October 1, 2025 Regular Meeting of the McKinleyville Community Services District Board of Directors

Time: 6:00 p.m.

Location: Azalea Hall, 1620 Picket Road, McKinleyville, California

Or

Teleconference via ZOOM or Telephone

Use ZOOM MEETING ID: 859 4543 6653 (https://us02web.zoom.us/j/85945436653)

or DIAL IN TOLL FREE: 1-888-788-0099 (No Password Required!)

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

All Public Comment received before the above deadline may be provided to the Board at 9 a.m. on Wednesday, October 1 in a supplemental packet that will also be posted on the website for public viewing.

Agenda

A. Call to order

1 Roll Call

2 Pledge of Allegiance

3 Additions or Changes 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.

4 Approval of the Agenda

5 Closed Session Discussion

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

There is no closed session scheduled.

B. Public Hearings

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

There is 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.

1 Consider Approval of Draft Minutes of the Board of Directors Regular Meeting on September 3, 2025 (Pg. 7)

Attachment 1 – Draft Minutes from September 3, 2025 **(Pg. 9)**

2 Consider Approval of DRAFT August 31, 2025 Treasurer's Report (Pg. 15)

Attachment 1 – DRAFT August 31 2025 Treasurer's Report **(Pg. 17)**

3 Compliance With State Double Check Valve (DCV) Law (Pg. 31)

E. Continued and New Business

1 Consider Approval of Regular Board Meeting Dates, Time, and Location for the 2026 Calendar Year (Pg. 33)

Attachment 1 – Proposed 2026 MCSD Regular Board Meeting Calendar **(Pg. 35)**

2 Consider Approval of Updates to District Rules & Regulations and Expenditure Control Guidelines to Conform to California Uniform Public Construction Cost Accounting Act and Approval of the Second Reading of Ordinance 2025-24 (Pg. 37)

Attachment 1 – Ordinance 2025-04 **(Pg. 41)**

Attachment 2 – Updated Procurement Policy, formerly Expenditure Control Guidelines, with Track Changes **(Pg. 47)**

Attachment 3 – Regulation 66 and 67 with Track Changes **(Pg. 61)**

3 Consider Submittal of Comment Letter on the McKinleyville Town Center Ordinance to the Humboldt County Board of Supervisors (Pg. 67)

Attachment 1 – Draft Comment Letter **(Pg. 69)**

4 Consider Adoption of Resolution 2025-19 Proclaiming October 4 – October 12, 2025 California Water Professionals Appreciation Week (Pg. 71)

Attachment 1 – Resolution 2025-19 **(Pg. 73)**

F. Reports

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

1 Active Committee Reports

a. Parks and Recreation Committee (Binder/Biteman)

b. McKinleyville Area Fund (John Kulstad/Binder)

c. Redwood Region Economic Development Commission (Mayo/Biteman)

d. McKinleyville Senior Center Board Liaison (Binder/Couch)

e. Audit and Finance Committee (Orsini/Biteman)

f. Employee Negotiations (Couch/Mayo)

g. McKinleyville Municipal Advisory Committee (Binder/Orsini)

h. McKinleyville Community Forest Committee (Orsini/Biteman)

i. HBMWD Muni Water Task Force (Couch/Mayo)

2 Legislative and Regulatory Reports

3 Staff Reports

a. Finance & Administration Department (Samantha Howard) (Pg. 75)

Attachment 1 – 3rd DRAFT JUNE 2025 Treasurer's Report **(Pg. 77)**

b. Operations Department (James Henry) (Pg. 85)

c. Parks & Recreation Department (Kirsten Messmer) (Pg. 89)

Attachment 1 – McKinleyville Community Forest Committee Approved Meeting Minutes from August 19, 2025 **(Pg. 93)**

d. **General Manager (Pat Kaspari) (Pg. 97)**

Attachment 1 – WWMF Monthly Self-Monitoring Report **(Pg. 105)**

4. President's Report

5. Board Member Comments, Announcements, Reports and Agenda Item Requests

G. Adjournment

Posted 5:00 p.m. on September 26, 2025

Pursuant to California Government Code Section 54957.5. this agenda and complete packet are available for public inspection 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.

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McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of the Draft Minutes of the Board of Directors Regular Meeting on September 3, 2025**

PRESENTED BY: **Joey Blaine, Board Secretary**

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

Recommendation:

Staff recommends the approval of the Draft Minutes of the Board of Directors for the September 3, 2025.

The Draft minutes are attached for the above listed meeting(s). A reminder that the minutes are approved by the legislative body that is the Board of Directors, not individual members of the Board who were present at a meeting.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Minutes from September 3, 2025

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MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, SEPTEMBER 3, 2025 at 6:00 P.M.
IN PERSON AT AZALEA HALL – 1620 PICKETT ROAD, MCKINLEYVILLE, CALIFORNIA
and
TELECONFERENCE Via ZOOM & TELEPHONE:
ZOOM MEETING ID: 859 4543 6653 (https://us02web.zoom.us/j/85945436653) and
TOLL FREE: 1-888-788-0099

AGENDA ITEM A. CALL TO ORDER:

A.1 Roll Call: The meeting was called to order at 6:00 p.m. with the following Directors and Staff in attendance in person at Azalea Hall:

Scott Binder, Director
James Biteman, President
Dennis Mayo, Vice President
Greg Orsini, Director

Pat Kaspari, General Manager
Joey Blaine, Board Secretary
James Henry, Operations Director
Samantha Howard, Finance Director
Kirsten Messmer, Parks and Recreation Director
Lesley Frisbee, Human Resources Director

Director David Couch was absent

A.2 Pledge of Allegiance

The Pledge of Allegiance was led by Director Orsini.

A.3 Additions to the Agenda

General Manager Kaspari confirmed there were no additions or changes to the agenda.

A.4 Approval of the Agenda

Motion: It was moved to approve the agenda.
Motion by: Director Orsini **Second:** Director Mayo
There were no comments from the Board or public.
Roll Call: Ayes: Biteman, Binder, Mayo and Orsini Nays: None Absent: Couch
Motion Summary: Motion passed.

A.5 Closed Session Discussion

There was no closed session scheduled.

AGENDA ITEM B. PUBLIC HEARINGS

There was no public hearing scheduled.

AGENDA ITEM C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:

There was no public comment.

AGENDA ITEM D. CONSENT CALENDAR:

D.1 Consider Approval of Draft Minutes of the Board of Directors Regular Meeting on August 6, 2025

D.2 Consider Approval of Draft July 31, 2025 Treasurer's Report

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

D.4 Consider Approval of Resolution 2025-18 Accepting an Odor Easement for the Meserve Subdivision

Motion: It was moved to approve the Consent Calendar.
Motion by: Director Mayo **Second:** Director Orsini
There were no comments from the Board or public.
Roll Call: Ayes: Biteman, Binder, Mayo and Orsini Nays: None Absent: Couch
Motion Summary: Motion passed.

AGENDA ITEM E. CONTINUED AND NEW BUSINESS:

E.1 Consider Airport Business Park Water Leak Adjustment Appeal

Tyler Blevin, owner of Evergreen Landscapes, joined via Zoom.

Board Secretary Blaine presented the item.

Mr. Blevin expounded on his request for the appeal and explained mitigation measures that had been taken to prevent further leaks of this magnitude.

Directors aired questions and discussed.

There was no public comment.

Motion: It was moved to uphold the General Manager's decision to deny the appeal.
Motion by: Director Binder **Second:** Director Mayo
There were no comments from the Board or public.
Roll Call: Ayes: Biteman, Binder, Mayo and Orsini Nays: None Absent: Couch
Motion Summary: Motion passed.

E.2 Consider Approval of Draft MCSD Investment Policy

Finance Director Howard presented the item.

Directors held a brief discussion.

There was no public comment.

Motion: It was moved to approve the draft MCSD Investment Policy.
Motion by: Director Orsini **Second:** Director Mayo
There were no comments from the Board or public.
Roll Call: Ayes: Biteman, Binder, Mayo and Orsini Nays: None Absent: Couch
Motion Summary: Motion passed.

E.3 Consider Approval of Updates to District Rules & Regulations and Expenditure Control Guidelines to Conform to California Uniform Public Construction Cost Accounting Act and Approval o the First Reading of Ordinance 2025-04

General Manager Kaspari Presented the item.

Director discussed and asked clarifying questions of staff.

There was no public comment.

Motion: It was moved to approve the first reading of Ordinance 2025-04.
Motion by: Director Orsini **Second:** Director Binder
There were no comments from the Board or public.
Roll Call: Ayes: Biteman, Binder, Mayo and Orsini Nays: None Absent: Couch
Motion Summary: Motion passed.

E.4 Review and Discuss Annual Board Self-Evaluation

Human Resources Director Frisbee presented the item.

Board discussion ensued and Directors thanked staff for the continued work on the goals of the strategic plan.

There was no public comment.

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

E.5 Consider Appointment of Board Members to Cybersecurity Governance Ad Hoc Committee

Board Secretary Blaine presented the item.

President Biteman appointed Director Binder and Director Orsini to the committee as they had previously expressed interest.

This was a Presidential appointment. No Board action was taken.

E.6 Consider Providing Public Comments on the Roshan Ranch Timber Harvest Plan

General Manager Kaspari presented the item.

There was no public comment.

Motion: It was moved to approve authorize District Staff provide initial comments to CAL FIRE on the proposed Roshan Ranch Timber Harvest Plan (THP) and authorize the Staff to submit additional subsequent comments if time is of the essence.
Motion by: Director Orsini **Second:** Director Mayo
There were no comments from the Board or public.
Roll Call: Ayes: Biteman, Binder, Mayo and Orsini Nays: None Absent: Couch
Motion Summary: Motion passed.

E.7 Formation of the McKinleyville Community Forest Fund Fundraising Plan

Parks and Recreation Director Messmer presented the item.

Board discussion ensued.

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

E.8 Consider Attendance at the Association of California Water Agencies (ACWA) 2025 Fall Conference & Expo in San Diego, CA on December 2-4, 2025

Board Secretary Blaine presented the item.

Director Binder and Director Mayo plan on attending.

There was no public comment.

Motion: It was moved to approve interested Board Members to attend the ACWA Fall Conference and Expo.
Motion by: Director Mayo **Second:** Director Binder
There were no comments from the Board or public.
Roll Call: Ayes: Biteman, Binder, Mayo and Orsini Nays: None Absent: Couch
Motion Summary: Motion passed.

AGENDA ITEM F. REPORTS

F.1 ACTIVE COMMITTEE REPORTS

a. **Parks and Recreation Committee (Binder/Biteman):** Director Binder attended the August meeting of the Parks and Recreation Committee, but had nothing further to add to Parks and Recreation Director Messmer's report.

b. **McKinleyville Area Fund (John Kulstad/Binder):** Did not meet.

c. **Redwood Region Economic Development Commission (Mayo/Biteman):** Director Biteman gave a brief report from the August RREDC meeting.

d. **McKinleyville Senior Center Board Liaison (Binder/Couch):** Director Binder gave a brief report on the activities of the Senior Center.

e. **Audit and Finance (Orsini/Biteman):** Director Orsini gave a brief report on the August 5 meeting of the Audit and Finance Committee.

f. **Employee Negotiations (Couch/Mayo):** Did not meet.

g. **McKinleyville Municipal Advisory Committee (Binder/Orsini):** General Manager Kaspari gave a report from the August MMAC meeting.

h. **McKinleyville Community Forest Committee (Orsini/Biteman):** Director Orsini gave a report from the August MCFC meeting.

i. **HBMWD Muni Water Task Force (Couch/Mayo):** Did not meet.

F.2 LEGISLATIVE AND REGULATORY REPORTS

Board Secretary Blaine gave an update on SB 707, Amendments to the Brown Act, and SB 827 which would require bi-annual financial training for elected officials and executive staff.

Director Mayo gave updates on pending legislation that may affect the District and upcoming events he will be attending.

Director Orsini gave an update on Proposition 50, the potential remapping of California's legislative districts.

F.3 STAFF REPORTS

a. **Finance and Administration Department:** Finance Director Howard announced that a new part-time hire will be starting in the front office on September 16 and gave a brief update on the procurement of updated accounting software.

b. **Operations Department (James Henry):** Operations Director Henry had nothing further to add to his written report.

c. **Parks & Recreation Department (Kirsten Messmer):** Parks and Recreation Director Messmer had nothing further to add to her written report.

d. **General Manager (Patrick Kaspari):** General Manager Kaspari gave an update on the progress of the 4.5 MG Tank project, Humboldt Bay Municipal Water Districts impending leak repair of a transmission line, and the Volunteer Trail Stewards work day in the Community Forest on September 13.

F.4 PRESIDENT'S REPORT

President Biteman, expounded on his report out of the August meeting of the Redwood Region Economic Development Commission and correspondence he had received and responded to from the public.

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

Director Orsini gave a summary of the Director's time at the CSDA Annual Conference.

G. Meeting Adjourned at 8:16 p.m.

_____
Joseph Blaine, CMC, Board Secretary

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McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **ACTION**

ITEM: D.2 **Consider Approval of DRAFT August 31, 2025 Treasurer's Report**

PRESENTED BY: **Samantha Howard, Finance Director**

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

Recommendation

Staff recommends the Board review and approves the DRAFT August 31, 2025 Treasurer's Report.

Discussion

The Treasurer's Report for August 31, 2025 is a draft as it is subject to change throughout the year end process. Multiple accounts may be adjusted during the reconciliation process to ensure accurate year-end balances for all balance sheet and income statement accounts. An updated Budget to Actuals with Selected Graphs for June 30, 2025 is provided with the Finance Department Staff Note later in this packet.

Here are some highlights to note on the August 31, 2025 Treasurer's Report:

- Water Sales and Wastewater Services Charges are considerably less in August compared to July due to a short billing period; July had a 35-day billing period whereas August had a 28-day billing period.
- Wastewater interest expense is high in August due to three loan payments for the Pialorsi Ranch, the Wastewater Management Facility, and the BNY Mellon Sewer Bond.
- Parks and Recreation revenue is higher in August compared to July due to two large payments received from Kids Club After School Program and Kids Camps.
- Looking at the Graph for Parks and Recreation, the line representing Budgeted Expenditures includes all Operating Expenditures and Capital Expenditures; however, revenues that offset these expenditures are broken out into two separate lines, Operating Revenue and Grant Revenue.

Alternatives:

Staff's analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Exhibits/Attachments

Attachment 1- DRAFT August 31, 2025 Treasurer's Report

BOARD MEETING October 1, 2025 CONSENT CALENDAR **ITEM D.2**

McKinleyville Community Services District
Treasurer's Report
August 31, 2025

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Page 2	Activity Summary by Fund with Selected Graphic Comparisons
Page 9	Cash Disbursement Report

Ratios

as of August 31, 2025

- Utility Accounts Receivable Turnover Days	**13**
- YTD Breakeven Revenue, Enterprise Funds:	**$ 1,639,403**
- YTD Actual Enterprise Operating Revenue:	**$ 1,707,616**
- Days of Cash on Hand-Operations Checking/MM	**155**

McKinleyville Community Services District
DRAFT Activity Summary by Fund, Approved Budget
August 31, 2025

Department Summaries	July	August	% of Year 16.67% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Total Budget	Remaining Budget	Remaining Budget %	Notes
							% Year Remaining:		83.33%	
Water										
Water Sales	481,406	420,625	902,031	743,333	158,698	21.35%	4,460,000	3,557,969	79.78%	
Other Revenues	21,621	21,242	42,862	39,310	3,552	9.04%	235,858	192,996	81.83%	
Total Operating Revenues	503,027	441,866	944,893	782,643	162,250	20.73%	4,695,858	3,750,965	79.88%	
Salaries & Benefits	234,052	96,039	330,091	261,715	68,376	26.13%	1,570,292	1,240,201	78.98%	July expense is higher than normal due to large one-time annual payments such as prepaid health insurance and UAL payment.
Water Purchased	109,472	115,631	225,103	230,854	(5,751)	-2.49%	1,385,125	1,160,022	83.75%	
Other Expenses	148,833	41,449	190,282	176,358	13,924	7.90%	1,058,149	867,867	82.02%	
Depreciation	38,083	38,083	76,167	76,167	(0)	0.00%	457,000	380,833	83.33%	
Total Operating Expenses	530,440	291,202	821,643	745,094	76,549	10.27%	4,470,566	3,648,923	81.62%	
Net Operating Income	(27,414)	150,664	123,250	37,549	238,799		225,292	102,042		
Grants	-	510	510	291,667	(291,157)		1,750,000	1,749,490	99.97%	
Interest Income	25,619	25,649	51,268	33,333	17,935	53.80%	200,000	148,732	74.37%	
Interest Expense	13,857	-	13,857	32,090	18,233	-56.82%	192,542	178,685	92.80%	
Total Non-Operating Income	11,762	26,159	37,920	292,910	(291,455)		1,757,458	1,719,538		
Net Income (Loss)	**(15,652)**	**176,823**	**161,171**	**330,459**	**(52,657)**		**1,982,750**	**1,821,579**		
Wastewater										
Wastewater Service Charges	415,455	390,131	805,586	741,667	63,919	8.62%	4,450,000	3,644,414	81.90%	Sewer Service Revenue $25,324 less in August due to short billing cycle.
Other Revenues	24,379	28,618	52,998	44,395	8,603	19.38%	266,372	213,374	80.10%	
Total Operating Revenues	439,834	418,749	858,583	786,062	72,521	9.23%	4,716,372	3,857,789	81.80%	
Salaries & Benefits	251,183	120,551	371,735	275,688	96,047	34.84%	1,654,127	1,282,392	77.53%	July expense is higher than normal due to large one-time annual payments such as prepaid health insurance and UAL payment.
Other Expenses	155,264	41,421	196,685	239,136	(42,451)	-17.75%	1,434,814	1,238,129	86.29%	
Depreciation	129,167	129,167	258,333	258,333	0	0.00%	1,550,000	1,291,667	83.33%	
Total Operating Expenses	535,614	291,139	826,753	773,157	53,596	6.93%	4,638,941	3,812,189	82.18%	
Net Operating Income	(95,780)	127,611	31,831	12,905	18,926		77,431	45,600		
Grants	(2,755)	510	(2,245)	583,333	(585,578)	-100.38%	3,500,000	3,502,245	100.06%	July revenue is negative due to a year end adjustment for the highway undercrossing that was reversed on July 1.
Interest Income	49,647	51,373	101,020	41,667	59,353	142.45%	250,000	148,980	59.59%	
Interest Expense	(223,797)	269,011	45,214	62,705	17,491	-27.89%	376,229	331,015	87.98%	Three loan payments in August; Pialorsi Ranch, WWMF, and 2021 Bond.
Total Non-Operating Income	270,689	(217,128)	53,561	562,295	(543,716)		3,373,771	3,320,210	98.41%	
Net Income (Loss)	**174,909**	**(89,517)**	**85,391**	**575,200**	**(489,809)**		**3,451,202**	**3,365,811**		
Enterprise Funds Net Income (Loss)	**159,256**	**87,305**	**246,562**	**905,659**	**(659,097)**		**5,433,952**	**5,187,390**		

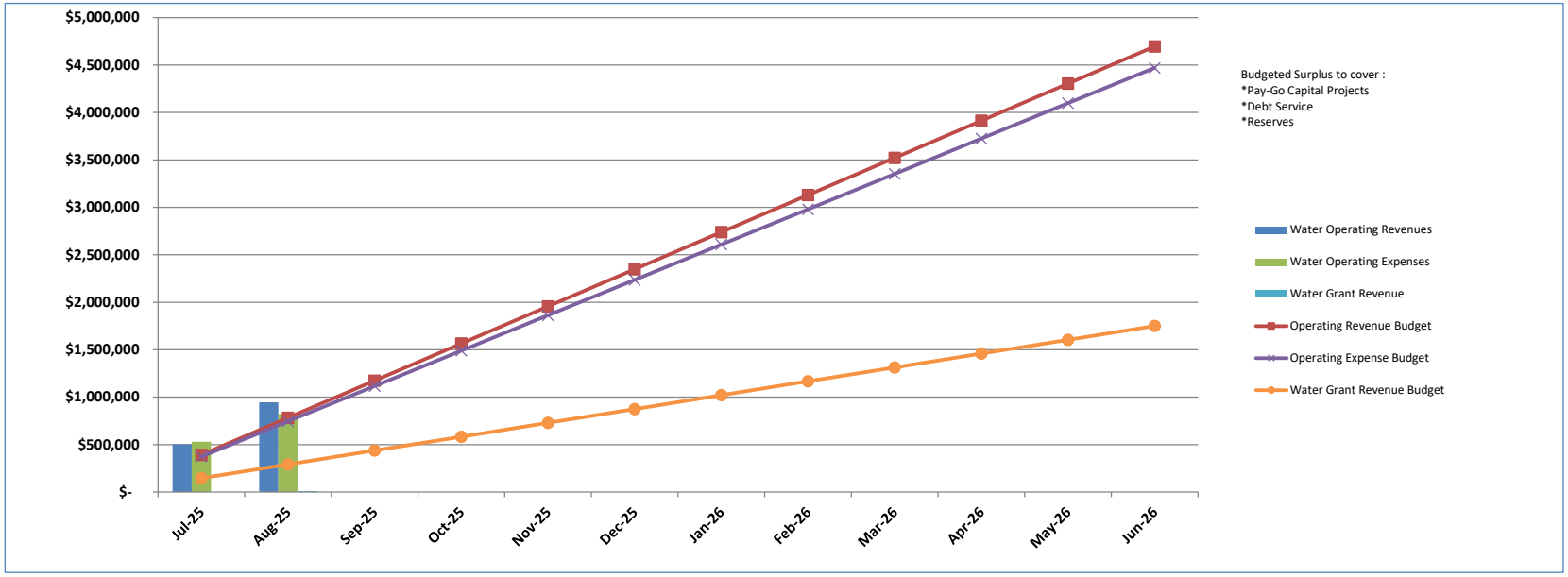
McKinleyville Community Services District
DRAFT Activity Summary by Fund, Approved Budget
August 31, 2025

Department Summaries	July	August	% of Year 16.67% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Total Budget	Remaining Budget	Remaining Budget %	Notes
							% Year Remaining:		83.33%	
***Parks & Recreation**										
Program Fees	44,212	62,265	106,477	61,642	44,835	72.73%	369,850	263,373	71.21%	Received large payments from Kids Club and Kids Camp
Rents & Facility Related Fees	2,971	8,197	11,168	15,363	(4,195)	-27.31%	92,175	81,007	87.88%	
Property Taxes	-	-	-	127,627	(127,627)	-100.00%	765,761	765,761	100.00%	Property tax revenue received in Dec, April, June
Other Revenues	22,323	12,943	35,266	33,114	2,152	6.50%	198,685	163,419	82.25%	Budget spread evenly across 12 months, but actuals vary by schedule
Interest Income	13,635	16,769	30,404	29,167	1,237	4.24%	175,000	144,596	82.63%	
Total Revenues	83,141	100,174	183,315	266,913	(83,598)	-31.32%	1,601,471	1,418,156	88.55%	
Salaries & Benefits	217,225	120,857	338,082	195,396	142,686	73.02%	1,172,378	834,296	71.16%	Expense is higher in July due to the annual prepaid health insurance and annual UAL payment.
Other Expenditures	54,741	18,967	73,707	54,447	19,260	35.37%	326,680	252,973	77.44%	
Total Expenditures	271,966	139,824	411,790	249,843	161,947	64.82%	1,499,058	1,087,268	72.53%	Budget spread evenly across 12 months, but actuals vary by project schedule
Other Financing Sources:	-	-								
Grant Revenues	-	-	-	233,333	(233,333)	-100.00%	1,400,000	1,400,000	100.00%	
Capital Expenditures	5,951	253,111	259,062	250,333	8,729	-84.06%	1,502,000	1,242,938	82.75%	Budget spread evenly across 12 months, but actuals vary by project schedule
Excess (Deficit)	**(194,776)**	**(292,761)**	**(487,537)**	**70**	**(487,607)**		**413**	**1,730,888**		
***Measure B Assessment**										
Total Revenues	2,098	4,738	6,837	128,419	(121,582)	-94.68%	770,516	763,679	99.11%	Budgeted revenue includes assessments and interest revenue. Assessments received in Dec, April, June.
Salaries & Benefits	12,534	17,136	29,670	33,414	(3,744)	-11.20%	200,484	170,814	85.20%	
Other Expenditures	14,253	11,662	25,915	47,151	(21,236)	-45.04%	282,904	256,989	90.84%	
Capital Expenditures/Loan Repayment	4,003	-	4,003	45,333	(41,330)	-91.17%	272,000	267,997	98.53%	
Total Expenditures	30,790	28,798	59,588	125,898	(66,310)	-52.67%	755,388	695,800	92.11%	
Excess (Deficit)	**(28,692)**	**(24,060)**	**(52,751)**	**2,521**	**(55,272)**		**15,128**	**67,879**		
***Street Lights**										
Total Revenues	12,677	12,481	25,158	24,458	700	2.86%	146,750	121,592	82.86%	
Salaries & Benefits	7,492	3,411	10,903	10,015	888	8.87%	60,088	49,185	81.85%	Expense is higher in July due to the annual prepaid health insurance and annual UAL payment.
Other Expenditures	14,941	4,593	19,535	11,103	8,432	75.94%	66,620	47,085	70.68%	
Capital Expenditures/Loan Repayment	-		-	833	(833)	-100.00%	5,000	5,000	100.00%	
Total Expenditures	22,434	8,004	30,438	21,951	8,487	38.66%	131,708	101,270	76.89%	
Excess (Deficit)	**(9,757)**	**4,477**	**(5,280)**	**2,507**	**(7,787)**		**15,042**	**20,322**		
Governmental Funds Excess (Deficit)	**(233,225)**	**(312,343)**	**(545,568)**	**5,098**	**(550,666)**		**30,583**	**1,819,089**		

*Governmental Funds use a modified accrual basis of accounting per GASB

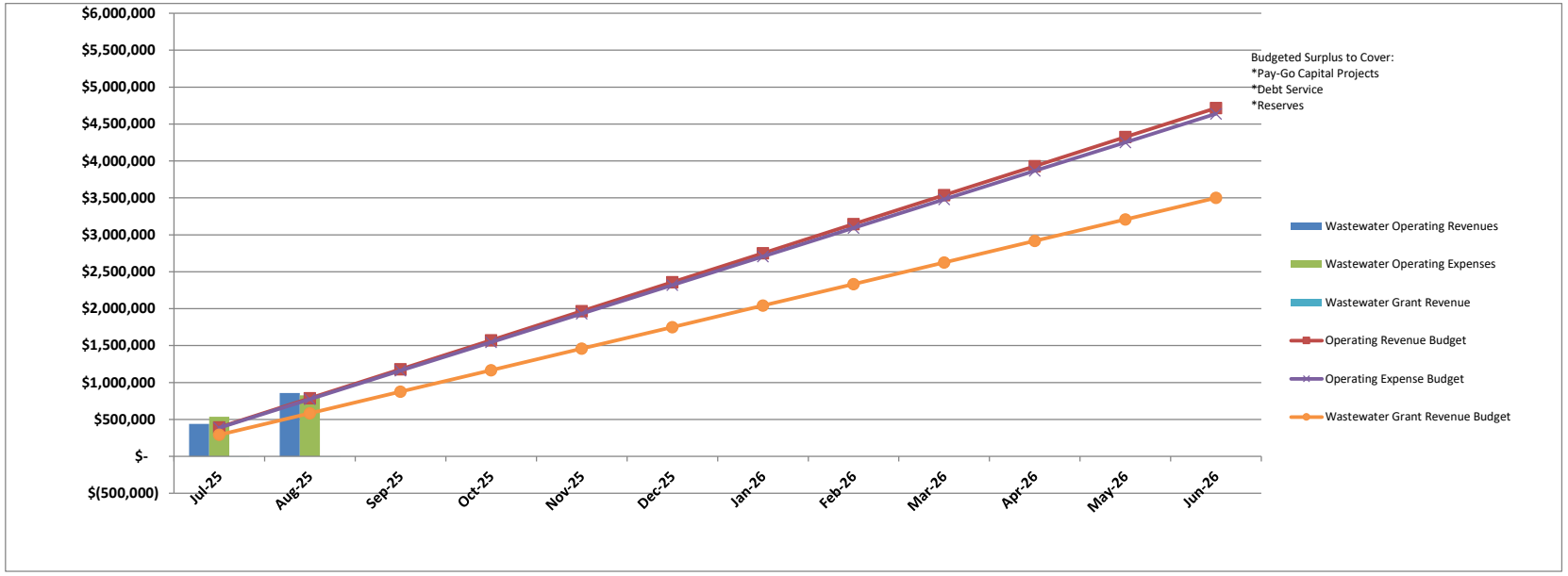
McKinleyville Community Services District
As of August 31, 2025

DRAFT Comparison of Water Fund Operating Revenues & Expenses to Budget



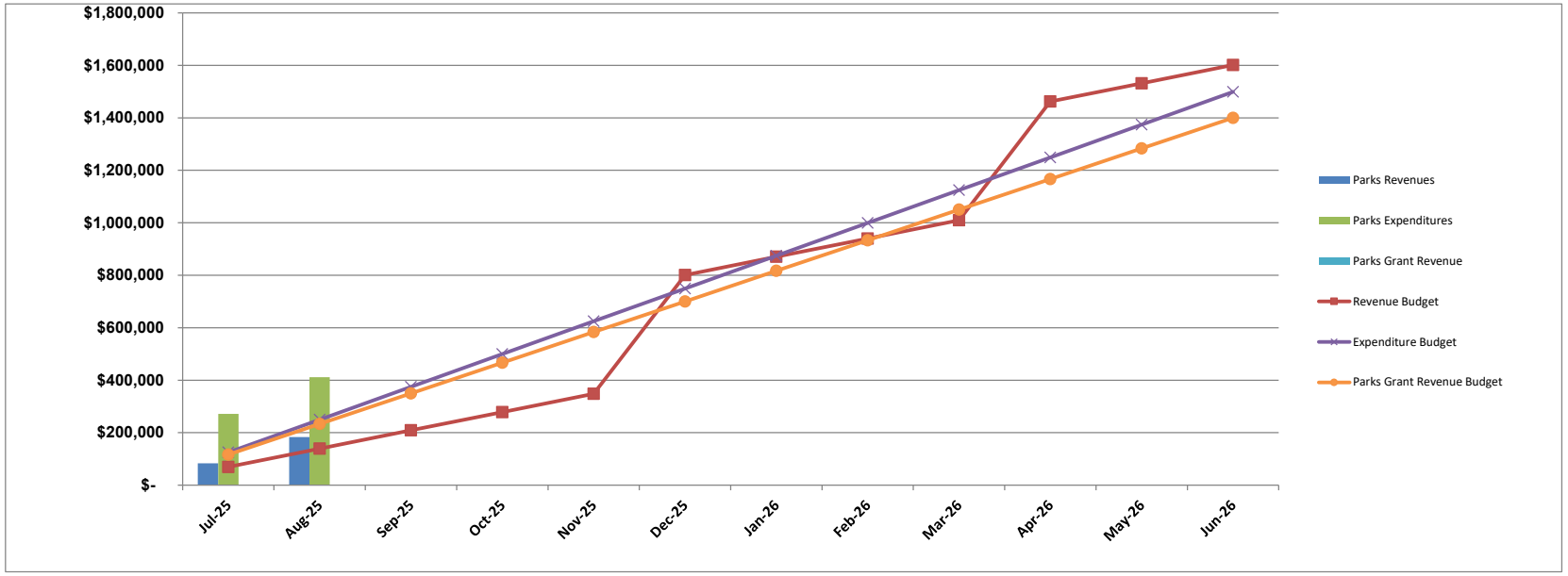
McKinleyville Community Services District
As of August 31, 2025

DRAFT Comparison of Wastewater Fund Operating Revenues & Expenses to Budget



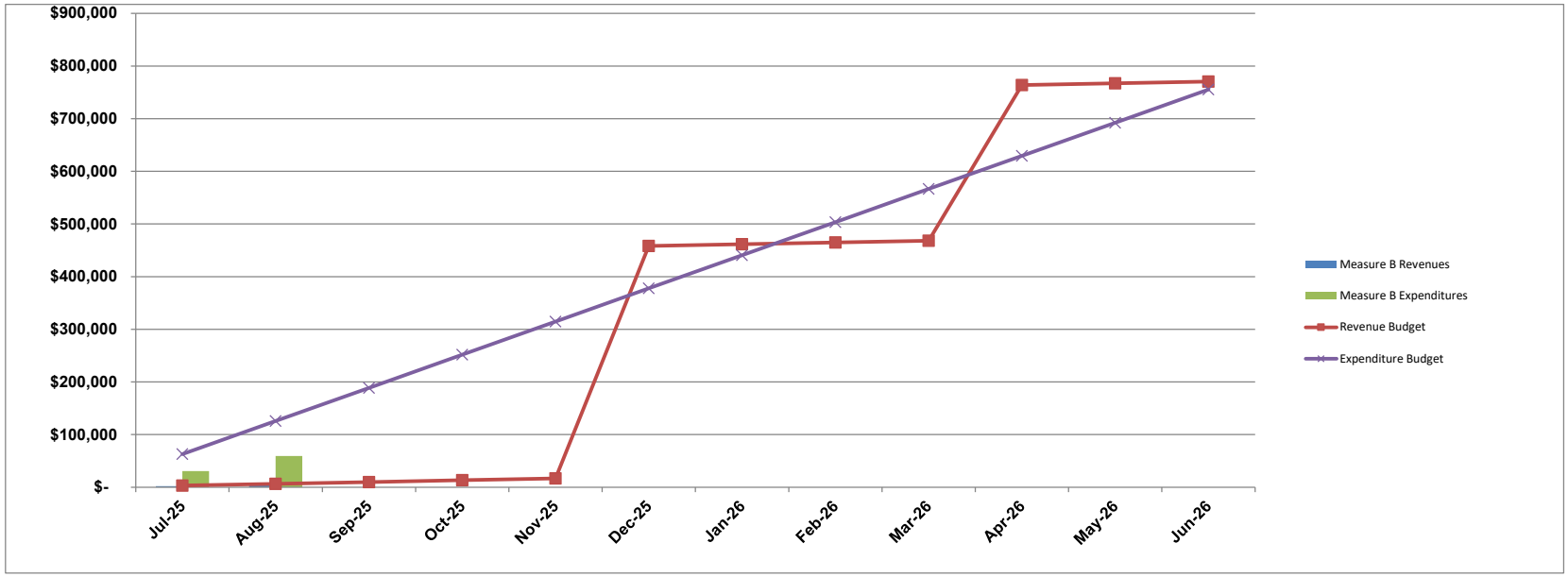
McKinleyville Community Services District
As of August 31, 2025

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



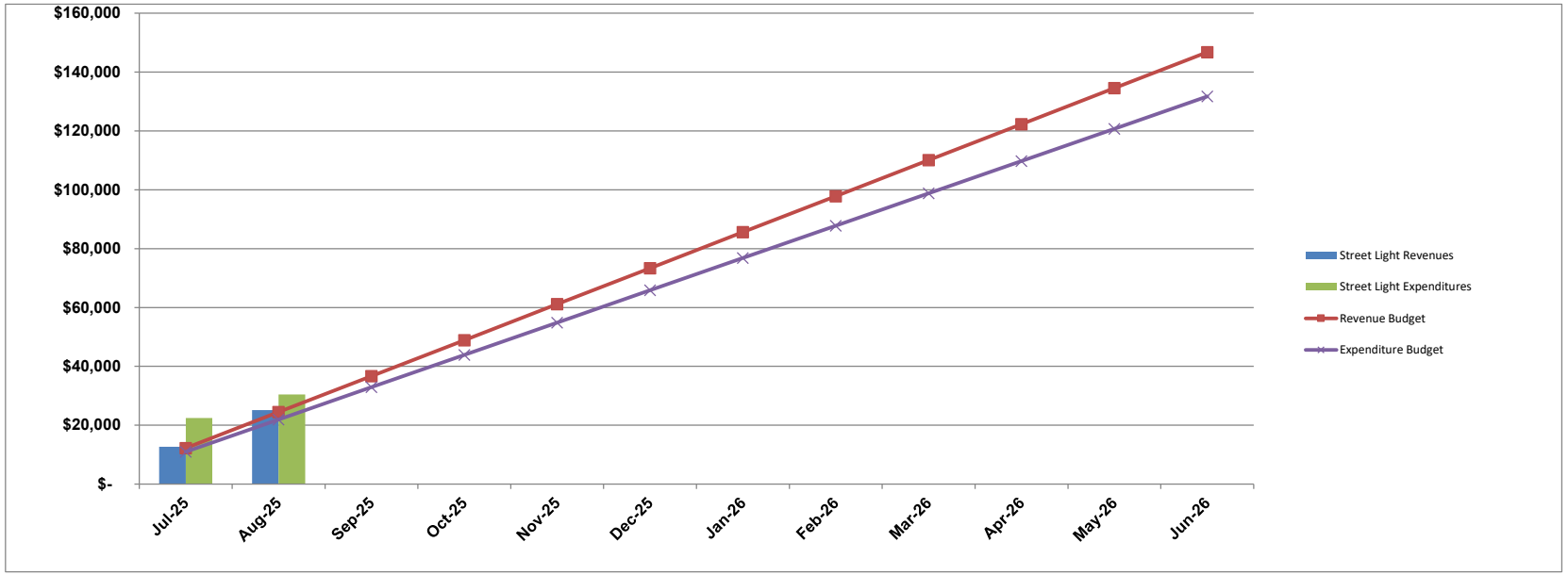
McKinleyville Community Services District
As of August 31, 2025

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



McKinleyville Community Services District
As of August 31, 2025

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



McKinleyville Community Services District
Cash Disbursement Detail Report
For the Period August 1st throug August 31st, 2025

Check Number	Check Date	Vendor Number	Name	Net Amount	Invoice #	Description
Accounts Payable Disbursements						
044157	8/7/2025	*0010	MCSD Customer	100.00	C50807	DEPOSIT REFUND -FACILITY RENTAL
044158	8/7/2025	*0011	MCSD Customer	100.00	C50807	DEPOSIT REFUND -FACILITY RENTAL
044159	8/7/2025	*0012	MCSD Customer	100.00	C50807	DEPOSIT REFUND -FACILITY RENTAL
044160	8/7/2025	10102	101 NETLINK	80.00	0250801-1	BACKUP INTERNET SERVICES
044161	8/7/2025	70701	707 PEST SOLUTIONS	85.00	87335	795 HILLER RD
				120.00	88410	1656 SUTTER
				175.00	88616	1705 GWIN RD
				150.00	88617	1620 PICKETT RD
			Check Total:	530.00		
044162	8/7/2025	ATT07	AT&T ACCT 9391081626	185.55	023867057	PHONE LINES
044163	8/7/2025	COA01	COASTAL BUSINESS SYSTEMS	178.50	39801537	LEXMARK XM3250 COPIERS
				1,274.00	AR194439	OFFC EQUIP LEAS (SHARP PRINTER)
			Check Total:	1,452.50		
044164	8/7/2025	CRA01	CRAWFORD & ASSOCIATES, INC	1,604.40	43286	BMX PARK PROJECT
044165	8/7/2025	DAY02	DAYSMART SOFTWARE	6,300.00	V01500125	RECPRO ANNUAL SUBSCRIPTION
044166	8/7/2025	HAY01	MCSD Employees	143.65	C50807	SAFETY ALLOWANCE -WORK BOOTS
044167	8/7/2025	HEA01	HEALTHEQUITY, ATTN: CLIENT	8.85	PZRXU98	MONTHLY FEES AUGUST 2025
044168	8/7/2025	HUM01	HUMBOLDT BAY MUNICIPAL WATER	109,472.03	C50807	WTR PURCHASED
044169	8/7/2025	HUM03	HUMBOLDT COUNTY	751.49	C50807	FY 25-26 PROPERTY TAX
044170	8/7/2025	HUM08	HUMBOLDT SANITATION	774.80	57X02612	1620 PICKETT RD TRASH
				941.20	57X02613	1656 SUTTER TRASH
				774.80	57X02614	1705 GWIN RD TRASH
				386.35	57X02615	675 HILLER RD TRASH
			Check Total:	2,877.15		
044171	8/7/2025	IBS01	IBS OF THE REDWOODS	234.76	180033698	REPAIRS/SUPPLY
044172	8/7/2025	KER01	KERNEN CONSTRUCTION	687.13	33270	SPECIAL HOUSE BLEND ASPHALT
044173	8/7/2025	MDG01	MELTON DESIGN GROUP INC	4,347.00	6784	BMX TRACK AND PARK
044174	8/7/2025	MIT01	MITCHELL LAW FIRM	333.00	8330	LEGAL SERVICES
044175	8/7/2025	NAP02	NAPA AUTO PARTS	13.77	797386	WWMF GENERATOR RADIATOR
044176	8/7/2025	NOR13	NORTHERN CALIFORNIA SAFET	120.00	30692	MONTHLY FEE
044177	8/7/2025	ORE01	O'REILLY AUTOMOTIVE, INC.	119.65	37-274350	STOLEN BATTERY (DUMP TRAILER)
044178	8/7/2025	PGE01	PG & E (Office & Field)	31,168.77	C50807	GAS & ELECTRIC
044179	8/7/2025	ROJ01	ROJAS COMMUNICATIONS GROUP	1,000.00	202599	GOVERNMENT RELATIONS

044180	8/7/2025	STR01	STREAMLINE	530.00	F9E7-0058	SUBSCRIPTIONS
044181	8/7/2025	USA01	USA BLUEBOOK	61.45	V00787642	PARTS AND SUPPLIES
044182	8/7/2025	VAL01	VALLEY PACIFIC PETROLEUM	849.11	25-902930	GAS/OIL/LUBE
044183	8/7/2025	VAL02	VALLEY PACIFIC	3,525.25	25-902313	GAS/OIL/LUBE
044184	8/7/2025	\A011	MCSD CUSTOMER	51.48	000C50701	CUSTOMER REFUND
044185	8/7/2025	\B019	MCSD CUSTOMER	17.90	000C50701	CUSTOMER REFUND
044186	8/7/2025	\D014	MCSD CUSTOMER	28.29	000C50701	CUSTOMER REFUND
044187	8/7/2025	\D023	MCSD CUSTOMER	11.15	000C50701	CUSTOMER REFUND
044188	8/7/2025	\F009	MCSD CUSTOMER	259.97	000C50701	CUSTOMER REFUND
044189	8/7/2025	\H012	HUMBOLDT SPLASH & DASH	244.77	000C50701	CUSTOMER REFUND
044190	8/7/2025	\L026	MCSD CUSTOMER	5.30	000C50701	CUSTOMER REFUND
044191	8/7/2025	\S040	MCSD CUSTOMER	23.03	000C50701	CUSTOMER REFUND
044192	8/7/2025	\W010	MCSD CUSTOMER	72.50	000C50701	CUSTOMER REFUND
044193	8/8/2025	EVE01	EVERBRIDGE, INC	5,300.00	M89227	ANNUAL SUBSCRIPTION
044194	8/15/2025	*0013	JACKSONS FOOD STORES	44.00	C50815	REFUND FOR PROCESSING FEE
044195	8/15/2025	ACW01	CB&T/ACWA-JPIA	17,367.07	0706760	GRP. HEALTH INSURANCE
044196	8/15/2025	AMA01	AMAZON CAPITAL SERVICES	2,057.14	XP1FK4944	AMAZON PURCHASES
044197	8/15/2025	BAL04	BALDWIN, BLOMSTROM, WILKI	4,003.25	3940	PROFESSIONAL SERVICES
044198	8/15/2025	BEC01	MCSD Employees	129.92	C50815	FLEX SPENDING
044199	8/15/2025	BIN02	SCOTT BINDER	224.00	C50815	TRAVEL ADV
044200	8/15/2025	BLA01	MCSD Employees	295.60	C50815	FLEX SPENDING
044201	8/15/2025	COA01	COASTAL BUSINESS SYSTEMS	1,462.73	39886472	OFFC EQUIP LEAS SHARP PRINTER
044202	8/15/2025	COU07	DAVID COUCH	224.00	C50815	TRAVEL ADV CSDA ANNUAL
044203	8/15/2025	CWE01	CWEA	124.00	C50815	CERT RENEWAL
044204	8/15/2025	FRI05	MCSD Employees	36.97	C50815	REIMBURSEMENT
044205	8/15/2025	GHD01	GHD	10,498.13	0-0073505	SEWER HIGHWAY CROSSINGS
				18,017.57	0-0075586	LETZ AVENUE SEWER FORCE MAIN
				1,309.88	0-0075852	FISCHER LIFT STATION UPGRADE
				563.96	0-0075853	FISCHER LIFT STATION UPGRADE
				171.88	0-0075855	SWSRF GRANT APP RECYCLED
				967.88	0-0075856	ON-CALL GRANT ADMINISTRATOR
			Check Total:	31,529.30		
044206	8/15/2025	IND01	INDEPENDENT BUS. FORMS	382.82	44131	RECEIPT BOOKS FOR CASH
044207	8/15/2025	INF02	INFOSEND	3,815.11	292237	MAILING AND POSTAGE
044208	8/15/2025	MAY03	DENNIS MAYO	224.00	C50815	TRAVEL ADV CSDA ANNUAL
044209	8/15/2025	MCK04	MCK ACE HARDWARE	1,101.23	C50815	REPAIRS/SUPPLY

044210	8/15/2025	MEN01	MENDES SUPPLY CO.	285.31	C50815	REPAIRS/SUPPLY
044211	8/15/2025	MER03	MERCER, FRASER COMPANY	103,787.50	C50815	4.5MG TANK MONTHLY PAYMENT
044212	8/15/2025	MER04	MERCER FRASER ESCROW48611	5,462.50	C50815	CIP: 4.5M TANK DESIGN.CON
044213	8/15/2025	MIC02	MICROBAC LABORATORIES, INC	9,300.00	C50815	LAB TESTS
044214	8/15/2025	MIL01	Miller Farms Nursery	1,598.37	C50815	REPAIRS/SUPPLY
044215	8/15/2025	MIL03	THE MILL YARD	19.65	C50815	PARTS AND SUPPLIES
044216	8/15/2025	ORS03	GREG ORSINI	316.00	C50815	TRAVEL ADV CSDA ANNUAL
044217	8/15/2025	PGE10	PGE STREETLIGHTS	6.53	C50815	GAS & ELECTRIC S.L.- ZONE
044218	8/15/2025	PPG01	THE PITTSBURGH PAINTS CO.	269.70	920021521	REPAIRS/SUPPLY
044219	8/15/2025	SIX03	SIX RIVERS MECHANICAL	999.50	I9127	TEEN CENTER REFRIGERATOR
044220	8/15/2025	STR03	STRATEGIC HR SERVICES, INC	3,400.00	3133223	INSURANCE APPRAISAL
044221	8/15/2025	THO02	Thomas Home Center	559.34	C50815	REPAIRS/SUPPLY
044222	8/15/2025	TRI02	TRINITY DIESEL INC.	12,344.96	100-2515	MOWER DECK & CAB FOR SKID
044223	8/15/2025	UMP01	UMPQUA COMMERCIAL CARD OP	7,015.65	0825BD	TRAVEL/TRAINING/SUPPLIES
				3,875.12	0825JH	TRAVEL/TRAINING/SUPPLIES
				567.82	0825KM	TRAVEL/TRAINING/SUPPLIES
				601.10	0825LF	TRAVEL/TRAINING/SUPPLIES
				3,086.93	0825PK	TRAVEL/TRAINING/SUPPLIES
				1,143.17	0825PARKS	TRAVEL/TRAINING/SUPPLIES
			Check Total:	16,289.79		
044224	8/22/2025	USP02	USPS: BMEU	2,476.00	C50822	NEWSLETTER POSTAGE PERMIT
044225	8/22/2025	WEI02	MCSD Employees	300.00	C50822	SAFETY ALLOWANCE - WORK B
044226	8/27/2025	ATT04	ATT	859.96	413184013	TELEMETRY
044227	8/27/2025	BLA01	MCSD Employees	190.00	C50827	FLEX SPENDING
044228	8/27/2025	BLA02	BLACK DOG OUTFITTERS	101.02	592	3 POLO SHIRTS
044229	8/27/2025	CHA03	CHASE INC.	58,226.30	000001259	PIALORSI LOAN REPAYMENT
044230	8/27/2025	COR01	CORBIN WILLITS SYSTEMS, INC	1,218.70	00C508151	SUBSCRIPTIONS
044231	8/27/2025	CRA01	CRAWFORD & ASSOCIATES, INC	13,751.93	43222	4.5MG TANK
044232	8/27/2025	DEP05	DEPARTMENT OF JUSTICE	49.00	835117	FINGERPRINTING
044233	8/27/2025	EAN01	EAN SERVICES, LLC	277.26	38301358	CAR RENTAL
044234	8/27/2025	GHD01	GHD	8,525.05	0-0076178	SEWER HIGHWAY CROSSINGS
044235	8/27/2025	HUM04	HUMBOLDT COUNTY PLANNING	500.25	LI25-1933	MCSD ADMIN. T.I.
044236	8/27/2025	LOD01	F. LODUCA CO.	236,136.75	C50827	BMX PARK PAY REQUEST #3
044237	8/27/2025	MAP01	MAPLESERVICE	2,760.00	6140921	HYDRATION STATION FOR AZALEA HALL
044238	8/27/2025	MOE01	RONALD MOELLER OPERATIONS	350.00	1091	PROFESSIONAL SERVICES
044239	8/27/2025	MUD01	MUDDY WATERS COFFEE CO.,I	90.00	328684844	COFFEE

044240	8/27/2025	PGE04	PG&E	17.73	C50827	GAS & ELECTRIC S.L.- ZONE
044241	8/27/2025	PGE05	PGE	692.78	C50827	GAS & ELECTRIC S.L.- ZONE
044242	8/27/2025	PGE06	PG&E-STREETLIGHTS	31.46	C50827	GAS & ELECTRIC S.L.- ZONE
044243	8/27/2025	PGE07	PG&E STREETLIGHTS	1,991.34	C50827	GAS & ELECTRIC
044244	8/27/2025	PGE08	PGE STREETLIGHTS	30.49	C50827	GAS & ELECTRIC S.L.- ZONE
044245	8/27/2025	PGE09	PGE-STREETLIGHTS	152.64	C50827	GAS & ELECTRIC S.L.- ZONE
044246	8/27/2025	PGE14	PG&E	11.14	C50827	GAS & ELECTRIC S.L.- ZONE
044247	8/27/2025	SEC03	SECURITY LOCK & ALARM	165.00	220041393	PROFESSIONAL SERVICES
044248	8/27/2025	STA08	SWRCB ACCOUNTING OFFICE	663,032.08	C50827	SRF LOAN PAYMENT
044249	8/27/2025	SWR02	SWRCB FEES	619.00	C50827	CONSTRUCTION PERMIT FEES
044250	8/27/2025	TPX01	TPx COMMUNICATIONS	2,178.83	6880811-0	INTERNET SERVICES
044251	8/27/2025	WIL09	WILLDAN FINANCIAL SERVICE	1,250.00	010-63115	WATER COP ARBITRAGE REBAT
				1,250.00	010-63116	SEWER COP ARBITRAGE REBAT
			Check Total:	2,500.00		
			Total Disbursements, Accounts payable:	**1,387,604.90**		

Payroll Related Disbursements

21413-21466	8/8/2025		MCSD Employees	4,385.60		Payroll
21467	8/6/2025	CAL12	CalPERS 457 Plan	9,001.68	C50806	RETIREMENT
				458.00	1C50806	PERS 457 LOAN PMT
				168.38	2C50806	ROTH 457
			Check Total:	9,628.06		
21468	8/6/2025	DIR01	DIRECT DEPOSIT VENDOR- US	54,326.50	C50806	Direct Deposit
21469	8/6/2025	EMP01	Employment Development	3,541.01	C50806	STATE INCOME TAX
				1,766.54	1C50806	SDI
			Check Total:	5,307.55		
21470	8/6/2025	HEA01	HEALTHEQUITY	175.00	C50806	HSA
21471	8/6/2025	HUM29	UMPQUA BANK--PAYROLL DEP.	14,484.42	C50806	FEDERAL INCOME TAX
				18,317.90	1C50806	FICA
				4,283.92	2C50806	MEDICARE
			Check Total:	37,086.24		
21472	8/6/2025	ACW01	CB&T/ACWA-JPIA	70,175.72	C50731	MED-DENTAL-EAP INSURANCE
21473	8/6/2025	PUB01	Public Employees PERS	33,188.19	C50731	PERS PAYROLL REMITTANCE
21474	8/7/2025		MCSD Employees	4,394.83		Payroll
21475	8/8/2025		MCSD Employees	616.78		Payroll
21476-21521	8/25/2025		MCSD Employees	41,876.12		Payroll
21522	8/21/2025	CAL12	CalPERS 457 Plan	8,053.71	C50821	RETIREMENT
				458.00	1C50821	PERS 457 LOAN PMT
				196.45	2C50821	ROTH 457
			Check Total:	8,708.16		
21523	8/21/2025	DIR01	DIRECT DEPOSIT VENDOR- US	51,331.40	C50821	Direct Deposit

21524	8/21/2025	EMP01	Employment Development	-	C50813	STATE INCOME TAX
				2,943.55	C50821	STATE INCOME TAX
				65.69	1C50813	SDI
				1,552.61	1C50821	SDI
			Check Total:	4,561.85		
21525	8/21/2025	HEA01	HEALTHEQUITY	175.00	C50821	HSA
21526	8/21/2025	HUM29	UMPQUA BANK--PAYROLL DEP.	43.30	C50813	FEDERAL INCOME TAX
				12,205.24	C50821	FEDERAL INCOME TAX
				678.72	1C50813	FICA
				15,998.34	1C50821	FICA
				158.72	2C50813	MEDICARE
				3,741.60	2C50821	MEDICARE
			Check Total:	32,825.92		
			Total Disbursements, Payroll:	**358,762.92**		
			TOTAL CHECK DISBURSEMENTS	**1,746,367.82**		

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McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **ACTION**

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

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

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

Recommendation:

Staff recommends that the Board authorize staff to provide the listed customers with formal notice that their water service will be discontinued in one month if they have not come into compliance with state law regarding water service cross-connection in accordance with MCSD Rules 7 and 10.

Discussion:

Customers listed below are currently not in compliance with State Law regarding cross connection control for water customers with an alternate water supply. These customers have been notified of their respective violations, as noted, and have been provided notification of this meeting.

There are no DCV violations this month.

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McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **ACTION**

ITEM: E.1 **Consider Approval of the Regular Board Meeting Dates, Time, and Location for the 2026 Calendar Year**

PRESENTED BY: **Joey Blaine, Board Secretary**

TYPE OF ACTION: **Roll Call**

Recommendation:

Staff recommends the Board review the material provided, discuss, take public comment, and approve the 2026 Regular Board Meeting Calendar (Attachment 1).

Discussion:

Both the MCSD Rules and Regulations (under Regulation 61, Board Meetings, Rule 61.0, Regular Meetings) and the Board of Directors Policy Manual (under Part 5, Board Meeting Procedures, Rule 5-1: Regular Meetings) address this topic – Regular meetings of the Board of Directors shall be held on the first Wednesday of each calendar month at 6:00 PM at either Azalea Hall, 1620 Pickett Road, or the District Office, 1656 Sutter Road, as specified by the agenda. Additionally, the public may be able to attend regular Board meetings by Teleconference via Zoom & Telephone (Zoom meeting ID 6756336928 or Dial in at 1-888-788-0099). The date, time, and place of the regular meetings shall be reconsidered annually.

The Board visited this as an informational item for review at the August 6, 2025 regular meeting. Staff has reviewed the 2026 dates and has taken note that the January meeting would land on January 7, 2026. With the Christmas Eve/Day and New Years Eve/Day holidays falling in the two weeks prior to the meeting, it would be Staff's preference for the January meeting to be omitted and items consolidated with the February meeting. The remaining 11 dates appear unproblematic. The 2026 MCSD Regular Board Meeting Calendar (Attachment 1) incorporates this suggestion.

Alternatives:

Staff analysis consists of the following potential alternative

- Adjust the meeting dates as needed.

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Proposed 2026 MCSD Board of Directors Regular Meeting Schedule

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Proposed 2026 MCSD Board of Directors Regular Meetings

First Wednesdays of the month for year 2026. Meetings are planned to take place in person with a Zoom option for the public.

DATE	LOCATION
January 7, 2026*	**Azalea Hall**
February 4, 2026	**Azalea Hall**
March 4, 2026	**Azalea Hall**
April 1, 2026	**Azalea Hall**
May 6, 2026	**Azalea Hall**
June 3, 2026	**Azalea Hall**
July 1, 2026	**Azalea Hall**
August 5, 2026	**Azalea Hall**
September 2, 2026	**Azalea Hall**
October 7, 2026	**Azalea Hall**
November 4, 2026	**Azalea Hall**
December 2, 2026	**Azalea Hall**

*With the Christmas Eve/Day and New Years Eve/Day holidays falling in the two weeks prior this meeting, staff recommends this meeting be omitted and items consolidated with the February Board Meeting.

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McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **ACTION**

ITEM: E.2 **Consider Approval of Updates to District Rules & Regulations and Expenditure Control Guidelines to Conform to California Uniform Public Construction Cost Accounting Act and Approval of the Second Reading of Ordinance 2025-04**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommend that the Board listen to the presentation, review the information provided, discuss, take public comment, and approve the Second Reading of Ordinance 2025-04 by Title Only, revising Regulations 66 & 67 of the District's Rules & Regulations and Expenditure Control Guidelines.

Discussion:

On September 29, 2024, Governor Gavin Newsom approved Assembly Bill ("AB") 2192 (Carillo), which amends portions of the California's Uniform Public Construction Cost Accounting Act ("CUPCCAA" or "Act"). (Pub. Contract Code § 22000 *et seq*.) The amendments, effective January 1, 2025, increase the bidding thresholds in Public Contract Code Section 22032, expand the statutory definition of "public projects," and broaden the oversight authority of the California Uniform Construction Cost Accounting Commission ("Commission"). The District Board approved becoming a member of the CUCCAC in 1991.

California law generally requires competitive bidding for the award of contracts for public projects. As an alternative to competitive bidding under Public Contract Code Section 20111, CUPCCAA authorized different procedures for public project contract bidding depending on the estimated cost of the project. Beginning January 1, 2025, AB 2192 increases the competitive bidding thresholds currently imposed by Sections 22032 and 22034 of the Public Contract Code as follows:

- Public projects of **$75,000** or less to be performed by public agency employees will be authorized by force account, negotiated contract, or purchase order.
- Public projects of **$220,000** or less may be let to contract by informal procedures.
- Public contracts of more than **$220,000** are to be let to contract by formal procedures.

The District also adopted Regulation 66-Informal Bidding Procedure which states in part:

Rule 66.01. INFORMAL BID PROCEDURES - public projects, as defined in the Uniform Public Construction Cost Accounting Act (herein called UPCCA), of $75,000 (seventy-five thousand dollars) or less may be let to contract by informal procedures as set forth in Section 22032, et seq, of the Public Contract Code.

Given the passage of AB 2192, it is the intent to update Rule 66.01 via Ordinance 2025-24 (See **Attachment 1**) to change $75,000 to the new CUPCCAA amount of $220,000. Upon review of the Expenditure Control Policy to make similar changes, it became clear that this Policy also needed updating in several other areas. A copy of the updated policy is included as **Attachment 2** with the proposed changes shown in Track Changes. The most pertinent proposed updates to the Expenditure Control Guidelines (ECG) are:

- Change the name of the policy from Expenditure Control Guidelines to Procurement Policy (PP), which is what most other Agencies, including granting Agencies, typically call it.
- Per the updated CUPCCAA regulations, projects of $220,000 or more will require formal bid process.
- Per the CUPCCA, projects between $75k to $220k can be performed using an informal bid process.
- Staff would like to update the ECG/PP to require projects/purchases from $20k to $75k to require a Purchase Order. Currently the District's EPC says anything over $1,000 requires a Purchase Order.
- Staff would like to update the ECG/PP to require projects/purchases less than $20k require a voucher only. (currently $100).
- Staff would like to update the ECG/PP to require Board approval for unbudgeted purchases in excess of $75k (currently $15k).
- Staff would like to update the ECG/PP to require General Manager approval for purchase from $20k to $75k (currently $1k to $15k).
- Staff would like to update the ECG/PP to require Department Heads to approve purchases of $100 but less than $20k (currently $100 to $1k).
- Staff would like to update the ECG/PP to give the Operations Director Voucher approval ability as well (currently GM, Finance Director & HR Director).

There are other changes shown on the ECG/PP as well that are intended to reflect how the Accounting & Finance Department actually functions.

Regulation 67 of the District Rules & Regulations also outlines the Selection of Professional Consultants. As written, Rules 67.02 & 67.03 require a formal Request for

Proposal (RFP) process for all professional service contracts in excess of $15,000. Staff would like to increase this to $75,000.

Rules 67.02 & 67.03 also require the Board to review all RFPs prior to them being circulated. This is not the current practice. The cost for major projects are approved by the Board during the budgeting process. RFP for these projects are developed by Staff and then circulated per Public Contract Code. The proposals are then reviewed and ranked by a Review Committee that consists of District Staff and possibly Board Members or other personnel that can provide valuable input on the selection. A contract scope and fee is then negotiated with the selected firm and brought to the Board for Approval. Staff would like to update this section of the Rules & Regulations to reflect that process.

This is the second reading of Ordinance 2025-04. If the second reading is approved, the Ordinance will be effective October 31, 2025.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

No anticipated fiscal impacts, other than those associated with reduced Staff time for various tasks.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Ordinance 2025-04
- Attachment 2 – Updated Procurement Policy, formerly Expenditure Control Guidelines, with Track Changes
- Attachment 3 – Regulation 66 and 67 with Track Changes

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ORDINANCE NO. 2025-04

AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING REGULATIONS 66 AND 67 UNDER THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (CUPCCAA)

WHEREAS, the McKinleyville Community Services previously elected to subject to CUPCAA (Public Contract Code Sections 22000-22045); and

WHEREAS, Assembly Bill 2192, effective January 1, 2025, amended Public Contract Code Sections 22032 and 22034 to increase the bid thresholds for public projects under CUPCAA; and

WHEREAS, District staff has identified the need for updated language in Regulations 66 and 67 to be consistent with current roles and District processes;

NOW, THEREFORE, the Board of Directors of the McKinleyville Community Services District ordains that Regulation 66 and Regulation 67 of the District's adopted Rules and Regulations are amended to read as follows:

REGULATION 66 - INFORMAL BIDDING PROCEDURE

Rule 66.01. INFORMAL BID PROCEDURES - public projects, as defined in the California Uniform Public Construction Cost Accounting Act (herein called CUPCCA), of $220,000 or less may be let to contract by informal procedures as set forth in the District's Procurement Policy and in accordance with CUPCCA.

Rule 66.02. CONTRACTOR LIST - list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contracts Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission (herein called CUCCAC).

Rule 66.03. NOTICE INVITING FORMAL BIDS - where a public contract is to be performed which is subject to the provisions of the CUPCCA, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with rule 66.02, and to all construction trade journals as specified by the CUCCAC in accordance with Section 22036 of the Public Contract Code. Additional contractors and journals may be noticed; provided however:

(a) If there are no qualified contractors for the particular category of work to be performed on the District's contractor list, the notice inviting bids shall be sent only to the construction trade journals specified by the CUCCAC.

(b) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Rule 66.04. AWARD OF CONTRACTS - the General Manager, Finance Director and Department Heads are each authorized to award informal contract pursuant to this regulation and the adopted expenditure control system.

REGULATION 67 - CONSULTANT SELECTION

Rule 67.01. INTRODUCTION - this regulation will detail the process that MCSD will follow in selecting "Professional" consultants (architectural, engineering, surveying and construction management services) and all other consultants (i.e. auditors, environmental analysis, etc.). This regulation does not apply to either material vendors or contractors (licenses firms retained to construct works).

Rule 67.02. SELECTION OF "PROFESSIONAL" CONSULTANTS - this rule has been drafted to comply with section 4525 et seq. of the California Government Code (the Little Brooks Act) and to ensure that qualified consultants are retained to perform architectural, engineering, land surveying or construction management services. MCSD shall use the process set forth in this part to govern selection of "professional" consultants except where the service is expected to cost $75,000 or less (see Rule 67.04 for projects expected to cost $75,000 or less); where the Manager determines that the services requested are technical services requiring little professional judgment (see Rule 67.03); or where the services requested relate to proprietary expertise unique to specific District software or hardware.

(a) **PREPARE DRAFT REQUEST FOR PROPOSAL:** Staff shall prepare a Draft Request for Proposal (RFP) that (i.) provides an overview of the assignment, (ii.) requests that the consultant submit a Proposal detailing their qualifications and approach, and (iii.) requests that the consultant submit under separate cover an estimated budget.

i. The RFP overview describes the nature of the project; details the services required including a timeline for each task and work product; explains the criteria for selection; sets the due date/time for submittal; sets the submittal requirements (# copies, six, etc.), and identifies a contact person for additional information. The RFP shall reserve the right to reject proposals.

ii. Based on the overview's description of the project, the consultant will next be asked to submit a proposal detailing the firm's qualifications and approach to the assignment. This proposal must identify the experience of the firm and the project manager in relation to the project. This proposal must also document the firm's credentials and insurance capability.

iii. Finally, the consultant will be asked to submit a project budget under separate cover in a sealed envelope. The consultant will be expected to negotiate an agreement for the described services using this budget. The budget submittal shall break out the proposed fee and hours by staff type for each task. The consultant may include costs for optional services for the services not detailed in the RFP.

(b) **EVALUATION OF PROPOSALS:** It is not possible to foresee the specific criteria for ranking proposals until the assignment is specified. However, the following general categories will be common to any screening--(i.) minimum qualifications and (ii.) comparison rankings.

i. **MINIMUM QUALIFICATIONS:** RFP's must demonstrate that the firm has the appropriate credentials to perform the service; has appropriate insurance and can satisfy the requested project timeline.

ii. **COMPARISON RANKINGS:** If the firm satisfies these minimums, then the RFP should be rated on a numerical scale for staff qualifications, experience, approach, performance/availability, proposal quality, and historical budget/schedule adherence. Preference should be given for local firms where two firms are otherwise equally qualified.

(c) **RECOMMENDATION:** Following closure of the submittal period, staff shall evaluate all proposals based on the criteria approved by the Board for this selection and compile a ranked listing of submitters. For the top three qualified consultants, staff shall open the attached budgets and compare budgets. Staff will then negotiate a proposed scope of work and cost with the top ranked consultant or consultants; including any options staff requests be included.

(d) **SELECTION:** Staff will present a summary of the submittal results and the recommended scope of work/budget to the Board for approval or rejection. Should the Board approve the scope of work, staff will negotiate an agreement for subsequent Board ratification.

Rule 67.03. SELECTION OR OTHER CONSULTANTS FOR MAJOR PROJECTS - MCSD shall use the process set forth in this rule to govern selection of all other consultants where the services are expected to cost more than $$75,000 and for selection of professional consultants where the proposed services are technical services requiring little professional judgment and the services are expected to cost more than $75,000.

(a) **PREPARE DRAFT REQUEST FOR PROPOSAL:** Staff shall prepare a Draft Request for Proposals (RFP) that provides: (i.) an overview of the assignment, (ii.) requests that the consultant submit a Proposal detailing their qualifications and approach and an estimated budget.

i. The RFP overview describes the nature of the project; details the services required including a timeline for each task and work product; explains the criteria for selection; sets the due date/time for submittal; sets the submittal requirements (# copies, size, etc.), and identifies a contact person for additional information. The RFP shall reserve the right to reject proposals.

ii. Based on the overview's description of the project, the consultant will next be asked to submit a proposal detailing the firm's qualifications and approach to the assignment. This proposal must identify the experience of the firm and the project manager in relation to the project. This proposal must also document the firm's credentials and insurance capability. This proposal must include a project budget. The budget submittal shall break out the proposed fee and

hours by staff type for each task. The consultant may include costs for optional services not detailed in the RFP.

(b) **EVALUATION OF PROPOSALS:** It is not possible to foresee the specific criteria for ranking proposals until the assignment is specified. However, the following general categories will be common to any screening--(i.) minimum qualifications and (ii.) comparison rankings.

i. **MINIMUM QUALIFICATIONS.** RFPs must demonstrate that the firm has the appropriate credentials to perform the service; has appropriate insurance and can satisfy the requested project timeline.

ii. **COMPARISON RANKINGS.** If the firm satisfies these minimums, then the RFP should be rated on a numerical scale for staff qualifications, experience, approach, performance/availability, proposal quality, and historical budget/schedule adherence and price. Preference should be given for local firms where two firms are otherwise equally qualified.

(c) **RECOMMENDATION.** Following closure of the submittal period, staff shall evaluate all proposals based on the criteria approved by the Board for this selection and compile a ranked listing of submitters. Staff will recommend selection of one firm and specify any options requested for inclusion.

(d) **SELECTION.** Staff will present a summary of the submittal results and the recommended scope of work/budget to the Board for approval or rejection. Should the Board approve the scope of work, staff will negotiate an agreement for subsequent Board ratification.

Rule 67.04. SELECTION OF CONSULTANTS FOR SMALL CONTRACTS - staff may retain consultants to perform budgeted services where the expected value of the service is $75,000 or less.

Where the service is expected to cost more than $75,000 staff shall secure informal proposals from firms known to have the required expertise. Where the service is expected to cost $75,000 or less, staff shall negotiate an agreement with the apparent best qualified consultant.

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 September 3, 2025 and passed and adopted by the Board of Directors on October 1, 2025 upon the motion of Director_____ and seconded by Director _____ and by the following polled vote:

AYES:
NOES: None
ABSTAIN: None
ABSENT: None

_____
James Biteman, Board President

Attest:

_____
Joseph Blaine, CMC, Board Secretary

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MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
~~EXPENDITURE CONTROL GUIDELINES~~
PROCUREMENT POLICY

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I. Introduction

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

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

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

In the event of an emergency, where time is limited, the General Manager or his authorized representative may assume the responsibility for deviating from this policy.

II. Expenditure Classifications

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

1. **Recurring**: Included are utilities, debt service payments, payroll, payroll taxes and benefits, insurance, postage, postage meter rental, office supplies, etc.
2. **~~Contract~~Single Purchase**: Included are formal contracts for goods and services and informal contracts for services.
3. **Travel**: Included is advances and reimbursements for travel, mileage reimbursements for use of personal automobiles and local meals and entertainment expenses.
4. **Petty Cash:** Included are reimbursements of expenditures from the Park & Recreation Department's petty cash fund and increases in petty cash or change funds.
5. **Customer Refunds**: Included are refunds of deposits and overpayments to our customers.
6. **Purchase Order**: Included is all purchases of goods which require a purchase order.
7. **Emergency Procurement:** Included are purchases or expenditures necessary to permit the continued conduct of District operations, services, or construction work, or to avoid danger to life, health or property in cases of emergency.
8. **Other**: Included are all expenditures which cannot be classified in one of the above categories.

III. Control System

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

1. **Recurring**: These expenditures will be controlled by the budget. The Board will adopt a budget that will include line items such as electricity and natural gas, telephone, telemetry, payroll, payroll taxes and employee benefits, debt payments, insurances, and other budgeted line items. Such expenditures will not normally require a Purchase Order.

   Management will monitor the relationship of year-to-date expenditures in these line items with the adopted budget. If it becomes apparent that there is not sufficient budget to cover the next anticipated expenditure in one of these line items, a budget transfer will be prepared by the Department Head and approved by the General Manger for the increases which are 10% or less cumulatively of the original budgeted amount. If a budgeted line item is projected to require cumulative increases beyond 10% in any year, the Board will approve such increases.

2. ~~**Contract**~~**Single Purchase**: ~~Contracts fall into three categories~~Purchases for services or supplies throughout the year fall into several categories.
   a. Construction work for projects expected to cost ~~less than $1,000~~between $20,000 and less than $75,000 will be classified as Purchase Order Expenditures. Construction work expected to cost between $~~20~~75,000 and $220,000~~or more~~ will require informal bidding procedures as defined in the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (see MCSD Rule 66.01 et seq.). Construction work expected to cost $~~75~~220,000 or more will require formal bidding procedures as defined in the CUPCCAA. Standard District Contracts are required for all construction work in excess of $20,000.

   b. Professional Services (architectural, engineering, environmental, land surveying and construction project management) expected to cost less than $25~~1~~,000 will be classified as Purchase Order Expenditures.

   ~~b.~~c. A Purchase Work Order ~~Contract~~ approved by ~~a Department Director or~~ the General Manager~~.~~ will be required for ~~budgeted projects~~purchases expected to cost more than $~~1~~20,000, but less than $~~20~~75,000. ~~The Board will approve the formal contract required for individual projects expected to cost $20,000 or more.~~

   d. Other Services expected to cost more than $100 but less than $~~1~~20,000 will ~~be classified as Purchase Order Expenditures~~require a Voucher form approved by the Department Head.

   ~~c.~~e. ~~Other~~ Services expected to cost $1~~,0~~00 or ~~more~~ less will require ~~a Purchase Work Order Contract. The Board will approve the formal contracts for Other Services expected to cost $20,000 or more.~~only a back-up receipt approved by the Department Head.

3. **Travel:** All employees will have a travel request form approved by Department Directors within four days before travel (see attachment 2). The General Manager's

out of town travel, including travel to association conferences, needs to be approved in advance by the Board President or delegate where such travel exceeds the budget limits originally approved by the Board.

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

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

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

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

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

4. **Petty Cash**~~:~~ : Petty cash is kept for the Parks and Recreation Department only. Reimbursement expenditures require only an accounting of petty cash expenditures. Such reimbursements will be approved by the ~~Human Resources Manager~~Parks and Recreation Director or Finance Director. Petty cash will be kept at a balance of $~~400~~90; increases in the amount of petty cash or change fund will be approved by the ~~Board~~General Manager. Petty cash will be reconciled quarterly and replenished as needed. ~~when funds fall below $100 total.~~ Individual reimbursement

requests are to not exceed a total of $30; amounts in excess of $30 should be processed through Accounts Payable. Individual reimbursement requests from other departments must all be processed through Accounts Payable.

5. **Customer Refunds**: These expenditures are processed as part of the utility billing system. Normally, a closing bill will be printed which shows a balance due to the customer. Such refunds will be approved by the Finance Director during the regular Accounts Payable process. Refunds of Recreation Department are approved by the Recreation Department Director before the regular Accounts Payable process. Occasionally, other types of funds owed will be refunded. These will be approved by the Department Director of the department with which the refunds are associated and will have supporting documents. Customer refunds do not normally require a Purchase Order.

6. **Purchase Order**: The purchase of all non-recurring supplies, materials and capital assets will require a Purchase Order (see attachment 4). Vendors from whom the District purchases from frequently maybe offered a blanket purchase order for consideration

   Purchases of supplies, materials, or capital assets of $~~15~~75,000 or more that are not already included in the approved budget must be approved in advance by the Board. Budgeted purchases expected to be between $~~1~~20,000 and $~~1~~75,000 will be approved by the General Manager. Purchases of supplies and equipment expected to be more than $100 but less than $~~1~~20,000 require approval from a Department ~~Director~~Head.

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

7. **Emergency Procurement:** California Public Contract Code Section 22050 governs procurement procedures when emergencies exist. When the Board of Directors declares an emergency by a four-fifths vote, when repair or replacements for services and materials are necessary to permit the continued conduct of District operations or services or to avoid danger to life, health or property, the General Manager may then proceed, at once, to replace or repair District facility(s) or infrastructure and/or procure the necessary goods and/or services without the benefit of competitive purchasing, either formal or informal. The General Manager shall report to the Board at successive regular meetings stating the justification for continuing with the emergency work.

8. **Other**: All other expenditures will be approved in advance when possible and upon receipts of goods or services otherwise. Approval will be by the Board, General Manager or Department Director in accordance with the limits on approval of purchase orders (see section III-6). Expenditures of $~~1~~20,000 or less will require a voucher only.

IV. Purchase Order System Documentation and Implementation

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

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

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

   Commented [PK1]: Do we really do this? Why wouldn't they match?

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

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

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

   MCSD Company Credit Cards: For routine irregular purchases too small to warrant regular or blanket purchase orders, but too large for petty cash, and also for

facilitating business travel expenditures, Department Directors may be provided with an MCSD credit card. Receipts from credit card purchases must be retained, signed or initialed by the Department Director, and matched to the statement at the end of the month before the statement is paid by Accounts Payable. Statements will be reviewed monthly by the Finance Director and General Manager as part of the payment process (see Section VI – Disbursements).

V. Voucher System

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

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

The check stub will be attached to the voucher when the check is sent to the vendor. All paid vouchers are filed by vendor, separated by the fiscal year in which the payment was made, and retained for 9 years, per District Document Retention Policy.

VI. Disbursements

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

General Manager
Finance Director
Human Resources ~~Manager~~Director
Operations Director

Checks will be ~~issued~~distributed ~~only~~ after the Voucher has been signed indicating approval by the Department Director and Finance Director, with a final review by the General Manager. ~~Lost checks will be re-issued less the amount of the bank's Stop Payment fee, to cover the cost of the stop payment order for the lost check.~~

Checks will be issued as needed to meet deadlines and take advantage of discounts. Except under unusual circumstances check writing will be batched and turned in for signing by Thursday at 3:00 pm. ~~and done at the first part of each week (Monday or Tuesday). Invoices to be included in a batch must be received by Accounts Payable no later than 5:00 pm the Friday prior.~~ Checks cut outside of a regular batch (hand-checks) may only be authorized by the General Manager or Finance Director. Payroll will be issued on the 10th and the 25th of each month.

The Finance Director or designated staff person will reconcile the checking account to the bank statement(s) ~~within five (5) working days of receipt of monthly bank statements~~ by

the end of the third week in the following month and verify that all checks were written in accordance with these guidelines.

VII. Conflict of Interest Standards of Conduct

Per Title 2 Code of Federal Regulations ("CFR") Section 200.318, this section addresses the required standards of conduct covering conflicts of interest and governing the actions of any and all District Board Members, employees or agents engaged in the selection, award and administration of contracts. No employee, Board Member, or agent of the District may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. As used herein, "Federal award" shall include any financial assistance received by the District directly or indirectly from a "Federal awarding agency" as said terms are defined in Title 2 CFR Section 200.1. Such a conflict of interest would arise whenever the District employee, Board Member, or agent, any member of the immediate family of any of the foregoing, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Furthermore, all District Board Members, employees, and agents are precluded from soliciting or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts under contract with the District.

The State of California's Political Reform Act (California Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The California Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations, Section 18730) that contains the terms of a standard conflict of interest code, which can, and is, incorporated by reference into this District Policy. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments to the Political Reform Act. Therefore, the terms of 2 California Code of Regulations, Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and shall constitute the policy of the District.

All District Board Members, employees and/or agents must identify any real or apparent conflict of interest and recuse themselves from engaging in the selection, award or administration of any contract or work proposed for award by the District. Failure to comply with the provisions of this Policy or failure(s) to disclose conflicts of interest may result in the censure or removal of District Board Members or any other actions deemed appropriate by the Fair Political Practices Commission or State or Federal law. Non-conformance to this Policy by District employees or agents may result in disciplinary actions up to and including termination from employment, separation or legal action.

VIII. Summary

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

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

Commented [PK2]: Update the voucher cover sheet?

Attachment 1

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
ACCOUNTS PAYABLE VOUCHER

VENDOR ID: VENDOR:

- ☐ Recurring
- ☐ Travel/Employee Reimbursement
- ☐ Customer Refund
- ☐ Contract
- ☐ Petty Cash
- ☐ Blanket Purchase Order
- ☐ Purchase Order by: GOCTLFJH (attached)

INVOICE	DESCRIPTION	FUND	ACCOUNT	DEPT	JOB #	AMOUNT
			VOUCHER TOTAL		$	-

Check # :

Check Date:

HAND CHECK:

Approved for Payment: /
General Manager Department Director

Attachment 2

MCSD TRAVEL APPROVAL FORM

Employee: _____ Date Submitted: _____

Description of Activity: _____

Destination: _____ Date(s) of Attendance: _____

Departure date _____, departure time _____ on 1st day of travel/left MCSD

Arrival date _____, arrival time _____ on last day of travel/arrived MCSD

Estimated Costs	
Registration/ Tuition	
Personal Car _____ gas receipts	
Plane Fare	
Cabs/ Rental Car/ Parking	
Lodging _____ nights x $ _____	0.00
Meals: $ _____ /Day x _____ days Extra meals/incidentals _____	
Per Diem Rates - http://www.gsa.gov/portal/category/100120	
Total Estimated Costs	$0.00

REQUEST FOR TRAVEL ADVANCE

I request $ 0.00 as a travel advance. I understand that I must complete a "MCSD Travel Expense Report" at the conclusion of my trip whether or not I request a travel advance.

_____	_____	_____
Employee Signature	Department Head Approval	District Manager Approval

Vendor ID: _____ Acct#: _____ Check #: _____ Check Date: _____

Attachment 3

MCSD TRAVEL EXPENSE REPORT

Employee: _____ Date Submitted: _____

Description of Activity: _____

Destination: _____ Date(s) of Attendance: _____

Departure date _____, departure time _____ on 1st day of travel/left MCSD

Arrival date _____, arrival time _____ on last day of travel/arrived MCSD

Actual Costs	Employee Paid	MCSD paid	Total Cost
Registration/Tuition			0.00
Personal Car_____ gas receipts MCSD vehicle _____			0.00
Cabs/Rental Car/Parking			0.00
Lodging ____ nights x $_____ $ 0.00 $ _____ Lodging Notes Additional fees			0.00
Meals: $ _____/Day x _____ days +$_____x _____ meal +$_____x _____meal Breakfast/lunch/dinner			0.00
Other:			0.00
Total Cost	0.00	0.00	0.00
Less Travel Advance Paid to Employee	(0.00)		
Total Due to (from) Employee	0.00		

All receipts and MCSD Travel Approval Form must be attached

_____ _____ _____

Employee Signature Department Head Approval District Manager Approval

Vendor ID_____Acct. # _____ Check # _____ Check Date _____

Attachment 4



McKINLEYVILLE COMMUNITY SERVICES DISTRICT
P.O. BOX 2037
McKINLEYVILLE, CA 95519
707-839-3251

PURCHASE ORDER
9525

TO

SHIP TO MCSD

VENDOR NO.	REQUISITION NO.	DATE REQUIRED	P.O. DATE	TERMS	SHIP VIA

ITEM NO.	DESCRIPTION	ORDERED	RECEIVED	UNIT PRICE	AMOUNT
				TOTAL	

ACCOUNT NUMBER	AMOUNT

INSTRUCTIONS TO VENDORS

1. THE DISTRICT RESERVES THE RIGHT TO CANCEL THIS ORDER IF GOODS ARE NOT FURNISHED AS PROVIDED HEREIN OR AS OTHERWISE DIRECTED.
2. INCLUDE MEMO INVOICES WITH ALL SHIPMENTS. MAKE SEPARATE INVOICES FOR EACH SHIPMENT AND ORDER. INVOICE MUST STATE WHETHER COMPLETE OR PARTIAL DELIVERY.
3. EACH SHIPMENT MUST BE PLAINLY MARKED TO SHOW THE ORDER NUMBER AND DEPARTMENT FOR WHICH THE GOODS ARE INTENDED.
4. ALL ORDERS ARE F.O.B. McKINLEYVILLE, UNLESS OTHERWISE SPECIFIED.
5. SHIPMENTS WILL BE RECEIVED ONLY DURING OUR REGULAR BUSINESS HOURS OF 9 A.M. TO 4 P.M. MONDAY THROUGH FRIDAY.
6. NO SHIPMENTS ACCEPTED ON HOLIDAYS.
7. IF SHIPMENT WILL BE DELAYED FOR ANY REASON, ADVISE US IMMEDIATELY, STATING ALL THE NECESSARY FACTS.

PURCHASING AGENT

BY

WHITE - VENDOR CANARY - FINANCE PINK - RECEIVING

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(c) that the granting of such a variance would not tend to defeat the purposes of these Rules and Regulations. The Board may place conditions upon such variances.

Rule 63.02. VARIANCE APPLICATION - any individual seeking a variance shall complete a variance application on the form provided by the District. A non-refundable fee of $25.00 shall be paid by the applicant to the District for such application to be considered by the Board.

REGULATION 64 - MISCELLANEOUS FEES

Rule 64.01. MEETING NOTICE FEE - the annual fee for reception of meeting notices shall be $25.00.

Rule 64.02. RESEARCH FEES - customers requesting information requiring staff research shall pay a research fee of $20.00 per hour plus copying charges with a minimum fee of $20.00.

REGULATION 65 - APPEALS

Rule 65.01. APPEALS - the Board may, in specific cases, grant an appeal from any decision made by staff applying the standards incorporated into these Rules and Regulations whenever it finds:

(a) that special circumstances exist in a particular case, and
(b) that practical difficulties or unnecessary hardship would result from strict interpretation and enforcement of any standard, and
(c) that the granting of such an appeal would not tend to defeat the purposes of these Rules & Regulations. The Board may place conditions upon the approval of an appeal.

Rule 65.02. APPEAL APPLICATION - any individual seeking an appeal shall complete an appeal application on the form provided by the District. A non-refundable fee of $25.00 shall be paid by the applicant to the District for such application to be considered by the Board.

REGULATION 66 - INFORMAL BIDDING PROCEDURE

Rule 66.01. INFORMAL BID PROCEDURES - public projects, as defined in the California Uniform Public Construction Cost Accounting Act (herein called CUPCCA), of $~~75,000~~220,000 ~~(seventy five thousand dollars)~~ or less may be let to contract by informal

procedures as set forth in ~~Section 22032, et seq, of the Public Contract Code.~~the District's Procurment Policy and in accordance with CUPCCA.

Rule 66.02. CONTRACTOR LIST - list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contracts Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission (herein called CUCCAC).

Rule 66.03. NOTICE INVITING FORMAL BIDS - where a public contract is to be performed which is subject to the provisions of the CUPCCA, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with rule 66.02, and to all construction trade journals as specified by the CUCCAC in accordance with Section 22036 of the Public Contract Code. Additional contractors and journals may be noticed; provided however:

(a) If there are no qualified contractors for the particular category of work to be performed on the District's contractor list, the notice inviting bids shall be sent only to the construction trade journals specified by the CUCCAC.

(b) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Rule 66.04. AWARD OF CONTRACTS - the General Manager, ~~Business Manager~~ Finance Director and ~~Projects Director~~ Department Heads are each authorized to award informal contract pursuant to this regulation and the adopted expenditure control system.

REGULATION 67 - CONSULTANT SELECTION

Rule 67.01. INTRODUCTION - this regulation will detail the process that MCSD will follow in selecting "Professional" consultants (architectural, engineering, surveying and construction management services) and all other consultants (i.e. auditors, environmental analysis, etc.). This regulation does not apply to either material vendors or contractors (licenses firms retained to construct works).

Rule 67.02. SELECTION OF "PROFESSIONAL" CONSULTANTS - this rule has been drafted to comply with section 4525 et seq. of the California Government Code (the Little Brooks Act) and to ensure that qualified consultants are retained to perform architectural, engineering, land surveying or construction management services. MCSD shall use the process set forth in this part to govern selection of "professional" consultants except where the service is expected to cost ~~less than $15,000~~$75,000 or less (see Rule 67.04 for projects expected to cost ~~less than $15,000~~$75,000 or less); where the Manager determines that the services requested are technical services requiring little professional judgment (see Rule

67.03); or where the services requested relate to proprietary expertise unique to specific District software or hardware.

(a) **PREPARE DRAFT REQUEST FOR PROPOSAL:** Staff shall prepare a Draft Request for Proposal (RFP) that (i.) provides an overview of the assignment, (ii.) requests that the consultant submit a Proposal detailing their qualifications and approach, and (iii.) requests that the consultant submit under separate cover an estimated budget.

i. The RFP overview describes the nature of the project; details the services required including a timeline for each task and work product; explains the criteria for selection; sets the due date/time for submittal; sets the submittal requirements (# copies, six, etc.), and identifies a contact person for additional information. The RFP shall reserve the right to reject proposals.

ii. Based on the overview's description of the project, the consultant will next be asked to submit a proposal detailing the firm's qualifications and approach to the assignment. This proposal must identify the experience of the firm and the project manager in relation to the project. This proposal must also document the firm's credentials and insurance capability.

iii. Finally, the consultant will be asked to submit a project budget under separate cover in a sealed envelope. The consultant will be expected to negotiate an agreement for the described services using this budget. The budget submittal shall break out the proposed fee and hours by staff type for each task. The consultant may include costs for optional services for the services not detailed in the RFP.

~~(b) **BOARD AUTHORIZATION TO PROCEED:** Staff shall present the draft RFP along with a listing of known firms with similar expertise for Board edit. If the Board authorizes the process, then staff will mail an RFP to each identified consultant and post notice of the RFP at the MCSD office.~~

~~(c)~~(b) **EVALUATION OF PROPOSALS:** It is not possible to foresee the specific criteria for ranking proposals until the assignment is specified. However, the following general categories will be common to any screening--(i.) minimum qualifications and (ii.) comparison rankings.

i. **MINIMUM QUALIFICATIONS:** RFP's must demonstrate that the firm has the appropriate credentials to perform the service; has appropriate insurance and can satisfy the requested project timeline.

ii. **COMPARISON RANKINGS:** If the firm satisfies these minimums, then the RFP should be rated on a numerical scale for staff qualifications, experience, approach, performance/availability, proposal quality, and historical budget/schedule adherence. Preference should be given for local firms where two firms are otherwise equally qualified.

~~(d)~~(c) **RECOMMENDATION:** Following closure of the submittal period, staff shall evaluate all proposals based on the criteria approved by the Board for this selection and compile a ranked listing of submitters. For the top three qualified consultants, staff shall open the attached budgets and compare budgets. Staff will then negotiate a proposed scope of work and cost with the top ranked consultant or consultants; including any options staff requests be included.

~~(e)~~(d) **SELECTION:** Staff will present a summary of the submittal results and the recommended scope of work/budget to the Board for approval or rejection. Should the Board approve the scope of work, staff will negotiate an agreement for subsequent Board ratification.

Rule 67.03. SELECTION OR OTHER CONSULTANTS FOR MAJOR PROJECTS - MCSD shall use the process set forth in this rule to govern selection of all other consultants where the services are expected to cost more than $~~15,000~~ $75,000 and for selection of professional consultants where the proposed services are technical services requiring little professional judgment and the services are expected to cost more than $~~15,000~~75,000.

(a) **PREPARE DRAFT REQUEST FOR PROPOSAL:** Staff shall prepare a Draft Request for Proposals (RFP) that provides: (i.) an overview of the assignment, (ii.) requests that the consultant submit a Proposal detailing their qualifications and approach and an estimated budget.

i. The RFP overview describes the nature of the project; details the services required including a timeline for each task and work product; explains the criteria for selection; sets the due date/time for submittal; sets the submittal requirements (# copies, size, etc.), and identifies a contact person for additional information. The RFP shall reserve the right to reject proposals.

ii. Based on the overview's description of the project, the consultant will next be asked to submit a proposal detailing the firm's qualifications and approach to the assignment. This proposal must identify the experience of the firm and the project manager in relation to the project. This proposal must also document the firm's credentials and insurance capability. This proposal must include a project budget. The budget submittal shall break out the proposed fee and hours by staff type for each task. The consultant may include costs for optional services not detailed in the RFP.

~~(b) **BOARD AUTHORIZATION TO PROCEED:** Staff shall present the draft RFP along with a listing of known firms with similar expertise for Board edit. If the Board authorizes the process, then staff will mail an RFP to each identified consultant and post notice of the RFP at the MCSD office.~~

~~(c)~~(b) **EVALUATION OF PROPOSALS:** It is not possible to foresee the specific criteria for ranking proposals until the assignment is specified. However, the following general categories will be common to any screening--(i.) minimum qualifications and (ii.) comparison rankings.

i. **MINIMUM QUALIFICATIONS.** RFPs must demonstrate that the firm has the appropriate credentials to perform the service; has appropriate insurance and can satisfy the requested project timeline.

ii. **COMPARISON RANKINGS.** If the firm satisfies these minimums, then the RFP should be rated on a numerical scale for staff qualifications, experience, approach, performance/availability, proposal quality, and historical budget/schedule adherence and price. Preference should be given for local firms where two firms are otherwise equally qualified.

~~(d)~~(c) **RECOMMENDATION.** Following closure of the submittal period, staff shall evaluate all proposals based on the criteria approved by the Board for this selection and compile a ranked listing of submitters. Staff will recommend selection of one firm and specify any options requested for inclusion.

~~(e)~~(d) **SELECTION.** Staff will present a summary of the submittal results and the recommended scope of work/budget to the Board for approval or rejection. Should the Board approve the scope of work, staff will negotiate an agreement for subsequent Board ratification.

Rule 67.04. SELECTION OF CONSULTANTS FOR SMALL CONTRACTS - staff may retain consultants to perform budgeted services where the expected value of the service is ~~less than $15,000~~$75,000 or less.

Where the service is expected to cost more than $~~5,000~~75,000 staff shall secure informal proposals from firms known to have the required expertise. Where the service is expected to cost ~~less than $5,000~~$75,000 or less, staff shall negotiate an agreement with the apparent best qualified consultant.

REGULATION 68 – LATENT POWERS

Rule 68.01: INTRODUCTION – This regulation will detail and clarify the Latent Powers of the District. The State of California Government Code, Title 6, Division 3, Part 3, Chapter 1, Section 61100, states "within its boundaries, a district may do any of the following:" and then lists in its subsections various latent powers. As detailed in the 2009 adopted Municipal Service Review (MSR) prepared by the Humboldt County Local Agency Formation Commission (LAFCo), the District currently provides the following services:

- Water,
- Wastewater,
- Parks and Recreation,
- Street Lighting,
- Open Space,
- Stormwater Detention Basins, and
- Library.

Rule 68.02: EXERCISING LATENT POWERS – The process for activation of latent powers per the Cortese-Knox-Hertzber Act consists of the following steps:

1. Government Code Section 61106(a) If a Board of Directors desires to exercise a latent power, the district shall first receive the approval of the local agency formation commission, pursuant to Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of Division 3.
2. Government code Section 61106(b) After receiving approval of the Local Agency Formation Commission, the Board of Directors may, by ordinance, order the exercise of that power.

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McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider Submittal of Comment Letter on the McKinleyville Town Center Ordinance to the Humboldt County Board of Supervisors**

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

TYPE OF ACTION: **Roll Call**

Recommendation:

Staff recommends that the Board review the Draft comment letter on the McKinleyville Town Center Ordinance, discuss, take public comment, and approve the submission of the letter to the County of Humboldt prior to the public comment deadline for the upcoming Humboldt County Board of Supervisors meeting where adoption of the ordinance will be considered.

Discussion:

As the Board is aware, the County of Humboldt has been working with the McKinleyville Municipal Advisory Committee to develop a Zoning Ordinance for the McKinleyville Town Center. At their September 10, 2025 meeting, the MMAC recommended adoption of the McKinleyville Town Center Ordinance to the Humboldt County Planning Commission. At the Planning Commission's September 18, 2025 meeting, they recommended adoption of the ordinance by the Humboldt County Board of Supervisors, along with a recommendation that a McKinleyville-wide Traffic and Circulation Study be completed prior to the redesign of Central Avenue. It is the District's top priority that we are able to access and maintain our infrastructure, so staff has drafted a letter (**Attachment 1**) to submit to the Board of Supervisors to make our position clear.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not known at this time

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Draft Comment Letter

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

October 1, 2025

Humboldt County Board of Supervisors
825 5TH Street
Eureka, CA 95501

RE: McKinleyville Town Center Ordinance

Dear Board of Supervisors:

The McKinleyville Community Services District is supportive of the Town Center Project and looks forward to the economic growth, sense of place, and community pride that the future development will bring to McKinleyville.

While the District supports the overall goals of the McKinleyville Town Project, it continues to have concerns regarding the proposed road diet for Central Avenue between Heartwood Drive and Pickett Road. Currently, the District does not feel it has sufficient information about the design to confidently assess the impact of the proposed changes to our water and sewer infrastructure. The District Staff needs to be able to safely access and maintain our infrastructure, and the level of design presented to date does not allow us to fully assess these potential impacts. It should also be noted that the District Board Members have been hearing similar concerns from their constituents concerning the potential traffic impacts from the proposed cross section.

The Planning Commission's recommendation to the Board of Supervisors that a McKinleyville-wide Traffic and Circulation Study be completed prior to the Central Avenue design, and that the preliminary design be brought to the McKinleyville Municipal Advisory Committee and the Public for review and input is a good first step in the analysis of the impacts. The District respectfully requests that we also be actively engaged as a key stakeholder throughout the planning and design process and be given the opportunity to comment on the design.

The McKinleyville Community Services District recommends that the Board of Supervisors certify the EIR and adopt the Town Center Ordinance as written, with the addition of the Planning Commissions recommendations that a McKinleyville-wide Traffic Study be conducted and the future design of any changes to Central Avenue be reviewed with the MMAC and McKinleyville CSD prior to final design and implementation.

Thank you for your consideration of the District's concerns.

Sincerely,

James Biteman
MCSD Board President

Patrick Kaspari, PE
General Manager, MCSD

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McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **ACTION**

ITEM: E.4 **Consider Adoption of Resolution 2025-19 Proclaiming October 4 – October 12, 2025 California Water Professionals Appreciation Week**

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

TYPE OF ACTION: **Roll Call - Consent**

Recommendation:

Staff recommends that the Board review the information provided and adopt Resolution 2025-19, **Attachment 1,** proclaiming October 4 – October 12, 2025 as California Water Professionals Appreciation Week.

Discussion:

In 2017, the California Legislature established Water Professionals Appreciation Week. In 2025, the week will be celebrated October 4-12. The week is intended to recognize the important role water and wastewater professionals play in California by ensuring a safe and reliable water supply. Water is essential to the well-being and economic prosperity of California. This resolution acknowledges the significant contributions of these professionals and the importance of their work.

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 2025-19

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RESOLUTION 2025 – 19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICE DISTRICT PROCLAIMING OCTOBER 4 – OCTOBER 12, 2025 CALIFORNIA WATER PROFESSIONALS APPRECIATION WEEK

WHEREAS, water is the lifeblood of California and without safe and reliable water, no community and no sector of the economy – from high tech to manufacturing to agriculture – can thrive or expand; and

WHEREAS, now more than ever, the water industry is proud of the important role our essential workers play in making sure our communities have safe and reliable drinking water; and

WHEREAS, thanks to technological advances by highly skilled and trained water professionals and the dedication of thousands of industry professionals in the state, California drinking water and treated wastewater meets some of the most stringent water quality standards in the nation; and

WHEREAS, depending on where you live in California, your water may come from a nearby well or river, or it may travel hundreds of miles through rivers, canals, or pipelines to reach your tap. Regardless of where it originates, your drinking water is filtered, cleaned, tested and distributed in a process carefully managed by trained water professionals; and

WHEREAS, California is steadily expanding the reuse of treated wastewater and pioneering the use of advanced purified recycled water to replenish aquifers, prevent seawater intrusion and improve local water supply reliability; and

WHEREAS, water professionals at local public water and wastewater agencies work 24/7 to plan for the future, maintain and upgrade their systems and improve the safety and resiliency of local water supplies for their communities; and

WHEREAS, according to the Public Policy Institute of California, local public water and wastewater agencies invest more than $25 billion a year on local water-related programs and projects that protect public health and the environment, improve local water supply reliability, replenish and clean up groundwater basins, provide water for fire protection and protect against floods; and

WHEREAS, thousands of essential water, wastewater and recycled water industry professionals in the state dedicate their careers to keeping drinking water, recycled water and treated wastewater safe and reliable for use by Californians;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District hereby declares Oct. 4-12, 2025 Water Professionals Appreciation Week and extends its sincere gratitude and appreciation to the water and wastewater professionals who work 24/7 to provide excellent essential services to our community every day.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on October 1, 20225 by the following polled vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Scott Binder, Board President

Attest:

_____
Joey Blaine, Board Secretary

McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **INFORMATION**

ITEM: F.3.A **Finance & Administration – August 2025 Report**

PRESENTED BY: **Samantha Howard, Finance Director**

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

Total Board Travel costs totaled $8,174.25 for August 2025; this is 29.40% of the approved $27,800 budget. (GL# 001/005/501/551 62035/62090/62155-888)

Audit/Budget Update:

Staff has completed reconciliation of the balance sheet in preparation for final field work. The auditors will be on site at the district office the week of October 6, 2025 to conduct final field work.

Treasurer's Report Highlights:

August Treasurer's Report is attached and explained with item D.2 of the consent calendar. All June 2025 revenues and expenses have all been posted for fiscal year 2024/25 with a few adjustments being made over the last month. Attachment 1 of this staff note shows updated balance sheet and budget to actuals for the fiscal year end of June 30, 2025. These numbers may still be subject to change as the audit progresses.

Some things to note on the Budget to Actual, specifically regarding the Wastewater Fund:

1) Depreciation Expense was under budgeted by $128,054.66 for FY25. Adjustments were made at year end after the Fixed Asset Schedule was reconciled.
2) June 2025 interest expense is high due to accounting for the FY25 portion of FY26 loan payments. This expense was reversed July 1 of the new fiscal year.
3) FY25 interest expense came in over budget by $109,668.13 due to under budgeting the interest expense for the WWMF loan.
4) Despite these, the wastewater fund still ended the year with a surplus over budget.

Financial Updates

Umpqua Bank interest earnings for August 2025 were $5,324.09. The interest rate on the money market has been negotiated to remain the same at 2.25% for this next quarter (Oct 1-Dec 31).

California CLASS has a current daily yield of 4.1691%. Operating reserves continue to be moved to California CLASS to ensure the highest return. Total balance for all funds, including restricted and unrestricted, is $22,714,527.15. These funds are completely liquid and can be transferred back to the District's operating account within 24 hours, apart from restricted reserves.

The Measure B fund balance, or net position, is ($352,275.43) as of June 30, 2025. This is a huge improvement from the closing of FY23/24 when it was ($665,419). June 2025 Property Assessment revenue has been fully received with total assessment revenue for fiscal year 24/25 being $693,253.55.

Other Updates

New accounting and billing software has been budgeted for in FY25-26. Staff has selected the preferred software and it is the hope to bring the contract to the Board for approval in November. The schedule is subject to change as the project progresses; however, it is anticipated that this project will take 15-18 months from software selection to full implementation.

Other projects that will be taking place within the finance and administration department in coming months include revision of multiple financial policies including the District's Reserve Policy and the Fixed Asset Policy. Staff will also be conducting an internal audit of the fixed asset and depreciation schedule to ensure correct accounting for the new software implementation.

ATTACHMENTS:

- Attachment 1 – 3rd DRAFT JUNE 2025 Treasurer's Monthly Report

McKinleyville Community Services District
DRAFT Consolidated Balance Sheet by Fund
As of June 30, 2025

	Governmental Funds			Proprietary Funds		
ASSETS	Parks & General	Measure B	Streetlights	Water	Wastewater	Total (Memorandum Only)
Current Assets						
Unrestricted cash & cash equivalents	$ 1,343,048.98	$ (345,634.71)	$ 167,255.20	$ 10,781,173.48	$ 15,896,161.71	$ 27,842,004.66
Accounts receivable	204,470.66	-	4,709.39	1,958,190.79	2,377,859.00	4,545,229.84
Prepaid expenses & other current assets	100,087.01	2,670.30	6,982.36	166,031.66	104,926.32	380,697.65
Total Current Assets	1,647,606.65	(342,964.41)	178,946.95	12,905,395.93	18,378,947.03	32,767,932.15
Noncurrent Assets						
Restricted cash & cash equivalents	216,007.51	-	-	102,065.93	3,095,659.48	3,413,732.92
Other noncurrent assets	-	-	-	461,218.00	576,277.00	1,037,495.00
Capital assets (net)	-	-	-	22,298,183.87	30,684,472.09	52,982,655.96
Total Noncurrent Assets	216,007.51	-	-	22,861,467.80	34,356,408.57	57,433,883.88
TOTAL ASSETS	$ 1,863,614.16	$ (342,964.41)	$ 178,946.95	$ 35,766,863.73	$ 52,735,355.60	$ 90,201,816.03
LIABILITIES & FUND BALANCE/NET ASSETS						
Current Liabilities						
Accounts payable & other current liabilities	$ 238,301.84	$ 9,311.02	$ 898.02	$ 771,414.55	$ 436,776.57	$ 1,456,702.00
Accrued payroll & related liabilities	160,653.31	-	-	91,719.05	92,251.18	344,623.54
Total Current Liabilities	398,955.15	9,311.02	898.02	863,133.60	529,027.75	1,801,325.54
Noncurrent Liabilities						
Long-term debt	-	-	-	5,956,963.08	19,776,937.46	25,733,900.54
Other noncurrent liabilities	-	-	-	3,162,733.57	3,934,180.42	7,096,913.99
Total Noncurrent Liabilities	-	-	-	9,119,696.65	23,711,117.88	32,830,814.53
TOTAL LIABILITIES	398,955.15	9,311.02	898.02	9,982,830.25	24,240,145.63	34,632,140.07
Fund Balance/Net Assets						
Fund balance	(2,616,198.29)	(352,275.43)	178,048.93	-	-	(2,790,424.79)
Net assets	4,080,857.30	-	-	9,442,812.69	17,587,675.34	31,111,345.33
Investment in captial assets, net of related debt	-	-	-	16,341,220.79	10,907,534.63	27,248,755.42
Total Fund Balance/Net Assets	1,464,659.01	(352,275.43)	178,048.93	25,784,033.48	28,495,209.97	55,569,675.96
TOTAL LIABILITIES & FUND BALANCE/NET ASSETS	$ 1,863,614.16	$ (342,964.41)	$ 178,946.95	$ 35,766,863.73	$ 52,735,355.60	$ 90,201,816.03
	-	-	-	-	-	-
Difference in Reclass from Cap Assets to Net Assets:				-	-	
Investment in General Capital Assets	$ 9,093,049.14					
General Long-term Liabilities						
PG&E Streetlights Loan	-					
Meas. B Loan: Teen/Community Center	516,500.00	Non-debt Long-term Liabilities (included in Other Non-current Liabilities above)				
OPEB Liability	1,264,366.00	OPEB Liability		995,499.00	1,243,843.00	3,503,708.00
CalPERS Pension Liability/Deferred Inflows-Outflows	905,127.51	CalPERS Pension Liability		844,551.08	1,055,259.08	2,804,937.67
Accrued Compensated Absences	63,742.80					
TOTAL GENERAL LONG-TERM LIABILITIES	$ 2,749,736.31					

McKinleyville Community Services District
DRAFT Activity Summary by Fund, Approved Budget
June 30, 2025

Department Summaries	July	August	September	October	November	December	January	February	March	April	May	June	% of Year 100.00% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	% Year Remaining: 0.00% Total Budget	Remaining Budget	Remaining Budget %	Notes
Water																				
Water Sales	377,798	466,657	387,565	404,473	336,145	311,606	378,513	335,582	328,917	377,204	346,316	377,627	4,428,404	4,350,000	78,404	1.80%	4,350,000	(78,404)	-1.80%	
Other Revenues	18,199	19,951	9,039	11,274	12,980	28,642	15,661	11,904	7,007	17,444	22,096	6,868	181,065	306,950	(125,885)	-41.01%	306,950	125,885	41.01%	
Total Operating Revenues	395,997	486,608	396,604	415,747	349,126	340,248	394,174	347,486	335,925	394,648	368,412	384,494	4,609,469	4,656,950	(47,481)	-1.02%	4,656,950	47,481	1.02%	
Salaries & Benefits	136,738	111,520	104,841	118,522	113,067	107,996	113,467	121,223	104,508	114,306	112,380	111,343	1,369,910	1,460,717	(90,807)	-6.22%	1,460,717	90,807	6.22%	Budget spread evenly across 12 months, but actuals vary by schedule
Water Purchased	107,688	108,330	111,217	110,780	109,448	108,258	108,229	105,509	107,415	106,319	107,865	107,682	1,298,741	1,295,000	3,741	0.29%	1,295,000	(3,741)	-0.29%	
Other Expenses	49,482	47,132	39,224	71,527	39,280	63,935	45,907	40,077	38,171	50,836	36,734	40,782	563,089	927,985	(364,896)	-39.32%	927,985	364,896	39.32%	Budget spread evenly across 12 months, but actuals vary by project & expenditure
Depreciation	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	399,996	400,000	(4)	0.00%	400,000	4	0.00%	
Total Operating Expenses	327,242	300,315	288,616	334,162	295,128	313,522	300,937	300,143	283,427	304,794	290,312	293,139	3,631,735	4,083,702	(451,967)	-11.07%	4,083,702	451,967	11.07%	
Net Operating Income	68,756	186,292	107,988	81,585	53,998	26,726	93,237	47,343	52,497	89,854	78,101	91,355	977,733	573,248	(499,448)		573,248	(404,485)		
Grants	560	-	-	722,437	-	-	1,970,604	-	351,684	596,374	-	581,403	4,223,062	7,000,000	(2,776,938)		7,000,000	2,776,938	39.67%	June Grant Revenue-CalOES 4.5 MGT
Interest Income	22,552	42,302	28,947	29,098	27,289	27,359	23,754	22,839	24,585	23,304	28,549	25,869	326,446	150,000	176,446	117.63%	150,000	(176,446)	-117.63%	
Interest Expense	14,259	-	-	-	154	84,197	6,217	-	-	123	11,044	47,540	163,534	200,724	37,190	-18.53%	200,724	37,190	18.53%	
Total Non-Operating Income	8,853	42,302	28,947	751,535	27,135	(56,838)	1,988,141	22,839	376,268	619,555	17,505	559,732	4,385,975	6,949,276	(2,637,681)		6,949,276	2,563,301		
Net Income (Loss)	**77,609**	**228,595**	**136,935**	**833,120**	**81,133**	**(30,112)**	**2,081,378**	**70,183**	**428,766**	**709,410**	**95,605**	**651,087**	**5,363,708**	**7,522,524**	**(3,137,129)**		**7,522,524**	**2,158,816**		
Wastewater																				
Wastewater Service Charges	365,828	395,146	369,717	378,264	351,430	346,764	389,439	363,852	361,275	385,450	369,636	344,590	4,421,391	4,200,000	221,391	5.27%	4,200,000	(221,391)	-5.27%	
Other Revenues	26,213	26,294	10,630	16,515	18,554	37,199	23,241	17,425	9,504	30,943	43,121	(35,503)	224,138	286,442	(62,304)	-21.75%	286,442	62,304	21.75%	
Total Operating Revenues	392,041	421,440	380,347	394,779	369,983	383,962	412,680	381,277	370,780	416,393	412,758	309,087	4,645,529	4,486,442	159,087	3.55%	4,486,442	(159,087)	-3.55%	
Salaries & Benefits	150,184	131,183	136,410	132,561	126,646	136,139	148,293	113,455	121,296	130,414	137,121	129,349	1,593,049	1,522,885	70,164	4.61%	1,522,885	(70,164)	-4.61%	
Other Expenses	62,036	63,980	52,065	77,260	58,369	98,016	77,839	117,857	2,693	79,576	52,689	203,194	945,575	1,161,585	(216,010)	-18.60%	1,161,585	216,010	18.60%	Budget spread evenly across 12 months, but actuals vary by project & expenditure
Depreciation	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,500,000	1,500,000	-	0.00%	1,500,000	-	0.00%	
Total Operating Expenses	337,220	320,162	313,474	334,821	310,015	359,155	351,132	356,312	248,988	334,991	314,811	457,543	4,038,624	4,184,470	(145,846)	-3.49%	4,184,470	145,846	3.49%	
Net Operating Income	54,821	101,278	66,873	59,958	59,968	24,808	61,548	24,965	121,792	81,403	97,947	(148,456)	606,905	301,972	304,933		301,972	(304,933)		
Grants	560	-	-	41,666	-	-	48,171	-	-	57,812	-	95,996	244,205	725,000	(480,795)	-66.32%	725,000	480,795	66.32%	June grant revenue is Fischer Lift Station & Hwy Xing.
Interest Income	17,971	60,872	44,303	45,670	40,637	40,093	51,647	47,246	50,348	50,022	49,325	50,944	549,079	120,000	429,079	357.57%	120,000	(429,079)	-357.57%	
Interest Expense	(224,691)	278,317	-	-	34,266	-	-	10,479	56,188	-	-	210,960	365,519	255,851	(109,668)	42.86%	255,851	(109,668)	-42.86%	FY25 portion of FY26 payments. Over budget due to underbudgeting WWMF Loan Interest Payments for the year.
Total Non-Operating Income	243,222	(217,445)	44,303	87,336	6,370	40,093	99,818	36,767	(5,839)	107,834	49,325	(64,020)	427,765	589,149	57,952		589,149	161,384	27.39%	
Net Income (Loss)	**298,043**	**(116,167)**	**111,176**	**147,295**	**66,339**	**64,901**	**161,366**	**61,732**	**115,952**	**189,237**	**147,272**	**(212,476)**	**1,034,669**	**891,121**	**143,548**		**891,121**	**(143,548)**		
Enterprise Funds Net Income (Loss)	**375,652**	**112,428**	**248,111**	**980,414**	**147,472**	**34,789**	**2,242,744**	**131,914**	**544,718**	**898,647**	**242,877**	**438,611**	**6,398,377**	**8,413,645**	**(2,015,268)**		**8,413,645**	**2,015,268**		

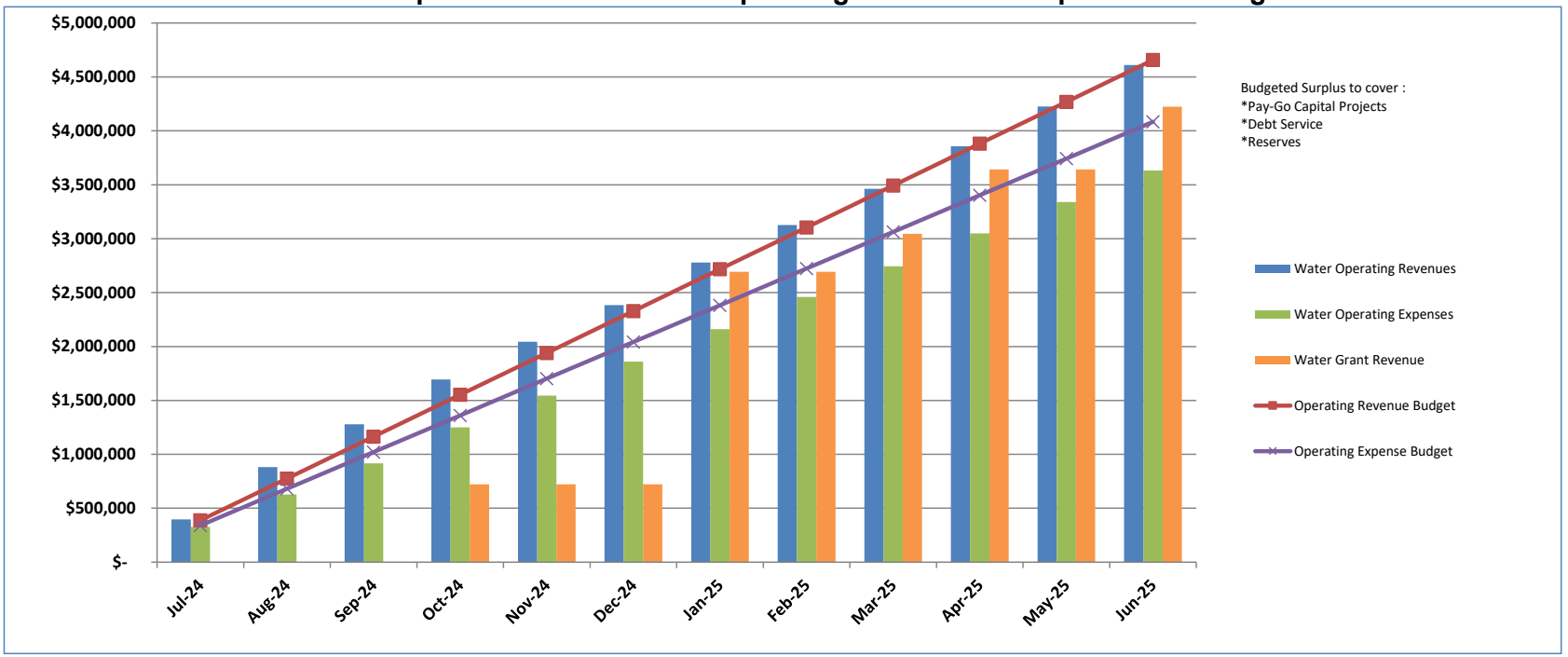
McKinleyville Community Services District
DRAFT Activity Summary by Fund, Approved Budget
June 30, 2025

Department Summaries	July	August	September	October	November	December	January	February	March	April	May	June	% of Year 100.00% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	% Year Remaining: 0.00% Total Budget	Remaining Budget	Remaining Budget %	Notes
***Parks & Recreation**																				
Program Fees	65,991	9,156	2,066	15,325	52,354	54,139	34,953	9,513	44,943	53,179	3,966	79,025	424,610	426,150	(1,540)	-0.36%	426,150	1,540	0.36%	
Rents & Facility Related Fees	8,508	16,190	3,795	7,139	4,010	2,155	4,878	19,552	11,458	5,040	11,889	6,332	100,947	101,325	(378)	-0.37%	101,325	378	0.37%	
Property Taxes	-	-	-	-	-	436,262	-	-		372,584	-	59,947	868,793	733,794	134,999	18.40%	733,794	(134,999)	-18.40%	All June 2025 tax revenues have been received and posted.
Other Revenues	12,292	12,284	14,610	12,371	12,362	12,354	12,747	24,075	13,836	13,018	12,999	58,555	211,502	199,550	11,952	5.99%	199,550	(11,952)	-5.99%	Budget spread evenly across 12 months, but actuals vary by schedule
Interest Income	21,059	23,175	17,359	17,424	16,273	21,811	14,352	13,501	15,070	31,118	16,656	31,133	238,931	75,000	163,931	218.57%	75,000	(163,931)	-218.57%	
Total Revenues	107,850	60,806	37,829	52,259	84,998	526,720	66,930	66,640	85,307	474,939	45,511	234,992	1,844,782	1,535,819	308,963	20.12%	1,535,819	(308,963)	-20.12%	
Salaries & Benefits	95,370	87,799	94,991	112,570	96,894	104,312	113,566	107,238	111,615	103,751	110,165	155,387	1,293,659	1,099,941	193,718	17.61%	1,099,941	(193,718)	-17.61%	
Other Expenditures	28,081	21,154	15,122	27,739	16,120	33,245	20,568	2,584	23,697	33,761	14,947	28,650	265,670	293,975	(28,305)	-9.63%	293,975	28,305	9.63%	
Total Expenditures	123,451	108,953	110,114	140,310	113,014	137,557	134,134	109,822	135,312	137,512	125,113	184,037	1,559,329	1,393,916	165,413	11.87%	1,393,916	(165,413)	-11.87%	
Other Financing Sources:	-	-	-	-																
Grant Revenues	-	-	-	-	-	-	-	-	-	-	-	200,419	200,419	1,300,000	(1,099,581)	-84.58%	1,300,000	1,099,581	84.58%	
Capital Expenditures	-	500	15,867	5,651	-	11,302	17,812	1,660	12,564	17,547	2,018	298,209	383,131	1,016,667	(633,536)	-84.06%	1,300,000	916,869	70.53%	Budget spread evenly across 12 months, but actuals vary by project schedule
Excess (Deficit)	**(15,601)**	**(48,648)**	**(88,152)**	**(93,702)**	**(28,016)**	**377,861**	**(85,016)**	**(44,842)**	**(62,569)**	**319,880**	**(81,619)**	**(46,835)**	**102,742**	**425,236**	**(322,494)**		**141,903**	**956,031**		
***Measure B Assessment**																				
Total Revenues	100	138	3,848	3,801	4,018	440,104	3,248	3,126	3,347	244,202	4,618	42,458	753,008	704,659	48,349	6.86%	704,659	(48,349)	-6.86%	All June assessment revenues have been received and posted.
Salaries & Benefits	8,874	13,812	14,428	13,760	5,965	5,877	9,240	11,691	9,491	9,779	8,611	7,182	118,710	169,514	(50,804)	-29.97%	169,514	50,804	29.97%	Budget spread evenly across 12 months; actuals vary by maintenance schedule
Other Expenditures	5,283	8,075	7,277	9,651	8,461	11,669	9,834	26,133	9,999	8,028	7,235	11,102	122,747	172,235	(49,488)	-28.73%	172,235	49,488	28.73%	Budget spread evenly across 12 months, but actuals vary seasonally
Capital Expenditures/Loan Repayment	-	-	-	63,101	15,823	-	-	-	24,914	64,041	25,605	4,924	198,407	273,968	(75,561)	-27.58%	273,968	75,561	27.58%	Budget is spread evenly across 12 months. Loan pmts are October & April
Total Expenditures	14,157	21,887	21,706	86,512	30,249	17,546	19,073	37,825	44,404	81,849	41,451	23,208	439,865	615,717	(175,852)	-28.56%	615,717	175,852	28.56%	
Excess (Deficit)	**(14,057)**	**(21,749)**	**(17,857)**	**(82,711)**	**(26,230)**	**422,559**	**(15,825)**	**(34,699)**	**(41,057)**	**162,354**	**(36,833)**	**19,250**	**313,143**	**88,942**	**224,201**		**88,942**	**(224,201)**		
***Street Lights**																				
Total Revenues	11,855	12,389	12,154	12,291	12,233	12,162	12,050	12,359	12,518	12,487	12,570	12,777	147,846	138,600	9,246	6.67%	138,600	(9,246)	-6.67%	
Salaries & Benefits	6,933	4,664	4,732	4,907	4,426	4,588	5,581	4,512	3,857	6,092	4,750	4,372	59,413	65,882	(6,469)	-9.82%	65,882	6,469	9.82%	Budget spread evenly across 12 months; actuals vary by maintenance schedule
Other Expenditures	5,078	6,629	3,863	4,768	4,050	5,168	4,970	4,720	5,183	4,846	4,711	4,929	58,914	61,695	(2,781)	-4.51%	61,695	2,781	4.51%	
Capital Expenditures/Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	(5,000)	-100.00%	5,000	5,000	100.00%	Budget spread evenly across 12 months, but actuals vary by project
Total Expenditures	12,011	11,293	8,595	9,675	8,476	9,756	10,551	9,232	9,039	10,937	9,461	9,301	118,327	132,577	(14,250)	-10.75%	132,577	14,250	10.75%	
Excess (Deficit)	**(156)**	**1,095**	**3,560**	**2,617**	**3,757**	**2,406**	**1,499**	**3,127**	**3,478**	**1,550**	**3,109**	**3,476**	**29,518**	**6,023**	**23,495**		**6,023**	**(23,495)**		
Governmental Funds Excess (Deficit)	**(29,814)**	**(69,301)**	**(102,450)**	**(173,797)**	**(50,489)**	**802,826**	**(99,342)**	**(76,414)**	**(100,148)**	**483,783**	**(115,344)**	**(24,109)**	**445,403**	**520,201**	**(74,798)**		**236,868**	**708,334**		

*Governmental Funds use a modified accrual basis of accounting per GASB

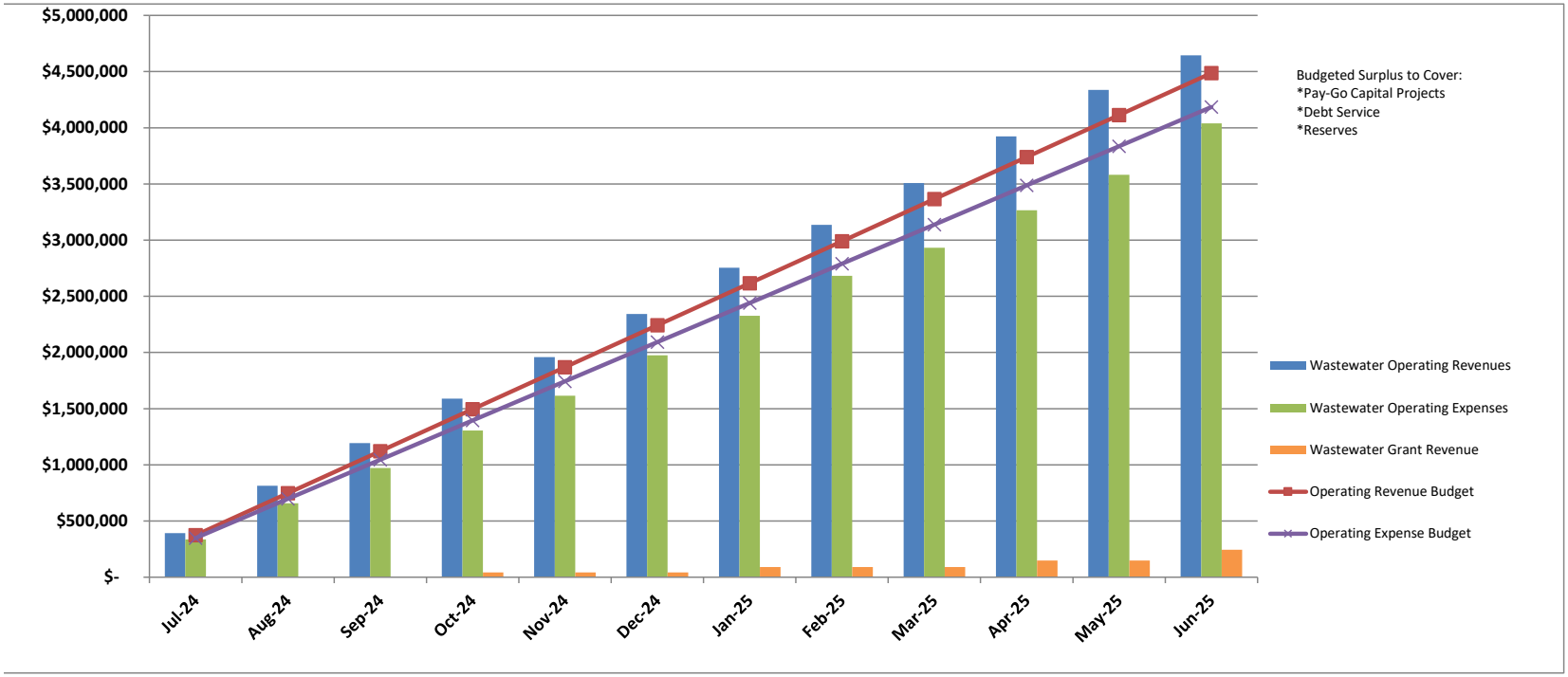
McKinleyville Community Services District
As of June 30, 2025

DRAFT Comparison of Water Fund Operating Revenues & Expenses to Budget



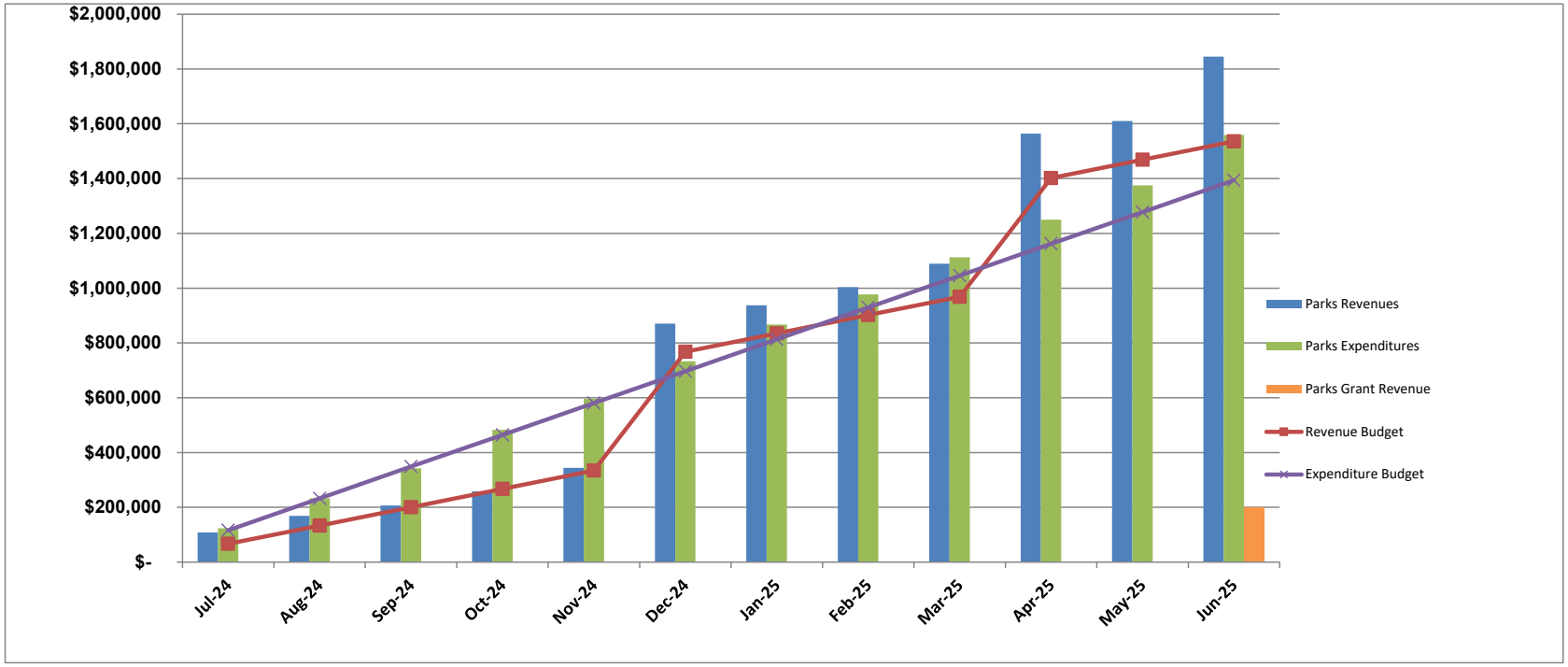
McKinleyville Community Services District
As of June 30, 2025

DRAFT Comparison of Wastewater Fund Operating Revenues & Expenses to Budget



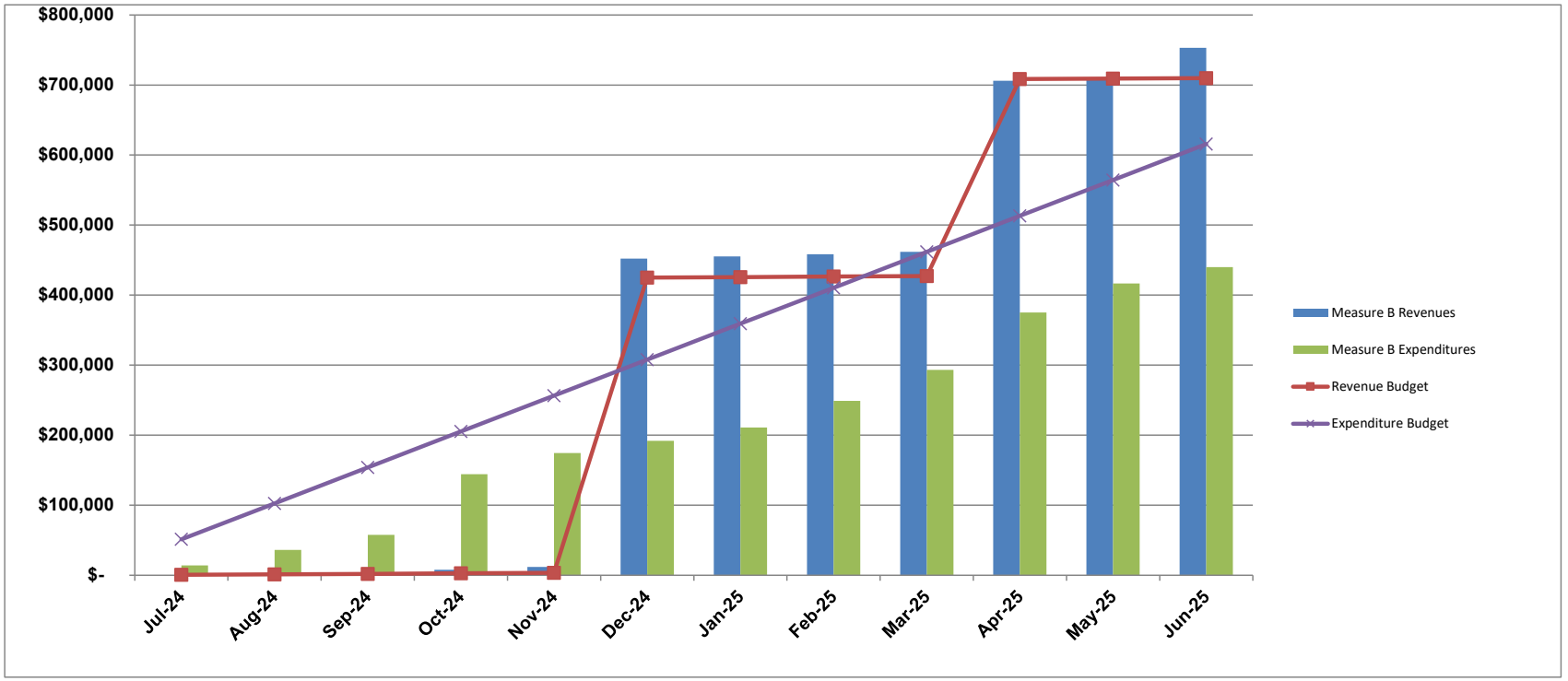
McKinleyville Community Services District
As of June 30, 2025

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



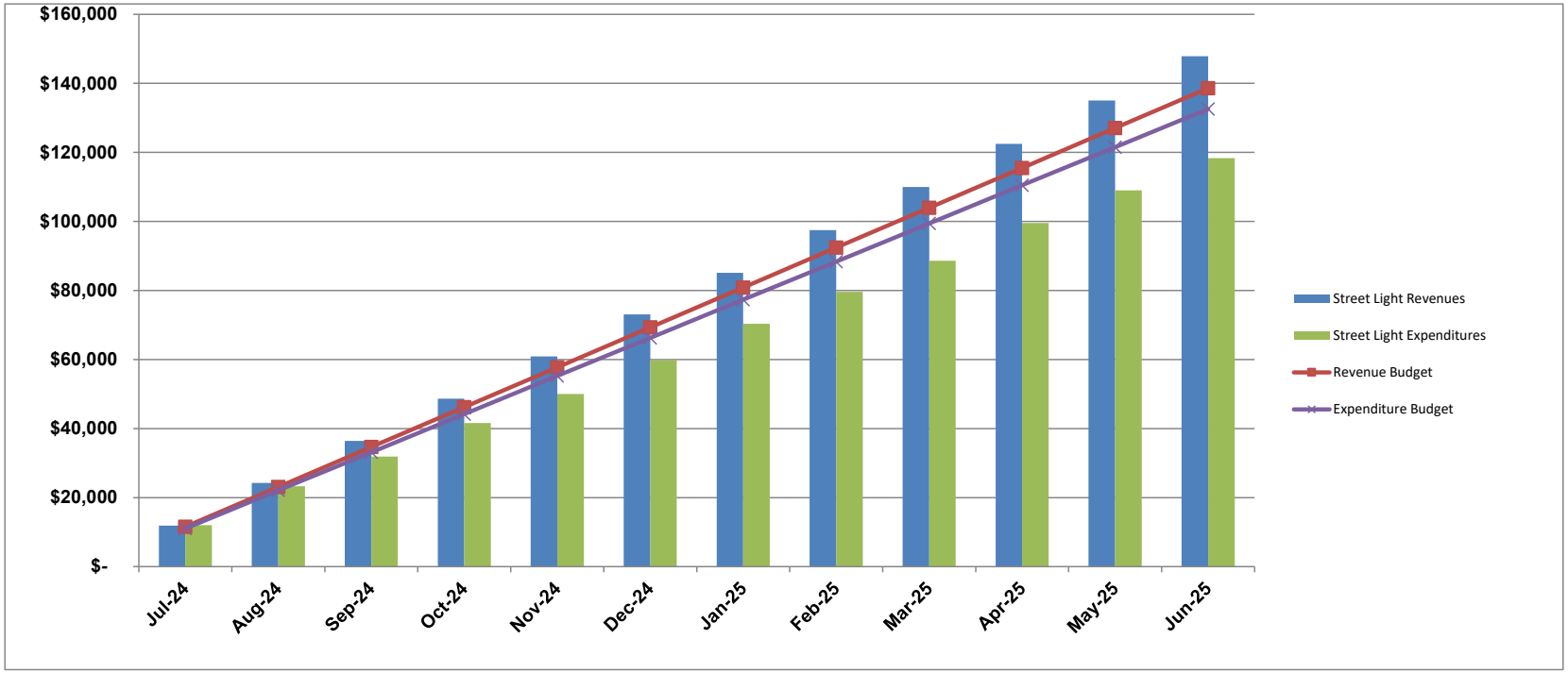
McKinleyville Community Services District
As of June 30, 2025

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



McKinleyville Community Services District
As of June 30, 2025

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



McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **INFORMATION**

ITEM: F.3.B Operations Department – July/August 2025 Report

PRESENTED BY: James Henry, Operations Director

TYPE OF ACTION: None

Water Department:

Water Statistics:
The district pumped 47.6 million gallons of water in August.
Eleven water quality complaints were investigated and rectified.
Daily, weekly and monthly inspections of all water facilities were conducted.

Double Check Valve Testing:
Testing of DCV's in Route 15 were conducted in August. Customers with failed DCV's were notified to make repairs and call the office to schedule a retest.

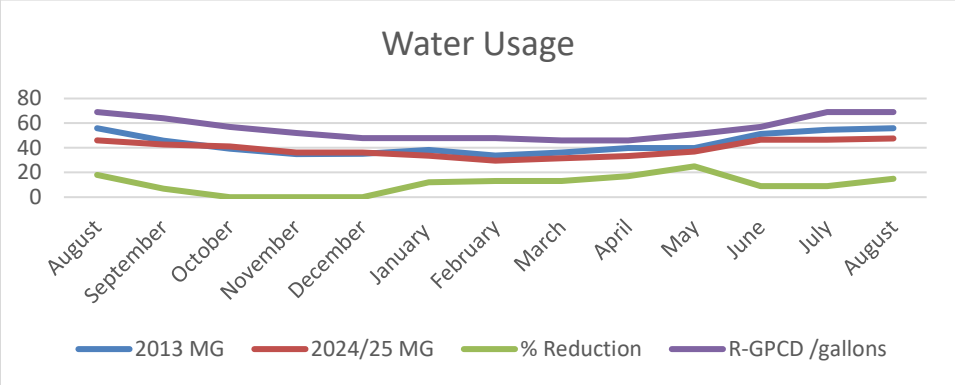
Average and Maximum Water Usage:
The maximum water usage day was 2.1 million gallons and the average usage per day was 1.5 million gallons.

Water Distribution Maintenance:
Weekly Bacteria Samples were collected on Schedules 2, 3, 4, and 5 which represent different locations in the water distribution system. The schedules are made up of a sample taken in each pressure zone. Staff have been out locating air reliefs as fill-in work. This will continue for several months. A service line leak was repaired on Church and on Jensen due to a faulty crimp in the pipes. A new water service was installed on Boyd Road along with one on Fischer. Water main right of ways were cleared on Boyd Road due to heavy brush. An angle-stop on Bates was replaced due to leaking.

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. Mowing and string trimming took place at several water facilities. Serviced pumps and motors at all pump stations as part of the maintenance program. A leaking clay valve was rebuilt on the Cochran pump 2 due to not closing properly caused by a worn diaphragm and bushing.

As of July 2014, the District is required to submit a Public Water Monthly Monitoring Report to compare water usage to last year's usage in the same month. I will keep the Board updated each month using the Table below.

	2013 (MG)	2024/25 (MG)	% Reduction	R-GPCD
August	55.908	46.175	18	69
September	45.702	42.568	7	64
October	39.439	41.252	(-4)	57
November	34.879	37.030	(-6)	52
December	35.203	37.638	(-6)	48
January	38.241	33.765	12	48
February	33.751	29.608	13	48
March	36.244	31.518	13	46
April	39.755	33.296	17	46
May	49.407	36.881	25	51
June	51.337	46.661	9	57
July	54.757	46.474	9	69
August	55.908	47.598	15	69



R-GPCD = Residential Gallons Per Capita Day

New Construction Inspections:
Midtown Court Tract: The manhole was installed on Railroad along with 60 feet of sewer main and 2" pressure main. The water and sewer mains have been tested. Paving was completed. Contractor still needs to install streetlights. Beau Pre Heights subdivision is moving forward and have installed approximately 1500 feet of water main.

Sewer Department:

Wastewater Statistics:
23.1 million gallons of wastewater were collected and pumped to the WWMF. 21.5 million gallons of wastewater were treated and discharged to NPDES Permit REC-001 Land irrigation.

Sewer Station Maintenance:
Monthly inspections and daily routines were conducted at all sewer stations. The Letz Avenue station was serviced as part of the quarterly maintenance plan. During this time, pumps were inspected, and the wet well washed. This is done to prevent hydrogen sulfide build up which can deteriorate the concrete walls along with removing rags and debris to prevent plugging up the pumps. The asphalt at the Fischer Station was pressure washed, weeded and seal coated. Pressure washing and Painting structures was completed at the Fischer Ranch and Pialorsi Ranch.

Sewer Collection System:
Grease traps were inspected at required facilities. Several Right of Way locations were string trimmed and mowed to prevent access to manholes and prevent trees from growing over the mains.

Wastewater Management Facility:
Daily and weekly maintenance continues at the treatment plant to perform the required service on the equipment. Lubing was conducted on the weir gates and motor drives. The Northeast ditch was cleared and brush removal to prevent flooding the trail during heavy rains.

Daily Irrigation and Observation of Reclamation Sites:
River discharge stopped on May 14th and Land Discharge started. Sites were mowed, string trimming was completed around irrigation heads and pipes were laid out for discharging. Quarterly well samples were completed in July as a requirement of the NPDES permit.

Street Light Department:
There were 2 streetlight complaints in August due to bad photo cells.

Promote Staff Training and Advancement:
Weekly tailgate meetings and training associated with job requirements. Staff received training on Emergency Action Plan, Overhead Crane and Hoist Safety, Lock Out Tag Out and 811 Call Before You Dig.

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 Drought and Conservation report was completed
Attended Micro-Grid meetings
Attended meetings and inspections for 4.5 MG Tank project
Attended Community Forest meetings and Sub-committee meetings
Attended CWEA meeting
Attended BMX Track meetings and site visits
Reviewed and commented on Letz Force main alternatives
Assisted in developing RFQ for Mad River Crossing project

GIS:

Plans & Programs

- Annual Review of the Lockout/Tagout Program
    - Added language to include Group lockout, personnel changes and tagout limitations all sections stated by OSHA
- Annual Review of the Emergency Action Plan
    - No changes to be made at this time

General GIS/Maps Created

- City Center Road Lane changes map
    - Created a series of maps for the three proposed scenarios of the road layout Central Ave at City Center and overlayed MCSD Facilities
- Facilities Map Edits
    - Corrected Water Main on North End of North Bank Rd
    - Published new water facilities layer to include edits from the past 4 months
    - Corrected numerous water meter numbers in GIS from new meter installations
- Community Forest Survey automate email workflow
    - Corrected issue with survey not communicating to automate function in Power Automate
- Boiler Ave Sewer Camera Inspection Data Processing
    - Reviewed Pro Pipe camera sewer Main inspections for potential maintenance needed and to be added to GIS

Misc. Work Completed

- Document Filing and USAs
- Tac Meeting
- Subdivision As-Built map organization

McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **INFORMATION**

ITEM: F.3.C **Parks & Recreation Director's Report for September 2025**

PRESENTED BY: **Kirsten Messmer, Parks & Recreation Director**

TYPE OF ACTION: **None**

TEEN & COMMUNITY CENTER-BOYS & GIRLS CLUB PARTNERSHIP:
Staff continues to meet with BGCR staff weekly. The Teen Club hours of Monday-Friday 2:00pm-6:00pm. The Teen Club runs a wide variety of programs including a weekly cooking program, a cycling program, an art program, a community service program and several BGCA national programs such as Power Hour, SMART Girls, SMART Moves and Youth for Unity. The Club's average daily attendance reached 25-30 teens per day this month. BGCR & MCSD staff are continuing to meet to plan for the 2025 Art's of McKinleyville, this fundraiser will be on Friday, November 7 from 6-8pm at the Teen Center.

PARK AND RECREATION COMMITTEE:
The Park and Recreation Committee (PARC) met on September 17, 2025. Unfortunately, we did not have a quorum and thus could not vote on any action items. We did still review the informational items. The Parks & Recreation Master Plan Update is on track to be completed by the end of 2025. The yet to be approved Minutes from the August 20 PARC Meeting, will hopefully be Approved at the October 15 PARC Meeting and will be attached to my Staff Note for the November 5th MCSD Board Meeting.

BMX TRACK & PARK PROJECT:
Melton Design Group completed the final construction bid documents, which were released on March 22, 2024. At the June 5, 2024 Board Meeting, the contract was awarded to the lowest responsive bidder, F. Loduca Co. The month's long permitting saga has concluded, and we now have the County permit for the construction. The district executed a change order with F. Loduca Co. for the additional work that was added during the permitting process and tree removal began on May 19, 2025. The contractor's focus this month has been on the BMX track. Bi-weekly construction meetings are being held at the District office and via zoom with District staff, and representatives from the F.Loduca Co. and MDG.

MCKINLEYVILLE COMMUNITY FOREST COMMITTEE & SUBCOMMITTEES:
MCF Committee Update
The McKinleyville Community Forest Committee (MCFC) did meet on September 16, 2025. The Approved Minutes of the August 19 MCFC Meeting can be reviewed in **Attachment 1**. Key topics included a presentation from Chris Collier on iNaturalist and how it is being used in the Community Forest; reviewing the MCF Fund Fundraising efforts and signing up for reaching out to potential donors; and an update on the VTS & MBTTA work day that happened on Saturday, September 13. The Committee also heard reports from the Chairs of the TICS and FMPFB Subcommittees.

TICS Subcommittee Update

The TICS Subcommittee met on September 23, 2025. The Subcommittee began by having their first individual user groups, the Hikers and Dogwalkers, give input on trails within the McKinleyville Community Forest. After, the Subcommittee edited the Draft Trail Plan in real time. The TICS members were notified that the five Public members and one Alternate member must reapply if they wish to stay on the Subcommittee by October 31st, as their current terms end at the end of this calendar year.

FMPFB Subcommittee Update

The FMP Subcommittee met on September 2, 2025. The Subcommittee reviewed and edited the Forest Management Plan in real time. The Subcommittee will continue reviewing the "track changes" accepted version of the document at their next meeting and hopefully have it ready to bring to the full MCFC this fall.

RECREATION PROGRAM UPDATES

Recreation Program Updates

- Drop-in Pickleball's is back to its normal school year schedule: Monday, Wednesday and Friday mornings 9:00am to 12:00pm at the McKinleyville Activity Center. Drop in is $4 per person.
- Youth Drop-In Pickleball will now be available once a month on the 4th Sunday of each month from 3-5pm. Drop-in is $5 per participant.
- Beginning Pickleball's next session is on Mondays from September 15 – October 6 at the Activity Center from 6-8pm. The class fee is $50 for residents and $55 for non-residents.
- Drop-in Kung Fu is on Tuesday and Thursday evenings 5:45pm-7:15pm $10 per person per class. Bulk class passes are available to purchase at $7.50 per class.
- Drop-in Tai Chi is Sundays 11:00am-12:00pm $10 per person per class. Bulk class passes are available to purchase at $7.50 per class. The Martial Arts classes are averaging 5-8 people per class.
- The Adult Softball League has 10 teams signed up and will start August 3rd, ending October 5th.
- Fast Break Friday's is a drop-in basketball program for youth ages 13 to 17. Drop-in is $5 per participant. It is averaging 18-20 participants per week.
- The Youth Basketball League's registration will open October 1st, the league will run from January 10 to February 28. The league is for youth in 3rd-9th grades. Registration fees are $85 for McKinleyville residents and $90 for non-residents.
- The Pee Wee Basketball League's registration will open January 1st, the league will run from April 4 to May 16, 2026. The league is for youth in TK – 2nd grades. Registration fees are $85 for McKinleyville residents and $90 for non-residents.
- Sunday Night drop-in Basketball is averaging 8-10 participants per week.
- Every Thursday from 10:30am to 12:30pm, the Activity Center hosts a playgroup for children ages 0–5 and their guardians.
- The Tot-letics: Soccer session runs from September 6 to October 4 and is completely full with 40 out of 40 spots filled. Tot-letics: Basketball will run from October 25 to November 22, registration is open with 24 out of 40 spots filled so far.
- We are partnering with MUSD this school year for After-school Leader staffing.
- Thanksgiving Breakout will be half classic camp, half specialty cooking camp. Hands-on culinary fun designed for young chefs. It will take place Monday – Wednesday,

November 24-26 at the Activity Center from 8am-5:30pm. The fee is $120R/$123NR for the week plus a $20 supply fee specifically for the food/cooking supplies.
- We are partnering with some local PTO's again to host 4 Middle School Dances this school year. The Dance dates are October 24* (*might change to October 17*), December 5, February 13 and April 10.

PARK & FACILITY MAINTENANCE UPDATES:
The Parks crew and NHES continue the routine schedule for landscape maintenance on Central Avenue and Open Space Zone landscaping. The Saturday SWAP crews have been doing a great job working on the Central Avenue OSMZs. As we move through the peak growing season, plant/grass and weed growth has accelerated across all open spaces. With limited staff and hours in the day, we are prioritizing areas as best we can and appreciate the community's patience as we work to keep up. Staff continue to perform daily and weekly routine maintenance on facilities and vehicles, and monthly inspections were completed across all facilities and open spaces.

FACILITY RENTALS & USE
September Rentals:
- 5 Azalea Hall Rentals plus a weekly and a bi-weekly meeting room rental.
- 11 Pierson Park Rentals.
- 1 Hiller Park Picnic Area Rentals.
- 1 Teen Center Rentals.
- 6 Activity Center Rentals.
- 3 Activity Center and 0 Teen Center Birthday Party Program Rentals.
- The Teen Center Kitchen has one regular Vendor renting it for food preparation.
- The Azalea Hall Kitchen has one regular Vendors renting it for food preparation.

OTHER UPDATES:
- Staff continues to work with MUSD to provide staff for the school districts after school and summer programs.
- Staff continues to participate as members of the McKinleyville Chamber of Commerce Board of Directors, as well as serving on Fundraising Committees for the Boys & Girls Club of the Redwoods.
- Staff continues to provide support to other departments of the District; assisting with accounts payable.

ATTACHMENTS:
- Attachment 1 – 2025-8-19 Approved MCFC Meeting Minutes

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MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY FOREST COMMITTEE (MCFC) HELD ON TUESDAY, AUGUST 19, 2025 at 5:30 P.M. IN PERSON AT AZALEA HALL – 1620 PICKETT ROAD, MCKINLEYVILLE, CALIFORNIA and TELECONFERENCE Via ZOOM & TELEPHONE: ZOOM MEETING ID: 848 9634 6527 (https://us02web.zoom.us/j/84896346527) or DIAL IN TOLL FREE: 1-888-788-0099

NOTE: Items are listed in the chronological order in which they were considered.

1 Call To Order

The meeting was called to order at 5:30 p.m. by Gregory Orsini.

Roll Call

The following Committee Members were in attendance in person at Azalea Hall.

Gregory Orsini, Chair, MCSD Board Director (Non-Voting Member)
Patrick Kaspari, MCSD General Manager
James Henry, MCSD Operations Director
Kirsten Messmer, MCSD Parks and Recreation Director
Jens Andersen, MCSD Recreation Coordinator
Maya Conrad, MMAC Appointee Member
Jennifer Ortega, PARC Appointee Member
Joel Rink, Forester/RPF Member
Tyler Brown, Natural Resources Services Agency Member
Desiree Early Dorvall, Natural Resources/Biologist Member
Michele Stephens, McKinleyville Resident Member
Christopher Collier, Alternate Natural Resources Agency Member
Nicole West, Alternate Natural Resources/Biologist Member

The following Committee Members were Absent.

James Biteman, MCSD Board Director (Non-Voting Member)
Todd Truesdell, At-Large Member
Kevin Creed, At-Large Member
Mersadies Campbell, Alternate Forester Member

The following Staff Members were in attendance in person at Azalea Hall.

Jess Elm, MCSD Environmental Programs Coordinator

2 Pledge of Allegiance

The Pledge of Allegiance was led by Joel Rink.

3 Additions or Changes to the Agenda

There were no additions or changes to the agenda.

4 Seating of Alternates

Christopher Collier was seated as a voting member in the absence of Todd Truesdell.
Nicole West was seated as a voting member in the absence of Kevin Creed.

5 Approval of Agenda

Motion: It was moved to approve the agenda.
Motion by: Michele Stephens **Second:** Joel Rink
Roll Call: Ayes: Patrick Kaspari, James Henry, Jens Andersen, Maya Conrad, Jennifer Ortega, Joel Rink, Tyler Brown, Desiree Early Dorvall, Michele Stephens, Christopher Collier, Nicole West
Nays: None
Absent: Todd Truesdell, Kevin Creed, Kirsten Messmer
Motion Summary: Motion passed.

6 Public Comment and Written Communications

There was no public comment.

7 Consider Approval of Minutes of the Regular Meeting of the McKinleyville Community Forest Committee on July 15, 2025

Motion: It was moved to approve the July 15, 2025 meeting.
Motion by: Patrick Kaspari **Second:** Maya Conrad
Roll Call: Ayes: Patrick Kaspari, James Henry, Jens Andersen, Maya Conrad, Jennifer Ortega, Joel Rink, Tyler Brown, Desiree Early Dorvall, Michele Stephens, Christopher Collier, Nicole West
Nays: None
Absent: Todd Truesdell, Kevin Creed, Kirsten Messmer
Motion Summary: Motion passed.

8 Trails, Infrastructure, Clean-Ups & Security (TICS) Subcommittee Report

Charlie Caldwell, TICS Subcommittee Chair, reviewed the item. He described how the Subcommittee discussed the potential addition of a Tribal Land Acknowledgement to the Trail Plan they are creating. Charlie explained how there were two guest speakers, Keoki Burbank and Hank Seemann. The Subcommittee then began mapping out possible trails for different user groups in the McKinleyville Community Forest (MCF).

The Committee commented, discussed and asked clarifying questions.

There was no public comment.

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

9 Forest Management Plan and Funding/Budget Subcommittee Report

Maya Conrad, Vice Chair of the Forest Management Plan and Funding/Budget Subcommittee, presented the item. She explained how the Subcommittee discussed the possible recommendation for MCSD to submit comments to CAL FIRE regarding the Timber Harvest Plan (THP) from Roshan Ranch. The Subcommittee also finished the first round of revisions to the Draft MCF Forest Management Plan.

The Committee commented, discussed and asked clarifying questions.

There was no public comment.

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

Kirsten Messmer, MCSD Parks and Recreation Director, arrived at 5:43 p.m..

10 Volunteer Trail Stewards (VTS) Workdays

Jess Elm, MCSD Environmental Programs Coordinator, presented the item. She explained that MCSD is going to be working with Humboldt Trails Council volunteer group, VTS, on building and maintaining multi-use trails in the MCF during monthly workdays. These workdays will continuously be held on the second Saturday of each month from 10a.m.-noon, beginning on September 13th.

Committee members discussed and asked clarifying questions.

There was public comment from Charlie Caldwell.

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

11 Formation of the McKinleyville Community Forest Fund Fundraising Plan

Kirsten Messmer, MCSD Parks and Recreation Director, presented the item. She requested that the Committee review the current list of possible donors and select specific ones they would be willing to reach out to for requesting donations for the McKinleyville Community Forest Fund. She also requested that Committee members reach out to any other businesses, organizations, or individuals that may be willing to donate and add them to the list.

Committee members discussed and asked clarifying questions.

There was public comment from Charlie Caldwell.

Chair Gregory Orsini requested Staff send item back to the Forest Management Plan and Funding/Budget Subcommittee for further development. No action was taken.

12 Consider Recommending the MCSD Board of Directors Provide Public Comments on the Roshan Ranch Timber Harvest Plan

Patrick Kaspari, MCSD General Manager, presented the item. He recommended that the Committee provide comments to CAL FIRE concerning issues with Roshan Ranch's THP.

Committee members discussed and asked clarifying questions.

There was public comment from Charlie Caldwell.

Motion: It was moved to recommend that MCSD Board should provide comments to CAL FIRE regarding the proposed Roshan Ranch Timber Harvest Plan and give staff the authority to submit subsequent comments if time is of the essence.
Motion by: Patrick Kaspari **Second:** Desiree Early Dorvall
Roll Call: Ayes: Patrick Kaspari, James Henry, Kirsten Messmer, Jens Andersen, Maya Conrad, Jennifer Ortega, Joel Rink, Tyler Brown, Desiree Early Dorvall, Michele Stephens, Christopher Collier, Nicole West
Nays: None

Absent: Todd Truesdell, Kevin Creed
Motion Summary: Motion passed.

13 Consider Separate Mountain Bike Tribal Trail Alliance (MBTTA) MOU & Request for Funding

Kirsten Messmer, MCSD Parks and Recreation Director, presented the item. She explained that MCSD has a MOU with Humboldt Skate Park Collective (HSC), a nonprofit, that currently has a partnership with MBTTA. Now that MBTTA has acquired its own nonprofit status, they want a MOU separate from HSC, along with adding an addendum which includes compensation for their trail work.

Committee members discussed and asked clarifying questions.

There was public comment from Charlie Caldwell.

A discussion of funding will be considered at a later date.

Motion: It was moved to recommend that MCSD Staff should draft a new MOU between MCSD and MBTTA which will then be brought back to the MCF Committee for review.
Motion by: Maya Conrad **Second:** Desiree Early Dorvall
Roll Call: Ayes: Patrick Kaspari, James Henry, Kirsten Messmer, Jens Andersen, Maya Conrad, Jennifer Ortega, Joel Rink, Tyler Brown, Desiree Early Dorvall, Michele Stephens, Christopher Collier, Nicole West
Nays: None
Absent: Todd Truesdell, Kevin Creed
Motion Summary: Motion passed.

14 Committee Chair Report

Gregory Orsini reported that Wright Tree Service now has a MOU with MCSD. He also reported that the fire on July 30th was not on MCF property and that trail cameras are going to be placed in the MCF for safety reasons.

15 Committee Member Announcements and Future Agenda Items

Maya Conrad announced that on August 27th, the McKinleyville Municipal Advisory Committee meeting will be held at 6 p.m. in Azalea Hall.

16 Adjournment

Meeting Adjourned at 7:27 p.m.

Jess Elm, Environmental Programs Coordinator

McKinleyville Community Services District

BOARD OF DIRECTORS

October 1, 2025 TYPE OF ITEM: **INFORMATIONAL**

ITEM: F.3.D **General Manager's Report for October 1, 2025 Meeting**

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

TYPE OF ACTION: **Information Only**

A summary of activity for the month of September 2025

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

• Use of NHE Services =	$3,543
• CCC Crew =	$17,280
• SWAP =	$3,600
• Volunteer Pickleball Labor =	$906
• CSW =	$750
• Amazon Savings =	$69
• Replace Tank 1 Transducer Crossover =	$650
• Solar Grid Troubleshooting =	$1,360
• Rehab Pump Control Valve =	$450
• Sealcoat Fischer Station Asphalt =	$3,040
TOTAL COST SAVINGS FOR SEPT =	**$31,648**

TOTAL COST SAVINGS FOR FY 25/26 = $60,129

District Staff should be recognized and commended for their ongoing, efficient and incredibly cost-effective running of the District.

4.5 Gallon Water Tank Project – Mercer Fraser has completed the construction, curb & gutter and paving of the road. They need to finalize the drainage work and the electrical work. The current contract completion date of February 28, 2025 has long passed, and the District is deducting Liquidated Damages from the pay requests. The Contractual Liquidated Damages (LDs) for this project is $2,100 per calendar day. As of October 1, they have incurred $384,200 in LDs. It appears that the project likely will not be completely finished until November 2025.

The total construction base bid is $11,642,475 and 10% contingency of $1,164,248 totals $12,806,723. The overall project amount is $14,471,094. The project is funded by $9,617,085 in Hazard Mitigation Grant funding, $879,209 in North Coast Resource Partnership/DWR Prop. 1, Round 2 funding, for a total in grant funding for this project of $10,496,294. The District's $3,174,800 of matching funding will be provided by the Certificates of Participation, Series 2021A-Water bonds. The 2023/24 FY CIP budget had $9,000,000 budgeted, and the 2024/25 FY CIP budget had budgeted the final $9M. However, we included $1M in the CIP for FY 2025/26 to finish out the project. As stated above, the project is dragging out and we will likely spend more than $1M this fiscal year and will require a budget amendment. We will finalize that when the project is completed.

Sewer Undercrossing Project – This project consists of replacing the three highway crossings, where the sewer mains from the east side of McKinleyville cross under Highway 101 to the west side to the District's wastewater treatment facility. We received approval from CalOES to utilize GHD for the final design and permitting and they are moving ahead with the design. The Environmental Permitting and CEQA process will likely be the critical path for the schedule. The County's Coastal Development permit for the geotechnical borings is the critical path, but the County is expeditiously processing the permit, and we have received the CDP. The Geotechnical Engineer is schedule to install borings in October to complete the geotechnical investigation. We hope to go out to bid Spring 2026. The final construction must be completed by September 2027.

This project is to be 75% funded by the Hazard Mitigation Grant from FEMA/CalOES. The grant request was for a total project cost of $6,840,400, which would fund $5,130,300 in grant and the District would match $1,710,100. The 2025/26 FY budget included $2M for this project and $3.8M budgeted for the 2026/27 Fiscal Years. The District's match is intended to be funded from the Certificates of Participation, Series 2021B-Sewer bonds.

Office Remodel – LDA Partners continues to work on the Office Remodel design. LDA submitted the design plans to Humboldt County for the Building Permit in June 2025. We have been getting comments from the County and will use those to generate the final bid package. It is estimated that we would be able to go out to bid on the project in the Fall of 2026.

The construction cost estimate for the remodel is $3.5M. As part of the Operations CIP budgeting, we have included $1M for FY25/26, $2M for FY26/27 and $1M for FY 2027/28 to complete the remodel. The funding for this project has not yet been secured, but Staff is pursuing funding through the State Water Resources Control Board, Clean

Water State Revolving Fund grant/loan program. We have also been discussing financing this, and other CIP projects, for the upcoming fiscal years with the Board.

McCluski/Hewitt Tank Replacement Project – This project consists of the replacement of the two existing redwood tanks at the west end of Hewitt Ave on McCluski Hill. The existing 100,000 gallon and 150,000-gallon redwood tanks will be replaced with two 200,000-gallon, glass-fused lined, bolted steel tanks. The District obtained Phase 1 grant funding from FEMA/CalOES and completed the Biological and other Special Studies as well as Geotech assessment and 65% design drawings. Kennedy Jenks completed the initial Preliminary Design Report and initial Design Drawings as well as the final Environmental Documents. The Phase 1 documents were submitted to CalOES and FEMA in February 2024 to close out the Phase 1 portion of the grant. Since then, we have been waiting for FEMA to complete NEPA for the project and release Phase 2 grant funding. We heard from CalOES in September that it looked like FEMA was going to release Phase 2 funding soon, but we are still waiting.

The 2025/26 Fiscal Year budget for this project is $500k for completing the design and bid package and $1M each budgeted for the 2026/27 & 27/28 FYs for completing the construction. The overall grant cost estimate for this project was estimated to be $1.44 Million, with 75% Federal Funding ($1,079,038.50) and a 25% District match ($359,679.50). However, the initial Preliminary Design Report estimated construction cost at $2.64M. District Staff is working on a request for additional grant funding.

Fischer Lift Station Upgrade Project – The District received a Phase 1 Hazard Mitigation Grant for the upgrade of the Fischer Sewer Lift station in November 2023. The grant will cover the complete retrofit of the Fischer Lift Station, which pumps wastewater from the entire southern half of McKinleyville to the wastewater management facility. This would include the replacement of the pumps and upgrading the electrical system, valves, and further seismically strengthening the building. GHD has finalized the environmental studies required for the CEQA/NEPA permitting as well as draft Plans and Specifications. These were submitted to CalOES/FEMA for their review on July 23, 2025. We now have to wait for FEMA to approve the Phase 2 grant construction funding for the project.

The seismic retrofit of the Fischer Sewer Lift Station is funded in part by a Hazard Mitigation Grant. The original grant application was for a total project cost of $1,582,000 which would be funded by a 75% grant of $1,186,500 with a 25% District match of $395,500. Phase 1 of the project funding was approved on October 16, 2023 in the total amount of $269,220, consisting of $201,915 in Federal funding and a $67,305 District match. The construction of the project is now estimated to be $2.5M, and the contract amount for design, permitting and construction oversight is $410,000

for a total project cost of approximately $2.9M. $500,000 has been budgeted for FY 25/26, and $1.5M for FY 26/27 & 27/28. We have been told by CalOES that there are no additional funds in this funding request and the grant share is $1,417,644 and the District's match will be $1,576,210. The District's match will be funded by the Certificates of Participation, Series 2021B-Sewer bonds and/or the next Certificates of participation that will be issued in 2026.

Microgrid Project – As reported at the February 2025 Board Meeting, we are still working through bugs associated with the battery system and controls and switching from the batteries after a power outage. However, the system continues to power the plant and is resulting in electrical savings for the District. As part of the project bid, the winning contractors, Ameresco Inc., agreed to perform 10-years of operation and maintenance as well as reporting.

We have also been pursuing the Inflation Reduction Act tax credit for this project. We submitted the request to the IRS in June 2024 and got the go ahead to submit the tax credit for this project. Jackson & Eklund assisted the District in the completion of the tax forms, and they were submitted to the IRS at the end of November 2024. If we are found to qualify, we would receive a $1,776,720 tax credit. With the elimination of the energy tax credits by the current administration, it is unknown if the District will receive this credit.

Mad River Watermain Crossing Project – The District was notified in August 2025 that we have received a Phase 1 Hazard Mitigation Grant for the installation of a redundant watermain crossing under the Mad River from HBMWD. The Phase 1 grant will cover the design and environmental studied for the installation of the waterline. The line will be directionally drilled under the river and connected into the existing main from HBMWD on the southside of the river, and the watermain up North Bank Road to our Ramey pump station on the northside of the river. Staff has completed a Request for Qualifications (RFQ) for engineering and environmental services for the design and construction of the project. The RFQ went out on September 19, 2025 and is due back October 27, 2025. Staff intends to bring the SOQ results to the Board at the November 5, 2025 Board Meeting.

A challenge with this project is that the FEMA Period of Performance for this grant expires on August 28, 2026. The original grant had the Phase 1 work taking 21 months. We've discussed this quick turnaround with CalOES and they support us submitting a request for an extension out to April 2027, which Staff has submitted. CalOES is also requesting an extension from FEMA on this grant but have not heard from FEMA yet whether it will be granted, given the uncertainty in D.C. with the potential impacts to FEMA.

The installation of the redundant watermain is funded in part by a Hazard Mitigation Grant. The original grant application was for a total project cost of $3,099,800 which would be funded by a 75% grant of $2,324,850 with a 25% District match of $774,950. Those costs were estimated in 2019, when the grant was submitted, so they have likely risen considerably in the last six years. Phase 1 of the project funding was approved on August 15, 2025 in the total amount of $1,271,470 consisting of $953,601.94 in Federal funding and a $317,868.06 District match. The District budgeted $250,000 for FY 25/26, and $2M for FY 26/27 & 27/28. The District's match will be funded by the next Certificates of participation that will be issued in 2026.

2x2 Meetings with County & MMAC – A regular meeting has been scheduled with the MCSD Board President, GM Kaspari, Board Secretary Blaine, Supervisor Madrone, and the MMAC Chair. Jesse Miles, the Executive Director of the McKinleyville Chamber of Commerce, and Chris Emmons, Arcata Fire District Chief, have also begun to join us for these meetings. These meetings occur on the fourth Monday of every month to discuss various topics of concern to all organizations and the community. On September 29th we meet with Amy Christensen, the Treasure/Tax Collector & Elisha Hayes, the County's Chief Administration Officer. It was a good discussion. We talked about bright spots in the County budget including Measure O for the roads, as well as property tax returns of $194M in secured property taxes and $7.8M in unsecured. The County's investment funds they are managing have also recently exceeded $700M. They have brought the budget deficit down from $18M two years ago, to $15M last year, to $12M this year, but Elisha said there will have to be structural changes to bring it down further. We also talked about the Traffic Study for McKinleyville as well as a potential Economic Development Study. Supervisor Madrone also mentioned the Town Center would likely be heard at the October 21st BOS meeting. We will be meeting with Connie Beck, the Director of DHHS, on Oct. 27th.

Grant Applications – As discussed at the March 2025 Board Meeting, we obtained funding from CalFIRE for the California Forest Improvement Program (CFIP) for the completion of the Community Forest Management Plan. This grant will also cover some initial projects, and we are working with BBW & Associates to identify projects as discussed at the July 2025 Board Meeting and have submitted the CFIP project grant application to CalFIRE and are waiting to hear their approval.

As discussed with the Board at the December 7, 2022 Board Meeting, we have submitted a Clean Water SRF application for funding the retrofit of the Fischer and B Street Lift Stations, which are two of our highest priority Capital Improvement Projects. As discussed at the August 7, 2024 Board Meeting, we are also submitting SRF grant applications for the replacement of all the sewer forcemains in the system, as well as

retrofits of the Letz and Kelly Lift Stations. We are also submitting SRF applications for the remodel of the office. All the grant applications will be submitted by early 2025. They will be considered for funding in the 2024/25 Fiscal Year but will also remain in the queue if not funded this year for consideration in the next Fiscal Year as well.

As discussed at the February and March 2025 Board Meetings, we are in the process of finalizing a Construction grant application for the construction of the recycled water irrigation infrastructure for the Pialorsi property as well as upgrading the existing irrigation system for the Fischer property. It looks like that grant will be funded.

Humboldt County Association of Governments, Regional Housing Needs Allocation – At the September 18, 2025 HCOAG meeting, HCOAG Staff began to go through the methodology of how the latest RHNA numbers for the County are to be allocated to the various cities and the County. The total Countywide number they came up with is 5,962 units. They do the calcs every 8 years and this allocation is through July 25, 2035. The General Plan Housing Elements for the County and all the Cities need to be updated to explain how they plan on meeting their allocation. I talked to Brendan Byrd, the new HCOAG Director, and he said that the County has preliminarily been allocated 2,500 units. He and I discussed a hypothetical allocation of 1,500 of those units to McKinleyville and we discussed the District's capacity to handle those units in our water and sewer system. I am hoping I can get Planning Director John Ford to discuss the County's RHNA allocation at a MMAC meeting sometime after the Town Center Ordinance is over.

Town Center – The September 18, 2025 Planning Commission meeting on the Town Center went well. Director Ford led the Commission through the Ordinance, which took up most of the time. They had some questions, but mainly about things the MMAC had already discussed, and Director Ford led them back through what decisions were made. Commissioner O'Neal was pushing for a Traffic Study for McKinleyville to accommodate the growth and changes to Central Avenue prior to the "Road Diet" being implemented, and also asked that the MMAC be given the opportunity to review the design of Central Avenue prior to its implementation. Those recommendations were added to the recommendation that the Board of Supervisors certify the EIR and approve the Town Center Ordinance as written. It will now go to the Board of Supervisors for the certification of the EIR and adoption of the Ordinance. Not sure yet whether it will be at their October 7 or 21st BOS meetings, although Supervisor Madrone said it will likely be heard at the meeting on 10/21.

Other Work – September was busy as usual, but I did have the opportunity to run to Minnesota to work on my 96-year old mother's house. We continue to be busy with the ongoing construction of the 4.5MG tank. The construction on the BMX Park is proceeding and Operations Direction Henry, Parks & Rec Director Messmer, and GM Kaspari are performing the construction oversight and contractor management on that project. We continue to work on the Microgrid project as well. There was another on-site

meeting schedule in September with Ameresco and Hitachi, the battery manufacturer. They are still troubleshooting the transition phase during power outages and transferring back to PG&E power from the battery. The Community Forest continues to take up time with meetings and chasing grants as well as responding to community comments. The Fischer Lift station design, the Highway Sewer Crossing design and environmental work, and now the Mad River Watermain Crossing are all consuming time as well.

It should also be noted that Mad River Rotary has selected the BMX Park as the recipient of the Fall Fund Raiser receipts. The fundraiser was on Saturday, September 27, 2025, at the Blue Lake Casino. The District worked closely with Rotary as well as McKinleyville BMX to assist and get the word out as wide as possible for this event. The proceeds will be used to construct the bathroom and concession stand that could not be afforded with the grant proceeds. Hopefully I will have an update to report out at the Board Meeting.

Attachments: Attachment 1 – WWMF Monthly Self-Monitoring Report

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

September 25, 2025

RE: MONTHLY MONITORING REPORT

Dear Sabrina:

Enclosed is the Monthly Monitoring Report for August 2025 for McKinleyville Community Services District Wastewater Management Facilities WDID NO. 1B82084OHUM, operating under Order Number R1-2024-0023.

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

Effluent Limitations Parameters	Units	Average Monthly	Average Weekly	Avg. % Removal	Max Daily	Instant Min	Instant Max	Results
Monitoring Location EFF- 001								
BOD	mg/L	30	45	>85				Compliance
TSS	mg/L	30	45	>85				Compliance
PH	s.u.					6.5	8.5	Compliance
Settleable Solids	ml/L	0.1			0.2			Compliance
Chlorine Total Residual	mg/L	0.01			0.02			Compliance
Bis(ethyly-hexy) Phthalate	ug/L	1.8			3.0			Compliance
Total Chromium	ug/L	50			100			Compliance
Ammonia Impact Ratio	ratio	1.0			1.0			Compliance
Monitoring Location REC-001								
BOD	mg/L	30	45	>85				Compliance
TSS	mg/L	30	45	>85				Compliance
Nitrate		10						Compliance
PH						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 current month are as follows. Median was <1.8 and a Maximum of <1.8. Four samples were collected in the month of August and was in compliance.

Monthly River Monitoring was conducted in August.

Quarter 3 sampling was conducted in July.

Semi Annual Chronic Testing was conducted in January

McKINLEYVILLE COMMUNITY SERVICES DISTRICT WASTEWATER MANAGEMENT FACILITY MONITORING DATA

MONTH: August 2025

	INFLUENT	EFFLUENT	EFFLUENT			INFLUENT MONITORING		EFFLUENT MONITORING								RSW-001					RSW-002				
DATE	FLOW M.G.D.	FLOW M.G.D.	MAXIMUM GPM	RIVER CFS	RIVER Dilution	B.O.D. mg/L	TSS mg/L	pH	(C°) TEMP	B.O.D. mg/L	TSS mg/L	CL_2 RES.	RIVER CL_2 RES	SETTLEABLE SOLIDS	TOTAL COLIFORM	Entero cocci	TIME	PH	TEMP	D.O.	Entero cocci	TIME	PH	TEMP	D.O.	Entero cocci
1	0.725	0.680	928	N/A	N/A	160	280	7.0	20.8	0.0	18.0	2.1	N/A	<0.1		N/A										
2	0.724	0.682	918	N/A	N/A			7.0	20.5			1.3	N/A			N/A										
3	0.767	0.677	910	N/A	N/A			7.1	20.7			1.5	N/A			N/A										
4	0.767	0.677	955	N/A	N/A			7.1	20.5			1.2	N/A		<1.8	N/A	11:00	7.2	20.3	4.2	N/A	11:10	7.5	21.5	8.8	N/A
5	0.754	0.665	835	N/A	N/A			7.1	20.5			1.3	N/A			N/A										
6	0.749	0.668	836	N/A	N/A			7.1	20.7			1.2	N/A			N/A										
7	0.744	0.670	822	N/A	N/A	180	290	7.0	21.0	2.2	0.0	0.5	N/A			N/A										
8	0.723	0.670	836	N/A	N/A			7.0	20.7			0.8	N/A	<0.1		N/A										
9	0.732	0.667	846	N/A	N/A			7.1	20.6			2.0	N/A			N/A										
10	0.777	0.674	882	N/A	N/A			7.1	20.7			2.5	N/A			N/A										
11	0.742	0.732	929	N/A	N/A			7.0	20.6			2.5	N/A		<1.8	N/A										
12	0.747	0.670	836	N/A	N/A			7.0	20.5			2.5	N/A			N/A	15:45	8.1	22.3	9.4	N/A	15:55	8.3	22.2	9.9	N/A
13	0.750	0.708	842	N/A	N/A			6.9	20.3			2.3	N/A			N/A										
14	0.735	0.701	870	N/A	N/A	430	410	7.0	20.5	0.0	0.0	1.0	N/A			N/A										
15	0.734	0.715	832	N/A	N/A			6.9	20.6			2.6	N/A	<0.1		N/A										
16	0.737	0.670	784	N/A	N/A			7.0	21.0			1.3	N/A			N/A										
17	0.790	0.663	768	N/A	N/A			7.0	21.0			1.5	N/A			N/A										
18	0.753	0.717	812	N/A	N/A			7.0	20.4			2.2	N/A		<1.8	N/A										
19	0.753	0.726	819	N/A	N/A			6.9	20.5			0.9	N/A			N/A	13:20	7.9	21.8	9.2	N/A	13:30	8.4	22.9	9.4	N/A
20	0.761	0.731	828	N/A	N/A			7.0	20.7			2.3	N/A			N/A										
21	0.742	0.727	830	N/A	N/A	320	440	6.9	20.6	0.0	0.0	2.4	N/A			N/A										
22	0.722	0.736	834	N/A	N/A			6.9	20.4			1.9	N/A	<0.1		N/A										
23	0.742	0.671	774	N/A	N/A			7.0	19.8			2.1	N/A			N/A										
24	0.824	0.672	793	N/A	N/A			7.0	19.8			1.9	N/A			N/A										
25	0.758	0.729	821	N/A	N/A			6.9	19.4			2.4	N/A		<1.8	N/A										
26	0.739	0.720	830	N/A	N/A			6.9	20.0			2.0	N/A			N/A	15:44	7.8	22.9	9.5	N/A	15:54	8.0	22.1	10.1	N/A
27	0.738	0.721	826	N/A	N/A			6.9	19.9			2.2	N/A			N/A										
28	0.723	0.721	824	N/A	N/A	200	380	7.0	20.0	0.0	0.0	2.6	N/A	<0.1		N/A										
29	0.722	0.715	803	N/A	N/A			7.0	19.9			1.7	N/A			N/A										
30	0.716	0.667	839	N/A	N/A			7.0	19.6			1.8	N/A			N/A										
31	0.725	0.673	864	N/A	N/A			7.0	20.3			2.0	N/A			N/A										

MONTHLY TESTS EFF-001 DISCHARGE TO RIVER

Ammonia Impact	Ammonia	Nitrate	Hardness	Total Phosphorus
N/A	N/A	N/A	N/A	N/A

MONTHLY RIVER RSW-001

TDS	Hardness	Ammonia	Conductivity	Turbidity
120	98	ND	230	1.1

MONTHLY RIVER RSW-002

TDS	Hardness	Ammonia	Conductivity	Turbidity
240	110	ND	427	1.19

MONTHLY TESTS REC-001 DISCHARGE TO LAND

Organic Nitrogen	TDS	AMMONIA	NITRATE	NITRITE	SODIUM	CHLORIDE	BORON
1.50	260	2.80	1.00	N/A	39	44	190

MONTHLY BOD & TSS	BOD mg/L	BOD LBS/DAY	BOD % Removal	TSS mg/L	TSS LBS/DAY	TSS % Removal
	0	2	100	4	20	99

QUARTERLY GROUNDWATER MONITORING

GW-001		GW-002		GW-006		GW-007		GW-009		GW-019	
Nitrate	TDS	Nitrate	TDS	Nitrate	TDS	TDS	Nitrate	TDS	Nitrate	TDS	Nitrate
2.5	140	12	160	4.2	230	2.1	140	1.7	130	ND	6500

QUARTERLY TESTING	ug/l
Bis(ethyly-hexy) Phthalate	ND
Total Chromium	ND
Dichlorobromomethane	ND

SEMI-ANNUAL CHRONIC TOXICITY

Date	Species	TST Pass/Fail
1/10/2025	Rainbow Trout	PASS

Permit Exceedance

Signature:_____

Remarks:_____

McKINLEYVILLE COMMUNITY SERVICES DISTRICT
WASTEWATER MANAGEMENT FACILITY
EFFLUENT DISCHARGE DISPOSAL

August 2025

Discharge Monitoring DATE	**M-INF** INFLUENT MGD	**M-001** EFFLUENT MGD	MAXIMUM GPM	**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	0.725	0.680	928	0.680				0.680	0.000
2	0.724	0.682	918	0.682				0.682	0.000
3	0.767	0.677	910	0.677				0.677	0.000
4	0.767	0.677	955	0.677				0.677	0.000
5	0.754	0.665	835	0.665				0.665	0.000
6	0.749	0.668	836	0.668				0.668	0.000
7	0.744	0.670	822	0.670				0.670	0.000
8	0.723	0.670	836	0.670				0.670	0.000
9	0.732	0.667	846	0.667				0.667	0.000
10	0.777	0.674	882	0.674				0.674	0.000
11	0.742	0.732	929	0.732				0.732	0.000
12	0.747	0.670	836	0.670				0.670	0.000
13	0.750	0.708	842	0.708				0.708	0.000
14	0.735	0.701	870	0.656		0.045		0.701	0.000
15	0.734	0.715	832	0.667		0.048		0.715	0.000
16	0.737	0.670	784	0.670				0.670	0.000
17	0.790	0.663	768	0.663				0.663	0.000
18	0.753	0.717	812	0.668		0.049		0.717	0.000
19	0.753	0.726	819	0.675		0.051		0.726	0.000
20	0.761	0.731	828	0.678		0.053		0.731	0.000
21	0.742	0.727	830	0.677		0.050		0.727	0.000
22	0.722	0.736	834	0.684		0.052		0.736	0.000
23	0.742	0.671	774	0.671				0.671	0.000
24	0.824	0.672	793	0.672				0.672	0.000
25	0.758	0.729	821	0.671		0.058		0.729	0.000
26	0.739	0.720	830	0.663		0.057		0.720	0.000
27	0.738	0.721	826	0.667		0.054		0.721	0.000
28	0.723	0.721	824	0.721				0.721	0.000
29	0.722	0.715	803	0.715				0.715	0.000
30	0.716	0.667	839	0.667				0.667	0.000
31	0.725	0.673	864	0.673				0.673	0.000
TOTAL	23.115	21.515		20.998	0.000	0.517	0.000	21.515	0.000
AVERAGE	0.746	0.694	843	0.000	0.000	0.000	0.000	0.694	0.000
MAXIMUM	0.824	0.736	955	0.732	0.000	0.058	0.000	0.736	0.000
MINIMUM	0.716	0.663	768	0.656	0.000	0.045	0.000	0.663	0.000
DAYS	31	31		31	0	10	0	31	0

DAYS WITH NO DISCHARGE = 0