phase 1 of the Sewer Undercrossing Project.

**F.3.2 PRESIDENT’S REPORT:** President Burke noted the new set up and asked for feedback. She also requested a resolution honoring George Wheeler’s service at the next Board meeting.

**F.4 BOARD MEMBER COMMENTS, ANNOUNCEMENTS, REPORTS AND AGENDA ITEM REQUESTS:** Director Mayo gave a quick ACWA report and also asked to have a future discussion regarding Narcan on the premises.

**G. ADJOURNMENT:**

**Meeting Adjourned at 10:57 p.m.**

---

April Sousa, CMC, Board Secretary

**McKinleyville Community Services District  
Treasurer's Report  
January 2020**

**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 January 31, 2020

- Utility Accounts Receivable Turnover Days	<b>13</b>
- YTD Breakeven Revenue, Water Fund:	<b>\$ 1,348,520</b>
- YTD Actual Water Sales:	<b>\$ 2,204,667</b>
- Days of Cash on Hand-Operations Checking/MM	<b>169</b>

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

**Petty Cash & Change Funds** 9,197.46

**Cash**

**Operating & Money Market - Beginning Balance** 2,550,049.00

**Cash Receipts:**

Utility Billings & Other Receipts	695,387.10	
Money Market Account Interest	358.93	
Transfers from County Funds #2560, #4240, CalTRUST, Meas. B	-	
Other Cash Receipts (CalOES/FEMA grant disb. Generator Proj)	-	

**Total Cash Receipts** 695,746.03

**Cash Disbursements:**

Transfers to County Funds #2560, #4240, CalTRUST	-	
Payroll Related Expenditures	(232,341.88)	
Debt Service	(19,722.41)	
Capital & Other Expenditures	(291,889.44)	

**Total Cash Disbursements** (543,953.73)

**Operating & Money Market - Ending Balance** 2,701,841.30

**Total Cash** 2,711,038.76

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

**LAIF - Beginning Balance** 136,165.28

Interest Income	782.23	
-----------------	--------	--

**LAIF - Ending Balance** 136,947.51

**Humboldt Co. #2560 - Beginning Balance** 707,344.13

Property Taxes and Assessments	-	
Transfer to/from Operating Cash	-	
Interest Income (net of adjustments)	1,090.49	

**Humboldt Co. #2560 - Ending Balance** 708,434.62

**Humboldt Co. #4240 - Beginning Balance** 3,308,717.80

Transfer to/from Operating Cash	-	
Transfer to/from Biosolids Reserve	-	
Interest Income	4,138.01	

**Humboldt Co. #4240 - Ending Balance** 3,312,855.81

**Humboldt Co. #9390 - Beginning Balance** 663,032.08

Reserves Recovery Deposits/Other Bal Withdrawals	-	
Interest Income	-	

**Humboldt Co. #9390 - Ending Balance** 663,032.08

**USDA Bond Reserve Fund - Beginning Balance** 139,618.57

Bond Reserve Payment	13,694.01	
Debt Service Payment, Principal/Interest	-	
Interest Adjustment	28.89	

**USDA Bond Reserve Fund - Ending Balance** 153,341.47

**CalTRUST - Beginning Balance** 10,284,588.30

Net Transfer to/from Designated Reserves: PERS/OPEB	-	
Net Transfer to/from Capacity Fees/Catastrophe/Other Reserves	-	
Net: Interest Income/Unrealized Gain/Loss	56,818.28	

**CalTRUST - Ending Balance** 10,341,406.58

**Total Investments** 15,322,035.55

**Total Cash & Investments - Current Month** 18,033,074.31

**Total Cash & Investments - Prior Month** 17,804,730.10

**Net Change to Cash & Investments This Month** 228,344.21

**Cash & Investment Summary**

Cash & Cash Equivalents	17,262,535.93
Davis-Grunsky Loan Reserve	617,196.91
USDA Bond Reserve	153,341.47

**Total Cash & Investments** 18,033,074.31

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

	Governmental Funds				Proprietary Funds				Total (Memorandum Only)	
	Parks & General	Measure B	Streetslights	Water	Wastewater					
<b>ASSETS</b>										
<b>Current Assets</b>										
Unrestricted cash & cash equivalents	\$ 1,233,891.38	\$ (519,096.55)	\$ 28,321.96	\$ 6,359,089.95	\$ 10,224,712.29	\$ 17,326,919.03				
Accounts receivable	3,807.93	-	4,216.54	361,883.48	481,269.02	851,176.97				
Prepaid expenses & other current assets	23,406.48	700.20	1,609.53	98,304.65	49,865.27	173,886.13				
Total Current Assets	1,261,105.79	(518,396.35)	34,148.03	6,819,278.08	10,755,846.58	18,351,982.13				
<b>Noncurrent Assets</b>										
Restricted cash & cash equivalents	179,443.49	-	-	617,196.91	153,341.47	949,981.87				
Other noncurrent assets	-	-	-	142,990.32	160,322.48	303,312.80				
Capital assets (net)	-	-	-	8,403,181.86	26,840,903.64	35,244,085.50				
Total Noncurrent Assets	179,443.49	-	-	9,163,369.09	27,154,567.59	36,497,380.17				
<b>TOTAL ASSETS</b>	<b>\$ 1,440,549.28</b>	<b>\$ (518,396.35)</b>	<b>\$ 34,148.03</b>	<b>\$ 15,982,647.17</b>	<b>\$ 37,910,414.17</b>	<b>\$ 54,849,362.30</b>				
<b>LIABILITIES &amp; FUND BALANCE/NET ASSETS</b>										
<b>Current Liabilities</b>										
Accounts payable & other current liabilities	\$ 76,982.30	\$ 27.77	\$ 1,813.72	\$ 225,412.66	\$ 177,168.26	\$ 481,404.71				
Accrued payroll & related liabilities	102,584.26	-	-	65,202.52	65,210.58	232,997.36				
Total Current Liabilities	179,566.56	27.77	1,813.72	290,615.18	242,378.84	714,402.07				
<b>Noncurrent Liabilities</b>										
Long-term debt	-	-	-	2,295,093.03	15,094,555.02	17,389,648.05				
Other noncurrent liabilities	-	-	-	3,520,312.06	3,592,698.08	7,113,010.14				
Total Noncurrent Liabilities	-	-	-	5,815,405.09	18,687,253.10	24,502,658.19				
<b>TOTAL LIABILITIES</b>	<b>179,566.56</b>	<b>27.77</b>	<b>1,813.72</b>	<b>6,106,020.27</b>	<b>18,929,631.94</b>	<b>25,217,060.26</b>				
<b>Fund Balance/Net Assets</b>										
Fund balance	(2,211,718.45)	(518,424.12)	32,334.31	3,768,538.07	7,234,433.61	(2,697,808.26)				
Net assets	3,472,701.17	-	-	6,108,088.83	11,746,348.62	14,475,672.85				
Investment in capital assets, net of related debt	-	-	-	9,876,626.90	18,980,782.23	17,854,437.45				
Total Fund Balance/Net Assets	1,260,982.72	(518,424.12)	32,334.31	15,982,647.17	37,910,414.17	54,849,362.30				
<b>TOTAL LIABILITIES &amp; FUND BALANCE/NET ASSETS</b>	<b>\$ 1,440,549.28</b>	<b>\$ (518,396.35)</b>	<b>\$ 34,148.03</b>	<b>\$ 15,982,647.17</b>	<b>\$ 37,910,414.17</b>	<b>\$ 54,849,362.30</b>				
Difference in ReClass from Cap Assets to Net Assets:										
Investment in General Capital Assets	\$ 3,147,407.23									
<b>General Long-term Liabilities</b>										
PG&E Streetslights Loan	-									
Meas. B Loan: Teen/Community Center	1,056,162.00									
OP&EB Liability	2,780,563.56									
CALPERS Pension Liability/Deferred Inflows-Outflows	593,397.33									
Accrued Compensated Absences	98,740.28									
<b>TOTAL GENERAL LONG-TERM LIABILITIES</b>	<b>\$ 4,528,863.17</b>									

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

Department Summaries	January	% of Year YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<b>Water</b>						
Water Sales	307,493	2,204,667	2,129,600	75,067	3.52%	
Other Revenues	41,799	280,313	198,890	81,423	40.94%	Includes YTD Capacity Fees \$152,341. Contrib. Construction \$32,890.
Total Operating Revenues	349,293	2,484,981	2,328,490	156,491	6.72%	
Salaries & Benefits	76,308	489,145	594,567	(105,422)	-17.73%	Vacant Operations position for a portion of the year
Water Purchased	90,291	643,284	637,643	5,641	0.88%	
Other Expenses	51,643	254,150	408,522	(154,372)	-37.79%	Budget is spread evenly across 12 months, but actuals vary by month
Depreciation	30,250	211,750	211,750	-	0.00%	
Total Operating Expenses	248,493	1,598,329	1,852,482	(254,153)	-13.72%	
Net Operating Income	100,800	886,652	476,008	(97,663)		
Interest Income	7,301	50,711	29,167	21,544	73.86%	Higher-than-projected interest rates on the County Trust Account
Interest Expense	(4,653)	(34,854)	(34,434)	420	1.22%	
<b>Net Income (Loss)</b>	<b>103,448</b>	<b>902,509</b>	<b>470,741</b>	<b>431,768</b>		
<b>Wastewater</b>						
Wastewater Service Charges	325,636	2,164,964	2,237,585	(72,621)	-3.25%	
Other Revenues	67,180	301,993	201,142	100,851	50.14%	Includes YTD Capacity Fees of \$174,660. Contrib. Construction of \$7,680
Total Operating Revenues	392,817	2,466,957	2,438,727	28,230	1.16%	
Salaries & Benefits	95,164	616,810	624,318	(7,508)	-1.20%	
Other Expenses	52,639	338,444	541,692	(203,248)	-37.52%	Budget is spread evenly across 12 months, but actuals vary by month
Depreciation	95,833	670,831	670,833	(2)	0.00%	
Total Operating Expenses	243,636	1,626,085	1,836,843	(210,758)	-11.47%	
Net Operating Income	149,181	840,872	601,884	238,988		
Interest Income	12,310	81,384	43,750	37,634	86.02%	Higher-than-projected interest rates on the County Trust Account
Interest Expense	(20,930)	(202,204)	(149,297)	52,907	35.44%	Budget is spread evenly across 12 months, but actuals vary by month
<b>Net Income (Loss)</b>	<b>140,560</b>	<b>720,052</b>	<b>496,337</b>	<b>223,715</b>		
<b>Enterprise Funds Net Income (Loss)</b>	<b>244,008</b>	<b>1,622,560</b>	<b>967,078</b>	<b>655,482</b>		



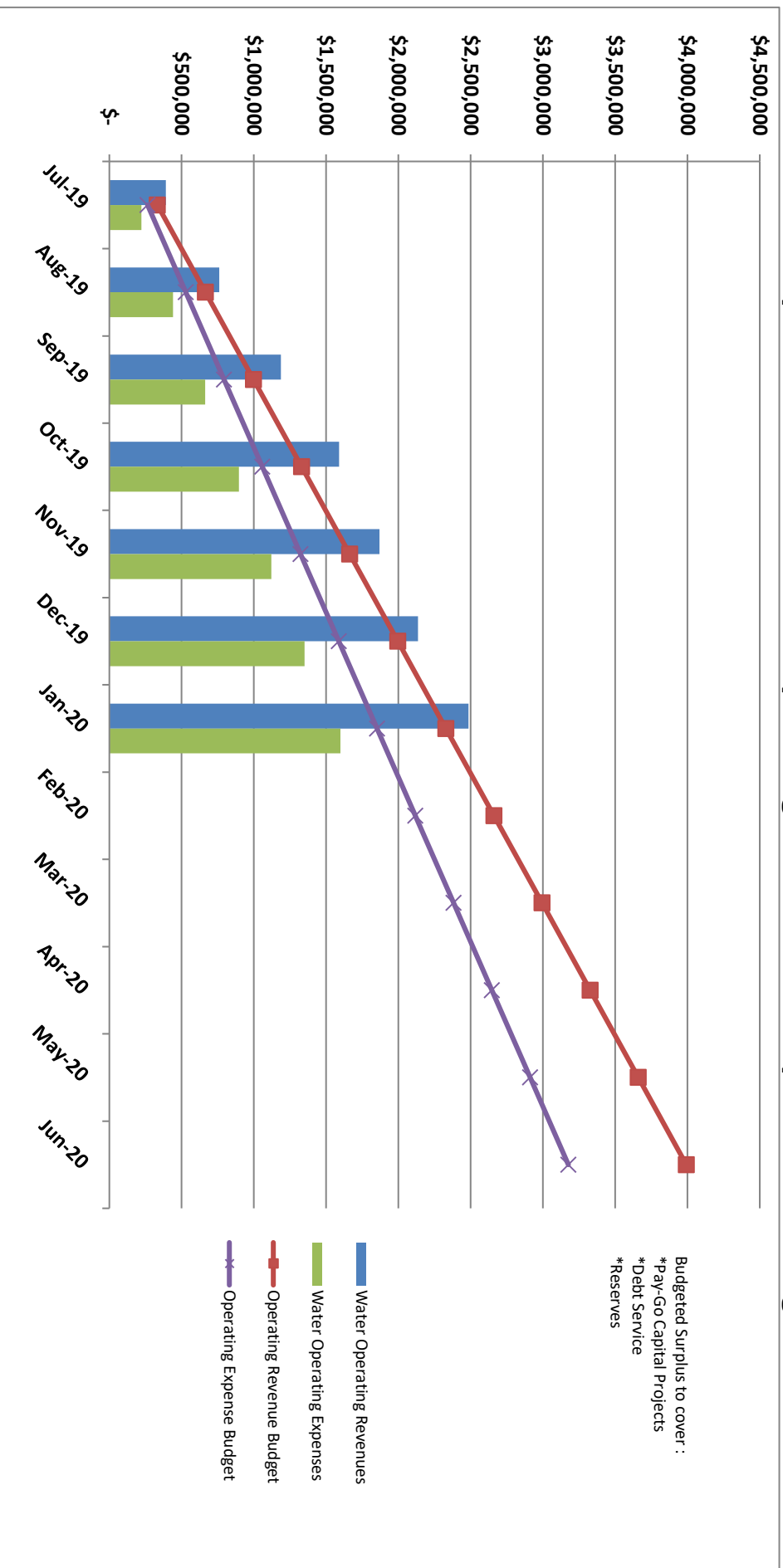
**McKinleyville Community Services District**  
**Activity Summary by Fund, Approved Budget**  
**January 2020**

Department Summaries	January	% of Year 58.33% YTD	Original YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Notes
<b>*Parks &amp; Recreation</b>						
Program Fees	20,579	164,258	215,121	(50,863)	-23.64%	Budget is spread evenly across 12 months, but actuals vary by month
Rents & Related Fees	18,405	55,312	52,061	3,251	6.24%	Budget is spread evenly across 12 months, but actuals vary by month
Property Taxes	-	345,300	368,607	(23,307)	-6.32%	County Tax remittance: December, April, and June
Other Revenues	16,492	110,211	120,150	(9,939)	-8.27%	Budget is spread evenly across 12 months, but actuals vary by month
Interest Income	3,891	31,162	15,750	15,412	97.85%	Higher-than-estimated interest rates on the County Trust Account
Total Revenues	59,367	706,243	771,689	(65,446)	-8.48%	
Salaries & Benefits	81,721	557,549	546,188	11,361	2.08%	
Other Expenditures	20,494	133,372	168,768	(35,396)	-20.97%	Budget is spread evenly across 12 months, but actuals vary by month
Capital Expenditures	-	50	43,750	(43,700)	-99.89%	Capital Projects budget versus actuals vary by month and by project
Total Expenditures	102,215	690,971	758,706	(67,735)	-8.93%	
<b>Excess (Deficit)</b>	<b>(42,848)</b>	<b>15,272</b>	<b>12,983</b>	<b>2,289</b>		
<b>*Measure B Assessment</b>						
Total Revenues	144	131,895	123,965	7,930	6.40%	Interest & unrealized gains/losses; County Tax remittance December/April/June
Salaries & Benefits	3,037	35,665	35,831	(166)	-0.46%	
Other Expenditures	232	14,580	12,017	2,563	21.32%	Repairs/Supplies for Hiller Sports and Cost of Meas. B Engineer's Annual Report
Capital Expenditures/Loan Repayment	-	63,176	75,892	(12,716)	-16.76%	Loan pmts in October and April, slight diff. in amort. sched to actual
Total Expenditures	3,269	113,420	123,740	(10,320)	-8.34%	
<b>Excess (Deficit)</b>	<b>(3,125)</b>	<b>18,475</b>	<b>225</b>	<b>18,250</b>		
<b>*Street Lights</b>						
Total Revenues	9,940	67,994	65,491	2,503	3.82%	
Salaries & Benefits	3,871	23,610	26,410	(2,800)	-10.60%	Budget is spread evenly across 12 months, but actuals vary by month
Other Expenditures	2,618	21,409	20,245	1,164	5.75%	Capital Projects budget versus actuals vary by month and by project
Capital Expenditures/Loan Repayment	-	9,863	12,755	(2,892)	-22.68%	PG&E Loan final payment December 2019
Total Expenditures	6,489	54,881	59,410	(4,529)	-7.62%	
<b>Excess (Deficit)</b>	<b>3,451</b>	<b>13,113</b>	<b>6,081</b>	<b>(7,032)</b>		
<b>Governmental Funds Excess (Deficit)</b>	<b>(42,523)</b>	<b>46,860</b>	<b>19,289</b>	<b>27,571</b>		

Treasurer's Report Page 7

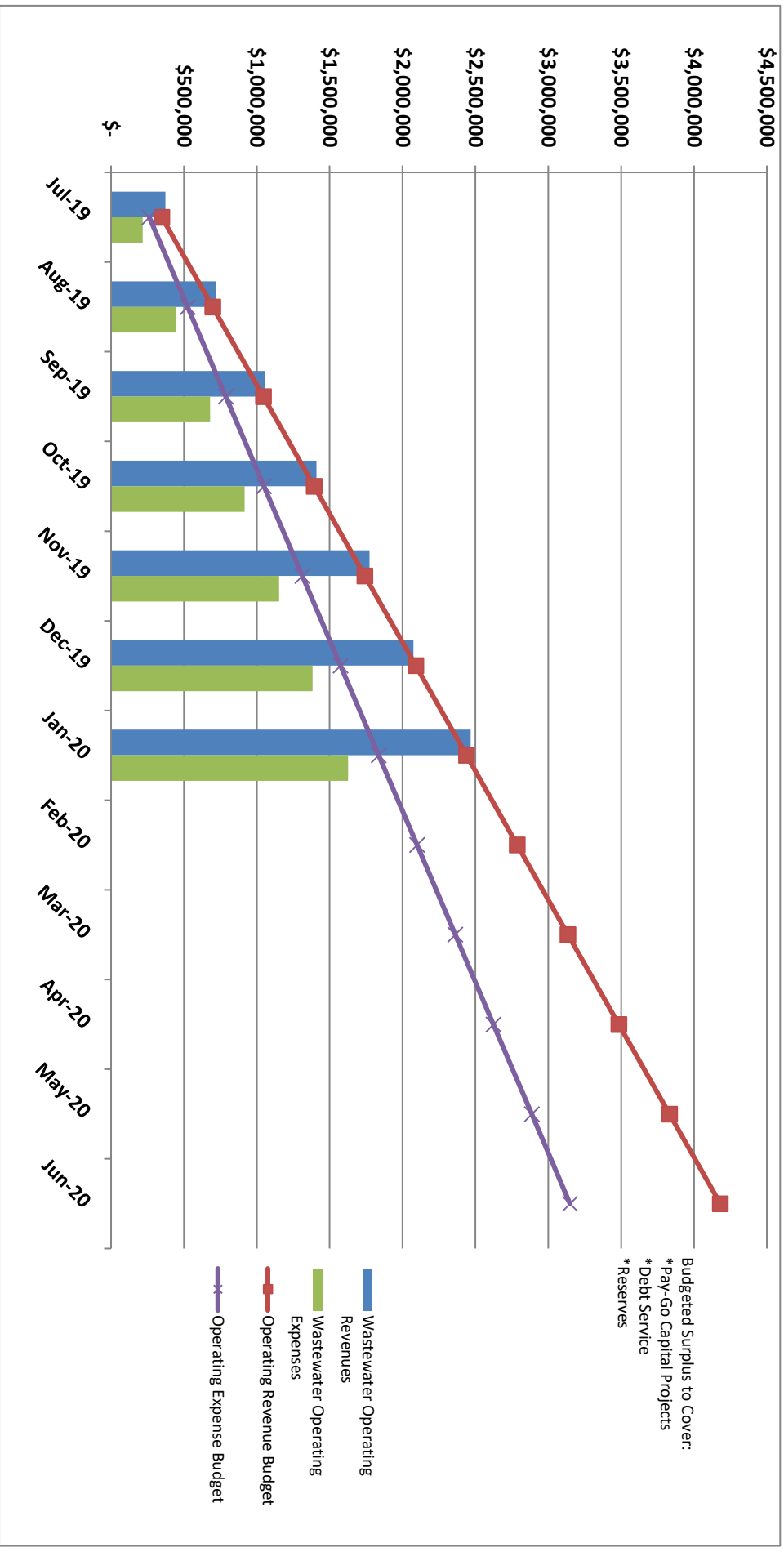
# McKinleyville Community Services District January 2020

## Comparison of Water Fund Operating Revenues & Expenses to Budget



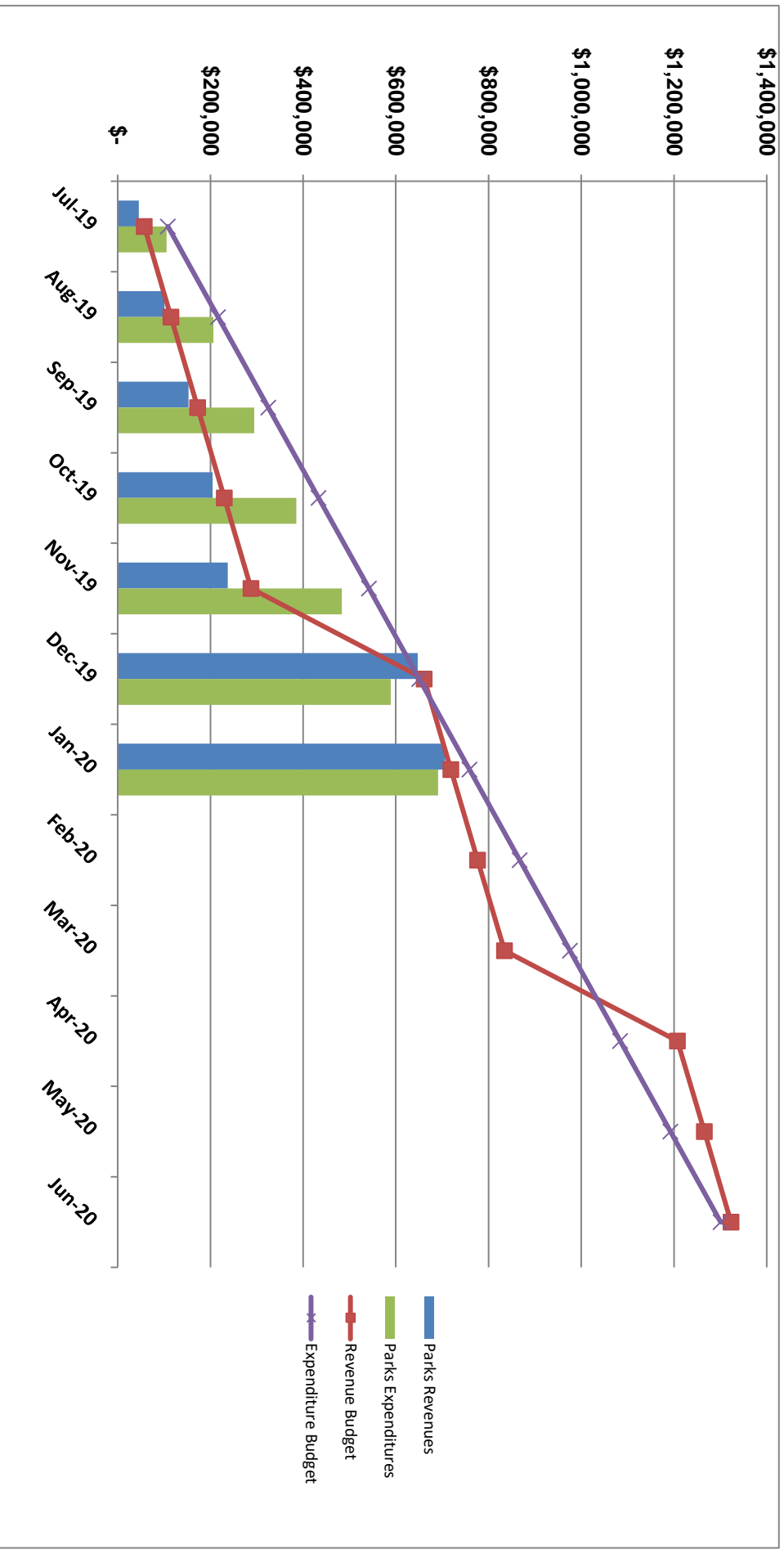
# McKinleyville Community Services District January 2020

## Comparison of Wastewater Fund Operating Revenues & Expenses to Budget



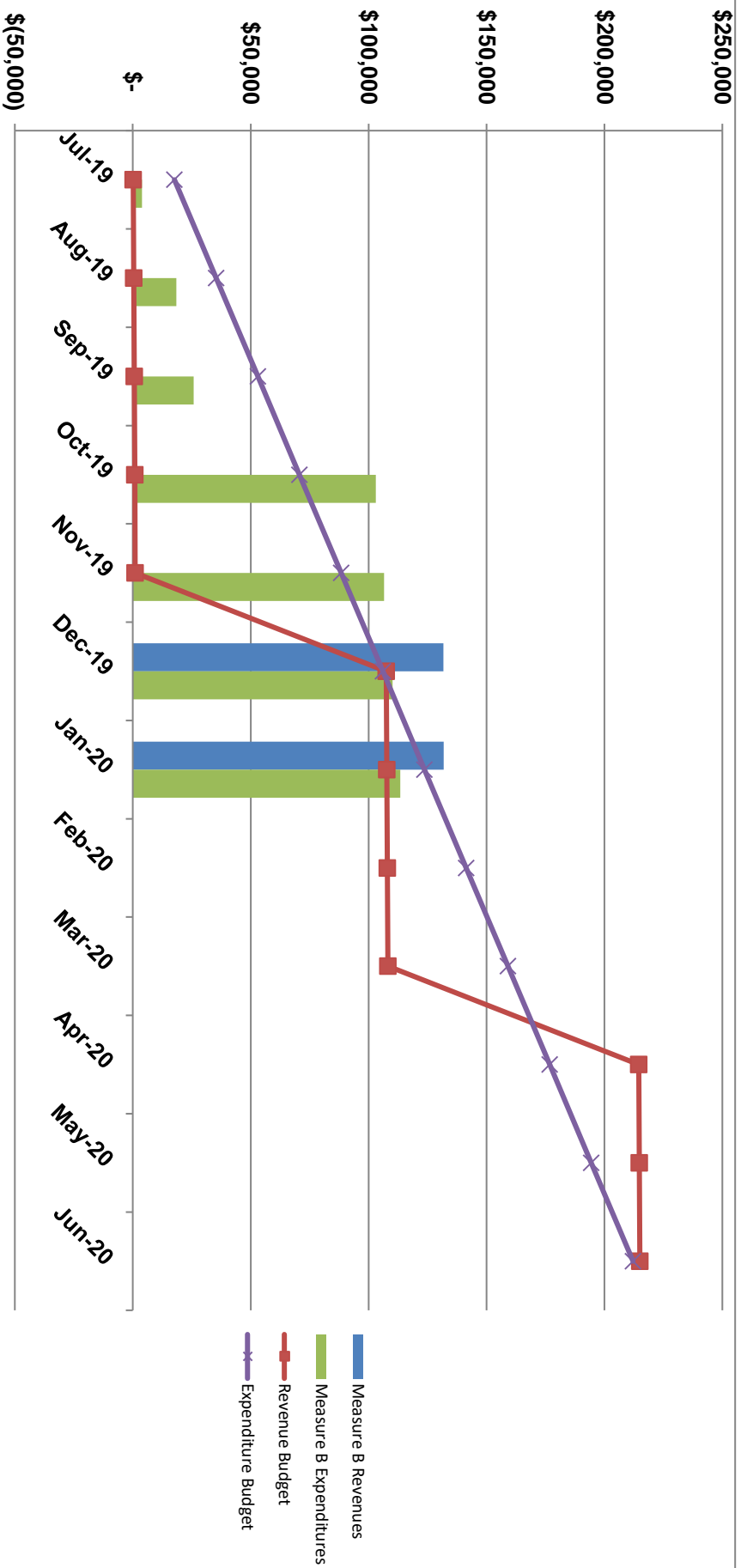
# McKinleyville Community Services District January 2020

## Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



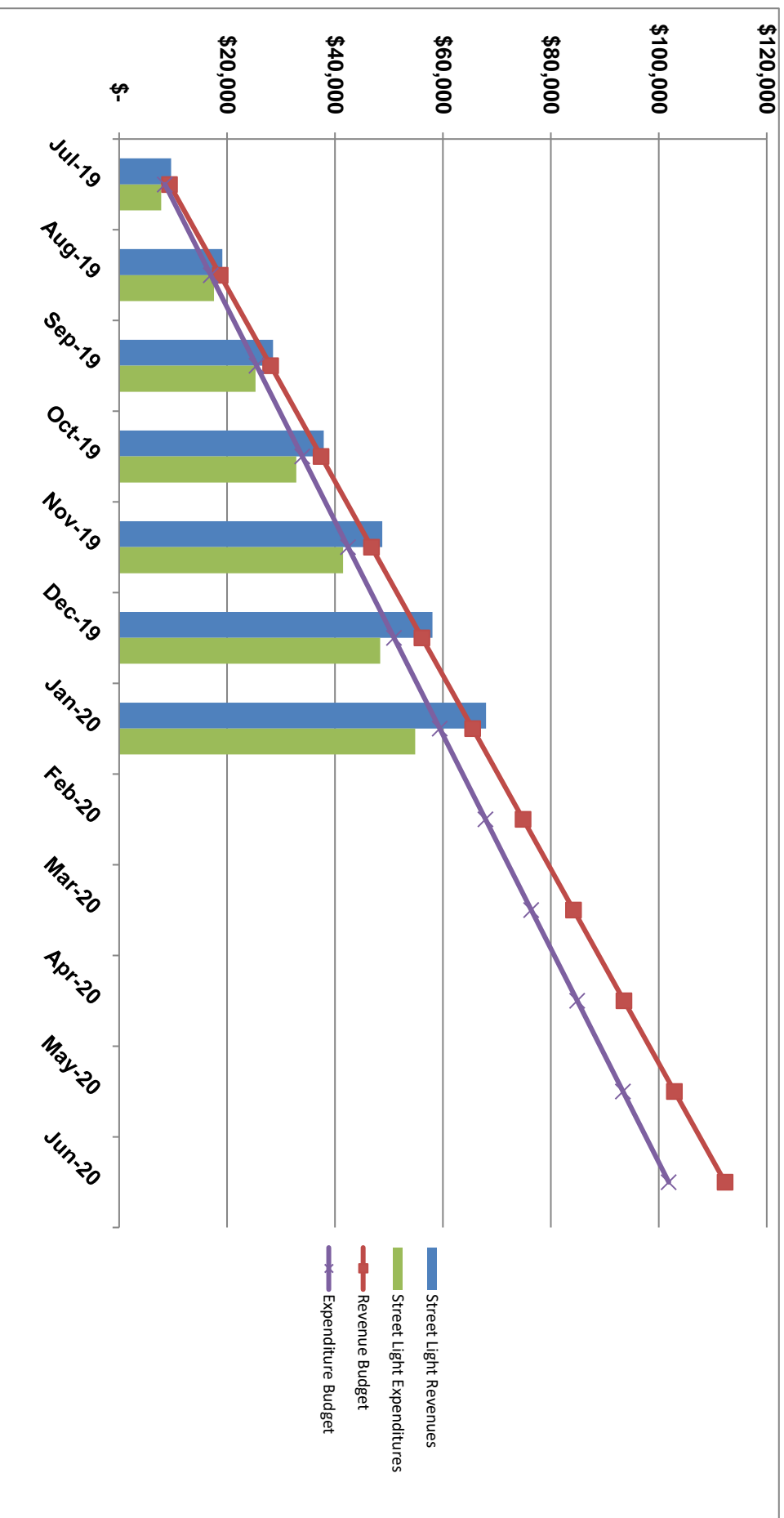
# McKinleyville Community Services District January 2020

## Comparison of Measure B Fund Total Revenues & Expenditures to Budget



# McKinleyville Community Services District January 2020

## Comparison of Street Light Fund Total Revenues & Expenditures to Budget



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

	January	YTD	FY 19-20	Remaining		Notes
		Total	Budget	Budget \$	Budget %	
<b>Water Department</b>						
Ramey Pump Upgrades	-	-	-	-	#DIV/0!	
Water Tank Painting & Cathodic	-	5,346	506,000	500,654	99%	Water Tank Painting & Cathodic
Alternative Energy Master Plan	-	-	50,000	50,000	100%	Alternative energy master plan
4.5m New Water Tank	-	11,117	700,000	688,883	98%	Drilling, LACO Assoc.
Production Meter Replacements	-	-	-	-	#DIV/0!	Production Meter Replacement
N.BankBoosterStn Emergency VFD replace	-	6,480	20,000	13,520	68%	Emergency Water Supply
Emergency Generator-Cochran	-	660	50,000	49,340	99%	CochranEmergency Generator
Fire Hydrant System Upgrade	-	-	7,000	7,000	100%	Fire Hydrant System Upgrade
Tank Seismic Actuators	-	-	20,000	20,000	100%	Tank Seismic Actuators
NorthBank VFD Replacement	-	17,130	-	(17,130)	#DIV/0!	NorthBank VFD Replacement
Water Tank Upgrade-McClusky Tree Svc	-	29,120	35,000	5,880	17%	Water Tank Upgrade-McClusky T
Water Main Rehab & Replacement	7,786	23,598	1,000,000	976,402	98%	Water Main Rehab
Property Purchase & Improvements	-	-	250,000	250,000	100%	Property Purch/Improvements
<b>Subtotal</b>	<b>7,786</b>	<b>93,451</b>	<b>2,638,000</b>	<b>2,544,549</b>	<b>96%</b>	
<b>Wastewater Department</b>						
Sewer Main Rehab & Replacement	7,746	23,265	1,000,000	976,735	98%	Sewer Main Rehab
WWMF Sludge Disposal - next	-	-	240,000	240,000	100%	Sludge handling/disposal
SLS Pump/Generator Replacement	-	5,364	-	(5,364)	#DIV/0!	SLS Pump/Generator Replacement
WWMF/Fischer Lift Stn Grinder Upgrade	-	27,329	25,000	(2,329)	-9%	Fischer Lift Stn Grinder Upgrade
Alternative Energy Master Plan	-	-	50,000	50,000	100%	Alternative energy master plan
WWMF Chlorine Injector/Controllers	-	-	10,000	10,000	100%	Chlorine Injector/Controllers
Collection System Upgrades	-	132	100,000	99,868	100%	Collection System upgrades
Sewer Lift Stn Upgrade-Hiller	-	-	240,000	240,000	100%	Sewer WWMF Upgrade
Solar Project - CWSRF Grant/Loan	1,867	28,551	3,000,000	2,971,449	99%	WWMF Solar Project
WWMF - next NPDES Permit	-	950	25,000	24,050	96%	NPDES Permit Project
Customer Radio Meter Replacements	-	-	10,000	10,000	100%	Radio meters purch/install
Underground pipe locator & camera	-	-	5,000	5,000	100%	Underground pipe locator & came
Flow Totalizers	-	-	-	-	#DIV/0!	Flow Totalizers
Sewer Lift Station Other Upgrades	73,649	167,311	-	(167,311)	#DIV/0!	SwrLiftStnUpgrade-Letz
<b>Subtotal</b>	<b>9,613</b>	<b>85,591</b>	<b>4,705,000</b>	<b>4,619,409</b>	<b>98%</b>	
<b>Water &amp; Wastewater Operations</b>						
Heavy Equipment	-	-	100,000	100,000	100%	Hydrocl. & Tractor attachments &
Utility Vehicles	325	24,231	50,000	25,769	52%	CCTV truck, 3/4 or 1-ton Pickup
Office, Corporate Yard & Shops	-	25,971	50,000	24,029	48%	Facilities upgrade/sealcoat
Computers & Software	16,242	31,156	60,000	28,844	48%	Server, PCs, GIS/SEMS/CADD
Fischer Ranch - Reclamation Site Upgrade (tr	-	-	100,000	100,000	100%	Match to 3rd party grant funding
Fischer Ranch - Barn & Fence upgrades, Und	-	-	45,000	45,000	100%	Underground valving/piping
Property Purchase & Improvements	889	8,071	1,500,000	1,491,929	99%	Pialorsi Ranch purchase
Small Equipment & Other	-	-	40,000	40,000	100%	Air compressor
<b>Subtotal</b>	<b>17,456</b>	<b>89,428</b>	<b>1,945,000</b>	<b>1,855,572</b>	<b>95%</b>	
<b>Enterprise Funds Total</b>	<b>108,505</b>	<b>435,782</b>	<b>9,288,000</b>	<b>9,019,530</b>	<b>97%</b>	
<b>Parks &amp; Recreation Department</b>						
Hiller Park & Sports Complex	-	-	-	-	#DIV/0!	Other Equipment & Signage
Pierson Park Upgrades	-	50	-	(50)	#DIV/0!	
Washington Avenue Park Project	-	-	-	-	#DIV/0!	
Azalea Hall Projects	-	-	32,000	32,000	100%	Flooring, Pkg Lot resurface
McKinleyville Activity Center Upgrades	-	-	6,000	6,000	100%	Major Appliance replacement
Law Enforcement Facility Improvements	-	-	24,000	24,000	100%	LEF flooring/Library Carpet
Projects Funded by Quimby/Other Funds	-	-	-	-	#DIV/0!	Covered Picnic Area
Projects Funded by Measure B Renewal	-	-	-	-	#DIV/0!	Teen Center Constr&Loan svc
Other Parks Projects & Equipment	-	-	14,000	14,000	100%	Brush&LawnMowers/Trailer
<b>Subtotal</b>	<b>-</b>	<b>50</b>	<b>76,000</b>	<b>75,950</b>	<b>100%</b>	
<b>Streetlights</b>						
Pole Replacement	-	-	2,000	2,000	100%	Pole Replacement
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>2,000</b>	<b>100%</b>	
<b>Governmental Funds Total</b>	<b>-</b>	<b>50</b>	<b>78,000</b>	<b>77,950</b>	<b>100%</b>	
<b>All Funds Total</b>	<b>108,505</b>	<b>435,832</b>	<b>9,366,000</b>	<b>9,097,480</b>	<b>97%</b>	

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

**Principal Maturities and  
Scheduled Interest**

	Maturity Date	%	Balance - Dec 31,		FY-20	Thereafter
			2019	2020		
<b>Water Fund:</b>						
I-Bank	8/1/30		625,086.83	625,086.83	-	625,086.90
Interest		3.37%			-	122,826.39
State of CA Energy Commission (ARRA)	12/22/26		83,970.10	83,970.10	5,804.42	78,165.47
Interest		1.0%			421.00	2,764.70
State of CA (Davis Grunsky)	1/1/33		1,364,584.89	1,364,584.89	-	1,364,584.89
State of CA (Davis Grunsky) Deferred Interest	1/1/33		221,451.21	221,451.21	-	221,451.21
Interest		2.5%			18,007.21	250,575.34
Total Water Fund-Principal			2,295,093.03	2,295,093.03	5,804.42	2,289,288.47
Total Water Fund-Interest					18,428.21	376,166.43
<b>Total Water Fund</b>			<b>2,295,093.03</b>	<b>2,295,093.03</b>	<b>24,232.63</b>	<b>2,665,454.90</b>
<b>Wastewater Fund:</b>						
WWMF SRF Loan	7/31/47		14,869,555.02	14,869,555.02	-	17,541,629.70
Interest		1.6%			-	4,493,516.11
USDA (Sewer Bond)	8/1/22		225,000.00	225,000.00	-	225,000.00
Interest		5.0%			5,625.00	16,125.00
Total Wastewater Fund-Principal			15,094,555.02	15,094,555.02	-	17,766,629.70
Total Wastewater Fund-Interest					5,625.00	4,509,641.11
<b>Total Sewer Fund</b>			<b>15,094,555.02</b>	<b>15,094,555.02</b>	<b>5,625.00</b>	<b>22,276,270.81</b>
<b>Meas. B Fund: Teen/Comm Center Loan</b>						
	11/1/29		1,056,162.00	1,056,162.00	45,218.00	1,019,724.00
		3.55%			19,058.57	190,528.89
<b>Streetlights Fund: LED Proj Loan, PG&amp;E</b>						
			1,585.53	-	-	-
Total Principal		0.0%	18,447,395.58	18,445,810.05	51,022.42	21,075,642.17
Total Interest					43,111.78	5,076,336.43
<b>Total</b>			<b>18,447,395.58</b>	<b>18,445,810.05</b>	<b>94,134.20</b>	<b>26,151,978.60</b>



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

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
<b>Accounts Payable Disbursements</b>						
36484	1/2/2020	E&M01	E & M ELECTRIC	6,255.00	346645P	WATER/SEWER SUBSCRIPTION
36485	1/2/2020	*0031	REFUND OF REIMBURSEMENT - CB	30.00	C00102P	REFUND OF REIMBURSEMENT - CB
36486	1/3/2020	SLO01	CHECK REISSUE - DS	1,768.84	C00102P	CHECK REISSUE - DS
36487	1/6/2020	*0029	CHECK REISSUE - YT	100.00	C00106	REISSUANCE FOR CHECK YT
36488	1/6/2020	*0030	CHECK REISSUE - SG	65.00	C00106	REISSUANCE FOR CHECK SG
36489	1/6/2020	*0035	CUSTOMER REFUND MM	280.00	C00103	CUSTOMER REFUND MM
36490	1/6/2020	*0036	CUSTOMER REFUND SG	10.00	C00103	CUSTOMER REFUND SG
36491	1/6/2020	*0037	DEPOSIT REFUND PT	100.00	C00103	DEPOSIT REFUND PT
36492	1/6/2020	*0038	DEPOSIT REFUND DM	100.00	C00103	DEPOSIT REFUND DM
36493	1/6/2020	*0039	CUSTOMER REFUND AP	30.00	C00106	CUSTOMER REFUND AP
36494	1/6/2020	*0040	CUSTOMER REFUND BR	70.00	C00106	CUSTOMER REFUND BR
36495	1/6/2020	ADV01	ADVANCED SECURITY SYSTEM	657.00	500795	SECURITY SYSTEM
36496	1/6/2020	ARC07	ARCATA FIRE PROTECTION DISTRICT	3,078.00	527	FIRE ASSESSMENT
36497	1/6/2020	BAD01	BADGER METER, Inc.	352.74	80044693	EQUIP. MAINT.
36498	1/6/2020	DAV02	DAVIDSON BROTHERS LOCK & KEY	34.29	67282	TEEN CENTER KEYS
36499	1/6/2020	EUR06	REISSUANCE FOR CHECK ER	499.96	C00106	REISSUANCE FOR CHECK ER

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
36500	1/6/2020	FED01	FedEx Office	317.16	6-882-165	LAB TESTS SHIPMENT
36501	1/6/2020	HAR03	HARPER MOTORS CO.	23,832.11	C00106	F150 TRUCK PURCHASE - OPS
36502	1/6/2020	HUM01	HUMBOLDT BAY MUNICIPAL WATER DISTRICT	92,032.47	C00106	WTR PURCHASED
36503	1/6/2020	INF02	INFOSEND	2,847.44	164804	PRINTING/MAILING UTILITY BILLS
36504	1/6/2020	MCK03	MCKINLEYVILLE OFFICE SUPPLY	34.60	C00106	SHIPPING
36505	1/6/2020	ORE01	O'REILLY AUTOMOTIVE, INC.	185.14	C00103	VEHICLE REPAIRS
36506	1/6/2020	PGE05	PG&E	1,940.96	C00106	STLT LOAN AGMT 4190997497
36507	1/6/2020	PGE11	PG&E STREETLIGHTS	29.33	C00106	GAS & ELECTRIC ACCT 6945
36508	1/6/2020	STA12	SWRCB ACCOUNTING OFFICE	23,355.20	LW-102370	WATER SYSTEM FEES #1210016
36509	1/6/2020	UMP01	UMPOQA BANK	2,268.41	1219CT	TRAVEL/EMPLOYEE FUND
				21.10	1219DS	EMPLOYEE FUND PURCHASE
				180.22	1219GO	TRAVEL
				401.69	1219JH	SUPPLIES PURCHASED
				3,406.35	1219LF	SUPPLIES PURCHASED
				458.99	1219PARKS	SUPPLIES PURCHASED
			Check Total:	<u>6,736.76</u>		
36510	1/6/2020	USB01	U.S. BANK TRUST N.A.	7,604.17	C00106	BOND PAYMENT 94800110
36511	1/6/2020	VAL01	VALLEY PACIFIC PETROLEUM	2,696.35	19-190417	FUEL PURCHASED
				405.90	19-191458	FUEL PURCHASED
			Check Total:	<u>3,102.25</u>		
36512	1/6/2020	VER01	VERIZON WIRELESS	78.37	C00106	PHONES/ALARMS
36513	1/6/2020	\C013	MQ CUSTOMER REFUND FOR CU	179.94	000C00101	MQ CUSTOMER REFUND FOR CU
36514	1/6/2020	\H004	MQ CUSTOMER REFUND FOR HE	120.00	000C00101	MQ CUSTOMER REFUND FOR HE
36515	1/6/2020	\H005	MQ CUSTOMER REFUND FOR HO	55.03	000C00101	MQ CUSTOMER REFUND FOR HO

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
36516	1/6/2020	\H023	MQ CUSTOMER REFUND FOR HO	198.27	000C00101	MQ CUSTOMER REFUND FOR HO
36517	1/6/2020	\H029	MQ CUSTOMER REFUND FOR HO	194.97	000C00101	MQ CUSTOMER REFUND FOR HO
36518	1/6/2020	\P010	MQ CUSTOMER REFUND FOR PR	60.66	000C00101	MQ CUSTOMER REFUND FOR PR
36519	1/6/2020	\S041	MQ CUSTOMER REFUND FOR SO	10.31	000C00101	MQ CUSTOMER REFUND FOR SO
36520	1/21/2020	GHD01	GHD	(35,391.25)	129404u	Ck# 036520 Reversed
36523	1/14/2020	*0041	SECURITY DEPOSIT REFUND NF	100.00	C00114	SECURITY DEPOSIT REFUND NF
36524	1/14/2020	*0042	SECURITY DEPOSIT REFUND AB	100.00	C00114	SECURITY DEPOSIT REFUND AB
36525	1/14/2020	*0043	SECURITY DEPOSIT REFUND KK	100.00	C00114	SECURITY DEPOSIT REFUND KK
36526	1/14/2020	ACW01	CB&T/ACWA-JPIA	11,834.93	C00114	GRP. HEALTH INS
36527	1/14/2020	BAS01	BASIC LABORATORY INC.	535.00	2000044	LAB TESTS
36528	1/14/2020	BUR01	MARY C. BURKE	125.00	C00108	BOARD MEETING 12/4/19
36529	1/14/2020	CAR03	CARPET WIZARD SERVICES	570.00	C00108	OFFICE CARPET CLEANING
36530	1/14/2020	CUM01	CUMMINNS PACIFIC, LLC.	83.02	C00103	REPAIRS/SUPPLY
36531	1/14/2020	DEX01	DEX YP	288.00	C00114	ADVERTISEMENT FOR 1 YEAR
36532	1/14/2020	EUR05	Eureka Oxygen Co	1,075.58	461602	PROFESSIONAL SERVICES
36533	1/14/2020	FED01	FedEx Office	605.64	C00114	LAB TESTS TREATMENT
36534	1/14/2020	FED02	FEDAK & BROWN LLP	1,000.00	C00114	ACCT. / AUDIT
36535	1/14/2020	GAI01	CUSTOMER REFUND PAVING DE	750.00	C00109	CUSTOMER REFUND PAVING DE
36536	1/14/2020	GRA02	GRAINGER	204.01	938963609	SAFETY SUPPLIES
36537	1/14/2020	HAR03	HARPER MOTORS CO.	721.25	C00109	VEHICLE REPAIRS

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
36538	1/14/2020	HEL01	KEVIN HEID	450.00	C00109	DJ FOR JR HIGH DANCE
36539	1/14/2020	HUM08	HUMBOLDT SANITATION	2,155.55	C00108	TRASH SERVICE
36540	1/14/2020	IBA01	US BANK-GLOBAL CORP TRUST	10,532.71	62936	IBANK LOAN PAYMENT
36541	1/14/2020	IND01	INDEPENDENT BUS. FORMS	117.93	38506	W2 & 1099 TAX FORMS
36542	1/14/2020	JAC04	JACKSON & EKLUND, INC.	5,383.00	C00114	ACCT. / AUDIT
36543	1/14/2020	MIL01	Miller Farms Nursery	184.99	C00114	REPAIRS/SUPPLY
36544	1/14/2020	NOR01	NORTH COAST LABORATORIES	5,962.75	C00114	LAB TESTING
36545	1/14/2020	NOR13	NORTHERN CALIFORNIA SAFETY CONSORTIUM	300.00	6106	SAFETY TRAINING
				600.00	26098	SAFETY TRAINING
				300.00	26129	SAFETY TRAINING
				120.00	26182	SAFETY TRAINING
			Check Total:	<u>1,320.00</u>		
36546	1/14/2020	NOR40	NEAC	40.00	2037	ANNUAL SUBSCRIPTION
36547	1/14/2020	OCC02	OCCUPATIONAL ENVIRONMENTAL HEALTH	174.50	C00114	PROFESSIONAL SERVICES-L. L
36548	1/14/2020	ORE01	O'REILLY AUTOMOTIVE, INC.	56.31	C00114	VEHICLE REPAIRS
36549	1/14/2020	PIT01	PITNEY BOWES	393.00	C00114	OFFC EQUIP LEASE
36550	1/14/2020	PRE08	PINTERMEDIA LLC	113.75	C00103	WEB HOSTING FEES
36551	1/14/2020	QUA02	QUALITY LOGO PRODUCTS, Inc.	1,796.96	C00114	SUPPLIES PURCHASED
36552	1/14/2020	SIX03	SIX RIVERS MECHANICAL	323.15	2990	PROFESSIONAL SERVICES-AZ
36553	1/14/2020	THO02	Thomas Home Center	645.94	C00114	REPAIRS/SUPPLY
36554	1/14/2020	USA01	USA BLUEBOOK	2,918.66	C00114	LAB TESTING SUPPLIES
36555	1/21/2020	*0032	AZALEA HALL DEPOSIT REFUND MH	-	C00117U	CK# 036555 Reversed

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
36556	1/21/2020	ACCC04	ACCURATE DRUG TESTING SERVICE	90.00	4475	DRUG TESTING
36557	1/21/2020	ANE01	AN ELECTRICIAN INC.	1,422.47	11219	ELECTRICIAN SERVICES
36558	1/21/2020	ARCO2	Arcata Stationers	87.40	132467	OFFICE SUPPLIES
36559	1/21/2020	ASCO2	ASCAP	363.00	C00117	SUBSCRIPTIONS
36560	1/21/2020	ATT01	AT&T	2,748.73	C00117	PHONE SERVICES
36561	1/21/2020	ATT05	AT&T	174.09	C00117	TELEPHONE TEEN/FAM CTR
36562	1/21/2020	ATT06	AT&T	228.58	C00117	TELEPHONE AZALEA HALL
36563	1/21/2020	BAS01	BASIC LABORATORY INC.	1,070.00	C00117	LAB TESTING
36564	1/21/2020	BLA01	FSA REIMBURSEMENT JB	91.69	C00117	FSA REIMBURSEMENT JB
36565	1/21/2020	GRA02	GRAINGER	14.83	C00117	REPAIRS/ SUPPLIES
				92.71	940956879	REPAIRS/ SUPPLIES
			Check Total:	<u>107.54</u>		
36566	1/21/2020	HIG02	HIGH ROCK CONSERVATION CAMP	600.00	C00117	PROFESSIONAL SERVICES
36567	1/21/2020	INF03	INFINITE CONSULTING SERVICES	2,250.00	C00117	PROFESSIONAL SERVICES
36568	1/21/2020	JAC04	JACKSON & EKLUND, INC.	650.00	429650	ACCT. / AUDIT
36569	1/21/2020	MAD01	MAD RIVER ROTARY	225.00	C00117	ANNUAL DUES
36570	1/21/2020	MAY03	DENNIS MAYO	159.50	C00117	ACWA REGION 1 BOARD MTG TRAVEL
36571	1/21/2020	MCK04	MCK ACE HARDWARE	267.85	C00114	REPAIRS/SUPPLY
36572	1/21/2020	MCK11	MCKINLEYVILLE SENIOR CENTER	21.40	C00117	PARKS SHARE OF INTERNET
36573	1/21/2020	MEN01	MENDES SUPPLY CO.	1,805.15	C00114	SUPPLIES
36574	1/21/2020	MIT01	MITCHELL LAW FIRM	3,942.56	44831	LEGAL SERVICES

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
36575	1/21/2020	MUD01	MUDDY WATERS COFFEE CO.,INC	80.00	C00117	OFFICE SUPPLIES
36576	1/21/2020	NOR35	NORTHERN HUMBOLDT EMPLOYMENT SERVICES	998.15	C00117	CENTRAL AVE/ P.PARK MAINT
36577	1/21/2020	PGE10	PG&E STREETLIGHTS	3.38	C00117	GAS & ELECTRIC S.L.-ZONE
36578	1/21/2020	RES03	RESTIF CLEANING SERVICE	380.00	102597	PROFESSIONAL SERVICES-FIR
36579	1/21/2020	STA11	STAPLES CREDIT PLAN	121.06	C00117	OFFICE SUPPLIES
36580	1/27/2020	*0032	AZALEA HALL DEPOSIT REFUND CT	100.00	C00127	AZALEA HALL DEPOSIT REFUND CT
36581	1/27/2020	*0033	VOLUNTEER FINGERPRINT REIMB AV	30.00	C00127	VOLUNTEER FINGERPRINT REIMB AV
36582	1/27/2020	*0034	VOLUNTEER FINGERPRINT REIMB AD	30.00	C00127	VOLUNTEER FINGERPRINT REIMB AD
36583	1/27/2020	*0035	VOLUNTEER FINGERPRINT REIMB AO	30.00	C00127	VOLUNTEER FINGERPRINT REIMB AO
36584	1/27/2020	*0036	VOLUNTEER FINGERPRINT REIMB ZP	30.00	C00127	VOLUNTEER FINGERPRINT REIMB ZP
36585	1/27/2020	*0037	VOLUNTEER FINGERPRINT REIMB TP	25.00	C00127	VOLUNTEER FINGERPRINT REIMB TP
36586	1/27/2020	*0038	VOLUNTEER FINGERPRINT REIMB TP	30.00	C00127	VOLUNTEER FINGERPRINT REIMB TP
36587	1/27/2020	*0039	VOLUNTEER FINGERPRINT REIMB TA	60.00	C00127	VOLUNTEER FINGERPRINT REIMB TA
36588	1/27/2020	*0040	AZALEA HALL DEPOSIT REFUND AR	100.00	C00127	AZALEA HALL DEPOSIT REFUND AR
36589	1/27/2020	*0041	REC PROGRAM REFUND WG	43.75	C00127	REC PROGRAM REFUND WG
36590	1/27/2020	*0042	REC PROGRAM REFUND JR	70.00	C00127	REC PROGRAM REFUND JR
36591	1/27/2020	ACCO4	ACCURATE DRUG TESTING SERVICES	90.00	17	PROFESSIONAL SERVICES
36592	1/27/2020	ATT04	AT&T	912.54	C00127	SWITCHED ETHERNET SERVICE
36593	1/27/2020	BAS01	BASIC LABORATORY INC.	535.00	2000562	LAB TESTING
36594	1/27/2020	C&S01	C & S FIRE-SAFE SERVICES	475.00	5941220	KITCHEN HOOD CLEANING AZ

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
36595	1/27/2020	CPR01	CALIFORNIA PARK & RECREATION	555.00	C00114	SUBSCRIPTION
36596	1/27/2020	CWE01	CWEA	192.00	C00127	CERT RENEWAL-DS
36597	1/27/2020	EUR06	EUREKA READY MIX	1,052.72	C00127	REPAIRS/SUPPLY
36598	1/27/2020	FED01	FedEx Office	720.83	C00127	LAB SHIPMENT
36599	1/27/2020	HSU04	HUMBOLDT STATE UNIVERSITY	162.50	C00127	CAREER & VOLUNTEER EXPO REGISTR
36600	1/27/2020	IBS01	IBS OF THE REDWOODS	369.53	5081358	REPAIRS/ SUPPLIES
36601	1/27/2020	MAD03	MAD RIVER COMMUNITY HOSPITAL	209.00	A0023852	PROFESSIONAL SERVICES
36602	1/27/2020	MAY03	DENNIS MAYO	148.00	C00127	ACWA BOARD COMMITTEE MTG
36603	1/27/2020	PGE01	PG & E (Office & Field)	20,134.07	C00127	GAS & ELECTRIC
36604	1/27/2020	PGE06	PG&E-STREETLIGHTS	16.51	C00127	GAS & ELECTRIC S.L.- ZONE
36605	1/27/2020	PGE08	PG&E-STREETLIGHTS	15.83	C00127	GAS & ELECTRIC S.L.- ZONE
36606	1/27/2020	PGE09	PG&E-STREETLIGHTS	80.03	C00127	GAS & ELECTRIC S.L.- ZONE
36607	1/27/2020	SIX03	SIX RIVERS MECHANICAL	988.82	C00127	PROFESSIONAL SERVICES-HVAC
36608	1/27/2020	SOLO1	SOLO SPORTS	1,400.75	C00127	REC PROGRAM SUPPLIES
36609	1/27/2020	THA01	THATCHER COMPANY, INC.	2,757.25	C00127	REAAIRS/SUPPLY TREATMENT
36610	1/27/2020	VIL01	BANK FEE REIMBURSEMENT AV	12.00	C00127	BANK FEE REIMBURSEMENT AV
36621	2/4/2020	MAY02	DENNIS MAYO	-	C00203U	CK# 036621 Reversed
36648	2/4/2020	MAY02	DENNIS MAYO	125.00	C00204P	BOARD MEETING 1/10/20
36649	2/4/2020	MAY02	DENNIS MAYO	125.00	C00203P	BOARD MEETING 1/11/20
D00043	1/14/2020	BAR02	SHEL BARSANTI	125.00	C00108	BOARD MEETING 12/4/19

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
D00043	1/14/2020	COR07	JOHN CORBETT	125.00	C00108	BOARD MEETING 12/4/19
D00043	1/14/2020	COU09	DAVID COUCH	125.00	C00108	BOARD MEETING 12/4/19
				241,505.03		
<b>Total Disbursements, Account Payable:</b>				<b>241,255.03</b>		

**Payroll Related Disbursements**

16718-16736	1/9/2020		Various Employees	14,932.99		Payroll Checks
16737	1/9/2020	CAL12	CALPERS 457 Plan	8,519.62	C00109	RETIREMENT
				719.04	1C00109	PERS 457 LOAN PMT
Check Total:				9,238.66		
16738	1/9/2020	DIR01	DIRECT DEPOSIT VENDOR- US	33,352.06	C00109	Direct Deposit
16739	1/9/2020	EMP01	Employment Development	1,815.71	C00109	STATE INCOME TAX
				694.79	1C00109	SDI
Check Total:				2,510.50		
16740	1/9/2020	EMP02	Employment Dev Department	1,850.17	B91231	SUI
16741	1/9/2020	HEA01	HEALTH/EQUITY, ATTN: CLINT	175.00	C00109	HSA
16742	1/9/2020	HUM29	UMPQUA BANK--PAYROLL DEP.	5,309.35	C00109	FEDERAL INCOME TAX
				8,615.18	1C00109	FICA
				2,014.82	2C00109	MEDICARE
Check Total:				15,939.35		
16743	1/9/2020	ACW01	CB&T/ACWA-JPIA	59,092.86	B91231	MED-DENTAL-EAP INSUR
16744	1/9/2020	PUB01	Public Employees PERS	19,388.32	B91231	PERS PAYROLL REMITTANCE
16745-16771	1/23/2020		Various Employees	17,075.42		Payroll Checks
16772	1/23/2020	CAL12	CALPERS 457 Plan	8,351.77	C00123	RETIREMENT
				719.04	1C00123	PERS 457 LOAN PMT
Check Total:				9,070.81		



Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
16773	1/23/2020	DIR01	DIRECT DEPOSIT VENDOR- US	31,475.67	C00123	Direct Deposit
16774	1/23/2020	EMP01	Employment Development	1,645.71	C00123	STATE INCOME TAX
			Check Total:	692.27	1C00123	SDI
				<u>2,337.98</u>		
16775	1/23/2020	HEA01	HEALTHEQUITY, ATTN: CLINT	175.00	C00123	HSA
16776	1/23/2020	HUM29	UMPQUA BANK--PAYROLL DEP.	5,131.85	C00123	FEDERAL INCOME TAX
			Check Total:	8,586.96	1C00123	FICA
				2,008.28	2C00123	MEDICARE
				<u>15,727.09</u>		
			<b>Total Disbursements, Payroll:</b>	<u><u>232,341.88</u></u>		
			<b>Total Check Disbursements:</b>	<u><u>473,596.91</u></u>		



Each user group is responsible for cleaning their own dugouts and bleacher areas after each use.

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments:**

- Attachment 1 – HSC Agreement between MCSD and Mad River Girls Fastpitch Softball (Humboldt ASA)
- Attachment 2 – HSC Agreement between MCSD and McKinleyville Little League
  - Attachment 2a – Supplemental Maintenance Agreement Between McKinleyville Little League and MCSD

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## *HILLER SPORTS COMPLEX FACILITY USE AGREEMENT*

---

This HILLER SPORTS COMPLEX FACILITY USE AGREEMENT (this “AGREEMENT”), is made and entered into this 4<sup>th</sup> day of March 2020, by and between the McKinleyville Community Services District (DISTRICT), a Community Services District formed under the laws of the State of California, and the Mad River Girls Fastpitch Softball Association (ORGANIZATION), a non-profit youth sports organization, reference to the following facts, which are acknowledged as true and correct by each of the parties:

### **Recitals**

- (a) DISTRICT is the owner of Hiller Sports Complex located at 880 Columbus Road in McKinleyville; and
- (b) DISTRICT desires to maximize financial self-sufficiency of the maintenance of Hiller Sports Complex; and
- (c) DISTRICT desires to maximize community access to recreation programs at Hiller Sports Complex; and
- (d) ORGANIZATION desires to offer recreation programs to the community at Hiller Sports Complex; and
- (e) ORGANIZATION proposes to operate recreation programs, in accordance with the terms and conditions of this AGREEMENT, which supersedes all other previous documents; and
- (f) ORGANIZATION and DISTRICT each desire to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (g) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though full, are the following:
  - 1. Cover Page: Facility Use AGREEMENT
  - 2. Exhibit A: Hiller Sports Complex Map
  - 3. Exhibit B: Article IV – Rules and Regulations
  - 4. Exhibit C: Hiller Sports Complex Master Facility Fee Schedule
  - 5. Exhibit D: Operation & Maintenance Responsibilities
  - 6. Exhibit E: Guidelines for Field Cancellations
  - 7. Exhibit F: “In Kind Work” & Field Modification Request Form

## Definitions

As used in this AGREEMENT, the following terms shall have the following definitions:

1. "AGREEMENT" shall mean Hiller Sports Complex Facility Use AGREEMENT.
2. "DISTRICT" shall mean the McKinleyville Community Services District.
3. "ORGANIZATION" shall mean Mad River Girls Fastpitch Softball Association .
4. "Hiller Sports Complex" shall mean the nineteen-acre parcel of property located at 880 Columbus Road on the east side of the entry way into Hiller Park. Such property contains two (2) little league fields, a regulation softball field, a practice softball field, a Senior League baseball field, two collegiate size soccer fields, batting cages, concession stand, restrooms, bleachers, drinking fountains, walkways, and a parking lot.
5. "Recreation Advisory Committee" shall be the said committee operating under the jurisdiction of the McKinleyville Community Services District Board of Directors.
6. "Facility Use Request" shall mean all periods of time, including practices, games, assessment days, tournaments, etc., for which a party desires to utilize Hiller Sports Complex and requested via the DISTRICT Hiller Sports Complex Facility Use Reservation Form.
7. "Facility Use Schedule" shall mean the most current schedule for use of Hiller Sports Complex.
8. "Board of Directors" shall mean the five members of the McKinleyville Community Service District Board of Directors.
9. "Recreation Director" shall mean the individual employed in said position with the McKinleyville Community Services District.
10. "Article IV- Rules and Regulations" shall mean the portion of the document containing the Rules and Regulations of the McKinleyville Community Services District as adopted by the Board of Directors.

NOW, THEREFORE, in consideration of their mutual covenants and promises set forth herein and incorporating the foregoing recitals of fact, the parties hereto agree as follows:

## AGREEMENT

### **Section 1. Facility Development**

The DISTRICT and ORGANIZATION agree to collaborate, assist, and support one another and individual efforts in maintaining Hiller Sports Complex.

### **Section 2. Grant of Field Use**

- 2.1 Grant of Use. The DISTRICT grants the ORGANIZATION field use for recreational and sports activities at Hiller Sports Complex. ORGANIZATION shall be responsible for: (a) setup of Hiller Sports Complex for ORGANIZATION's use, unless otherwise specified; (b) storing any equipment following ORGANIZATION's use; and (c) restoring Hiller Sports Complex to the appropriate condition as found prior to ORGANIZATION's use. ORGANIZATION shall not utilize Hiller Sports Complex prior to the start of the contracted time set forth in the most current Facility Use Schedule and shall vacate the playing area by the end of the contracted time set forth in said schedule.
- 2.2 Facility Use Schedule. ORGANIZATION shall provide DISTRICT with ORGANIZATION's most current field use schedule including team names, coaches/managers & names of individuals to contact in the case of game cancellations; list of official representatives of the organization; game, practice, tournament dates and times; and other scheduled use.
- 2.3 Cancellation. Provided cancellation of use by inclement weather or other unforeseen conditions, DISTRICT shall endeavor to make the decision of said cancellation by 3:00 p.m. of the day for which cancellation shall take place.
- 2.4 Additional Field Use Request. Provided cancellation of use by inclement weather or other unforeseen conditions, ORGANIZATION must notify the DISTRICT of said cancellation and request of additional field use (if needed) within twenty-four (24) hours. DISTRICT shall be responsible to administer and coordinate all additional facility use requests provided such requests do not conflict with the most current Facility Use Schedule of other approved users.
- 2.5. Access  
DISTRICT shall provide the ORGANIZATION with one (1) set of keys to Hiller Sports Complex. It is the responsibility of the ORGANIZATION to produce copies and issue keys.

### **Section 3. Scheduling of Facility**

- 3.1 Site Development, Management and Scheduling:  
All development, scheduling, maintenance, and use of Hiller Sports Complex shall be coordinated with the Recreation Director.
- 3.2 Facility Use Requests  
ORGANIZATION is responsible to submit a District Facility Use Reservation Form to the Recreation Director. The Recreation Director shall compile a draft Facility Use Schedule resulting from such requests. Parties currently having and maintaining an AGREEMENT with DISTRICT shall be designated for priority use when said schedule is drafted. The draft Facility Use Schedule shall delineate any dates and times with facility scheduling conflicts. The Recreation Director shall be charged with resolving any scheduling conflicts, in his or her discretion.  
  
ORGANIZATION shall have first priority of Softball Field 3 based on schedules submitted in advance to MCSD, from March 7 through July 18, 2020.

3.3 Facility Use Scheduling Protests

ORGANIZATION and those parties granted facility use by the DISTRICT shall retain the right to protest the facility use. For all protests, refer to Section 16: Resolution of Disputes.

**Section 4. Operational Standards**

4.1 Conduct and Disorderly Persons

ORGANIZATION agrees to uphold and remain in compliance, at all times, with the current rules and regulations of the recreation and park system as established by the DISTRICT and outlined in Article IV of the DISTRICT's Rules and Regulations.

4.2 Staffing

ORGANIZATION agrees to ensure that an official representative(s) of ORGANIZATION shall be present at all times and shall be responsible for overseeing all use at all times on those dates and times for which use of Hiller Sports Complex is being conducted by ORGANIZATION.

4.3 Equipment and Supplies Storage

Storage of ORGANIZATION's equipment at Hiller Sports Complex shall be at the DISTRICT'S approval and at the ORGANIZATION's sole risk, DISTRICT will not warrant security of stored materials. ORGANIZATION shall unilaterally bear all risks of loss, theft, damage and other casualty incidental to using and/or storing equipment at the Hiller Sports Complex, and will indemnify and defend the DISTRICT from and against all losses arising out of using and/or storing equipment at the Hiller Sports Complex.

4.4 Safety

ORGANIZATION agrees to comply with the DISTRICT's established facility use guidelines, as defined in Article IV of the DISTRICT's Rules and Regulations and attached as Exhibit B, and incorporated by reference herein.

4.5 Use of Equipment

ORGANIZATION agrees not to use equipment owned by others and stored at Hiller Sports Complex without first obtaining written approval from the owner of said equipment. A copy of written approval must be provided to the DISTRICT.

ORGANIZATION agrees not to remove or replace equipment provided at Hiller Sports Complex by DISTRICT without the prior written consent of the Recreation Director.

4.6 Entry by DISTRICT

ORGANIZATION shall permit DISTRICT, and DISTRICT's agents and assigns, at all reasonable times, to enter the premises, for the purposes of inspection, compliance with the terms of this AGREEMENT, exercise of all rights under this AGREEMENT, posting notices, and all other lawful purposes.

4.7 Environmental Sensitivity

ORGANIZATION agrees that all use by ORGANIZATION shall be conducted in a manner within the intended use of Hiller Sports Complex and with respect to the surrounding neighborhood and community. ORGANIZATION shall abide by all rules and regulations established by the DISTRICT stating that the use of pesticides, herbicides and related products at the Hiller Sports Complex and surrounding areas are strictly prohibited.

4.8 Equal Opportunity and Non-Discrimination Clause

ORGANIZATION shall not discriminate in its offering of programs at Hiller Sports Complex and all duties related to such offering on the basis of race, color, national origin, religious creed, ancestry, sex, age, or physical handicap and shall comply with all applicable state and federal statutes and regulations prohibiting discriminatory practices and/or conduct.

DISTRICT has zero tolerance for harassment or any other form of discriminatory behavior, as set forth in this Policy Against Discrimination. The DISTRICT will not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, military or veteran status, or any other status protected by federal, state, or local law. MCSD requires that all patrons of facilities adhere to MCSD policy. MCSD will respond to any discriminatory behavior in an appropriate manner, including, but not limited to, termination of facility agreement and/or future facility use, reporting to appropriate legal authorities or other appropriate responses. All incidences of discriminatory behavior are to be reported to the MCSD General Manager immediately.

For all communications, both written and electronic, DISTRICT does not tolerate any correspondence that degenerates into improper use. DISTRICT's technology resources are governed by District policies. Under no circumstances may anyone use DISTRICT's technology resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way, such as sexually explicit or racially disparaging messages, jokes, or cartoons.

4.9 Americans with Disabilities Act Compliance

DISTRICT shall indemnify, defend, and hold harmless ORGANIZATION from any fines or penalties which may be imposed upon it pursuant to the Americans with Disabilities Act as a result of DISTRICT's failure to make any required improvements to the premises as required by the Americans with Disabilities Act.

ORGANIZATION shall be responsible for compliance with any and all requirements of the Americans with Disabilities Act with respect to the operation of recreation programs for which ORGANIZATION is responsible. ORGANIZATION shall indemnify, defend, and hold harmless DISTRICT from and against any and all claims, causes of action, damages, fines and/or penalties pursuant to the Americans with Disabilities Act arising, in whole or in part, as a result of the ORGANIZATION's failure or alleged failure to comply with any requirements of the Americans with Disabilities Act with respect to operation of recreation programs which ORGANIZATION is responsible.



4.10. Compliance with Law

ORGANIZATION and DISTRICT shall comply with and conform to all laws and regulations, state and federal, and any and all requirements and orders of any state or federal board or authority, present or future, in any way relating to the condition or use of Hiller Sports Complex throughout the entire term of this AGREEMENT.

4.11. District Coordination

DISTRICT shall employ a Recreation Director who shall be the primary contact person with the ORGANIZATION.

**Section 5. Prohibited Actions**

ORGANIZATION shall not:

- a) Use of Hiller Sports Complex for any purpose other than as authorized in this AGREEMENT and as authorized in the most current Facility Use Schedule; or
- b) Do or permit to be done anything which may interfere with the effectiveness or accessibility of Hiller Sports Complex, nor do or permit to be done anything which may interfere with free access and passage in Hiller Sports Complex or the public areas adjacent thereto, or in the streets or trails adjoining Hiller Sports Complex, or hinder police, fire fighting, or other emergency personnel in the discharge of their duties; or
- c) Interfere with the public's enjoyment and use of Hiller Sports Complex for any purpose which is not essential to public safety; or
- d) Rent, sell, lease, or offer any space for any articles whatsoever within or on Hiller Sports Complex without the written consent of the DISTRICT; or
- e) Place any additional lock of any kind upon any door, cabinet, or storage bin, unless a key therefore is provided to the DISTRICT, and upon expiration or termination of this AGREEMENT; or
- f) Erect, construct, or place any permanent structure upon any portion of the premises without written authorization from DISTRICT; or
- g) Use or allow Hiller Sports Complex to be used for any improper or unlawful purposes or for purposes in violation of Article IV of the McKinleyville Community Services District's Rules and Regulations; or
- h) Allow vehicles access to the concession area via the 10-foot sidewalk driveway access point except for loading and unloading only. The sidewalk driveway area must be kept clear for access to emergency vehicles. All vehicles must park in the parking area.

**Section 6. Insurance**

6.1. Minimum Scope

ORGANIZATION shall obtain and maintain throughout the term of this AGREEMENT, at ORGANIZATION's cost, comprehensive general public liability insurance issued by

insurance carriers acceptable to DISTRICT naming the ORGANIZATION as insured and the DISTRICT as an additional insured against any injuries or damages to persons or property caused by or arising out of ORGANIZATION's occupation and use of Hiller Sports Complex under this AGREEMENT in amounts of not less \$1,000,000.00 for any individual claimant and \$2,000,000.00 per occurrence.

6.2. Proof of Insurance

ORGANIZATION shall cause DISTRICT to be given written notification, prior to the commencement of this AGREEMENT, from the insurance carrier of the existence of such policies and shall provide a certificate of insurance and separate endorsement in the amounts listed in 6.1 prior to the inception of the term which shall provide that coverage provided by the policy shall not be canceled or amended until the DISTRICT is first provided with at least thirty (30) days written notice concerning such cancellation or notice.

**Section 7. Hold Harmless, Indemnity and Release Forms**

7.1. Hold Harmless and Indemnity

Except for the active negligence or willful misconduct of DISTRICT, ORGANIZATION undertakes and agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless DISTRICT and all its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature in connection with or arising directly or indirectly out of this AGREEMENT whatsoever and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the performance of this AGREEMENT on part of ORGANIZATION and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), by its officers, agents, assigns, program participants and employees of any tier.

7.2. Participant Liability Release Forms

ORGANIZATION shall provide to DISTRICT a master copy of the liability release form used for ORGANIZATION's program defending, indemnifying, and holding harmless, DISTRICT, its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature whatsoever, for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the program or programs sponsored by ORGANIZATION and conducted at the Hiller Sports Complex.

**Section 8. Utilities**

8.1. Water

The DISTRICT shall be responsible for all water and sewer related expenses at the site.

8.2. Gas and Electric

ORGANIZATION shall be required to pay a fee based on gas and electrical use for the concession stand, low site lighting, and/or any other type of sporting equipment, which utilizes electricity. This cost will be remitted at the end of the season, based on a percentage of field use.

**Section 9. Maintenance**

9.1 Ongoing Facility Maintenance

DISTRICT shall provide for all ongoing maintenance of Hiller Sports Complex. ORGANIZATION shall be required to pay a fee based on expenses related to ongoing maintenance as approved by the MCSD Board of Directors. ORGANIZATION may be allowed to decrease their portion of the maintenance fee through the use of in-kind labor or materials that assists with maintenance of the site within the scope of the DISTRICT's maintenance plan or Capital Improvement Plan for the site. Financial credit for approved in kind donation of labor or materials shall be granted only for labor or donations completed for facility maintenance as per the required steps outlined in Exhibit F. Credit shall not be granted for volunteer labor or materials pertaining to field preparation for games. DISTRICT shall assign specific financial value to one volunteer labor hour and or donated materials based on the value of cost saved in DISTRICT paid labor and/or materials. DISTRICT shall base ORGANIZATION's field use fees on the total financial value of approved in-kind labor and/or materials subtracted from the total financial value of site use. The financial value of in-kind labor or material donations, if in excess of the total field use fee, is not allowed to be placed as a credit toward future facility use.

Should ORGANIZATION perform in-kind labor, all said volunteers must attend a facility maintenance orientation seminar. Designated ORGANIZATION representative must attend a facility maintenance orientation seminar organized and presented by DISTRICT staff. In addition, ORGANIZATION's designated representative must attend facility maintenance meetings as arranged by the DISTRICT.

Furthermore, said volunteers of ORGANIZATION are not to be considered volunteers or employees of DISTRICT.

ORGANIZATION agrees to perform general maintenance of the field site, including but not limited to, field preparation before games, grounds cleanup, restroom cleanup, restocking janitorial supplies, general cleanup of the concession stand & parking lot, and trash disposal. These operation and maintenance responsibilities are further explained in Exhibit D, and will not be considered as in-kind labor for the purposes of reducing fees for field and concession use during the period of March 15 through June 20, 2019

9.2. Facility Damages and Repairs

The ORGANIZATION shall be held responsible for all damage or vandalism to District facilities occurring during the ORGANIZATION'S use of the facilities. Upon notification by the DISTRICT, the ORGANIZATION is responsible to repair all damages immediately, or within a schedule approved by the DISTRICT. If ORGANIZATION is unable or unwilling to repair damage immediately, the DISTRICT reserves the right to make the necessary repairs and bill ORGANIZATION for all costs. The ORGANIZATION is responsible to reimburse the DISTRICT within thirty days (30) of

presentation of the bill. Exception: The concession and snack bar area is the sole responsibility of the ORGANIZATION during the entire period of this AGREEMENT. Repair of any and all damage occurring to the concession stand during the AGREEMENT period is the sole responsibility of the ORGANIZATION.

Damaged and unsafe fields shall be unavailable for use until repairs are completed. The assignment of other fields during such time is at the discretion of the DISTRICT.

9.3. Site Improvements

Any ORGANIZATION desiring to perform site improvements must first obtain written approval from the DISTRICT for such improvements and pay for all costs related to approved improvements.

It is understood and agreed between the parties that all installations, additions, and improvements erected or installed at any time at Hiller Sports Complex during the term of this AGREEMENT shall immediately become the property of and belong to the DISTRICT upon such erection or installation; provided, however, this provision does not apply to participant playing equipment and concession equipment installed and belonging to ORGANIZATION. ORGANIZATION must remove all participant playing equipment and concession equipment prior to the expiration or other termination of this AGREEMENT. Any portion of the premises affected by removal shall be immediately restored and repaired.

**Section 10. Purchasing**

10.1 DISTRICT shall have the responsibility to purchase all grounds maintenance and field preparation supplies needed to maintain Hiller Sports Complex.

10.2 ORGANIZATION shall be fully responsible for all expenses related to purchase of all supplies needed to operate the programs including supplies needed for field preparation, should ORGANIZATION choose to prepare fields for their use, and of any supplies needed for operations conducted in the concession stand.

**Section 11. Sales**

11.1. Participant Registration

ORGANIZATION shall be allowed to retain all revenue related to participant registration fees.

DISTRICT shall provide space for applications and flyers provided by ORGANIZATION at DISTRICT's office and at the McKinleyville Activity Center. DISTRICT shall not otherwise register applicants or provide directions regarding ORGANIZATION's program.

ORGANIZATION shall be responsible for promotion and sale of ORGANIZATION's program to customers. Upon provision by ORGANIZATION, DISTRICT shall provide copies of flyers and promotional materials to customers.

11.2. Advertising

DISTRICT recognizes the importance of advertising revenue to ORGANIZATION and desires to afford ORGANIZATION opportunities to obtain revenue for support of

ORGANIZATION's program. However, ORGANIZATION shall first obtain written permission from DISTRICT and allow DISTRICT to review any such advertising prior to installation, placement, distribution, or maintenance of any type of advertising or AGREEMENT with any other vendor involving promotion or advertising of their products or services on and at Hiller Sports Complex. All such advertising placed in accordance with the aforementioned must be removed upon the conclusion of ORGANIZATION's program at a time agreed to by both parties.

11.3. Concessions

ORGANIZATION shall be allowed to retain all proceeds related to operation of a concession stand during granted facility use hours provided concession use fees are paid in full.

Approval for requests for use of the concession stand by ORGANIZATION will be granted only when said request is concurrent with the most current facility use schedule as approved. ORGANIZATION shall not utilize the concession stand prior to the start of the contracted time set forth in the most current facility use schedule and shall vacate the concession stand by the end of the contracted time set forth in said schedule.

Upon issuance of the most current Facility Use Schedule and concession stand use request approvals, should additional concession stand use be available during scheduled events, those ORGANIZATION's having and maintaining a current AGREEMENT with DISTRICT shall be given priority for additional concession stand use requests. Such requests will be awarded on a first come, first serve basis.

**Section 12. Licenses and Permits**

- 12.1 ORGANIZATION shall apply for, obtain, and maintain all licenses, permits, and other accreditations required in connection with the management and operation of programs, site improvements as approved per 9.3., and as needed for development of the facility. ORGANIZATION shall be responsible to pay the cost of all such licenses and permits.

**Section 13. Unavoidable Delays**

- 13.1 The provisions of this Section shall be applicable if there shall occur, during the term of this AGREEMENT, any (a) inability to obtain labor or materials, or reasonable substitutes (other than lack of funds); or (b) acts of God, governmental restrictions, regulations or controls, enemy or hostile government, civil commotion, fire, or other casualty; or (c) other conditions similar to those enumerated in this Section beyond the reasonable control of the party obligated to perform (other than lack of funds). If DISTRICT or ORGANIZATION shall, as the result of any of the above-described events, fail to provide or to perform any obligation on its part under this AGREEMENT, then upon written notification to the other within ten (10) days of such event, such failure shall be excused and not be a breach of this AGREEMENT by the party claiming unavoidable delay, but only to the extent occasioned by such event. Notwithstanding anything contained herein to the contrary, this Section shall not be applicable to the obligation of the DISTRICT or ORGANIZATION to pay any sums, monies, costs, charges, or expenses required paid pursuant to the terms of this AGREEMENT, or to fulfill any hold harmless and/or indemnity obligations created by Section 7.1 or elsewhere in this AGREEMENT.

## **Section 14. Amendments and Assignments**

- 14.1 This AGREEMENT contains the complete and final AGREEMENT between the DISTRICT and the ORGANIZATION. No AGREEMENT or other understanding in any way purporting to modify, add to, or supersede the terms and conditions hereof shall be binding upon either party unless made in writing and duly executed by authorized representatives.
- 14.2 This AGREEMENT may not be assigned or transferred, in whole or in part, by ORGANIZATION without first obtaining the written consent of DISTRICT which may be withheld, for any reason, in the DISTRICT's sole discretion.

## **Section 15. Taxes**

- 15.1 ORGANIZATION shall be solely responsible for the payment when due of any possessory interest or other unsecured tax levied by any governmental authority with respect to the use and occupancy of Hiller Sports Complex by ORGANIZATION.

## **Section 16. Resolution of Disputes**

### **16.1. Process for Resolution**

Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized representatives of the DISTRICT and the ORGANIZATION shall be brought to the attention of the General Manager (or designated representative) of the DISTRICT and the Board President (or designated representative) of the ORGANIZATION for joint resolution.

If joint resolution of the dispute through these means is pursued without success, ORGANIZATION shall seek to resolve the dispute by filing a written grievance with the General Manager (or designated representative). Upon receipt of a written grievance, the General Manager (or designated representative) shall research and investigate the grievance and set an agenda item for the next DISTRICT Board of Director's meeting. At the meeting, the ORGANIZATION or a representative thereof can appear and be heard. The DISTRICT Board of Directors shall consider the item and act thereon, and may adopt, reject, or amend the recommendation.

If resolution of the dispute as adopted by the DISTRICT Board of Directors is not satisfactory, ORGANIZATION may seek resolution employing whatever remedies exist in law or equity beyond this AGREEMENT. Despite an unresolved dispute, the DISTRICT and ORGANIZATION hereto shall continue without delay to perform its obligations under this AGREEMENT.

In the event of any breach or violation of this AGREEMENT by ORGANIZATION, the DISTRICT may employ whatever remedies that exist in law or equity to enforce this AGREEMENT, without resorting to the dispute resolution protocol described above.

### **16.2. Attorney's Fees**

In the event of any litigation arising between the parties regarding the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to other relief provided by law.

## Section 17. Notices

- 17.1 Any notice, demand, or communication under, or in connection with, this AGREEMENT, may be served upon DISTRICT by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to the DISTRICT as follows:

General Manager  
McKinleyville Community Services District  
P.O. Box 2037  
McKinleyville, CA 95519

and may likewise be served on ORGANIZATION by personal service or by so mailing the same addressed to ORGANIZATION as follows:

Mad River Girls Fastpitch Softball  
P.O. Box 4361  
Arcata, CA 95518

Either DISTRICT or ORGANIZATION may change such address by notifying the other party in writing as to such new address as DISTRICT or ORGANIZATION may desire to be used and which address shall continue as the address until further written notice.

## Section 18. Compensation

- 18.1. Funding for Facility Development

Should ORGANIZATION grant DISTRICT monies for development in an amount of more than \$5,000, said monies shall be dedicated to the development of facilities illustrated in Parks & Recreation Master Plan, which would fulfill the needs of ORGANIZATION. Monies granted by ORGANIZATION for development in amount less than \$5,000 shall be dedicated to the general overall development of facilities illustrated in Parks & Recreation Master Plan.

- 18.2. Facility Use and Additional Fees

ORGANIZATION shall pay DISTRICT fees in accordance to Hiller Sports Complex Master Facility Fee Schedule as adopted by the Board of Directors and outlined in Exhibit C.

ORGANIZATION agrees to pay a Cleaning/Damage deposit in the amount of \$1,500.00 to MCSD for the use of Hiller Sports Complex. MCSD may use the Cleaning/Damage deposit for reimbursement of any costs related to additional cleaning requirements, additional turf maintenance, and/or field & turf damages during the use of ORGANIZATION (see Exhibit D). This deposit must be paid in full prior to the start of the season.

ORGANIZATION is responsible for the cost for propane use, PG&E and the cost to change the locks at the end of each season. This cost will be remitted at the end of the season, based on a percentage of field use.

In the event DISTRICT shall provide maintenance at the expense of ORGANIZATION, or the DISTRICT is required to respond to a call-out at a time outside the DISTRICT'S

regular business hours, the ORGANIZATION agrees to reimburse the DISTRICT according to the following rates:

Labor:	\$35.00/hour
Mower:	\$25.00/hour
Utility Vehicle:	\$35.00/hour
Tractor:	\$40.00/hour
Backhoe:	\$70.00/hour
Dump Truck:	\$50.00/hour
Boom Truck:	\$81.00/hour
Call out Fee	\$150 per occurrence + labor cost if time spent exceeds 2 hours

18.3. Delinquent Payment

In the event ORGANIZATION shall be delinquent by more than fifteen (15) days in the payment of any sums due under the terms of section 18.2, DISTRICT shall cancel all future scheduled and yet to be scheduled use of DISTRICT-owned facilities until past due payments are paid in full.

**Section 19. Law Governing**

This AGREEMENT shall be governed exclusively by the provisions hereof and by the laws of the State of California.

**Section 20. Term**

20.1. Term and Extensions

Subject to the provisions of this AGREEMENT, the term of this AGREEMENT shall commence on the date herein and shall continue through and including the 18<sup>th</sup> day of July 2020

Opportunities shall be granted for ORGANIZATION and DISTRICT to review this AGREEMENT on a yearly basis to enact amendments and assignments to AGREEMENT as provided in Section 14 of this AGREEMENT. Any proposed amendments and assignments may be refused by ORGANIZATION or DISTRICT at said parties own discretion.

20.2. Termination by DISTRICT

Notwithstanding the foregoing, DISTRICT, in the case of ORGANIZATION breaches, may terminate this AGREEMENT, with thirty (30) days notification, by giving the ORGANIZATION written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or
- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and ORGANIZATION fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or



- d) ORGANIZATION files a voluntary petition in bankruptcy or insolvency or otherwise seeks relief as a debtor, or, if an involuntary petition therefore is filed against ORGANIZATION and such petition is not dismissed within ninety (90) days; or
- e) ORGANIZATION fails to remain in compliance with any and all terms of this AGREEMENT; or
- f) ORGANIZATION shall disband.

In the event this AGREEMENT is so terminated, it shall be lawful for DISTRICT immediately hereafter to remove all persons and property from the premises.

20.3. Termination by ORGANIZATION

Notwithstanding the foregoing, ORGANIZATION, in the case of DISTRICT breaches, may terminate this AGREEMENT by giving the DISTRICT written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or
- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and DISTRICT fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or
- d) DISTRICT fails to remain in compliance with any and all terms of this AGREEMENT.

20.4. Disposition of Certain Property

ORGANIZATION hereby acknowledges and agrees that any and all equipment and all DISTRICT purchased equipment and materials used in connection with Hiller Sports Complex shall remain the property of the DISTRICT, and ORGANIZATION acknowledges that it shall not be entitled to remove such property from Hiller Sports Complex upon the expiration or termination of this AGREEMENT, regardless of reason.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the day and year as written herein.

***MCKINLEYVILLE COMMUNITY SERVICES DISTRICT***

\_\_\_\_\_  
Mary Burke, President of the Board of Directors

ATTEST: \_\_\_\_\_  
April Sousa, Secretary to the Board of Directors

***Mad River Girls Fastpitch Softball Association***

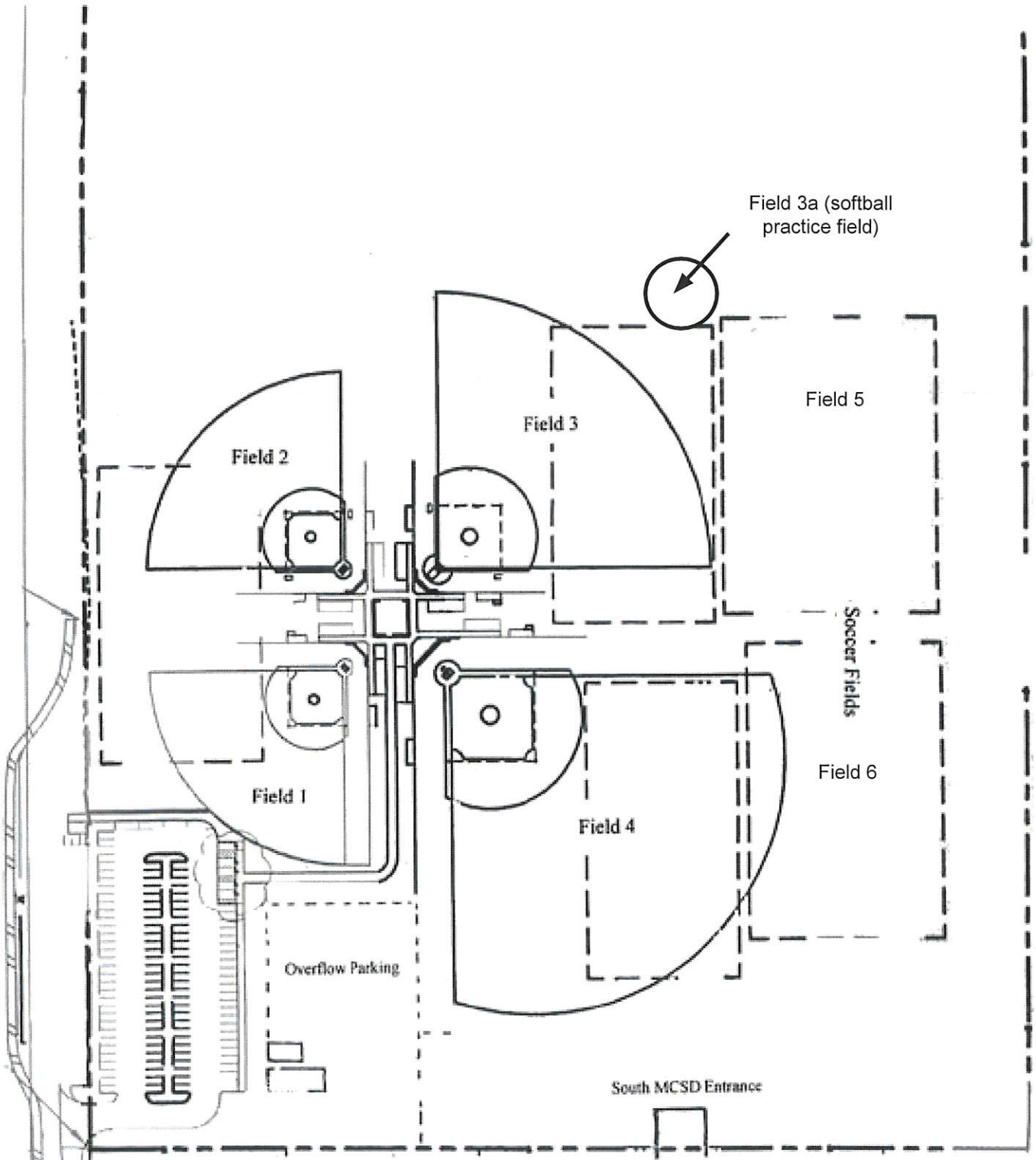
\_\_\_\_\_  
President of Mad River Girls Fastpitch Softball Association

## **The Facility Use AGREEMENT Checklist**

Please note: This contract is not considered complete until the user ORGANIZATION submits the following information to MCSD.

<b>Item:</b>	<b>Completed:</b>	<b>Date:</b>
Completed District Facility Use Form		
League Schedule		
Tournament Schedule (if applicable)		
Practice Schedule		
Proof of Insurance		
Phone List of Managers and Board Members		
Facility (emergency) Cell Phone #		
All Other Field Usage Requests		
Coach/Manager Contact Information		
Organization Liability Release Form		

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
*Hiller Sports Complex - Site Map*



## ARTICLE IV - PARKS AND RECREATION

### REGULATION 40 - RECREATION AND PARKS ADVISORY COMMITTEE

**Rule 40.01. MEMBERSHIP** - the McKinleyville Community Services District Recreation and Parks Advisory Committee shall consist of eleven (11) members and two (2) alternate members who shall serve without compensation selected as follows:

- (a) One (1) non-voting member shall be a member of the District Board.
- (b) The remaining ten (10) members will be regular voting members. Of the ten (10) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors.
- (c) When possible two (2) of the ten (10) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.
- (d) The two (2) alternate members will not become voting members unless a regular voting member is absent. In the event that both alternates are present when only one regular member is absent, the alternates will decide upon which of the two (2) will fill the absent chair by a mutually agreed upon method. In the event the alternates cannot determine a method of decision, the committee chair will choose an appropriate decision making method.
- (e) All members of the Recreation Advisory Committee will represent to the extent possible various recreational interests of the community including but not limited to business, environmental, equestrian, sports, seniors, trails and youth. Recommendations for appointment may be made by the then current members of the committee.
- (f) Any citizen, residing in the service area of the McKinleyville Community Services District may apply to the District Board for appointment to fill vacant seats on the Recreation Advisory Committee.

**Rule 40.02. APPOINTMENT** - the committee members shall be appointed as follows:

- (a) The Board of Directors shall announce each vacancy and shall state they are seeking applicants, setting forth the qualifications, if any required.
- (b) The Board of Directors shall interview each applicant, after which a majority of the Board of Directors, may select the most qualified to fill the vacancy.

**Rule 40.03. MEMBER QUALIFICATIONS** - all members, other than the high school member, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of McKinleyville. No members of the Recreation Advisory Committee shall be a family member or related to a full-time MCSD employee.

**Rule 40.04. TERMS OF OFFICE** -the committee members shall serve terms as follows:

- (a) Appointment of District Board Members shall be for a term of one (1) year. Such member shall be a non-voting member.

- (b) Appointment of McKinleyville Area Fund members and non-student community members shall be for a term of four (4) years. The term for student members shall be up to 4 years, limited by their High School graduation date.
- (c) Terms of the other non-Board of Director committee members shall be staggered so that no more than two (2) terms shall expire in any given year.
- (d) The annual expiration date of appointment shall be January 31st.

**Rule 40.05. REMOVAL** - members of the Committee may be removed by a majority vote of the District Board of Directors.

**Rule 40.06. ABSENCES** - if any member of the Committee is absent without prior notification to the Recreation Director for three (3) regular consecutive meetings, the Recreation Director shall certify that fact to the Board of Directors and the Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position by appointment.

**Rule 40.07. ELECTION OF OFFICERS** - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

**Rule 40.08. OFFICERS** - the Committee shall elect a Chairperson and Vice-Chairperson from among its members.

**Rule 40.09. MEETINGS** - the Committee shall hold regularly scheduled meetings in the Board of Directors Chambers of the District Office, or at such other place within the District as may be designated by the Committee, and may hold such additional meetings as it may deem necessary or expedient. All meetings must be noticed in compliance with state and federal laws.

**Rule 40.10. TIME/LOCATION OF MEETINGS** - the time of the regular meetings shall be as established from time to time by the committee members.

**Rule 40.11. QUORUM** - a majority of the Committee shall constitute a quorum for the purpose of transacting business of the Committee.

**Rule 40.12. RECORDS** - written records of all the proceedings, findings, determinations and transactions of the Committee shall be kept, which record shall be a public record and a copy of which record shall be filed with the District Secretary.

**Rule 40.13. POWERS AND DUTIES** - the Recreation and Parks Advisory Committee shall have the following powers and duties:

- (a) To serve in an advisory capacity to the Board of Directors and District Staff in all matters pertaining to public recreation, parks, and their respective facilities;
- (b) To make recommendations to the Board of Directors and District Staff with respect to the provisions of the annual budget for recreation and parks purposes;

- (c) To recommend to the Board of Directors acceptance or rejection of offers of donations of money, personal property and real property to be used for recreation and parks purposes;
- (d) To recommend to the Board of Directors a comprehensive recreation and park services program for the inhabitants of the District, to promote and stimulate public interest therein, and to solicit to the fullest extent the cooperation of school authorities and other public and private agencies interested therein;
- (e) To recommend for adoption by the Board of Directors rules and regulations for the use and improvement of the District's recreation services and parks and their respective facilities;
- (f) To recommend to the Board of Directors and District staff policies for the acquisition, development and improvement of recreation and parks areas; and
- (g) To perform such other duties relating to recreation and park matters as may be prescribed by the Board of Directors.

## **REGULATION 41 - RECREATION AND PARK SYSTEM**

### **Rule 41.01. INJURY TO OR MISUSE OF RECREATION AND PARKS SYSTEM PROPERTY - NO PERSON SHALL:**

- (a) Willfully mark, deface, injure, tamper with, or displace or remove any buildings, bridges, tables, benches, fireplaces, railings, bleachers, ball fields, water lines, paving or paving materials or other public utilities or parts thereof, signs, notices or placards, whether temporary or permanent, monuments, stakes, posts or other boundary markers, or other structures or equipment, or recreation and parks system property or appurtenances whatsoever, either real or personal.
- (b) Litter, soil or defile buildings, structures, grounds, equipment or other recreation and parks system property or appurtenances whatsoever. Trash, litter and other debris must be deposited into the proper receptacles.
- (c) Remove any soil, rock, stones, turf, trees, shrubs, or plants, down timber or other wood or materials or make any excavations by tool, equipment or any other means or agency.
- (d) Construct or erect any building or structure of whatever kind, whether permanent or temporary in character, or run or string any public utility into, upon or across such land except by District permit.
- (e) Trespass upon any area where prohibited.
- (f) Hunt, molest, or otherwise harm wildlife and plant life within the recreation and parks system.
- (g) Announce, advertise or call the public attention in any way to any article or service for sale or hire, except by District permit.
- (h) Paste, glue, tack or otherwise post any sign, placard, advertisement, or inscription whatever, nor shall any person erect or cause to be erected any sign whatever within the recreation and parks system without permission from the District.
- (i) Use any system for amplifying sounds, whether for speech or music or otherwise within the recreation and parks system unless a Special Event Reservation Form and

Permit or Community Event Reservation Application and Permit is first secured from the District.

- (j) Discharge any weapon of any type within the recreation and park system boundaries for any reason.
- (k) Make fires of any type for any reason in any area that is not properly equipped and designated to contain a fire.
- (l) Use model rockets and remote control model airplanes in McKinleyville Parks and Open Space without prior written approval from the District's General Manager.

**Rule 41.02. POLLUTING WATERS OR DUMPING REFUSE PROHIBITED - NO PERSON SHALL:**

- (a) Throw, discharge, or otherwise place or cause to be placed in the waters of any fountain, pond, stream or any other body of water in or adjacent to any component of the recreation and park system or any tributary, stream, storm sewer or drain flowing into such waters any substance, matter or things, liquid or solid, which will or may result in the pollution of said waters.
- (b) Dump, deposit, or leave any trash not created within the boundaries of the recreation and park system.

**Rule 41.03. OPERATION OF MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:**

- (a) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of motorized vehicles together with such regulations as are contained in this ordinance.
- (b) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.
- (c) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (d) Operate a motorized vehicle, other than MCSD-authorized vehicles, within the boundaries of the facility except in those areas designated as driveways.

**Rule 41.04. OPERATION OF NON-MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:**

- (a) Non-motorized vehicles shall be defined as any form of transportation in which human or gravitational energy powers the source of transportation. Examples of such transportation are defined as bicycles, skateboards, roller blades, roller skates, etc.
- (b) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of non-motorized vehicles together with such regulations as are contained in this ordinance.
- (c) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.
- (d) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.



- (e) Operate non-motorized vehicles on any sidewalks, on pathways designated for pedestrian traffic only, and within turf and landscaped areas.

**Rule 41.05. CONDUCT - ALCOHOLIC BEVERAGES**

- (a) Patrons may use alcoholic beverages with meals in designated areas at recreation and parks system facilities, provided a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit have been secured and provided they conduct themselves in an orderly manner;
- (b) Alcoholic beverages may be served or may be sold by permit only at designated recreation and parks system facilities where sales are not prohibited and provided a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit have been secured;
- (c) No person shall be under the influence of intoxicating substances as provided in Section 647 (f) of the California Penal Code;
- (d) The District may withdraw the privilege to use alcoholic beverages at anytime if the rules and regulations as are contained in this ordinance are not abided by;
- (e) Use of intoxicating substances other than alcohol is prohibited.

**Rule 41.06. PETS** - pets may be off leash at outdoor facilities in designated areas and facilities only and must be under voice control at all times. Animal owners are responsible for removal of animal excrement from the facility.

**Rule 41.07. OVERNIGHT USE PROHIBITED** - there is to be no camping or loitering on the grounds or in public buildings or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

**Rule 41.08. FIRES** - fires will be allowed on grounds only in those areas equipped with District provided equipment designated for the containment of fires.

**REGULATION 42 - OPERATION OF PIERSON PARK**

**Rule 42.01. GAZEBO BARBECUE COMPLEX** - the gazebo barbecue complex is defined as the area encompassed by the gazebo located in the central portion of the park. Individuals or organizations desiring organized use of any portion of the gazebo barbecue complex for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only..

**Rule 42.02. HORSESHOE PITS** - the public may use the horseshoe pits on a first come basis. Any individual or organization desiring to use the horseshoe pits for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

**Rule 42.03. WESTERLY PICNIC TABLES/BARBECUES** - the public may use the picnic tables and barbecues located along the western park perimeter on a first-come basis only.

**Rule 42.04. PICNIC PAVILION AND BARBECUE** - the picnic pavilion is defined as the large covered picnic area to the west of the playground and east of the horseshoe pits. Individuals or organizations desiring organized use of any portion of the picnic pavilion and barbecue may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

**Rule 42.05. OVERNIGHT USE PROHIBITED** - there is to be no camping or loitering on the park grounds or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

**Rule 42.06. FIRES** - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designated for the containment of fires.

**Rule 42.07. PETS** - the designated off leash area is defined as the area of the park east of Azalea Hall's Hewitt Room and north of the gazebo. Horses are not allowed.

## **REGULATION 43 - OPERATION OF HILLER PARK**

**Rule 43.01. PICNIC AREA USE** - the picnic area is defined as the area of the park east of the western perimeter of the volleyball court. Individuals or organizations desiring organized use of any portion of the picnic area in Hiller Park for the purpose of holding organized functions may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

**Rule 43.02. PETS** - the designated off leash area is defined as the area of the park west of the westerly perimeter of the volleyball court. Horses are prohibited in the picnic area.

**Rule 43.03. FIRES** - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designed for the containment of fires.

**Rule 43.04. OVERNIGHT USE PROHIBITED** - there is to be no camping or loitering on the park grounds or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

## **REGULATION 44 - OPERATION OF LARISSA PARK**

**Rule 44.01. PETS** - pets must be on leash at all times.

## REGULATION 45 - PERMITS, FEES AND DEPOSITS

**Rule 45.01. FACILITY USAGE PERMITS REQUIRED** - a valid facility usage permit is required for individuals or organizations to use any indoor facility or any outdoor facility for organized functions, to use any system for amplifying sounds, or to sell or serve alcoholic beverages at an organized function.

**Rule 45.01.a. PERMIT TYPE DEFINITIONS** - the District shall issue permits based on the following definition of use:

- (a) A "Special Event" shall be defined as use deemed to be non-programmatic with estimated attendance of less than 500 persons and no more than posted capacities at indoor facilities; for which off road and facility parking space is adequate; for which street closures are not required; and for which cancellation of approved vendor programs is not required.
- (b) A "Large Scale Community Event" shall be defined as use deemed to be non-programmatic with estimated attendance of more than 500 persons but no more than posted capacities at indoor facilities or for which off-road and facility parking space is adequate; or for which street closures may be required; or for which cancellation of an approved vendor program is required.
- (c) A "Vendor Contract" shall be defined as use by those individuals approved by the District Board of Directors, offering ongoing programs on a regular basis for no more than twelve months.

**Rule 45.02. FACILITY USAGE PERMIT PROCESS** - any individuals or organizations seeking issuance of a facility usage permit hereunder shall file a request for permit to use District facilities on the appropriate reservation form provided by the District. All requests must be filed with the District along with the required facility usage deposit, usage fees, proof of appropriate insurance coverage, and fees for other services at least (10) working days prior to the actual event date. The Recreation Director, under direction of the Board, may impose additional conditions for approval.

**Rule 45.03. FACILITY USAGE FEES** - facility usage fees, as established and adopted by the District Board shall be charged for and must accompany each facility usage permit request required hereunder for said facility usage permit request to be fully and properly executed by the District.

**Rule 45.03.a. FEE STRUCTURE DEFINITIONS** - the District shall identify the following fee structure definitions when charging customers for use of facilities:

- (a) A "Non-Profit Group" shall be defined as any group or organization which can supply proof of non-profit status via the Internal Revenue Service code. Other Governmental entities shall be considered as falling within the guidelines of this definition.
- (b) A "Vendor" shall be defined as an individual or organization, approved by the District Board of Directors that has a fully executed vendor contract for use of District facilities.

- (c) A "Private Citizen/Business" shall be defined as other potential users not fitting within the "non-profit group" or "vendor" definition.
- (d) A "Commercial Event" shall be defined as an event being held for the purpose of private financial gain for an individual or organization.
- (e) An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required for all events except those taking place at Azalea Hall concurrently with McKinleyville Senior Center events or at District facilities for those events sponsored by a District approved vendor.
- (f) The "All Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of twelve continuous hours.
- (g) The "Half-Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of six continuous hours.
- (h) The "Off-Peak Use Discount" shall be defined as a 25% discount on hourly rates only which can be applied to the following facilities and hours only: Activity Center-Monday through Friday before 3:00p.m; Azalea Hall-Sundays and Monday through Thursday after 4:00p.m.

**Rule 45.03.b. FACILITY USE FEES** - the District shall charge the following rates for use of a District-owned facility for each use specified below:

ACTIVITY CENTER

Non-Profit Groups/Vendors	\$36.50/hour
Private Citizen/Business	\$51.75/hour

AZALEA HALL-ENTIRE FACILITY

Non-Profit Groups/Vendors	\$64.00/hour
Private Citizen/Business	\$85.00/hour

AZALEA HALL-HEWITT ROOM

Non-Profit Groups/Vendors	\$50.00/hour
Private Citizen/Business	\$62.00/hour
All Day Rate	\$520.00
Half Day Rate	\$315.00

AZALEA HALL-MEETING ROOM

Non-Profit Groups/Vendors	\$18.25/hour
Private Citizen/Business	\$24.50/hour

AZALEA HALL-KITCHEN

All Users	\$18.25/hour
-----------	--------------

LIBRARY CONFERENCE ROOM

Non-Profit Groups/Vendors	\$27.25/hour
---------------------------	--------------

Private Citizen/Business \$30.25/hour

TEEN CENTER-ENTIRE FACILITY

Non-Profit/Vendors \$69.25/hour  
Private Citizen/Business \$86.00/hour  
All Day (12 hr) Rate \$907.00  
Half Day (6 hr) Rate \$470.00

TEEN CENTER-MULTI PURPOSE ROOM

Non-Profit/Vendors \$40.00/hour  
Private Citizen Business \$48.25/hour

TEEN CENTER-MUSIC ROOM

Non-Profit/Vendors \$25.50/hour  
Private Citizen Business \$32.50/hour  
All Day (8 hr) Rate \*weekends only \$210.00

TEEN CENTER-KITCHEN

All Users \$36.00/hour

PARKS

Gazebo Picnic Area \$55.00/4 hrs  
Picnic Pavilion \$108.00/4 hrs  
Special Event \$164.00/day  
\*Commercial Events \$265.00/day  
\*Requires Facility Host @ \$35.50 per hour unless overtime wages apply

SPECIAL EVENT SERVICES

Event Staff \$18.50/hour  
Event Setup  
Events with less than 100 persons \$86.00  
Events with 101-200 persons \$120.00  
Events with more than 200 persons \$150.00

Event Cleanup

Events with less than 100 persons \$150.00  
Events with 101-200 persons \$180.00  
Events with more than 200 persons \$220.00

**Rule 45.03.c. EVENT SERVICES FEES** - the District shall charge a fee of \$18.50 per hour for an event host for those events requiring such a host. The minimum charge shall be two hours. Other events service fees shall be determined each year and are based on the direct expense associated with providing said service. Such event fees shall be established and adopted by the Board.

**Rule 45.03.d. RECREATION PROGRAM FEES** - the District shall charge participants program fees based on the direct expenses associated with each individual program. Program fees shall be determined each year and as programs are added to the Department's current services index. Program fees shall be adopted by the Board within two months of the inception or change of fees.

**Rule 45.04. DEPOSIT** - a facility usage deposit, as established and adopted by the District Board must accompany each facility usage permit request for any facility usage permit required hereunder. The facility usage deposit shall be refunded to the applicant within fifteen working days if the facility is restored to pre-use conditions. If District clean-up is required to restore the facility to pre-use conditions or damage is noted to the facility, any refund will be less the expense associated with returning the facility to pre-use conditions.

**Rule 45.04.a. FACILITY USE DEPOSIT FEES** - the District shall charge a \$100 deposit for events which qualify and are defined as special events. The District shall charge a \$200 deposit for events which qualify and are defined as large-scale community events.

**Rule 45.05. INSURANCE** - a facility usage permit request shall not be considered fully executed unless the individual or organization seeking issuance of a facility usage permit obtains and furnishes liability coverage for the event which is acceptable to the District. The Recreation Director may impose additional conditions for approval.

**Rule 45.06. PERMITS FOR USE OF FACILITIES** - the District shall only grant a facility usage permit for organized use of a facility when each of the following findings can be made:

- (a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the facility usage permit is requested;
- (b) The expected attendance does not exceed the capacity of the facility or area.
- (c) The use for which the facility usage permit is sought complies with the use established for the facility or area requested.

**Rule 45.07. USE OF SOUND AMPLIFICATION SYSTEM** - the District shall only grant permission for use of any sound amplification system when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a facility usage permit request for the facility in which use of the sound amplification system is requested.
- (b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users.
- (c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations.
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which sound amplification systems are utilized, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event.

**Rule 45.08. SALE OR SERVICE OF ALCOHOLIC BEVERAGES** - the District shall only grant permission for sale or service of alcoholic beverages when each of the following findings can be made:

- (a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a facility usage permit request for the facility in which the sale of alcoholic beverages is requested;
- (b) If applicable, the individual or organization seeking permission has a valid permit from the Alcohol Beverages Commission to sell alcohol;
- (c) If applicable, the individual or organization seeking permission has secured outside security services;
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which alcohol is served or sold, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event;
- (b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

The Recreation Director has the authority to impose additional conditions as a requirement for issuance of a fully executed Special Event Reservation Form and Permit or Community Event Reservation Application and Permit.

**Rule 45.09. USE OF DISTRICT-OWNED EQUIPMENT** - the District shall make available to individuals or organizations recreation-related equipment, which can be utilized for outdoor use. District shall only grant permission for use of District-owned equipment when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;
- (b) The Individual or organization must file, with the District, a facility usage permit request for the facility in which the equipment will be utilized;
- (c) The requested equipment is available during the period for which use of the equipment is requested;
- (d) The individual or organization requesting use of MCSD-owned equipment furnishes the District with appropriate liability coverage.

**Rule 45.10. APPEALS** - an appeal of the action of District staff on any Facility Use Permit pursuant to this regulation must be in writing and filed by or on behalf of the individual or organization seeking the facility usage permit, within (10) days after the action of District staff on the facility usage permit request. The appeal shall set forth in detail the factual and legal basis of the appeal. The Board of Directors shall consider and act on the appeal within forty-five (45) days after the appeal is filed. The individual or organization

filing the appeal shall be entitled to submit oral or written evidence to the Board in support of the appeal. Action of the Board of Directors on the appeal shall be final.

## **REGULATION 46 - ENFORCEMENT**

**Rule 46.01. VIOLATIONS** - any violation of these rules and regulations relating to the use of District facilities located within the recreation and parks system is a misdemeanor, punishable by law.

## **REGULATION 47 - HILLER SPORTS SITE DEVELOPMENT, MANAGEMENT AND SCHEDULING COMMITTEE**

**Rule 47.01. MEMBERSHIP** - the McKinleyville Community Services District Hiller Sports Site Development, Management and Scheduling Committee shall consist of members described below whom shall serve without compensation selected as follows:

- (a) Committee size shall be determined by the number of local sports organizations having and maintaining a current Hiller Sports Site Development, Funding, Maintenance, and Use Agreement with District who nominate a member to the Committee and an additional member shall be from the District's Recreation Advisory Committee and an additional member shall be appointed to the Committee by the Board which member shall be of the general public.

**Rule 47.02. APPOINTMENT** - the committee members shall be appointed as follows:

- (a) All local sports organizations with a valid and current IRS non-profit identification number and who have and maintain a current Hiller Sports Site Development, Funding, Maintenance and Use Agreement with District are invited to nominate one member and one alternate member to the Committee. Such nominations shall be made in writing to the Director of Parks and Recreation. Recommendations for appointment shall be made by the Committee to the Recreation Advisory Committee who shall in turn recommend nominees to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.
- (b) One member shall be a member of the Recreation Advisory Committee. Recommendations for appointment shall be made by the Recreation Advisory Committee. Appointment shall be made by the District's Board of Directors.
- (c) One member shall be a member of the general public who is a resident elector of the District and who shall hold no official office with any local sports organization desiring to offer programs at the Hiller Sports Site. Such member shall be nominated by the Committee who shall forward a recommendation to the Recreation Advisory Committee who shall in turn forward a recommendation to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.



**Rule 47.03. MEMBER QUALIFICATIONS** - each member shall meet one of the criteria named above in Rule 47.02.

**Rule 47.04. TERMS OF OFFICE** - the Committee members shall serve terms as follows:

- (a) Appointment of the Recreation Advisory Committee member representative of Committee and member of the general public to the Committee shall be for a term of two (2) years. Such members may be re-appointed to successive terms.
- (b) Terms of other members shall be for a term of one (1) year. Such members may be re-appointed to successive terms.
- (c) The annual expiration date of each term shall be January 31st.

**Rule 47.05. REMOVAL** - members of the Committee may be removed by a majority vote of the District Board of Directors.

**Rule 47.06. ABSENCES** - if any member of the Committee is absent without prior notification to the Director of Parks and Recreation for two (2) regular consecutive meetings, the Director of Parks and Recreation shall certify that fact to the organization for whom the individual is a representative and to the District's Board of Directors. The District's Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position as outlined in 47.02. Should the vacated position have a designated alternate, said alternate shall be appointed to full membership status. The organization of which the alternate is a member shall be authorized to nominate a designated alternate.

**Rule 47.07. ELECTION OF OFFICERS** - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

**Rule 47.08. OFFICERS** - the member of the Committee who is a representative of the District's Recreation Advisory Committee shall be designated as Chairperson of the Committee. The member of the Committee who is a representative of the general public shall be designated as Vice-Chairperson.

**Rule 47.09. RECORDS** - written records of all proceedings, findings, determinations, and transactions shall be kept, which record shall be a public record and a copy of which record shall be filed with the District's secretary.

**Rule 47.10. POWERS AND DUTIES** - the Committee shall have the power and duty to serve in an advisory capacity to the District's Recreation Advisory Committee and the Board of Directors in all matters pertaining to the development, scheduling, maintenance, and use of the Hiller Sports site.

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT  
Hiller Sports Site Master Facility Fee Schedule**

**Facility Use Fees**

<u>Turf Field Use</u> .....	\$30/hour per field
<u>Baseball Field Use</u> .....	\$30/hour per field
<u>Baseball Field Use (Youth groups)</u> .....	\$15/hour per field
<u>Softball Field Use</u> .....	\$30/hour per field
<u>Softball Field Use (Youth groups)</u> .....	\$15/hour per field

Baseball/Softball Tournament Use  
 50% reduction from regular hourly rates. Tournaments must have a minimum of 4 teams and 8 hours of continuous play per day.

**Additional Fees**

<u>Field Preparation- Ballfields</u> .....	\$35/hour per field
<u>Field Preparation- Turf Areas</u> .....	\$35/hour per field
<u>Concession Stand Use- Regular weekdays</u> .....	\$10/day
<u>Concession Stand Use- Regular weekends</u> .....	\$25/day
<u>Concession Stand Use- Tournaments</u> .....	\$25/day
<u>Insurance (if provided by District)</u> .....	Variable
<u>Facility Usage Deposit</u> .....	Variable

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Department of Parks & Recreation Department

### OPERATION & MAINTENANCE RESPONSIBILITIES HILLER SPORTS COMPLEX

The following information specifies Operation & Maintenance responsibilities performed by Mad River Girls Fastpitch Softball Association (ORGANIZATION) for the season as defined by the McKinleyville Community Services District's (MCSD) Facility Use Agreement Contract:

1. **Ball Diamond Preparation, Maintenance & Safety Seminar:**
  - a. Prior to the start of the season, designated ORGANIZATION representative(s) involved with field maintenance must attend a 1-hour Ball Diamond Preparation Maintenance & Safety Seminar with MCSD staff.
  
2. **In-Kind Field Maintenance:**
  - a. Any field maintenance performed by ORGANIZATION representatives must be pre-approved in writing by the DISTRICT in order to be considered as "in-kind labor" for credit towards facility use fees.
    - i. Any maintenance done without pre-approval from the DISTRICT will not be eligible for credit.
  
3. **Field Preparation:**
  - a. All field preparation will be the responsibility of ORGANIZATION.
  - b. If necessary ORGANIZATION may request MCSD to prep ball fields for a fee.
  
4. **Field Repairs:** (See section 9.2. of the Facility Use Agreement.)
  - a. ORGANIZATION shall be held responsible for all damage or vandalism to District facilities occurring during ORGANIZATION's use of the facilities.
  - b. Upon notification by MCSD, ORGANIZATION is responsible to repair all damages immediately, or within a schedule approved by MCSD.
  - c. If ORGANIZATION is unable or unwilling to repair the damages, MCSD reserves the right to make the necessary repairs and bill ORGANIZATION for all costs.
  - d. Damaged or unsafe fields shall be unavailable for use until repairs are completed.
  
5. **Grounds, Daily Restroom & Parking Lot Cleanup:**
  - a. ORGANIZATION agrees to clean grounds and to monitor, patrol, and keep the bathrooms and parking lot clean during their usage.
  - b. Grounds are to include the sports fields, sidewalks surrounding the concession area, under the bleachers, and the sidewalk pathway leading to the parking lot.
    - i. Cleaning of grounds is to include:
      1. Trash pick-up and disposal (*\*NOTE: the dumpster on site at HSS is owned by McKinleyville Little League and may not be available for use by other Organizations utilizing Hiller Sports Site*)
      2. Sweeping of bark and mulch back into landscape areas
  - c. Restroom cleaning shall include sweeping garbage and debris from floors, stocking supplies as necessary, and removing garbage.
  - d. If multiple organizations are using Hiller Sports Site simultaneously all organizations shall share the burden of clean-up. DISTRICT will develop a schedule for grounds clean-up responsibility, based upon percentage of field use each week.
    - i. Each Organization will be required to ensure clean-up is completed on the dates assigned to the Organization for clean-up by the DISTRICT. If ORGANIZATION wishes to purchase clean-up services from the DISTRICT

they may do so by requesting those services in advance of their scheduled dates of responsibility.

1. The labor rate for clean-up services is \$35 per hour. ORGANIZATIONS will be charged a minimum of 1 hour for services provided on any given day, but will be billed for the total time required to complete clean-up of grounds and restrooms as documented by Maintenance staff.

**6. General Cleanup of the Concession Stand:**

- a. ORGANIZATION agrees to keep the Concession Stands clean, sanitary, and up to the County Health Department standards at all times.
- b. MCSD reserves the right to inspect the Concession Stands without notice.

**7. Overflow Parking:**

- a. ORGANIZATION agrees to notify MCSD of any events requiring usage of the overflow parking area.

**8. Trash Disposal:**

- a. ORGANIZATION agrees to remove all trash bags from inside the sports complex at the end of each day of use.
  - i. Should MCSD staff be required to haul garbage from the Hiller Sports Complex following ORGANIZATION'S use, ORGANIZATION will be billed for the cost of labor and cost of dumping.
- b. No trash bags shall be left in any portion of the Concessions/Storage/Restrooms building.

**9. Supervision of Children:**

- a. ORGANIZATION agrees to notify all coaches and parents and require proper supervision at all times of all children (players and spectators) inside Hiller Sports Complex.
- b. ORGANIZATION agrees to pay for all damages and vandalism caused from unsupervised children during ORGANIZATION field usage.

**10. Rain Cancellations:**

- a. ORGANIZATION agrees to comply with MCSD guidelines regarding cancellation of fields due to unsafe conditions and/or inclement weather. (See exhibit E in the Facility Use Agreement Contract.)

## **MCKINLEYVILLE COMMUNITY SERVICES DISTRICT Parks & Recreation Department**

### **Guidelines for Cancellation of Activity on MCSD Athletic Fields**

Due to inclement weather and poor field conditions, the McKinleyville Parks & Recreation Department reserves the right to deny an athletic activity or event from playing on an MCSD field. The two (2) main purposes of these guidelines are to ensure the safety of the participants and to prevent MCSD fields from getting abused and destroyed when the turf is vulnerable. Any MCSD employee or designated person may deny use of a field and/or require an activity to stop.

#### **Examples of conditions that require cancellation of an athletic activity:**

- Standing puddles of water on the field
- Footing is unsure and slippery
- Ground is water logged and “squishy”
- Grass can be pulled out of ground easily
- Lightning
- Severe weather storms

When games are played on fields with poor and/or unsafe conditions, it often causes irreversible damages to the field. If this occurs, it can take months and in some cases years to get the field back into quality playing condition.

#### **Teams and/or leagues that refuse to follow these MCSD guidelines on Field Cancellations will be subject to the following disciplinary action:**

1. **First Offense:**  
Written warning to team and President of the Organization.
2. **Second Offense:**  
One week suspension of the team or organization from practicing on fields.
3. **Third Offense:**  
Forfeiture of a team’s privilege to either practice or play games on MCSD fields for the remainder of the season.

**HILLER SPORTS SITE**  
In-Kind Labor and/or Materials Criteria  
for Receiving Credit towards Facility Use Fees

Requests to provide in-kind labor or materials in exchange for credit towards facility use fees, **MUST** be made in writing and **MUST** be pre-approved in writing by DISTRICT staff. In-kind labor exchange will only be considered for necessary (as deemed by DISTRICT staff) field and facility maintenance currently performed by DISTRICT staff. Any work performed by ORGANIZATION representatives or volunteers prior to or without written approval from designated DISTRICT staff will not be considered for credit of any kind.

In-kind material donation exchange will only be considered for necessary (as deemed by DISTRICT staff) materials that would otherwise be purchased by the DISTRICT for use at the Hiller Sports Complex.

- 1) In Kind Labor request proposals must include:
  - a. Description of the labor to be performed
  - b. Estimated number of labor hours required to perform the work
    - i. District reserves the right to determine the amount of credit granted for labor hours based on the equivalent time that DISTRICT staff would have spent on the same task.
  
- 2) In Kind Material Donation request proposals must include:
  - a. Description of the dollar value of the material being donated
    - i. DISTRICT reserves the right to determine the amount of credit granted for material donations based on the amount the DISTRICT would have spent on the necessary material.
  - b. Name of the business from which the material is being purchased or donated.
  - c. Name and contact information of the individual making the donation on behalf of the ORGANIZATION.

# HILLER SPORTS SITE

## *"In Kind Work" & Field Modification Request Form*

This form must be submitted and approved by an authorized MCSD representative prior to any projects being completed by any user group at Hiller Sports Complex.

ORGANIZATION: \_\_\_\_\_

NAME OF REPRESENTATIVE: \_\_\_\_\_

PHONE: \_\_\_\_\_ DATE OF REQUEST: \_\_\_\_\_

PROJECT: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PROJECT TIMELINE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF ORG. REPRESENTATIVE: \_\_\_\_\_

---

### FOR DISTRICT USE ONLY

PROJECT APPROVED: \_\_\_\_\_ PROJECT DENIED: \_\_\_\_\_

MCSD REPRESENTATIVE: \_\_\_\_\_ DATE: \_\_\_\_\_

NOTES FROM MCSD: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF MCSD REPRESENTATIVE: \_\_\_\_\_

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## *HILLER SPORTS COMPLEX FACILITY USE AGREEMENT*

---

This HILLER SPORTS COMPLEX FACILITY USE AGREEMENT (this “AGREEMENT”), is made and entered into this 4th day of March 2020, by and between the McKinleyville Community Services District (DISTRICT), a Community Services District formed under the laws of the State of California, and the McKinleyville Little League (ORGANIZATION), a non-profit youth sports organization, reference to the following facts, which are acknowledged as true and correct by each of the parties:

### **Recitals**

- (a) DISTRICT is the owner of Hiller Sports Complex located at 880 Columbus Road in McKinleyville; and
- (b) DISTRICT desires to maximize financial self-sufficiency of the maintenance of Hiller Sports Complex; and
- (c) DISTRICT desires to maximize community access to recreation programs at Hiller Sports Complex; and
- (d) ORGANIZATION desires to offer recreation programs to the community at Hiller Sports Complex; and
- (e) ORGANIZATION proposes to operate recreation programs, in accordance with the terms and conditions of this AGREEMENT, which supersedes all other previous documents; and
- (f) ORGANIZATION and DISTRICT each desire to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (g) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though full, are the following:
  - 1. Cover Page: Facility Use AGREEMENT
  - 2. Exhibit A: Hiller Sports Complex Map
  - 3. Exhibit B: Article IV – Rules and Regulations
  - 4. Exhibit C: Hiller Sports Complex Master Facility Fee Schedule
  - 5. Exhibit D: Operation & Maintenance Responsibilities
  - 6. Exhibit E: Guidelines for Field Cancellations
  - 7. Exhibit F: “In Kind Work” & Field Modification Request Form



## Definitions

As used in this AGREEMENT, the following terms shall have the following definitions:

1. "AGREEMENT" shall mean Hiller Sports Complex Facility Use AGREEMENT.
2. "DISTRICT" shall mean the McKinleyville Community Services District.
3. "ORGANIZATION" shall mean McKinleyville Little League.
4. "Hiller Sports Complex" shall mean the nineteen-acre parcel of property located at 880 Columbus Road on the east side of the entry way into Hiller Park. Such property contains two (2) little league fields, a regulation softball field, a practice softball field, a Senior League field, two collegiate size soccer fields, batting cages, concession stand, restrooms, bleachers, drinking fountains, walkways, and a parking lot.
5. "Recreation Advisory Committee" shall be the said committee operating under the jurisdiction of the McKinleyville Community Services District Board of Directors.
6. "Facility Use Request" shall mean all periods of time, including practices, games, assessment days, tournaments, etc., for which a party desires to utilize Hiller Sports Complex and requested via the DISTRICT Hiller Sports Complex Facility Use Reservation Form.
7. "Facility Use Schedule" shall mean the most current schedule for use of Hiller Sports Complex.
8. "Board of Directors" shall mean the five members of the McKinleyville Community Service District Board of Directors.
9. "Recreation Director" shall mean the individual employed in said position with the McKinleyville Community Services District.
10. "Article IV- Rules and Regulations" shall mean the portion of the document containing the Rules and Regulations of the McKinleyville Community Services District as adopted by the Board of Directors.

NOW, THEREFORE, in consideration of their mutual covenants and promises set forth herein and incorporating the foregoing recitals of fact, the parties hereto agree as follows:

## AGREEMENT

### **Section 1. Facility Development**

The DISTRICT and ORGANIZATION agree to collaborate, assist, and support one another and individual efforts in maintaining Hiller Sports Complex.

### **Section 2. Grant of Field Use**

- 2.1 Grant of Use. The DISTRICT grants the ORGANIZATION field use for recreational and sports activities at Hiller Sports Complex. ORGANIZATION shall be responsible for: (a) setup of Hiller Sports Complex for ORGANIZATION's use, unless otherwise specified; (b) storing any equipment following ORGANIZATION's use; and (c) restoring Hiller Sports Complex to the appropriate condition as found prior to ORGANIZATION's use. ORGANIZATION shall not utilize Hiller Sports Complex prior to the start of the contracted time set forth in the most current Facility Use Schedule and shall vacate the playing area by the end of the contracted time set forth in said schedule.
- 2.2 Facility Use Schedule. ORGANIZATION shall provide DISTRICT with ORGANIZATION's most current field use schedule including team names, coaches/managers & names of individuals to contact in the case of game cancellations; list of official representatives of the organization; game, practice, tournament dates and times; and other scheduled use.
- 2.3 Cancellation. Provided cancellation of use by inclement weather or other unforeseen conditions, DISTRICT shall endeavor to make the decision of said cancellation by 3:00 p.m. of the day for which cancellation shall take place.
- 2.4 Additional Field Use Request. Provided cancellation of use by inclement weather or other unforeseen conditions, ORGANIZATION must notify the DISTRICT of said cancellation and request of additional field use (if needed) within twenty-four (24) hours. DISTRICT shall be responsible to administer and coordinate all additional facility use requests provided such requests do not conflict with the most current Facility Use Schedule of other approved users.
- 2.5. Access  
DISTRICT shall provide the ORGANIZATION with one (1) set of keys to Hiller Sports Complex. It is the responsibility of the ORGANIZATION to produce copies and issue keys.

### **Section 3. Scheduling of Facility**

- 3.1 Site Development, Management and Scheduling:  
All development, scheduling, maintenance, and use of Hiller Sports Complex shall be coordinated with the Recreation Director.

3.2 Facility Use Requests

ORGANIZATION is responsible to submit a District Facility Use Reservation Form to the Recreation Director. The Recreation Director shall compile a draft Facility Use Schedule resulting from such requests. Parties currently having and maintaining an AGREEMENT with DISTRICT shall be designated for priority use when said schedule is drafted. The draft Facility Use Schedule shall delineate any dates and times with facility scheduling conflicts. The Recreation Director shall be charged with resolving any scheduling conflicts, in his or her discretion.

ORGANIZATION shall have first priority of Fields 1, 2 & 4 (baseball) and Field 3a based on schedules submitted in advance to MCSD, from March 16 through October 31, 2020.

3.3 Facility Use Scheduling Protests

ORGANIZATION and those parties granted facility use by the DISTRICT shall retain the right to protest the facility use. For all protests, refer to Section 16: Resolution of Disputes.

**Section 4. Operational Standards**

4.1 Conduct and Disorderly Persons

ORGANIZATION agrees to uphold and remain in compliance, at all times, with the current rules and regulations of the recreation and park system as established by the DISTRICT and outlined in Article IV of the DISTRICT's Rules and Regulations.

4.2 Staffing

ORGANIZATION agrees to ensure that an official representative(s) of ORGANIZATION shall be present at all times and shall be responsible for overseeing all use at all times on those dates and times for which use of Hiller Sports Complex is being conducted by ORGANIZATION.

4.3 Equipment and Supplies Storage

Storage of ORGANIZATION's equipment at Hiller Sports Complex shall be at the DISTRICT'S approval and at the ORGANIZATION's sole risk, DISTRICT will not warrant security of stored materials. ORGANIZATION shall unilaterally bear all risks of loss, theft, damage and other casualty incidental to using and/or storing equipment at the Hiller Sports Complex, and will indemnify and defend the DISTRICT from and against all losses arising out of using and/or storing equipment at the Hiller Sports Complex.

4.4 Safety

ORGANIZATION agrees to comply with the DISTRICT's established facility use guidelines, as defined in Article IV of the DISTRICT's Rules and Regulations and attached as Exhibit B, and incorporated by reference herein.

4.5 Use of Equipment

ORGANIZATION agrees not to use equipment owned by others and stored at Hiller Sports Complex without first obtaining written approval from the owner of said equipment. A copy of written approval must be provided to the DISTRICT.

ORGANIZATION agrees not to remove or replace equipment provided at Hiller Sports Complex by DISTRICT without the prior written consent of the Recreation Director.

4.6 Entry by DISTRICT

ORGANIZATION shall permit DISTRICT, and DISTRICT's agents and assigns, at all reasonable times, to enter the premises, for the purposes of inspection, compliance with the terms of this AGREEMENT, exercise of all rights under this AGREEMENT, posting notices, and all other lawful purposes.

4.7 Environmental Sensitivity

ORGANIZATION agrees that all use by ORGANIZATION shall be conducted in a manner within the intended use of Hiller Sports Complex and with respect to the surrounding neighborhood and community. ORGANIZATION shall abide by all rules and regulations established by the DISTRICT stating that the use of pesticides, herbicides and related products at the Hiller Sports Complex and surrounding areas are strictly prohibited.

4.8 Equal Opportunity and Non-Discrimination Clause

ORGANIZATION shall not discriminate in its offering of programs at Hiller Sports Complex and all duties related to such offering on the basis of race, color, national origin, religious creed, ancestry, sex, age, or physical handicap and shall comply with all applicable state and federal statutes and regulations prohibiting discriminatory practices and/or conduct.

DISTRICT has zero tolerance for harassment or any other form of discriminatory behavior, as set forth in this Policy Against Discrimination. The DISTRICT will not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, military or veteran status, or any other status protected by federal, state, or local law. MCSD requires that all patrons of facilities adhere to MCSD policy. MCSD will respond to any discriminatory behavior in an appropriate manner, including, but not limited to, termination of facility agreement and/or future facility use, reporting to appropriate legal authorities or other appropriate responses. All incidences of discriminatory behavior are to be reported to the MCSD General Manager immediately.

For all communications, both written and electronic, DISTRICT does not tolerate any correspondence that degenerates into improper use. DISTRICT's

technology resources are governed by District policies. Under no circumstances may anyone use DISTRICT's technology resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way, such as sexually explicit or racially disparaging messages, jokes, or cartoons.

4.9 Americans with Disabilities Act Compliance

DISTRICT shall indemnify, defend, and hold harmless ORGANIZATION from any fines or penalties which may be imposed upon it pursuant to the Americans with Disabilities Act as a result of DISTRICT's failure to make any required improvements to the premises as required by the Americans with Disabilities Act.

ORGANIZATION shall be responsible for compliance with any and all requirements of the Americans with Disabilities Act with respect to the operation of recreation programs for which ORGANIZATION is responsible. ORGANIZATION shall indemnify, defend, and hold harmless DISTRICT from and against any and all claims, causes of action, damages, fines and/or penalties pursuant to the Americans with Disabilities Act arising, in whole or in part, as a result of the ORGANIZATION's failure or alleged failure to comply with any requirements of the Americans with Disabilities Act with respect to operation of recreation programs which ORGANIZATION is responsible.

4.10. Compliance with Law

ORGANIZATION and DISTRICT shall comply with and conform to all laws and regulations, state and federal, and any and all requirements and orders of any state or federal board or authority, present or future, in any way relating to the condition or use of Hiller Sports Complex throughout the entire term of this AGREEMENT.

4.11. District Coordination

DISTRICT shall employ a Recreation Director who shall be the primary contact person with the ORGANIZATION.

**Section 5. Prohibited Actions**

ORGANIZATION shall not:

- a) Use of Hiller Sports Complex for any purpose other than as authorized in this AGREEMENT and as authorized in the most current Facility Use Schedule; or
- b) Do or permit to be done anything which may interfere with the effectiveness or accessibility of Hiller Sports Complex, nor do or permit to be done anything which may interfere with free access and passage in Hiller Sports Complex or the public areas adjacent thereto, or in the streets or trails adjoining Hiller Sports Complex, or hinder police, fire fighting, or other emergency personnel in the discharge of their duties; or

- c) Interfere with the public's enjoyment and use of Hiller Sports Complex for any purpose which is not essential to public safety; or
- d) Rent, sell, lease, or offer any space for any articles whatsoever within or on Hiller Sports Complex without the written consent of the DISTRICT; or
- e) Place any additional lock of any kind upon any door, cabinet, or storage bin, unless a key therefore is provided to the DISTRICT, and upon expiration or termination of this AGREEMENT; or
- f) Erect, construct, or place any permanent structure upon any portion of the premises without written authorization from DISTRICT; or
- g) Use or allow Hiller Sports Complex to be used for any improper or unlawful purposes or for purposes in violation of Article IV of the McKinleyville Community Services District's Rules and Regulations; or
- h) Allow vehicles access to the concession area via the 10-foot sidewalk driveway access point except for loading and unloading only. The sidewalk driveway area must be kept clear for access to emergency vehicles. All vehicles must park in the parking area.

**Section 6. Insurance**

6.1. Minimum Scope

ORGANIZATION shall obtain and maintain throughout the term of this AGREEMENT, at ORGANIZATION's cost, comprehensive general public liability insurance issued by insurance carriers acceptable to DISTRICT naming the ORGANIZATION as insured and the DISTRICT as an additional insured against any injuries or damages to persons or property caused by or arising out of ORGANIZATION's occupation and use of Hiller Sports Complex under this AGREEMENT in amounts of not less \$1,000,000.00 for any individual claimant and \$2,000,000.00 per occurrence.

6.2. Proof of Insurance

ORGANIZATION shall cause DISTRICT to be given written notification, prior to the commencement of this AGREEMENT, from the insurance carrier of the existence of such policies and shall provide a certificate of insurance and separate endorsement in the amounts listed in 6.1 prior to the inception of the term which shall provide that coverage provided by the policy shall not be canceled or amended until the DISTRICT is first provided with at least thirty (30) days written notice concerning such cancellation or notice.

**Section 7. Hold Harmless, Indemnity and Release Forms**

7.1. Hold Harmless and Indemnity

Except for the active negligence or willful misconduct of DISTRICT, ORGANIZATION undertakes and agrees, to the fullest extent permitted by

law, to defend, indemnify, and hold harmless DISTRICT and all its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature in connection with or arising directly or indirectly out of this AGREEMENT whatsoever and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the performance of this AGREEMENT on part of ORGANIZATION and/or ORGANIZATION's use of the Hiller Park Complex (and surrounding areas), by its officers, agents, assigns, program participants and employees of any tier.

7.2. Participant Liability Release Forms

ORGANIZATION shall provide to DISTRICT a master copy of the liability release form used for ORGANIZATION's program defending, indemnifying, and holding harmless, DISTRICT, its officers, agents, assigns, and employees from and against any and all suits, actions and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature whatsoever, for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties arising out of or in any manner by reason of, or incident to, the program or programs sponsored by ORGANIZATION and conducted at the Hiller Sports Complex.

**Section 8. Utilities**

8.1. Water

The DISTRICT shall be responsible for all water and sewer related expenses at the site.

8.2. Gas and Electric

ORGANIZATION shall be required to pay a fee based on gas and electrical use for the concession stand, low site lighting, and/or any other type of sporting equipment, which utilizes electricity. This cost will be remitted at the end of the season, based on a percentage of field use.

**Section 9. Maintenance**

9.1 Ongoing Facility Maintenance

DISTRICT shall provide for all ongoing maintenance of Hiller Sports Complex. ORGANIZATION shall be required to pay a field use fee based on expenses related to ongoing maintenance as approved by the MCSD Board of Directors. ORGANIZATION may choose to decrease their portion of the field use fee through the use of pre-approved in-kind labor or materials that assists with maintenance of the site within the scope of the DISTRICT's maintenance plan or Capital Improvement Plan for the site. Financial credit for approved in kind donation of labor or materials shall be granted only for labor or donations

completed for facility maintenance as per a Supplemental Hiller Sports Complex Maintenance Agreement executed in concurrence with this AGREEMENT. Credit shall not be granted for volunteer labor or materials pertaining to field preparation for games. The financial value of in-kind labor or material donations, if in excess of the total field use fee, may be placed as a credit toward future facility use, at the discretion of the DISTRICT.

ORGANIZATION agrees to perform general maintenance of the field site, including but not limited to, field preparation before games, grounds cleanup, restroom cleanup, re-stocking janitorial supplies, general cleanup of the concession stand & parking lot, and trash disposal. These operation and maintenance responsibilities are further explained in Exhibit D, and will not be considered as in-kind labor for the purposes of reducing fees for field and concession use during the period of March 16 through October 31, 2020

9.2. Facility Damages and Repairs

The ORGANIZATION shall be held responsible for all damage or vandalism to District facilities occurring during the ORGANIZATION'S use of the facilities, or that occur due to ORGANIZATION'S failure to lock facility after use. Upon notification by the DISTRICT, the ORGANIZATION is responsible to repair all damages immediately, or within a schedule approved by the DISTRICT. If ORGANIZATION is unable or unwilling to repair damage immediately, the DISTRICT reserves the right to make the necessary repairs and bill ORGANIZATION for all costs. The ORGANIZATION is responsible to reimburse the DISTRICT within thirty days (30) of presentation of the bill. Exception: The concession and snack bar area is the sole responsibility of the ORGANIZATION during the entire period of this AGREEMENT. Repair of any and all damage occurring to the concession stand during the AGREEMENT period is the sole responsibility of the ORGANIZATION.

Damaged and unsafe fields shall be unavailable for use until repairs are completed. The assignment of other fields during such time is at the discretion of the DISTRICT.

9.3. Site Improvements

Any ORGANIZATION desiring to perform site improvements must first obtain written approval from the DISTRICT for such improvements and pay for all costs related to approved improvements. Requests for such improvements are to be made using the "In Kind Work" & Field Modification Request Form. (Exhibit F)

It is understood and agreed between the parties that all installations, additions, and improvements erected or installed at any time at Hiller Sports Complex during the term of this AGREEMENT shall immediately become the property of and belong to the DISTRICT upon such erection or installation; provided, however, this provision does not apply to participant playing equipment and concession equipment installed and belonging to ORGANIZATION. ORGANIZATION must remove all participant playing equipment and



concession equipment prior to the expiration or other termination of this AGREEMENT. Any portion of the premises affected by removal shall be immediately restored and repaired.

## **Section 10. Purchasing**

- 10.1 DISTRICT shall have the responsibility to purchase all grounds maintenance materials needed to maintain Hiller Sports Complex.
- 10.2 ORGANIZATION shall be fully responsible for all expenses related to purchase of all supplies needed to operate the programs including supplies needed for field preparation, and of any supplies needed for operations conducted in the concession stand.

Should ORGANIZATION choose to hire the DISTRICT to prep fields for play, DISTRICT shall assume responsibility for the purchase of all supplies necessary for appropriate preparation of fields.

## **Section 11. Sales**

### **11.1. Participant Registration**

ORGANIZATION shall be allowed to retain all revenue related to participant registration fees.

DISTRICT shall provide space for applications and flyers provided by ORGANIZATION at DISTRICT's office and at the McKinleyville Activity Center. DISTRICT shall not otherwise register applicants or provide directions regarding ORGANIZATION's program.

ORGANIZATION shall be responsible for promotion and sale of ORGANIZATION's program to customers. Upon provision by ORGANIZATION, DISTRICT shall provide copies of flyers and promotional materials to customers.

### **11.2. Advertising**

DISTRICT recognizes the importance of advertising revenue to ORGANIZATION and desires to afford ORGANIZATION opportunities to obtain revenue for support of ORGANIZATION's program. However, ORGANIZATION shall first obtain written permission from DISTRICT and allow DISTRICT to review any such advertising prior to installation, placement, distribution, or maintenance of any type of advertising or AGREEMENT with any other vendor involving promotion or advertising of their products or services on and at Hiller Sports Complex. All such advertising placed in accordance with the aforementioned must be removed upon the conclusion of ORGANIZATION's program at a time agreed to by both parties.

### **11.3. Concessions**

ORGANIZATION shall be allowed to retain all proceeds related to operation of a concession stand during granted facility use hours provided concession use fees are paid in full.

Approval for requests for use of the concession stand by ORGANIZATION will be granted only when said request is concurrent with the most current facility use schedule as approved. ORGANIZATION shall not utilize the concession stand prior to the start of the contracted time set forth in the most current facility use schedule and shall vacate the concession stand by the end of the contracted time set forth in said schedule.

Upon issuance of the most current Facility Use Schedule and concession stand use request approvals, should additional concession stand use be available during scheduled events, those ORGANIZATION's having and maintaining a current AGREEMENT with DISTRICT shall be given priority for additional concession stand use requests. Such requests will be awarded on a first come, first serve basis.

## **Section 12. Licenses and Permits**

- 12.1 ORGANIZATION shall apply for, obtain, and maintain all licenses, permits, and other accreditations required in connection with the management and operation of programs, site improvements as approved per 9.3., and as needed for development of the facility. ORGANIZATION shall be responsible to pay the cost of all such licenses and permits.

## **Section 13. Unavoidable Delays**

- 13.1 The provisions of this Section shall be applicable if there shall occur, during the term of this AGREEMENT, any (a) inability to obtain labor or materials, or reasonable substitutes (other than lack of funds); or (b) acts of God, governmental restrictions, regulations or controls, enemy or hostile government, civil commotion, fire, or other casualty; or (c) other conditions similar to those enumerated in this Section beyond the reasonable control of the party obligated to perform (other than lack of funds). If DISTRICT or ORGANIZATION shall, as the result of any of the above-described events, fail to provide or to perform any obligation on its part under this AGREEMENT, then upon written notification to the other within ten (10) days of such event, such failure shall be excused and not be a breach of this AGREEMENT by the party claiming unavoidable delay, but only to the extent occasioned by such event. Notwithstanding anything contained herein to the contrary, this Section shall not be applicable to the obligation of the DISTRICT or ORGANIZATION to pay any sums, monies, costs, charges, or expenses required paid pursuant to the terms of this AGREEMENT, or to fulfill any hold harmless and/or indemnity obligations created by Section 7.1 or elsewhere in this AGREEMENT.

## **Section 14. Amendments and Assignments**

- 14.1 This AGREEMENT contains the complete and final AGREEMENT between the DISTRICT and the ORGANIZATION. No AGREEMENT or other understanding in any way purporting to modify, add to, or supersede the terms and conditions hereof shall be binding upon either party unless made in writing and duly executed by authorized representatives.

- 14.2 This AGREEMENT may not be assigned or transferred, in whole or in part, by ORGANIZATION without first obtaining the written consent of DISTRICT which may be withheld, for any reason, in the DISTRICT's sole discretion.

## **Section 15. Taxes**

- 15.1 ORGANIZATION shall be solely responsible for the payment when due of any possessory interest or other unsecured tax levied by any governmental authority with respect to the use and occupancy of Hiller Sports Complex by ORGANIZATION.

## **Section 16. Resolution of Disputes**

### **16.1. Process for Resolution**

Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized representatives of the DISTRICT and the ORGANIZATION shall be brought to the attention of the General Manager (or designated representative) of the DISTRICT and the Board President (or designated representative) of the ORGANIZATION for joint resolution.

If joint resolution of the dispute through these means is pursued without success, ORGANIZATION shall seek to resolve the dispute by filing a written grievance with the General Manager (or designated representative). Upon receipt of a written grievance, the General Manager (or designated representative) shall research and investigate the grievance and set an agenda item for the next DISTRICT Board of Director's meeting. At the meeting, the ORGANIZATION or a representative thereof can appear and be heard. The DISTRICT Board of Directors shall consider the item and act thereon, and may adopt, reject, or amend the recommendation.

If resolution of the dispute as adopted by the DISTRICT Board of Directors is not satisfactory, ORGANIZATION may seek resolution employing whatever remedies exist in law or equity beyond this AGREEMENT. Despite an unresolved dispute, the DISTRICT and ORGANIZATION hereto shall continue without delay to perform its obligations under this AGREEMENT.

In the event of any breach or violation of this AGREEMENT by ORGANIZATION, the DISTRICT may employ whatever remedies that exist in law or equity to enforce this AGREEMENT, without resorting to the dispute resolution protocol described above.

### **16.2. Attorney's Fees**

In the event of any litigation arising between the parties regarding the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to other relief provided by law.

## Section 17. Notices

- 17.1 Any notice, demand, or communication under, or in connection with, this AGREEMENT, may be served upon DISTRICT by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to the DISTRICT as follows:

General Manager  
McKinleyville Community Services District  
P.O. Box 2037  
McKinleyville, CA 95519

and may likewise be served on ORGANIZATION by personal service or by so mailing the same addressed to ORGANIZATION as follows:

McKinleyville Little League  
P.O. Box 2284  
McKinleyville, CA 95519

Either DISTRICT or ORGANIZATION may change such address by notifying the other party in writing as to such new address as DISTRICT or ORGANIZATION may desire to be used and which address shall continue as the address until further written notice.

## Section 18. Compensation

- 18.1. Funding for Facility Development

Should ORGANIZATION grant DISTRICT monies for development in an amount of more than \$5,000, said monies shall be dedicated to the development of facilities illustrated in Parks & Recreation Master Plan, which would fulfill the needs of ORGANIZATION. Monies granted by ORGANIZATION for development in amount less than \$5,000 shall be dedicated to the general overall development of facilities illustrated in Parks & Recreation Master Plan.

- 18.2. Facility Use and Additional Fees

ORGANIZATION shall pay DISTRICT fees in accordance to Hiller Sports Complex Master Facility Fee Schedule as adopted by the Board of Directors and outlined in Exhibit C.

ORGANIZATION agrees to pay a Cleaning/Damage deposit in the amount of \$1,500.00 to MCSD for the use of Hiller Sports Complex. MCSD may use the Cleaning/Damage deposit for reimbursement of any costs related to additional cleaning requirements, additional turf maintenance, and/or field & turf damages during the use of ORGANIZATION (see Exhibit D). This deposit must be paid in full prior to the start of the season.

ORGANIZATION is responsible for the cost for propane use, PG&E and the cost to change the locks at the end of each season. This cost will be remitted at the end of the season, based on a percentage of field use.

In the event DISTRICT shall provide maintenance at the expense of ORGANIZATION, or the DISTRICT is required to respond to a call-out at a time outside the DISTRICT'S regular business hours, the ORGANIZATION agrees to reimburse the DISTRICT according to the following rates:

Labor:	\$35.00/hour
Mower:	\$25.00/hour
Utility Vehicle:	\$35.00/hour
Tractor:	\$40.00/hour
Backhoe:	\$70.00/hour
Dump Truck:	\$50.00/hour
Boom Truck:	\$85.00/hour
Call out Fee	\$150 per occurrence + labor cost if time spent exceeds 2 hours

18.3. Delinquent Payment

In the event ORGANIZATION shall be delinquent by more than fifteen (15) days in the payment of any sums due under the terms of section 18.2, DISTRICT shall cancel all future scheduled and yet to be scheduled use of DISTRICT-owned facilities until past due payments are paid in full.

**Section 19. Law Governing**

This AGREEMENT shall be governed exclusively by the provisions hereof and by the laws of the State of California.

**Section 20. Term**

20.1. Term and Extensions

Subject to the provisions of this AGREEMENT, the term of this AGREEMENT shall commence on the date herein and shall continue through and including the 31<sup>st</sup> day of October 2020.

Opportunities shall be granted for ORGANIZATION and DISTRICT to review this AGREEMENT on a yearly basis to enact amendments and assignments to AGREEMENT as provided in Section 14 of this AGREEMENT. Any proposed amendments and assignments may be refused by ORGANIZATION or DISTRICT at said parties own discretion.

20.2. Termination by DISTRICT

Notwithstanding the foregoing, DISTRICT, in the case of ORGANIZATION breaches, may terminate this AGREEMENT, with thirty (30) days notification, by giving the ORGANIZATION written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or

- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and ORGANIZATION fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or
- d) ORGANIZATION files a voluntary petition in bankruptcy or insolvency or otherwise seeks relief as a debtor, or, if an involuntary petition therefore is filed against ORGANIZATION and such petition is not dismissed within ninety (90) days; or
- e) ORGANIZATION fails to remain in compliance with any and all terms of this AGREEMENT; or
- f) ORGANIZATION shall disband.

In the event this AGREEMENT is so terminated, it shall be lawful for DISTRICT immediately hereafter to remove all persons and property from the premises.

20.3. Termination by ORGANIZATION

Notwithstanding the foregoing, ORGANIZATION, in the case of DISTRICT breaches, may terminate this AGREEMENT by giving the DISTRICT written notice of any material breach under this AGREEMENT, if:

- a) said breach is curable by the payment of money and remains uncured thirty (30) days after said notice; or
- b) said breach is not curable by the payment of money but is otherwise curable within thirty (30) days after said notice and remains uncured after said thirty (30) days; or
- c) said breach is neither curable by the payment of money nor otherwise reasonably curable within thirty (30) days after said notice and DISTRICT fails both to commence said cure within said thirty (30) days and to prosecute diligently said cure to completion thereafter; or
- d) DISTRICT fails to remain in compliance with any and all terms of this AGREEMENT.

20.4. Disposition of Certain Property

ORGANIZATION hereby acknowledges and agrees that any and all equipment and all DISTRICT purchased equipment and materials used in connection with Hiller Sports Complex shall remain the property of the DISTRICT, and ORGANIZATION acknowledges that it shall not be entitled to remove such property from Hiller Sports Complex upon the expiration or termination of this AGREEMENT, regardless of reason.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the day and year as written herein.

***MCKINLEYVILLE COMMUNITY SERVICES DISTRICT***

\_\_\_\_\_  
Mary Burke, President of the Board of Directors

ATTEST: \_\_\_\_\_  
April Sousa, Secretary to the Board of Directors

***McKINLEYVILLE LITTLE LEAGUE***

\_\_\_\_\_  
President of McKinleyville Little League

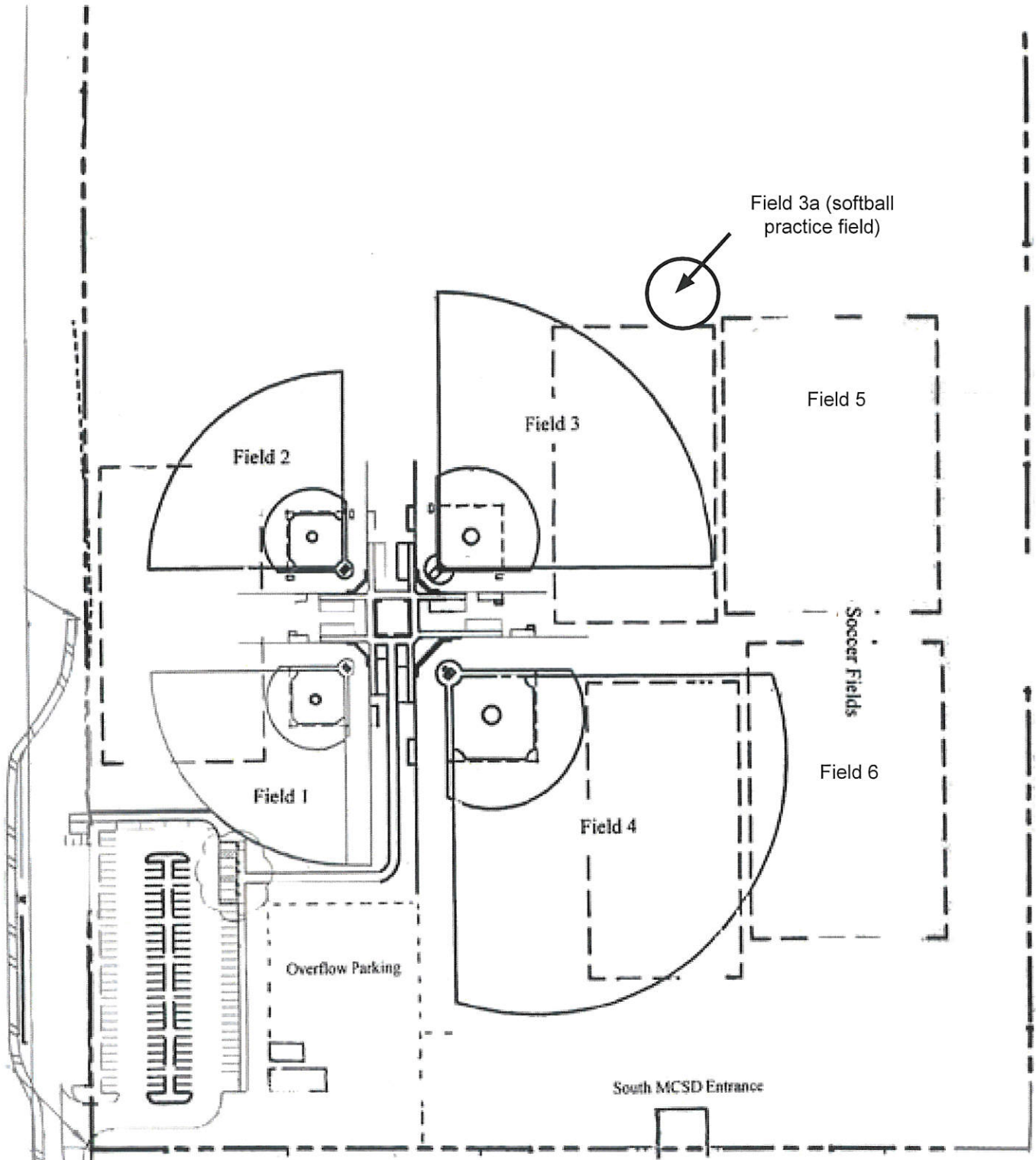
## **The Facility Use AGREEMENT Checklist**

Please note: This contract is not considered complete until the user ORGANIZATION submits the following information to MCSD.

<b><u>Item:</u></b>	<b><u>Attachment #:</u></b>	<b><u>Completed:</u></b>	<b><u>Date:</u></b>
Completed District Facility Use Reservation Form	Attachment 1		
Complete Schedule of Maintenance Schedule	Attachment 2		
League Schedule			
Tournament Schedule			
Practice Schedule			
Proof of Insurance			
Phone List of Managers and Board Members			
Facility (emergency) Cell Phone #			
All Other Field Usage Requests			
Coach/Manager Contact Information			
Organization Liability Release Form			



**McKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
*Hiller Sports Complex - Site Map*



## ARTICLE IV - PARKS AND RECREATION

### REGULATION 40 - RECREATION AND PARKS ADVISORY COMMITTEE

**Rule 40.01. MEMBERSHIP** - the McKinleyville Community Services District Recreation and Parks Advisory Committee shall consist of eleven (11) members and two (2) alternate members who shall serve without compensation selected as follows:

- (a) One (1) non-voting member shall be a member of the District Board.
- (b) The remaining ten (10) members will be regular voting members. Of the ten (10) regular voting members, one (1) will be a member of the McKinleyville Area Fund Board of Directors nominated by the McKinleyville Area Fund Board of Directors.
- (c) When possible two (2) of the ten (10) regular voting members shall be High School students, nominated by the McKinleyville High School Principal.
- (d) The two (2) alternate members will not become voting members unless a regular voting member is absent. In the event that both alternates are present when only one regular member is absent, the alternates will decide upon which of the two (2) will fill the absent chair by a mutually agreed upon method. In the event the alternates cannot determine a method of decision, the committee chair will choose an appropriate decision making method.
- (e) All members of the Recreation Advisory Committee will represent to the extent possible various recreational interests of the community including but not limited to business, environmental, equestrian, sports, seniors, trails and youth. Recommendations for appointment may be made by the then current members of the committee.
- (f) Any citizen, residing in the service area of the McKinleyville Community Services District may apply to the District Board for appointment to fill vacant seats on the Recreation Advisory Committee.

**Rule 40.02. APPOINTMENT** - the committee members shall be appointed as follows:

- (a) The Board of Directors shall announce each vacancy and shall state they are seeking applicants, setting forth the qualifications, if any required.
- (b) The Board of Directors shall interview each applicant, after which a majority of the Board of Directors, may select the most qualified to fill the vacancy.

**Rule 40.03. MEMBER QUALIFICATIONS** - all members, other than the high school member, shall be resident electors of the McKinleyville Community Services District; the student members shall be a resident of McKinleyville. No members of the Recreation Advisory Committee shall be a family member or related to a full-time MCSD employee.

**Rule 40.04. TERMS OF OFFICE** -the committee members shall serve terms as follows:

- (a) Appointment of District Board Members shall be for a term of one (1) year. Such member shall be a non-voting member.

- (b) Appointment of McKinleyville Area Fund members and non-student community members shall be for a term of four (4) years. The term for student members shall be up to 4 years, limited by their High School graduation date.
- (c) Terms of the other non-Board of Director committee members shall be staggered so that no more than two (2) terms shall expire in any given year.
- (d) The annual expiration date of appointment shall be January 31st.

**Rule 40.05. REMOVAL** - members of the Committee may be removed by a majority vote of the District Board of Directors.

**Rule 40.06. ABSENCES** - if any member of the Committee is absent without prior notification to the Recreation Director for three (3) regular consecutive meetings, the Recreation Director shall certify that fact to the Board of Directors and the Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position by appointment.

**Rule 40.07. ELECTION OF OFFICERS** - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

**Rule 40.08. OFFICERS** - the Committee shall elect a Chairperson and Vice-Chairperson from among its members.

**Rule 40.09. MEETINGS** - the Committee shall hold regularly scheduled meetings in the Board of Directors Chambers of the District Office, or at such other place within the District as may be designated by the Committee, and may hold such additional meetings as it may deem necessary or expedient. All meetings must be noticed in compliance with state and federal laws.

**Rule 40.10. TIME/LOCATION OF MEETINGS** - the time of the regular meetings shall be as established from time to time by the committee members.

**Rule 40.11. QUORUM** - a majority of the Committee shall constitute a quorum for the purpose of transacting business of the Committee.

**Rule 40.12. RECORDS** - written records of all the proceedings, findings, determinations and transactions of the Committee shall be kept, which record shall be a public record and a copy of which record shall be filed with the District Secretary.

**Rule 40.13. POWERS AND DUTIES** - the Recreation and Parks Advisory Committee shall have the following powers and duties:

- (a) To serve in an advisory capacity to the Board of Directors and District Staff in all matters pertaining to public recreation, parks, and their respective facilities;
- (b) To make recommendations to the Board of Directors and District Staff with respect to the provisions of the annual budget for recreation and parks purposes;

- (c) To recommend to the Board of Directors acceptance or rejection of offers of donations of money, personal property and real property to be used for recreation and parks purposes;
- (d) To recommend to the Board of Directors a comprehensive recreation and park services program for the inhabitants of the District, to promote and stimulate public interest therein, and to solicit to the fullest extent the cooperation of school authorities and other public and private agencies interested therein;
- (e) To recommend for adoption by the Board of Directors rules and regulations for the use and improvement of the District's recreation services and parks and their respective facilities;
- (f) To recommend to the Board of Directors and District staff policies for the acquisition, development and improvement of recreation and parks areas; and
- (g) To perform such other duties relating to recreation and park matters as may be prescribed by the Board of Directors.

## **REGULATION 41 - RECREATION AND PARK SYSTEM**

### **Rule 41.01. INJURY TO OR MISUSE OF RECREATION AND PARKS SYSTEM PROPERTY - NO PERSON SHALL:**

- (a) Willfully mark, deface, injure, tamper with, or displace or remove any buildings, bridges, tables, benches, fireplaces, railings, bleachers, ball fields, water lines, paving or paving materials or other public utilities or parts thereof, signs, notices or placards, whether temporary or permanent, monuments, stakes, posts or other boundary markers, or other structures or equipment, or recreation and parks system property or appurtenances whatsoever, either real or personal.
- (b) Litter, soil or defile buildings, structures, grounds, equipment or other recreation and parks system property or appurtenances whatsoever. Trash, litter and other debris must be deposited into the proper receptacles.
- (c) Remove any soil, rock, stones, turf, trees, shrubs, or plants, down timber or other wood or materials or make any excavations by tool, equipment or any other means or agency.
- (d) Construct or erect any building or structure of whatever kind, whether permanent or temporary in character, or run or string any public utility into, upon or across such land except by District permit.
- (e) Trespass upon any area where prohibited.
- (f) Hunt, molest, or otherwise harm wildlife and plant life within the recreation and parks system.
- (g) Announce, advertise or call the public attention in any way to any article or service for sale or hire, except by District permit.
- (h) Paste, glue, tack or otherwise post any sign, placard, advertisement, or inscription whatever, nor shall any person erect or cause to be erected any sign whatever within the recreation and parks system without permission from the District.
- (i) Use any system for amplifying sounds, whether for speech or music or otherwise within the recreation and parks system unless a Special Event Reservation Form and

Permit or Community Event Reservation Application and Permit is first secured from the District.

- (j) Discharge any weapon of any type within the recreation and park system boundaries for any reason.
- (k) Make fires of any type for any reason in any area that is not properly equipped and designated to contain a fire.
- (l) Use model rockets and remote control model airplanes in McKinleyville Parks and Open Space without prior written approval from the District's General Manager.

**Rule 41.02. POLLUTING WATERS OR DUMPING REFUSE PROHIBITED - NO PERSON SHALL:**

- (a) Throw, discharge, or otherwise place or cause to be placed in the waters of any fountain, pond, stream or any other body of water in or adjacent to any component of the recreation and park system or any tributary, stream, storm sewer or drain flowing into such waters any substance, matter or things, liquid or solid, which will or may result in the pollution of said waters.
- (b) Dump, deposit, or leave any trash not created within the boundaries of the recreation and park system.

**Rule 41.03. OPERATION OF MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:**

- (a) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of motorized vehicles together with such regulations as are contained in this ordinance.
- (b) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.
- (c) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.
- (d) Operate a motorized vehicle, other than MCSD-authorized vehicles, within the boundaries of the facility except in those areas designated as driveways.

**Rule 41.04. OPERATION OF NON-MOTORIZED VEHICLES--PROHIBITED ACTS - NO PERSON SHALL:**

- (a) Non-motorized vehicles shall be defined as any form of transportation in which human or gravitational energy powers the source of transportation. Examples of such transportation are defined as bicycles, skateboards, roller blades, roller skates, etc.
- (b) Fail to comply with all applicable provisions of the Vehicle Code of the State of California in regard to equipment and operation of non-motorized vehicles together with such regulations as are contained in this ordinance.
- (c) Fail to obey all law enforcement officers and District employees who are hereafter authorized and instructed to require persons within the boundaries of the recreation and park system to adhere to the provisions of these regulations.
- (d) Fail to observe carefully all traffic signs, parking signs, and all other signs posted for the proper control of traffic and to safe guard life and property.

- (e) Operate non-motorized vehicles on any sidewalks, on pathways designated for pedestrian traffic only, and within turf and landscaped areas.

**Rule 41.05. CONDUCT - ALCOHOLIC BEVERAGES**

- (a) Patrons may use alcoholic beverages with meals in designated areas at recreation and parks system facilities, provided a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit have been secured and provided they conduct themselves in an orderly manner;
- (b) Alcoholic beverages may be served or may be sold by permit only at designated recreation and parks system facilities where sales are not prohibited and provided a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit have been secured;
- (c) No person shall be under the influence of intoxicating substances as provided in Section 647 (f) of the California Penal Code;
- (d) The District may withdraw the privilege to use alcoholic beverages at anytime if the rules and regulations as are contained in this ordinance are not abided by;
- (e) Use of intoxicating substances other than alcohol is prohibited.

**Rule 41.06. PETS** - pets may be off leash at outdoor facilities in designated areas and facilities only and must be under voice control at all times. Animal owners are responsible for removal of animal excrement from the facility.

**Rule 41.07. OVERNIGHT USE PROHIBITED** - there is to be no camping or loitering on the grounds or in public buildings or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

**Rule 41.08. FIRES** - fires will be allowed on grounds only in those areas equipped with District provided equipment designated for the containment of fires.

**REGULATION 42 - OPERATION OF PIERSON PARK**

**Rule 42.01. GAZEBO BARBECUE COMPLEX** - the gazebo barbecue complex is defined as the area encompassed by the gazebo located in the central portion of the park. Individuals or organizations desiring organized use of any portion of the gazebo barbecue complex for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only..

**Rule 42.02. HORSESHOE PITS** - the public may use the horseshoe pits on a first come basis. Any individual or organization desiring to use the horseshoe pits for an organized function may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

**Rule 42.03. WESTERLY PICNIC TABLES/BARBECUES** - the public may use the picnic tables and barbecues located along the western park perimeter on a first-come basis only.

**Rule 42.04. PICNIC PAVILION AND BARBECUE** - the picnic pavilion is defined as the large covered picnic area to the west of the playground and east of the horseshoe pits. Individuals or organizations desiring organized use of any portion of the picnic pavilion and barbecue may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

**Rule 42.05. OVERNIGHT USE PROHIBITED** - there is to be no camping or loitering on the park grounds or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

**Rule 42.06. FIRES** - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designated for the containment of fires.

**Rule 42.07. PETS** - the designated off leash area is defined as the area of the park east of Azalea Hall's Hewitt Room and north of the gazebo. Horses are not allowed.

## **REGULATION 43 - OPERATION OF HILLER PARK**

**Rule 43.01. PICNIC AREA USE** - the picnic area is defined as the area of the park east of the western perimeter of the volleyball court. Individuals or organizations desiring organized use of any portion of the picnic area in Hiller Park for the purpose of holding organized functions may do so by obtaining a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit only.

**Rule 43.02. PETS** - the designated off leash area is defined as the area of the park west of the westerly perimeter of the volleyball court. Horses are prohibited in the picnic area.

**Rule 43.03. FIRES** - fires will be allowed on grounds only in those areas equipped with District provided equipment designated and in portable barbecues designed for the containment of fires.

**Rule 43.04. OVERNIGHT USE PROHIBITED** - there is to be no camping or loitering on the park grounds or structures between sunset and sunrise unless a Special Event Reservation Form and Permit or Community Event Reservation Application and Permit are first obtained from the District.

## **REGULATION 44 - OPERATION OF LARISSA PARK**

**Rule 44.01. PETS** - pets must be on leash at all times.

## REGULATION 45 - PERMITS, FEES AND DEPOSITS

**Rule 45.01. FACILITY USAGE PERMITS REQUIRED** - a valid facility usage permit is required for individuals or organizations to use any indoor facility or any outdoor facility for organized functions, to use any system for amplifying sounds, or to sell or serve alcoholic beverages at an organized function.

**Rule 45.01.a. PERMIT TYPE DEFINITIONS** - the District shall issue permits based on the following definition of use:

- (a) A "Special Event" shall be defined as use deemed to be non-programmatic with estimated attendance of less than 500 persons and no more than posted capacities at indoor facilities; for which off road and facility parking space is adequate; for which street closures are not required; and for which cancellation of approved vendor programs is not required.
- (b) A "Large Scale Community Event" shall be defined as use deemed to be non-programmatic with estimated attendance of more than 500 persons but no more than posted capacities at indoor facilities or for which off-road and facility parking space is adequate; or for which street closures may be required; or for which cancellation of an approved vendor program is required.
- (c) A "Vendor Contract" shall be defined as use by those individuals approved by the District Board of Directors, offering ongoing programs on a regular basis for no more than twelve months.

**Rule 45.02. FACILITY USAGE PERMIT PROCESS** - any individuals or organizations seeking issuance of a facility usage permit hereunder shall file a request for permit to use District facilities on the appropriate reservation form provided by the District. All requests must be filed with the District along with the required facility usage deposit, usage fees, proof of appropriate insurance coverage, and fees for other services at least (10) working days prior to the actual event date. The Recreation Director, under direction of the Board, may impose additional conditions for approval.

**Rule 45.03. FACILITY USAGE FEES** - facility usage fees, as established and adopted by the District Board shall be charged for and must accompany each facility usage permit request required hereunder for said facility usage permit request to be fully and properly executed by the District.

**Rule 45.03.a. FEE STRUCTURE DEFINITIONS** - the District shall identify the following fee structure definitions when charging customers for use of facilities:

- (a) A "Non-Profit Group" shall be defined as any group or organization which can supply proof of non-profit status via the Internal Revenue Service code. Other Governmental entities shall be considered as falling within the guidelines of this definition.
- (b) A "Vendor" shall be defined as an individual or organization, approved by the District Board of Directors that has a fully executed vendor contract for use of District facilities.



- (c) A "Private Citizen/Business" shall be defined as other potential users not fitting within the "non-profit group" or "vendor" definition.
- (d) A "Commercial Event" shall be defined as an event being held for the purpose of private financial gain for an individual or organization.
- (e) An "Event Host" shall be defined as a District employee who has received training regarding use of District facilities for outside events. Event hosts are required for all events except those taking place at Azalea Hall concurrently with McKinleyville Senior Center events or at District facilities for those events sponsored by a District approved vendor.
- (f) The "All Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of twelve continuous hours.
- (g) The "Half-Day Rate" shall be defined as a fee charged specifically for use of the Hewitt Room at Azalea Hall and which includes access to the facility for a maximum of six continuous hours.
- (h) The "Off-Peak Use Discount" shall be defined as a 25% discount on hourly rates only which can be applied to the following facilities and hours only: Activity Center-Monday through Friday before 3:00p.m; Azalea Hall-Sundays and Monday through Thursday after 4:00p.m.

**Rule 45.03.b. FACILITY USE FEES** - the District shall charge the following rates for use of a District-owned facility for each use specified below:

ACTIVITY CENTER

Non-Profit Groups/Vendors	\$36.50/hour
Private Citizen/Business	\$51.75/hour

AZALEA HALL-ENTIRE FACILITY

Non-Profit Groups/Vendors	\$64.00/hour
Private Citizen/Business	\$85.00/hour

AZALEA HALL-HEWITT ROOM

Non-Profit Groups/Vendors	\$50.00/hour
Private Citizen/Business	\$62.00/hour
All Day Rate	\$520.00
Half Day Rate	\$315.00

AZALEA HALL-MEETING ROOM

Non-Profit Groups/Vendors	\$18.25/hour
Private Citizen/Business	\$24.50/hour

AZALEA HALL-KITCHEN

All Users	\$18.25/hour
-----------	--------------

LIBRARY CONFERENCE ROOM

Non-Profit Groups/Vendors	\$27.25/hour
---------------------------	--------------

Private Citizen/Business \$30.25/hour

TEEN CENTER-ENTIRE FACILITY

Non-Profit/Vendors \$69.25/hour  
Private Citizen/Business \$86.00/hour  
All Day (12 hr) Rate \$907.00  
Half Day (6 hr) Rate \$470.00

TEEN CENTER-MULTI PURPOSE ROOM

Non-Profit/Vendors \$40.00/hour  
Private Citizen Business \$48.25/hour

TEEN CENTER-MUSIC ROOM

Non-Profit/Vendors \$25.50/hour  
Private Citizen Business \$32.50/hour  
All Day (8 hr) Rate \*weekends only \$210.00

TEEN CENTER-KITCHEN

All Users \$36.00/hour

PARKS

Gazebo Picnic Area \$55.00/4 hrs  
Picnic Pavilion \$108.00/4 hrs  
Special Event \$164.00/day  
\*Commercial Events \$265.00/day  
\*Requires Facility Host @ \$35.50 per hour unless overtime wages apply

SPECIAL EVENT SERVICES

Event Staff \$18.50/hour  
Event Setup  
Events with less than 100 persons \$86.00  
Events with 101-200 persons \$120.00  
Events with more than 200 persons \$150.00

Event Cleanup

Events with less than 100 persons \$150.00  
Events with 101-200 persons \$180.00  
Events with more than 200 persons \$220.00

**Rule 45.03.c. EVENT SERVICES FEES** - the District shall charge a fee of \$18.50 per hour for an event host for those events requiring such a host. The minimum charge shall be two hours. Other events service fees shall be determined each year and are based on the direct expense associated with providing said service. Such event fees shall be established and adopted by the Board.

**Rule 45.03.d. RECREATION PROGRAM FEES** - the District shall charge participants program fees based on the direct expenses associated with each individual program. Program fees shall be determined each year and as programs are added to the Department's current services index. Program fees shall be adopted by the Board within two months of the inception or change of fees.

**Rule 45.04. DEPOSIT** - a facility usage deposit, as established and adopted by the District Board must accompany each facility usage permit request for any facility usage permit required hereunder. The facility usage deposit shall be refunded to the applicant within fifteen working days if the facility is restored to pre-use conditions. If District clean-up is required to restore the facility to pre-use conditions or damage is noted to the facility, any refund will be less the expense associated with returning the facility to pre-use conditions.

**Rule 45.04.a. FACILITY USE DEPOSIT FEES** - the District shall charge a \$100 deposit for events which qualify and are defined as special events. The District shall charge a \$200 deposit for events which qualify and are defined as large-scale community events.

**Rule 45.05. INSURANCE** - a facility usage permit request shall not be considered fully executed unless the individual or organization seeking issuance of a facility usage permit obtains and furnishes liability coverage for the event which is acceptable to the District. The Recreation Director may impose additional conditions for approval.

**Rule 45.06. PERMITS FOR USE OF FACILITIES** - the District shall only grant a facility usage permit for organized use of a facility when each of the following findings can be made:

- (a) The requested area of the recreation and parks system for which the facility is located within is available during the period for which the facility usage permit is requested;
- (b) The expected attendance does not exceed the capacity of the facility or area.
- (c) The use for which the facility usage permit is sought complies with the use established for the facility or area requested.

**Rule 45.07. USE OF SOUND AMPLIFICATION SYSTEM** - the District shall only grant permission for use of any sound amplification system when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of a sound amplification system must file, with the District, a facility usage permit request for the facility in which use of the sound amplification system is requested.
- (b) The sound amplification system proposed will not unduly inconvenience or disturb neighboring properties or other recreation and parks system facility users.
- (c) The maximum noise from use of the sound amplification system complies with Humboldt County's Noise Regulations.
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which sound amplification systems are utilized, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event.

**Rule 45.08. SALE OR SERVICE OF ALCOHOLIC BEVERAGES** - the District shall only grant permission for sale or service of alcoholic beverages when each of the following findings can be made:

- (a) The individual or organization seeking permission for sale or service of alcoholic beverages must file, with the District, a facility usage permit request for the facility in which the sale of alcoholic beverages is requested;
- (b) If applicable, the individual or organization seeking permission has a valid permit from the Alcohol Beverages Commission to sell alcohol;
- (c) If applicable, the individual or organization seeking permission has secured outside security services;
- (d) The use for which permission is sought complies with the use established for the facility or area requested.

For those events at which alcohol is served or sold, the following requirements shall also be required:

- (a) A District supervisor will be assigned to be present throughout the event;
- (b) Facilities will not be rented for events at which the consumption of alcoholic beverages will be a principal activity.

The Recreation Director has the authority to impose additional conditions as a requirement for issuance of a fully executed Special Event Reservation Form and Permit or Community Event Reservation Application and Permit.

**Rule 45.09. USE OF DISTRICT-OWNED EQUIPMENT** - the District shall make available to individuals or organizations recreation-related equipment, which can be utilized for outdoor use. District shall only grant permission for use of District-owned equipment when each of the following findings can be made:

- (a) The individual or organization seeking permission for use of District-owned equipment must be requesting said equipment in conjunction with an event at a District facility which is being sponsored by the individual or organization;
- (b) The Individual or organization must file, with the District, a facility usage permit request for the facility in which the equipment will be utilized;
- (c) The requested equipment is available during the period for which use of the equipment is requested;
- (d) The individual or organization requesting use of MCSD-owned equipment furnishes the District with appropriate liability coverage.

**Rule 45.10. APPEALS** - an appeal of the action of District staff on any Facility Use Permit pursuant to this regulation must be in writing and filed by or on behalf of the individual or organization seeking the facility usage permit, within (10) days after the action of District staff on the facility usage permit request. The appeal shall set forth in detail the factual and legal basis of the appeal. The Board of Directors shall consider and act on the appeal within forty-five (45) days after the appeal is filed. The individual or organization

filing the appeal shall be entitled to submit oral or written evidence to the Board in support of the appeal. Action of the Board of Directors on the appeal shall be final.

## **REGULATION 46 - ENFORCEMENT**

**Rule 46.01. VIOLATIONS** - any violation of these rules and regulations relating to the use of District facilities located within the recreation and parks system is a misdemeanor, punishable by law.

## **REGULATION 47 - HILLER SPORTS SITE DEVELOPMENT, MANAGEMENT AND SCHEDULING COMMITTEE**

**Rule 47.01. MEMBERSHIP** - the McKinleyville Community Services District Hiller Sports Site Development, Management and Scheduling Committee shall consist of members described below whom shall serve without compensation selected as follows:

- (a) Committee size shall be determined by the number of local sports organizations having and maintaining a current Hiller Sports Site Development, Funding, Maintenance, and Use Agreement with District who nominate a member to the Committee and an additional member shall be from the District's Recreation Advisory Committee and an additional member shall be appointed to the Committee by the Board which member shall be of the general public.

**Rule 47.02. APPOINTMENT** - the committee members shall be appointed as follows:

- (a) All local sports organizations with a valid and current IRS non-profit identification number and who have and maintain a current Hiller Sports Site Development, Funding, Maintenance and Use Agreement with District are invited to nominate one member and one alternate member to the Committee. Such nominations shall be made in writing to the Director of Parks and Recreation. Recommendations for appointment shall be made by the Committee to the Recreation Advisory Committee who shall in turn recommend nominees to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.
- (b) One member shall be a member of the Recreation Advisory Committee. Recommendations for appointment shall be made by the Recreation Advisory Committee. Appointment shall be made by the District's Board of Directors.
- (c) One member shall be a member of the general public who is a resident elector of the District and who shall hold no official office with any local sports organization desiring to offer programs at the Hiller Sports Site. Such member shall be nominated by the Committee who shall forward a recommendation to the Recreation Advisory Committee who shall in turn forward a recommendation to the District's Board of Directors. Appointment shall be made by the District's Board of Directors.

**Rule 47.03. MEMBER QUALIFICATIONS** - each member shall meet one of the criteria named above in Rule 47.02.

**Rule 47.04. TERMS OF OFFICE** - the Committee members shall serve terms as follows:

- (a) Appointment of the Recreation Advisory Committee member representative of Committee and member of the general public to the Committee shall be for a term of two (2) years. Such members may be re-appointed to successive terms.
- (b) Terms of other members shall be for a term of one (1) year. Such members may be re-appointed to successive terms.
- (c) The annual expiration date of each term shall be January 31st.

**Rule 47.05. REMOVAL** - members of the Committee may be removed by a majority vote of the District Board of Directors.

**Rule 47.06. ABSENCES** - if any member of the Committee is absent without prior notification to the Director of Parks and Recreation for two (2) regular consecutive meetings, the Director of Parks and Recreation shall certify that fact to the organization for whom the individual is a representative and to the District's Board of Directors. The District's Board of Directors shall thereafter declare the position on the Committee to be vacant and proceed to fill the position as outlined in 47.02. Should the vacated position have a designated alternate, said alternate shall be appointed to full membership status. The organization of which the alternate is a member shall be authorized to nominate a designated alternate.

**Rule 47.07. ELECTION OF OFFICERS** - the Committee shall, as soon as practicable, after the time of the annual appointment of a member or members to such Committee, elect its' officers. No member shall hold the same office for more than two (2) consecutive years.

**Rule 47.08. OFFICERS** - the member of the Committee who is a representative of the District's Recreation Advisory Committee shall be designated as Chairperson of the Committee. The member of the Committee who is a representative of the general public shall be designated as Vice-Chairperson.

**Rule 47.09. RECORDS** - written records of all proceedings, findings, determinations, and transactions shall be kept, which record shall be a public record and a copy of which record shall be filed with the District's secretary.

**Rule 47.10. POWERS AND DUTIES** - the Committee shall have the power and duty to serve in an advisory capacity to the District's Recreation Advisory Committee and the Board of Directors in all matters pertaining to the development, scheduling, maintenance, and use of the Hiller Sports site.

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
**Hiller Sports Site Master Facility Fee Schedule**

**Facility Use Fees**

<u>Turf Field Use</u> .....	\$30/hour per field
<u>Baseball Field Use</u> .....	\$30/hour per field
<u>Baseball Field Use (Youth groups)</u> .....	\$15/hour per field
<u>Softball Field Use</u> .....	\$30/hour per field
<u>Softball Field Use (Youth groups)</u> .....	\$15/hour per field

Baseball/Softball Tournament Use  
 50% reduction from regular hourly rates. Tournaments must have a minimum of 4 teams and 8 hours of continuous play per day.

**Additional Fees**

<u>Field Preparation- Ballfields</u> .....	\$35/hour per field
<u>Field Preparation- Turf Areas</u> .....	\$35/hour per field
<u>Concession Stand Use- Regular weekdays</u> .....	\$10/day
<u>Concession Stand Use- Regular weekends</u> .....	\$25/day
<u>Concession Stand Use- Tournaments</u> .....	\$25/day
<u>Insurance (if provided by District)</u> .....	Variable
<u>Facility Usage Deposit</u> .....	Variable

# MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

## Department of Parks & Recreation Department

### OPERATION & MAINTENANCE RESPONSIBILITIES HILLER SPORTS COMPLEX

The following information specifies Operation & Maintenance responsibilities performed by McKinleyville Little League (ORGANIZATION) for the season as defined by the McKinleyville Community Services District's (MCSD) Facility Use Agreement Contract:

1. **Ball Diamond Preparation, Maintenance & Safety Seminar:**
  - a. Prior to the start of the season, designated ORGANIZATION representative(s) involved with field maintenance must attend a 1-hour Ball Diamond Preparation Maintenance & Safety Seminar with MCSD staff.
  
2. **In-Kind Field Maintenance:**
  - a. Any field maintenance performed by ORGANIZATION representatives must be pre-approved in writing by the DISTRICT in order to be considered as "in-kind labor" for credit towards facility use fees.
    - i. Any maintenance done without pre-approval from the DISTRICT will not be eligible for credit.
  
3. **Field Preparation:**
  - a. All field preparation will be the responsibility of ORGANIZATION.
  - b. If necessary ORGANIZATION may request MCSD to prep ball fields for a fee.
  
4. **Field Repairs:** (See section 9.2. of the Facility Use Agreement.)
  - a. ORGANIZATION shall be held responsible for all damage or vandalism to District facilities occurring during ORGANIZATION's use of the facilities.
  - b. Upon notification by MCSD, ORGANIZATION is responsible to repair all damages immediately, or within a schedule approved by MCSD.
  - c. If ORGANIZATION is unable or unwilling to repair the damages, MCSD reserves the right to make the necessary repairs and bill ORGANIZATION for all costs.
  - d. Damaged or unsafe fields shall be unavailable for use until repairs are completed.
  
5. **Grounds, Daily Restroom & Parking Lot Cleanup:**
  - a. ORGANIZATION agrees to clean grounds and to monitor, patrol, and keep the bathrooms and parking lot clean during their usage.
  - b. Grounds are to include the sports fields, sidewalks surrounding the concession area, under the bleachers, and the sidewalk pathway leading to the parking lot.
    - i. Cleaning of grounds is to include:
      1. Trash pick-up and disposal (*\*NOTE: the dumpster on site at HSS is owned by McKinleyville Little League and may not be available for use by other Organizations utilizing Hiller Sports Site*)
      2. Sweeping of bark and mulch back into landscape areas
  - c. Restroom cleaning shall include sweeping garbage and debris from floors, stocking supplies as necessary, and removing garbage.
  - d. If multiple organizations are using Hiller Sports Site simultaneously all organizations shall share the burden of clean-up. DISTRICT will develop a schedule for grounds clean-up responsibility, based upon percentage of field use each week.
    - i. Each Organization will be required to ensure clean-up is completed on the dates assigned to the Organization for clean-up by the DISTRICT. If ORGANIZATION wishes to purchase clean-up services from the DISTRICT



they may do so by requesting those services in advance of their scheduled dates of responsibility.

1. The labor rate for clean-up services is \$35 per hour. ORGANIZATIONS will be charged a minimum of 1 hour for services provided on any given day, but will be billed for the total time required to complete clean-up of grounds and restrooms as documented by Maintenance staff.

**6. General Cleanup of the Concession Stand:**

- a. ORGANIZATION agrees to keep the Concession Stands clean, sanitary, and up to the County Health Department standards at all times.
- b. MCSD reserves the right to inspect the Concession Stands without notice.

**7. Overflow Parking:**

- a. ORGANIZATION agrees to notify MCSD of any events requiring usage of the overflow parking area.

**8. Trash Disposal:**

- a. ORGANIZATION agrees to remove all trash bags from inside the sports complex at the end of each day of use.
  - i. Should MCSD staff be required to haul garbage from the Hiller Sports Complex following ORGANIZATION'S use, ORGANIZATION will be billed for the cost of labor and cost of dumping.
- b. No trash bags shall be left in any portion of the Concessions/Storage/Restrooms building.

**9. Supervision of Children:**

- a. ORGANIZATION agrees to notify all coaches and parents and require proper supervision at all times of all children (players and spectators) inside Hiller Sports Complex.
- b. ORGANIZATION agrees to pay for all damages and vandalism caused from unsupervised children during ORGANIZATION field usage.

**10. Rain Cancellations:**

- a. ORGANIZATION agrees to comply with MCSD guidelines regarding cancellation of fields due to unsafe conditions and/or inclement weather. (See exhibit E in the Facility Use Agreement Contract.)

## **MCKINLEYVILLE COMMUNITY SERVICES DISTRICT Parks & Recreation Department**

### **Guidelines for Cancellation of Activity on MCSD Athletic Fields**

Due to inclement weather and poor field conditions, the McKinleyville Parks & Recreation Department reserves the right to deny an athletic activity or event from playing on an MCSD field. The two (2) main purposes of these guidelines are to ensure the safety of the participants and to prevent MCSD fields from getting abused and destroyed when the turf is vulnerable. Any MCSD employee or designated person may deny use of a field and/or require an activity to stop.

#### **Examples of conditions that require cancellation of an athletic activity:**

- Standing puddles of water on the field
- Footing is unsure and slippery
- Ground is water logged and “squishy”
- Grass can be pulled out of ground easily
- Lightning
- Severe weather storms

When games are played on fields with poor and/or unsafe conditions, it often causes irreversible damages to the field. If this occurs, it can take months and in some cases years to get the field back into quality playing condition.

#### **Teams and/or leagues that refuse to follow these MCSD guidelines on Field Cancellations will be subject to the following disciplinary action:**

1. **First Offense:**  
Written warning to team and President of the Organization.
2. **Second Offense:**  
One week suspension of the team or organization from practicing on fields.
3. **Third Offense:**  
Forfeiture of a team’s privilege to either practice or play games on MCSD fields for the remainder of the season.

**HILLER SPORTS SITE**  
In-Kind Labor and/or Materials Criteria  
for Receiving Credit towards Facility Use Fees

Requests to provide in-kind labor or materials in exchange for credit towards facility use fees, MUST be made in writing and MUST be pre-approved in writing by DISTRICT staff. In-kind labor exchange will only be considered for necessary (as deemed by DISTRICT staff) field and facility maintenance currently performed by DISTRICT staff. Any work performed by ORGANIZATION representatives or volunteers prior to or without written approval from designated DISTRICT staff will not be considered for credit of any kind.

In-kind material donation exchange will only be considered for necessary (as deemed by DISTRICT staff) materials that would otherwise be purchased by the DISTRICT for use at the Hiller Sports Complex.

- 1) In Kind Labor request proposals must include:
  - a. Description of the labor to be performed
  - b. Estimated number of labor hours required to perform the work
    - i. District reserves the right to determine the amount of credit granted for labor hours based on the equivalent time that DISTRICT staff would have spent on the same task.
  
- 2) In Kind Material Donation request proposals must include:
  - a. Description of the dollar value of the material being donated
    - i. DISTRICT reserves the right to determine the amount of credit granted for material donations based on the amount the DISTRICT would have spent on the necessary material.
  - b. Name of the business from which the material is being purchased or donated.
  - c. Name and contact information of the individual making the donation on behalf of the ORGANIZATION.

# HILLER SPORTS SITE

## *"In Kind Work" & Field Modification Request Form*

This form must be submitted and approved by an authorized MCSD representative prior to any projects being completed by any user group at Hiller Sports Complex.

ORGANIZATION: \_\_\_\_\_

NAME OF REPRESENTATIVE: \_\_\_\_\_

PHONE: \_\_\_\_\_ DATE OF REQUEST: \_\_\_\_\_

PROJECT: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PROJECT TIMELINE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF ORG. REPRESENTATIVE: \_\_\_\_\_

---

### FOR DISTRICT USE ONLY

PROJECT APPROVED: \_\_\_\_\_ PROJECT DENIED: \_\_\_\_\_

MCSD REPRESENTATIVE: \_\_\_\_\_ DATE: \_\_\_\_\_

NOTES FROM MCSD: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE OF MCSD REPRESENTATIVE: \_\_\_\_\_

**Hiller Sports Site Maintenance Agreement Between  
McKinleyville Community Services District and McKinleyville Little League**

The Hiller Sports Site Maintenance Agreement is a supplemental agreement to the Hiller Sports Complex Facility Use Agreement, by and between the McKinleyville Community Services District (DISTRICT), and the McKinleyville Little League (ORGANIZATION), and does not supersede or negate any of the sections in the HSC Facility Use Agreement.

**Recitals**

- (a) DISTRICT is the owner of Hiller Sports Complex located at 880 Columbus Road in McKinleyville; and
- (b) DISTRICT desires to maximize financial self-sufficiency of the maintenance of Hiller Sports Complex; and
- (c) ORGANIZATION desires to provide turf and grounds maintenance at Hiller Sports Complex for fields 1, 2, 3, 3b and 4 in order to reduce the maintenance expense of the DISTRICT thereby reducing the Field Use expense of the ORGANIZATION; and
- (d) ORGANIZATION and DISTRICT each desire to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (g) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though full, are the following:
  - 1. Cover Page: Maintenance AGREEMENT
  - 2. Exhibit A: Hiller Sports Complex Map
  - 3. Exhibit B: Turf and Grounds Maintenance Scope of Work
  - 4. Exhibit C: Volunteer Labor Log and Time Sheet
  - 5. Exhibit D: "In Kind Work" & Field Modification Request Form

**Background**

The DISTRICT and ORGANIZATION both wish to provide sustainable and equitable services to the community in a coordinated and collaborative manner.

As the cost of labor for maintaining the turf and grounds at Hiller Sports Complex is the largest maintenance expense incurred by the DISTRICT as owner, and the field use fees charged to users is set at a rate to recover some of the cost related to maintenance. The ORGANIZATION wishes to lower their portion of field use fees by providing consistent volunteer labor for maintaining the turf and grounds at Hiller Sports Complex.

Labor associated with the ongoing and consistent maintenance of the turf and grounds performed by the ORGANIZATION can provide a significant savings to the DISTRICT and as such is eligible for monetary credit to be used toward field use fees.

ORGANIZATION has a vested interest in the maintenance and health of the turf and grounds at Hiller Sports Complex, and owns or has access to all necessary equipment for the provision of necessary maintenance tasks.

## Agreement

1. ORGANIZATION agrees to provide ongoing and consistent turf and grounds maintenance according to an agreed upon schedule outlined in **Attachment 1**, within the duration of the contract period (March 16 through October 31, 2020).
2. DISTRICT agrees to provide monetary credit at the rate of \$15.00 per hour of eligible labor performed (see EXHIBIT B) toward the field use fees encumbered by the ORGANIZATION within the contract period. Labor hours will not be credited in excess of 22 hours per week. (5 hours per week per field for mowing and string trimming; 2 hours per week for restroom maintenance.)
3. ORGANIZATION agrees that credit will only be applied for eligible labor hours documented as required by the DISTRICT on the "Volunteer Labor Log and Time Sheet" (EXHIBIT C). Credit will not be given for any labor performed on tasks not included on the "Turf and Grounds Maintenance Scope of Work" (EXHIBIT B) and/or for any labor performed that is not documented as required by the DISTRICT.
4. ORGANIZATION agrees that any labor credit earned in excess of the encumbered field use fees will be forfeited and will not be eligible for use in subsequent contract periods.
5. DISTRICT shall base ORGANIZATION's field use fees on the total financial value of approved in-kind labor and/or materials subtracted from the total financial value of site use
6. DISTRICT agrees to provide and apply all fertilizers and nutrients necessary for appropriate turf maintenance.
7. DISTRICT agrees to ensure adequate irrigation of turf.
8. ORGANIZATION understands that DISTRICT is not budgeting staff time to complete maintenance tasks listed in the "Turf and Grounds Maintenance Scope of Work" for the months of March through July and as such any time DISTRICT staff is called upon to complete such tasks during those months, it will constitute an interruption to budgeted tasks and an additional expense to the DISTRICT, and therefore ORGANIZATION agrees that:
  - 8.1 If circumstances arise and ORGANIZATION is unable to perform the agreed upon maintenance according to the necessary and agreed upon schedule, ORGANIZATION agrees to pay DISTRICT to complete the maintenance at a rate ranging from \$35.00 to \$52.50 per hour, dependent upon DISTRICT staff assigned to the work and whether or not that staff will be required to work overtime in order to complete all required tasks on that day. ORGANIZATION agrees that this charge will be in addition to fees charged for field use. "List of Eligible Maintenance Tasks"
9. ORGANIZATION agrees all turf and grounds maintenance volunteers will be required to attend turf and grounds maintenance seminar organized and presented by the DISTRICT staff before performing any volunteer labor. In addition, ORGANIZATION's designated representative must attend facility maintenance meetings as arranged by the DISTRICT.

Furthermore, said volunteers of ORGANIZATION are not to be considered volunteers or employees of DISTRICT.

10. DISTRICT agrees to schedule and implement a turf and grounds maintenance seminar for ORGANIZATION volunteers prior to the scheduled start of ORGANIZATION'S field use.
11. ORGANIZATION shall abide by all rules and regulations established by the DISTRICT stating that the use of pesticides, herbicides and related products at the Hiller Sports Complex and surrounding areas are strictly prohibited.
12. ORGANIZATION shall agree that the DISTRICT reserves the right to close fields and prohibit mowing due to wet conditions or any other condition that would otherwise put the integrity of the turf at risk.
13. ORGANIZATION agrees that any field modifications and/or desired credit requests for volunteer labor not included in the "Turf and Grounds Maintenance Scope of Work" or donated materials must be pre-approved through the submission of the "In Kind Work" & Field Modification Request Form" (EXHIBIT D)
14. ORGANIZATION agrees that any maintenance or tasks not explicitly described in the Turf and Grounds Maintenance Scope of Work is the responsibility of the DISTRICT and not to be undertaken by the ORGANIZATION without written permission from the DISTRICT.

***MCKINLEYVILLE COMMUNITY SERVICES DISTRICT***

---

Mary Burke, President of the Board of Directors

ATTEST: \_\_\_\_\_  
April Sousa, Secretary to the Board of Directors

***McKINLEYVILLE LITTLE LEAGUE***

---

President of McKinleyville Little League

**Turf and Grounds Maintenance Scope of Work  
For Hiller Sports Site Supplemental Maintenance Agreement**

1. **Mowing:** defined as the clipping or cutting of the turf areas using a powered turf mower. Cutting shall be even, without ridges, free of scalp spots and neat in appearance. Mowing shall not exceed 1/3 of the blade length on any given cut. Mowing shall never take turf below 2 inches.
  - a. Frequency: a minimum of twice per week, or as often as necessary to avoid cutting more than 1/3 the blade surface in one cutting with no more than one cutting every 3 days. Not to exceed 2 hours per field per mow.
  
2. **String Trimming:** defined as the cutting/trimming of turf along fence lines, sidewalks and buildings.
  - a. Frequency: a minimum of once per week. Not to exceed 3 hours per week.
  
3. **Weeding:** defined as the removal of weeds in all landscape beds and turf areas.
  - a. Frequency: not to exceed 4 hours per month.





**HILLER SPORTS SITE**  
In-Kind Labor and/or Materials Criteria  
for Receiving Credit towards Facility Use Fees

Requests to provide in-kind labor or materials in exchange for credit towards facility use fees, MUST be made in writing and MUST be pre-approved in writing by DISTRICT staff. In-kind labor exchange will only be considered for necessary (as deemed by DISTRICT staff) field and facility maintenance currently performed by DISTRICT staff. Any work performed by ORGANIZATION representatives or volunteers prior to or without written approval from designated DISTRICT staff will not be considered for credit of any kind.

In-kind material donation exchange will only be considered for necessary (as deemed by DISTRICT staff) materials that would otherwise be purchased by the DISTRICT for use at the Hiller Sports Complex.

- 1) In Kind Labor request proposals must include:
  - a. Description of the labor to be performed
  - b. Estimated number of labor hours required to perform the work
    - i. District reserves the right to determine the amount of credit granted for labor hours based on the equivalent time that DISTRICT staff would have spent on the same task.
  
- 2) In Kind Material Donation request proposals must include:
  - a. Description of the dollar value of the material being donated
    - i. DISTRICT reserves the right to determine the amount of credit granted for material donations based on the amount the DISTRICT would have spent on the necessary material.
  - b. Name of the business from which the material is being purchased or donated.
    - i. A formal quote and/or Invoice from the business which is providing the material for the cost/value of the material to be provided by the ORGANIZATION.
  - c. Name and contact information of the individual making the donation on behalf of the ORGANIZATION.

# HILLER SPORTS SITE

## *"In Kind Work" & Field Modification Request Form*

This form must be submitted and approved by an authorized MCSD representative prior to any projects being completed by any user group at Hiller Sports Complex.

ORGANIZATION: \_\_\_\_\_

NAME OF REPRESENTATIVE: \_\_\_\_\_

PHONE: \_\_\_\_\_ DATE OF REQUEST: \_\_\_\_\_

PROJECT: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PROJECT TIMELINE: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CONSIDER PROJECT LABOR & MATERIAL COSTS FOR FIELD USE FEE CREDITS

SIGNATURE OF ORG. REPRESENTATIVE: \_\_\_\_\_

---

### FOR DISTRICT USE ONLY

PROJECT APPROVED: \_\_\_\_\_ PROJECT DENIED: \_\_\_\_\_

MCSD REPRESENTATIVE: \_\_\_\_\_ DATE: \_\_\_\_\_

NOTES FROM MCSD: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FIELD USE FEE CREDIT GRANTED: YES  NO

SIGNATURE OF MCSD REPRESENTATIVE: \_\_\_\_\_

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: D.4**                      **Consider Approval of the Senior Center Management Services and Usage Agreement between McKinleyville Community Services District and the McKinleyville Senior Center**

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

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

### **Recommendation:**

Staff recommends that the Board review the information provided; take public comment and consider approving the Senior Center Management Services and Usage Agreement as is or with modifications, for a term of one (1) year and authorize the Board President to execute the Agreement.

### **Discussion:**

For the past several years, the District and the McKinleyville Senior Center (MSC) have worked under a Management Services and Usage Agreement for the MSC use of Azalea Hall and the Meeting Room. The agreement for this year is consistent with the 2019 agreement, with the only change being to the monthly rate. This rate was increased by 2.27% and is reflective of one third the monthly cost of providing utilities and janitorial supplies at the facility.

The Management Services and Usage Agreement can be reviewed in **Attachment 1**. Section 16 was edited to reflect the new monthly rate of \$572.00. **Attachment 2** is Exhibit B, the Schedule of Use

### **Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action

### **Fiscal Analysis:**

MSC shall pay to DISTRICT an amount, agreed upon by both parties, of \$572.00 per month (a 2.27% increase from the previous year), for utilities and janitorial supplies as provided in Section 4. The utility and janitorial supplies charge may be adjusted by DISTRICT, on an annual basis, in consultation with MSC.

Utility and supply costs for Azalea Hall average \$1716 per month.

### **Environmental Requirements:**

Not applicable

### **Exhibits/Attachments:**

- Attachment 1 - Senior Center Management Services and Usage Agreement
- Attachment 2 – Exhibit B, Schedule of Use

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
***Azalea Hall – Senior Center***  
**Management Services and Usage Agreement**

This AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by and between the McKinleyville Community Services District, a California Community Services District, and the McKinleyville Senior Center, a non-profit organization, with reference to the following facts, which are acknowledged as true and correct by each of the parties:

- (a) As used in this AGREEMENT, the following terms shall have the following definitions:
1. “AGREEMENT” shall mean the Management Services and Usage Agreement.
  2. “DISTRICT” shall mean the McKinleyville Community Services District.
  3. “MSC” shall mean the McKinleyville Senior Center.
  4. “Azalea Hall” shall mean the DISTRICT owned facility located at 1620 Pickett Road.
  5. “District Facilities” shall mean any facility owned and operated by the District available for public use.
  6. “General Manager” shall mean the employee of the DISTRICT serving in said capacity.
  7. “BOARD OF DIRECTORS” shall mean the five elected members of the McKinleyville Community Services District Board of Directors.
  8. “Facility Use Guidelines” shall mean those guidelines established in Article IV of the McKinleyville Community Services District Rules and Regulations, contained in the District Facility Use Handbook, and attached as Exhibit A, as well as any amendments to said documents, DISTRICT may adopt during the term of this Agreement.
  9. “Article IV of the McKinleyville Community Services District Rules and Regulations” shall mean the then current portion of the document containing the Rules and Regulations of the DISTRICT as adopted by the Board of Directors.
- (b) DISTRICT is the owner of Azalea Hall located at 1620 Pickett Road in McKinleyville.

- (c) MSC desires to occupy and use the Meeting Room at Azalea Hall as its primary base of operations and is willing to provide certain services to DISTRICT in consideration of said use and occupancy; and
- (d) MSC and DISTRICT each desires to secure and enter into an AGREEMENT in accordance with the foregoing; and
- (e) The documents which are part of the AGREEMENT, and each of which are incorporated herein by this reference as though set forth in full, are the following:
  - 1. Exhibit A: Article IV of the McKinleyville Community Services District Rules and Regulations
  - 2. Exhibit B: McKinleyville Senior Center Schedule for Use of Azalea Hall & Other District Facilities

NOW, THEREFORE, in consideration of their mutual covenants and promises set forth herein, the parties hereto agree to as follows:

**Section 1. Grant of Facility Use**

- 1.01. DISTRICT grants MSC use of Azalea Hall & Other District Facilities as specifically described in Exhibit B. Facility use is subject to modification as a result of the provisions described in Section 20 of this AGREEMENT.
- 1.02. MSC shall adhere to the most current facility usage guidelines as adopted by DISTRICT and attached as Exhibit A. DISTRICT Board of Directors shall have the right to modify the guidelines, from time to time, in its sole discretion and any modifications shall become binding on MSC immediately after adoption.

**Section 2. Required MSC Services**

- 2.01. During the term of this Agreement, DISTRICT may request MSC to provide certain services to DISTRICT. Tours of the facility for prospective renters are required by DISTRICT. Such other tasks as agreed upon in writing by both parties. MSC will not assume any obligation to provide any services in excess of those stated in this Agreement unless a written amendment to this Agreement is executed by both parties.

**Section 3. Maintenance**

- 3.01. DISTRICT shall provide weekly general maintenance for Azalea Hall and provide repairs as needed.

- 3.02. MSC shall provide daily janitorial maintenance including stocking of restroom supplies and ensure that any portion of Azalea Hall and/or other District Facilities used by MSC is kept clean, stocked and well maintained on a daily basis, so that the Facility is, at all times, in suitable condition for use by others.

#### **Section 4. Utilities**

- 4.01. MSC shall be responsible for the payment of telephone charges incurred by MSC in its usage of Azalea Hall.
- 4.02. DISTRICT shall pay all utility charges incurred to provide heat, water, electricity, and alarm services to Azalea Hall except those utilities specifically agreed to be paid by MSC as outlined in this section.
- 4.03. MSC and DISTRICT shall each pay 50% of the cost of maintaining internet services at the facility.

#### **Section 5. Equipment and Supplies Storage**

- 5.01. Storage of MSC's equipment at Azalea Hall shall be at MSC's sole risk and DISTRICT shall not warrant security of stored materials.
- 5.02. Storage of MSC's equipment must not interfere or compromise access to facility amenities available to other facility users.

#### **Section 6. Facility Use and Access**

- 6.01. MSC agrees to comply with DISTRICT's established facility use guidelines, as defined in Article IV of the McKinleyville Community Services District Rules and Regulations, and attached as Exhibit A and incorporated by reference herein.
- 6.02. MSC agrees that in respect to the Hewitt Room and Kitchen, when in use by other patrons who have paid for use of that space, it is not accessible to Seniors during the time that it is in use by others.

It is the responsibility of the MSC staff and volunteers to make alternate arrangements for cooking, etc. to allow for uninterrupted use of the Hewitt Room and Kitchen by other users who have paid for the space.

- 6.03. MSC will sign for facility access keys; maintain custody of all keys during the term of this AGREEMENT; and return all keys upon completion of the term of this AGREEMENT. MSC shall not duplicate any keys or provide security codes to any other party. MSC will follow the procedures established by DISTRICT in opening building and closing building including activation and deactivation of alarm system. MSC will pay any charges



levied resulting from false alarms caused by MSC's failure to comply with DISTRICT's security procedures. MSC will pay DISTRICT's actual cost to re-key Azalea Hall should MSC lose any key.

- 6.04. Should this AGREEMENT be terminated, MSC will surrender to DISTRICT, MSC's keys on or before the last day the AGREEMENT is still valid. Should this AGREEMENT be terminated, MSC also acknowledges that MSC's security codes will expire at Midnight on the last full day the Agreement is valid.

### **Section 7. Use of Equipment**

- 7.01. MSC agrees not to use equipment owned by those other than MSC and DISTRICT and stored at Azalea Hall without first obtaining written approval from the owner of said equipment. A copy of written approval must be provided to the DISTRICT.

### **Section 8. Entry by DISTRICT**

- 8.01. MSC shall permit DISTRICT, and DISTRICT's agents and assigns, at all reasonable times, to enter Azalea Hall (and those portions occupied by MSC), for the purposes of inspection, compliance with the terms of this AGREEMENT, exercise of all rights under this AGREEMENT, posting notices, and all other lawful purposes.

### **Section 9. Use Compatibility**

- 9.01. MSC agrees that all use of Azalea Hall by MSC shall be conducted in a manner within the intended use of Azalea Hall and compatible with respect to the surrounding neighborhood and community.

### **Section 10. Site Improvements**

- 10.01. Should MSC desire to have specific site improvements installed at Azalea Hall, MSC must first obtain written approval from the DISTRICT for such improvements and pay for all costs related to any pre-approved improvements.
- 10.02. It is understood and agreed between the parties that all installations, additions, and improvements constructed or installed at any time at Azalea Hall during the term of this AGREEMENT shall immediately become the property of and belong to the DISTRICT upon such construction or installation.

### **Section 11. Prohibited Actions**

- 11.01. MSC shall not:

- 11.01.a. Use Azalea Hall for any purpose other than as authorized in this AGREEMENT and described in Exhibit B and authorized by DISTRICT; and
- 11.01.b. Perform or permit to be done anything which may interfere with the effectiveness and accessibility of Azalea Hall; nor perform or permit to be done anything which may interfere with free access and passage in Azalea Hall or the public areas adjacent thereto; or hinder police, fire fighting, or other emergency personnel in the discharge of their duties; and
- 11.01.c. Rent, sell, lease, or offer any space for any articles whatsoever within or on Azalea Hall without the prior written consent of the DISTRICT; and
- 11.01.d. Place any additional lock of any kind upon any door, cabinet, or storage space, unless a key therefore is provided to the DISTRICT, and, upon expiration or termination of this AGREEMENT, to surrender to DISTRICT any and all keys, and in the event of loss of any keys furnished by DISTRICT, MSC shall pay DISTRICT the cost for replacement thereof; and
- 11.01.e. Use or allow Azalea Hall to be used for any improper purposes or for purposes in violation of Article IV of the McKinleyville Community Services District Rules and Regulations, as the same may be modified from time to time by DISTRICT.

## **Section 12. Equal Opportunity and Non-Discrimination Clause**

- 12.01. MCSD has zero tolerance for harassment or any other form of discriminatory behavior, as set forth in this Policy Against Discrimination. The District does not tolerate discrimination or harassment based on gender, pregnancy, childbirth (or related medical conditions), race, color, religion, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, family care or medical leave status, military or veteran status, or any other status protected by federal, state, or local law. MCSD requires that all contractors and /or vendors adhere to MCSD policy. MCSD will respond to any discriminatory behavior in an appropriate manner, including, but not limited to, termination of contract or vendor agreement, reporting to appropriate legal authorities or other appropriate responses. All incidences of discriminatory behavior are to be reported to the MCSD General Manager immediately.

MCSD will not tolerate harassment by its employees of Contractors and Vendors with whom District employees have a business, service or professional relationship. Additionally, the District will not tolerate

harassment by Contractors and Vendors directed at employees or the participants of programs or recipients of services provided by Contractors or Vendors.

For all communications, both written and electronic, MCSD does not tolerate any correspondence that degenerates into improper use. MCSD's technology resources are governed by District policies. Under no circumstances may anyone use MCSD's technology resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way, such as sexually explicit or racially disparaging messages, jokes, or cartoons.

### **Section 13. Americans with Disabilities Act Compliance**

- 13.01. DISTRICT shall indemnify, defend, and hold harmless MSC from any fines or penalties which may be imposed on MSC its pursuant to the Americans with Disabilities Act as a result of DISTRICT's failure to make any required improvements to the premises as required by the Americans with Disabilities Act.
- 13.02. MSC shall be responsible for compliance with any and all requirements of the Americans with Disabilities Act with respect to the operation of MSC programs and use of Azalea Hall for which MSC is responsible. MSC shall indemnify, defend, and hold harmless DISTRICT from any fines or penalties which may be imposed upon it pursuant to the Americans with Disabilities Act as a result of MSC's failure to comply with any requirement of the Americans with Disabilities Act with respect to the operation of MSC programs and use of Azalea Hall for which MSC is responsible.

### **Section 14. Compliance with Law**

- 14.01. MSC shall comply with and conform to all laws and regulations, state, and federal and any and all requirements and orders of any state, or federal board or authority, present or future, in any way relating to the condition or use of Azalea Hall throughout the entire term of this AGREEMENT.

### **Section 15. Coordination, MSC Board and Staffing Requirements**

- 15.01. DISTRICT Coordination and Staffing
  - 15.01.a. DISTRICT shall designate a Parks & Recreation employee who shall be the primary contact person with the MSC.
- 15.02. MSC Meeting and Coordination Requirements

- 15.02.a. During the term of this Agreement the MSC shall maintain an active Board of Directors which shall meet quarterly or as needed during each year this AGREEMENT is in effect.
- 15.02.b. DISTRICT General Manager, MCSD Board Liaison and MCSD Staff Liaison shall be invited to each MSC Executive Meeting, and Regular meeting of the MSC Board of Directors, and an item shall be included at the beginning of each MSC meeting agenda to address Azalea Hall and issues pertinent to this AGREEMENT. MCSD will appoint a Staff Liaison to facilitate communications and cooperation between the two entities.

## **Section 16. Compensation**

- 16.01. MSC shall pay to DISTRICT an amount, agreed upon by both parties, of \$572.00 month, for utilities and janitorial supplies as provided in Section 4. The utility and janitorial supplies charge may be adjusted by DISTRICT, on an annual basis, in consultation with MSC.

Additional facility uses will be billed according to the non-profit hourly rate for that facility.

- 16.02. Additional facility use fees to be paid by MSC shall be outlined in Exhibit B.

### **16.03. Payment Procedure**

- 16.03.a. MSC shall pay DISTRICT all sums required under this Agreement within thirty (30) days after receipt by MSC of payment statement for each month (or partial month) for which payments are due.

### **16.04. Delinquent Payment**

- 16.04.a. In the event MSC shall be delinquent by more than fifteen (15) days in the payment of any sums due under the terms of this Section, such delinquencies shall be considered to be a breach of this AGREEMENT.

## **Section 17. Insurance**

### **17.01. Minimum Scope**

- 17.01.a. At MSC's cost, MSC shall obtain and maintain throughout the term of this AGREEMENT, comprehensive general public liability insurance, issued by an admitted carrier with a Best Company Rating of no less than "A" and acceptable to DISTRICT. Such

insurance shall provide coverage for MSC's actions in performing this AGREEMENT and use of Azalea Hall and insuring DISTRICT against loss or liability caused by or connected with MSC's occupation and use of Azalea Hall under this AGREEMENT. Insured amounts shall be not less than \$1,000,000.00 per occurrence and DISTRICT, its officers, agents, assigns, and employees shall be designated as additional insured pursuant to said policy.

#### 17.02. Proof of Insurance

17.02.a. Prior to the commencement of this AGREEMENT and the inception of the term, MSC shall provide DISTRICT written notification from the insurance carrier, of the existence of such policies and shall also provide a certificate of insurance and separate endorsement in the amounts listed in 17.01. Coverage provided by the policy shall not be canceled or amended until the DISTRICT is first provided with at least thirty (30) days written notice concerning such cancellation or notice.

### **Section 18. Indemnity**

#### 18.01. Hold Harmless

Except for the active negligence or willful misconduct of DISTRICT, MSC undertakes and agrees to defend, indemnify, and hold harmless DISTRICT and all its officers, agents, assigns, and employees from and against any and all suits, actions, and causes of action, claims, liens, demands, obligations, proceedings, loss or liability of every kind and nature in connection with or arising directly or indirectly out of this AGREEMENT whatsoever, for death or injury to any person including DISTRICT's officers, agents, assigns, and employees, or damage or destruction of any property of either party hereto or of third parties, arising out of or in any manner by reason of, or incident to, the performance of this AGREEMENT, on part of MSC, its officers, agents, assigns, and employees of any tier.

### **Section 19. Unavoidable Delays**

19.01. The provisions of this Section shall be applicable if there shall occur, during the term of this AGREEMENT, any (a) inability to obtain labor or materials, or reasonable substitutes (other than lack of funds); or (b) acts of God, governmental restriction, regulations or controls, enemy or hostile government, civil commotion, fire, or other casualty; or (c) other conditions similar to those enumerated in this Section beyond reasonable control of the party obligated to perform (other than lack of funds). If DISTRICT or MSC shall, as the result of any of the above-described events, fail to

provide or perform any obligation on its part under this AGREEMENT, then upon written notification to the other within ten (10) days of such event, such failure shall be excused and not be a breach of this AGREEMENT by the party claiming unavoidable delay, but only to the extent occasioned by such event. Notwithstanding anything contained herein to the contrary, this Section shall not be applicable to the obligation of the DISTRICT or MSC to pay any sums, monies, costs, charges, or expenses required paid pursuant to the terms of this AGREEMENT.

## **Section 20. Amendments and Assignments**

- 20.01. This AGREEMENT contains the complete and final AGREEMENT between DISTRICT and MSC. No AGREEMENT or other understanding in any way purporting to modify, add to, or supersede the terms and conditions hereof, shall be binding upon either party unless made in writing and duly executed by authorized representatives. This provision shall not limit or restrict DISTRICT's right to modify the Facility Use Guidelines, during the term of this Agreement.
- 20.02. This AGREEMENT may not be assigned or transferred, in whole or in part, by MSC without first obtaining the written consent of DISTRICT. Consent may be withheld, for any reason, in the DISTRICT's sole discretion.
- 20.03. This AGREEMENT may not be assigned or transferred, in whole or in part, by DISTRICT without first obtaining written consent of MSC and approval by MSC's Executive Board of Directors. Consent may be withheld, for any reason, in the MSC's sole discretion.
- 20.04. Furthermore, the DISTRICT agrees that proposals for amendments and assignments to this AGREEMENT shall not be submitted in any DISTRICT Board or Committee meeting packet, given to any Board or Committee member, or otherwise posted unless such amendments and assignments have been presented in writing to MSC's Executive Board of Directors.

## **Section 21. Taxes**

- 21.01. MSC shall be solely responsible for the payment, when due, for any possessory interest or other unsecured tax levied by any governmental authority with respect to the use and occupancy of Azalea Hall by MSC.

## **Section 22. Resolution of Disputes**

- 22.01. Process for Resolution

22.01.a. Any dispute arising under the terms of this AGREEMENT, which is not resolved within a reasonable period of time by authorized

representatives of the DISTRICT and the MSC shall be brought to the attention of DISTRICT General Manager (or designated representative of the DISTRICT) and the Chair of the MSC Board of Directors (or designated representative) of the MSC for joint resolution of the dispute. If these means are pursued without success, either party may seek resolution employing whatever remedies exist in law or equity beyond this AGREEMENT. Despite an unresolved dispute, the DISTRICT and MSC hereto shall continue without delay to perform its obligations under this AGREEMENT.

22.02. Attorney's Fee's

22.02.a. In the event of any litigation arising between the parties regarding the terms of this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorney's fees in addition to other relief provided by law.

**Section 23. Law Governing**

23.01 The AGREEMENT shall be governed exclusively by the provisions hereof and by the laws of the State of California.

**Section 24. Notices**

24.01 Any notice, demand, communication under or in connection with this AGREEMENT, may be served upon DISTRICT by personal service, or by mailing the same by certified mail in the United States Post Office, postage prepaid, and directed to the DISTRICT as follows:

General Manager  
McKinleyville Community Services District  
1656 Sutter Road / P.O. Box 2037  
McKinleyville CA 95519

And may likewise be served on MSC by personal service or by so mailing the same addressed to MSC as follows:

Board Chair  
McKinleyville Senior Center  
1620 Pickett Road  
McKinleyville CA 95519

Either DISTRICT or MSC may change such address by notifying the other party in writing as to such new address as DISTRICT or MSC may desire

used and which address shall continue as the address until further written notice.

## **Section 25. Term and Extensions**

### 25.01 Term and Extensions

25.01.a. Subject to the provisions of this AGREEMENT, the term of this AGREEMENT shall be for one (1) year, commencing on the date herein and shall continue through and including the 30th day of March, 2020.

Opportunities shall be made for DISTRICT and MSC to review this AGREEMENT on a yearly basis to enact amendments and assignments to this AGREEMENT as provided in Section 20 of this AGREEMENT.

### 25.02. Termination by DISTRICT

25.02.a. Notwithstanding the foregoing, DISTRICT, in the case of MSC's breaches, may terminate this AGREEMENT by giving MSC written notice, to the address herein set forth, which notice shall identify MSC's deficiencies in performance of this AGREEMENT. If, within thirty (30) days of the date of said notice, MSC has not cured the deficiency in performance, DISTRICT may, by further written notice, terminate this AGREEMENT to be effective sixty (60) days following the date of said second written notice.

In the event this AGREEMENT is so terminated, it shall be lawful for DISTRICT immediately hereafter to remove all persons and property from the premises.

### 25.03. Termination by MSC

25.03.a. Notwithstanding the foregoing, MSC, in the case of DISTRICT's breaches, may terminate this AGREEMENT by giving DISTRICT written notice to the address herein set forth which notice shall identify DISTRICT's deficiencies in performance of this AGREEMENT. If, within thirty (30) days of the date of said notice, DISTRICT has not cured the deficiency in performance, MSC may, by further written notice, terminate this AGREEMENT to be effective sixty (60) days following the date of said second written notice.

### 25.04. Obligations Upon Expiration or Termination



25.04.a. Upon the expiration or termination of this AGREEMENT, for any reason whatsoever, MSC shall promptly deliver the following to the DISTRICT's appointed agent:

All access keys and codes to Azalea Hall.

25.05. Disposition of Certain Property

25.05.a. MSC hereby acknowledges and agrees that any and all equipment not directly owned by MSC and all DISTRICT-owned equipment and materials used in connection with Azalea Hall shall remain the property of the DISTRICT, and MSC acknowledges that it shall not be entitled to remove such property from Azalea Hall upon the expiration or termination of this AGREEMENT, regardless of reason.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT as of the day and year first above written.

McKinleyville Community Services District

McKinleyville Senior Center

By: \_\_\_\_\_  
Mary Burke, President  
MCSD Board of Directors

By: \_\_\_\_\_  
Chairman, MSC Board of Directors

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest:

By: \_\_\_\_\_

April Sousa, CMC, Secretary to the Board of Directors

## McKINLEYVILLE SENIOR CENTER Schedule for Use of Azalea Hall & Other District Facilities

1. The McKinleyville Senior Center (MSC) shall have exclusive use of the Meeting Room located in Azalea Hall as follows:
  - a. Seven Days per week. 9:00am-10:00pm with the following exceptions:
    - i. The Meeting Room will be available for use MCSD and vendors with existing use agreements and use schedules currently in place.
    - ii. The Meeting Room will be available for use by event rentals on weekends, when scheduled and reserved a minimum of two (2) months in advance of the date of use.

Additional Use: MSC shall have exclusive use on the evening of first Friday in June and all day the first Saturday in June for participation in the Pony Express Days Festival

MSC can reserve use of other District Facilities at the Non-Profit/Vendor rate when those facilities are not otherwise in use.

2. MSC shall have exclusive use of the Hewitt Room and Kitchen in Azalea Hall for **nine (9) hours per month as scheduled** and approved by the General Manager. Furthermore, the MSC agrees to pay DISTRICT \$18.25 per hour for any use in the Azalea Hall Kitchen that exceeds nine (9) hours per month.
  - a. MSC will also have exclusive use of the Hewitt Room and Kitchen **for up to 12 hours each year** to hold special events or fundraisers **The specific date or dates for such use will be set by mutual agreement at least two (2) months in advance.**
3. MSC may use the Hewitt Room of Azalea Hall during other unreserved times for any normal operation or activity; whether spontaneous, scheduled, or ongoing at no charge to MSC.
4. MSC shall have exclusive use of the Azalea Hall Office.
5. MSC agrees to inform DISTRICT of scheduled or ongoing use so DISTRICT may include such events on the Azalea Hall facility use calendar. However, if DISTRICT, a DISTRICT-approved vendor, special event, or recreation program, require use of the Hewitt Room during those times, except times granted to MSC in numbers one (1) and two (2) above, such use shall have priority over use of the Hewitt Room by MSC. Furthermore, MSC agrees to reschedule, move, or make alternative arrangements for any cancellation resulting from such use at no cost to DISTRICT.
6. Acknowledging that the participants in MSC programs are a viable and important part of the community, DISTRICT shall consider, respect, and adhere to MSC's scheduled

## **EXHIBIT B**

and ongoing use of the Hewitt Room when scheduling and planning recreation programs for the community. Furthermore, DISTRICT agrees that all such scheduling of the Hewitt Room for DISTRICT's recreation programs shall result in consultation with the Board of the MSC and DISTRICT's General Manager. The DISTRICT shall notify the MSC of scheduling changes well in advance.

7. MSC shall not charge a usage fee to any group or organization for the use of any District facility without gaining prior authorization from the General Manager.
8. MSC shall pay for the use District Facilities for any profitable fee based class or event held outside of the allotted schedule listed in #1 & #2 above.

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.1**                      **Consider Adoption of Resolution 2020-02 Recognizing, Honoring and Commending Diane Sloane for Twenty-five (25) years of service**

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

**TYPE OF ACTION:**          **Roll Call Vote**

### **Recommendation:**

Staff recommends that the Board of Directors review, take public comment, and consider adoption of Resolution 2020-02 honoring Diane Sloane for her twenty-five (25) years of continuous service to McKinleyville Community Services District.

### **Discussion:**

Attached for the Board of Directors' review is Resolution 2020-02 recognizing, honoring, and commending Diane Sloane for her twenty-five (25) continuous years of service. Please join us in presenting Diane Sloane with a Resolution and longevity award acknowledging her for her continuing dedication and outstanding contributions to the McKinleyville Community Services District.

### **Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action

### **Fiscal Analysis:**

Not applicable

### **Environmental Requirements:**

Not applicable

### **Exhibits/Attachments:**

- Attachment 1 – Resolution 2020-02

**RESOLUTION 2020 – 02**

**A RESOLUTION RECOGNIZING, HONORING, AND COMMENDING DIANE SLOANE FOR SERVING MCKINLEYVILLE COMMUNITY SERVICES DISTRICT FOR 25 CONTINUOUS YEARS.**

**WHEREAS,** DIANE SLOANE, having faithfully served twenty-five (25) continuous years as an employee of McKinleyville Community Services District (the “District) from February 27, 1995 to February 27, 2020; and

**WHEREAS,** throughout her years of service Diane has demonstrated unwavering loyalty, commitment, and dedication; and

**WHEREAS,** Diane lends her talents, experience, and leadership to the District, having capably served our customers as a Customer Service Representative and Assistant Business Manager, and equally capably served her fellow employees as manager of Payroll and Human Resources; and

**WHEREAS,** Diane has always been dedicated and steadfast in the accomplishment of her duties to the District and her fellow employees, turning in timely, accurate payrolls and expertly providing clear, reliable decision-support information to the General Manager and Department Heads; and

**WHEREAS,** Diane is not just well-qualified and competent in her work, but is truly and deeply devoted to the well-being of her fellow employees, researching answers to complex questions and constantly working to better their experience with District; and

**WHEREAS,** Diane’s faithful service, superior proficiency, dedication to continuous improvement of her skills, and trustworthiness in all matters continues to be an asset that greatly benefits the District and the ratepayers of McKinleyville.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the McKinleyville Community Services District does hereby confer upon Diane Sloane its highest commendation for the dedicated service she has performed for the District and the community of McKinleyville, and further marks her historic accomplishment as a McKinleyville Community Services District employee for twenty-five (25) years.

**ADOPTED, SIGNED AND APPROVED** at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on March 4, 2020 by the following polled vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

\_\_\_\_\_  
Mary Burke, Board President

Attest:

\_\_\_\_\_  
April Sousa, CMC, Board Secretary

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.2**                      **AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING RULES 9.05, 10.01, AND 10.03, OF THE MCSD RULES AND REGULATIONS**

**PRESENTED BY:**              **Gregory Orsini, General Manager**

**TYPE OF ACTION:**          **Second Reading and Adoption; Roll Call**

### **Recommendation:**

Staff recommends the board review, take public comment and conduct a second reading, by title only, and adoption of Ordinance 2020-01 amending rules 9.05, 10.01, and 10.03 of the MCSD Rules and Regulations (**Attachment 1**).

### **Discussion:**

Senate Bill 998, also known as the “Water Shutoff Protection Act”, was added to Chapter 6 of Part 12 of Division 104 to the Health and Safety Code to regulate the manner in which a public entity may disconnect water service to residential customers or users in the event of nonpayment. Among other things, the law requires public water systems that have 200 or more service connections to adopt a formal water disconnection policy that includes all procedural safeguards included in SB 998 and to make the policy available on the agency website and be made available in multiple, specified languages.

The primary procedural safeguards that MCSD is required to implement are as follows:

1. A public entity shall not discontinue residential service for nonpayment until a payment has been delinquent for at least 60 days.
2. At least seven days before the date water service is discontinued, public entities must contact the customer named on the account by phone or by written notice.
3. The notice must contain all of the following in a “clear and legible format”:
  - a. The customer’s name and address.
  - b. The amount of the delinquency.
  - c. The date by which payment or other arrangement for payment is required to avoid discontinuation of service.
  - d. The date of intended disconnection.
  - e. A description of the process to apply for an extension of time to pay the delinquent charges.
  - f. A description of the procedure to petition for bill review and appeal.

- g. A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent service charges.
    - h. Information on how to restore water service after discontinuation.
  4. If the customer properly and timely appeals the decision to discontinue service for nonpayment in accordance with the entity's appeal procedures, service shall not be discontinued while the appeal is pending.
  5. No shut-off in the event the customer demonstrates a threat to health and safety, financial hardship, and agrees to and complies with an alternative payment plan.
  6. SB 998 created additional safeguards to protect tenants of residential units where the customer is the owner, not the tenant.

The proposed Ordinance revises MCSD's existing rules and regulations to be consistent with the SB 998 requirements.

Resolution 2020-01 was introduced and passed on February 5, 2020 and is the implementation of the actual SB 998 policy and provides detail concerning safeguards.

**Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action
- Direct staff to make revisions to the Ordinance and bring back to the Board

**Fiscal Analysis:**

Not applicable

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments:**

- Attachment 1 – Ordinance 2020-01 01 Amending Rules 9.05, 10.01, and 10.03 of the MCSD Rules and Regulations

**ORDINANCE NO. 2020-01**

**AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING RULES 9.05, 10.01, AND 10.03, OF THE MCSD RULES AND REGULATIONS**

**WHEREAS**, the Water Shutoff Protection Act (SB 998) was signed by former Governor Jerry Brown on September 28, 2018; and

**WHEREAS**, the Water Shutoff Protection Act (SB 998) creates statewide requirements for the discontinuation of residential water service for nonpayment by water systems that provide water to more than 200 service connections; and

**WHEREAS**, the requirements of Water Shutoff Protection Act (SB 998) must be implemented by February 1, 2020 by public water systems that supply water to more than 3,000 customers annually; and

**WHEREAS**, the Board passed Resolution No. 2020-01 on February 5, 2020, adopting a Policy Governing the Disconnection of Residential Water Service for Nonpayment of Water Rates and Charges; and

**WHEREAS**, the Board has determined that certain MCSD Rules and Regulations must be amended in order to be consistent with the adopted Policy Governing the Disconnection of Residential Water Service for Nonpayment of Water Rates and Charges, as set forth herein.

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

Rules 9.05, 10.01, and 10.03, of the District's adopted Rules and Regulations are amended to read as follows:

**Rule 2.07. PENALTY FOR VIOLATION** - for the failure of the customer to comply with all or any part of this article, and any ordinance, resolution or order fixing rates and charges of the District, a penalty for which has not hereafter been specifically fixed, the customer's service shall be discontinued and the water shall not be supplied such customer until he shall have complied with the rule or regulation, rate or charge which he has violated or, in the event that he cannot comply with said rule or regulation, until he shall have satisfied the District that in the future he will comply with all the rules and regulations established by ordinance of the District and with all rates and charges of this District.

**Rule 9.05. PAYMENT OF BILLS** - bills for metered water service shall be rendered at the end of each billing period. Bill shall be payable on presentation and shall be deemed delinquent thirty (30) days from the date printed on the bill. On each bill for water service rendered by the District shall be printed substantially the following: "If this bill is not paid within sixty (60) days after the date of delinquency, service may be discontinued. A reconnection charge and penalties will be made in accordance with the District's Rules and Policy for Discontinuation of Water Service for Nonpayment and collected prior to renewing service following discontinuance." In order to comply with the amended California Civil Code Section 1798.29, the District will notify, without unreasonable delay, any customer whose unencrypted personal information was or is reasonably believed to have been acquired by an unauthorized person.



**Rule 10.01. TERMINATION OF SERVICE** - water service may be terminated by the District in compliance with the notice and other requirements of Chapter 9.6 of Division 1, title 6, of the California Government Code and Chapter 6 of Part 12 of Division 104 of the California Health and Safety Code.

- (a) Water service may be discontinued for any one of the following reasons:
  - i. Delinquency in payment of any residential water service rate or charge in accordance with the District's Policy Governing the Disconnection of Residential Water Service for Nonpayment of Water Rates and Charges.
  - ii. Delinquency in payment of any commercial or other nonresidential water service rate or charge.
  - iii. The unauthorized taking of water or the taking of water in excess of the amount paid for.
  - iv. Failure of the customer to maintain his facilities in suitable condition to prevent waste of water.
  - v. The existence of an unprotected cross connection on the customer's premises or the lack of adequate backflow protection at the service connection.
  - vi. Any violation by the customer of any rules of the District governing water service.
- (b) The process that will be followed prior to discontinuance of residential service for non-payment is set forth in the District's Policy Governing the Disconnection of Residential Water Service for Nonpayment of Water Rates and Charges.
- (c) The following process will be followed prior to a discontinuance other than a discontinuance of residential service for non-payment: At least ten (10) days before discontinuing such a water service the District shall provide written notice which shall specify the reason for the proposed discontinuance and inform the customer of the procedure for and the availability of the opportunity to discuss the reason for the proposed discontinuance with the Manager, or the Manager's designee, who is empowered to review disputes and rectify errors and settle controversies pertaining to such proposed discontinuance of service. The name and phone number of the Manager, or the Manager's designee, shall be included in any such notice of proposed discontinuance given to the customer.
- (d) No water service shall be discontinued to any customer because of any delinquency in payment on any Saturday, Sunday, legal holiday or at any time during which the business office of the District is not open to the public.

**Rule 10.02. RECONNECTION** - failure to receive bill does not relieve consumer of liability. Any amount due shall be deemed a debt to the District and any person, firm or corporation failing, neglecting or refusing to pay said indebtedness shall be liable to an action in the name of the district in any court of competent jurisdiction for the amount thereof.

**Rule 10.03. RECONNECTION CHARGE** - a reconnection charge plus penalties as applicable shall be made and collected prior to renewing service following an initial discontinuance or suspension. The reconnection charge for residential water service is set forth in the District's Rules and Policy Governing the Disconnection of Residential Water Service for Nonpayment of Water Rates and Charges. The reconnection charge for commercial or other nonresidential water service will be equivalent to 2/3 (two-thirds) of an hour at the loaded Operations average hourly payroll rate as listed in the current MCSD fee schedule in Appendix A. Service reconnection shall also require the payment of all charges currently due in addition to the reconnection charges. An additional refundable deposit equivalent to 2 1/2 (two and one-half) times the monthly average for each class of customer will be required of water/sewer accounts that have begun new service, reconnected or with an outstanding balance remaining from a previous MCSD service. (See current MCSD fee schedule in Appendix A.)

**Rule 10.04. UNSAFE APPARATUS** - water service may be refused or discontinued to any premises where apparatus or appliances are in use which might endanger or disturb the service to other customers.

**Rule 10.05. CROSS-CONNECTIONS** - water service may be refused or discontinued to any premises where there exists a cross-connection in violation of State or Federal laws.

**Rule 10.06. FRAUD OR ABUSE** - service may be discontinued if necessary, to protect the District against fraud or abuse.

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

Introduced at a regular meeting of the Board of Directors held on February 5, 2020 and passed and adopted by the Board of Directors on March 4, 2020, upon the motion of Director \_\_\_\_\_ and seconded by Director \_\_\_\_\_ and by the following polled vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Mary Burke, Board President

Attest:

\_\_\_\_\_  
April Sousa, CMC, Board Secretary

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.3**                      **Adopt a Resolution Authorizing the Execution and Delivery by MCSD of an Installment Contract and Authorizing the General Manager to Execute all Necessary Documents and Related Actions and Select Chase as the Winning Proposal for the Real Property Purchase of the Pialorsi Ranch**

**PRESENTED BY:**              **Greg Orsini, General Manager**

**TYPE OF ACTION:**          **Roll Call Vote**

### **Recommendation:**

Staff recommends that the Board review the material provided, take public comment, and

1. Adopt Resolution 2020-03.1 (Taxable Resolution **Attachment 1**) authorizing the execution and delivery by MCSD of an Installment Contract and authorizing the General Manager to execute all necessary documents and related actions.
2. Staff further recommends the Board select Chase as the winning proposal for the property purchase. Designate either Option A (Not Callable) or Option B (Callable on or after 03/25/2030)

### **Discussion:**

At the December 4, 2019 Board meeting, the Board of Directors adopted Resolution No. 2019-27 authorizing the General Manager to proceed with planning for the issuance of certain obligations to finance the acquisition of certain property and appointing a financing team in connection therewith. Brandis Tallman LLC was appointed Placement Agent and Kutak Rock LLP was appointed Bond Counsel.

District staff has been working with representatives from Brandis Tallman LLC and Kutak Rock LLP to formulate financing options for the District's property purchase. The District expects to enter into a lease or management agreement with a farmer who will tend to the land and cultivate the fodder crop. The structure of this agreement and the potential private use of the property may cause the financing to be taxable. The attached Memorandum (**Attachment 4**) prepared by Bond Counsel for the Board, discusses the District's options with respect to the use of the property after its purchase and how such use will determine whether the financing is tax-exempt or taxable. Once the District's

Board makes the determination on whether the financing is taxable or tax-exempt the appropriate Resolution will be adopted by the Board.

On February 7, 2020, Brandis Tallman LLC distributed a Lender Request for Proposal (“Lender RFP”) to 26 lenders. The Lender RFP requested both taxable and tax-exempt interest rates for a 15-year term. On February 20th, Brandis Tallman LLC received nine proposals. The top three proposals came from BB&T (now Truist), JPMorgan Chase, and Umpqua Bank. A summary of these proposal can be found in the presentation attached herewith as **(Exhibit A)** in Resolution 2020 – 03.1 **(Attachment 1)**. Because the interest rates were locked in after the production of the Board Packet, an up to date summary of the top three proposals will be available at the meeting and replace Exhibit A in both Resolutions.

Staff’s recommendation to proceed with the taxable financing is based on the minimal difference in interest rates and because it allows more latitude for MCSD, for the generation of revenue from the real property being discussed.

### **Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action
- Adopt Resolution No. 2020-03.2 (Tax Exempt)

### **Fiscal Analysis:**

The financing will be structured as an installment purchase contract. The District’s obligation to make installment payments will be secured by a pledge of and lien on wastewater net revenues. The documents for this financing are summarized below.

Resolution 2020-03.1 **(Taxable Resolution, Attachment 1)** provides for a not-to-exceed loan amount of \$1,800,000 and a not-to-exceed interest rate of 3.00% and a maturity date not to exceed March 8, 2035.

Resolution 2020-03.2 **(Tax- Exempt, Resolution, Attachment 2)** provides for a not-to-exceed loan amount of \$1,800,000 and a not-to-exceed interest rate of 3.50% and a maturity date not to exceed March 8, 2035.

Installment Purchase Contract **(Attachment 3)**: The District is entering into the Installment Purchase Contract with the CSDA Finance Corporation (the “Corporation”) pursuant to which the District will make Installment Payments to the Corporation in consideration of the loan from the selected Lender. The Corporation is assigning the Installment Payments to the Lender under an assignment agreement in order to repay the loan. An installment purchase structure is used to utilize the District’s authority to purchase property for District purposes without limitation. Under the Installment Purchase Contract, the District is selling the project to the Corporation in order to obtain the loan proceeds and in turn the Corporation sells it back to the District in exchange for the District

making the Installment Payments. The Installment Payments due under the Installment Purchase Contract will be secured solely by a pledge of net revenues of the District's Wastewater System. The debt service coverage ratio pursuant to the Installment Purchase Contract is 120% but the District is allowed to establish a rate stabilization fund and the District's deposits into the rate stabilization fund may be counted for purposes of meeting the debt service coverage ratio.

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments:**

- Attachment 1 – Resolution 2020-03.1 (Taxable Resolution)
- Attachment 2 – Resolution 2020.03.2 (Tax Exempt Resolution)
- Attachment 3 – Installment Purchase Contract
- Attachment 4 – Memorandum Considering Tax-Exempt Financing for the Acquisition of Real Property
- Attachment 5 – PowerPoint Presentation Slides

**RESOLUTION NO 2020-03.1**

**A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF AN INSTALLMENT PURCHASE CONTRACT AND AUTHORIZING THE EXECUTION OF OTHER NECESSARY DOCUMENTS AND RELATED ACTIONS**

**WHEREAS**, the McKinleyville Community Services District (the “District”) is a community services district duly organized and validly existing under the laws of the State of California; and

**WHEREAS**, the District is authorized by the laws of the State of California to acquire certain property for its wastewater system and to finance and refinance the acquisition and construction of such facilities through the execution of installment purchase contracts; and

**WHEREAS**, the District proposes to finance the acquisition of certain real property of benefit to the District’s wastewater system (the “2020 Project”); and

**WHEREAS**, to provide funds necessary to finance the 2020 Project, the District desires to enter into that certain Installment Purchase Contract (the “Installment Purchase Contract”) with the CSDA Finance Corporation (the “Corporation”) in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution; and

**WHEREAS**, there have been presented at this meeting the form of Installment Purchase Contract relating to such action; and

**WHEREAS**, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract; and

**WHEREAS**, in compliance with SB 450, the Board obtained from Brandis Tallman LLC, the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist,

have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE,** the Board of Directors of the District **DOES HEREBY RESOLVE, DETERMINE AND ORDER:**

**Section 1.** All of the recitals herein contained are true and correct and the Board so finds.

**Section 2.** The form of Installment Purchase Contract submitted to this meeting and made a part hereof as though set forth herein is hereby approved. The President of the Board, and such other member of the Board as the President may designate, the General Manager of the District, and such other officers of the District as the General Manager of the District may designate (each an “Authorized Officer”) are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Contract in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of District Counsel and Kutak Rock LLP, special counsel to the District (“Special Counsel”), such requirement or approval to be conclusively evidenced by the execution and delivery of the Installment Purchase Contract by such Authorized Officer. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity of the Installment Payments (as defined in the Installment Purchase Contract) does not exceed March 8, 2035, the interest rate with respect to the Installment Payments does not exceed 3.50%, and the principal amount of the Installment Payments does not exceed \$1,800,000.

**Section 3.** In accordance with SB 450, good faith estimates of the following have been obtained from the Placement Agent and are set forth on Exhibit A attached hereto: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract.

**Section 4.** The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a fee agreement, costs of issuance agreement, custodian agreement or other similar agreements, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

**ADOPTED, SIGNED AND APPROVED** at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on March 4, 2020 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Mary Burke, Board President

Attest:

---

April Sousa, CMC, Board Secretary





**McKinleville Community Services District  
2020 Installation Purchase Contract  
Summary of Proposals Received  
February 20, 2020**

**BB&T Chase (Option A) Chase (Option B) Umpqua Bank (Z)**

**Interest Rate:** Taxable: 2.88% Tax Exempt: 2.28% Taxable: 2.34% Tax Exempt: 1.82% Taxable: 2.44% Tax Exempt: 1.89% Taxable: 2.775% Tax Exempt: 2.243%

**Rate Lock Terms:** Through 4/3/2020 Rate floating until District acceptance of the proposal. Once term sheet is signed, rate is locked through closing Rate not locked until District acceptance of the proposal. Once term sheet is signed, rate is locked through closing Rate locked 2 weeks prior to closing

**Prepayment Terms:** In whole on any payment date on or after 3/25/2028 at par Not Callable On or after 3/25/2030 at par Years 1-3 at 103% Years 4-6 at 102% Years 7-9 at 101% Year 10 and thereafter at par

**Costs:** Bank Counsel \$8,500 \$8,500 \$8,500 \$8,000

	<u>Taxable</u>	<u>Tax Exempt</u>	<u>Taxable</u>	<u>Tax Exempt</u>	<u>Taxable</u>	<u>Tax Exempt</u>	<u>Taxable</u>	<u>Tax Exempt</u>
<b>Numerical Analysis:</b>								
Par Amount	1,508,500	1,508,500	1,508,500	1,508,500	1,508,500	1,508,500	1,508,000	1,508,000
All-In TIC	3.44%	2.83%	2.89%	2.36%	2.99%	2.43%	3.33%	2.79%
Avg FY Debt Service	124,558	\$119,307	119,823	115,368	120,692	115,963	123,586	118,946
Total Debt Service	1,868,371	\$1,789,598	1,797,350	1,730,523	1,810,376	1,739,444	1,853,788	1,784,189

The following banks declined to submit a proposal:

- Academy Bank
- American River Bank
- Banc of California
- BCI Capital Management
- Banner Bank
- California Bank and Tr Key Bank
- Community Business B Pacific Western Bank
- Farmers & Merchants | Pinnacle Public Finance
- Five Star Bank
- Flagstar Bank
- River City Bank
- Signature Public Funding

**Estimated Closing Date: March 26, 2020**  
**Approximate Principal Amount: \$1.510 Million**  
**Final Maturity: March 25, 2035**  
**Average Life: 8.323 years**

**RESOLUTION NO. 2020-03.2**

**A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY BY THE DISTRICT OF AN INSTALLMENT PURCHASE CONTRACT AND AUTHORIZING THE EXECUTION OF OTHER NECESSARY DOCUMENTS AND RELATED ACTIONS**

**WHEREAS**, the McKinleyville Community Services District (the “District”) is a community services district duly organized and validly existing under the laws of the State of California; and

**WHEREAS**, the District is authorized by the laws of the State of California to acquire certain property for its wastewater system and to finance and refinance the acquisition and construction of such facilities through the execution of installment purchase contracts; and

**WHEREAS**, the District proposes to finance the acquisition of certain real property of benefit to the District’s wastewater system (the “2020 Project”); and

**WHEREAS**, to provide funds necessary to finance the 2020 Project, the District desires to enter into that certain Installment Purchase Contract (the “Installment Purchase Contract”) with the CSDA Finance Corporation (the “Corporation”) in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution; and

**WHEREAS**, there have been presented at this meeting the form of Installment Purchase Contract relating to such action; and

**WHEREAS**, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as “qualified tax-exempt obligations,” thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution’s interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

**WHEREAS**, the Board of Directors of the District (the “Board”) wishes to designate the Installment Purchase Contract as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code; and

**WHEREAS**, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third

parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract; and

**WHEREAS**, in compliance with SB 450, the Board obtained from Brandis Tallman LLC, the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing and refinancing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE**, the Board of Directors of the District **DOES HEREBY RESOLVE, DETERMINE AND ORDER:**

**Section 1.** All of the recitals herein contained are true and correct and the Board so finds.

**Section 2.** The form of Installment Purchase Contract submitted to this meeting and made a part hereof as though set forth herein is hereby approved. The President of the Board, and such other member of the Board as the President may designate, the General Manager of the District, and such other officers of the District as the General Manager of the District may designate (each an "Authorized Officer") are, and each of them is, hereby authorized and directed, for and in the name of the District, to execute and deliver the Installment Purchase Contract in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, with the advice and approval of District Counsel and Kutak Rock LLP, special counsel to the District ("Special Counsel"), such requirement or approval to be conclusively evidenced by the execution and delivery of the Installment Purchase Contract by such Authorized Officer. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity of the Installment Payments (as defined in the Installment Purchase Contract) does not exceed March 8, 2035, the interest rate with respect to the Installment Payments does not exceed 3.000%, and the principal amount of the Installment Payments does not exceed \$1,800,000.

**Section 3.** The Installment Payments due under the Installment Purchase Contract are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The Board hereby finds and determines that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2020 is not expected to exceed \$10,000,000.

**Section 4.** In accordance with SB 450, good faith estimates of the following have been obtained from the Placement Agent and are set forth on Exhibit A attached hereto: (a) the

true interest cost of the Installment Purchase Contract, (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract, (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract, and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract.

**Section 5.** The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to a fee agreement, costs of issuance agreement, custodian agreement or other similar agreements, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

**ADOPTED, SIGNED AND APPROVED** at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on March 4, 2020 by the following polled vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Mary Burke, Board President

Attest:

---

April Sousa, CMC, Board Secretary



**McKinleville Community Services District  
2020 Installation Purchase Contract  
Summary of Proposals Received  
February 20, 2020**

**BB&T**

**Chase (Option A)**

**Chase (Option B)**

**Umpqua Bank (2)**

Interest Rate:	Taxable: 2.88%	Taxable: 2.34%	Taxable: 2.44%	Taxable: 2.775%
	Tax Exempt: 2.28%	Tax Exempt: 1.82%	Tax Exempt: 1.89%	Tax Exempt: 2.243%

Rate Lock Terms:	Through 4/3/2020	Rate floating until District acceptance of the proposal. Once term sheet is signed, rate is locked through closing	Rate not locked until District acceptance of the proposal. Once term sheet is signed, rate is locked through closing	Rate locked 2 weeks prior to closing
------------------	------------------	--------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------	--------------------------------------

Prepayment Terms:	In whole on any payment date on or after 3/25/2028 at par	Not Callable	On or after 3/25/2030 at par	Years 1-3 at 103% Years 4-6 at 102% Years 7-9 at 101% Year 10 and thereafter at par
-------------------	-----------------------------------------------------------	--------------	------------------------------	----------------------------------------------------------------------------------------------

Costs:				
Bank Counsel	\$8,500	\$8,500	\$8,500	\$8,000

	<u>Taxable</u>	<u>Tax Exempt</u>	<u>Taxable</u>	<u>Tax Exempt</u>	<u>Taxable</u>	<u>Tax Exempt</u>	<u>Taxable</u>	<u>Tax Exempt</u>
Numerical Analysis:								
Par Amount	1,508,500	1,508,500	1,508,500	1,508,500	1,508,500	1,508,500	1,508,000	1,508,000
All-In TIC	3.44%	2.83%	2.89%	2.36%	2.99%	2.43%	3.33%	2.79%
Avg FY Debt Service	124,558	\$119,307	119,823	115,368	120,692	115,963	123,586	118,946
Total Debt Service	1,868,371	\$1,789,598	1,797,350	1,730,523	1,810,376	1,739,444	1,853,788	1,784,189

The following banks declined to submit a proposal:

- |                        |                                               |
|------------------------|-----------------------------------------------|
| Academy Bank           | California Bank and Tr Key Bank               |
| American River Bank    | Community Business B Pacific Western Bank     |
| Banc of California     | Farmers & Merchants   Pinnacle Public Finance |
| BCI Capital Management | Five Star Bank                                |
| Banner Bank            | Flagstar Bank                                 |
|                        | River City Bank                               |
|                        | Signature Public Funding                      |

**Estimated Closing Date: March 26, 2020**  
**Approximate Principal Amount: \$1.510 Million**  
**Final Maturity: March 25, 2035**  
**Average Life: 8.323 years**

---

**INSTALLMENT PURCHASE CONTRACT**

**between the**

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**

**and the**

**CSDA FINANCE CORPORATION**

**Dated as of March 1, 2020**

---

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. DEFINITIONS .....	1
Section 1.01 Definitions. ....	1
ARTICLE II. SALE AND PURCHASE OF THE PROJECT .....	7
Section 2.01 Sale and Purchase of the Project.....	7
Section 2.02 Indemnification and Expenses of the Corporation. ....	8
Section 2.03 Corporation not Liable.....	8
Section 2.04 Disclaimer of the Corporation. ....	8
Section 2.05 Acquisition Fund. ....	8
ARTICLE III. INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS.....	9
Section 3.01 Payment of the Installment Payments. ....	9
Section 3.02 Interest Component of the Installment Payments.....	9
Section 3.03 Establishment of Accounts. ....	9
Section 3.04 Pledges of Net Revenues and Other Funds; Debt Service Fund. ....	10
Section 3.05 Receipt and Deposit of Gross Revenues; Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues. ....	10
Section 3.06 Investment of Funds. ....	11
ARTICLE IV. PARITY OBLIGATIONS .....	12
Section 4.01 Parity Obligations. ....	12
ARTICLE V. REPRESENTATIONS, COVENANTS AND WARRANTIES .....	12
Section 5.01 Compliance with Installment Purchase Contract. ....	12
Section 5.02 Observance of Laws and Regulations; Internal Revenue Code. ....	12
Section 5.03 Prosecution and Defense of Suits. ....	13
Section 5.04 Accounting Records and Statements. ....	13
Section 5.05 Further Assurances. ....	13
Section 5.06 Against Encumbrances. ....	13
Section 5.07 Against Sale or Other Disposition of Property.....	14
Section 5.08 Against Competitive Facilities. ....	14
Section 5.09 Tax Covenants. ....	14
Section 5.10 Maintenance and Operation of the Enterprise; Budgets.....	15
Section 5.11 Payment of Claims.....	15
Section 5.12 Compliance with Contracts. ....	15
Section 5.13 Insurance.....	15
Section 5.14 Books and Accounts; Financial Statements. ....	16
Section 5.15 Payment of Taxes and Compliance with Governmental Regulations. ....	16
Section 5.16 Amount of Rates and Charges.....	17
Section 5.17 Collection of Rates and Charges. ....	17

Section 5.18 Eminent Domain Proceeds. ....	17
Section 5.19 Notification of Material Adverse Effect. ....	18
Section 5.20 Further Representations, Covenants and Warranties of the District. ....	18
Section 5.21 Representations, Covenants and Warranties of the Corporation. ....	18
<b>ARTICLE VI. PREPAYMENT OF INSTALLMENT PAYMENTS</b> .....	19
Section 6.01 Prepayment. ....	19
Section 6.02 Method of Prepayment. ....	19
Section 6.03 Security Deposit. ....	19
<b>ARTICLE VII. EVENTS OF DEFAULT AND REMEDIES</b> .....	20
Section 7.01 Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities. ....	20
Section 7.02 Application of Funds Upon Default. ....	21
Section 7.03 Other Remedies of the Corporation. ....	22
Section 7.04 Non-Waiver. ....	22
Section 7.05 Remedies Not Exclusive. ....	23
Section 7.06 Lender Exercise of Remedies. ....	23
<b>ARTICLE VIII. MISCELLANEOUS</b> .....	23
Section 8.01 Liability of District Limited. ....	23
Section 8.02 Benefits of Installment Purchase Contract Limited to Parties. ....	23
Section 8.03 Successor Is Deemed Included In All References to Predecessor. ....	24
Section 8.04 Waiver of Personal Liability. ....	24
Section 8.05 Article and Section Headings, Gender and References. ....	24
Section 8.06 Partial Invalidity. ....	24
Section 8.07 Assignment. ....	24
Section 8.08 California Law. ....	25
Section 8.09 Notices. ....	25
Section 8.10 Effective Date. ....	26
Section 8.11 Execution in Counterparts. ....	26
Section 8.12 Amendments. ....	26
Section 8.13 Third-Party Beneficiary. ....	26
 <b>EXHIBIT A – DESCRIPTION OF PROJECT</b> .....	 A-1
 <b>EXHIBIT B – INSTALLMENT PAYMENT SCHEDULE</b> .....	 B-1



**INSTALLMENT PURCHASE CONTRACT**

This INSTALLMENT PURCHASE CONTRACT, dated as of March 1, 2020 (the “Installment Purchase Contract”), between the MCKINLEYVILLE COMMUNITY SERVICES DISTRICT, a community services district duly organized and validly existing under the laws of the State of California (the “District”), and the CSDA FINANCE CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”);

**WITNESSETH:**

WHEREAS, the District is authorized by the laws of the State of California to acquire certain property for its wastewater system and to finance and refinance the acquisition and construction of such facilities through the execution of installment purchase contracts; and

WHEREAS, the District proposes to finance the acquisition of certain real property of benefit to the District’s wastewater system, as more particularly described in Exhibit A hereto (the “Project”); and

WHEREAS, the Corporation has been formed for the purpose of, among other things, assisting public agencies such as the District in financing facilities and property useful to them and the Corporation is authorized to assist the District in the financing, construction, acquisition, and improvement of the District’s facilities and property; and

WHEREAS, the Corporation has agreed to assist the District in financing the Project; and

WHEREAS, the District and the Corporation have duly authorized the execution of this Installment Purchase Contract; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Installment Purchase Contract do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Contract;

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

**ARTICLE I.  
DEFINITIONS**

Section 1.01 Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof, and of any amendment hereof, and of any opinion or report or other document

mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“Acquisition,” “Acquire” or “Acquired” means, with respect to the Project, the acquisition or perfection of an ownership or capacity interest in the Project, or the construction, refinancing or ownership of the Project.

“Acquisition Costs” with respect to the Project means the contract price paid or to be paid for the Acquisition of the Project.

“Acquisition Fund” means the fund established and held by the District pursuant to Section 2.05 hereof.

“Act” means the California Community Services District Law (Division 2 of Title 6 of the Government Code of the State of California, commencing with Section 61600).

“Additional Revenues” means, with respect to the issuance of any Parity Obligations, an allowance for Net Revenues (i) arising from any increase in the charges made for service from the Enterprise adopted prior to the incurring of such Parity Obligations and effective within eighteen (18) months following the date of incurring such Parity Obligations, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District, and (ii) arising from any increase in service connections to the Enterprise prior to the incurring of such Parity Obligations, in an amount equal to the total amount by which the Net Revenues would have been increased if such connections had been in existence during the whole of the most recent completed Fiscal Year or during any more recent twelve (12) month period selected by the District, all as shown by the certificate or opinion of an Independent Financial Consultant.

“Alternate Project” means an alternate project designated by the District pursuant to Section 2.01.

“Assignment Agreement” means the Assignment Agreement, dated as of March 1, 2020, between the Corporation and the Lender relating to this Installment Purchase Contract.

“Authorized Officer” means the President of the Board of Directors of the District or the General Manager of the District.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California and New York.

“Closing Date” means March \_\_\_\_, 2020.

“Corporation” means CSDA Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California, and any successor thereto.

“Debt Service” means, for any Fiscal Year, the sum of (1) the Installment Payments (except to the extent that interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged) required to be paid hereunder during such Fiscal Year, (2) the interest falling due during

such Fiscal Year on all Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued), assuming that all outstanding serial Parity Obligations are retired as scheduled and that all outstanding term Parity Obligations are redeemed from sinking fund payments as scheduled (except to the extent that such interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged), (3) the principal amount of all serial Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) falling due by their terms during such Fiscal Year, and (4) the minimum amount of term Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) required to be paid or called and redeemed during such Fiscal Year, together with the redemption premiums, if any, thereon; provided that, whenever interest as described herein accrues at other than a fixed rate, such interest shall be assumed to be a rate equal to the greater of (i) the actual rate on the date of calculation, or if the Parity Obligations are not yet outstanding, the initial rate (if established and binding), (ii) if the Parity Obligations have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Parity Obligations is excludable from gross income under the applicable provisions of the Tax Code, the most recently published The Bond Buyer Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (y) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities, plus fifty (50) basis points.

“Debt Service Fund” means the fund established in Section 3.04 hereof.

“Debt Service Payments” means the payments of Debt Service.

“Default Rate” means \_\_\_% per annum.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the District, the Corporation or the Lender relating to the financing of the Project, including but not limited to filing costs, settlement costs, initial fees and charges of the Corporation or the Lender and their counsel, financing discounts, outside legal fees and charges, financial and other professional consultant fees, and charges and fees in connection with the foregoing.

“District” means the McKinleyville Community Services District, a community services district duly organized and existing under the Constitution and laws of the State of California, and its successors and assigns.

“Due Date” means the date three (3) Business Days prior to an Interest Payment Date.

“Electronic Notice” means notice given through means of telecopy, facsimile transmission, e-mail or other similar electronic means of communication confirmed by writing or written transmission.

“Enterprise” means the entire wastewater collection, treatment and disposal system owned or operated by the District, including but not limited to all facilities, properties and improvements at any time owned or operated by the District for the collection, treatment and disposal of wastewater within the service area of the District, together with any necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the District.

“Event of Default” means an event of default described in Section 7.01.

[“Event of Taxability” means, with respect to this Installment Purchase Contract, (1) the application of the proceeds of this Installment Purchase Contract in such a manner that this Installment Purchase Contract becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, and with the result that the interest component of the Installment Payments is or becomes includable in the Lender’s gross income (as defined in Code Section 61); or (2) if as the result of any act, failure to act or use of the proceeds of this Installment Purchase Contract or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Installment Purchase Contract by the District or the enactment of any federal legislation or the promulgation of any federal rule or regulation after the date of this Agreement, the interest component of Installment Payments is or becomes includable in the Lender’s gross income (as defined in Code Section 61); and (3) the District does not undertake any remedial action afforded to it by the Internal Revenue Service.]

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Fiscal Year” means the twelve-calendar month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his successor for water districts in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

“Governmental Loan” means a loan from the State or the United States of America, acting through any of its agencies, to finance improvements to the Enterprise, and the obligation of the District to make payments to the State or the United States of America under the loan agreement memorializing said loan on a parity basis with the payment of Installment Payments.

“Gross Revenues” means for each Fiscal Year, all gross income and revenue received or receivable by the District from the ownership or operation of the Enterprise, determined in accordance with generally accepted accounting principles, including all rates, fees, and charges (including connection fees and charges) as received by the District for the services of the Enterprise, and all other income and revenue howsoever derived by the District from the ownership or operation of the Enterprise or arising from the Enterprise, including all income from the deposit or investment of any money in the Revenue Fund or the Rate Stabilization Fund of the District or held on the District’s behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction. Gross Revenues shall also include interest with respect to any Parity Obligations reimbursed to or on behalf of the District by the United States of America.

“Independent Certified Public Accountant” means any certified public accountant or firm of certified public accountants duly licensed and entitled to practice, and practicing as such appointed and paid by the District, and each of whom--

1. is in fact independent and not under the domination of the District;
2. does not have a substantial financial interest, direct or indirect, in the operations of the District; and
3. is not connected with the District as a board member, officer or employee of the District, but may be regularly retained to audit the accounting records of and make reports thereon to the District.

“Installment Payments” means the Installment Payments scheduled to be paid by the District under and pursuant to this Installment Purchase Contract for the purposes and as described in Section 3.01 hereof in the amounts on the dates designated in Exhibit B to this Installment Purchase Contract.

“Interest Payment Date” means each March 8 and September 8, commencing September 8, 2020.

“Lender” means initially \_\_\_\_\_, and thereafter any successor or assign.

“Maintenance and Operation Costs” of the Enterprise means the reasonable and necessary costs and expenses paid by the District to maintain and operate the Enterprise, including but not limited to (a) costs of treating or disposing of sewage, (b) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Enterprise in good repair and working order and (c) the reasonable administrative costs of the District attributable to the operation and maintenance of the Enterprise. Maintenance and Operation Costs do not include (i) debt service payable on obligations incurred by the District with respect to the Enterprise, including but not limited to Debt Service Payments and any Parity Obligations, (ii) depreciation, replacement and obsolescence charges or reserves therefor, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Installment Purchase Contract or to meet or perform its obligations under this Installment Purchase Contract on a timely basis, (c) the validity or enforceability of this Agreement, or (d) the exclusion of the interest component of the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Maximum Annual Debt Service” means the largest annual sum of (i) Debt Service Payments during the period from the date of such determination through the later of (a) the final Interest Payment Date hereunder or (b) the maturity date of Parity Obligations reflected by such Debt Service Payments.

“Net Proceeds” means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“Net Revenues” means, for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

“Outstanding” (i) when used as of any particular time with reference to this Installment Purchase Contract, means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI, and (ii) when used as of any particular time with reference to any Parity Obligation, means all debt service payments due and owing on such Parity Obligation except debt service payments paid or deemed to have been paid pursuant to the terms of such Parity Obligation.

“Outstanding Parity Obligations” means the 1982 Sewer Bonds and the SWRCB Installment Sale Agreement.

“Parity Obligations” means all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the District, including the Outstanding Parity Obligations, payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a parity with the payment of the Installment Payments pursuant to Section 4.01 hereof.

“Permitted Investments” means any investment that is a legal investment under the laws of the State for the moneys proposed to be invested therein.

“Project” means the additions, betterments, extensions and improvements to the Enterprise’s wastewater treatment plant described in Exhibit A hereto, including any Alternate Project.

“Rate Stabilization Fund” means any fund established and held by the District as a fund for the stabilization of rates and charges imposed by the District with respect to the Revenue Fund, which fund is established, held and maintained in accordance with Section 3.05(c).

“Revenue Fund” means the fund maintained by the District into which it deposits Gross Revenues.

“State” means the State of California.

“SWRCB Installment Sale Agreement” means the Installment Sale Agreement, dated as of August 27, 2015, between the District and the California State Water Resources Control Board, as amended from time to time.

“Tax Code” means the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Tax Code shall be deemed to be a reference to any successor to any such section.

“1982 Sewer Bonds” means the McKinleyville Community Services District 1982 Sewer Revenue Bonds issued in the original principal amount of \$1,600,000 on August 1, 1982.

**ARTICLE II.**  
**SALE AND PURCHASE OF THE PROJECT**

Section 2.01 Sale and Purchase of the Project.

The Corporation hereby agrees to cause the Project, and any additions or modifications thereto to be constructed, acquired or installed, as applicable, by the District as its agent, and the District shall enter into contracts and provide for, as agent of the Corporation, the complete acquisition and construction of the Project. The District hereby agrees that it will cause the construction, acquisition and installation of the Project to be diligently performed upon satisfactory completion of design work and compliance with the California Environmental Quality Act and approval by the Board of Directors of the District, unforeseeable delays beyond the reasonable control of the District only excepted. It is hereby expressly understood and agreed that the Corporation shall be under no liability of any kind or character whatsoever for the payment of any cost of the Project and that all such costs and expenses shall be paid by the District, regardless of whether the funds deposited in the Acquisition Fund are sufficient to cover all such costs and expenses.

In consideration for the Corporation's assistance in acquiring the Project, the District agrees to sell, and hereby sells, to the Corporation, and the Corporation agrees to purchase, and hereby purchases, from the District, the Project in the manner and in accordance with the provisions of this Installment Purchase Contract. In consideration for the Installment Payments as set forth in Section 3.01, the Corporation agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Corporation, the Project at the purchase price specified below and otherwise in the manner and in accordance with the provisions of this Installment Purchase Contract. All right, title and interest in the Project shall vest in the District immediately upon execution and delivery of this Installment Purchase Contract.

The District hereby covenants to use the proceeds received from the Corporation for the costs and expenses of the Acquisition of the Project. The District may change the specifications of the Project, so long as such change does not substantially alter the nature of the Project; provided, however, that the District and the Lender, as assignee of the Corporation under the Assignment Agreement, in their sole discretion, may jointly designate an Alternate Project. In the event an Alternate Project is designated, the District shall certify in writing to the Lender that Acquisition Costs shall not materially increase as a result from such change. In the event Acquisition Costs shall materially increase as a result of the designation of an Alternate Project, prior to designating such Alternate Project the District shall either deposit in the Acquisition Fund an amount sufficient to pay such increase, or shall certify in writing to the Lender that funds sufficient to pay such increase in Acquisition Costs are otherwise available to the District.

The Corporation, upon the effective date hereof, agrees to cause to be deposited in the Acquisition Fund the aggregate amount of \$\_\_\_\_\_, respecting its purchase of the Project hereunder. In the event the money so deposited as first above provided is insufficient to pay all the costs of the Acquisition of the Project, the Corporation shall have no obligation whatsoever to use or provide any additional funds for the purposes described in this Article II.

All right, title and interest in each component of the Project shall vest in the District immediately upon execution and delivery of this Installment Purchase Contract. Such vesting shall occur without further action by the Corporation or District and the Corporation shall, if requested by

the District, if necessary, to assure such automatic vesting, deliver any and all documents required to assure such vesting.

In the event the Corporation fails to observe or perform any agreement, condition, covenant or term contained herein required to be observed or performed by it, the District may institute such action or proceeding against the Corporation as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Installment Purchase Contract as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Corporation agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Corporation in any action or proceeding if the District shall so request.

#### Section 2.02 Indemnification and Expenses of the Corporation.

The District hereby agrees to indemnify and hold harmless the Corporation and its directors, officers and employees if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and the Assignment Agreement; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Assignment Agreement by the Corporation.

#### Section 2.03 Corporation not Liable.

The Corporation and its directors, officers and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about or relating to the Project, and in no event shall the Corporation be liable for any incidental, indirect, special or consequential damage in connection herewith or arising hereunder.

#### Section 2.04 Disclaimer of the Corporation.

The District acknowledges and agrees that the Corporation makes no representation or warranty, express or implied, as to the Enterprise or the Project, except as expressly set forth in this Installment Purchase Contract. The District acknowledges that all risks relating to the Enterprise or the Project or the transactions contemplated hereby, are to be borne by the District, and the benefits of any and all implied warranties and representations of the Corporation are hereby waived by the District.

#### Section 2.05 Acquisition Fund.

There is hereby established with the District a fund known as the "Acquisition Fund," which the District shall maintain and hold in trust for the benefit of the District. On the Closing Date, \$\_\_\_\_\_ shall be deposited into the Acquisition Fund. The moneys in the Acquisition Fund shall be applied to the payment of the costs of Acquisition of the Project or to reimburse the District for



previous costs expended in the acquisition or construction of the Project, and of expenses incidental thereto.

**ARTICLE III.**  
**INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS**

**Section 3.01 Payment of the Installment Payments.**

The total principal amount of the Installment Payments owed and to be paid by the District to the Lender, as assignee of the Corporation under the Assignment Agreement, for the Project is \$\_\_\_\_\_, plus interest thereon, calculated at the rate of \_\_\_\_\_% per annum. The Installment Payments shall, subject to any rights of prepayment of the District provided in Article VI, be due in installments in the amounts and on the dates described in Exhibit B attached hereto.

Each Installment Payment shall be payable to the Lender in accordance with the terms hereof and at the times required by this Section 3.01 in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this Section 3.01, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with the stated interest thereon at the rate set forth in the preceding paragraph.

The obligation of the District to make the Installment Payments is absolute and unconditional, and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 3.01 when due, whether or not the Enterprise or any part thereof is operating or operable or has been completed, or whether or not the Enterprise is condemned, damaged, destroyed or seized or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

**Section 3.02 Interest Component of the Installment Payments.**

The Installment Payments shall bear interest from the Closing Date until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Installment Payments from the Closing Date and from each Interest Payment Date to, but not including, the next succeeding Interest Payment Date shall be paid on each such succeeding Interest Payment Date and shall be computed on the basis of a year of 360 days and twelve 30-day months. In the event of an Event of Default hereunder, the interest component of the portion of the Installment Payment shall be calculated based on the Default Rate.

**Section 3.03 Establishment of Accounts.**

The funds and accounts and flow of funds set forth in this Article III are hereby established and shall control to the extent inconsistent with any other terms of this Installment Purchase Contract.

Section 3.04 Pledges of Net Revenues and Other Funds; Debt Service Fund.

The District hereby irrevocably pledges all of the Net Revenues to the punctual payment of the Installment Payments and any Parity Obligations, and such Net Revenues, except as otherwise permitted herein, shall not be used for any other purposes while any of the Installment Payments are due hereunder. The pledge of Net Revenues to secure the Installment Payments and any Parity Obligations shall constitute a first lien on the Net Revenues, for the payment of such Installment Payments and such Parity Obligations in accordance with the terms hereof and thereof.

There is hereby established with the District a fund known as the "Debt Service Fund," which the District shall maintain and hold in trust separate and apart from other funds held by it. Within the Debt Service Fund, the District shall establish a Debt Service Account and a Redemption Account. Installment Payments made by the District shall be deposited in the Debt Service Account. Such payments shall be net of amounts already on deposit therein that are in excess of the amount required to accumulate therein pursuant to Section 3.01 above. The District shall transfer the money contained in the Debt Service Account and the Redemption Account at the following respective times in the following respective accounts in the following order of priority in the manner hereinafter provided, each of which accounts the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(i) Debt Service Account. All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying Installment Payments and principal of and interest on any Parity Obligations on each Interest Payment Date. The District shall be entitled to receive as a credit against Installment Payments an amount equal to the amount of any balance contained in the Debt Service Account prior to the Due Date for such Installment Payments (excluding money designated or necessary for the payment of Parity Obligations).

(ii) Redemption Account. The District, on any optional prepayment date, shall deposit in the Redemption Account moneys to accomplish any such optional prepayment. All money in the Redemption Account shall be used and withdrawn by the District solely for the purpose of paying the Installment Payment to be optionally prepaid on their respective prepayment dates.

Section 3.05 Receipt and Deposit of Gross Revenues; Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust hereunder for the benefit of the Lender, as assignee of the Corporation under the Assignment Agreement, and for the benefit of the holders of any Parity Obligations. All Gross Revenues will be deposited by the District in the Revenue Fund (which the District hereby covenants and agrees to maintain so long as any Installment Payments are due hereunder) and will be accounted for through and held in trust in the Revenue Fund; provided, that the District may withdraw such amounts in the Revenue Fund as may be necessary to make refunds for amounts paid in advance for services provided by the Enterprise, which such service was not thereafter made available or provided. All Gross Revenues held by the District shall be disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article III set forth, and shall

be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

All Gross Revenues in the Revenue Fund shall be set aside by the District or deposited by the District as follows and in the following order of priority:

(a) Maintenance and Operation Costs of the Enterprise. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Enterprise (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs of the Enterprise, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable.

(b) Debt Service Funds. Installment Payments payable pursuant to Section 3.01 above, and all other payments relating to principal and interest on or with respect to Parity Obligations, shall be paid in accordance with the terms hereof and of such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(c) General Expenditures. All Gross Revenues not required to be withdrawn pursuant to the provisions of (a) and (b) above shall be used for expenditure for any lawful purpose of the District, including payment of any rebate requirement or of any obligation subordinate to the payment of all amounts due hereunder or under Parity Obligations. The District may maintain and hold a separate fund to be known as the "Rate Stabilization Fund." From time to time the District may deposit in the Rate Stabilization Fund, from remaining Net Revenues described in this Section 3.05(c) or other available funds of the District, such amounts as the District shall determine. The District may withdraw amounts from the Rate Stabilization Fund (i) for transfer to the Revenue Fund for inclusion in Gross Revenues for any Fiscal Year, or (ii) for any other lawful use of the District. Amounts so transferred from the Rate Stabilization Fund to the Revenue Fund in any Fiscal Year constitutes Gross Revenues for that Fiscal Year and will be applied for the purposes of the Revenue Fund. All interest or other earnings upon deposit in the Rate Stabilization Fund shall be withdrawn therefrom and accounted for as Gross Revenues. Amounts on deposit in the Rate Stabilization Fund are not pledged to and do not secure the Installment Payments or any Parity Obligations.

### Section 3.06 Investment of Funds.

Amounts on deposit in any fund or account created pursuant to this Installment Purchase Contract shall be invested in Permitted Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. Interest or profit received on such investments shall be deposited to the Debt Service Fund in which such investments are then held. In computing the amount in any fund or account, Permitted Investments shall be valued at market value, exclusive of accrued interest.

If at any time after investment therein a Qualified Investment ceases to meet the criteria set forth in the definition of Permitted Investments and such obligation, aggregated with other non-conforming investments, exceeds five percent (5%) of invested funds, such Qualified Investment shall be sold or liquidated.

**ARTICLE IV.**  
**PARITY OBLIGATIONS**

Section 4.01 Parity Obligations.

(a) So long as any Installment Payments are due hereunder, the District shall not issue or incur any obligations payable from Net Revenues or the Revenue Fund senior or superior to the Installment Payments.

(b) The District may at any time issue Parity Obligations payable from Net Revenues on a parity with the Installment Payments and the Outstanding Parity Obligations to provide financing for the Enterprise in such principal amount as shall be determined by the District. The District may issue or incur any such Parity Obligations subject to the following specific conditions which are hereby made conditions precedent to the issuance and delivery of such Parity Obligations:

(1) No Event of Default shall have occurred and be continuing;

(2) The Net Revenues, calculated in accordance with Generally Accepted Accounting Principles, either (i) as shown by the books of the District for the latest Fiscal Year, as verified by a certificate of the District, or (ii) as shown by the books of the District for any more recent twelve (12) month period selected by the District, as verified by a certificate or opinion of an Independent Certified Public Accountant employed by the District, plus in either case (at the option of the District) the Additional Revenues, shall be at least equal to one hundred and twenty percent (120%) of the amount of Maximum Annual Debt Service.

Notwithstanding the above, the District may incur debt payable from Net Revenues (i) to cause a defeasance of the Installment Payments pursuant to Article VI hereof or a defeasance of any outstanding Parity Obligations, or (ii) which is payable on a basis which is subordinate to the payment of the Installment Payments.

The District may at any time execute contracts or issue bonds or other indebtedness payable from Net Revenues or the Revenue Fund payable on a subordinated basis to the payment of the Installment Payments.

**ARTICLE V.**  
**REPRESENTATIONS, COVENANTS AND WARRANTIES**

Section 5.01 Compliance with Installment Purchase Contract.

The District will not suffer or permit any material default by it to occur under this Installment Purchase Contract, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

Section 5.02 Observance of Laws and Regulations; [Internal Revenue Code].

(a) The District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any

law of the United States of America or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

(b) [The District has complied with the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Installment Payments, and the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax of the interest on the Installment Payments.]

#### Section 5.03 Prosecution and Defense of Suits.

The District will promptly, upon request of the Corporation or the Lender, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Project or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Corporation and the Lender harmless from all cost, damage, expense or loss, including reasonable attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

#### Section 5.04 Accounting Records and Statements.

The District will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the District relating to the receipt, deposit and disbursement of the Gross Revenues, Net Revenues and Installment Payments, and such accounting records shall be available for inspection by the Lender or its agent duly authorized in writing on any Business Day upon reasonable notice at reasonable hours and under reasonable conditions prescribed by the District.

#### Section 5.05 Further Assurances.

Whenever and so often as requested to do so by the Lender, the District will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Lender all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Installment Purchase Contract.

#### Section 5.06 Against Encumbrances.

The District hereby represents that there is no pledge of or lien on Net Revenues senior to the pledge and lien securing the Installment Payments. The District will not make any pledge of or place any lien on the Net Revenues, provided that the District may at any time, or from time to time, pledge or encumber the Net Revenues in connection with the issuance or execution of Parity Obligations in accordance with Section 4.01 or other obligations permitted hereby, or subordinate to the pledge of Net Revenues herein.

Section 5.07 Against Sale or Other Disposition of Property.

The District will not sell, lease, encumber or otherwise dispose of the Enterprise or any part thereof in excess of one-half of one percent of the book value of the Enterprise in any Fiscal Year, unless a Finance Officer certifies that such sale, lease, encumbrance or disposition will not materially adversely affect the operation of the Enterprise or the Net Revenues; provided however, any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Enterprise, or any material or equipment which has become worn out, may be sold or exchanged at not less than the fair market value thereof and the proceeds (if any) of such sale or exchange shall be deposited in the Revenue Fund.

The District will not enter into any agreement or lease which would impair the ability of the District to meet the covenant set forth in Section 5.16 hereof or which would otherwise impair the rights of the Lender or the operation of the Enterprise.

Section 5.08 Against Competitive Facilities.

To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any wastewater collection and disposal system competitive with the Enterprise.

Section 5.09 [Tax Covenants.

The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest with respect to the Installment Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Installment Purchase Contract that may cause the Installment Purchase Contract to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Installment Purchase Contract will not be used as to cause the proceeds of the Installment Purchase Contract to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Purchase Contract to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

In furtherance of the covenants stated in this Section, the District shall comply with the requirements of the Tax Certificate executed in connection with this Installment Purchase Contract.]

Section 5.10 Maintenance and Operation of the Enterprise; Budgets.

The District will maintain and preserve the Enterprise in good repair and working order at all times and will operate the Enterprise in an efficient and economical manner. The District will pay all Maintenance and Operation Costs of the Enterprise as they become due and payable.

Section 5.11 Payment of Claims.

The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Net Revenues or any part thereof or on any funds in the control of the District prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Purchase Contract; provided the District shall not be obligated to make such payment so long as the District contests such payment in good faith.

Section 5.12 Compliance with Contracts.

The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, expressed or implied, required to be performed by it contained in all contracts for the use of the Enterprise and all other contracts affecting or involving the Enterprise to the extent that the District is a party thereto.

Section 5.13 Insurance.

(a) The District will procure and maintain insurance on the Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises and consistent with the District's current coverage.

In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Enterprise shall be free and clear of all liens and claims, unless the District determines that such reconstruction, repair, or replacement is not necessary to the efficient or proper operation or use of the Enterprise and therefore determines not to reconstruct, repair, or replace such damaged or destroyed portion of the Enterprise. If such Net Proceeds exceed the costs of such reconstruction, repair, or replacement, then the excess Net Proceeds shall be deposited in such funds and accounts of the District as is permitted by law.

The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of the Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act

hereafter enacted as an amendment or supplement or in lieu thereof, such insurance to cover all persons employed in connection with the Enterprise.

In lieu of obtaining insurance coverage as required by this Section, such coverage may be maintained by the District in the form of self-insurance so long as the District certifies that (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before December 1 of each year in which self-insurance is maintained, in writing that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an independent trustee. The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

#### Section 5.14 Books and Accounts; Financial Statements.

The District shall keep proper books of record and accounts of the Enterprise and the Debt Service Fund all separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Enterprise and relating to the funds created by this Installment Purchase Contract. Said books shall, upon prior request, be subject to the inspection by the Lender, or its representatives authorized in writing, upon not less than five (5) Business Days' prior notice to the District.

The District shall cause the books and accounts of the Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than two hundred and seventy (270) days after the close of each Fiscal Year. The District shall send a copy of such report and all related financial statements and notes to the Lender not more than two hundred and seventy (270) days after the close of each Fiscal Year. No later than one month after its adoption, the District shall also send to the Lender a copy of the annual budget of the Enterprise and any amendment or supplement thereto and any other financial information reasonably requested by the Lender.

Not more than two hundred and seventy (270) days after the close of each Fiscal Year, the District shall file with the Lender a certificate of the District stating that the District is not aware of any default or Event of Default hereunder and stating that it is in compliance with the covenants set forth in Section 5.16 relating to the rates and charges for the Enterprise for each Fiscal Year.

#### Section 5.15 Payment of Taxes and Compliance with Governmental Regulations.

The District will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon the Enterprise or any part thereof or upon the Net Revenues when the same shall become due and the District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Enterprise or any part thereof. However, the District shall not be required to make such payments, or to comply with any regulations or requirements, so long as the payment or validity or application thereof shall be contested in good faith.



Section 5.16 Amount of Rates and Charges.

(a) To the fullest extent permitted by law, so long as any Installment Payments remain outstanding, the District will fix and prescribe rates and charges for the Enterprise which are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues which are at least equal to 120% of the aggregate amount of the Installment Payments, and principal of and interest on any Parity Obligations issued or incurred after the date hereof payable from Net Revenues coming due and payable during such Fiscal Year. The District may make adjustments from time to time in such rates and charges and may make such classifications thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this subsection. For purposes of this calculation, amounts held by the District in the Rate Stabilization Fund as of the beginning of any Fiscal Year may, at the election of the District, be treated as Net Revenues which are received during such Fiscal Year, in an amount not exceeding 25% of the amount of principal of and interest on all outstanding Installment Payments, and principal of and interest on any Parity Obligations issued or incurred after the date hereof payable from Net Revenues coming due and payable during such Fiscal Year.

(b) So long as the District has complied with its obligations set forth in subsections 5.16(a) above, the failure of Net Revenues to meet the thresholds set forth in subsections 5.16(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with subsections 5.16(a) above at the commencement of the succeeding Fiscal Year.

Section 5.17 Collection of Rates and Charges.

The District will have in effect at all times rules and regulations requiring all users of the Enterprise to pay the assessments, rates, fees and charges applicable to the Enterprise provided or made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 5.18 Eminent Domain Proceeds.

If all or any part of the Enterprise shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District certifies (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Enterprise proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such certification and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not

required by the District for such purpose shall be deposited in such funds and accounts of the District as is permitted by law.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

Section 5.19 Notification of Material Adverse Effect.

The District shall timely inform the Lender of any Material Adverse Effect upon learning of the existence of such an effect.

Section 5.20 Further Representations, Covenants and Warranties of the District.

The District represents, covenants and warrants as follows:

(a) The District is a duly organized and validly existing community services district of the State of California.

(b) The Constitution and the laws of the State of California authorize the District to enter into the Installment Purchase Contract and to enter into the transactions contemplated thereby and to carry out its obligations under each of the aforesaid agreements, and the District has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.

(c) The District has duly authorized and executed this Installment Purchase Contract in accordance with the laws of the State of California.

(d) The District is empowered to set rates and charges for services provided by the Enterprise provided to the users of the Enterprise without review or approval by any state or local governmental agency.

(e) This Installment Purchase Contract and the pledge of Net Revenues is a first lien and pledge on Net Revenues.

Section 5.21 Representations, Covenants and Warranties of the Corporation.

The Corporation represents, covenants and warrants to the District as follows:

(a) The Corporation is duly organized and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Contract and to carry out and consummate all transactions contemplated by this Installment Purchase Contract and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Contract.

(b) The execution and delivery of this Installment Purchase Contract and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other

instrument to which the Corporation is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation.

**ARTICLE VI.**  
**PREPAYMENT OF INSTALLMENT PAYMENTS**

**Section 6.01** Prepayment.

(a) The District may prepay the unpaid principal balance of the Installment Payments in whole or in part, on any date on or after \_\_\_\_\_, 20\_\_, by paying a prepayment price equal to 100% of the principal amount of the Installment Payments to be prepaid, plus accrued interest to the date of prepayment.

(b) The District may or shall, as the case may be, prepay on any date from the Net Proceeds of insurance or condemnation awards, as provided herein, all or any part, in integral multiples of \$5,000, of the principal amount of the unpaid Installment Payments, pro-rata among the remaining Installments Payments, at a prepayment price equal to the sum of the principal amount prepaid plus accrued and unpaid interest thereon to the date of prepayment, without premium.

In the event that a portion of the Installment Payments shall have been prepaid by the District pursuant to subsections (a) or (b) above, the total amount of all future payments set forth in the schedules attached hereto as Exhibit B shall be reduced by the aggregate amount of Installment Payments so prepaid, as the case may be, as agreed to by the Lender. The District shall file a revised schedule of Installment Payments with the Lender.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article III hereof, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Lender, shall have been fully paid and the Installment Payments are no longer due hereunder (or provision for payment thereof shall have been made pursuant to Section 6.03 hereof).

**Section 6.02** Method of Prepayment.

Before making any prepayment pursuant to Section 6.01(a) or Section 6.01(b), the District shall, give written notice to the Lender specifying the date on which the prepayment will be made, which date shall be not less than thirty (30) days from the date such notice is given.

**Section 6.03** Security Deposit.

Notwithstanding any other provision of this Installment Purchase Contract, the District may secure the payment of (i) all or a portion of the Installment Payments by a deposit with the Lender or, at the Lender's sole option, a bank or trust company acceptable to the Lender, as escrow holder under an escrow deposit and trust agreement, of either (i) cash in an amount which is sufficient to pay such unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit B attached hereto, or (ii) non-callable

Federal Securities or pre-refunded non-callable municipal obligations rated “AA” and “Aa” by S&P and Moody’s, respectively, together with cash if required, in such amount as will, without re-investment, in the opinion of an independent certified public accountant (which opinion shall be addressed to the Lender), together with interest to accrue thereon, be fully sufficient to pay such unpaid Installment Payments on their payment dates so that such Installment Payments shall be defeased; provided, that prior to any such deposit or defeasance, the District must provide an opinion of nationally recognized bond counsel addressed to the Lender to the effect that such deposit and defeasance will not cause the interest component of the Installment Payments to be included in gross income for federal income tax purposes. In the event of any shortfall, the District shall deposit from legally available funds such amounts as is necessary to make up such shortfall. In all cases, deposits of cash or Federal Securities made to secure the Installment Payments pursuant to this paragraph shall be kept in segregated escrow accounts or escrow subaccounts and such deposits shall not be commingled for any reason.

In the event of deposits pursuant to this Section 6.03 sufficient to fully defease all of the Installment Payments, and provided that all other amounts payable by the District hereunder have been paid in full, all obligations of the District under this Installment Purchase Contract shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from the deposits made by District pursuant to this Section 6.03 and the obligation to pay amounts due the Lender, as assignee of the Corporation. Said deposits shall be deemed to be and each of the deposits shall constitute a separate special fund that may be used solely for the payment of the Installment Payments in accordance with the provisions of this Installment Purchase Contract, and pending such application shall be held in trust and pledged to and for the sole benefit of the Lender and any assignee or transferee of the Lender. The District hereby grants to the Lender, as assignee of the Corporation, a first priority security interest in any amounts so deposited.

## **ARTICLE VII.**

### **EVENTS OF DEFAULT AND REMEDIES**

#### Section 7.01 Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities.

If one or more of the following Events of Default shall happen:

(a) default shall be made in the due and punctual payment by the District of any Installment Payment when and as the same shall become due and payable, and such default shall continue for a period of five (5) Business Days after the District shall have been given notice in writing of such default by the Lender;

(b) default shall be made by the District in the performance of any of the agreements or covenants contained herein required to be performed by it, and such default shall have continued for a period of sixty (60) days after the District shall have been given notice in writing of such default by the Lender;

(c) any financial statement or certificate furnished to the Corporation or the Lender in connection with the execution of this Installment Purchase Contract, or any representation or warranty made by the District shall prove to be incorrect, false or misleading in any material respect when furnished or made;

(d) the District shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(e) [an Event of Taxability has occurred]; or

(f) an event of default shall have occurred with respect to any Parity Obligations;

then and in each and every such case during the continuance of such Event of Default the Corporation or the Lender as its assignee may, by notice in writing to the District declare all of the principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

This provision, however, is subject to the condition that, except with respect to an Event of Default under subsection (d) above, if at any time after such principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared immediately due and payable and before the acceleration date or the date of any judgment or decree for the payment of the money due shall have been obtained or entered:

(1) the District shall deposit with the Lender a sum sufficient to pay (x) all delinquent Installment Payments then-due and owing and causing an Event of Default under subsection (a) above and the accrued interest thereon, with any interest due on such overdue installments, and (y) the reasonable expenses of the Lender incurred as the result of such Event of Default, and

(2) any and all other defaults known to the Lender (other than in the payment of such overdue principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Lender or provision deemed by the Lender to be adequate shall have been made therefor, then and in every such case the Lender, by written notice to the District, may rescind and annul such declaration of immediate payment of all of the principal amount of the unpaid Installment Payments and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

#### Section 7.02 Application of Funds Upon Default.

All moneys and investments in the funds and accounts held hereunder (other than the Rebate Fund, if any) upon the date of the declaration of an Event of Default as provided in Section 7.01 and all Gross Revenues thereafter received shall be applied as follows:

(a) Unless the principal of all Installment Payments shall have become or shall have been declared due and payable:

First: To the payment to the persons entitled thereto of the interest portion of all Installment Payments, with interest on overdue installments, if lawful, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If all of the Installment Payments shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Installment Payments, with interest on overdue interest and principal, as aforesaid, without preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

#### Section 7.03 Other Remedies of the Corporation.

The Corporation or the Lender, as assignee thereof, as applicable, may--

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the District, or any board member, officer or employee thereof, and compel the District or any such board member, officer or employee to perform and carry out its or his duties under applicable law and the agreements and covenants contained herein required to be performed by it or him;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Lender;

(c) by suit in equity upon the happening of an Event of Default require the District and its board members, officers and employees to account as the trustee of an express trust; or

(d) by suit in equity, to seek the appointment of a receiver or other third party to operate the Enterprise and collect the Gross Revenues.

#### Section 7.04 Non-Waiver.

Nothing in this Article VII or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Lender at the respective due dates or upon prepayment from the Gross Revenues, or, except as expressly provided herein, shall affect or impair the right of the Corporation or the Lender, as assignee of the Corporation, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Lender by applicable law or by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely, the parties shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05 Remedies Not Exclusive.

No remedy herein conferred upon or reserved is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law.

Section 7.06 Lender Exercise of Remedies.

The rights and remedies provided to the Corporation under this Article VII have been assigned by the Corporation to the Lender pursuant to the Assignment Agreement and shall be exercised by solely by the Lender in its discretion.

**ARTICLE VIII.**  
**MISCELLANEOUS**

Section 8.01 Liability of District Limited.

Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues in the Revenue Fund for the payment of the Installment Payments or for the performance of any agreements or covenants contained herein required to be performed by it. The District may, however, but shall not be required to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Installment Payments and the other amounts due hereunder is a special obligation of the District payable solely from Net Revenues and does not constitute a debt or pledge of the faith and credit of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02 Benefits of Installment Purchase Contract Limited to Parties.

Except as provided in Section 8.03, nothing contained herein, express or implied, is intended to give to any person other than the District or the Lender any right, remedy or claim under or

pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Lender shall be for the sole and exclusive benefit of the other party.

Section 8.03 Successor Is Deemed Included In All References to Predecessor.

Whenever the District or the Corporation is named or referred to herein, such reference shall be deemed to include the successor and assigns to the powers, duties and functions that are presently vested in the District or the Lender, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 8.04 Waiver of Personal Liability.

No board member, officer or employee of the District or the Corporation shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any board member, officer or employee of the District or the Corporation from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05 Article and Section Headings, Gender and References.

The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Installment Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.

Section 8.06 Partial Invalidity.

If any one or more of the agreements or covenants or portions thereof contained herein required to be performed by or on the part of the District or the Corporation shall be contrary to the law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Installment Purchase Contract, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07 Assignment.

(a) The District hereby consents to the Corporation's assignment of this Installment Purchase Contract to the Lender pursuant to the Assignment Agreement.

(b) The Lender has the right at any time to assign, transfer, or convey this Installment Purchase Contract or any interest therein or portion thereof, but no such assignment,



transfer or conveyance shall be effective as against the District unless and until the Lender has delivered to the District written notice thereof that discloses the name and address of the assignee or the Loan Servicer (as hereafter provided and defined) and such assignment, transfer or conveyance shall be made only to (i) an affiliate of the Lender or (ii) banks, insurance companies or other financial institutions or their affiliates. Nothing herein limits the right of the Lender or its assignees to sell or assign participation interests in this Installment Purchase Contract to one or more entities listed in (i) or (ii), provided that any participation, custodial or similar agreement under which multiple ownership interests in this Installment Purchase Contract are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees (herein referred to as the "Loan Servicer") to act on their behalf with respect to the rights and interests of the Lender under this Installment Purchase Contract, including with respect to the exercise of rights and remedies of the Lender on behalf of such owners upon the occurrence of an event of default under this Installment Purchase Contract.

Section 8.08 California Law.

This Installment Purchase Contract shall be construed and governed in accordance with the laws of the State of California.

Section 8.09 Notices.

All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time namely:

If to the District: McKinleyville Community Services District  
1656 Sutter Road  
McKinleyville, CA 95519  
Attention: General Manager

If to the Corporation: CSDA Finance Corporation  
1112 I Street, Suite 200  
Sacramento, CA 95814  
Attention: Administrator

If to the Lender: [ ]  
Attention: \_\_\_\_\_

The parties hereto may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Unless otherwise requested by the parties, any notice required to be given hereunder in writing may be given by any form of Electronic Notice capable of making a written record.

Section 8.10 Effective Date.

This Installment Purchase Contract shall become effective upon its execution and delivery, and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Lender pursuant to Article VI hereof).

Section 8.11 Execution in Counterparts.

This Installment Purchase Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 8.12 Amendments.

This Installment Purchase Contract may be amended in writing as may be mutually agreed by the District and the Lender. Any amendment made in violation of this Section 8.12 shall be a nullity and void.

Section 8.13 Third-Party Beneficiary.

The Lender shall be a third-party beneficiary of this Installment Purchase Contract.

IN WITNESS WHEREOF, the parties hereto have executed and attested the Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

**MCKINLEYVILLE COMMUNITY SERVICES  
DISTRICT**

By: \_\_\_\_\_  
General Manager

**CSDA FINANCE CORPORATION**

By: \_\_\_\_\_  
Authorized Representative

## **EXHIBIT A**

### **DESCRIPTION OF THE PROJECT**

The Project consists of the following:

**EXHIBIT B**

**INSTALLMENT PAYMENT SCHEDULE**

- 1. The principal amount of Installment Payments to be made by the District hereunder is \$\_\_\_\_\_.
  
- 2. The Installment Payments of principal and interest are payable in the amounts and on the Installment Payment Dates as follows:

<i>Installment Payment Date</i>	<i>Amount Attributable to Principal</i>	<i>Amount Attributable to Interest</i>	<i>Total</i>
<i>Third Business Day Prior To:</i>			

TOTAL	\$	\$	\$
-------	----	----	----

## MEMORANDUM

TO: BOARD OF DIRECTORS, MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

FROM: KUTAK ROCK LLP

DATE: FEBRUARY 25, 2020

RE: CONSIDERATIONS CONCERNING TAX-EXEMPT FINANCING OF ACQUISITION OF REAL PROPERTY

---

We understand that the McKinleyville Community Services District (the “District”) is considering the acquisition of real property that will be used as part of the District’s wastewater system (the “Land”). The District’s staff has asked us to explain whether such acquisition may be financed on a tax-exempt basis.

### **Facts Concerning Land Acquisition**

The District intends to finance the acquisition of the Land through the execution and delivery of an Installment Purchase Contract (the “Contract”) with the CSDA Finance Corporation (the “Corporation”). Pursuant to the Contract, the Corporation will receive funds from a lender to pay the acquisition price of the Land. The Corporation will then sell the Land in installments to the District. The installment payments made by the District to the Corporation (the “Installment Payments”) will be assigned to the lender to repay the lender. Each Installment Payment will consist of a principal payment and an interest payment.

We understand that the District intends to lease the Land to a private third party (the “Third Party”). The Third Party is to use the Land for the growing of fodder crop for bailing or to process as silage. The Third Party will make lease payments to the District in respect of its lease of the Land. The District also receives fees from wastewater customers. Such fees indirectly take into account the District’s cost of acquiring the Land. The District has indicated that it will rely on the lease payments from the Third Party and the fees from wastewater customers to make all of the Installment Payments. In the event the District defaults under the Contract, neither the Corporation nor the lender will have a right to take ownership of the Land or sell the Land, and the Land is not otherwise intended to constitute security for the obligations of the District under the Contract.

### **Relevant Law**

Financing to the District may be available on a tax-exempt basis if the District’s obligations under the Contract to make Installment Payments (the “District Obligations”) are not considered “private activity bonds” under federal law. With the term “private activity bonds,” Congress refers to bonds, including the District Obligations, that benefit private users to such a degree that tax-exemption generally is thought not to be appropriate, except in very limited circumstances that are not relevant to the District. Bonds risk becoming private activity bonds if the bonds meet both (a) the “private business use test” and (b) the “private security or payment test.” Both (a) and (b)

must be present before bonds may become taxable because of the private activity bond rule. Private business use without private security or payment is not fatal to the tax-exempt status of bonds.<sup>1</sup>

## 1. Private Business Use Test

Bonds will meet the private business use test if more than ten percent of the proceeds of the bonds are actually used (or are expected to be used) for any private business use. The ten percent threshold is reduced to five percent for any use that is not related to governmental use financed by the bonds. Use of proceeds of the bonds includes use of the property financed by the bonds. “Private business use” means use (directly or indirectly) in a trade or business carried on by any person (a “nongovernmental person”) other than a governmental entity. In most cases, the private business use test is met only if a nongovernmental person has special legal entitlements to use the bond-financed property. For example, a nongovernmental person can be treated as a private business user of bond-financed property as a result of owning such property or using the property pursuant to a lease or a management or service contract.

There are several exceptions to private business use. One relevant exception provides that use pursuant to a management or service contract is not private business use as long as the terms of the contract comply with the safe harbor described in Rev. Proc. 2017-13. A copy of such revenue procedure is enclosed with this memorandum. Another relevant exception (the “Short-Term Use Exception”) provides that certain short-term uses (including uses pursuant to leases) are not private business use as long as the term of use (including all renewal options) is not greater than 50 days, the arrangement is negotiated at arm’s-length with compensation at fair market value and the property is not financed for a principal purpose of providing the property to the particular private user.

## 2 Private Security or Payment Test

The private security or payment test is met if the payment of debt service on more than ten percent of the bonds is directly or indirectly (a) secured by (i) any interest in property used or to be used for a private business use or (ii) payments in respect of such property, or (b) to be derived from payments in respect of property or borrowed money used or to be used for a private business use. (As with the private business use test, the limit is reduced to five percent for any private security or payment in connection with a use that is not related to the governmental use financed by the bonds.) The private security or payment test is thus comprised of two parts: (a) the security portion of the test, which takes into account the direct or indirect security for the bonds; and (b) the payment portion of the test, which takes into account the direct or indirect source of payment for the bonds. There are several special rules relating to the private security and payment test. For example, a payment is not counted as a private payment to the extent that it is allocated to payment of ordinary and necessary expenses of the bond-financed property that gives rise to the payment.

---

<sup>1</sup> Bonds may also become taxable private activity bonds if the bonds violate the private loan financing test. The private loan financing test prohibits the use of more than the lesser of five percent of the proceeds or \$5,000,000 to make or finance loans to persons other than governmental units. The private loan financing test does not currently appear relevant to the District Obligations and, for that reason, is not further addressed in this memorandum.

In other words, a payment is a private payment only after ordinary and necessary expenses of the property are paid from the payment.

### **Application of Relevant Law to Transaction**

The lease of the Land to the Private Party constitutes private business use of 100 percent of the proceeds of the District Obligations. For this reason, the “private business use test” described above is met. The “private security or payment test” described above is also met assuming the present value of all lease payments made by the Private Party together with the present value of all fees from wastewater customers available to make Installment Payments exceeds, roughly, ten percent of the cost of the Land financed pursuant to the Contract. For this reason, the transaction as contemplated will cause the District Obligations to be “private activity bonds” and, as such, the District Obligations will not be eligible for tax-exempt financing.

To achieve a tax-exempt financing, the District would need to restructure the transaction to avoid meeting the “private business use test” or the “private security or payment test.” An option for avoiding the private business use test is to change the relationship between the District and the Third Party from one that contemplates a lease of the Land to one that contemplates the management of the Land. Instead of the Third Party leasing the Land and being able to profit from the growing and harvesting of crops, the Third Party would be engaged by the District merely to maintain the Land on behalf of the District. To comply with the safe harbor requirements set forth in Rev. Proc. 2017-13, the Third Party would be paid a specified fee and would not be allowed a share of any net profits from the sale of crops. The District would bear all burdens of expenses for maintaining the Land in addition to payment of compensation to the Third Party. Revenues achieved by the Third Party from the sale of crops would pass directly to the District. The District and the Third Party would need to negotiate a new agreement to memorialize the terms of the management arrangement and likely engage legal counsel to assist with drafting the new agreement. The District’s form of Lease Agreement previously shared with us would not be sufficient as currently drafted because the form is phrased in terms of a lease and not a management or service agreement. If the District is interested in pursuing a management agreement, we would look forward to reviewing the management agreement for compliance with the requirements of the safe harbor set forth in Rev. Proc. 2017-13.

Another option for avoiding the private business use test is to conclude that the lease to the Third Party will satisfy the Short-Term Use Exception described above. This option would require revisions to the form of lease to provide that the term of the lease may never exceed 50 days (*i.e.*, a longer term lease arrangement would not be permitted) and that the lease may be renewed only if the District consents (*i.e.*, the Third Party may not be given the sole option of renewal). The District would need to certify to bond counsel and the lender, based on the District’s diligence, that the amount of the lease payment is a fair market lease payment and that the provision of the Land to the Third Party is not “a principal purpose” of the District’s acquisition of the Land. Unfortunately, the tax code and related Treasury Regulations do not provide a better explanation of what is meant by the phrase “a principal purpose” and do not provide any further clarity on how the District is to make a conclusion as to the fair market value of the lease payment. The Internal Revenue Service may disagree as to these determinations and could treat such short-term use as private business use notwithstanding the District’s belief that the use satisfies the Short-Term Use Exception.



There is no clear option for avoiding the private security or payment test if the District is not able to avoid the private business use test as described above. While private payment can be avoided by reducing or eliminating the lease payment due from the Third Party under a lease of the Land, fees received by the District from its wastewater customers may still constitute private payments. Unfortunately, as with the Short-Term Use Exception, the tax code and related Treasury Regulations do not provide a sufficient level of certainty to conclude that such fees are not private payments relating to the use of the Land.

## **Conclusion**

To provide for tax-exempt financing, the District Obligations may not be “private activity bonds.” The District Obligations will be private activity bonds if both the “private business use” test and the “private security or payment” test are met. As the transaction is currently proposed, both tests are met (*i.e.*, the District Obligations would be taxable) because a lease of the Land to the Third Party constitutes private business use and the lease payments together with fees from wastewater customers constitute private security or payment. By modifying the relationship between the District and the Third Party from one that involves a lease to one that involves a mere management arrangement, the District would be able to avoid private business use and achieve a tax-exempt financing. Applicable federal law does not provide clear support to conclude that the Short-Term Use Exception may be applied to avoid private business use, and federal law does not provide a clear path towards avoiding private security or payments. If the District determines to maintain its current proposed transaction structure and lease arrangement with the Third Party, the District should still be able to complete the transaction on a taxable basis. Please discuss economic benefits and disadvantages of a taxable and tax-exempt financing with the District’s financial advisors. This memorandum does not constitute a legal opinion of Kutak Rock LLP and may not be relied on as such. The final terms of the transaction will determine whether the transaction may be completed as a tax-exempt financing.

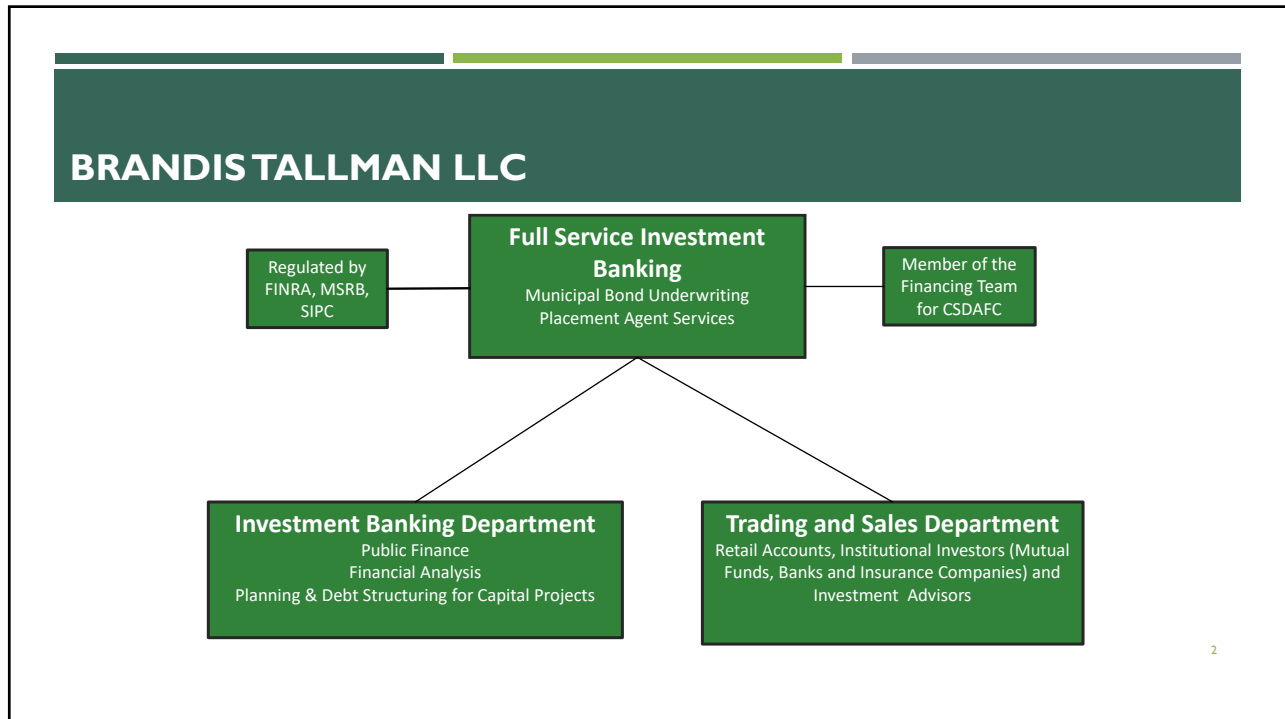
M.M.E.

**BRANDIS TALLMAN LLC**  
INVESTMENT BANKING FOR CALIFORNIA COMMUNITIES

**KUTAKROCK**  
ATTORNEYS AT LAW

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT**  
2020 INSTALLMENT PURCHASE CONTRACT  
District Board Meeting – March 4, 2020

1



2

## KUTAK ROCK LLP

- More than 525 lawyers with locations in 18 different cities (Two in California, Irvine and Los Angeles)
- Extensive experience advising California public agencies on public finance matters
- Involved with special districts via California Special Districts Association as Bond Counsel to CSDA Finance Corporation
- Bond Counsel to the following districts: Desert Recreation District, Groveland Community Services District, Cayucos Sanitary District, Orangevale Recreation and Park District, Richgrove Community Services District, Scotia Community Services District, Ventura Port District, Joshua Basin Water District, Lassen Municipal Utility District and many others

3

3

## PRIVATE PLACEMENT METHOD OF SALE

### Components

- *Interest Rate* – Lender's provide interest rates based on a variety of credit factors and typically follow Treasury yields.
- *Length of Term* – Typically range from 3 to 20 years
  - District staff selected 15-year term
- *Rate Lock* – Lender's often offer a 30- to 60-day rate lock, mitigating market risk during the transaction process.
- *Prepayment Provisions* – Lender's offer a variety of prepayment options depending on the term of the financing.
  - More favorable prepayment terms may have a higher interest rate.
- *Lender RFP Recap* – Brandis Tallman distributed a Lender Request for Proposal ("RFP") to 26 lenders and received 9 proposals. The top 3 proposals will be discussed on a future slide.

4

4

## TAXABLE VS TAX-EXEMPT FINANCING

### ■ Taxable Financing

- Higher Interest Rate
- No restrictions on use of property
- No concerns about “private business use test” or the “private security or payment test.”
- Lease Agreement – District can lease property and party can profit from selling the fodder crop

### ■ Tax-Exempt Financing

- Lower Interest Rate
- Restricts use of property
- Management Fee/Agreement – Party could not profit from the property
- District Responsible for expenses of maintaining property

5

5

## TOP PROPOSALS AND NUMERICAL RESULTS AS OF FEBRUARY 20, 2020

	BB&T		Chase (Option B)		Umpqua Bank	
<b>Interest Rate:</b>	Taxable: 2.88% Tax Exempt: 2.28%		Taxable: 2.44% Tax Exempt: 1.89%		Taxable: 2.775% Tax Exempt: 2.243%	
<b>Rate Lock Terms:</b>	Through 4/3/2020		Rate floating until District Signs and accepts proposal. Once term sheet is signed, rate is locked for 45 days		Rate locked 2 weeks prior to closing	
<b>Prepayment Terms:</b>	In whole on any payment date on or after 3/25/2028 at par		On or after 3/25/2030 at par		Years 1-3 at 103% Years 4-6 at 102% Years 7-9 at 101% Year 10 and thereafter at par	
<b>Credit Approved:</b>	Yes		Yes		No	
<b>Costs:</b>						
<b>Bank Counsel</b>	\$8,500		\$8,500		\$8,000	
<b>Numerical Analysis:</b>	<b>Taxable</b>	<b>Tax Exempt</b>	<b>Taxable</b>	<b>Tax Exempt</b>	<b>Taxable</b>	<b>Tax Exempt</b>
Par Amount	1,508,500	1,508,500	1,508,500	1,508,500	1,508,000	1,508,000
All-In TIC	3.44%	2.83%	2.99%	2.43%	3.33%	2.79%
Avg FY Debt Service	124,558	\$119,307	120,692	115,963	123,586	118,946
Total Debt Service	1,868,371	\$1,789,598	1,810,376	1,739,444	1,853,788	1,784,189

6

6

## CHASE PROPOSALS AS OF FEBRUARY 20, 2020

	Chase (Option A)		Chase (Option B)	
<b>Interest Rate:</b>	Taxable: 2.34% Tax Exempt: 1.82%		Taxable: 2.44% Tax Exempt: 1.89%	
<b>Rate Lock Terms:</b>	Rate floating until District acceptance of the proposal. Once term sheet is signed, rate is locked through closing		Rate not locked until District acceptance of the proposal. Once term sheet is signed, rate is locked through closing	
<b>Prepayment Terms:</b>	Not Callable		On or after 3/25/2030 at par	
<b>Costs:</b>	\$8,500		\$8,500	
<b>Bank Counsel</b>				
<b>Numerical Analysis:</b>	<b>Taxable</b>	<b>Tax Exempt</b>	<b>Taxable</b>	<b>Tax Exempt</b>
Par Amount	1,508,500	1,508,500	1,508,500	1,508,500
All-In TIC	2.89%	2.36%	2.99%	2.43%
Avg FY Debt Service	119,823	115,368	120,692	115,963
Total Debt Service	1,797,350	1,730,523	1,810,376	1,739,444

- Typically most aggressive bidder
- Very selective on credit
- Chase has formally approved credit
- Rate will be locked once term sheet is signed
  - Rate locked for 45 days
- Term sheet expires after 48 hours

7

7

## QUESTIONS

We prepared the attached materials that consist of factual or general information (as defined in the SEC's Municipal Advisor Rules). We are not hereby providing any advice or making any recommendation as to action concerning the structure, timing or terms of any issuance of municipal securities or financial products. To the extent that we provided any alternatives, options, calculations or examples in the attached information, such information is not intended to express any view that the District could achieve the particular results, and the alternatives, options, calculation or examples do not constitute a recommendation that you should effect any municipal securities transaction.

Brandis Tallman is providing this information in the regulatory framework of MSRB Rule G-23 as a placement agent and not as a financial advisor. The primary role of a placement agent is to purchase securities for resale to investors in an arm's-length commercial transaction. Serving in this role, we have financial and other interests that differ from those of the District. Brandis Tallman is acting in its own interests and not as the District's municipal advisor. We do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934. The District should consult with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent deemed appropriate.



8

8

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.4**                      **Consider Attendance at the CSDA Special Districts Legislative Days May 19-20, 2020 in Sacramento**

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

**TYPE OF ACTION:**          **Roll Call Vote**

### **Recommendation:**

Staff recommends that the Board review the information provided for the 2020 California Special Districts Association (CSDA) Special Districts Legislative Days, take public comment and consider authorization for interested Board Members to attend.

### **Discussion:**

To gain the edge on policy changes impacting MCSD and exchange ideas with California's top decision makers, the CSDA 2020 Special Districts Legislative Days is an interactive and informative two-day legislative conference in our State's Capitol.

Day One is an Advocacy Day. From 7:30 a.m. to 6:30 p.m., get updated on what's happening in the Capitol and join with other special district leaders throughout California to take action on the priority issues facing special districts.

Day two is a Policy Day. From 8-11:45 a.m., gain insights from legal experts and CSDA lobbyists on the newest laws and legal challenges to come out of Sacramento.

### **Alternatives:**

Staff's analysis includes the following potential alternative:

- Take no action

### **Fiscal Analysis:**

Registration to attend is \$275 for early Bird Registration before April 20, 2020. Room reservations at the Sheraton (where the event will take place) is available at the CSDA rate of \$199 plus tax, single or double occupancy. The hotel may sell out before this date.

### **Environmental Requirements:**

Not applicable

### **Exhibits/Attachments**

- Attachment 1 – 2020 Legislative Days Brochure

May 19-20, 2020

SHERATON GRAND HOTEL SACRAMENTO

Item E.4 Attachment 1



California Special  
Districts Association

*Districts Stronger Together*

# SPECIAL DISTRICTS LEGISLATIVE DAYS

**save \$**  
Early Bird  
Discount!  
ends 4.20.20

2 DAY EVENT: ADVOCACY & POLICY DAYS

**Gain the edge** on policy changes impacting your agency and exchange ideas with California's top decision-makers at the **2020 Special Districts Legislative Days**, an interactive and informative two-day legislative conference in our State's Capitol.

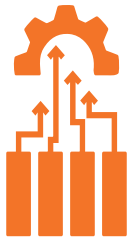


@CSDADISTRICTS  
FACEBOOK.COM/CSDADISTRICTS  
#DISTRICTSADVOCATE

# ADVOCACY & PUBLIC AFFAIRS

## 2019 HIGHLIGHTS

Here are some highlights from 2019 - help us take action like this in 2020 by registering now for Special Districts Legislative Days.



### DEFENDED CRITICAL LOCAL INFRASTRUCTURE FUNDING

Narrowed a host of legislation seeking to restrict or eliminate the ability of special districts to impose and collect development impact fees. (AB 68, AB 1484, SB 4, and SB 13)



### MEETING WITH DECISION MAKERS

CSDA met directly with over 50 legislative district offices, more than 30 LAFCO offices, and over 10 reporters.



**HELD GUIDED TOURS FOR LEGISLATIVE STAFF MEMBERS A OF 18+ SPECIAL DISTRICTS**

### ACA 1

**Fought for Equitable Taxing Authority**—Sought and achieved amendments to legislation that would grant special districts a vote threshold for taxes and bonds similar to that which is currently required for cities and schools in many instances.

### SB 749

**Avoided Expansion of Legal Liability**—Garnered amendments to legislation that would have exposed special districts to “reverse” CPRA lawsuits against private entities.



**2019 MARKED CALIFORNIA SPECIAL DISTRICTS ASSOCIATION'S 50TH ANNIVERSARY.**



Calls-to-Action

# 230

LETTERS GENERATED FROM SPECIAL DISTRICTS ON FOUR PRIORITY BILLS

# 132

NUMBER OF BILLS DIRECTLY LOBBIED

### SB 266

**Held Off Costly Pension Payments**—Played a leading role in blocking legislation that would have forced public employers to make illegal payments to retirees rather than requiring CalPERS and other retirement systems to certify and protect employee benefits.



# 80+

CSDA staff attended chapter meetings throughout California.

**Prevented Further Deterioration of Local Collective Bargaining Process**—Assisted in obtaining a veto of legislation that would have granted additional paid release time for state and local agency union employee representatives to conduct union business. (AB 314)

**3,000+**  
BILLS REVIEWED



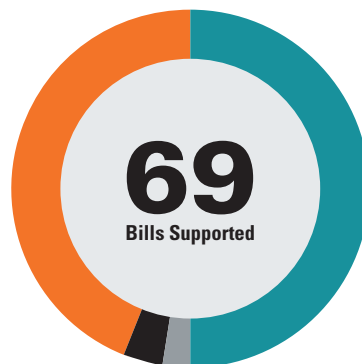
**AB 1184** Defeated Two-Year Email Retention

NUMBER OF DISTRICTS VISITED

# 755

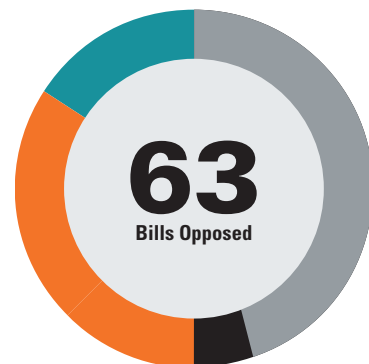


ESTABLISHED SPECIAL DISTRICTS WEEK  
SEPTEMBER 25-29



#### BILLS SUPPORTED

- 31 – Signed into law
- 1 – Amended to remove support
- 5 – Vetoed
- 32 – Two-year bills



#### BILLS OPPOSED

- 13 – Signed into law
- 21 – Amended to remove opposition
- 7 – Vetoed
- 22 – Two-year bills

### ADVOCACY AND PUBLIC AFFAIRS

- Blocking mandates
- Saving special districts money
- Protecting local revenues
- Preventing unnecessary costs
- Getting the word out







# SPECIAL DISTRICTS LEGISLATIVE DAYS

2 Day Event: Advocacy & Policy Days

## May 19-20, 2020

REGISTER & JOIN US IN SACRAMENTO



### EARLY BIRD PRICING – REGISTER ON OR BEFORE APRIL 20, 2020

- CSDA Member - \$275 Early Registration / \$325 Regular Registration
- Non-member - \$365 Early Registration / \$440 Regular Registration

### Three Ways to Register

- **Online:** Visit [legislatedays.csdanet.org](http://legislatedays.csdanet.org)
- **Fax number:** 916.520.2465. All faxed forms must include credit card payment.
- **Mail:** CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Please include registration form and payment. Checks should be made payable to: California Special Districts Association.

### Who qualifies for “member” rates?

All California Special Districts Association and Special District Risk Management Authority members.

Not sure if you are a member? Simply contact Eric Spencer at [erics@csda.net](mailto:erics@csda.net) or call toll-free at 877-924-2732.

It's not too late to become a CSDA member.

**Registration includes the evening reception, written materials, and meals as indicated in the agenda.**

**Payment must accompany registration in order to process.**

CSDA Member: \$275/EARLY BIRD

Non-member: \$365/EARLY BIRD

CSDA Member: \$325/AFTER APRIL 20

Non-member: \$440/AFTER APRIL 20

Total \$:

Name/Title:

District:

Address:

City:

State:

ZIP:

Phone:

Fax:

Email:

Emergency Contact Name/Phone Number:

### CAPITOL OFFICE VISITS

Visits are scheduled in a manner that maximizes the number of Capitol offices receiving a visit.

Attendees may or may not be scheduled for a visit with their personal legislator, pending availability and logistical constraints.

Yes, I want to participate in prearranged meetings in the Capitol that may or may not include my legislators.

No, I do not want to participate in prearranged meetings in the Capitol.

### PAYMENT

Check  Visa  MasterCard  Discover  American Express

Acct. name:

Acct. Number:

Expiration date:

Authorized Signature:

### SPECIAL NEEDS

Vegetarian  Other:

**Cancellation Policy:** Cancellations must be made in writing and received via fax, mail or email no later than May 1, 2020. All cancellations made within the specified time will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after May 1, 2020. Substitutions are acceptable and must be done in writing no later than May 8, 2020 at 5:00 p.m. Please submit cancellation or substitution requests to [meganh@csda.net](mailto:meganh@csda.net) or fax to 916-520-2465.

**Consent to Use Photographic Images:** Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

**Anti-Discrimination and Harassment Policy:** CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at [www.csdanet.org/about-csda/who-we-are](http://www.csdanet.org/about-csda/who-we-are).



California Special Districts Association  
 1112 I Street, Suite 200  
 Sacramento, CA 95814

*A proud California Special Districts Alliance partner.*

PRSR STD  
 U.S. Postage  
**PAID**  
 Permit No. 316  
 Sacramento, CA



## SPECIAL DISTRICTS LEGISLATIVE DAYS

*2 Day Event: Advocacy & Policy Days*

## May 19-20, 2020

REGISTER & JOIN US IN SACRAMENTO

### Agenda At A Glance

*Agenda subject to change*

#### DAY ONE: ADVOCACY FOCUS – MAY 19, 2020: 7:30 A.M.–6:30 P.M.

Get updated on what's happening in the Capitol, then join special district leaders from throughout California to take action on the priority issues facing special districts.

- Hear directly from State leadership on topics affecting local services and infrastructure.
- Participate in pre-arranged meetings with State Legislators and staff in their Capitol offices, followed by a private reception.
- Explore how decisions are really made in the Capitol and help shape their outcome.

#### DAY TWO: POLICY FOCUS – MAY 20, 2020: 8:00–11:45 A.M.

Gain insights from statewide experts and CSDA lobbyists on the biggest challenges and newest laws to come out of Sacramento.

- Connect the action in the Capitol with the implementation in your community.
- Find answers to your tough questions from expert panels.
- Drill into hot topics through breakout sessions on key issues:
  - What Could a \$4.75 Billion Statewide Climate Resilience Bond Mean for Your District?
  - Prudently and Proactively Managing Your District's Pension Liabilities
  - 2021: When Redistricting and the California Voter Rights Act (CVRA) Collide



#### Hotel and Event Information

*Sheraton Grand Sacramento Hotel  
 1230 J Street, Sacramento, CA 95814*

\$199 plus tax CSDA room rate. Call to reserve at 1.800.325.3535 and ask for the CSDA rate. Room reservation cut-off April 18, 2020 but space is limited, and rooms may sell out before this date.

#### City Parking Information

For parking information, visit the City of Sacramento website at [www.cityofsacramento.org](http://www.cityofsacramento.org).

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.5**                      **Consider Appointment of Applicant J Cassidy Bertoldi for the Vacant Alternate Seat on the Recreation Advisory Committee (RAC)**

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

**TYPE OF ACTION:**          **Roll Call Vote**

**Recommendation:**

Staff recommends that the Board consider the information provided, air questions, take public comment and vote on the appointment of Cassidy Bertoldi to the Recreation Advisory Committee (RAC) for a four (4) year term as a regular voting member or alternate member.

**Discussion:**

It is the duty of the Board of Directors to vet and select the most qualified candidates to become members of the RAC. The Board of Directors is obligated to interview all candidates, discuss the candidates' qualifications, and select most qualified candidates to serve on the committee by majority vote.

There are currently two (2) alternate openings on the RAC. Staff has posted sufficient notice through local media and at District facilities of the vacancies for the RAC.

Ms. Cassidy Bertoldi submitted a letter of application (**Attachment 1**) December 18, 2019. Staff shared Ms. Bertoldi's letters of application with the Recreation Advisory Committee at the RAC meeting on January 16, 2020. The Recreation Advisory Committee unanimously supported the candidate in becoming a member of the RAC.

**Alternatives:**

Staff analysis consists of the following potential alternative: Do not appoint Winker to the RAC and continue advertising existing open seats.

**Fiscal Analysis:**

Not applicable

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments:**

- Attachment 1 – Letter of Application Cassidy Bertoldi

# Kassidy Bertoldi

---

1662 Holly Drive McKinleyville, CA 95519 | 916-479-0946 | [kassidygangl@gmail.com](mailto:kassidygangl@gmail.com)

RECEIVED

December 16th, 2019

DEC 18 2019

McK. C.S.D.

To Whom it May Concern;

I would like to be considered for open board member position for the Recreation Advisory Committee. I believe that my background could prove to help me be successful based on the requirements you are looking for. Firstly, I graduated in 2017 from CSU Chico with a degree in Recreation and Hospitality. I think this education could serve me well in this position. It was instilled in me the importance of community service, goal setting, and leadership through this education. During my college career I also spent my summers interning at the city of Elk Grove, in the Public Relations and Events department. I work on premier events like there Multi-Cultural Festival, Party on the Palms, and their fourth of July event – Salute to the Red, White, & Blue.

I moved to Eureka with my husband in August of 2018, and even then, our goal was to live in McKinleyville. We moved here in February 2019, and while I am still learning new things about this community and Humboldt County as a whole, I am glad to call it home. I want to become an active member so that I can grow with this community. Currently, I work for Lost Coast Brewery as their Events Coordinator, and I think the skills I have developed and the people I have met there can help me in this position as well.

Thank you for your time and I hope to hear from you.

Sincerely,

Kassidy Bertoldi

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **INFORMATIONAL**

---

**ITEM: E.6**                      **Review Information for the Draft Capital Improvement Plan for the Operational Funds: Water, Wastewater, and Streetlights, FY2020-21**

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

**TYPE OF ACTION:**          **None, Information Only**

### **Recommendation:**

Staff recommends that the Board review, discuss, and take public comment on the Draft Capital Improvement Plan Budget for the Water, Wastewater, and Streetlights Funds.

### **Discussion:**

A detailed draft of the Fiscal Year 2020-21 Capital Improvement Plan (CIP) for the Water, Wastewater, and Streetlights Funds is attached, **Attachment 1**, covering the next ten fiscal years.

The attached Narrative, **Attachment 2**, provides detail for all proposed Capital Projects expected to be undertaken in FY2020-21. The final summarized CIP will be brought back to the Board for review and approval with the complete Fiscal Year 2020-21 Budget in June 2020.

### **Alternatives:**

Take Action

### **Fiscal Analysis:**

See Attached Schedules

### **Environmental Requirements:**

Not applicable

### **Exhibits/Attachments:**

- Attachment 1 - Draft Capital Improvement Plan Budget for the Water, Wastewater, and Streetlights Funds
- Attachment 2 - Draft Capital Improvement Plan Narrative for the Water, Wastewater, and Streetlights Funds

**McKinleyville Community Services District  
Enterprise Funds Capital Improvement Project Budget  
For the Fiscal Years Ending June 30, 2021 - 2030**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030
<b>1. Heavy Equipment</b>										
Hydrocleaner (Sewer Fund) and appurtenances									500	
Backhoe	80							70		
Dump Truck						85				
Tractor and Attachments		50		10				50		
Air Compressor and appurtenances	20					22				
Portable Emergency Generators	50			40						
<b>Totals:</b>	<b>100</b>	<b>50</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>107</b>	<b>0</b>	<b>120</b>	<b>500</b>	<b>0</b>

**2. Utility Vehicles**

3/4 or 1-Ton Pickup	38	38	38	38	38	60	38	38	34	34
CCTV Trailer										
Car				30						
Light Duty Utility Truck								22	23	23
<b>Totals:</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>68</b>	<b>38</b>	<b>60</b>	<b>38</b>	<b>60</b>	<b>57</b>	<b>57</b>

**McKinleyville Community Services District  
Enterprise Funds Capital Improvement Project Budget  
For the Fiscal Years Ending June 30, 2021 - 2030**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030
<b>3. Water System</b>										
4.5m New Tank Property procurement, design & cons	5,400									
Property Purchase/Improvements										
Water Tank Painting	500	500								
Water Tank Cathodic					10					10
Ramey Pump Station Upgrades								32	52	150
Emergency Water Supply		50		250						
Digital Control & Radio Telemetry Upgrade										100
Meter Reader Upgrade		8					7			
McCluski Tank 3 Roof Upgrades/Tree svc		6				7				
Norton Tank 2 Tree svc	7									
Alternative Energy Masterplan	50									
Tank Seismic Actuators	6									10
Fire Hydrant System Upgrade	7	7	7	7	7	7				
Water Main Rehabilitation and Replacement	900	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Customer Radio Meter Testing/Replacements	10									90
Blake Station Upgrades		14								
Emergency Generator	50									
<b>Totals:</b>	<b>6,930</b>	<b>1,585</b>	<b>1,007</b>	<b>1,257</b>	<b>1,024</b>	<b>1,007</b>	<b>1,007</b>	<b>1,032</b>	<b>1,052</b>	<b>1,360</b>

**McKinleyville Community Services District  
Enterprise Funds Capital Improvement Project Budget  
For the Fiscal Years Ending June 30, 2021 - 2030**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030
<b>4. Sewer System</b>										
WWMF Engr Study		70	150				70			
WWMF NPDES Permitting	50	30							6,000	
WWMF Fencing and Gate		10	10	10	10					10
WWMF SO2/Chlorine Injector Controllers	10									
WWMF Sludge Disposal & handling	240	240	240	240	240	240	240	240	240	240
Customer Radio Meter Testing/Replacements	10									90
Collection System Upgrades	4,000		100	1,500					100	1,500
Sewer Main Rehabilitation and Replacement	900	1,000	1,000	1,000	1,000		1,000			
Sewer Lift Stn. Pump & Generator Replacement										
Sewer Lift Station Upgrades-Hiller	140									
Digital Control & Radio Telemetry Upgrade										100
Alternative Energy Masterplan	50									
Meter Replacement: WWMF, FIS		7								
Fischer Lift Station Grinder Upgrade				17		17			17	
Sewer Main Camera Unit			30						50	
Underground Pipe Locator & Camera	5					5			5	
SCBA Apparatus and Bottles		6					6			
WWMF Solar Storage Design, Build, Long-term O&N	2,500	12	12	12	12	12	12	12	12	12
WWMF Recirculation Valve Replacement	12									
Flow Totalizers	45									
<b>Totals:</b>	<b>7,905</b>	<b>1,375</b>	<b>1,542</b>	<b>2,779</b>	<b>1,262</b>	<b>274</b>	<b>1,328</b>	<b>352</b>	<b>7,824</b>	<b>452</b>



**McKinleyville Community Services District  
Enterprise Funds Capital Improvement Project Budget  
For the Fiscal Years Ending June 30, 2021 - 2030**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030

<b>5. Office, Corporation Yard &amp; Shops</b>										
Facility Upgrades and Sealcoat				10						10
Office Building	25	3,000								
Property Purchase		400								
Building Roofs								14		
<b>Totals:</b>	<b>25</b>	<b>3,400</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>10</b>

<b>6. Computers, Software &amp; Equipment</b>										
PCs, Software, & Printers	5	6	5	6	6	7	7	7	7	7
File Server Upgrade			15				17			17
MOM Upgrade and Replacement - ERP eval			35		125					
Office Equipment	5		5		5		5		5	
GIS/SEMS/CADD Equipment and Software	5		5			5			5	
<b>Totals:</b>	<b>15</b>	<b>6</b>	<b>65</b>	<b>6</b>	<b>136</b>	<b>29</b>	<b>12</b>	<b>7</b>	<b>34</b>	<b>7</b>

<b>7. Fischer Ranch</b>										
Barn, Fence, House Upgrades	5	5	5	5	5	5	5	5	5	5
Irrigation Pipe and Fittings			10						10	
Property purchase										
Reclamation Site Upgrade/Perc Pond Habitat Proj	200	100	100							
Underground Valving and Piping			12						12	
<b>Totals:</b>	<b>205</b>	<b>105</b>	<b>127</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>15</b>	<b>5</b>

**McKinleyville Community Services District**  
**Enterprise Funds Capital Improvement Project Budget**  
**For the Fiscal Years Ending June 30, 2021 - 2030**

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030

<b>8. Small Equipment &amp; Other</b>										
Misc./ Emergency Equipment Replacement	15	15	15	15	15	15	15	15	15	15
GPS Surveying Equipment	20					20				
Office Emergency Generator							22			
Emergency Response Equipment	5				5		5	5		5
<b>Totals:</b>	<b>40</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>20</b>	<b>35</b>	<b>42</b>	<b>20</b>	<b>15</b>	<b>20</b>

**Total Planned Expenditures**

	15,258	6,574	2,794	4,150	2,485	1,527	2,432	1,620	9,487	1,911
--	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------

**Departmental Allocations:**

Water Fund	7,039	3,340	1,066	1,312	1,121	1,128	1,053	1,143	1,105	1,407
Wastewater Fund	8,219	3,235	1,728	2,839	1,364	400	1,379	478	8,382	504
<b>Total</b>	<b>15,258</b>	<b>6,574</b>	<b>2,794</b>	<b>4,150</b>	<b>2,485</b>	<b>1,527</b>	<b>2,432</b>	<b>1,620</b>	<b>9,487</b>	<b>1,911</b>

Internal Funds/Reserves/Loans - Distr. Share  
 Grant Funding Expected

	8,658									
	6,600									

**Attachment 1**  
**McKinleyville Community Services District**  
**Streetlights Fund Capital Improvement Project Budget**  
**For the Fiscal Years Ending June 30, 2021 - 2030**

1                    2                    3                    4                    5                    6                    7                    8                    9                    10

	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030
<b>1. Heavy Equipment</b>										
Lift					83					
<b>Totals:</b>	0	0	0	0	83	0	0	0	0	0

	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030
<b>2. Poles and Lights</b>										
Inspection		40								
Pole Replacement	2		2							
Repairs to LED's			5							
<b>Totals:</b>	2	40	7	0	0	0	0	0	0	0

**Total Planned Expenditures**                    **2**                    **40**                    **7**                    **0**                    **83**                    **0**                    **0**                    **0**                    **0**

***DRAFT Capital Improvement Plan  
Water, Sewer and Streetlights Funds  
Fiscal Year 2020-21***

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

## **CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION**

### **Heavy Equipment and Utility Vehicles**

In 1998, the Board adopted a Fleet Replacement Plan to insure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Water and Wastewater Funds plan to replace one light ¾ ton utility truck, portable emergency generators, and an air compressor with various attachments. Funds have also been set aside for the replacement of the oldest of the District's backhoes, which has been serving the District since 1979.

### **Water System**

The largest Water project for FY2020-21 is the start of the construction phase of the proposed 4.5 million gallon new storage tank. \$250,000 of that amount is for the purchase of the property where the tank will be located. The total cost is expected to be approximately \$5.4 million, of which all but \$1.8 million will be grant funded.

\$500,000 is budgeted for a recoating project scheduled this year. Each tank recoating cycle is approximately 20 to 30 years for preventative maintenance to avoid corrosion and maintain structural integrity. Other projects currently proposed for the Water Fund include funding for upgrading the Cochran generator (\$50,000); another \$50,000 for the Alternative Energy Master Plan (the \$100,000 total is split between Water & Wastewater Funds); \$7,000 for tree service at Norton; and \$6,000 to replace the controller for the seismic actuators that were put in place in FY19-20. \$10,000 from the Water Fund for the testing and replacement of customer meters greater than 3".

The fire hydrant system is still scheduled to be upgraded. The District will use this \$7,000 budget item to upgrade dry barrel hydrants in commercial areas to wet barrel hydrants.

The \$900,000 showing as budgeted for the Water Main Rehabilitation/ Replacement Project will not be directly spent. Rather, it is a set-aside to build up reserves for the replacement project.

## **Wastewater System**

\$240,000 is still being set aside annually to pay for the next bio-solids project, which should occur on a five-to-seven year cycle. \$50,000 has been set aside to fund the new National Pollutant Discharge Elimination System (NPDES) permit studies that will be part of the new permit requirements. The \$900,000 showing as budgeted for the Wastewater Mainline Rehabilitation/ Replacement Project will not be directly spent. Rather, it is a set-aside to build up reserves for the replacement project.

\$4,000,000 is showing as budgeted for the construction of all three replacement under-crossings. Of that, the District is responsible for funding \$1 million with the rest being grant funded. \$140,000 has been earmarked for the upgrade of the Hiller lift station pumps. Half of that is a grant from the State Water Revolving Fund with the balance being a low-interest loan. The \$2,500,000 Micro-grid Solar Project being constructed at the Wastewater Management Facility will also be funded by the State Revolving Fund: half grant and half low-interest loan.

The remaining projects are for smaller dollar amounts. Chlorine Injector Controllers (\$10,000), \$10,000 for the testing and replacement of meters greater than 3", \$50,000 for the Alternative Energy Master Plan, \$5,000 for an underground pipe locator and camera, \$12,000 for replacement of the recirculation valves at the treatment plant, and \$45,000 for Flow Totalizers. Funding for these listed projects will come from the grant funding or Reserves created by the Board for maintenance and replacement of capital infrastructure.

## **Office, Corporation Yard, Computers and Software**

\$25,000 has been budgeted for architectural design of the District's operations and administrative office, with renovations to be completed in the following years. \$15,000 has been budgeted for the upgrade and replacement of software, various computers and other office equipment.

## **Fischer Ranch**

\$200,000 has been budgeted for two projects. One is to populate a portion of the ranch with trees for the Biofiltration (Tree Farm) project. The other is to develop the percolation ponds that were closed during the Wastewater Management Facility renovation into habitat for rearing Coho salmon. Replacement and maintenance of underground valves and piping is scheduled, along with building and fencing improvements budgeted at \$5,000.

## **Small Equipment and Other**

Evaluation and possible replacement of the GPS surveying equipment is scheduled in 2020-21 for \$20,000. Various types of emergency equipment comprise the rest of this line item.

## **Streetlights**

Regular pole replacement (\$2,000) is scheduled for fiscal year 2020-21. No further Capital Improvement Projects are planned for this fiscal year in the Streetlights Fund.

### **Note on Attachment 1 – Water & Sewer Funds Capital Improvement Program**

Attachment 1 contains the detail of the Water and Sewer Funds Capital Improvement Program's planned capital expenditures (in thousands: 10 = \$10,000). The planning horizon for the Program is 10 years. It should be noted that all estimated replacement costs are in current year dollars, as future inflation is unknown. Since the CIP is a dynamic plan that is updated annually, future costs will be regularly evaluated.

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.7**                      **Discuss and Consider Committee Assignments and Appointment of Committee Chairs by the Board President for the 2020 Calendar Year**

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

**TYPE OF ACTION:**          **Presidential Appointment**

### **Recommendation:**

Staff recommends that the Board discuss the necessity of existing active committees, take public comment, and Board President make the committee appointments for the 2020 calendar year effective immediately.

### **Discussion:**

Discuss and consider various committee assignments that will be appointed by the Board President and also designate committee chair/co-chair as well as Treasurer (Colleen M.R. Trask, Finance Director).

Board Secretary (April Sousa) is appointed by the General Manager per Board Policy Manual.

Government Code § 54952(b) defines an *advisory committee* as a committee which is comprised solely of less than a quorum of the members of the legislative body that created the advisory body. A *standing committee* is a committee which has continuing jurisdiction over a particular subject matter (e.g., budget, finance, legislation) or if the committee's meeting schedule is fixed by charter, ordinance, resolution or other formal action of the legislative body that created it. With this information in mind, the Board may also choose to discuss the necessity for existing active committees. The current committees include:

- Recreation Advisory Committee (RAC)
- McKinleyville Area Fund
- Redwood Region Economic Development Commission (RREDC)
- McKinleyville Senior Center Advisory Council
  - Board Liaison
  - Executive Committee Liaison
- Audit
- Employee Negotiations
- Water Task Force
- AdHoc No Drugs & Toxins Down the Drain
- McKinleyville Municipal Advisory Committee (MMAC or McMAC)

- Cornerstone Committee
- Groundwater Sustainability Committee
- Local Agency Formation Commission

**Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action

**Fiscal Analysis:**

Not applicable

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments:**

- Attachment 1 – 2019 Positions, Staff Member Appointments and 2019 Committee Assignments



**2019 ROSTER for MCSD**

**2019 Board positions are as follows:**

- 1. President                      John Corbett
- 2. Vice-President                Mary Burke

Directors: Dennis Mayo, Shel Barsanti, David Couch

Staff Member Officers:

- 1. Treasurer                      Finance Director, Colleen M.R. Trask
- 2. Secretary                      Emily Abfalter/April Sousa

**2019 Committee Assignments are as follows:**

- 1. Recreation Advisory committee  
David Couch; alternate Dennis Mayo
- 2. McKinleyville Area Fund  
John Kulstad; alternate Mary Burke
- 3. Redwood Region Economic Development Commission  
Dennis Mayo; alternate Shel Barsanti
- 4. McKinleyville Senior Center Advisory Committee  
Shel Barsanti; Alternate Mary Burke
- 5. Audit  
John Corbett; Shel Barsanti
- 6. Employee Negotiations  
David Couch; John Corbett
- 7. Water Task Force  
Mary Burke
- 8. AdHoc No Drugs & Toxics Down the Drain  
Mary Burke
- 9. McKinleyville Municipal Advisory Committee  
Mary Burke; alternate Dennis Mayo
- 10. Cornerstone Committee  
David Couch
- 11. Groundwater Sustainability Committee  
John Corbett Chair; Mary Burke Vice Chair
- 12. Humboldt Local Agency Formation Commission  
David Couch

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **INFORMATIONAL**

---

**ITEM: E.8**                      **Reserve Policy review for Repair and Replacement Reserves**

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

**TYPE OF ACTION:**          **None**

### **Recommendation:**

Staff recommends that the Board review the proposed Reserve Policy changes for the Repair and Replacement reserve, discuss, take public comment, and provide direction to staff on any parameters they wish to see incorporated into the final policy.

### **Discussion:**

The 2012 wording of the Repair and Replacement Reserve was useful at the time, but extensive changes to how the District manages its capital improvements have made these guidelines less helpful. There are ‘sub-funds’ listed in the policy, not just for Capital Asset replacement, but for Emergency Repairs and System Enhancements. However, the way the District handles these things has changed since 2012. Smaller emergency repairs now have a separate line item in each budget and are paid from working capital in the normal course of business. Larger emergency repairs (greater than \$5,000 but less than \$500,000) would be paid from the PayGo Capital Reserve, which is also held as part of working capital. Emergency repairs greater than the PayGo limit would be handled under the Catastrophe Reserve.

System Enhancements and Capital Asset Replacement are now built into the budget process as part of the Tactical Planning Matrix and the long-term Capital Improvement Plan. All major infrastructure replacement projects must have funding sources (rates, grants, &/or debt) noted in the project detail line of the CIP budget. The majority of the District’s most costly replaceable infrastructure is underground. The Mainline project was created to specifically address this issue with its own dedicated rate funding, plus grants and carefully structured indebtedness, calculated to cover the entire 75-year life of the project.

Even with these changes, there are still long-term projects that need a Repair & Replacement Reserve. These projects, like Biosolids Removal or tank re-coating, recur at regular long-term intervals, can cost more than the PayGo limit, and don’t have a dedicated funding source. Using the Repair & Replacement Reserve as a sinking fund to set aside money for these projects will allow the District to complete these as they come due without impacting operating cash flow. Funds can be drawn into working capital as the projects are completed and

paid for. The list of projects and the funding contribution required would be revised and reviewed annually as part of the CIP budget process.

**Alternatives:**

Take Action

**Fiscal Analysis:**

See above

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments:**

- Attachment 1 – 2012 Repair and Replacement Reserve Policy
- Attachment 2 – CIP 20-year Budget

## Attachment 1

### Excerpted from 2012 Reserves Policy

#### Repair and Replacement Fund

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

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

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

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

The District recognizes that the R&R Fund will only be sufficient to pay a portion of the full cost of future capital asset replacements and other sources of replacement funding may be needed, such as a bond issuance. This fund will also help normalize the impact of the capital asset replacements on future water rates.

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

Mckinleyville Community Services District  
 Enterprise Funds Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2021 - 2030

(All numbers in \$000s)

	1																				
	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035	June 30, 2036	June 30, 2037	June 30, 2038	June 30, 2039	June 30, 2040	
<b>1. Heavy Equipment</b>																					
Hydrocleaner (Sewer Fund) and appurtenances																					
Backhoe	80																				
Dump Truck						85															
Tractor and Attachments	20	50		10						22											
Air Compressor and appurtenances	50			40																	
Portable Emergency Generators																					
<b>Totals:</b>	<b>100</b>	<b>50</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>107</b>	<b>0</b>	<b>120</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>70</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>

2. Utility Vehicles																					
3/4 or 1-Ton Pickup	38	38	38	38	38	60	38	38	38	34	34	34	34	34	34	34	34	34	34	34	36
CCTV Trailer								30													
Car								22	23	23											
Light Duty Utility Truck																					
<b>Totals:</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>68</b>	<b>38</b>	<b>60</b>	<b>38</b>	<b>60</b>	<b>57</b>	<b>57</b>	<b>34</b>	<b>64</b>	<b>34</b>	<b>69</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>36</b>

3. Water System																					
4.5m New Tank Property procurement, design & con	5,400																				
Property Purchase/Improvements																					
Water Tank Painting	500	500										400		400							10
Water Tank Cathodic					10																
Ramey Pump Station Upgrades								32	52	150											
Emergency Water Supply		50		250																	
Digital Control & Radio Telemetry Upgrade																					100
Meter Reader Upgrade			8							100		6									
McClusk Tank 3 Roof Upgrades/Tree svc		7	6		7							8									
Norton Tank 2 Tree svc																					
Alternative Energy Masterplan		50																			
Tank Seismic Actuators		6								10											20
Fire Hydrant System Upgrade		7	7	7	7	7															
Water Main Rehabilitation and Replacement	900	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Customer Radio Meter Testing/Replacements	10									90	20	70	131	260							
Blake Station Upgrades		14																			
Emergency Generator	50																			50	
<b>Totals:</b>	<b>6,930</b>	<b>1,585</b>	<b>1,007</b>	<b>1,257</b>	<b>1,024</b>	<b>1,007</b>	<b>1,007</b>	<b>1,032</b>	<b>1,052</b>	<b>1,360</b>	<b>1,020</b>	<b>1,484</b>	<b>1,131</b>	<b>1,660</b>	<b>1,018</b>	<b>1,485</b>	<b>1,035</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,130</b>

Mckinleyville Community Services District  
 Enterprise Funds Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2021 - 2030

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	
<b>4. Sewer System</b>																					
WWMF Engr Study		70	150																		
WWMF NPDES Permitting	50	30																			
WWMF Fencing and Gate		10	10	10	10							6,000		10	10	10	10				
WWMF SO2/Chlorine Injector Controllers	10													10	10	10	10				
WWMF Sludge Disposal & handling	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	241
Customer Radio Meter Testing/Replacements	10											100		90	20	70	131	280			
Collection System Upgrades	4,000		100	1,500								1,500									
Sewer Main Rehabilitation and Replacement	900	1,000	1,000	1,000	1,000																
Sewer Lift Sin. Pump & Generator Replacement																					
Sewer Lift Station Upgrades-Hiller	140																				
Digital Control & Radio Telemetry Upgrade														100							100
Alternative Energy Masterplan	50																				
Meter Replacement- WWMF, FIS		7																			
Fischer Lift Station Grinder Upgrade				17		17						17									
Sewer Main Camera Unit												50									
Underground Pipe Locator & Camera	5					5						5									
SCBA Apparatus and Bottles		6																			
WWMF Solar Storage Design, Build, Long-term O&M	2,500	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
WWMF Recirculation Valve Replacement	12																				
Flow Totalizers	45																				
<b>Totals:</b>	<b>7,905</b>	<b>1,375</b>	<b>1,542</b>	<b>2,779</b>	<b>1,262</b>	<b>274</b>	<b>1,328</b>	<b>382</b>	<b>7,824</b>	<b>452</b>	<b>299</b>	<b>4,705</b>	<b>391</b>	<b>520</b>	<b>245</b>	<b>2,240</b>	<b>240</b>	<b>245</b>	<b>240</b>	<b>240</b>	<b>341</b>
<b>5. Office, Corporation Yard &amp; Shops</b>																					
Facility Upgrades and Sealcoat				10		10				10										10	
Office Building	25	3,000																			
Property Purchase		400																			
Building Roofs								14													
<b>Totals:</b>	<b>25</b>	<b>3,400</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>6. Computers, Software &amp; Equipment</b>																					
PCs, Software, & Printers	5	6	5	6	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
File Server Upgrade			15			17						20									20
MOM Upgrade and Replacement - ERP eval	5		35		125																
Office Equipment	5		5		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
GIS/SEMS/CADD Equipment and Software	5		5		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
<b>Totals:</b>	<b>15</b>	<b>6</b>	<b>65</b>	<b>6</b>	<b>136</b>	<b>29</b>	<b>12</b>	<b>7</b>	<b>34</b>	<b>7</b>	<b>12</b>	<b>32</b>	<b>12</b>	<b>7</b>	<b>37</b>	<b>7</b>	<b>37</b>	<b>7</b>	<b>37</b>	<b>37</b>	<b>37</b>
<b>7. Fischer Ranch</b>																					
Barn, Fence, House Upgrades	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Irrigation Pipe and Fittings			10									10									
Property purchase																					
Reclamation Site Upgrade/Per Pond Habitat Proj	200	100	100																		
Underground Valving and Piping			12									12									
<b>Totals:</b>	<b>205</b>	<b>105</b>	<b>127</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>15</b>	<b>5</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>15</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

Mckinleyville Community Services District  
 Enterprise Funds Capital Improvement Project Budget  
 For the Fiscal Years Ending June 30, 2021 - 2030

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>8. Small Equipment &amp; Other</b>																				
Misc./Emergency Equipment Replacement	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15	16	15	16	17
GPS Surveying Equipment	20					20							20							
Office Emergency Generator							22													
Emergency Response Equipment	5				5		5	5	5	5	5	5	5	5	5					
<b>Totals:</b>	<b>40</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>20</b>	<b>35</b>	<b>42</b>	<b>20</b>	<b>15</b>	<b>20</b>	<b>20</b>	<b>15</b>	<b>40</b>	<b>15</b>	<b>20</b>	<b>15</b>	<b>16</b>	<b>15</b>	<b>16</b>	<b>17</b>

Total Planned Expenditures	6,574	2,794	4,150	2,485	1,527	2,432	1,620	9,487	1,911	1,390	6,335	1,683	2,286	1,449	3,796	1,367	1,336	1,333	1,566	
<b>Departmental Allocations:</b>																				
Water Fund	7,039	3,340	1,066	1,312	1,121	1,128	1,053	1,143	1,105	1,407	1,053	1,555	1,209	1,706	1,109	1,518	1,079	1,043	1,044	1,175
Wastewater Fund	8,219	3,235	1,728	2,839	1,364	400	1,379	478	8,382	504	337	4,781	474	581	341	2,278	289	293	289	391
<b>Total</b>	<b>15,258</b>	<b>6,574</b>	<b>2,794</b>	<b>4,150</b>	<b>2,485</b>	<b>1,527</b>	<b>2,432</b>	<b>1,620</b>	<b>9,487</b>	<b>1,911</b>	<b>1,390</b>	<b>6,335</b>	<b>1,683</b>	<b>2,286</b>	<b>1,449</b>	<b>3,796</b>	<b>1,367</b>	<b>1,336</b>	<b>1,333</b>	<b>1,566</b>
Internal Funds/Reserves/Loans - Distr. Share	8,658																			
Grant Funding Expected	6,600																			

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.9**                      **Consider Approval of the General Manager Contract with Patrick Kaspari for a Five-year Term.**

**PRESENTED BY:**              **Greg Orsini, General Manager**

**TYPE OF ACTION:**            **Roll Call**

**Recommendation:**

Staff recommends the Board review the information provide, take public comment and consider approval of the Employment Contract with Patrick Kaspari.

**Discussion:**

The Board has selected and negotiated an Employment Contract with the prospective General Manager (GM) over the past few months. The terms of the contract were discussed between the prospective GM and the GM Recruitment Committee, agreed upon by the Board of Directors at a Special Closed Session Meeting held in February for Contract Negotiations and returned to the prospective GM for his acceptance.

The Employment Contract is a standard MCSD GM Employment Contract and was reviewed by District Council and is acceptable.

**Alternatives:**

Staff's analysis includes the following potential alternative:

- Take no action

**Fiscal Analysis:**

Annual salary of \$139,000 plus benefits consistent with the District Employee Handbook.

**Environmental Requirements:**

Not applicable

**Exhibits/Attachments**

- Attachment 1 - General Manager Employment Agreement with Patrick Kaspari



**McKINLEYVILLE COMMUNITY SERVICES DISTRICT  
GENERAL MANAGER EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made and effective as of June 1, 2020, by and between the McKinleyville Community Services District, a local public agency (hereinafter referred to as "District"), and Patrick F. Kaspari (hereinafter referred to as "Employee," and also in pertinent part as "General Manager").

**RECITALS**

WHEREAS, the District desires to employ the services of Employee as General Manager of the McKinleyville Community Services District; and

WHEREAS, Employee has the necessary education, experience, skills and expertise to serve as the General Manager of the District; and

WHEREAS, it is the desire of the Board of Directors of the District ("Board") to provide certain benefits, establish certain conditions of employment, and set working conditions of Employee; and

WHEREAS, Employee desires to accept employment as General Manager of the McKinleyville Community Services District on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the following mutual promises, the foregoing recitals, and the covenants, conditions and agreements contained herein, the parties agree as follows:

1. Employment.

District hereby hires and appoints Employee to serve as its General Manager, upon the terms and conditions as hereinafter set forth. Employee hereby accepts such appointment upon the terms and conditions as hereinafter set forth.

2. Term.

The initial term of this Agreement is five (5) years, commencing June 1, 2020, and ending June 1, 2025, unless terminated earlier pursuant to Paragraph 9 of this Agreement. This Agreement may be amended and extended as the parties mutually agree in writing.

3. Duties and Responsibilities of the General Manager.

- a. Employee shall be the chief executive officer of the District and be responsible to the Board for the proper administration of the District's affairs.
- b. Employee shall perform all of the duties of the General Manager as set forth in section 61051 of the California Government Code, and District policies and procedures approved by the Board, as may be provided from time to time.
- c. Unless otherwise agreed to by the Board in writing, all services provided under this Agreement shall be rendered by Employee. Such services shall include, but not be limited to, the following:
  - (i) To perform all functions and duties of the General Manager, as set forth in the District codes, ordinances, resolutions, minute orders and written policies, and in state law;
  - (ii) To perform such services on an exclusive full-time basis for the District, and to be available as needed to properly perform such services, including attendance at all regular and special Board meetings and other meetings as needed for the conduct of District business;
  - (iii) To carry out all other legally permissible and proper assignments as the Board from time to time may direct. Employee, in exercising his best professional judgment, shall recommend policies, programs and budgets to the Board which he considers necessary to promote the best interests of the District; and
  - (iv) To keep the Board timely and regularly apprised of the status of operational and project activities of the District.

4. Duties and Responsibilities of Board.

- a. The Board sets policy for the governance and administration of the District, and implements its policies through the General Manager.
- b. The Board recognizes that to meet the challenges facing the District it must exercise decisive policy leadership. As one step in carrying out this leadership responsibility, the Board commits to spending time each year outside of regular District Board meetings to work with Employee and District staff on setting goals and

priorities for the District, and to work on those issues that may be inhibiting the maximal achievement of District goals.

- c. Except for the purposes of inquiry, the Board and its Members shall deal with all subordinate District employees, contractors, and consultants solely through the General Manager or the General Manager's designee, and neither the Board nor any members thereof shall give orders to any subordinates of the General Manager, either publicly or privately.
- d. The Board agrees none of its individual members will order the appointment or removal of any persons to any office or employment under the supervision and control of the General Manager.
- e. The Board agrees that any criticism of any District staff member shall be done privately through the General Manager.
- f. At least annually and as part of the General Manager's evaluation, the Board shall discuss with Employee the working relationships, expectations, goals, objectives, and priorities between Employee and the Board; and evaluate Employee's performance, as provided in Paragraph 8 of this Agreement.
- g. The Board shall provide General Manager with direction at Board meetings and support in implementing Board policies and objectives.

5. Compensation and Benefits.

The District shall pay or provide the following as total compensation to Employee:

- a. The District shall pay Employee for his services rendered pursuant hereto a monthly base salary of \$11,583.33 per month (\$139,000 annual) payable at the same intervals and in the same manner as applicable to full-time employees of the District. Deductions from this base salary will be made for withholding taxes, and any other deductions Employee authorizes in writing and/or that the District may be required to make under state or federal laws and regulations; provided that the District shall pay Employer's share of the FICA taxes on the same terms as it pays for such taxes for other full-time employees of the District.
- b. The District shall provide to Employee the benefits described below. The District may provide other benefits in the discretion of the Board, as are determined to be appropriate by the Board from time to time.

Benefits and benefits accruals will commence upon Employee's first day of employment with the District.

- (i) The District shall pay or provide Employee with a District credit card, which shall be used solely for District business, including travel, meetings, and training programs as are budgeted or approved in advance by the Board, and in accordance with adopted Board policies and procedures.
- (ii) The District shall pay for annual engineering license fee and such institutional dues and service club dues as are budgeted or approved in advance by the Board. In addition, Employee shall be reimbursed for such continuing education, conference, seminar or other meetings, travel, and subsistence expenses (lodging and meals) and other necessary job affiliated, non-personal expenses incurred in the conduct of District business ("District Business Expenses") as are budgeted or approved in advance by the Board. Meal expenses, not covered in registration fees as part of the meeting or conference, shall be reimbursed consistent with the provisions adopted Board policies and procedures regarding the reimbursement of meal expenses of other officials and employees of the District. Employee's expense reimbursement claims shall be supported by vouchers, receipts, statements or personal affidavits, and shall be submitted in accordance with adopted Board policies and procedures.
- (iii) Except when absent on scheduled vacation or other authorized leave, Employee is on call twenty-four hours per day, and shall be given use consistent with the District's Employee Handbook of a District vehicle selected by Employee from the District's fleet or purchased by the District specifically for the General Manager's use. The General Manager may reassign the vehicle for temporary use to other District staff members for District business purposes, as needed. Employee shall not loan the District vehicle to family members, acquaintances or other persons who are not District employees. Should the vehicle be unavailable, and Employee uses his own vehicle to attend District functions or to attend to other District business, the District shall reimburse use of Employee's personal vehicle at the mileage rate set by the Internal Revenue Service at the time of use. District shall be responsible for obtaining and paying for insurance on the District vehicle, and for the costs of operation, maintenance and repair of said vehicle.

Employee shall ensure that maintenance of the District's vehicle is performed as required to keep said vehicle in proper working order. Employee shall maintain insurance on his personal vehicle and provide proof of such insurance as may be required.

- (iv) The District shall provide Employee and eligible dependents with District paid health and dental insurance benefits, or other benefits on the same terms and conditions that such benefits are provided to other regular employees of the District, consistent with guidelines adopted by the Board and as set forth in the District's Employee Handbook or other personnel policies and regulations approved by the Board.
- (v) The District will provide the Employee term life insurance, and pay the premium on such policy, with coverage in the amount of 1.5 times base salary.
- (vi) Employee shall accrue 20 days (160 hours) per year of vacation leave from the District and shall continue to accrue vacation at a rate consistent with the District's Employee Handbook. Vacation accrual shall be capped consistent with the Employee Handbook.
- (vii) Employee shall be entitled to accrue and use sick leave and other leaves or benefits not otherwise provided in this Agreement as provided in the District's Employee Handbook.
- (viii) Employee shall receive paid holidays as provided in the District's Employee Handbook.
- (ix) Employee shall be entitled to ten (10) days of paid Administrative Leave per year.
- (x) Employee shall be entitled to participate in the District's retirement program through PERS, on the same basis as other regular employees of the District participate in such program.
- (xi) Employee shall be eligible to participate in the District's Section 457 Deferred Compensation Plan on the same basis as other regular employees of the District participate in such program.
- (xii) Employee shall be entitled to any and all benefits available to a regular full-time employee, consistent with the policies

and procedures of the District, including, but not limited to, any across-the-board annual Cost of Living (COLA) or benefits increases granted to regular full-time employees of the District.

On or about each anniversary date of the effective date of this Agreement, the Board shall consider a salary and/or benefits increase for Employee based on the results of the annual performance evaluation described in Paragraph 8 of this Agreement. The determination regarding whether or not to extend a salary and/or benefits increase to Employee is vested in the discretion of the Board, and may be withheld for any reason, including reasons not directly related to Employee's performance such as budget constraints and other circumstances. Employee shall not be entitled to any compensation other than that set forth in this Paragraph 5.

6. Time at Work.

Employee is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager's position.

It is recognized that Employee must devote a great deal of time to the business of the District outside the District's customary office hours, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. Employee acknowledges that he is a managerial employee who works on a salaried basis and is thus exempt from laws governing payment of overtime, and shall have no rights to accrue or receive overtime compensation. Employee shall spend sufficient hours on site to perform the General Manager's duties; however, Employee has the discretion over Employee's work schedule and work location.

7. Outside Activities.

Employee shall not engage in any activities which conflict with or are otherwise incompatible with his duties and responsibilities as the District's General Manager.

8. Performance Evaluation.

- a. The Board shall review and evaluate Employee's performance at least annually in advance of the anniversary of the effective date of this Agreement. In addition, during the first year of his employment, the Board will evaluate Employee's performance after three (3) months and six (6) months of service. Said reviews and evaluations shall be in accordance with specific criteria developed by the Board, utilizing the performance evaluation procedures established in the board policy manual. Guidelines published by California Special Districts Association (CSDA), International City Management Association (ICMA) or other recognized municipal governance association for evaluating executive level managers

may be used where appropriate. The President of the Board shall provide Employee with a written performance evaluation of the Board and provide an adequate opportunity for Employee to discuss his evaluation with the Board. Failure of the Board to provide an evaluation under this section shall not prevent the District from terminating Employee in accordance with Paragraph 9 of this Agreement.

- b. On or before each anniversary date of the effective date of this Agreement, the Board and Employee shall define in writing such goals and performance objectives as they deem necessary for the proper operation of the District, the attainment of the Board's policy objectives and the development of Employee's knowledge and skills.

9. Termination and Severance Pay, and Voluntary Resignation.

- a. Paragraph 2 of this Agreement provides for a fixed initial term of five (5) years, during which term the Board may terminate this Agreement and Employee's employment with the District as follows:

- i. Termination for "Good Cause." The District may terminate Employee's employment at any time for "good cause" without penalty or obligation to Employee other than payment of all accrued salary and benefits. In the event Employee is terminated for good cause following notice and the opportunity to be heard, the District shall have no obligation to pay any severance pay; provided, however, Employee shall be entitled to any salary and unused vacation and other benefits accruals earned up to the date of termination, consistent with the provisions of this Agreement. For the purposes of this Agreement, "good cause" for employment termination shall include, but not necessarily be limited to, any of the following:

- ai. A material breach of the terms of this Agreement, following notice and a reasonable opportunity to correct any noted deficiency or breach, if correction is feasible or reasonably possible;
- aii. Misfeasance or malfeasance in office, established pursuant to notice and an opportunity for Employee to respond in

accordance with reasonable due process procedures and this Agreement; or

- aiii. A conviction of any felony, misdemeanor or other offense involving a violation of Employee's official duties, or any other offense the conviction of which by statute provides for Employee's removal from office or the forfeiture of his position. A criminal conviction entered against Employee which by statute provides for Employee's removal from office and/or forfeiture of his position shall be conclusive evidence of cause for termination of this Agreement, without further notice, hearing or severance pay. A conviction of any misdemeanor crime involving moral turpitude. A conviction of any misdemeanor or felony involving driving a District vehicle under the influence of alcohol, drugs or other intoxicants.

- ii. Termination "Without Cause." Alternatively, the Board may, in its discretion, terminate this Agreement and Employee's employment at any time without cause by paying the Employee severance, which shall constitute employee's exclusive remedy, as hereinafter set forth. The Board may terminate Employee's employment without cause at any time on three (3) months' advance written notice to Employee. Employee shall continue to work and receive his base salary and other compensation during the notice period. At the conclusion of the three (3) month notice period, employee shall receive a single lump sum cash payment equal to six (6) months' base salary (severance pay after notice) and any unused vacation and other benefits accruals accrued up to the last day of employment. In the alternative and at its sole discretion, the Board may terminate Employee's employment immediately, without notice and without cause at any time, in which event the District shall pay Employee a lump sum cash payment equal to nine (9) months' base salary (severance pay without notice) and any unused vacation and other benefits accruals accrued up to the date of termination. Notwithstanding the foregoing, Employee's employment shall not be terminated without cause during the one hundred and twenty (120) day period preceding or following any election for membership on the Board of Directors, or during the one hundred and twenty (120) day period following any change in membership of the Board of



Directors in the event an interim change occurs without an election.

- b. In the event of voluntary resignation in good standing, Employee shall give the Board three (3) months' advance written notice. During this three-month period, Employee shall, while continuing his management functions, summarize District operations and projects and provide the Board with a written report thereof, including professional observations and recommendations, and provide briefings and training to staff and any chosen successor. Nothing in this paragraph shall prevent the District from having the Employee separate before expiration of the three (3) month notice period, provided the District pays Employee for any remaining portion of the three (3) month period not worked, in addition to the severance pay as provided for hereinabove.
- c. Nothing in this Agreement shall be construed to limit or waive any defense available to the General Manager in response to any proposed disciplinary action or termination for cause pursuant to Section 9.a.i, above.

10. Defense and Indemnity.

District agrees to extend to Employee, as to any action or proceeding on account of any act or omission of Employee within the course and scope of services provided to the District pursuant to this Agreement, those rights of indemnification, as provided by law, and the right to provision for defense of actions or proceedings that are granted to employees of a public entity pursuant to the provisions of Part 7, Division 3.6 of Title 1 of the California Government Code.

The Board, in its sole discretion and within the limits of the law, may refuse such defense and indemnity as provided by law, including, but not limited to, where the act or omission in question falls within the purview of Government Code section 995.2 (i.e., not within the scope of employment, fraud, corruption, malice, or conflict of interest), Government Code section 995.4 (District action against Employee), Government Code section 995.6 (administrative proceedings), or Government Code section 995.8 (criminal actions).

11. Entire Agreement.

This Agreement is freely and voluntarily entered into by the parties. This Agreement constitutes the entire agreement between the parties relating to the subject matters hereof. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations

made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. Any amendment to this Agreement shall be of no force and effect unless it is in writing and approved by the Board and General Manager. To the extent any policies or procedures referenced or integrated in this Agreement, Employee acknowledges that the Board retains all rights to amend or modify said policies and procedures, from time to time, and Employee will observe and abide by said policies and procedures, as amended.

12. Waiver of Rights.

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

13. Remedies Not Exclusive.

The use by either party of any remedies specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

14. Headings.

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

15. Cooperation.

Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.

16. Interpretation.

The parties acknowledge that each party has reviewed, negotiated, and had an opportunity to discuss with counsel this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with transactions contemplated by this Agreement.

17. Notices.

Any notice to be given to Employee will be sufficiently served if given to him personally, or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the District payroll records. If mailed, notice shall be deemed received two (2) days following the date notice is

delivered to and deposited in the custody of the United States Post Office. Any notice to be given to the District will be addressed and delivered or mailed to the District Board of Directors at the District office.

18. Counterparts and Signature.

This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument. Facsimile and/or electronically scanned signatures shall be deemed to constitute originals. A party will not be deemed to have consented to this Agreement or be bound by its terms until the party (or its authorized representative) has duly executed a counterpart of this Agreement.

WHEREFORE, the parties hereto have executed this Agreement as follows:

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT**

By: \_\_\_\_\_  
Mary Burke  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
April Sousa  
Secretary of the Board of Directors

**EMPLOYEE**

By: \_\_\_\_\_  
Patrick F. Kaspari

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.10**                      **Adopt Resolution 2020 – 04 Designating the General Manager the Authorized Representative for Pursuing Grant Funding for a Recycled Wastewater System Project**

**PRESENTED BY:**              **Greg Orsini, General Manager**

**TYPE OF ACTION:**          **Roll Call Vote**

### **Recommendation:**

Staff recommends the Board review the information provided, take public comment and adopt Resolution 2020 – 04.

### **Discussion:**

With the purchase of the Pialorsi Ranch, MCSD will increase the effective acreage the Sewer Department has for the application of reclaimed wastewater by roughly 58 acres.

To utilize the property to its maximum potential and maintain regulatory limits it will be necessary to study the soil and ground water. These observations will be the basis for a report to classify ground water and soil conditions to then allow for the creations of a plan for most effective utilization for applying water to the property.

The proposed planning study includes the following components:

- Evaluate the feasibility of extending the recycled water system to irrigate another 48 acres of land
- Evaluation of alternative pipeline and site configuration requirements
- Stakeholder outreach
- Development of concept design for preferred alternative

The District would eventually like to work with the SWRCB to fund the final recycled water project, which would include necessary infrastructure.

Our consultant recently had a discussion with the State Water Board regarding the Water Recycling Funding Program. For the purposes of the planning grant, the State Board considers the District to qualify as a Disadvantaged Community and is therefore eligible for 100% financing of planning costs (\$150,000). This revision was part of the 2019 program guidelines update.

**Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action

**Fiscal Analysis:**

MCSD qualifies as a Disadvantaged Community and is therefore eligible for 100% funding of planning costs \$150,000.

**Environmental Requirements:**

Environmental requirements will be included in the scope of work for implementation.

**Exhibits/Attachments:**

- Attachment 1 – Resolution 2020-04

**RESOLUTION 2020-04****A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT DESIGNATING THE GENERAL MANAGER THE AUTHORIZED REPRESENTATIVE IN PURSUING STATE WATER RESOURCES CONTROL BOARD WATER RECYCLING FUNDS TO FUND A RECYCLED WASTEWATER SYSTEM PROJECT**

**WHEREAS**, McKinleyville Community Services District (“MCSD” or “District”) is pursuing State Water Resources Control Board Water Recycling Funds to fund a Recycled Wastewater System Project (the “Project”); and

**WHEREAS**, MCSD will pursue Financial Assistance and a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Project; and

**WHEREAS**, The General Manager is designated to represent MCSD in carrying out the District’s responsibilities under the funding agreement; and

**WHEREAS**, by way of this Resolution, the Board further authorizes the General Manager to provide the assurances, certifications, and commitments required for the financial assistance application.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the McKinleyville Community Services District does hereby acknowledge that:

1. Each of the above recitals is true and correct;
2. The General Manager is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto and;
3. The General Manager is hereby authorized and directed to sign and file, for and on behalf of MCSD, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the Project and;
4. The General Manager is designated to represent the MCSD in carrying out the District’s responsibilities under the grant agreement, including certifying disbursement requests on behalf of MCSD and compliance with applicable state and federal laws.

**ADOPTED, SIGNED AND APPROVED** at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on March 4, 2020 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Mary Burke, Board President

Attest:

---

April Sousa, CMC, Board Secretary

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **ACTION**

---

**ITEM: E.11**                      **Consider Approval of Professional Services Agreement with GHD to Perform Phase 3b of the Mainline Replacement and Rehabilitation Master Plan**

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

**TYPE OF ACTION:**          **Roll Call Vote**

### **Recommendation:**

Staff recommends that Board review the information provided, discuss, take public comment and authorize the General Manager to execute the Professional Services Agreement with GHD to provide services to perform Phase 3b of the Mainline Replacement and Rehabilitation Master Plan, **Attachment 1**, not to exceed \$62,000 with a 10% (\$6,200) contingency, totaling \$68,200.

### **Discussion:**

At the April 4, 2018 meeting, the Board reviewed and approved Phase 2 of the Master Plan which focused on laying out the Capital Improvement Plan including specific projects, budgets and schedule for both the water distribution and wastewater collection system replacement and rehabilitation for the next fifty years.

At the August 7, 2019 meeting, the Board approved Phase 3a which built off the Phase 1 & 2 Master Planning efforts.

Phase 3a was completed and is detailed below:

- Task 1: Document Review-Historical Data
- Task 2: Develop Soil Sampling Plan
- Task 3: Assisting with Sample Collection and Coordinate Laboratory Analysis
- Task 4: Analysis of Laboratory Results
- Task 5: Develop Destructive and Non-Destructive Test Recommendations

Phase 3b of the Master Planning effort will consist of assessment of portions of the system in order to develop an Engineer's opinion regarding the present day fitness of the pipelines, and the corollary of anticipated remaining reliable service life based on present day fitness and associated time of exposure. It is anticipated that these assessments will include the AC sanitary sewer and AC water mains throughout the District's systems, and the DI water main that crosses the Mad River to the Ramey Pump station and DI sewer pipe at stream crossings. Samples will be collected and tested for Cross sectional hardness from the interior to the exterior, Cross sectional PH evenly spaced around the



pipe circumference and Crushing strength to identify present-day residual strength. This phase will also include Ultrasonic testing and video recording of the insides of the pipes. As a result of the testing listed above, recommendations will be provided for how the findings impact the existing priority established for pipeline replacement in the Water and Sewer Master Plan.

The proposal for Phase 3b from GHD is outlined below and in more detail in **Exhibit A**.

Task 1: Develop Pipe Sampling/Assessment Plan

Task 2: Assistance with Implementation of Sampling and Assessment Plan

Task 3: Fitness for Continued Service Tech. Memo.and Recommendations

### **Alternatives:**

Staff analysis consists of the following potential alternative

- Take No Action

### **Fiscal Analysis:**

This expenditure was identified in the Capital Improvement Plan and approved in the F/Y 19-20 Budget the agreement is for an amount not to exceed \$62,000. Staff would request a 10% (\$6,200) contingency totaling \$68,200. Refer to Professional Services Agreement, **Attachment 1**.

### **Environmental Requirements:**

No necessary during this phase.

### **Exhibits/Attachments:**

- Attachment 1 – Professional Services Agreement

McKinleyville Community Services District  
PO Box 2037, McKinleyville California 95519  
Telephone (707) 839-3251 - FAX (707) 839-8456

Professional Services Agreement

This Professional Services Agreement (this “Agreement”) is made and entered between the parties listed below as of the date(s) set forth below. For your protection, make sure that you read and understand all provisions before signing. The terms recited as sections a through u on Pages 3 through 7 are incorporated in this document and, along with this page, constitute material terms and conditions of the Agreement between the parties.

TO: Jeff Knauer DATE: March 4, 2020  
GHD Inc.  
718 Third St. Agreement No. 2020-03  
Eureka, CA 95501

The undersigned Consultant offers to furnish the following services (the “Services”):

As described in the proposal submitted by Consultant dated February 21, 2020, which is attached hereto as **Exhibit A** and incorporated herein by reference. The Services shall be provided on a time and materials basis not to exceed the amounts described in **Exhibit A**, which is attached hereto and incorporated herein by reference. The scope of work for this project includes the following:

**Phase 3b Task 1: Develop Pipe Sampling/Assessment Plan**

A Pipe Sampling and Assessment Plan will be developed in conjuncture with District Staff. The Plan will provide the approximate location of an initial two or three AC pipe sample locations. Selection of sampling location will be based on correlation with the highly aggressive pH soil sampling locations, correlation with soil type, ease of system isolation in the area, site access, site disturbance, and other considerations. Ideally sewer pipe would be sampled, which would allow GHD to assess internal impacts to the pipe from sewage flow.

**Phase 3b Task 2: Assistance with Implementation of Sampling and Assessment Plan**

GHD will coordinate with the District on the implementation of the Sampling Plan. GHD will work with the District to schedule the field work for the implementation of the Plan. Two to three AC pipe samples will be collected during the initial phase. GHD will then send samples to an Analytical Laboratory for further analysis including:

Cross sectional hardness assessment performed from the interior to the exterior of each pipeline cross section.

Cross sectional pH evaluation conducted on the entire cross section of each AC pipe sample.

Crushing strength testing conducted on all AC pipe samples in accordance with ASTM C 500 – Standard Test Methods for Asbestos-Cement Pipe.

**Phase 3b Task 3: Fitness for Continued Service Tech. Memo. and Recommendations**

Following the data collection project phases, GHD will analyze, tabulate and summarize the laboratory and field data in a Fitness for Continued Service Technical Memorandum. Recommendations will also be provided for how the findings impact the existing priority established for pipeline replacement in the Water and Sewer Master Plan.

Contract Price:	Not To Exceed	\$62,000.00
Payment Intervals	Monthly	
Completion Date	July 2020	

Instructions: Sign and return original. Upon acceptance by McKinleyville Community Services District, a copy will be signed by its authorized representative and promptly returned to you. Insert below, the names of your authorized representative(s).

Accepted: McKinleyville CSD

Consultant:

\_\_\_\_\_  
(Business Name)

By Gregory Orsini

By \_\_\_\_\_

Title General Manager

Title \_\_\_\_\_

Other authorized representative(s):

Other authorized representative(s):

\_\_\_\_\_

\_\_\_\_\_

Consultant agrees with McKinleyville Community Services District that:

- a. **Indemnification.** To the fullest extent permitted by law and consistent with California Civil Code §2782.8(a), Consultant will, indemnify, defend, and hold harmless McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers (collectively "District") from and against all claims, demands and damages of all persons and entities that arise out of the Consultant's negligent acts or omissions, recklessness, or willful misconduct in the performance (or non-performance) of the Services under this Agreement. Consultant shall not be obligated to defend or indemnify the District from and against all claims, demands and damages that arise out of, pertain to, or relate to the District's own negligent acts or omissions, recklessness, or willful misconduct or the negligent acts or omissions, recklessness, or willful misconduct of others.
- b. **Standard of Care.** In providing the Services under this Agreement, Consultant shall exercise that degree of skill and care ordinarily used by other reputable members of Consultant's profession, practicing in the same or similar locality and under similar circumstances.
- c. **Workers Compensation Insurance.** By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and that Consultant will comply with such provisions before commencing the performance of the professional services and work under this Agreement. Consultant and sub-consultants will keep workers' compensation insurance for their employees in effect during all Services covered by this Agreement.
- d. **Professional Liability Insurance.** Consultant will file with McKinleyville Community Services District, before beginning professional services, a certificate of insurance satisfactory to the McKinleyville Community Services District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to McKinleyville Community Services District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. The retroactive date (if any) is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the contract Services. Consultant shall purchase a one-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant provides insurance coverage deemed appropriate by Consultant for the role of the subconsultant under this contract.
- e. **Insurance Certificates.** Consultant will file with McKinleyville Community Services District, before beginning professional services, certificates of insurance satisfactory to McKinleyville Community Services District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed

operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability requiring 30 days (10 days for non-payment of premium) notice of cancellation to McKinleyville Community Services District. The general liability coverage is to state or be endorsed to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by McKinleyville Community Services District, its directors, officers, employees, or authorized volunteers shall not contribute to it". The general liability coverage shall give McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant has in place levels of insurance deemed appropriate by the Consultant for the risk associated with the role of each subconsultant under this contract.

- f. **Renewal Certificates.** If any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to McKinleyville Community Services District at least ten (10) days prior to the expiration date.
- g. **General Manager Authority.** Consultant shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other authorized representative(s)" on behalf of McKinleyville Community Services District.
- h. **Payment Intervals.** Payment, unless otherwise specified on Page 1, is to be 30 days after acceptance of a written invoice by McKinleyville Community Services District.
- i. **Permits and Licenses.** Permits and licenses required by governmental authorities in connection with Consultant's services will be obtained at Consultant's sole cost and expense, and Consultant will comply with applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.
- j. **Amendments and Modifications.** Any change in the scope of the professional Services to be done, method of performance, nature of materials, work provided or price thereof, or to any other matter materially affecting the performance or nature of the Services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental Agreement executed by McKinleyville Community Services District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.
- k. **Representations.** Consultant represents that it is now, and will remain for the duration of its Services, properly licensed, qualified, experienced, and equipped to perform the Services. Consultant also represents that the Services shall be completed in accordance with this Agreement. Consultant further represents that the Services and the sale or use of the Services shall not infringe, directly or indirectly, on any valid patent, copyright or trademark, and Consultant shall, at Consultant's sole cost and expense, indemnify, and hold harmless McKinleyville Community Services District from and against any and all

claims and causes of action based on infringements thereof. These representations shall survive the expiration or termination of this Agreement, and are in addition to any warranties provided by law. No payment to Consultant for any Services performed hereunder (including, without limitation, final payment) shall constitute a waiver of any Claims by McKinleyville Community Services District against Consultant relating to the Services.

- l. **Ownership of Drawings and Samples.** Consultant shall submit promptly for all drawings, details, samples and other data required or specifically requested by McKinleyville Community Services District in connection with provision of the Services, and such drawings, details, samples and other data created in connection with performance of the Services and provision of the work shall constitute the property of the McKinleyville Community Services District.
- m. **Compliance with Law/Safety.** In performance of the Services, Consultant shall, at its expense, exercise due professional care, comply strictly with, and cause all sub-consultants to comply strictly with, all laws, orders, rules and regulations of governmental authorities, including those relating to the storage, use or disposal of hazardous wastes, substances or materials, and including the procurement and payment for all necessary permits, certificates and licenses required in connection with the Services. If either Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant's (or sub-consultants) services or work provided hereunder, such party shall promptly inform the other party in writing of the existence thereof. Consultant shall comply with all applicable laws relating to safety, including without limitation the Occupational Safety and Health Act of 1970 as it may be amended from time to time, and all regulations and standards issued pursuant thereto. Consultant shall conform to the current prevailing standards of safety practice.
- n. **Equal Opportunity.** In the performance of the Services there shall be no discrimination on account of race, religion, sex, sexual orientation, age or national origin and Consultant shall comply with applicable federal, state and local laws and regulations pertaining to fair employment practices, including without limitation the provisions of Executive Order 11246 as amended by the President of the United States and the rules and regulations issued pursuant thereto, unless exempted.
- o. **Termination.** McKinleyville Community Services District may, at its option, terminate this Agreement without cause at any time. If at the time of any such termination, any Services have already been provided by Consultant but are unpaid for, McKinleyville Community Services District's only obligation, if Consultant is not in default, shall be to pay for such Services actually provided by Consultant prior to the date of termination. Upon receipt of notice of termination, Consultant shall immediately stop all performance hereunder except as otherwise directed by McKinleyville Community Services District, and if Consultant is not in default, McKinleyville Community Services District shall pay to Consultant (a) the prorata portion of the agreed price based on the percentage completion of the Services which was satisfactorily completed at the time of termination, and (b) the actual net costs incurred by Consultant directly connected with the Services that was not completed prior to the date of termination; provided, however, that under no circumstances shall the total under (a) and (b) exceed the contract price stated on page one (1) of this Agreement, above. Upon such payment, title to any such items or uncompleted Services shall, at McKinleyville Community Services District's option, pass to McKinleyville Community Services District.

- p. **Default.** Upon any default by Consultant hereunder, or in the event of proceedings by or against Consultant in bankruptcy or for the appointment of a receiver or trustee or an assignment for the benefit of creditors, McKinleyville Community Services District may, at its option, terminate this Agreement without penalty or liability (except for payment for any Services completed and accepted by McKinleyville Community Services District). Consultant shall be liable to McKinleyville Community Services District for all expenses incurred by McKinleyville Community Services District in finishing the Services and any damage incurred through any default, which at the option of McKinleyville Community Services District, may be charged against any amounts due from McKinleyville Community Services District to Consultant hereunder, but Consultant's liability hereunder shall not be limited thereby and such liability shall survive the expiration or termination of this Agreement. Any remedies provided for in this Agreement are cumulative and shall be in addition to, and not in limitation of, any other rights and remedies that may be available at law or in equity. Neither party shall be in default of this Agreement until such party has received three (3) days written notification (except in the instance of a health or safety concern, in which case failure to immediately remediate the health or safety violation shall be grounds to declare a default of this Agreement), and an opportunity to cure, or in the case of an alleged default which requires more than three (3) days to cure, a reasonable time so long as the alleged defaulting party commences the remediation of the default immediately, and thereafter diligently prosecutes the same to completion.
- q. **Notices.** Notices, requests, demands, and other communications hereunder shall be in writing and delivered personally, sent by reputable overnight courier or mailed by first class, United States mail, with postage prepaid, to McKinleyville Community Services District, **PO Box 2037, McKinleyville California 95519, Attention: Gregory Orsini**, and to Consultant at the address set forth below its signature, or at any other address that may be given by either party to the other in the manner provided above. Notices delivered personally or sent by overnight courier shall be deemed delivered upon receipt. Notices delivered by mail shall be deemed delivered upon the earlier of (i) receipt or (ii) the date five (5) U.S. mail delivery days after the notice was placed in the United States mail as provided above.
- r. **Headings.** All section headings are provided for convenience only, and shall not be deemed to constitute material terms and conditions of this Agreement.
- s. **Interpretation.** Both Consultant and McKinleyville Community Services District are deemed to have jointly participated in the negotiation and preparation of this Agreement. Consequently, both Consultant and McKinleyville Community Services District are considered to have drafted this Agreement in equal parts and, if any ambiguity is found to exist, all rules of law and evidence requiring ambiguities to be interpreted to the detriment of the drafting party shall not apply.
- t. **Attorneys Fees and Venue for Disputes.** If litigation becomes necessary to enforce the terms and provisions of this Agreement or as a result of any breach by Consultant or District of this Agreement, the prevailing party in any such litigation shall be entitled to recover reasonable attorney's fees and costs. The Humboldt County Superior Court for the State of California shall have exclusive jurisdiction over any dispute arising out of this Agreement or Consultant's provision of Services hereunder, and shall serve as the venue for any such dispute. All parties expressly consent to this designation of jurisdiction and venue.

- u. **MUTUAL UNDERSTANDING OF SERVICES.** McKinleyville Community Services District and Consultant agree that the purpose of value engineering is the identification and presentation of recommendations for improvement of project or process value, for consideration by the McKinleyville Community Services District and their other professional advisors. Both parties understand that as a part of these services, Consultant does no design work and makes no project decisions. McKinleyville Community Services District and Consultant agree that Consultant will be liable to the McKinleyville Community Services District only for damages arising from Consultant's negligence in the performance of the Value Analysis or Value Engineering work itself, and only to the extent that such negligence directly damages the McKinleyville Community Services District.





February 21, 2020

James Henry  
Operations Director  
McKinleyville Community Services District  
P. O. Box 2037  
1656 Sutter Rd  
McKinleyville, CA 95519

**Re: Scope Phase 3b  
Water & Sewer Mainline Replacement & Rehabilitation Master Plans**

Dear Mr. Henry,

The Phase 3 Master Planning work is focused on the assessment related to developing an Engineer's opinion of present-day pipeline condition within the water and sewer systems. This phase will be used to further refine the proposed schedule and extent of the District's future pipeline replacement. The scope includes assessment of the water main under the Mad River as well as the other ductile iron (DI) and asbestos cement (AC) pipe in the water system. It also includes the assessment of the AC and DI pipe in the sewer collection system. Phase 3a included desktop analysis related to quantification of pipeline performance based on environment, material, coating (if applicable), and time of exposure; development of a soil sampling plan; and soil sampling, laboratory analysis for corrosion parameters, and assessment of the soil sample results. Phase 3b will build off the information collected in Phase 3a and will include the development of a destructive and non-destructive test plan for the pipe, the collection and analysis of pipe samples, the non-destructive assessment of segments of pipe, and the preparation of a Fitness for Continued Service Technical Memo detailing the analysis and reporting of the destructive and non-destructive sample results and providing recommendations on necessary adjustments to the Master Plan schedule and priorities for pipeline replacement.

### **Project Understanding**

This phase of work will build off the Phase 1, 2 & 3 Master Planning efforts. Phase 3b of the Master Planning effort will consist of assessment of portions of the system in order to develop an Engineer's opinion regarding the present day fitness of the pipelines, and the corollary of anticipated remaining reliable service life based on present day fitness and associated time of exposure. It is anticipated that these assessments will include the AC sanitary sewer and AC water mains throughout the District's systems, and the DI water main that crosses the Mad River to the Ramey Pump station and DI sewer pipe at stream crossings. The first sub-phase, Phase 3a, included environmental quantification and desktop analysis. The scope of the Phase 3a effort included an analysis of the probable pipeline material performance/degradation versus time due to exposure to various external environments. A soil sampling plan was prepared and, through the assistance of District Staff, soil samples were collected at 21-locations throughout the District and adjacent to existing sewer and water pipelines. The soil samples were analyzed for soil corrosivity data including pH, resistivity, water-soluble chloride ion content and water-soluble sulfate ion content.

The findings and conclusions from the Phase 3a assessment found that the soil environment identified per the laboratory analysis is negligibly corrosive with respect to ductile iron pipe. GHD's experience,

based on direct assessment of ductile iron pipe in similar soil environments over similar time of exposure scenarios, is that external corrosion-related degradation in terms of pipeline wall thickness loss, is typically nominal.

However, the soil environment identified per the laboratory analysis is generally highly aggressive with respect to asbestos-cement pipe in certain areas of the District. The pH of the boring samples tested ranged from 4.5 to 7.8. Seven of the 21 samples analysed were reported as being very highly aggressive (Borings No. 1, No. 3, No. 6, No. 16, No. 17, No. 18, and No. 20). Three of the samples are considered highly aggressive (Borings No. 2, No. 9, and No. 10). Based on AC pipeline installation in the 1970s, the time of exposure to the soil is environment is greater than 40 years. External degradation of AC pipe resulting in a reduction of pipeline strength is expected.

Based on the laboratory findings, the Phase 3a Report recommended the following:

1. A minimum of ten (10) AC pipe samples should be obtained and scheduled for destructive laboratory evaluation. The results of the laboratory analysis should be evaluated by a qualified engineer in order to develop an opinion of fitness for continued service based on the reported physical characteristics in consideration of operational and environmental parameters. Minimum laboratory evaluation parameters should include the following:
  - a. Cross sectional hardness assessment should be performed from the interior to the exterior of each pipeline cross section at 0.10 inch increments using a shore D durometer. The shore D durometer test results in an empirical number from 0 to 100: the higher the number the harder the material. The intent of this testing is to estimate the depth of the softer/weaker material on both the interior and exterior surfaces of each AC pipe sample.
  - b. Cross sectional pH evaluation should be conducted on the entire cross section of each AC pipe sample at a minimum of eight (8) locations per sample evenly spaced around the pipe circumference. The intent of this testing is to identify locations and specific depths, on both the interior and exterior surfaces of each AC pipe sample, where the alkalinity has been reduced.
  - c. Crushing strength testing should be conducted on all AC pipe samples in accordance with ASTM C 500 – Standard Test Methods for Asbestos-Cement Pipe. The intent of this testing is to identify the present-day residual strength of the AC piping.
2. Perform excavation and ultrasonic thickness (UT) testing of ductile iron pipe in a minimum of two (2) locations. Locations should be selected based on testing in the vicinities of the most corrosive soils identified. Pipeline wall thickness should be measured in a minimum of eight (8) circumferential locations. Measured wall thickness should be evaluated with respect to nominal wall thickness to determine percentage of cross-sectional wall thickness lost. The percentage of cross-sectional wall thickness lost result should be evaluated by a qualified engineer in order to develop an opinion of fitness for continued service based on the remaining wall thickness in consideration of operational and environmental parameters.
3. CCTV should be deployed on a minimum of two (2) selected ductile iron pipe runs, each of a minimum of 500 feet. CCTV footage should be reviewed by a qualified engineer in order to develop an estimate of the extent of lining degradation and related impacts to fitness for continued service of the piping.

The scope of Phase 3b Tasks are outlined below and will build off these recommendations.

## Project Team

GHD has assembled an experienced project team in order to provide core expertise for each scoped task. Additionally, this team has a proven-track record of working together to provide highly successful results for clients locally and nationally for similar Fitness for Continued Service Assessments. GHD has prepared a QA/QC approach that leverages senior staff to provide Quality Assurance and facilitate technical reviews for project deliverables. Typical QA/QC workflow for the project will involve interim QC reviews that are coordinated with the Project Manager and Technical Lead, followed by QA review.

### **MCS D**

Project Director: Gregory P. Orsini  
General Manager  
mcsdgm@mckinleyvillecsd.com  
p (707)839-3251 c (707)616-3176

Project Manager: James G. Henry  
Operations Director  
jhenry@mckinleyvillecsd.com  
p (707)839-3251

### **GHD**

Project Manager: Patrick Sullivan, PE  
718 Third Street, Eureka, CA 95501  
T: 707 443 8326 C: 707 599 5123 E: pat.kaspari@ghd.com

Technical Lead: Jeff Knauer, PE, NACE CP Specialist  
6001 Shellmound Street, Suite 850, Emeryville, CA 94608  
E: [Jeff.Knauer@ghd.com](mailto:Jeff.Knauer@ghd.com) T: (510) 420-3312

Project Engineer: Nate Stevens, PE  
718 Third Street, Eureka, CA 95501  
T: 707 443 8326 E: Nathan.stevens@ghd.com

Staff Engineer: Malia Gonzales  
718 Third Street, Eureka, CA 95501  
T: 707 443 8326 E: malia.gonzales@ghd.com

GIS Lead: Amber Shows  
718 Third Street, Eureka, CA 95501  
T: 707 443 8326 E: amber.shows@ghd.com

## Scope of Work

### Project Management

GHD is committed to maintaining frequent and timely communication with MCS D throughout the duration of the project. Project Management is not listed as a unique project Task item but will be conducted throughout the project duration and as a part of each project phase. The project will commence with an internal team kick-off meeting and ongoing Quality Control and Quality Assurance. GHD will be responsible for the following items:

## Task 1 – Develop Pipe Sampling/Assessment Plan

Pipe samples will provide an important source of information in order to quantify the existing condition and remaining life of the pipeline. The AC pipe sampling will require destructive sampling of the pipeline, i.e. cutting out a full section of the existing pipe, and therefore a subsequent repair of the pipe to bring it back into service. As stated in the Phase 3a report, the collection of 10 AC pipe samples would be ideal. However, given the impact on District operations and operational staff required to bypass sewer flows or shutdown of water service, excavating the pipe, cutting out a full section of pipe at least 6-inches long, repairing with a full circle Romac couplers, burying the pipe and returning it to service, we anticipate that we would take a stepwise approach to this sampling.

The non-destructive sampling of the ductile iron pipe will require excavating the pipe to be able to perform the ultrasonic testing, however the CCTV video of sections of DI sewer pipe will only require accessing from Manholes. In fact, recent existing CCTV footage of appropriate DI sewer pipe may already exist.

A Pipe Sampling and Assessment Plan will be developed in conjuncture with District Staff. The Plan will provide the approximate location of an initial two or three AC pipe sample locations. Selection of sampling location will be based on correlation with the highly aggressive pH soil sampling locations, correlation with soil type, ease of system isolation in the area, site access, site disturbance, and other considerations. Ideally sewer pipe would be sampled, which would allow us to assess internal impacts to the pipe from sewage flow. However, it may be significantly easier to isolate section of water pipe in the proposed areas than sewer pipes, and we will work with District staff to make these decisions. Subsequent locations for additional AC pipe sampling will also be determined, up to a total of 10 sample locations. As detailed in the following Task, two or three initial AC samples will be collected, sent to an Analytical Laboratory for Testing, the Test results reviewed, and decisions made on whether additional sampling is required.

The Plan will also detail locations for the DI pipe assessment. The CCTV video should be taken from locations where DI sewer pipe crosses under creeks, which occur in very limited locations. GHD will work with the District to see if recent CCTV already exists for these sections. It would also be ideal if ultrasonic testing could be performed on sections of the water main where it crosses the Mad River. GHD will work with the District to determine ideal locations which will allow for the pipe to be exposed to facilitate ultrasonic testing.

### **Deliverables Task 1**

GHD shall submit a Pipe Sampling and Assessment Plan that will depict the approximate locations of recommended sampling with respect to the location of existing MCSD piping infrastructure. An exhibit to the Plan will include a figure showing the overlay of the pH sampling results with the USDA Soil Mapping for the area to allow for correlation of soil type with pH results. The Plan will detail phases of sampling up to a total of 10 AC pipe sample locations, two DI water pipe ultrasonic testing locations, and two DI sewer pipe CCTV locations. Phase 3b Task 1 Deliverables will include:

- One (1) electronic copy of Draft Plan, and two (2) hardcopies and one (1) electronic copy in pdf format of the Final Pipe Sampling and Assessment Plan.

## Task 2 – Assistance with Implementation of Sampling and Assessment Plan

GHD will coordinate with the District on the implementation of the Sampling Plan. GHD will work with the District to schedule the field work for the implementation of the Plan. Two to three AC pipe samples will be collected during the initial phase. It is our understanding that the District will perform sample location marking and coordinate with Underground Service Alert (USA) for location of existing underground utilities. MCSD will be responsible for associated permitting, traffic control, access, excavation, isolation or bypass pumping, cutting and removal of a minimum of 6-inch long section of piping, repairing the section, double bagging the AC pipe sample, handing it off to GHD for shipping, and backfill, and site restoration. GHD will provide on-site services during the sample capture and labor phases and will be responsible for recording the location, labeling, completion of the chain-of-custody, and transporting samples to the analytical laboratory.

GHD will perform a visual examination and dimensional measurement of AC pipe samples. AC pipe failure typically occurs through the separation of the asbestos fiber from the cement matrix that is no longer strong enough to hold the fibers together. Cataloging, visual examination, and dimensional measurement of AC pipe samples will provide the first round of assessment that may identify damage in the AC pipe and can identify degradation-related factors such as surface mineral deposits and attack, manufacture defects, and physical damage.

GHD will then send samples to a Analytical Laboratory for further analysis including:

- a. Cross sectional hardness assessment performed from the interior to the exterior of each pipeline cross section at 0.10 inch increments using a shore D durometer. The shore D durometer test results in an empirical number from 0 to 100: the higher the number the harder the material. The intent of this testing is to estimate the depth of the softer/weaker material on both the interior and exterior surfaces of each AC pipe sample.
- b. Cross sectional pH evaluation conducted on the entire cross section of each AC pipe sample at a minimum of eight (8) locations per sample evenly spaced around the pipe circumference. The intent of this testing is to identify locations and specific depths, on both the interior and exterior surfaces of each AC pipe sample where the alkalinity has been reduced.
- c. Crushing strength testing conducted on all AC pipe samples in accordance with ASTM C 500 – Standard Test Methods for Asbestos-Cement Pipe. The intent of this testing is to identify the present-day residual strength of the AC piping.

Upon receipt of the laboratory analysis, GHD will review the preliminary results with the District to determine whether it is prudent or necessary to perform additional testing. The two to three samples will not provide a statistically valid sample group to definitively draw conclusions from, but it will provide information to allow additional decision making. If all three samples come back in very good condition and indicating years of life left in the pipe, it may not be worth the effort to collect additional samples, and the District should move forward on the replacement planning as already outlined. Similarly, if the samples come back showing the pipe has almost reached the end of its useful life, it also may not be worth the effort to collect additional samples, and the replacement Master Plan should be adjusted to focus on replacement of pipe in the very aggressive soil areas. If the results are mixed, then GHD will work with the District to decide whether additional sampling is warranted, and if so, where and how many

samples. The cost estimate provided below assumes three samples analyzed, and additional budget will be required to analyze additional samples.

GHD will also coordinate with the District on the performance of the Ultrasonic Thickness (UT) testing. UT Testing is a key tool to measure non-compromised wall thickness of metal pipelines, which can then be compared to nominal wall thickness in order to quantify pipeline degradation to date. It is anticipated that at least two UT testing will be performed on the DI Pipe. Ideally, the UT testing will be performed at two locations on the water main near where it crosses under the Mad River. Exact locations will be determined as part of Task 1. It is anticipated that the District will perform the USA marking and notification for locating of existing underground utilities. MCSD will be responsible for associated permitting, traffic control, access, excavation, and exposure of the DI piping as well as backfill, and site restoration. GHD will provide on-site services during the UT testing phases and will be responsible for recording the location and performing the UT testing. Pipeline wall thickness will be measured in a minimum of eight (8) circumferential locations. Measured wall thickness will be evaluated with respect to nominal wall thickness to determine percentage of cross-sectional wall thickness lost. The percentage of cross-sectional wall thickness lost result will then be evaluated in order to develop an opinion of fitness for continued service based on the remaining wall thickness in consideration of operational and environmental parameters.

GHD will also coordinate on the CCTV videoing of two selected ductile iron sewer pipe runs, each of a minimum of 500 feet. It is assumed that the District will perform the videoing and will perform any bypass pumping, confined space clearance and collection of CCTV footage. The District will then provide the footage to GHD where it will be reviewed by a qualified engineer in order to develop an estimate of the extent of lining degradation and related impacts to fitness for continued service of the piping.

It is also assumed that the District will dispose of the AC piping samples collected from the system. Given their asbestos content, the analytical laboratory will not dispose of them and GHD will coordinate shipping them back to the District for final disposal.

### Task 3- Fitness for Continued Service Technical Memorandum and Recommendations

Following the data collection project phases, GHD will analyze, tabulate and summarize the laboratory and field data in a Fitness for Continued Service Technical Memorandum. The sample locations and protocol will be identified and the findings summarized. Recommendation will then be provide for the opinions of pipe fitness, which can then be applied to similar piping conditions throughout the District's pipeline footprint. Recommendations will also be provided for how the findings impact the existing priority established for pipeline replacement in the Water and Sewer Master Plan. At this time it is unknown if the actual Master Plans and associated figures outlining replacement priorities will need to be updated, so costs associated with any updates are not included in this budget and will be part of Phase 3c, if required.

#### **Deliverables Task 3**

GHD shall submit a Draft Technical Memorandum detailing the findings and recommendations in Word and PDF format for District review and comment. GHD will incorporate District comments and submit two (2) hardcopies and one (1) electronic copy in pdf format of the Final Fitness for Continued Service Technical Memorandum.

## SCHEDULE

The following is the anticipated schedule

TASK	PLANNED TASK INITIATION DATE	TARGET COMPLETION DATE
1. Develop Sampling Plan	March 2020	March 31, 2020
2. Collect Samples (weather dependent)	April 2020	May 2020
3. Technical Memorandum	June 2020	July 2020

## PHASE 3b FEE ESTIMATE

This work will be performed in accordance with the existing contract terms and conditions of the District Professional Services Agreement and for GHD's standard labor rates in place during the performance of the work. The estimated fee by Task is listed below. The authorized Task Order amount of \$40,000 may be redistributed as-needed between the listed Tasks.

Task 1 – Develop Sampling Plan	\$12,000
Task 2 – Implement Sampling Plan and Coordinate Lab Testing	\$30,000
Task 3 – Technical Memorandum	\$20,000
<b>PHASE 3b TOTAL COST</b>	<b>\$62,000</b>

GHD appreciates the opportunity to work with the District and provide corrosion and engineering services. Should you have any questions, comments, please do not hesitate to contact us directly.

Respectfully submitted,

GHD Inc.



Jeff Knauer, PE, NACE Specialist  
Senior Corrosion Engineer



Patrick Kaspari, P.E.  
Associate Engineer

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **INFORMATION**

---

**ITEM: F.2.A**                      **Support Services – Dec 2019-Jan 2020 Report**

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

**TYPE OF ACTION:**            **None**

### **FINANCIAL, AUDIT, & BUDGET INFORMATION**

The District has \$1,089,480.55 to date in the Trust Account for the next Biosolids Disposal project.

Customer adjustments at January month-end total \$10,735.68, which represents 48.8% of the annual \$22,000 budget for this sub-item. (GL# 501-62120)

Total Board Travel as of January 31, 2020 is \$6,668.73 which is 37.7% of the approved \$17,700 budget for this item. (GL# 001/005/501/551 62090/62155-888)

#### Audit/Budget Update:

The Budget process for FY2019-20 is underway. A draft of the Operations CIP is presented for the Board's review at this meeting. The draft operating budget for the Parks & Recreation Department will be presented next month, with a draft of the operating budget for the Water & Wastewater Departments offered in May. with the final budget presented for approval in June, before the start of the next fiscal year in July.

#### Treasurer's Report Highlights:

Water Fund capacity fees collected through January total \$152,341. Wastewater Fund capacity fees of \$174,660 were collected through the end of January. 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.

## **OTHER UPDATES**

A counterfeit check was presented to the District's bank account for payment in December. The fraud was reported to the bank and to the Humboldt County Sheriffs' Department. Umpqua replaced the funds in the District's account and worked with us to implement Positive Pay, which will prevent any such problems in the future.

The Board has the opportunity this month to review suggestions for the Reserve Policy for collection and use of the Repair & Replacement Reserve. The other components of the Reserve Policy that have not already been brought to the Board for discussion will be presented each month, with a final revised Reserve Policy scheduled for August 2020.

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **INFORMATION**

---

**ITEM: F.2.B**                      **Operations Department – January 2020 Report**

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

**TYPE OF ACTION:**            **None**

### **Water Department:**

#### **Water Statistics:**

The district pumped 36.5 million gallons of water in January. Eight water quality complaints were investigated and rectified. Daily, weekly and monthly inspections of all water facilities were conducted.

#### **Double Check Valve Testing:**

Annual routine testing was conducted on Route 1 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. Semi-annual capped well inspections were also conducted. All capped wells are inspected to verify the cap is still intact. If the cap has been removed, the customer is notified to either replace cap or install DCV immediately.

#### **Average and Maximum Water Usage:**

The maximum water usage day was 1.6 million gallons and the average usage per day was 1.2 million gallons.

#### **Water Distribution Maintenance:**

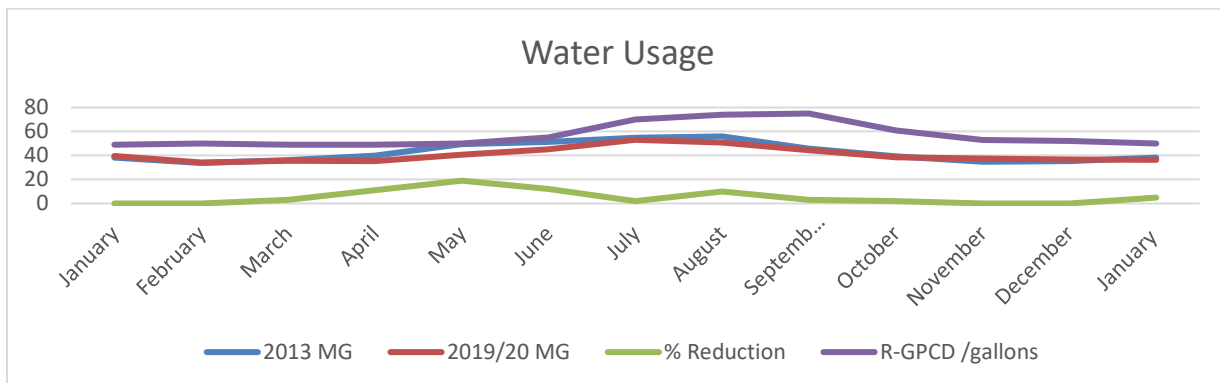
Weekly Bacteria Samples were collected on Schedules 1, 2, 5 and 6 which represent different locations in the water distribution system. The schedules are made up of a sample taken in each pressure zone. The annual Fire Hydrant inspections were completed. Each hydrant was exercised, inspected and documented. Any discrepancies were flagged to generate a work order for repairs. A service line leak was repaired on Balboa due to roots cracking the 1" service. Several meters were repaired due to not communicating with the tablet and showing a fault code.

#### **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. Staff started the annual washdown of the water tank exteriors. Each tank is pressure washed using the boom truck and a pressure washer. This will continue into next month. Northbank pumps received their semi-annual pump greasing as part of the maintenance program. The diaphragm was replaced on the Cochran pump 1 clay valve due to not pumping properly.

As of July 2014, the District is required to submit a Public Water Monthly Monitoring Report to compare water usage to last year's usage in the same month. I will keep the Board updated each month using the Table below.

	2013	2019/20	% Reduction	R-GPCD
<b>January</b>	38.241	39.540	0	49
<b>February</b>	33.751	34.170	0	50
<b>March</b>	36.244	35.468	3	49
<b>April</b>	39.755	35.410	11	49
<b>May</b>	49.407	40.656	19	50
<b>June</b>	51.337	45.198	12	55
<b>July</b>	54.757	53.086	2	70
<b>August</b>	55.908	50.871	10	74
<b>September</b>	45.702	44.361	3	75
<b>October</b>	39.439	38.625	2	61
<b>November</b>	34.879	37.462	0	53
<b>December</b>	35.203	36.588	0	52
<b>January</b>	38.241	36.457	5	50



R-GPCD = Residential Gallons Per Capita Day

**New Construction Inspections:**

The Club on Central; Hot Tap for fire service, new water service and testing was completed. Waiting on as-builds. Bo Day Subdivision; Manhole has been installed.

Water main and services are installed. Tie-in is completed. Testing was completed and corrections were made. St. light installation pending. Frito Lay; mains have been installed along with a manhole installation and services. Testing completed and video recorded. Paving is completed. Imeson Court, Avalar plans have been reviewed and commented. Engineer sent corrected plans back to staff for review and approval. Valedao Lime. Water and sewer services and sewer main have been installed and tested. Streetlights were installed and paving is completed. Waiting on punch list items to be corrected.

## **Sewer Department:**

### **WasteWater Statistics:**

34.7 million gallons of wastewater were collected and pumped to the WWMF. 40.3 million gallons of wastewater were treated and discharged to land disposal or reclamation in January.

### **Sewer Station Maintenance:**

Monthly inspections and daily routines were conducted on all sewer stations. Pump 1 at the B Street station was running higher hours do to rags in the pump. Staff opened the pump, cleared the rags and returned the pump back into service. The B Street and Fischer stations also received service which included shimming pumps, greasing motors, cleaning station and washing the wet wells. The wet wells were cleaned using fire hoses. This is done quarterly to remove debris and grit that could possibly plug up the pumps and also helps remove hydrogen sulfide buildup that could destroy the concrete casings. Hoist repairs and painting also occurred at the Fischer Station.

### **Sewer Collection System:**

Grease traps were inspected at required facilities. Customers that are out of compliance were notified to have their traps pumped and possibly shorten their pumping schedule. A portable sewer flow meter has been installed in several manholes to capture wet weather events and the possibility of inflow or infiltration in the sewer mains. This information is then entered into a graph to compare against rain events and dry weather flows. A new sewer service was installed on Creek Court for new construction.

### **Wastewater Management Facility:**

Staff continues to email the daily WWMF data for monitoring and input on the process. Daily and weekly maintenance continues at the treatment plant to perform required service on the equipment. Annual calibration and maintenance were performed on the vacuum regulators.

### **Daily Irrigation and Observation of Reclamation Sites:**

Monitoring was conducted at the Fischer Ranch tree farm as part of the tree farm pilot study. Discharge has been going to the River since December 16<sup>th</sup>.

### **Street Light Department:**

No streetlights were reported not working properly.

**Promote Staff Training and Advancement:**

Weekly tailgate meetings and training associated with job requirements. Staff received training on Hazwopper refresher, office safety, cpr, trenching and shoring and avoiding slips and trips.

**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.  
Monthly Pesticide applicator report was submitted to Department of Agriculture.  
Staff met with Engineers to discuss the Hiller Station Upgrade Project.  
Staff reviewed Phase 3b mainline rehab scope and provided comments to engineers  
Staff reviewed the new tank RFQ and provided comments to the engineer  
Ran camera to inspect new sewer mains installed at Lime subdivision  
Acute testing for NPDES permit requirements  
Chronic testing for NPDES permit requirements.  
Attended CWEA meetings to discuss training schedules for cities and muni groups.  
Staff and supervisors met to populate and review Individual Development Plans  
Annual Shoring inspection was conducted.  
Construction equipment annual brake and safety inspections were completed  
Staff met to populate and review the Operations Capital Improvement Plan  
Staff completed the 2019 WWMF annual report  
Staff completed the annual wastewater recycled water report.

**Hiller Station Upgrade Project:**

The District is in the process of upgrading the Hiller Sewer Lift Station which will consist of installing two submersible pumps into the existing wet well, installation of a control panel, tie into existing discharge piping, valve installation and controls. The existing package station would need to be decommissioned. Funding for this project will be provided from the Federal Emergency Management Agency (FEMA) and the California Emergency Management Agency (CalEMA) via the Robert T. Stafford Emergency Assistance and Disaster Relief Act for a FEMA Hazard Mitigation Program project. The District requested qualifications for engineering services to provide services necessary to proceed with the upgrade of the Hiller Sewer Lift Station. GHD was the engineers selected for these services. GHD submitted a Scope of Work for this project for comments and review. Staff reviewed Scope and sent it back with comments and modifications. GHD accepted comments. Staff conducted pump testing scenarios and recorded data which will help engineers design appropriately sized pumps and VFD's. GHD delivered 100% design for the District to review. District staff reviewed design and submitted comments back to GHD. The project will go out to bid on January 27<sup>th</sup>. Staff met with prospected bidders for a pre-bid meeting and site walk.

**Parks:**

Several open space zones received mowing, hedging and maintenance as part of the Open Space Maintenance Zone agreements. The Facilities were mowed and cleaned as part of the weekly schedule along with rental events. Monthly inspections were conducted on all facilities and Open Spaces. Staff repaired a broken valve and water

fountain at the Hiller Sports site. Staff also repaired a faulty drinking fountain at the Activity Center. A display case was broken at the Teen center at which time staff repaired.

## **GIS:**

### **Plans and Programs**

- Revised MCSD Mower and Tractor Safety Plan
  - Updated Tractor safety information and general safety requirements
- Reviewed NPDES BMP's and submitted the 2019 Water discharge annual report
- Revised Working Over or Near Water Plan
  - Updated procedures for using Bio Barge and other basic operations around or over water.
- Revised Hazard Communication Program
  - Updated Prop 65 List, SDS elements.
- Created IIPP Binder for Front Office

### **Maps Completed/General GIS**

- Created new Sewer wall map for field office
- Maintaining the Operations I Pad to be used for facility inspections and USA's
- Maintained and update ArcGIS online maps for I Pad use.
- GPS'd and updated new water/sewer services.
- Created map of Average income within neighborhoods in McKinleyville
- Updated Sewer manhole inspections excel sheet
- Map for HSU job Fair
- Created Hydrant repair list from digital inspection results.
- Ranch/Discharge locations Map

### **Misc. Work Completed**

Attended HSU Job Fair

Subdivision SOP revision

Updated/Corrected Sewer cards with wrong information

Created Excel sheet for Manhole Inspection results

Flow Tote Data processing and data entry

Organized Plans and As-builts in the office safe and behind Chris's desk

Document upload to website

Scanned treatment Plant SOP's

Uploaded DocStar onto Ipad

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **INFORMATION**

---

**ITEM: F.2.C**                      **Parks & Recreation Director's Report for February 2020**

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

**TYPE OF ACTION:**            **None**

### **TEEN & COMMUNITY CENTER-BOYS & GIRLS CLUB PARTNERSHIP:**

The Boys & Girls Club are serving an average of 20 youth per day at the Club. Staff continue to meet regularly with Boys & Girls Club staff to ensure open communication and collaboration.

The Vines by the Sea event committee is meeting regularly planning the details of the May 2<sup>nd</sup> event. Vendor invites have gone out and a barbecue contest participants have been secured. Ticket price of \$35-presale and \$40-day of will include not only beer and wine tasting but also barbecue tasting.

### **RECREATION ADVISORY COMMITTEE:**

The Recreation Advisory Committee met on February 20, 2020. The notes from the meetings can be reviewed in **Attachment 1**.

### **RECREATION PROGRAM UPDATES:**

- Playgroup- Continues to have 30-35 families per day.
- Tot-letics-Soccer ended on February 15. The next session is T-ball and begins April 6<sup>th</sup>.
- Youth Basketball League – is wrapping up. It has been a good season with a lot of good games.
- Pee Wee Basketball League – for youth in Kindergarten through 2<sup>nd</sup> grades, will begin, April 6<sup>th</sup>. We are currently accepting registration for the program
- Drop in Pickleball- continues to draw 12-14 per day
- Drop in Basketball- continues to draw 20-25 per Sunday.
- Paint Night-December did not host a Paint Night, however in February we had 6 participants. The next class is March 18<sup>th</sup>.
- Family Skate Night- hosted almost 100 participants in February.
- Breakout – served an average of 40 kids per day during the week of Feb. 17-21.

### **OTHER UPDATES:**

- Staff completed and distributed the 2020 Spring/Summer Activity Guide and Newsletter.
- Staff is preparing to host the 16<sup>th</sup> Annual Humboldt Hoops 3 on 3 Tournament which will be held on March 27-28, 2020 at the Activity Center.
- Staff is working with community residents interested in building a BMX track in McKinleyville on MCSD's property at School Rd. & Washington Ave. Over 30 community residents attended and participated in a public input meeting on

December 11, 2019. Both Staff and the Recreation Advisory Committee have provided guidance and support to the residents working to bring BMX to McKinleyville. The group will be providing a presentation with cost estimates and potential funding and operations plans to the Recreation Advisory Committee in March.

- Staff completed their 2020 Individual Development plans
- Staff continues to work with MUSD in ensuring adequate staffing for the MUSD Expanded Learning After School Program.
- Staff is participating in the planning of MCSD's 50-year anniversary events to take place in 2020.
- Staff is coordinating and running the 2020 Youth Basketball league as well as preparing for the Pee Wee Basketball League which will begin in April.
- Staff is preparing for summer programming.
- Staff is working with Emergency Operations Team to address Strategic Plan Goal 2 as well as plan staff Emergency Operations trainings. Staff continues to work on the plan for an all staff mock emergency response drill to take place in June 2020.

**Attachments:**

Attachment 1—RAC meeting notes 2-20-2020



**Thursday, February 20, 2020**

**6:30pm**

Recreation Advisory Committee Meeting

NOTES

**Members Present:**, Johnny Calkins, Laura Bridy, Chad Sefcik, Jeff Dunk, Scott Binder, Director David Couch, Beth Frink

**Members Absent:** John Kulstad, Ben Winker, Charlie Caldwell, David Coelho

**Guests:** Devin Medrun, Sabra Steinberg, Gail Ericson

**Meeting Notes:**

Communications:

- Staff reported on the actions of the MCSD Board at the February 5, 2020 Board meeting:
  - Appointment of Joshua Zender to the Committee and renewal of committee member, John Kulstad's membership for another 4 year term.
- Staff reported the elimination of the Program Supervisor position resulting in laying off Brigit Fraga

Public Comment:

- Gail Ericson, long time McKinleyville resident spoke to the committee regarding his interest in providing a fishing program for youth, and inquiry as to if MCSD held land on which it would be feasible to build 1 acre ponds, in order to provide a fishing opportunity for youth.

Conflict of Interest Form 700's:

- Staff distributed the conflict of interest forms to the committee members for signatures.

BMX Community Interest in Building McKinleyville Track

- Devin Medrun reported to the committee recent data collections and meeting with the county planning department. He plans to develop a presentation outlining cost estimates, approximate timeline for construction and potential funding sources to the committee at the March 19<sup>th</sup> meeting.

Botanical Garden:

- Member Beth Frink reported on meeting with staff and concluding that it was best to hold off on moving forward with planning the implementation of a pollinator garden at the botanical garden site, until the unknowns related to the WWMF microgrid project could be known.
- Staff reported that MCSD is entering into an agreement with New Directions to provide regular on-going landscape maintenance of the garden for a nominal fee.
- Sabra Steinberg spoke to the committee about her knowledge of the history of how the botanical garden was developed and how the project fell apart due to MCSD's lack of commitment to the project.

Parking at Hiller Park:

- Staff asked the committee for opinions regarding the possibility of decommissioning the eastern segment of the paved Hammond trail along the Hiller Park parking area.
- Committee members discussed the level and type of use for the section of trail and asked staff to consider the use of that portion of the trail by cyclists who are avoiding pedestrians and dogs using the western section of the trail.

- Cement bumpers were suggested as the possible simplest solution to preventing cars from parking on the trail.

Recreation Program Updates:

- Playgroup- Continues to have 30-35 families per day three days per week.
- Tot-letics- Soccer session ended February 15<sup>th</sup>. Next session begins in April
- Drop in Pickleball- 10-15 participants two days per week.
- Drop in Basketball- 20-25 participants every Sunday
- Youth Basketball League- over half way through the season. Pee Wee basketball registration open now.
- Paint Night- February paint night hosted 6 painters, Next class is March 18th.
- Family Skate Night- hosted almost 100 participants

AdHoc Committee Reports:

- Hewitt Ranch—No report
- Skate Park—working on permitting; awaiting grant responses.
- School and Washington Property—No report
- River Property—No report
- Fischer Ranch Estuary project—CalTrout is seeking additional funding for the completion of the project.
- BMX— See notes on above

Agenda Items for next meeting:

- Draft Operating Budget
- BMX Interest
- Hammond Trail
- Community Garden
- Botanical Garden

Adjournment:

- Adjourned: 7:43pm

# McKinleyville Community Services District

## BOARD OF DIRECTORS

March 4, 2020

TYPE OF ITEM: **INFORMATION**

---

**ITEM: F.2.D**                      **General Manager’s Report for March 2020 Meeting**

**PRESENTED BY:**                **Gregory Orsini, General Manager**

**TYPE OF ACTION:**            **Information Only**

### **A summary of activity for the month of February 2020**

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

- Pickle Ball Program Administration by Volunteers                \$142
- In House Pump Repair WWMF                                                \$360
- In house Utility Truck Maintenance                                        \$225
- High Rock CFC Crew Site Clearing                                            \$0
- Caltrans Crew                                                                                \$0
- Northern Humboldt Employment Services                                \$2,806
- Community Service Worker                                                        \$0
- SWAP                                                                                                \$4,176

Total cost savings for **February** is \$7,709

***The cumulative cost savings for the District to date from July 1, 2019 is \$126,780***

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.

**GM Transition** – Screening and contract negotiations are completed, and the Board will approve a contract to hire Pat Kaspari as the MCSD General Manager, for a term of five years during the March 4, 2020 meeting. Staff is nearly finished compiling the onboarding materials. These include, all relevant policies, plans, project calendar and the 90-day hot topic list.

**4.5 Gallon Water Tank Project** – A Request for Qualifications (RFQ) will have been circulated by the March meeting. The RFQ is seeking design firms to submit Statements of Qualifications for the project requiring the Consultant to provide preliminary design, surveying, detailed design, geotechnical investigations, site surveys, environmental review and compliance, CEQA permitting, NPDES permitting, bidding, construction support services, and grant program management as required for the project's Phase One and Phase Two divisions of work. This is a Hazard Mitigation Grant through Cal OES and FEMA and will be a 75% grant 25% cost to MCSD. Estimated total project cost will exceed \$6,000,000.

**Water and Sewer Mainline Master Plan Phase 3a and b** – The Phase 3a Report is completed and awaiting staff review. Phase 3b Scope of Work and level of effort was negotiated and a Profession Service Agreement to provide services for MCSD will be before the board at the March meeting. This phase of work will build off the Phase 1, 2 & 3 Master Planning efforts. Phase 3b of the Master Planning effort will consist of assessment of portions of the system in order to develop an Engineer's opinion regarding the present day fitness of the pipelines, and the corollary of anticipated remaining reliable service life based on present day fitness and associated time of exposure

**SRF Emergency Efficiency WWMF Micro-grid Project** – Immediately following the February Board Meeting Staff Sent the Design Build Contract to Ameresco for their signature. As of the writing of this report we have not receives the executed contract back. Staff followed up the last week of February and Ameresco confirmed receipt of the contract documents and the notice of award. Until MCSD receives the fully executed contract and appropriate insurance and bond documents a notice to proceed will not be issued.

**Administrative and Field Office Remodel and Addition** – A basis of design was submitted to MCSD by our consultant. The basis of design included the space necessary to conduct efficient business now and for the next 30 years. The basis of design also included cost estimates for three different modes of construction. The primary being conventional framing, modular, and container constructions. Conventional construction is what you would typically see when a building is built; framing, siding and a roof, all done on sight. Due to the estimated cost per square foot estimates and the volume of current work, staff will delay a Request for Qualifications for several months.

**Hiller Lift Station Pump Upgrade** – A component for the Clean Water State Revolving Fund Grant/Loan for energy efficiency is an upgrade to the Hiller Sewer Lift Station. The Bid Packets are out and solicitation for bids is in process. A nonmandatory pre-bid meeting was held on February 12 that was attended by two prominent contractors and a deadline for submission of bids is March 4. At that time the lowest responsive bidder will be determined, and this matter should be before the board for authorization at the April meeting.

**Local Limits** – The draft work plan was completed by our consultant, reviewed by staff and submitted to the Regional Board for approval prior to implementation. In December we received word from Region One that we could move forward with the workplan. Since the workplan stipulates sampling during dry weather months, implementation will begin when our influent flow drops below .9 MGD.

**Sewer Undercrossing Project** – Staff received notification that we were awarded funding for Phase 1 which includes design for the permitting. Upon completion, Phase 2 will be for implementation to upgrade all three of our sewer undercrossings. Highway 101 separates MCSD's sewer collection system east and west side. The systems are joined by three sewer mains that cross under the freeway. One in the northern one in the central and one in the southern portion of the town. Due to age and flow limitations these mains would have required replacement in time. As part of the grant 75% of the cost for three parallel lines will be funded through the hazard mitigation grant. Phase 1 is estimated to cost \$180,000.

**Off Channel Habitat and Public Access Project** – Coastal Commission (CC) permit has been submitted and we are currently exchanging letters to meet the requirements. The CC desires to approve the permit in their October meeting, but there are some design changes that will be necessary. Three permits are outstanding – California Department of Fish and Wildlife, Regional Water Quality Control Board, and State Lands Commission. Additional funds are being applied for to fund the public access project: CA State Coastal Conservancy, Wildlife Conservation Board's Public Access Program. The scope and scale of the project has grown to include more elements and necessitated a full CEQA IS MND to cover all project elements. Once CEQA and the permits are in place, the Habitat Conservation Funds (we already have a funding agreement for) can be spent on implementation.

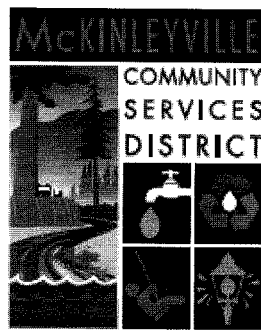
**Measure B** – The Financial and Engineer's Report will begin the assessment process to collect the Measure B proceeds. This effort will lead to the Intent and Public Hearing meetings. These processes are necessary to remain in Proposition 218 compliance and will take place over the next few months. Measure B accounts for approximately \$210,000 of the Parks and Recreation Revenues.

**Individual Development Plans (IDP)** – Staff participates in the IDP process annually. The IDPs allow staff and their supervisor to participate in a dialogue related to professional development, cross training and succession planning. The process starts in January and is usually completed in March. The IDP covers topics such as training both mandatory and optional. Job Descriptions are reviewed to verify they adequately reflect the duties of the position and for employees that are required to maintain certifications, it allows an audit of those certifications.

**Meetings** –The General Manager attended various meetings in February including a MMAC meetings related to the Town Center Ordinance and the bimonthly CSAD Humboldt Area Chapter Meeting. The GM is also taking part in the MARE Leadership in Racial Equity Training, these training are

**Attachments:**

- Attachment 1 – WWMF Monthly Self-Monitoring Report

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

mckinleyvillecsd.com

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

February 26, 2020

**RE: MONTHLY MONITORING REPORT**

Dear Justin:

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

The normal discharge of effluent was 31 days going to 001. The required monitoring and water quality constituents that were tested and reported was in compliance in January.

Effluent Limitations Parameters	Units	Average Monthly	Average Weekly	Avg. % Removal	Max Daily	Instant Max	Instant Min	Results
<b>Monitoring Location EFF- 001</b>								
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
<b>Monitoring Location LND-001, REC-001</b>								
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 January are as follows. Median was <1.8 and a Maximum of 2.0. Four samples were collected in the month of January and was in compliance.

Acute Toxicity Percent Survival. Minimum for any bioassay is 70% survival. Median for three or more consecutive bioassays at least 90% survival. Acute results were 100% and TST Pass for Rainbow trout.

Quarterly sampling along with the Annual Chronic testing was also completed in January.

Monthly River Monitoring was conducted in January.





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

**JANUARY 2020**

Discharge Monitoring DATE	M-INF INFLUENT MGD	M-001 EFFLUENT MGD	MAXIMUM GPM	002 LND-001 N.POND MGD	002 LND-001 S.POND MGD	004 REC-001 FISCHER MGD UPPER	003 REC-001 FISCHER MGD LOWER	006 REC-001 PIALORSI MGD	005 REC-001 HILLER MGD	IRRGATE TOTAL MGD	001 EFF-001 RIVER MGD
1	0.992	1.236	1174							0.000	1.236
2	0.985	1.196	1256							0.000	1.196
3	0.953	1.175	1154							0.000	1.175
4	1.045	1.297	1263							0.000	1.297
5	1.069	1.171	1188							0.000	1.171
6	0.969	1.188	1336							0.000	1.188
7	0.952	1.109	1192							0.000	1.109
8	1.023	1.213	1253							0.000	1.213
9	1.073	1.366	1330							0.000	1.366
10	1.020	1.233	1244							0.000	1.233
11	1.127	1.331	1362							0.000	1.331
12	1.170	1.229	1236							0.000	1.229
13	1.123	1.315	1513							0.000	1.315
14	1.112	1.318	1387							0.000	1.318
15	1.105	1.245	1258							0.000	1.245
16	1.375	1.207	1652							0.000	1.207
17	1.154	1.528	1298							0.000	1.528
18	1.192	1.384	1354							0.000	1.384
19	1.174	1.261	1274							0.000	1.261
20	1.169	1.307	1211							0.000	1.307
21	1.148	1.408	1408							0.000	1.408
22	1.113	1.309	1356							0.000	1.309
23	1.085	1.357	1402							0.000	1.357
24	1.060	1.216	1267							0.000	1.216
25	1.185	1.257	1246							0.000	1.257
26	1.353	1.339	1108							0.000	1.339
27	1.209	1.447	1390							0.000	1.447
28	1.241	1.550	1498							0.000	1.550
29	1.200	1.390	1372							0.000	1.390
30	1.188	1.439	1413							0.000	1.439
31	1.141	1.294	1340							0.000	1.294
<b>TOTAL</b>	<b>34.706</b>	<b>40.316</b>		<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>40.316</b>
<b>AVERAGE</b>	<b>1.120</b>	<b>1.301</b>	<b>1314</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.301</b>
<b>MAXIMUM</b>	<b>1.375</b>	<b>1.550</b>	<b>1652</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.550</b>
<b>MINIMUM</b>	<b>0.952</b>	<b>1.109</b>	<b>1108</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.109</b>
<b>DAYS</b>	<b>31</b>	<b>31</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31</b>
<b>DAYS WITH NO DISCHARGE = 0</b>											

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT  
WASTEWATER MANAGEMENT FACILITY  
RIVER CFS - EFFLUENT FLOWS -

M-003

RIVER DILUTION

M-004

M-005

December 2019

DATE	INF-001 INFLUENT MGD	EFF-001 EFFLUENT MGD	EFFLUENT MAXIMUM GPM	M-002 PERK PONDS MGD	M-006 IRRIGATE MGD	EFF-001 RIVER MGD	RIVER DILUTION 100:1	MAXIMUM G.P.M. DISCHARGE FOR 100:1	RIVER FLOW IN CFS	RIVER FLOW IN GPS
------	----------------------------	----------------------------	----------------------------	-------------------------------	--------------------------	-------------------------	----------------------------	---------------------------------------------	-------------------------	-------------------------

1	0.992	1.236	1174			1.236	286	3357	748	5596
2	0.985	1.195533	1256			1.196	440	5521	1230	9202
3	0.953	1.175	1154			1.175	361	4165	928	6942
4	1.045	1.297	1263			1.297	339	4282	954	7137
5	1.069	1.171	1188			1.171	412	4893	1090	8154
6	0.969	1.188	1336			1.188	314	4192	934	6987
7	0.952	1.109	1192			1.109	303	3613	805	6022
8	1.023	1.213	1253			1.213	412	5162	1150	8603
9	1.073	1.366	1330			1.366	803	10683	2380	17805
10	1.020	1.233	1244			1.233	729	9067	2020	15112
11	1.127	1.331	1362			1.331	735	10010	2230	16683
12	1.170	1.229	1236			1.229	1006	12433	2770	20722
13	1.123	1.315	1513			1.315	994	15037	3350	25061
14	1.112	1.318	1387			1.318	2175	30163	6720	50272
15	1.105	1.245	1258			1.245	1499	18852	4200	31420
16	1.375	1.207	1652			1.207	1497	24732	5510	41220
17	1.154	1.528	1298			1.528	1584	20558	4580	34263
18	1.192	1.384	1354			1.384	935	12658	2820	21096
19	1.174	1.261	1274			1.261	782	9965	2220	16608
20	1.169	1.307	1211			1.307	789	9561	2130	15935
21	1.148	1.408	1408			1.408	657	9247	2060	15411
22	1.113	1.309	1356			1.309	1033	14004	3120	23341
23	1.085	1.357	1402			1.357	746	10458	2330	17431
24	1.060	1.216	1267			1.216	932	11805	2630	19675
25	1.185	1.257	1246			1.257	1045	13017	2900	21695
26	1.353	1.339	1108			1.339	4942	54761	12200	91268
27	1.209	1.447	1390			1.447	1773	24642	5490	41071
28	1.241	1.550	1498			1.550	1411	21141	4710	35236
29	1.200	1.390	1372			1.390	1489	20423	4550	34039
30	1.188	1.439	1413			1.439	1217	17191	3830	28652
31	1.141	1.294	1340			1.294	1085	14543	3240	24238

TOTAL

AVERAGE

MAXIMUM

MINIMUM

DAYS

DAYS WITH NO DISCHARGE TO THE MAD RIVER = 0