

June 4, 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, June 3, 2025.

All Public Comment received before the above deadline may be provided to the Board at 9 a.m. on Wednesday, June 4, 2025 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.

1 Conduct Public Hearing to Present Information Regarding Job Vacancies, Recruitment and Retention Strategies in FY 24/25 in Accordance with Requirements Set Forth in AB 2561 (Pg. 7)

Attachment 1 – Public Hearing Announcement (**Pg. 11**)

Attachment 2 – FY 24/25 Organizational Chart (**Pg. 13**)

Attachment 3 – FY 25/26 Organizational Chart (**Pg. 15**)

Attachment 4 – Summary of Employee Morale Survey Results (**Pg. 17**)

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 May 7, 2025 (Pg. 21)

Attachment 1 – Draft Minutes from May 7, 2025 (Pg. 23)

2 Consider Approval of April Treasurer’s Report (Pg. 29)

3 Compliance With State Double Check Valve (DCV) Law (Pg. 37)

4 Consider Approval of the First Amendment to the General Manager’s (GM) Contract (Pg. 39)

Attachment 1 – General Manager Contract (Pg. 41)

Attachment 2 – General Manager Contract, First Amendment (Pg. 53)

Attachment 3 – Patrick Kaspari Compensation History (Pg. 65)

5 MOU with MUSD After School (Pg. 67)

Attachment 1 – MUSD and MCSD Memorandum of Understanding 2025-26 (Pg. 69)

6 Consider Adoption of Resolution 2025-16 Placing in Nomination Dennis Mayo as a Member of the Association of California Water Agencies Region 1 Board Member/Vice Chair (Pg. 75)

Attachment 1 – Resolution 2025-16 (Pg. 77)

Attachment 1 – Completed ACWA Nomination Form (Pg. 79)

7 Consider Adoption of Resolution 2025-14 and 2025-15 Reaffirming the November 2022 Increase of the Rates the District’s Water and Sewer Charges (Pg. 81)

Attachment 1 – Resolution 2025-14 (Pg. 83)

Attachment 2 – Resolution 2025-15 (Pg. 87)

E. Continued and New Business

1 Introduction of New Parks Staff (Pg. 91)

2 Consider Second Reading of Ordinance 2025-03 Amending Rule 47.02 of MCSD Rules & Regulations Concerning Use of Electric Bicycles in Community Forest (Pg. 93)

Attachment 1 – Rule 47.02 Recommended Language (Pg. 95)

Attachment 2 – Ordinance 2025-03 (Pg. 97)

3 Consider Approval of the FY2025-26 Budget and Approve Resolution 2025-17 Establishing Appropriations Limits for FY2025-26 (Pg. 99)

Attachment 1 – Proposed Budget for FY2025-26 (Pg. 103)

Attachment 2 – Resolution 2025-17 (Pg. 159)

4 Consider Approval of Contract with Oppenheimer for Certificate of Participation Underwriting Services (Pg. 161)

Attachment 1 – Oppenheimer Service Agreement (Pg. 163)

Attachment 2 – CIP Funding Table (Pg. 177)

Attachment 3 – Oppenheimer Debt Presentation (Pg. 179)

5 Distribution of Annual Board Self Evaluation (Pg. 189)

Attachment 1 – Self-Evaluation Questionnaire (Pg. 191)

6 Consider Attendance of the California Special Districts Association (CSDA) 2025 Annual Conference, August 25-28, 2025 in Monterey, CA (Pg. 195)

Attachment 1 – 2025 CSDA Annual Conference Brochure (Pg. 197)

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. **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. 213)**
- b. **Operations Department (James Henry) (Pg. 215)**
- c. **Parks & Recreation Department (Kirsten Messmer) (Pg. 221)**

Attachment 1 – Parks and Recreation Committee Approved Meeting Minutes from April 16, 2025 **(Pg. 225)**

Attachment 2 – McKinleyville Community Forest Committee Approved Meeting Minutes from April 15, 2025 **(Pg. 231)**

- d. **General Manager (Pat Kaspari) (Pg. 235)**

Attachment 1 – WWMF Monthly Self-Monitoring Report **(Pg. 241)**

4. President's Report

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

G. Adjournment

Posted 5:00 p.m. on May 2, 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.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **INFORMATIONAL**

ITEM: B.1 **Conduct Public Hearing to Present Information Regarding Job Vacancies, Recruitment and Retention Strategies in FY 24/25 in Accordance with Requirements Set Forth in AB 2561**

PRESENTED BY: **Lesley Frisbee, Human Resources Director**

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Board:

1. Discuss information provided
2. Open public testimony and consider any public input and written comments
3. Close the Public Hearing

Discussion:

At this time Staff suggests we Open the Public Hearing if it has not yet been opened.

On September 22, 2024, Governor Newsom signed AB 2561 into law to amend the Meyers-Milias-Brown Act and create a new obligation for public agencies to publicly address the status of their vacancies at a Public Hearing (see **Attachment 1**). As a basis for the new requirements, the California Legislature determined that vacancies are widespread and can be a significant problem in the public sector. Vacancies require employees to take on heavier workloads, resulting in burnout and increased turnover, which could negatively impact the delivery of public service.

AB 2561 requires local government agencies to report on the status of vacancies within the District as well as the recruitment and retention efforts made by the District. As part of the public hearing agencies are also required to identify any necessary changes to policies, procedures, and/or recruitment activities that may lead to hiring obstacles. If the District had a recognized employee bargaining unit, the District would also be required to allow that unit to make a presentation during the public hearing, however as the District does not have a recognized employee bargaining unit, this requirement does not apply at this time. The District does negotiate with an "Employee Negotiating Committee" comprised of District employees representing each department of the District. This committee is not a formally recognized bargaining unit. The District Employee Negotiations Committee was invited to present at this hearing..

In the FY 24/25 budget process, the Board approved a total of 28 full time positions, and 41 part-time positions (see **Attachment 2**). For the FY25.26 budget process, to be finalized later in this agenda, the Board was presented with an Organizational Chart listing at total of 31 fulltime positions, and 48 part-time positions (see **Attachment 3**). Of those approved FY 24/25 positions, there was one full time vacancy (Sr. Finance Specialist) and two part time vacancies (Office Assistant and Accounting Tech) as of July 1, 2024.

Since July 1, 2024, there have been significant transitions in the workforce in the District. The Human Resource Manager retired on July 5, 2024, at which time the former Parks & Recreation Director moved into the Human Resources position, and an existing employee (former Recreation Coordinator) was selected for the Parks & Recreation Director position, thereby leaving a vacant Recreation Coordinator position which was quickly filled. The Parks & Recreation Department added a full-time maintenance worker position to the organizational chart at the start of the fiscal year with the intention of filling it five to six months into the fiscal year. The full-time Maintenance worker position was filled as of December 1, 2024.

As it became clear that the workload associated with the Community Forest was far more than the current staffing level could absorb, the District created the Environmental Programs Coordinator position in March of 2025 and added it to the organizational chart. The Environmental Programs Coordinator position was filled as of May 1, 2025.

Additionally, in the Finance & Administration department, District management has re-organized staff and there are now two full-time employees working as Sr. Finance Specialist and only one employee working as Finance Specialist, where before there were three Finance Specialists and zero Sr. Finance Specialists, thus eliminating the vacant Sr. Finance Specialist position. The part-time Office Assistant position was not filled, nor was the part-time Accounting Tech position. There was no recruitment efforts made to fill these positions as District Management worked to determine the necessity of filling these positions amidst significant staffing transitions.

In October of 2024 it was determined that a full-time office assistant was warranted. The position was advertised, applications were vetted, applicants interviewed, and the position was offered. Between the offering of the position and the stated start date for the applicant, the applicant decided to not take the job. At which point, management again reassessed the necessity of filling the position and determined that existing workloads could be redistributed more efficiently as front office staff had become more efficient and confident in their roles. Management and Finance Staff agreed that a full-time office assistant was not needed at that time. Additionally, at this time it was determined that a new full-time position was required in the Parks and Recreation department to manage the workload associated with the Community Forest and other environmental projects. The payroll costs budgeted for a full-time office assistant were shifted to support the hiring for the new Environmental Coordinator position.

In January of 2025 the newly hired Recreation Coordinator resigned. The position was filled within five weeks of becoming vacant. On March 28, 2025, a Parks Maintenance Worker retired. That position was filled as of May 20th.

Currently the only vacancy is one Seasonal position, which just became vacant on May 23, 2025. Recruitment for that position is currently underway.

Recruitment starts with posting job announcements in various locations and in a variety of mediums. The District places ads on Humboldt Craigslist, the District's website, on the Cal Poly Humboldt Career Center website, in local newspapers, on social media sites and on the InDeed job recruitment platform. Additionally, Human Resources staff attended two career fairs this year to promote employment and volunteer opportunities with the District, one at Cal Poly Humboldt and one at McKinleyville High School.

Retention efforts in the last fiscal year have included hosting monthly morale booster activities for District employees, polling employees regarding their satisfaction at work (summary of survey results can be reviewed in **Attachment 4**), implementing a training and development program that supports employees' professional growth and development according to their career goals. District management takes employee wellness very seriously and works with employees who may be underperforming to support them in developing the necessary skills and strategies to be able to meet or exceed expectations. Human Resources consistently researches training opportunities and keeps District managers and employees informed of any potentially useful and cost-effective training opportunities that are available for interested employees.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

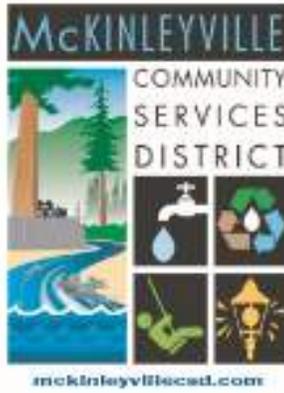
Exhibits/Attachments:

- Attachment 1 – Notice of Public Hearing
- Attachment 2 – FY 24/25 Organizational Chart
- Attachment 3 – FY 25/26 Organizational Chart
- Attachment 4 – Summary of Employee Morale Survey Results

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FAX: (707) 839-5984

RELEASE DATE: WENDESDAY, MAY 12, 2025

RUN DATE: WEDNESDAY, MAY 21, 2025

FROM: MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
PAT KASPARI, GENERAL MANAGER
(707) 839-3251

SUBJECT: NOTICE OF PUBLIC HEARING IN COMPLIANCE
WITH ASSEMBLY BILL 2561

McKinleyville, CA –

McKinleyville Community Services District will hold a public hearing in compliance with Assembly Bill 2561 (AB 2561). This hearing will present the status of job vacancies, recruitment efforts, and retention strategies for the fiscal year. Members of the public are welcome to attend and provide comments.

The hearing will take place on Wednesday, June 4, 2025 at 6:00 p.m. at:

Azalea Hall, 1620 Pickett Road, McKinleyville, CA 95519

and online:

ZOOM MEETING ID: **859 4543 6653** (<https://us02web.zoom.us/j/85945436653>)
DIAL IN TOLL FREE: 1-888-788-0099

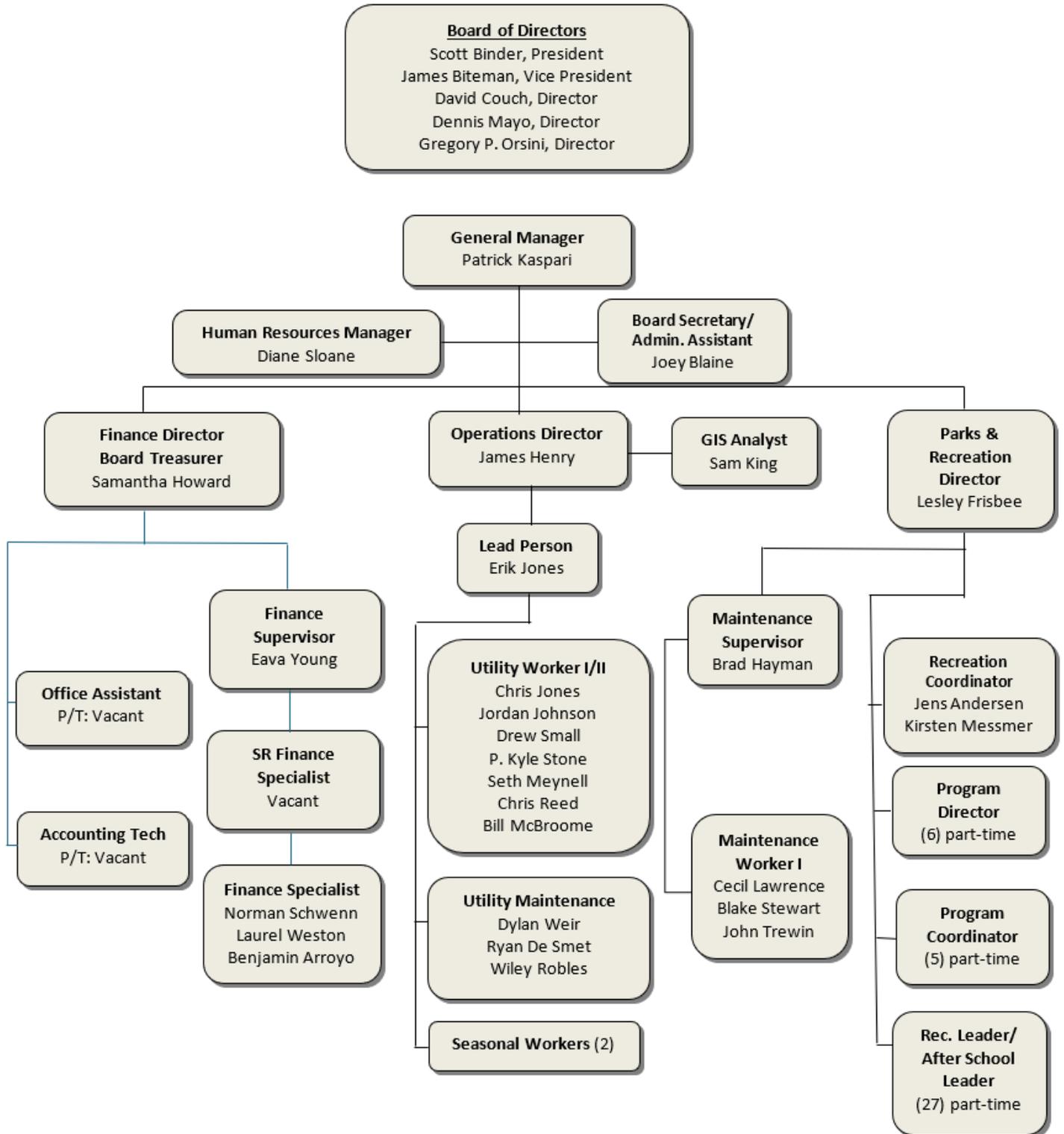
If you have questions about this notice, please contact Pat Kaspari at (707) 839-3251.

(End)

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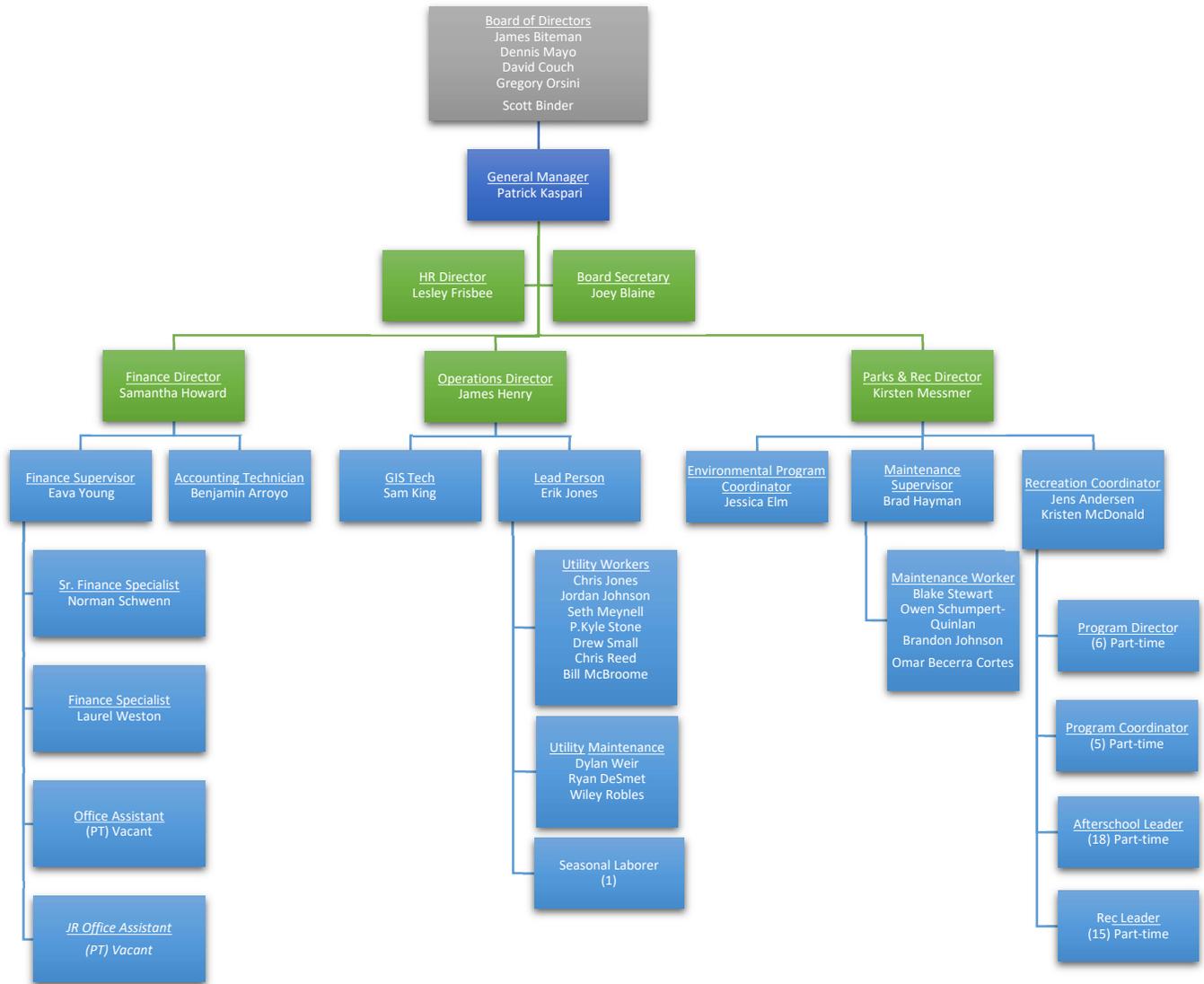
McKinleyville Community Services District
Organization Chart: Fiscal Year 2024-25

Revised May 2024



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McKinleyville Community Services District
Organization Chart: Fiscal Year 2025-26
 Revised May 2025



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2025 MCSD Employee Morale Survey

Summary

20 out of 26 eligible employees responded to the Survey. From those responses we deduced that in general, the majority of the workforce enjoys what they do for the District and who they get to work with; they feel like they can access the necessary resources and tools to do their job, and their knowledge and skills are being put to good use and are valued by the District. There are some employees who desire to do more with their role.

The physical office environment of the workplace is generally satisfactory, with a few areas that could be improved. Nobody likes fluorescent lights; some spaces can get very loud when multiple voices are active at the same time. The operations field office is obviously falling apart. Access to archived documents could be improved; the current system does not make finding older files easy.

Employees have varying opinions on the Performance Review process currently used by the District. Some feel it is valuable, some feel it does not provide valuable feedback. Some suggestions for improving the process include:

- Incorporating ways an employee can expand their current role as part of the review process discussion
- Not waiting until the annual review to address poor performance;
- Ensuring reviews are done on the hire anniversary date.
- Incorporating regular check-ins with staff outside of the annual review discussion

All employees who completed the survey feel their supervisor effectively communicates performance expectations. Suggestions for improvement in supervisor communication to staff include:

- Having expectations provided in writing for staff to refer back to
- Regular one on one check-ins
- Reduce number of Teams messages
- Being more specific in giving instructions

In general employees feel appreciated for the work they do. 20% of the employees who responded do not feel appreciated for the work they do. Verbal compliments from co-workers/supervisors is the most valued form of appreciation for employees with written notes and treats also being appreciated. Suggestions for improvement in showing appreciation offered from employees include:

- Above and Beyond awards not going to the same people repeatedly.
- Increasing positive feedback
- Provide half-days off
- Increase wages.

Employees generally feel comfortable voicing opinions and concerns to their Supervisor, Dept. Head or General Manager. 15% of those who responded do not feel comfortable voicing opinions to their supervisor or Dept. Head without fear of retribution. 95% of employees who responded feel comfortable expressing opinions and concerns to the General Manager. 85% of employee responses report feeling that District Management is receptive to employee ideas and concerns. 15% feel this is true sometimes. Suggestions for District Leaders that could contribute to increasing employee comfort and confidence in expressing opinions and concerns include:

- Listen before making comments
- Trust and inspire staff, rather than just “Do as I say”
- Allow new ideas to be explored instead of doing things they way they’ve always been done.

Several employees have an interest in advancing their position at the District. 25% of the respondents do not have an interest in advancing their position. 75% of the respondents are satisfied with professional/career growth opportunities available to them. 15% of respondents are not aware of opportunities available to them. Opportunities desired by employees include:

- Training on District specific software to increase efficiency & productivity
- Leadership training
- Excel training
- Communication & Emotional intelligence training
- Carpentry, electrical, equipment repair trainings
- Inter-departmental cross training
- Class B license training

75% of respondents would like to participate in monthly learning groups covering a variety of learning topics. 65% of respondents would take advantage of professional coaching/mentoring if made available.

In general, workplace stress impacts employees occasionally (once a month or less). Approximately 50% of respondents take advantage of the District’s onsite wellness spaces (fitness space and/or garden space) regularly.

The EAP is not being accessed by most of the employees. Those who have accessed it, were disappointed. Employees are dissatisfied with the District’s Dental insurance coverage.

Employees are generally satisfied with their wage and benefits at the District with inadequate Dental insurance being the only benefit employees are dissatisfied with. Higher wages were also mentioned as an opportunity for improvement.

Additional concerns & comments employees would like District Leadership to consider include:

- Change isn't always a good thing. Just because someone makes a suggestion doesn't mean it's a good one that needs to be acted upon. People should be held accountable for missteps

as much as they are praised for positive outcomes to see the most success as an organization.

- "training" on what to do when injured on the job. the absence of which lends itself to a culture of "we don't get hurt on the job here"
- Rotating acknowledgement of employee's contributions to the Community and District. Each position contributes and should be acknowledged. Currently some employees are acknowledged repeatedly and some never are.
- It'd be great if parks and rec became self reliant.

Additional ideas offered for improving employee morale include:

- I really loved doing team building with the different departments when I first started here.
- all staff hike quarterly or twice a year
- Christmas in July at a campground. I do think that leadership's focus on morale is healthy.
- get a security guard/park attendant for Pierson Park
- more trainings in a wider array of topics
- Allowing each employee to feel that their contributions to the organization and community are valued and appreciated as much as their coworkers and supervisors.
- Facilitate inter and intra departmental communications
- Raise Wages.

What is being done with the survey data?

District leadership is using the data to inform decisions regarding workplace improvements including, but not limited to:

- Improving communication between management and employees across all departments
- Increasing training and development opportunities for all District staff
- Improving District support of overall employee health and wellness.

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McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **ACTION**

ITEM: D.1 **Consider Approval of the Draft Minutes of the Board of Directors Regular Meeting on May 7, 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 May 7, 2025 regular meeting.

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 May 7, 2025

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MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT HELD ON WEDNESDAY, MAY 7, 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

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

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:

James Biteman, President	Pat Kaspari, General Manager
Scott Binder, Director	Joey Blaine, Board Secretary
Dennis Mayo, Vice President	James Henry, Operations Director
Greg Orsini, Director	Samantha Howard, Finance Director
	Kirsten Messmer, Parks and Recreation Director

Director David Couch arrived at 6:33 p.m. during item E.2.

A.2 Pledge of Allegiance

The Pledge of Allegiance was led by Director Mayo.

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: Binder, Biteman, Mayo and Orsini Nays: None Absent: Couch

Motion Summary: Motion passed.

AGENDA ITEM B. PUBLIC HEARINGS

B.1 Conduct Public Hearing for the Annual Levy of Assessments (Fiscal Year 2025/2026) for the Measure B Maintenance Assessment District – Renewal for Parks, Open Space, and Recreational Facilities

Consider Adopting Resolution 2025-11 Amending and/or Approving the Final Engineer’s Annual Levy Report for the Measure B Maintenance Assessment District - Renewal for Parks, Open Space, and Recreational Facilities For Fiscal Year 2025/2026

Consider Adopting Resolution 2025-12 Ordering the Levy and Collection of Assessments within the Measure B Maintenance Assessment District - Renewal for Parks, Open Space, and Recreational Facilities for Fiscal Year 2025/2026

Parks and Recreation Director Messmer presented the item.

President Biteman opened the public hearing at 6:02 p.m.

There was no public comment or testimony.

President Biteman closed the public hearing at 6:08.

Motion: It was moved to adopt Resolution 2025-11 and Resolution 2025-12.

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

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Mayo and Orsini Nays: None Absent: Couch

Motion Summary: Motion passed.

AGENDA ITEM C. PUBLIC COMMENT AND WRITTEN COMMUNICATIONS:

There was no public comment or written communications.

AGENDA ITEM D. CONSENT CALENDAR:

- D.1 Consider Approval of Draft Minutes of the Board of Directors Regular Meeting on April 2, 2025 and Special Meeting on April 19, 2025**
- D.2 Consider Adoption of Proclamation: May 4 through May 10, 2025 Professional Municipal Clerks Week**
- D.3 Consider Approval of 2024 Consumer Confidence Report (CCR)**
- D.4 Discuss and Consider Approval of Resolution 2025-10 Stating the Intent of the District to Reimburse the State Water Resources Control Board for any Loan Funds for the Recycled Water Project Grant/Loan Application**
- D.5 Discuss and Consider Approval of Professional Services Contract with Infinite Consulting Services (ICS) for the Implementation of the CalOES Cyber Security Grant**
- D.6 Consider Approval of Professional Services Agreement for GHD Inc. for Design, Permitting and Construction Management for the Highway 101 Sewer Crossings Retrofit Project**
- D.7 Consider Approval of Proposal of C.J. Brown & Co. to Provide Audit Services for FY2024-25, FY2025-26, and FY2026-27 with the Option to Extend for Two Additional Years**
- D.8 Consider Approval of March Treasurer's Report**
- D.9 Compliance With State Double Check Valve (DCV) Law**
- D.10 Consider Approval of the Shared Use Agreement Between McKinleyville Union School District and the McKinleyville Community Services District**

Director Orsini requested to pull item D.5.

Motion: It was moved to approve the Consent Calendar sans item D.5.

Motion by: Director Mayo **Second:** Director Orsini

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Mayo and Orsini Nays: None Absent: Couch

Motion Summary: Motion passed

D.5 Discuss and Consider Approval of Professional Services Contract with Infinite Consulting Services (ICS) for the Implementation of the CalOES Cyber Security Grant

General Manager Kaspari presented the item.

Director Orsini explained that he pulled the item because he desired to add authorizing the General Manager to execute the contract with ICS to staff's recommendation.

There was no public comment.

Motion: It was moved to approve the Professional Services Contract with ICS to implement the scope of work associated with the CalOES Cyber Security Grant for an amount not to exceed \$250,000 and authorize the General Manager to execute the contract with ICS.

Motion by: Director Mayo **Second:** Director Orsini

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Couch, Mayo and Orsini Nays: None Absent: Couch

Motion Summary: Motion passed.

AGENDA ITEM E. CONTINUED AND NEW BUSINESS:

E.1 Adoption of Resolution 2025-13 Supporting Assembly Concurrent Resolution (ACR) No. 36 and Proclaiming May 18 - May 24, 2025 Special Districts Week

Board Secretary Blaine presented the item and read Resolution 2025-13 into the record.

Directors made comments reaffirming the value of Special Districts.

Motion: It was moved to approve and adopt Resolution 2025-13.

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

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Mayo and Orsini Nays: None Absent: Couch

Motion Summary: Motion passed.

E.2 Presentation, Review and Consideration of the Establishment of an MCF Fund at Humboldt Area Foundation

Parks and Recreation Director Messmer presented the item.

Laurel Dalsted, Donor Relations and Development Director with Humboldt Area Foundation, gave a presentation overviewing the benefits of the establishment of the expendable component agency fund.

Director Couch arrived during this item at 6:33 p.m.

Directors discussed and asked clarifying questions.

Rick Littlefield, owner of Eureka Natural Foods, gave public comment in support of the establishment of the fund.

Motion: It was moved to authorize the Board President to establish a mission aligned expendable component agency fund for the McKinleyville Community Forest with the Humboldt Area Foundation.

Motion by: Director Orsini **Second:** Director Mayo

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Couch, Mayo and Orsini Nays: None Absent: None

Motion Summary: Motion passed.

E.3 Consider Potential Partnership with Humboldt Trails Council

Operations Director Henry presented the item.

There was no public comment.

Motion: It was moved to approve the Memorandum of Understanding with Humboldt Trails Council and authorize the General Manager to execute the contract.

Motion by: Director Orsini **Second:** Director Mayo

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Couch, Mayo and Orsini Nays: None Absent: None

Motion Summary: Motion passed.

E.4 Consider First Reading of Ordinance 2025-03 Amending Rule 47.02 of MCSD Rules & Regulations Concerning Use of Electric Bicycles in Community Forest

Operations Director Henry presented the item.

Directors discussed and asked clarifying questions.

Kevin Creed, McKinleyville resident, offered public comment in support of the ordinance.

Motion: It was moved to approve the first reading of Ordinance 2025-03 by title only.

Motion by: Director Orsini **Second:** Director Mayo

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Couch, Mayo and Orsini Nays: None Absent: None

Motion Summary: Motion passed.

E.5 Review Operations Draft Budget for Water, Wastewater, and Streetlight Funds, FY2025-26

Finance Director Howard presented the item.

Board members briefly discussed the material presented.

There was no public comment.

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

E.6 Consider Second Reading of Ordinance 2025-02 Revising Article IV, Regulation 46 of the MCSD Rules and Regulations to Add Descriptions of McKinleyville Community Forest Subcommittees

Director Mayo stepped out of the room.

Board Secretary Blaine presented the item.

There was no public comment.

Motion: It was moved to approve the second reading Ordinance 2025-02 by title only.

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

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Couch, and Orsini Nays: None Absent: Mayo

Motion Summary: Motion passed.

E.7 Consider Submittal of Comment Letter on the McKinleyville Town Center Draft Environmental Impact Report

Director Mayo re-entered the room.

General Manager Kaspari reviewed the item.

Directors discussed the content of the letter.

Public comment was given by Bonnie Oliver, McKinleyville resident, and by Mary Burke, Chair of the McKinleyville Municipal Advisory Committee (MMAC).

Motion: It was moved to approve the submission of the letter to the County of Humboldt.

Motion by: Director Orsini **Second:** Director Mayo

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Couch, Mayo and Orsini Nays: None Absent: None

Motion Summary: Motion passed.

E.8 Consider Approval of 2024-25 Budget Revision for Parks & Recreation Department

Finance Director Howard presented the item.

There was no public comment.

Motion: It was moved to approve the revision to the FY2024-25 Parks and Recreation Operating Budget.

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

There were no comments from the Board or public.

Roll Call: Ayes: Binder, Biteman, Couch, Mayo, and Orsini Nays: None Absent: None

Motion Summary: Motion passed.

AGENDA ITEM F. REPORTS

F.1 ACTIVE COMMITTEE REPORTS

- a. **Parks and Recreation Committee (Binder/Biteman):** Director Binder gave a brief report out for the March meeting.
- b. **Area Fund (John Kulstad/Binder):** Director Binder gave a brief report out of the Area Fund meeting.
- c. **Redwood Region Economic Development Commission (Mayo/Biteman):** Director Mayo gave a brief report out of the April 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 April 23 Audit and Finance Committee meeting.
- f. **Employee Negotiations (Couch/Mayo):** Did not meet.
- g. **McKinleyville Municipal Advisory Committee (Binder/Orsini):** Director Binder gave a report on the April MMAC meeting.
- h. **McKinleyville Community Forest Committee (Orsini/Biteman):** Director Orsini gave a brief report out of the April 15 committee meeting.
- i. **HBMWD Muni Water Task Force (Couch/Mayo):** Did not meet.

F.2 LEGISLATIVE AND REGULATORY REPORTS

Humboldt County 5th District Supervisor Madrone gave an update from the County.

F.3 STAFF REPORTS

- a. **Finance and Administration Department:** Finance Director Howard had nothing further to add to her written report.
- b. **Operations Department (James Henry):** Operations Director Henry informed the Board that the District has purchased its first electric vehicle.
- c. **Parks & Recreation Department (Kirsten Messmer):** Parks and Recreation Director Messmer gave a brief update on the status of the construction of the BMX Track and Park.
- d. **General Manager (Patrick Kaspari):** General Manager Kaspari had nothing further to add to his written report.

F.4 PRESIDENT’S REPORT

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

AGENDA ITEM G. CLOSED SESSION DISCUSSION

G.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION (California Government Code § 54954.5 and 54957) Title: General Manager—Patrick Kaspari

The Board adjourned to closed session at 8:27 p.m.

The Board re-convened from closed session at 9:22 p.m.

General Manager Kaspari reported out that the updated General Manager contract would be brought to the June 4, 2025 Regular Meeting for approval.

H. Meeting Adjourned at 9:25 p.m.

Joseph Blaine, CMC, Board Secretary

**McKinleyville Community Services District
Treasurer's Report
April 30, 2025**

Table of Contents

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

Ratios

as of April 30, 2025

- Utility Accounts Receivable Turnover Days	13
- YTD Breakeven Revenue, Enterprise Funds:	\$ 6,126,777
- YTD Actual Enterprise Operating Revenue:	\$ 7,411,626
- Days of Cash on Hand-Operations Checking/MM	229

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

Department Summaries	July	August	September	October	November	December	January	February	March	April	% of Year 83.33% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	% Year Remaining: 16.67%		Notes	
															Total Budget	Remaining Budget		Budget %
Water																		
Water Sales	377,798	466,657	387,565	404,473	336,145	311,606	378,513	335,582	328,917	377,204	3,704,461	3,625,000	79,461	2.19%	4,350,000	645,539	14.84%	
Other Revenues	18,199	19,951	9,039	11,274	12,980	28,642	15,661	11,904	7,007	17,444	152,101	255,792	(103,691)	-40.54%	306,950	154,849	50.45%	
Total Operating Revenues	395,997	486,608	396,604	415,747	349,126	340,248	394,174	347,486	335,925	394,648	3,856,562	3,880,792	(24,230)	-0.62%	4,656,950	800,388	17.19%	
Salaries & Benefits	136,738	111,520	104,841	118,522	113,067	107,996	113,467	121,223	104,508	114,306	1,146,188	1,217,264	(71,076)	-5.84%	1,460,717	314,529	21.53%	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	1,083,194	1,079,167	4,027	0.37%	1,295,000	211,806	16.36%	
Other Expenses	49,482	47,132	39,224	71,527	39,280	63,935	45,907	40,077	38,171	50,836	485,573	773,321	(287,748)	-37.21%	927,985	442,412	47.67%	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	333,330	333,333	(3)	0.00%	400,000	66,670	16.67%	
Total Operating Expenses	327,242	300,315	288,616	334,162	295,128	313,522	300,937	300,143	283,427	304,794	3,048,285	3,403,085	(354,800)	-10.43%	4,083,702	1,035,417	25.35%	
Net Operating Income	68,756	186,292	107,988	81,585	53,998	26,726	93,237	47,343	52,497	89,854	808,277	477,707	(379,030)		573,248	(235,029)		
Grants	560	-	-	722,437	-	-	1,970,604	-	351,684	596,374	3,641,659	5,833,333	(2,191,674)		7,000,000	3,358,341	47.98%	April 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	272,029	125,000	147,029	117.62%	150,000	(122,029)	-81.35%	
Interest Expense	14,259	-	-	-	154	84,197	6,217	-	-	123	104,950	167,270	62,320	-37.26%	200,724	95,774	47.71%	
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	3,808,738	5,791,063	(2,106,965)		6,949,276	3,140,538		
Net Income (Loss)	77,609	228,595	136,935	833,120	81,133	(30,112)	2,081,378	70,183	428,766	709,410	4,617,015	6,268,770	(2,485,996)		7,522,524	2,905,509		
Wastewater																		
Wastewater Service Charges	365,828	395,146	369,717	378,264	351,430	346,764	389,439	363,852	361,275	385,450	3,707,165	3,500,000	207,165	5.92%	4,200,000	492,835	11.73%	
Other Revenues	26,213	26,294	10,630	16,515	18,554	37,199	23,241	17,425	9,504	30,943	216,520	238,702	(22,183)	-9.29%	286,442	69,923	24.41%	
Total Operating Revenues	392,041	421,440	380,347	394,779	369,983	383,962	412,680	381,277	370,780	416,393	3,923,684	3,738,702	184,982	4.95%	4,486,442	562,758	12.54%	
Salaries & Benefits	150,184	131,183	136,410	132,561	126,646	136,139	148,293	113,455	121,296	130,414	1,326,579	1,269,071	57,508	4.53%	1,522,885	196,306	12.89%	
Other Expenses	62,036	63,980	52,065	77,260	58,369	98,016	77,839	117,857	2,693	79,576	689,691	967,988	(278,297)	-28.75%	1,161,585	471,894	40.62%	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	1,250,000	1,250,000	-	0.00%	1,500,000	250,000	16.67%	
Total Operating Expenses	337,220	320,162	313,474	334,821	310,015	359,155	351,132	356,312	248,988	334,991	3,266,270	3,487,059	(220,789)	-6.33%	4,184,470	918,200	21.94%	
Net Operating Income	54,821	101,278	66,873	59,958	59,968	24,808	61,548	24,965	121,792	81,403	657,414	251,643	405,771		301,972	(355,442)		
Grants	560	-	-	41,666	-	-	48,171	-	-	57,812	148,209	604,167	(455,958)	-75.47%	725,000	576,791	79.56%	April grant revenue is Fischer Lift Station reimbursement.
Interest Income	17,971	60,872	44,303	45,670	40,637	40,093	51,647	47,246	50,348	50,022	448,810	100,000	348,810	348.81%	120,000	(328,810)	-274.01%	
Interest Expense	(224,691)	278,317	-	-	34,266	-	-	10,479	56,188	-	154,559	213,209	58,650	-27.51%	255,851	101,292	39.59%	February interest expense-Sewer Bond & Pialorsi Payment
Total Non-Operating Income	243,222	(217,445)	44,303	87,336	6,370	40,093	99,818	36,767	(5,839)	107,834	442,460	490,958	(165,797)		589,149	146,689	24.90%	
Net Income (Loss)	298,043	(116,167)	111,176	147,295	66,339	64,901	161,366	61,732	115,952	189,237	1,099,873	742,601	357,272		891,121	(208,752)		
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	5,716,889	7,011,371	(1,294,482)		8,413,645	2,696,756		

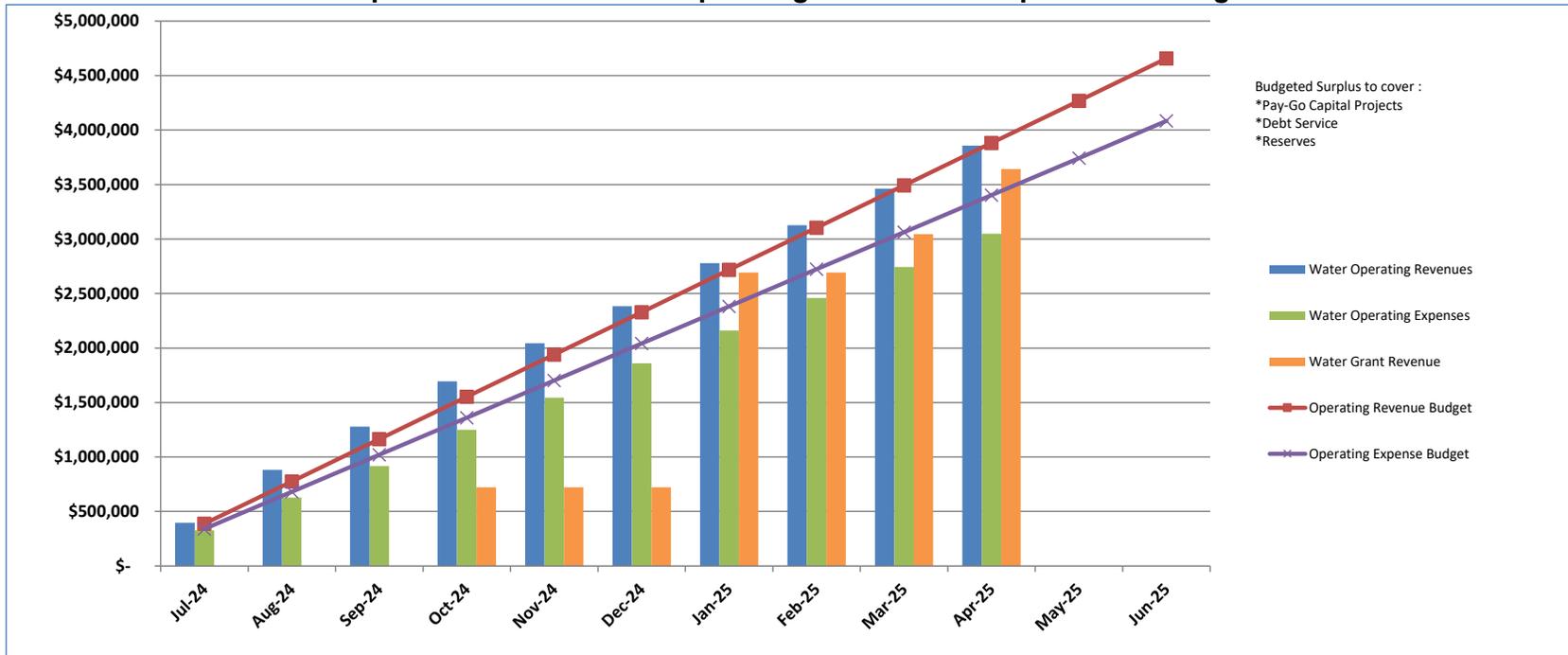
McKinleyville Community Services District
 Activity Summary by Fund, Approved Budget
 APRIL 30, 2025

Department Summaries															% Year Remaining: 16.67%		Notes	
	July	August	September	October	November	December	January	February	March	April	% of Year 83.33% YTD	Approved YTD Budget	Over (Under) YTD Budget	Over (Under) YTD Budget %	Total Budget	Remaining Budget		Budget %
*Parks & Recreation																		
Program Fees	65,991	9,156	2,066	15,325	52,354	54,139	34,953	9,513	44,943	53,179	341,619	355,125	(13,506)	-3.80%	426,150	84,531	19.84%	\$396,701.33 in Kids Club Revenue March 2025
Rents & Facility Related Fees	8,508	16,190	3,795	7,139	4,010	2,155	4,878	19,552	11,458	5,040	82,725	84,438	(1,713)	-2.03%	101,325	18,600	18.36%	
Property Taxes	-	-	-	-	-	436,262	-	-	-	372,584	808,846	611,495	197,351	32.27%	733,794	(75,052)	-10.23%	Most of April property taxes have been received. There may be residual in coming months.
Other Revenues	12,292	12,284	14,610	12,371	12,362	12,354	12,747	24,075	13,836	13,018	139,948	166,292	(26,344)	-15.84%	199,550	59,602	29.87%	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	191,141	62,500	128,641	205.83%	75,000	(116,141)	-154.85%	
Total Revenues	107,850	60,806	37,829	52,259	84,998	526,720	66,930	66,640	85,307	474,939	1,564,278	1,279,850	284,428	22.22%	802,025 1,535,819	(28,459)	-1.85%	
Salaries & Benefits	95,370	87,799	94,991	112,570	96,894	104,312	113,566	107,238	111,615	103,751	1,028,106	916,618	111,488	12.16%	1,099,941	71,835	6.53%	
Other Expenditures	28,081	21,154	15,122	27,739	16,120	33,245	20,568	2,584	23,697	33,761	222,073	244,979	(22,906)	-9.35%	293,975	71,902	24.46%	
Total Expenditures	123,451	108,953	110,114	140,310	113,014	137,557	134,134	109,822	135,312	137,512	1,250,179	1,161,597	88,582	7.63%	1,393,916	143,737	10.31%	
Other Financing Sources:																		
Grant Revenues	-	-	-	-	-	-	-	-	-	-	-	1,083,333	(1,083,333)	-100.00%	1,300,000	1,300,000	100.00%	
Capital Expenditures	-	500	15,867	5,651	-	11,302	17,812	1,660	12,564	17,547	82,904	1,016,667	(933,763)	-84.06%	1,300,000	1,217,096	93.62%	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	231,196	184,919	46,277	141,903	1,127,803			
*Measure B Assessment																		
Total Revenues	100	138	3,848	3,801	4,018	440,104	3,248	3,126	3,347	244,202	705,933	587,216	118,717	20.22%	704,659	(1,274)	-0.18%	Approx 90% of 24/25 Assessment Revenue Received
Salaries & Benefits	8,874	13,812	14,428	13,760	5,965	5,877	9,240	11,691	9,491	9,779	102,917	141,262	(38,345)	-27.14%	169,514	66,597	39.29%	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	104,411	143,529	(39,118)	-27.25%	172,235	67,824	39.38%	Budget spread evenly across 12 months, but actuals vary seasonally
Capital Expenditures/Loan Repayment	-	-	-	63,101	15,823	-	-	-	24,914	64,041	167,878	228,307	(60,429)	-26.47%	273,968	106,090	38.72%	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	375,206	513,098	(137,892)	-26.87%	615,717	240,511	39.06%	
Excess (Deficit)	(14,057)	(21,749)	(17,857)	(82,711)	(26,230)	422,559	(15,825)	(34,699)	(41,057)	162,354	330,727	74,118	256,609	88,942	(241,785)			
*Street Lights																		
Total Revenues	11,855	12,389	12,154	12,291	12,233	12,162	12,050	12,359	12,518	12,487	122,498	115,500	6,998	6.06%	138,600	16,102	11.62%	
Salaries & Benefits	6,933	4,664	4,732	4,907	4,426	4,588	5,581	4,512	3,857	6,092	50,291	54,902	(4,611)	-8.40%	65,882	15,591	23.67%	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	49,275	51,413	(2,138)	-4.16%	61,695	12,420	20.13%	
Capital Expenditures/Loan Repayment	-	-	-	-	-	-	-	-	-	-	-	4,167	(4,167)	-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	99,565	110,482	(10,917)	-9.88%	132,577	33,012	24.90%	
Excess (Deficit)	(156)	1,095	3,560	2,617	3,757	2,406	1,499	3,127	3,478	1,550	22,933	5,018	(17,915)	6,023	(16,910)			
Governmental Funds Excess (Deficit)	(29,814)	(69,301)	(102,450)	(173,797)	(50,489)	802,826	(99,342)	(76,414)	(100,148)	483,783	584,856	264,055	320,801	236,868	869,108			

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

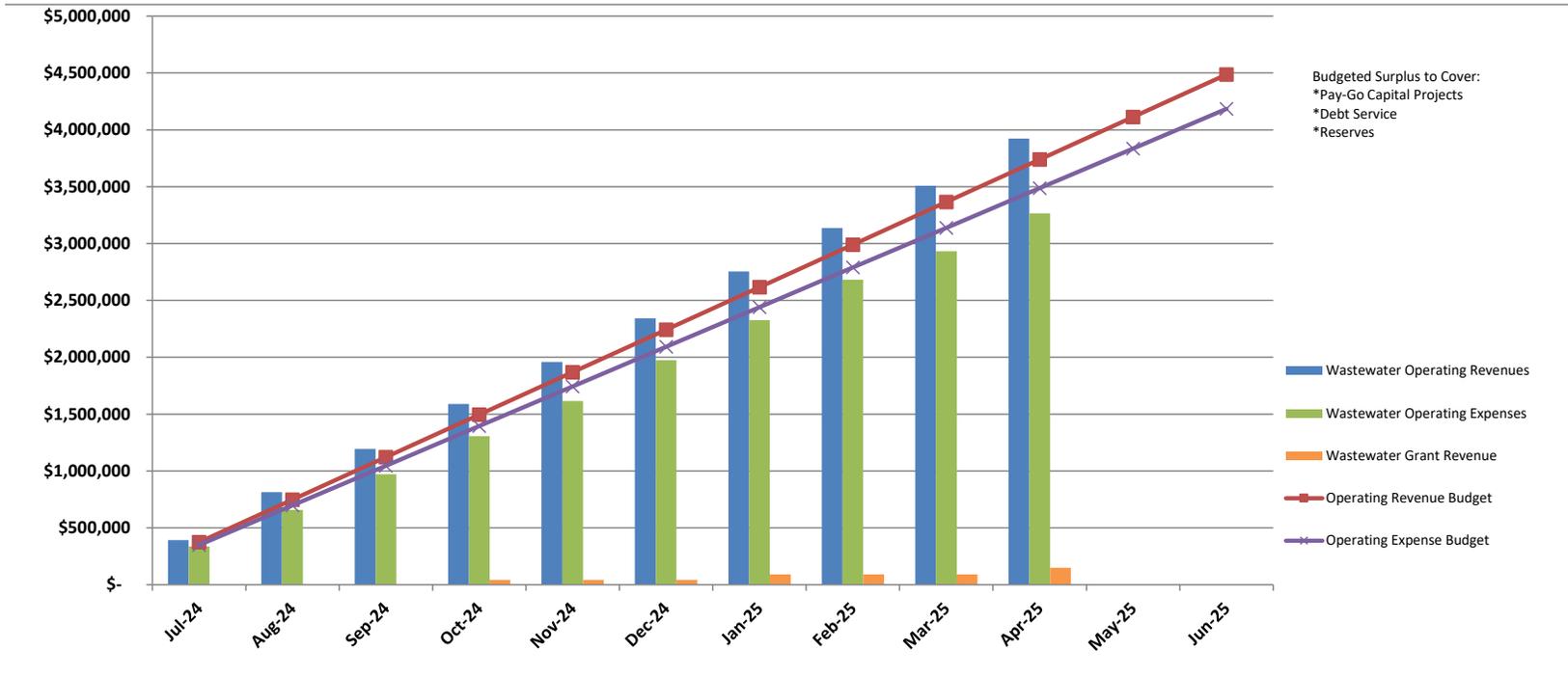
**McKinleyville Community Services District
As of April 30, 2025**

Comparison of Water Fund Operating Revenues & Expenses to Budget



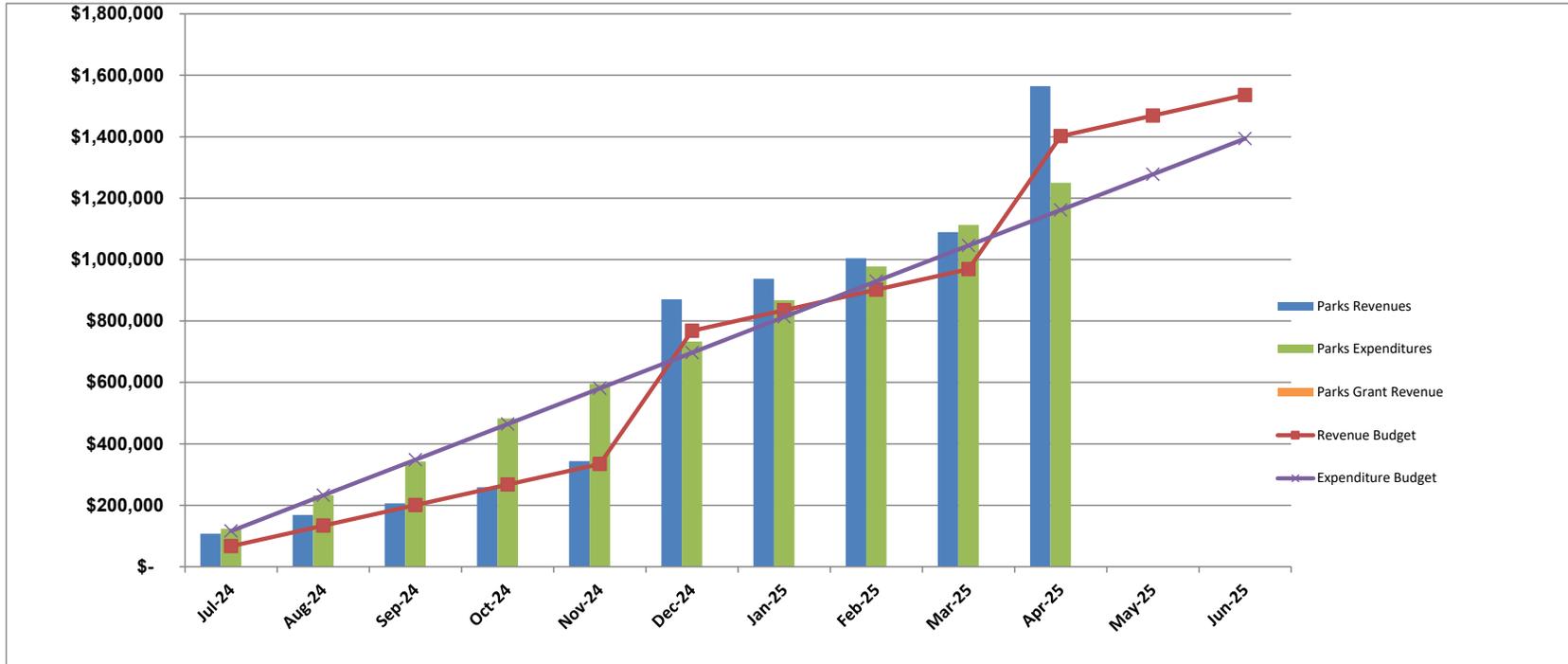
**McKinleyville Community Services District
As of April 30, 2025**

Comparison of Wastewater Fund Operating Revenues & Expenses to Budget



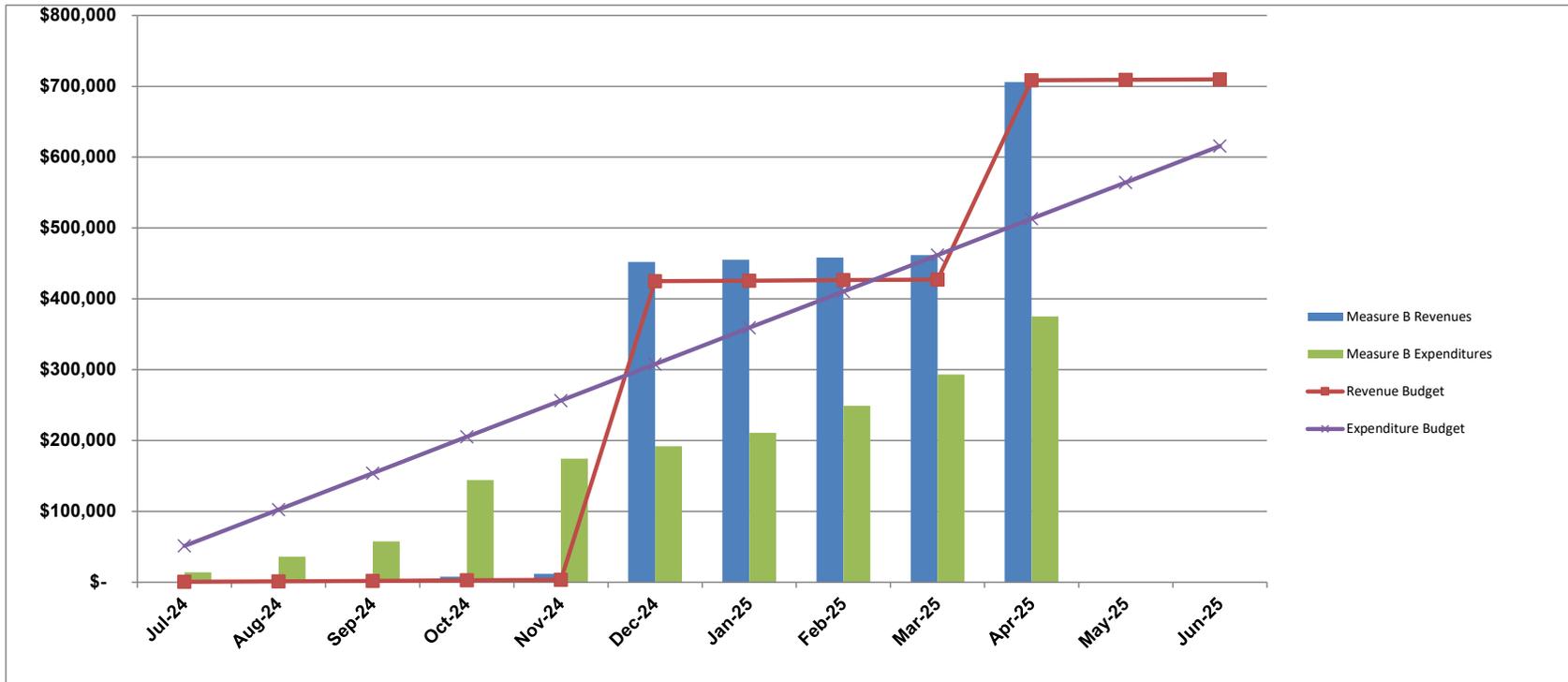
**McKinleyville Community Services District
As of April 30, 2025**

Comparison of Parks & Recreation Total Revenues & Expenditures to Budget



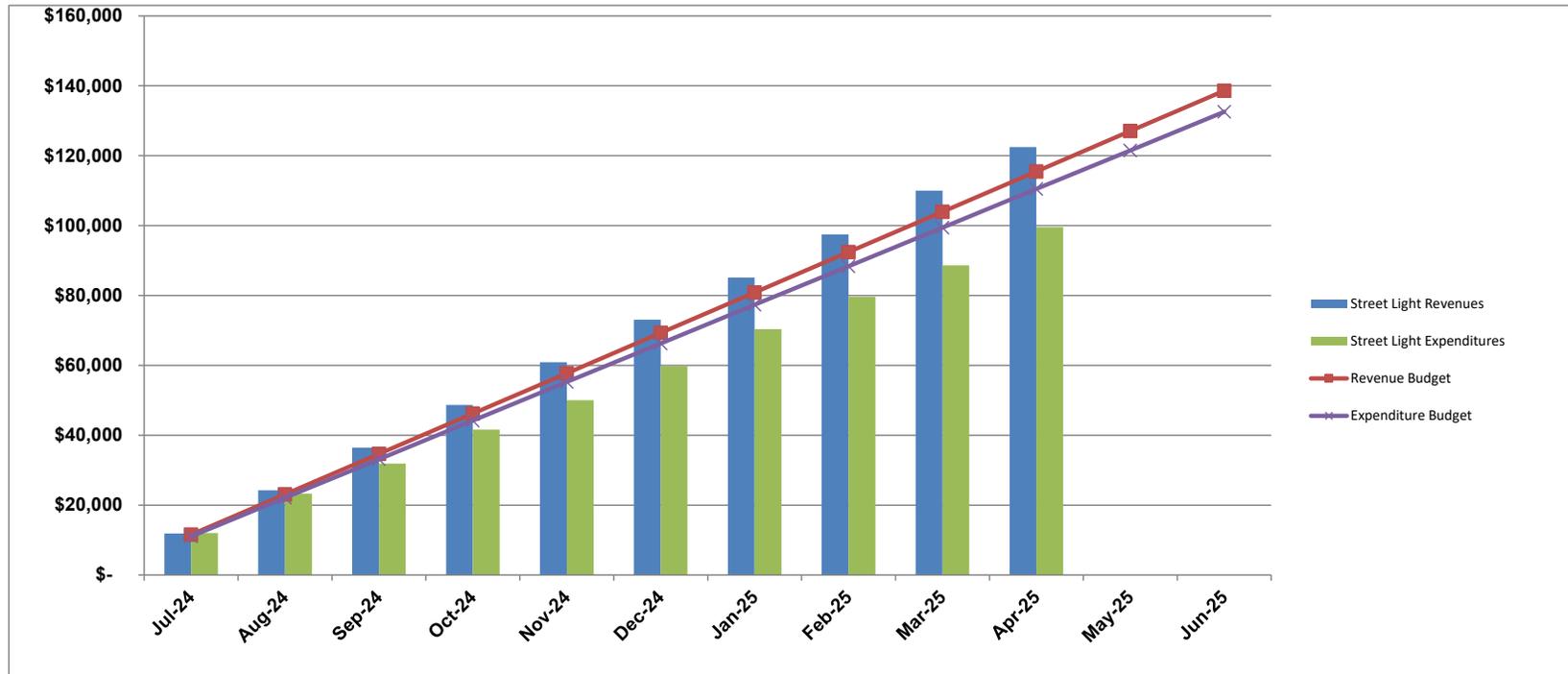
**McKinleyville Community Services District
As of April 30, 2025**

Comparison of Measure B Fund Total Revenues & Expenditures to Budget



**McKinleyville Community Services District
As of April 30, 2025**

Comparison of Street Light Fund Total Revenues & Expenditures to Budget



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McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **ACTION**

ITEM: D.4 **Consider Approval of the First Amendment to the General Manager's (GM) Contract**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends the Board take public comment, discuss and consider approval of the First Amendment to Employment Contract with Pat Kaspari effective June 1, 2025 and authorize MCSD Board President to execute Amendment 1 of the GM's Employment Contract, **Attachment 2**.

Discussion:

Consistent with the Brown Act, modifications to the GM Contract must be discussed in an open meeting and approved in a duly noticed regular meeting of the Board of Directors.

The Board held a performance review with the GM at a Closed Session Meeting held on May 7, 2025.

The original Employment Contract, **Attachment 1** is included for reference. The First Amendment, **Attachment 2** was reviewed by the Board during the May 7, 2025 Closed Session and was considered acceptable.

Over the last five years Staff have systematically met and exceeded the goals set forth in the MCSD Strategic Plan. Pat's drive and leadership have led to the procurement of \$21.6M worth of grants that have led to the fruition of several critical MCSD infrastructure projects including the 4.5 MG Reservoir, the Highway 101 Sewer Undercrossing Project, the Fischer sewer lift station rehabilitation, the Hewitt Water Tanks replacement, Tesla battery backups for the Fischer and Ramey Pump Station, the completion of the Da'Ledik Solar Microgrid project and several others. His care and leadership over District staff has led to excellent employee morale and continued development of future leaders of District staff.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

The GM was appointed to his current position in May of 2022 at a starting pay rate of \$66.83. This history of annual Cost of Living Adjustment (COLA) increases is included as **Attachment 3**. The pay rate reflected in the First Amendment to the GM Contract is based on the FY 2025/26 District wide 2.25% COLA adjustment and updated salary schedule approved by the MCSD Board of Directors at the November 6, 2024 regular meeting.

Exhibits/Attachments:

- Attachment 1 – Original General Manager Contract
- Attachment 2 – General Manager Contract, First Amendment
- Attachment 3 – Patrick Kaspari Compensation History

**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
GENERAL MANAGER EMPLOYMENT AGREEMENT**

This Employment Agreement ("Agreement") is made and effective as of June 1, 2020, by and between the McKinleyville Community Services District, a local public agency (hereinafter referred to as "District"), and Patrick F. Kaspari (hereinafter referred to as "Employee," and also in pertinent part as "General Manager").

RECITALS

WHEREAS, the District desires to employ the services of Employee as General Manager of the McKinleyville Community Services District; and

WHEREAS, Employee has the necessary education, experience, skills and expertise to serve as the General Manager of the District; and

WHEREAS, it is the desire of the Board of Directors of the District ("Board") to provide certain benefits, establish certain conditions of employment, and set working conditions of Employee; and

WHEREAS, Employee desires to accept employment as General Manager of the McKinleyville Community Services District on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the following mutual promises, the foregoing recitals, and the covenants, conditions and agreements contained herein, the parties agree as follows:

1. Employment.

District hereby hires and appoints Employee to serve as its General Manager, upon the terms and conditions as hereinafter set forth. Employee hereby accepts such appointment upon the terms and conditions as hereinafter set forth.

2. Term.

The initial term of this Agreement is five (5) years, commencing June 1, 2020, and ending June 1, 2025, unless terminated earlier pursuant to Paragraph 9 of this Agreement. This Agreement may be amended and extended as the parties mutually agree in writing.

3. Duties and Responsibilities of the General Manager.

- a. Employee shall be the chief executive officer of the District and be responsible to the Board for the proper administration of the District's affairs.
- b. Employee shall perform all of the duties of the General Manager as set forth in section 61051 of the California Government Code, and District policies and procedures approved by the Board, as may be provided from time to time.
- c. Unless otherwise agreed to by the Board in writing, all services provided under this Agreement shall be rendered by Employee. Such services shall include, but not be limited to, the following:
 - (i) To perform all functions and duties of the General Manager, as set forth in the District codes, ordinances, resolutions, minute orders and written policies, and in state law;
 - (ii) To perform such services on an exclusive full-time basis for the District, and to be available as needed to properly perform such services, including attendance at all regular and special Board meetings and other meetings as needed for the conduct of District business;
 - (iii) To carry out all other legally permissible and proper assignments as the Board from time to time may direct. Employee, in exercising his best professional judgment, shall recommend policies, programs and budgets to the Board which he considers necessary to promote the best interests of the District; and
 - (iv) To keep the Board timely and regularly apprised of the status of operational and project activities of the District.

4. Duties and Responsibilities of Board.

- a. The Board sets policy for the governance and administration of the District, and implements its policies through the General Manager.
- b. The Board recognizes that to meet the challenges facing the District it must exercise decisive policy leadership. As one step in carrying out this leadership responsibility, the Board commits to spending time each year outside of regular District Board meetings to work with Employee and District staff on setting goals and priorities for the

District, and to work on those issues that may be inhibiting the maximal achievement of District goals.

- c. Except for the purposes of inquiry, the Board and its Members shall deal with all subordinate District employees, contractors, and consultants solely through the General Manager or the General Manager's designee, and neither the Board nor any members thereof shall give orders to any subordinates of the General Manager, either publicly or privately.
- d. The Board agrees none of its individual members will order the appointment or removal of any persons to any office or employment under the supervision and control of the General Manager.
- e. The Board agrees that any criticism of any District staff member shall be done privately through the General Manager.
- f. At least annually and as part of the General Manager's evaluation, the Board shall discuss with Employee the working relationships, expectations, goals, objectives, and priorities between Employee and the Board; and evaluate Employee's performance, as provided in Paragraph 8 of this Agreement.
- g. The Board shall provide General Manager with direction at Board meetings and support in implementing Board policies and objectives.

5. Compensation and Benefits.

The District shall pay or provide the following as total compensation to Employee:

- a. The District shall pay Employee for his services rendered pursuant hereto a monthly base salary of \$11,583.33 per month (\$139,000 annual) payable at the same intervals and in the same manner as applicable to full-time employees of the District. Deductions from this base salary will be made for withholding taxes, and any other deductions Employee authorizes in writing and/or that the District may be required to make under state or federal laws and regulations; provided that the District shall pay Employer's share of the FICA taxes on the same terms as it pays for such taxes for other full-time employees of the District.
- b. The District shall provide to Employee the benefits described below. The District may provide other benefits in the discretion of the Board, as are determined to be appropriate by the Board from time to time. Benefits and benefits accruals will commence upon Employee's first day of employment with the District.

- (i) The District shall pay or provide Employee with a District credit card, which shall be used solely for District business, including travel, meetings, and training programs as are budgeted or approved in advance by the Board, and in accordance with adopted Board policies and procedures.
- (ii) The District shall pay for annual engineering license fee and such institutional dues and service club dues as are budgeted or approved in advance by the Board. In addition, Employee shall be reimbursed for such continuing education, conference, seminar or other meetings, travel, and subsistence expenses (lodging and meals) and other necessary job affiliated, non-personal expenses incurred in the conduct of District business ("District Business Expenses") as are budgeted or approved in advance by the Board. Meal expenses, not covered in registration fees as part of the meeting or conference, shall be reimbursed consistent with the provisions adopted Board policies and procedures regarding the reimbursement of meal expenses of other officials and employees of the District. Employee's expense reimbursement claims shall be supported by vouchers, receipts, statements or personal affidavits, and shall be submitted in accordance with adopted Board policies and procedures.
- (iii) Except when absent on scheduled vacation or other authorized leave, Employee is on call twenty-four hours per day, and shall be given use consistent with the District's Employee Handbook of a District vehicle selected by Employee from the District's fleet or purchased by the District specifically for the General Manager's use. The General Manager may reassign the vehicle for temporary use to other District staff members for District business purposes, as needed. Employee shall not loan the District vehicle to family members, acquaintances or other persons who are not District employees. Should the vehicle be unavailable, and Employee uses his own vehicle to attend District functions or to attend to other District business, the District shall reimburse use of Employee's personal vehicle at the mileage rate set by the Internal Revenue Service at the time of use. District shall be responsible for obtaining and paying for insurance on the District vehicle, and for the costs of operation, maintenance and repair of said vehicle. Employee shall ensure that maintenance of the District's vehicle is performed as required to keep said vehicle in proper working order. Employee shall

maintain insurance on his personal vehicle and provide proof of such insurance as may be required.

- (iv) The District shall provide Employee and eligible dependents with District paid health and dental insurance benefits, or other benefits on the same terms and conditions that such benefits are provided to other regular employees of the District, consistent with guidelines adopted by the Board and as set forth in the District's Employee Handbook or other personnel policies and regulations approved by the Board.
- (v) The District will provide the Employee term life insurance, and pay the premium on such policy, with coverage in the amount of 1.5 times base salary.
- (vi) Employee shall accrue 20 days (160 hours) per year of vacation leave from the District and shall continue to accrue vacation at a rate consistent with the District's Employee Handbook. Vacation accrual shall be capped consistent with the Employee Handbook.
- (vii) Employee shall be entitled to accrue and use sick leave and other leaves or benefits not otherwise provided in this Agreement as provided in the District's Employee Handbook.
- (viii) Employee shall receive paid holidays as provided in the District's Employee Handbook.
- (ix) Employee shall be entitled to ten (10) days of paid Administrative Leave per year.
- (x) Employee shall be entitled to participate in the District's retirement program through PERS, on the same basis as other regular employees of the District participate in such program.
- (xi) Employee shall be eligible to participate in the District's Section 457 Deferred Compensation Plan on the same basis as other regular employees of the District participate in such program.
- (xii) Employee shall be entitled to any and all benefits available to a regular full-time employee, consistent with the policies and procedures of the District, including, but not limited to, any across-the-board annual Cost of Living (COLA) or benefits

increases granted to regular full-time employees of the District.

On or about each anniversary date of the effective date of this Agreement, the Board shall consider a salary and/or benefits increase for Employee based on the results of the annual performance evaluation described in Paragraph 8 of this Agreement. The determination regarding whether or not to extend a salary and/or benefits increase to Employee is vested in the discretion of the Board, and may be withheld for any reason, including reasons not directly related to Employee's performance such as budget constraints and other circumstances. Employee shall not be entitled to any compensation other than that set forth in this Paragraph 5.

6. Time at Work.

Employee is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager's position.

It is recognized that Employee must devote a great deal of time to the business of the District outside the District's customary office hours, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. Employee acknowledges that he is a managerial employee who works on a salaried basis and is thus exempt from laws governing payment of overtime, and shall have no rights to accrue or receive overtime compensation. Employee shall spend sufficient hours on site to perform the General Manager's duties; however, Employee has the discretion over Employee's work schedule and work location.

7. Outside Activities.

Employee shall not engage in any activities which conflict with or are otherwise incompatible with his duties and responsibilities as the District's General Manager.

8. Performance Evaluation.

- a. The Board shall review and evaluate Employee's performance at least annually in advance of the anniversary of the effective date of this Agreement. In addition, during the first year of his employment, the Board will evaluate Employee's performance after three (3) months and six (6) months of service. Said reviews and evaluations shall be in accordance with specific criteria developed by the Board, utilizing the performance evaluation procedures established in the board policy manual. Guidelines published by California Special Districts Association (CSDA), International City Management Association (ICMA) or other recognized municipal governance association for evaluating executive level managers may be used where appropriate. The President of the Board shall provide Employee with a written performance evaluation of the Board and

provide an adequate opportunity for Employee to discuss his evaluation with the Board. Failure of the Board to provide an evaluation under this section shall not prevent the District from terminating Employee in accordance with Paragraph 9 of this Agreement.

- b. On or before each anniversary date of the effective date of this Agreement, the Board and Employee shall define in writing such goals and performance objectives as they deem necessary for the proper operation of the District, the attainment of the Board's policy objectives and the development of Employee's knowledge and skills.

9. Termination and Severance Pay, and Voluntary Resignation.

- a. Paragraph 2 of this Agreement provides for a fixed initial term of five (5) years, during which term the Board may terminate this Agreement and Employee's employment with the District as follows:

- i. Termination for "Good Cause." The District may terminate Employee's employment at any time for "good cause" without penalty or obligation to Employee other than payment of all accrued salary and benefits. In the event Employee is terminated for good cause following notice and the opportunity to be heard, the District shall have no obligation to pay any severance pay; provided, however, Employee shall be entitled to any salary and unused vacation and other benefits accruals earned up to the date of termination, consistent with the provisions of this Agreement. For the purposes of this Agreement, "good cause" for employment termination shall include, but not necessarily be limited to, any of the following:

- ai. A material breach of the terms of this Agreement, following notice and a reasonable opportunity to correct any noted deficiency or breach, if correction is feasible or reasonably possible;
- aii. Misfeasance or malfeasance in office, established pursuant to notice and an opportunity for Employee to respond in accordance with reasonable due process procedures and this Agreement; or
- aiii. A conviction of any felony, misdemeanor or other offense involving a violation of Employee's

official duties, or any other offense the conviction of which by statute provides for Employee's removal from office or the forfeiture of his position. A criminal conviction entered against Employee which by statute provides for Employee's removal from office and/or forfeiture of his position shall be conclusive evidence of cause for termination of this Agreement, without further notice, hearing or severance pay. A conviction of any misdemeanor crime involving moral turpitude. A conviction of any misdemeanor or felony involving driving a District vehicle under the influence of alcohol, drugs or other intoxicants.

ii. Termination "Without Cause." Alternatively, the Board may, in its discretion, terminate this Agreement and Employee's employment at any time without cause by paying the Employee severance, which shall constitute employee's exclusive remedy, as hereinafter set forth. The Board may terminate Employee's employment without cause at any time on three (3) months' advance written notice to Employee. Employee shall continue to work and receive his base salary and other compensation during the notice period. At the conclusion of the three (3) month notice period, employee shall receive a single lump sum cash payment equal to six (6) months' base salary (severance pay after notice) and any unused vacation and other benefits accruals accrued up to the last day of employment. In the alternative and at its sole discretion, the Board may terminate Employee's employment immediately, without notice and without cause at any time, in which event the District shall pay Employee a lump sum cash payment equal to nine (9) months' base salary (severance pay without notice) and any unused vacation and other benefits accruals accrued up to the date of termination. Notwithstanding the foregoing, Employee's employment shall not be terminated without cause during the one hundred and twenty (120) day period preceding or following any election for membership on the Board of Directors, or during the one hundred and twenty (120) day period following any change in membership of the Board of Directors in the event an interim change occurs without an election.

b. In the event of voluntary resignation in good standing, Employee shall give the Board three (3) months' advance written notice. During this three-month period, Employee shall,

while continuing his management functions, summarize District operations and projects and provide the Board with a written report thereof, including professional observations and recommendations, and provide briefings and training to staff and any chosen successor. Nothing in this paragraph shall prevent the District from having the Employee separate before expiration of the three (3) month notice period, provided the District pays Employee for any remaining portion of the three (3) month period not worked, in addition to the severance pay as provided for hereinabove.

- c. Nothing in this Agreement shall be construed to limit or waive any defense available to the General Manager in response to any proposed disciplinary action or termination for cause pursuant to Section 9.a.i, above.

10. Defense and Indemnity.

District agrees to extend to Employee, as to any action or proceeding on account of any act or omission of Employee within the course and scope of services provided to the District pursuant to this Agreement, those rights of indemnification, as provided by law, and the right to provision for defense of actions or proceedings that are granted to employees of a public entity pursuant to the provisions of Part 7, Division 3.6 of Title 1 of the California Government Code.

The Board, in its sole discretion and within the limits of the law, may refuse such defense and indemnity as provided by law, including, but not limited to, where the act or omission in question falls within the purview of Government Code section 995.2 (i.e., not within the scope of employment, fraud, corruption, malice, or conflict of interest), Government Code section 995.4 (District action against Employee), Government Code section 995.6 (administrative proceedings), or Government Code section 995.8 (criminal actions).

11. Entire Agreement.

This Agreement is freely and voluntarily entered into by the parties. This Agreement constitutes the entire agreement between the parties relating to the subject matters hereof. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. Any amendment to this Agreement shall be of no force and effect unless it is in writing and approved by the Board and General Manager. To the extent any policies or procedures referenced or integrated in this Agreement, Employee acknowledges that the Board retains all rights to amend or

modify said policies and procedures, from time to time, and Employee will observe and abide by said policies and procedures, as amended.

12. Waiver of Rights.

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

13. Remedies Not Exclusive.

The use by either party of any remedies specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

14. Headings.

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

15. Cooperation.

Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.

16. Interpretation.

The parties acknowledge that each party has reviewed, negotiated, and had an opportunity to discuss with counsel this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with transactions contemplated by this Agreement.

17. Notices.

Any notice to be given to Employee will be sufficiently served if given to him personally, or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the District payroll records. If mailed, notice shall be deemed received two (2) days following the date notice is delivered to and deposited in the custody of the United States Post Office. Any notice to be given to the District will be addressed and delivered or mailed to the District Board of Directors at the District office.

18. Counterparts and Signature.

This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument. Facsimile and/or electronically scanned signatures shall be deemed to constitute originals. A party will not be deemed to have consented to this Agreement or be bound by its terms until the party (or its authorized representative) has duly executed a counterpart of this Agreement.

WHEREFORE, the parties hereto have executed this Agreement as follows:

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
Mary Burke
President, Board of Directors

ATTEST:

By: _____
April Sousa
Secretary of the Board of Directors

EMPLOYEE

By: _____
Patrick F. Kaspari

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**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
GENERAL MANAGER EMPLOYMENT AGREEMENT
FIRST AMENDMENT**

This Employment Agreement ("Agreement") is made and effective as of June 1, 2025, by and between the McKinleyville Community Services District, a local public agency (hereinafter referred to as "District"), and Patrick F. Kaspari (hereinafter referred to as "Employee," and also in pertinent part as "General Manager").

RECITALS

WHEREAS, the District desires to employ the services of Employee as General Manager of the McKinleyville Community Services District; and

WHEREAS, Employee has the necessary education, experience, skills and expertise to serve as the General Manager of the District; and

WHEREAS, it is the desire of the Board of Directors of the District ("Board") to provide certain benefits, establish certain conditions of employment, and set working conditions of Employee; and

WHEREAS, Employee desires to accept employment as General Manager of the McKinleyville Community Services District on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the following mutual promises, the foregoing recitals, and the covenants, conditions and agreements contained herein, the parties agree as follows:

1. Employment.

District hereby hires and appoints Employee to serve as its General Manager, upon the terms and conditions as hereinafter set forth. Employee hereby accepts such appointment upon the terms and conditions as hereinafter set forth.

2. Term.

The term of this Agreement is five (5) years, commencing June 1, 2025, and ending June 1, 2030, unless terminated earlier pursuant to Paragraph 9 of this Agreement. This Agreement may be amended and extended as the parties mutually agree in writing.

3. Duties and Responsibilities of the General Manager.

- a. Employee shall be the chief executive officer of the District and be responsible to the Board for the proper administration of the District's affairs.
- b. Employee shall perform all of the duties of the General Manager as set forth in section 61051 of the California Government Code, and District policies and procedures approved by the Board, as may be provided from time to time.
- c. Unless otherwise agreed to by the Board in writing, all services provided under this Agreement shall be rendered by Employee. Such services shall include, but not be limited to, the following:
 - (i) To perform all functions and duties of the General Manager, as set forth in the District codes, ordinances, resolutions, minute orders and written policies, and in state law;
 - (ii) To perform such services on an exclusive full-time basis for the District, and to be available as needed to properly perform such services, including attendance at all regular and special Board meetings and other meetings as needed for the conduct of District business;
 - (iii) To carry out all other legally permissible and proper assignments as the Board from time to time may direct. Employee, in exercising his best professional judgment, shall recommend policies, programs and budgets to the Board which he considers necessary to promote the best interests of the District; and
 - (iv) To keep the Board timely and regularly apprised of the status of operational and project activities of the District.

4. Duties and Responsibilities of Board.

- a. The Board sets policy for the governance and administration of the District, and implements its policies through the General Manager.
- b. The Board recognizes that to meet the challenges facing the District it must exercise decisive policy leadership. As one step in carrying out this leadership responsibility, the Board commits to spending time each year outside of regular District Board meetings to work with Employee and District staff on setting goals and priorities for the

District, and to work on those issues that may be inhibiting the maximal achievement of District goals.

- c. Except for the purposes of inquiry, the Board and its Members shall deal with all subordinate District employees, contractors, and consultants solely through the General Manager or the General Manager's designee, and neither the Board nor any members thereof shall give orders to any subordinates of the General Manager, either publicly or privately.
- d. The Board agrees none of its individual members will order the appointment or removal of any persons to any office or employment under the supervision and control of the General Manager.
- e. The Board agrees that any criticism of any District staff member shall be done privately through the General Manager.
- f. At least annually and as part of the General Manager's evaluation, the Board shall discuss with Employee the working relationships, expectations, goals, objectives, and priorities between Employee and the Board; and evaluate Employee's performance, as provided in Paragraph 8 of this Agreement.
- g. The Board shall provide General Manager with direction at Board meetings and support in implementing Board policies and objectives.

5. Compensation and Benefits.

The District shall pay or provide the following as total compensation to Employee:

- a. The District shall pay Employee for his services rendered pursuant hereto a monthly base salary of \$15,064.83 per month (\$180,778 annual) payable at the same intervals and in the same manner as applicable to full-time employees of the District. Deductions from this base salary will be made for withholding taxes, and any other deductions Employee authorizes in writing and/or that the District may be required to make under state or federal laws and regulations; provided that the District shall pay Employer's share of the FICA taxes on the same terms as it pays for such taxes for other full-time employees of the District.
- b. The District shall provide to Employee the benefits described below. The District may provide other benefits in the discretion of the Board, as are determined to be appropriate by the Board from time to time. Benefits and benefits accruals will commence upon Employee's first day of employment with the District.

- (i) The District shall pay or provide Employee with a District credit card, which shall be used solely for District business, including travel, meetings, and training programs as are budgeted or approved in advance by the Board, and in accordance with adopted Board policies and procedures.

- (ii) The District shall pay for annual engineering license fee and such institutional dues and service club dues as are budgeted or approved in advance by the Board. In addition, Employee shall be reimbursed for such continuing education, conference, seminar or other meetings, travel, and subsistence expenses (lodging and meals) and other necessary job affiliated, non-personal expenses incurred in the conduct of District business ("District Business Expenses") as are budgeted or approved in advance by the Board. Meal expenses, not covered in registration fees as part of the meeting or conference, shall be reimbursed consistent with the provisions adopted Board policies and procedures regarding the reimbursement of meal expenses of other officials and employees of the District. Employee's expense reimbursement claims shall be supported by vouchers, receipts, statements or personal affidavits, and shall be submitted in accordance with adopted Board policies and procedures.

- (iii) Except when absent on scheduled vacation or other authorized leave, Employee is on call twenty-four hours per day, and shall be given use consistent with the District's Employee Handbook of a District vehicle selected by Employee from the District's fleet or purchased by the District specifically for the General Manager's use. The General Manager may reassign the vehicle for temporary use to other District staff members for District business purposes, as needed. Employee shall not loan the District vehicle to family members, acquaintances or other persons who are not District employees. Should the vehicle be unavailable, and Employee uses his own vehicle to attend District functions or to attend to other District business, the District shall reimburse use of Employee's personal vehicle at the mileage rate set by the Internal Revenue Service at the time of use. District shall be responsible for obtaining and paying for insurance on the District vehicle, and for the costs of operation, maintenance and repair of said vehicle. Employee shall ensure that maintenance of the District's vehicle is performed as required to keep said vehicle in proper working order. Employee shall

maintain insurance on his personal vehicle and provide proof of such insurance as may be required.

- (iv) The District shall provide Employee and eligible dependents with District paid health and dental insurance benefits, or other benefits on the same terms and conditions that such benefits are provided to other regular employees of the District, consistent with guidelines adopted by the Board and as set forth in the District's Employee Handbook or other personnel policies and regulations approved by the Board. .
- (v) The District will provide the Employee term life insurance, and pay the premium on such policy, with coverage in the amount of 1.5 times base salary.
- (vi) Employee shall accrue 20 days (160 hours) per year of vacation leave from the District and shall continue to accrue vacation at a rate consistent with the District's Employee Handbook. Vacation accrual shall be capped consistent with the Employee Handbook.
- (vii) Employee shall be entitled to accrue and use sick leave and other leaves or benefits not otherwise provided in this Agreement as provided in the District's Employee Handbook.
- (viii) Employee shall receive paid holidays as provided in the District's Employee Handbook.
- (ix) Employee shall be entitled to ten (10) days of paid Administrative Leave per year.
- (x) Employee shall be entitled to participate in the District's retirement program through PERS, on the same basis as other regular employees of the District participate in such program.
- (xi) Employee shall be eligible to participate in the District's Section 457 Deferred Compensation Plan on the same basis as other regular employees of the District participate in such program.
- (xii) Employee shall be entitled to any and all benefits available to a regular full-time employee, consistent with the policies and procedures of the District, including, but not limited to, any across-the-board annual Cost of Living (COLA) or benefits

increases granted to regular full-time employees of the District.

On or about each anniversary date of the effective date of this Agreement, the Board shall consider a salary and/or benefits increase for Employee based on the results of the annual performance evaluation described in Paragraph 8 of this Agreement. The determination regarding whether or not to extend a salary and/or benefits increase to Employee is vested in the discretion of the Board, and may be withheld for any reason, including reasons not directly related to Employee's performance such as budget constraints and other circumstances. Employee shall not be entitled to any compensation other than that set forth in this Paragraph 5.

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Employee is an exempt employee but is expected to engage in those hours of work that are necessary to fulfill the obligations of the General Manager's position.

It is recognized that Employee must devote a great deal of time to the business of the District outside the District's customary office hours, and to that end Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. Employee acknowledges that he is a managerial employee who works on a salaried basis and is thus exempt from laws governing payment of overtime, and shall have no rights to accrue or receive overtime compensation. Employee shall spend sufficient hours on site to perform the General Manager's duties; however, Employee has the discretion over Employee's work schedule and work location.

7. Outside Activities.

Employee shall not engage in any activities which conflict with or are otherwise incompatible with his duties and responsibilities as the District's General Manager.

8. Performance Evaluation.

- a. The Board shall review and evaluate Employee's performance at least annually in advance of the anniversary of the effective date of this Agreement. Said reviews and evaluations shall be in accordance with specific criteria developed by the Board, utilizing the performance evaluation procedures established in the board policy manual. Guidelines published by California Special Districts Association (CSDA), International City Management Association (ICMA) or other recognized municipal governance association for evaluating executive level managers may be used where appropriate. The President of the Board shall provide Employee with a written performance evaluation of the Board and provide an adequate opportunity for Employee to discuss his evaluation with the Board. Failure of the Board to provide an evaluation under this

section shall not prevent the District from terminating Employee in accordance with Paragraph 9 of this Agreement.

- b. On or before each anniversary date of the effective date of this Agreement, the Board and Employee shall define in writing such goals and performance objectives as they deem necessary for the proper operation of the District, the attainment of the Board's policy objectives and the development of Employee's knowledge and skills.

9. Termination and Severance Pay, and Voluntary Resignation.

- a. Paragraph 2 of this Agreement provides for a term of five (5) years, during which term the Board may terminate this Agreement and Employee's employment with the District as follows:

- i. Termination for "Good Cause." The District may terminate Employee's employment at any time for "good cause" without penalty or obligation to Employee other than payment of all accrued salary and benefits. In the event Employee is terminated for good cause following notice and the opportunity to be heard, the District shall have no obligation to pay any severance pay; provided, however, Employee shall be entitled to any salary and unused vacation and other benefits accruals earned up to the date of termination, consistent with the provisions of this Agreement. For the purposes of this Agreement, "good cause" for employment termination shall include, but not necessarily be limited to, any of the following:

- ai. A material breach of the terms of this Agreement, following notice and a reasonable opportunity to correct any noted deficiency or breach, if correction is feasible or reasonably possible;

- aii. Misfeasance or malfeasance in office, established pursuant to notice and an opportunity for Employee to respond in accordance with reasonable due process procedures and this Agreement; or

- aiii. A conviction of any felony, misdemeanor or other offense involving a violation of Employee's official duties, or any other offense the conviction of which by statute provides for Employee's removal from office or the forfeiture

of his position. A criminal conviction entered against Employee which by statute provides for Employee's removal from office and/or forfeiture of his position shall be conclusive evidence of cause for termination of this Agreement, without further notice, hearing or severance pay. A conviction of any misdemeanor crime involving moral turpitude. A conviction of any misdemeanor or felony involving driving a District vehicle under the influence of alcohol, drugs or other intoxicants.

ii. Termination "Without Cause." Alternatively, the Board may, in its discretion, terminate this Agreement and Employee's employment at any time without cause by paying the Employee severance, which shall constitute employee's exclusive remedy, as hereinafter set forth. The Board may terminate Employee's employment without cause at any time on three (3) months' advance written notice to Employee. Employee shall continue to work and receive his base salary and other compensation during the notice period. At the conclusion of the three (3) month notice period, employee shall receive a single lump sum cash payment equal to six (6) months' base salary (severance pay after notice) and any unused vacation and other benefits accruals accrued up to the last day of employment. In the alternative and at its sole discretion, the Board may terminate Employee's employment immediately, without notice and without cause at any time, in which event the District shall pay Employee a lump sum cash payment equal to nine (9) months' base salary (severance pay without notice) and any unused vacation and other benefits accruals accrued up to the date of termination. Notwithstanding the foregoing, Employee's employment shall not be terminated without cause during the one hundred and twenty (120) day period preceding or following any election for membership on the Board of Directors, or during the one hundred and twenty (120) day period following any change in membership of the Board of Directors in the event an interim change occurs without an election.

b. In the event of voluntary resignation in good standing, Employee shall give the Board three (3) months' advance written notice. During this three-month period, Employee shall, while continuing his management functions, summarize District operations and projects and provide the Board with a written report thereof, including professional observations and

recommendations, and provide briefings and training to staff and any chosen successor. Nothing in this paragraph shall prevent the District from having the Employee separate before expiration of the three (3) month notice period, provided the District pays Employee for any remaining portion of the three (3) month period not worked, in addition to the severance pay as provided for hereinabove.

- c. Nothing in this Agreement shall be construed to limit or waive any defense available to the General Manager in response to any proposed disciplinary action or termination for cause pursuant to Section 9.a.i, above.

10. Defense and Indemnity.

District agrees to extend to Employee, as to any action or proceeding on account of any act or omission of Employee within the course and scope of services provided to the District pursuant to this Agreement, those rights of indemnification, as provided by law, and the right to provision for defense of actions or proceedings that are granted to employees of a public entity pursuant to the provisions of Part 7, Division 3.6 of Title 1 of the California Government Code.

The Board, in its sole discretion and within the limits of the law, may refuse such defense and indemnity as provided by law, including, but not limited to, where the act or omission in question falls within the purview of Government Code section 995.2 (i.e., not within the scope of employment, fraud, corruption, malice, or conflict of interest), Government Code section 995.4 (District action against Employee), Government Code section 995.6 (administrative proceedings), or Government Code section 995.8 (criminal actions).

11. Entire Agreement.

This Agreement is freely and voluntarily entered into by the parties. This Agreement constitutes the entire agreement between the parties relating to the subject matters hereof. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement are of no force and effect. The parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. Any amendment to this Agreement shall be of no force and effect unless it is in writing and approved by the Board and General Manager. To the extent any policies or procedures referenced or integrated in this Agreement, Employee acknowledges that the Board retains all rights to amend or modify said policies and procedures, from time to time, and Employee will observe and abide by said policies and procedures, as amended.

12. Waiver of Rights.

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

13. Remedies Not Exclusive.

The use by either party of any remedies specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

14. Headings.

The paragraph headings used in this Agreement are for reference only, and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

15. Cooperation.

Each party to this Agreement agrees to do all things that may be necessary, including, without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.

16. Interpretation.

The parties acknowledge that each party has reviewed, negotiated, and had an opportunity to discuss with counsel this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with transactions contemplated by this Agreement.

17. Notices.

Any notice to be given to Employee will be sufficiently served if given to him personally, or if deposited in the United States Mail, regular pre-paid mail, addressed to him at his most recent residence address as shown on the District payroll records. If mailed, notice shall be deemed received two (2) days following the date notice is delivered to and deposited in the custody of the United States Post Office. Any notice to be given to the District will be addressed and delivered or mailed to the District Board of Directors at the District office.

18. Counterparts and Signature.

This Agreement may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument. Facsimile and/or electronically scanned signatures shall be deemed to

constitute originals. A party will not be deemed to have consented to this Agreement or be bound by its terms until the party (or its authorized representative) has duly executed a counterpart of this Agreement.

WHEREFORE, the parties hereto have executed this Agreement as follows:

McKINLEYVILLE COMMUNITY SERVICES DISTRICT

By: _____
James Biteman
President, Board of Directors

ATTEST:

By: _____
Joseph Blaine
Secretary of the Board of Directors

EMPLOYEE

By: _____
Patrick F. Kaspari

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Patrick Kaspari Compensation History

- Starting Pay Rate 6/1/2020: \$139,006 annual salary; hourly=\$66.83
- 2.75% COLA increase 7/1/2020: \$142,833 annual salary; hourly=\$68.67
- 1.6% COLA increase 7/1/2021: \$145,121 annual salary; hourly=\$69.77
- 8.3% COLA increase 7/1/2022: \$157,165 annual salary; hourly=\$75.56
- 5.55% COLA increase 7/1/2023: \$165,880 annual salary; hourly=\$79.75
- 3.2% COLA increase 7/1/2024: \$171,184 annual salary; hourly=\$82.30 (*current salary*)

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McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **ACTION**

ITEM: D.5 **Consider Approval of Agreement Between McKinleyville Union School District and the McKinleyville Community Services District for the Provision of After School Leaders to the 21st Century Community Learning Center After School Program at Dows Prairie Elementary School and Morris Elementary School**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

Staff recommends the Board review the information provide, take public comment, and authorize the Board President to execute the agreement.

Discussion:

In 2018 McKinleyville Union School District (MUSD) received a 21st Century Community Learning Center After School Program grant and took over the administration of after school programming for Dows Prairie and Morris Elementary schools, which had previously been administered by the District's Park & Recreation Department. MUSD entered into a Memorandum of Understanding with the District for the 2018-19 to subcontract with MCSD for the provision of part-time After School Leaders to facilitate the 21st CCLC program activities and has renewed the MOU annually since then. At this time, it is desired to renew the MOU for the 2025-26 school year. The MOU for the 2025-26 school year can be reviewed in **Attachment 1**

The original Memorandum of Understanding (MOU) for the 2018-19 school year was reviewed and approved by District counsel. As this is a renewal MOU with changes only to dates and compensation amounts, this iteration was not submitted for legal review.

Alternatives:

Staff's analysis includes the following potential alternative:

- Take no action

Fiscal Analysis:

This agreement will be cost neutral. The 2024-25 Agreement allowed all District costs to be recouped as per the compensation formula stated in the MOU. The 2025-26 Agreement has accounted for cost increases and will also allow all costs to be recouped.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – MUSD and MCSD Memorandum of Understanding 2025-26

McKinleyville Union School District Agreement with McKinleyville Community Services District

For 21st Century Community Learning Center After School Programs

This Agreement is made and executed on this 2nd day of August 2023 (the "Effective Date"), by and between McKinleyville Union School District, ("MUSD" or "District") and the McKinleyville Community Services District ("MCSD" or "Contractor").

Recitals

- A. WHEREAS, MUSD provides after school programs for its students known as the 21st Century Community Learning Center program ("CCLC" or "Program"); and
- B. WHEREAS, MCSD is willing to provide staffing for the 21st CCLC program through and in coordination with MCSD's Recreation Division; and
- C. WHEREAS, it is to the mutual benefit of MUSD and MCSD, MUSD students, and the community for MUSD and MCSD to enter into this Agreement to facilitate the provision of services as stated herein; and
- D. WHEREAS, the Program services will be operated at the following location:
(the "Site").

NOW, THEREFORE, MUSD and MCSD hereby agree as follows:

Agreement

1. MUSD Services. MUSD agrees to provide the following services:

- On-site supervision of MCSD staff at the Site during Program hours by either MUSD's Coordinator and/or Site-specific Leader.
- Provide Site-specific training and orientation by MUSD staff to properly train and support MCSD staff.
- Provide adequate supplies and facilities to operate all programming during Program hours.
- Provide adequate training, supplies and supervision to ensure that the student-to-staff ratio will not exceed twenty-to-one (20:1) in compliance with California Education Code Section 8483.4.)

2. MCSD agrees to the following:

A. Qualified Personnel:

Work under this Agreement shall be performed by competent personnel under the supervision of and in the employment of MCSD and in compliance with the 21st Century Community Learning Center Grant. Contractor will comply with MUSD's reasonable requests regarding assignment of personnel.

B. Criminal Background and Health Screening Checks

- 1) For each MCSD employee assigned by MCSD to work in/at the Program, MCSD, as Contractor, will comply with the criminal background check provisions of California Education Code Section 45125.1. Contractor will conduct criminal background checks

through the California Department of Justice (CDOJ), including both CDOJ and Federal Bureau of Investigation (FBI) background checks for all Contractor employees and volunteers assigned to the Program, and will certify that no employee (or volunteer) assigned by MCSD to work at the Program who has been convicted of serious or violent felonies as specified, will have contact with District pupils pursuant to this Agreement.

- 2) Contractor will be responsible for the costs of the criminal background checks.
- 3) Contractor will ensure that all its employees or volunteers assigned to work at the Program whose functions require frequent or prolonged contact with students will complete tuberculosis examination (TB screening) in accordance with California Education Code Section 49406. Contractor shall ensure that all of its employees or volunteers who have a written clearance certification have undergone the foregoing examination at least once every four years if the Contractor is still rendering services to the District.
- 4) Contractor will provide the District with a list of all employees and volunteers who have cleared the criminal background check and required TB screening.

C. Staffing

- 1) Subject to the compensation requirements recited in Section 5, below, Contractor shall provide the Program staff (AKA Recreation Leader) hours for the 180-day school year, for up to 5,850 hours for regular day schedules. As well as provide Program staff for out of school time ELP programs to the extent possible not to exceed 960 hours For all additional required hours, including training or meetings or other required obligations, MCSD will be compensated at \$27.37/hr for all After School Leader hours and \$23.72 for all Recreation Leader hours.
- 2) Contractor must ensure that all MCSD staff members who directly supervise students meet the minimum qualifications for an instructional aide, pursuant to the policies of the District. (California Education Code Section 8483.4.)
- 3) Contractor must comply with the Child Abuse and Neglect Reporting Act (CANRA) guidelines as Mandated Reporters to report suspicions of possible child abuse to the reporting agency as stated in California Penal Code Sections 11164-11174.
- 4) Contractor will participate in technical assistance, training, orientation, monthly meetings, and other support and resource development activities provided by the District, HCOE, Region 1 System of Support for Expanded Learning, CDE and other collaborative partners in conducting program planning, implementation and evaluation. These include required regular meetings with the school principal or principal's designee to ensure collaboration with the school's programs. Subject to the compensation requirements recited in Section 5, below, Contractor understands and agrees to participate in all meetings facilitated by the District to address program success, areas of concern, contractual issues, and general troubleshooting. (California Education Code 8483.3(c)(4).
- 5) MCSD's staff shall follow the dress code and management standards established by the District/School, regarding personal use of cell phones, headsets, recording/listening devices etc., during Program hours.
- 6) Contractor shall notify District immediately upon receipt of a verbal or written complaint regarding a MCSD employee or volunteer performing services in the Program.

D. Proprietary or Confidential Information

- 1) Contractor understands and agrees that, in connection with this Agreement, the Contractor may have access to proprietary and/or confidential information which may be owned or controlled by the District, the disclosure of which to third parties may be damaging to the District, its employees, students and/or their families. Contractor also understands and agrees that the disclosure of such information may violate state and/or federal law and may subject the Contractor to civil liability. Consequently, Contractor agrees that all information disclosed by the District to the Contractor shall be held in strict confidence and used only in performance of the Agreement, unless law or court order requires disclosure. Contractor shall

exercise the same standard of care to protect such information as is used to protect its own proprietary and/or confidential information and in no case less than a reasonable standard of care.

- 2) Contractor shall comply at all times with the requirements of the Family Educational Records Privacy Act ("FERPA") and relevant state law regarding the confidentiality and handling of student records, including, but not limited to California Education Code Sections 49073 and sequential. Contractor shall only access and use confidential student information for the performance of duties on behalf of MUSD under this Agreement upon obtaining prior written parental consent, or other provision of federal and state law permitting access to confidential student information. Contractor shall not use confidential student data for any purpose other than providing services to the District pursuant to this Agreement. Contractor shall not re-disclose confidential student information to any third party without the prior written consent of the District and any such re-disclosure shall be consistent with state and federal law.
- 3) Use of Student Data for Studies. Consistent with state and federal law as detailed in the prior section, Contractor understands and acknowledges that use of student data by Contractor for purposes other than those authorized under this Agreement, such as for Contractor's own research studies or program evaluation, requires prior written approval by the District.

3. Ownership of Results

Any plans, specifications, studies, reports, memoranda, computation sheets, data files and other materials in any form or media prepared by Contractor in connection with services performed under this Agreement shall be the property of and be promptly transmitted to the District.

4. Use of Name; Marketing

Excluding a simple statement or acknowledgement that Contractor has a written agreement with the District, Contractor will not use the name, marks or logos of the District in any planned advertisement, press release or other planned publicity or marketing materials, in any form or media, without the prior written approval of the District. Notwithstanding the foregoing provisions of this Section, nothing in this Section shall infringe upon the First Amendment rights of either party.

5. Compensation:

As full compensation for all services contemplated by this Agreement, MCSD shall receive the sum of \$235,638.98 reflecting the following charges and assumptions: \$27.37 shall be paid by MUSD to MCSD for each After School Leader worker hour provided to the Program by MCSD staff/employees between the months of August 16, 2023 (which at this time will provide three (3) days of training prior to the start of school), through June 14, 2024, for up to 5,850 hours regular day schedules for a total up to \$160,114.50 (i.e., 5,850 hours multiplied by \$27.37), and \$23.72 shall be paid by MUSD to MCSD for each Recreation Leader worker hour provided to the program by MCSD staff/employees between the months of August 16, 2023 (which at this time will provide three (3) days of training prior to the start of school), through June 14, 2024, for up to 3,184 hours regular day schedules for a total up to \$75,524.48 (i.e., 3,184 hours multiplied by \$23.72).

For all additional required hours in excess of the 5,850 for After School Leaders and/or hours in excess of 3,184 for Recreation Leaders, including any hours required for training or meetings, will be compensated at \$27.37 or \$23.72 respectively based on the employee classification of the worker, by MUSD to MCSD for each worker hour provided to the Program by MCSD staff/employees.

If state funding or the length of the school year is reduced due to budget changes or any other reason during the term of this Agreement, the District has the right to unilaterally reduce the

number of staff or days worked by MCSD staff/employees, subject to the obligation to pay for all such time provided prior to provision of written notice of the reduction by MUSD to MCSD.

MCSD will invoice the District on a monthly basis based on actual MCSD staff time worked as recited above. The District will pay MCSD within 30 days of the invoice date.

6. Term- of Agreement:

The term of this Agreement shall be from August 15, 2023, through June 14, 2024, inclusive, subject to the provisions of Section 7, the General Provisions.

The District may terminate this Agreement with or without cause by giving thirty (30) calendar days written notice to MCSD. In the event District elects to terminate the Agreement without cause, it shall pay the MCSD for all services satisfactorily rendered up and to expiration of the 30 day notice date.

7. General Provisions.

- a) Assignment/Delegation: Neither party hereto shall assign, sublet or transfer any interest in this Agreement or any duty hereunder without the prior written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.
- b) Status of McKinleyville Community Services District (MCSD): The parties intend that the MCSD, in performing the services herein specified, shall act as an independent contractor and shall have control of the work and the manner in which it is performed. The MCSD is not to be considered an agent or employee of the District and is not entitled to participate in any pension plans, insurance, bonus or similar benefits the District provides to MUSD employees.
- c) Indemnification:
 - a. MCSD shall defend, indemnify, and hold harmless District, its officers, officials, employees, and volunteers from and against all claims, damages, losses, and expenses, including attorney fees arising out of the performance of the work described herein, to the extent caused in whole or in part as determined by a court of law, by any negligent act or omission of MCSD, its agents or employees, except to the extent caused by the negligence, whether active or passive, of the District, its agents or employees.
 - b. District shall defend, indemnify, and hold harmless MCSD, its officers, officials, employees, and volunteers from and against all claims, damages, losses, and expenses, including attorney fees arising out of the performance of the work described herein, to the extent caused in whole or in part as determined by a court of law, by any negligent act or omission of the District, its agents or employees, except to the extent caused by the negligence, whether active or passive, of the MCSD, its agents or employees.
- d) Amendment: This Agreement may be modified or amended at any time only by the written mutual agreement of the parties.
- e) Compliance with all Laws: The parties shall comply with and meet all applicable requirements of federal, state and local law including, but not limited to, the Uniform Building Code, the Education Code, Title 19 and 21 of the California Code of Regulations, and all requirements prescribed by the California Department of General Services.

- f) Merger: This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement. No modification of this Agreement shall be effective unless and until such modifications in evidenced by a writing signed by both parties.
- g) Nondiscrimination: The parties shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, handicap or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.
- h) Extra (Changed) Work: Only the MUSD Superintendent or designee may authorize extra (and/or changed) work beyond that designated for compensation in Section 5, above. The parties expressly recognize that District and school personnel are without authorization to either order extra (and/or changed) work or waive contract requirements.

The MCSD waives any and all right or remedy by way of restitution and quantum merit for any and all extra work performed by MCSD without the express and prior written authorization of the Superintendent or designee.

Exceptions: Failure of the MCSD to secure proper authorization for extra work prior to performance will not constitute an automatic waiver of any and all rights to adjustment in the contract price or contract time if there is an emergency in which the MCSD must act for the health and safety of the students in the Program. By way of example, an emergency shall be defined as occurrences such as natural disasters or the threat thereof; acts or threats of terrorism; or, threats to the safety of students by a third party or relation. In such instances, the MCSD and District agree to enter into good faith negotiations for the payment of any extra work.

- i) MCSD's Performance: Without limiting the District's training and supervision obligations recited in this Agreement, District has relied upon the professional ability and training of the MCSD and its Recreation Division as a material inducement to enter into this Agreement. MCSD hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of MCSD's work by District shall not operate as a waiver or release.
- j) Taxes: MCSD agrees to file federal and state tax returns and pay all applicable state and federal taxes, as required, on amounts paid pursuant to this Agreement. In case District is audited for compliance regarding any applicable taxes, MCSD will cooperate with District by providing proof of payment of taxes on those earnings.
- k) Due Performance: Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect with the performance of either party, the other may, in writing, demand adequate assurance of due performance and until such written assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received.
- l) No Third-Party Beneficiaries: There are no intended third-party beneficiaries of this Agreement.
- m) No Waiver of Breach: The waiver by District or MCSD of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.

- n) Insurance: With respect to the performance of work under this Agreement, the MCSD shall maintain and shall require all of its subcontractors to maintain insurance as described below:
- (a) Worker's compensation insurance with statutory limits as required by the Labor Code of the State of California. Said policy shall be endorsed with the following specific language: "this policy shall not be canceled or materially changed without first giving thirty (30) days prior written notice to the District."
 - (b) Commercial or Comprehensive General Liability insurance covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than \$1,000,000 combined single limit for each occurrence; \$2,000,000 aggregate. Said insurance shall include, but not be limited to: premises and operations liability, independent contractors' liability, and personal injury liability.
 - (c) Each said comprehensive or commercial general liability policy shall be endorsed with the following specific language:
 - (1) District, its officers and employees, is named as additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
 - (2) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

In Witness hereof, the parties hereto have executed this Agreement on the day and year first written above.

McKinleyville Union School District

By: _____ Date: _____

Print Name: _____

MUSD Superintendent

McKinleyville Community Services District

By _____ Date: _____

Board President, Gregory P. Orsini

ATTEST: _____

Joseph Blaine, Secretary to the Board of Directors

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **ACTION**

ITEM: D.6 **Consider Adoption of Resolution 2025-16 Placing in Nomination Dennis Mayo as a Member of the Association of California Water Agencies Region 1 Board Member/Vice Chair**

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

TYPE OF ACTION: **Roll Call – Consent Agenda**

Recommendation:

Staff recommends that the Board discuss, take public comment, and adopt Resolution 2025-16 nominating Director Mayo to be considered by the Associated California Water Agencies (ACWA) Region 1 Nominating Committee for an ACWA Region 1 Board position.

Discussion:

The ACWA Region 1 Nominating Committee is looking for ACWA members who are interested in leading the direction of ACWA Region 1 for the 2026-2027 term. The Nominating Committee is currently seeking candidates for the Region 1 Board which is comprised of Chair, Vice Chair and up to five Board Member positions.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 1 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 1. The members of the Region 1 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

Since 2009, Director Mayo has served on the ACWA Board. He has served as a Region 1 Vice Chair, Chair and had several committee assignments. Director Mayo finds Federal Affairs and Agriculture to be the most enjoyable committee assignments and finds it rewarding to represent Humboldt County on the Region 1 Board.

The election will begin on July 21 with electronic ballots emailed to General Managers and Board Presidents. The ballot will include the Nominating Committee's recommended slate and any additional candidates interested in the region board positions who meet the qualification criteria. All region ballots must be submitted by Sept. 19. One ballot per agency will be counted. Election results

announced Sept. 26 and the newly elected Region 1 Board Members will begin their two-year term of service on Jan. 1, 2026.

Alternatives:

Staff analysis consists of the following potential alternative.

- Take No Action

Fiscal Analysis:

MCSD will be responsible for Director Mayo's travel and lodging for all Region 1 meetings.

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Resolution 2025-16
- Attachment 2 – Completed ACWA Nomination Form

RESOLUTION 2025 – 16

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT PLACING IN NOMINATION DENNIS MAYO AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 1 BOARD MEMBER

WHEREAS, The McKinleyville Community Services District Board of Directors does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA); and

WHEREAS, Director Dennis Mayo is currently serving as a Board Member for ACWA Region 1; and

WHEREAS, Director Dennis Mayo has indicated a desire to continue to serve as a Board Member of ACWA Region 1.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District does hereby place its full and unreserved support in the nomination of Dennis Mayo for the position of Board Member of ACWA Region 1 and determines that the expenses attendant with the service of Dennis Mayo in ACWA Region 1 shall be borne by MCSD.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on June 4, 2025 by the following polled vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

James Biteman, Board President

Attest:

Joseph Blaine, CMC, Board Secretary

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Exhibits/Attachments/Presentation

- Attachment 1 – Resolution 2025-14
- Attachment 2 – Resolution 2025-15

RESOLUTION 2025-14

**A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
AFFIRMING THE AMENDMENT OF RULE 16 OF THE MCSD RULES AND
REGULATIONS NOVEMBER 2022 INCREASE OF THE RATES OF THE DISTRICT'S
WATER SERVICE CHARGE**

WHEREAS, pursuant to Government Code Sections 61115 and 61123, the District imposes a service charge for water service; and

WHEREAS, the District engaged Willdan Financial Services to study the rates necessary to support the water operations of the District and to ensure that each customer is charged no more than the cost of providing service to that customer; and

WHEREAS, Willdan had filed with the District a report proposing a revised rate structure, which is on file in the District offices and available for public inspection; and

WHEREAS, on November 2, 2022, the Board of Directors held a full and fair public hearing on the water rates recommended by Willdan in accordance with Proposition 218 and applicable laws; and

WHEREAS, notice of the public hearing was timely given pursuant to Government Code Section 61123(b) and Article XIII D, Section 6(a)(1) of the Constitution; and

WHEREAS, the public hearing was conducted, as defined by Article XIII D, Section 6(a)(2) of the Constitution, and an insufficient number of qualified written protests were received with respect to the proposed rates; and

WHEREAS, the Board by motion unanimously approved the proposed water rates on November 2, 2022 that said water rates went into effect on January 1, 2023 and, by method of this Resolution 2025-14 wishes to re-publish the rate schedule adopted without increasing or extending the rates approved in 2022.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District hereby affirms and re-publishes the amendments to Rule 16.01 and the water rate schedule duly adopted as recited in attached "**Exhibit A**", which is attached hereto and incorporated by reference.

The Board reaffirms its prior findings that:

- (a) Revenues derived from the water service charge will not exceed the funds required, respectively, to provide water service.
- (b) Revenues derived from the water service charge will not be used for any purpose other than, providing water service.

(c) The amount of the water rates upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.

(d) No charge will be imposed for water service unless that service is actually used by, or immediately available to, the owner of the property in question.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on June 4, 2025 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

James Biteman, Board President

Attest:

Joseph Blaine, CMC, Board Secretary

Exhibit A: Water Rate Schedule

Section 1. Rule 16.01 of the MCSD Rules and Regulations is amended to read as follows:

Rule 16.01. RATE SCHEDULE - the monthly charge for water service to a customer shall be calculated by adding the following components: (a) a fixed monthly charge based on the size of the customer’s water meter, (b) a consumption charge based on the amount of water consumed by the customer and(c) a “pass-through” charge based on the amount of water consumed by the customer.

(a) The fixed monthly charge shall be calculated as follows, effective January 1 of the years shown:

Description					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Monthly Base Charge					
5/8 Inch	\$ 20.45	\$ 21.68	\$ 22.98	\$ 24.13	\$ 25.10
3/4 Inch	\$ 28.39	\$ 30.10	\$ 31.90	\$ 33.50	\$ 34.85
1.0 Inch	\$ 44.28	\$ 46.93	\$ 49.75	\$ 52.24	\$ 54.34
1.5 Inch	\$ 83.98	\$ 89.02	\$ 94.36	\$ 99.08	\$ 103.06
2.0 Inch	\$ 131.63	\$ 139.53	\$ 147.89	\$ 155.29	\$ 161.54
3.0 Inch	\$ 242.81	\$ 257.37	\$ 272.80	\$ 286.46	\$ 297.97
4.0 Inch	\$ 401.63	\$ 425.72	\$ 451.25	\$ 473.83	\$ 492.88
6.0 Inch	\$ 798.69	\$ 846.60	\$ 897.36	\$ 942.27	\$ 980.15
8.0 Inch	\$1,275.17	\$1,351.65	\$1,432.70	\$1,504.40	\$1,564.87

(b) The consumption charge shall be calculated as follows, effective on January 1 of the dates shown, with the first eight hcf (hundred cubic feet) or portion of an hcf consumed charged at the tier one rate and each hcf (or portion) in excess of eight hcf charged at the tier two rate:

Description					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Volume Per 100CF:					
0-800 CF	\$ 2.47	\$ 2.62	\$ 2.78	\$ 2.92	\$ 3.04
over 800 CF	\$ 3.32	\$ 3.51	\$ 3.73	\$ 3.91	\$ 4.07

(c) The pass-through charge shall be the wholesale rate charged by Humboldt Bay Municipal Water District to the District, expressed on a per Hundred Cubic Feet basis. Effective January 1, 2019, the pass-through charge shall be \$1.59 per hcf. The pass-through charge shall automatically adjust each time a change in the wholesale

cost becomes effective; however, (i) no further adjustments to the pass-through shall occur after January 1, 2027 unless the district conducts additional proceedings pursuant to Article XIII D, Section 6 of the Constitution and (ii) no adjustment to the pass through shall take effect until notice of such adjustment has been given pursuant to Government Code Section 53756(d).

(d) Customers residing in a zone of special benefit will pay the fee specified in the then current resolution for their zone in addition to the charges specified above.

(e) Service charge revenues shall be used to fund costs of providing water service and for no other purpose.

Section 2. The rates set forth herein became effective beginning on January 1, 2023, and are hereby reaffirmed without adjustment.

RESOLUTION 2025-15

**A RESOLUTION OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT
AFFIRMING THE AMENDMENT OF RULE 27 OF THE MCSD RULES AND
REGULATIONS NOVEMBER 2022 INCREASE OF THE RATES OF THE DISTRICT'S
SEWER SERVICE CHARGE**

WHEREAS, pursuant to Government Code Sections 61115 and 61123, the District imposes a service charge for sewer service; and

WHEREAS, the District engaged Willdan Financial Services to study the rates necessary to support the sewer operations of the District and to ensure that each customer is charged no more than the cost of providing service to that customer; and

WHEREAS, Willdan had filed with the District a report proposing a revised rate structure, which report is on file in the District offices and available for public inspection; and

WHEREAS, on November 2, 2022, the Board of Directors held a full and fair public hearing on the sewer rates recommended by Willdan in accordance with Proposition 218 and applicable laws; and

WHEREAS, notice of the public hearing was given pursuant to Government Code Section 61123(b) and Article XIII D, Section 6(a)(1) of the Constitution; and

WHEREAS, the public hearing was conducted, as defined by Article XIII D, Section 6(a)(2) of the Constitution, and an insufficient number of qualified written protests were received with respect to the proposed rates; and

WHEREAS, the Board by motion unanimously approved the proposed sewer rates on November 2, 2022; that said sewer rates went into effect on January 1, 2023 and, by method of this Resolution 2025-15 wishes to re-publish the rate schedule adopted without increasing or extending the rates approved in 2022.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District hereby affirms and re-publishes the amendments to Rule 27.04 and the sewer rate schedule duly adopted as recited in attached "**Exhibit A**", which is attached hereto and incorporated by reference.

The Board reaffirms its prior findings that:

- (a) Revenues derived from the sewer service charge will not exceed the funds required, respectively, to provide sewer service.
- (b) Revenues derived from the sewer service charge will not be used for any purpose other than providing sewer service.

(c) The amount of the sewer rates upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.

(d) No charge will be imposed for sewer service unless that service is actually used by, or immediately available to, the owner of the property in question.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on June 4, 2025 by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

James Biteman, Board President

Attest:

Joseph Blaine, CMC, Board Secretary

Exhibit A: Sewer Rate Schedule

Section 1. Rule 27.04 of the MCSD Rules and Regulations is amended to read as follows:

Rule 27.04. SEWER CHARGE - the monthly charge for sewer service shall be calculated by adding a fixed charge per bill (or per dwelling unit for residential customers) to a variable charge per HCF of water consumed. No residential customer shall be charged for in excess of 12 HCF of water consumption in a month, regardless of the actual amount of water consumed. The rates shall be as follows:

Description	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<u>Monthly Base Charge</u>					
All Customers	\$ 35.69	\$ 37.12	\$ 38.98	\$ 40.93	\$ 42.98
<u>Volumetric per 100 CF</u>					
Two Sewer Units/commercial	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Apartment/ Multi Unit (ea)	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Bakery	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Barber/Beauty Shop	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Car Wash	\$ 2.91	\$ 0.75	\$ 0.78	\$ 0.82	\$ 0.86
Church & Residences	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Churches	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Coast Guard Station/Airport	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Dialysis Clinic	\$ 3.08	\$ 3.20	\$ 3.36	\$ 3.52	\$ 3.70
Fire Station/School	\$ 2.97	\$ 2.21	\$ 2.32	\$ 2.43	\$ 2.56
Gas Stations (no Market)	\$ 3.19	\$ 3.22	\$ 3.38	\$ 3.54	\$ 3.72
Laundromats	\$ 3.00	\$ 2.57	\$ 2.69	\$ 2.83	\$ 2.97
Market	\$ 4.26	\$ 4.43	\$ 4.64	\$ 4.88	\$ 5.12
Metered Septage Vault	\$ 3.55	\$ 3.64	\$ 3.82	\$ 4.01	\$ 4.21
Mobile Homes (ea)	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Motels/Hotels	\$ 3.79	\$ 3.94	\$ 4.13	\$ 4.34	\$ 4.56
Office Building/Post Office	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Restaurant/Tavern	\$ 4.25	\$ 4.42	\$ 4.64	\$ 4.87	\$ 5.11
Retail/Banks/Theater/Other	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Round Table/Market	\$ 4.03	\$ 4.18	\$ 4.39	\$ 4.60	\$ 4.84
Sewer Only Accounts	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Units - Commercial	\$ 3.19	\$ 3.22	\$ 3.38	\$ 3.54	\$ 3.72
Singl Family Residential	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Business	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Two Sewer Units/Daycare	\$ 3.13	\$ 3.25	\$ 3.41	\$ 3.58	\$ 3.76
Brewery	\$ 11.20	\$ 11.63	\$ 12.20	\$ 12.81	\$ 13.45

Section 2. The rates set forth herein shall be effective beginning January 1, 2019 and adjusted every January 1 through 2023. The District's existing rates shall remain in effect until January 1, 2019.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.1 **Introduction of New Staff: Kristin McDonald, Recreation Coordinator; Jess Elm, Environmental Programs Coordinator; and Omar Becerra Cortes, Parks Maintenance Worker**

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

TYPE OF ACTION: **None**

Recommendation:

Staff recommends that the Committee review the material provided, take public comment, and meet our new staff members, Kristin McDonald, Jess Elm and Omar Becerra Cortes.

Discussion:

Over the past year, the Parks & Recreation Department has experienced significant staffing changes. It is my pleasure to introduce the newest members of our team, who have already embraced the challenges of their roles and seamlessly integrated into our workplace culture.

Kristin McDonald has worked for the District for over 20 years in a variety of part-time roles supporting youth and recreation programs. On February 16, 2025, she transitioned into a full-time role as our Recreation Coordinator. Since stepping into this position, Kristin has seamlessly taken on the management of our Park and Facility Rentals, in addition to leading the planning and coordination of Playgroup, Breakout and summer camps, community events, and office administration tasks.

Kristin's deep institutional knowledge, strong community ties, and dedication to recreation services have made her an invaluable member of the team. Her professionalism, organization, and positive energy have already elevated the services we provide to the public.

Jess Elm joined us as the Environmental Programs Coordinator on May 1, 2025, stepping into this brand-new position. Although she has only been with us a few weeks, Jess is already learning quickly about the many responsibilities that come with administering public meetings and the processes that support them. She has shown impressive adaptability and initiative—taking minutes, preparing Staff Reports, reviewing the Framework Plan, and beginning to train as a backup for the Board Secretary.

Jess holds a degree in Environmental Science & Management with a focus in Ecological Restoration from Cal Poly Humboldt. Her education, combined with a clear passion for environmental stewardship, has made her a valuable addition to the team. She's not afraid to ask questions and seek support when needed.

Omar Becerra Cortes started with the District as a Parks Maintenance Worker on May 20, 2025. His second day on the job was probably one of our most unpleasant tasks—joining over 25 District and Green Diamond staff to clean up two encampments in the Community Forest and Green Diamond Property. Despite the challenge, Omar jumped in with a great attitude and strong work ethic.

With a background in landscaping, using and maintaining riding lawnmowers/string trimmers/hand tools, and facility maintenance, Omar brings valuable hands-on experience and a willingness to take on any task. We are excited to continue getting to know Omar and to see his passion for landscaping help enhance our parks and open spaces for the McKinleyville community.

As this Committee knows well, our staff are the District's most valuable asset. Kristin, Jess and Omar represents just one part of the small but dedicated team working to serve the McKinleyville community. We are incredibly fortunate to have such talented and committed individuals joining our efforts.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

None

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **ACTION**

ITEM: E.2 **Consider Second Reading of Ordinance 2025-03 Amending Rule 47.02 of MCSD Rules & Regulations Concerning Use of Electric Bicycles in Community Forest**

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

TYPE OF ACTION: **Roll Call**

Recommendation:

Staff recommends that the Board review this information provided, discuss, take public comment and approve the Second Reading of Ordinance 2025-03 (**Attachment 2**), Amending Rule 47.02 of MCSD Rules & Regulations Concerning Use of Electric Bicycles in the Community Forest by title only.

Discussion:

The existing Rule 47.02 of the District's Rules & Regulations states:

RULE 47.02. MOTORIZED AND ELECTRIC VEHICLE USE PROHIBITED- Public recreation use of the Community Forest Property does not include use or operation of any motorized or electric vehicle. Recreational use must be done via pedestrian use, non-motorized/non-electric bicycle or horseback. Operation of non-motorized vehicles within the community forest property must comply with existing Rule 41.04 of these Rules & Regulations.

When the MCSD Board adopted this and the other Rules and Regulations establishing the Community Forest, it was made clear that this portion of the Rules and Regs would be taken back to the TICS and full MCFC for review and recommendations.

The use of motorized vehicles in the Community Forest is prohibited by the grant and cannot be changed. The grant agreement states:

Grant Funds are to be used for non-motorized recreational infrastructure development and enhancements that promote new or alternate access to parks, waterways, outdoor recreational pursuits, and forested or other natural environments to encourage health-related active transportation and opportunities for Californians to reconnect with nature as referenced in the Recreational Trails and Greenways Grant Program Application Guidelines and this Agreement.

The Greenways Grant Guidelines state:

Grantee is responsible for ensuring the project complies with all applicable local, state and federal laws and regulations, including, but not limited to: allowable uses of proposed trail including e-bike uses, CEQA/NEPA, legal requirements for construction, building codes, health and safety codes, state contractor's and other licenses, and disabled access laws.

Non-motorized Trail – means a trail designated for recreational purposes such as walking/ hiking, bicycling, equestrian use and other non-motorized recreational uses.

e-bike – a bicycle that can be run on electric power as well as by pedaling

The above suggests that e-bikes can be used in the Community Forest without violating the grant agreement.

During the TICS February 21st meeting and the March 18th MCFC meeting the committees voted in favor to recommend the following language modification to the MCSD Board for approval. **(Attachment 1)**

This is the second reading of this ordinance. The first reading was approved at the May 7, 2025 regular meeting. If the second reading is approved, the ordinance will be effective July 4, 2025.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Rule 47.02 Recommended Language
- Attachment 2 – Ordinance 2025-03

to also dedicate time and expertise to matters pertaining to the development, operation and maintenance of the Community Forest in service to the McKinleyville community.

Rule 46.15 POWERS AND DUTIES - the Community Forest Committee shall have the following powers and duties:

- (h) To serve in an advisory capacity to the Board of Directors and District Staff in all matters pertaining to the management and operation of the community forest property owned by the District;
- (i) To make recommendations to the Board of Directors and District Staff with respect to the provisions of the annual budget for community forest management and operation;
- (j) To recommend to the Board of Directors acceptance or rejection of offers of donations of money, personal property and real property to be used for management and/or operation of the community forest;
- (k) To recommend to the Board of Directors a comprehensive forest management and operating plan;
- (l) To recommend for adoption by the Board of Directors rules and regulations for the use and improvement of the District's community forest property;
- (m) To recommend to the Board of Directors and District staff policies for the development and improvement of community forest amenities and attributes in service to the community's needs; and
- (n) To perform research, data gathering and analysis for matters pertaining to the development and management of the Community Forest; and
- (o) To perform duties related to fundraising for the development, operation and maintenance of the Community Forest; and
- (p) To participate in community work efforts related to the development, operation and maintenance of the Community Forest; and
- (q) To perform such other duties relating to community forest matters as may be prescribed by the Board of Directors.

REGULATION 47-COMMUNITY FOREST USE & GUIDELINES

RULE 47.01. DAY USE ONLY-there is to be no camping or overnight use of any portion of the Community Forest property without express written permission from the McKinleyville Community Services District.

RULE 47.02. MOTORIZED AND ELECTRIC VEHICLE USE PROHIBITED-Public recreation use of the Community Forest Property does not include use or operation of any motorized or electric vehicle. For the purpose of this rule, electric bicycles are not considered motorized vehicles. Recreational use must be done via pedestrian use, ~~non-~~motorized/non-electric bicycle, E1 or E2 bikes, or horseback. Operation of non-motorized vehicles within the community forest property must comply with existing Rule 41.04 of these Rules & Regulations

RULE 47.02.1 ELECTRIC BIKES

DEFINITIONS

Electric Bike: Bike with a battery-powered motor that provides some level of assistance to the rider. (AKA E-Bike)

Classifications of E-Bikes

1) A "class 1 electric bicycle" is a bicycle equipped with a motor (max power 750W) that provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.

2) A "class 2 electric bicycle" is a bicycle equipped with a motor (max power 750W) that may be used exclusively to propel the bicycle, and that is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour.

3) A "class 3 electric bicycle" is a bicycle equipped with a motor (max power 750W) that provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour, and is equipped with a speedometer

4) E-Moto bikes: Are electric motorcycles with a power rating of 7,500 Watts and a top speed of 50 mph.

RULE 47.02.2 RECREATIONAL USEAGE

Recreational use must be done via horseback, pedestrian use and non-motorized or electric bikes (Class 1 or 2 only)

Class 3 bikes, all other electric bikes with greater than 1 horsepower/750 watts and E-Moto bikes are prohibited in the McKinleyville Community Forest.

Trail Etiquette

Bicyclists yield to hikers and horses

Hikers yield to horses

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RULE 47.03. AT OWN RISK USE-Recreational Use of the Community Forest Property is at participant's own risk.

RULE 47.04. FIRES PROHIBITED-use of fire is prohibited within the Community Forest property

ORDINANCE NO. 2025-03**AN ORDINANCE OF THE MCKINLEYVILLE COMMUNITY SERVICES DISTRICT AMENDING RULE 47.02 OF THE RULES AND REGULATIONS REGARDING MOTORIZED AND ELECTRIC VEHICLE USE IN THE COMMUNITY FOREST PROPERTY**

WHEREAS, the existing Rule 47.02 of the District's Rules & Regulations states that public recreation use of the Community Forest Property does not include the use or operation of any motorized or electric vehicle, and recreational use must be done via pedestrian use, non-motorized/non-electric bicycle, or horseback; and

WHEREAS, the MCSD Board adopted these and other Rules and Regulations establishing the Community Forest with the understanding that this portion of the Rules and Regulations would be reviewed and recommendations made by the McKinleyville Community Forest Committee (MCFC) and Trails, Infrastructure, Clean-ups and Security (TICS) subcommittee; and

WHEREAS, the use of motorized vehicles in the Community Forest is prohibited by the Greenways Grant agreement, which states that grant funds are to be used for non-motorized recreational infrastructure development and enhancements that promote new or alternate access to parks, waterways, outdoor recreational pursuits, and forested or other natural environments to encourage health-related active transportation and opportunities for Californians to reconnect with nature; and

WHEREAS, the definition of a non-motorized trail includes recreational purposes such as walking, hiking, bicycling, equestrian use, and other non-motorized recreational uses, and an e-bike is defined as a bicycle that can be run on electric power as well as by pedaling; and

WHEREAS, the MCFC and TICS have reviewed the existing Rule 47.02 and voted in favor of recommending a language modification to the MCSD Board for approval;

NOW, THEREFORE, the Board of Directors of the McKinleyville Community Services District ordains that Rule 47.02 of the District's adopted Rules and Regulations is amended to read as follows:

RULE 47.02. MOTORIZED AND ELECTRIC VEHICLE USE PROHIBITED-Public recreation use of the Community Forest Property does not include use or operation of any motorized or electric vehicle. For the purpose of this rule, electric bicycles are not considered motorized vehicles. Recreational use must be done via pedestrian use, bicycle, E1 or E2 bikes, or horseback. Operation of non-motorized vehicles within the community forest property must comply with the existing Rule 41.04 of these Rules & Regulations

RULE 47.02.1 ELECTRIC BIKES**DEFINITIONS**

Electric Bike: Bike with a battery-powered motor that provides some level of assistance to the rider. (AKA E-Bike)

Classifications of E-Bikes:

1) A “class 1 electric bicycle” is a bicycle equipped with a motor (max power 750W) that provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour.

2) A “class 2 electric bicycle” is a bicycle equipped with a motor (max power 750W) that may be used exclusively to propel the bicycle, and that is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour.

3) A “class 3 electric bicycle” is a bicycle equipped with a motor (max power 750W) that provides assistance only when the rider is pedaling, and that ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour, and is equipped with a speedometer.

4) E-Moto bikes: Are electric motorcycles with a power rating of 7,500 Watts and a top speed of 50 mph.

RULE 47.02.2 RECREATIONAL USAGE-Recreational use must be done via horseback, pedestrian use and non-motorized or electric bikes (Class 1 or 2 only); Class 3 bikes, all other electric bikes with greater than 1 horsepower/750 watts and E-Moto bikes are prohibited in the McKinleyville Community Forest.

Trail Etiquette:

- Bicyclists yield to hikers and horses
- Hikers yield to horses

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 May 7, 2025 and passed and adopted by the Board of Directors on June 4, 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

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **ACTION**

ITEM: E.3 **Consider Approval of the FY2025-26 Budget and Approve Resolution 2025-17 Establishing Appropriations Limits for FY2025-26**

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

TYPE OF ACTION: **Roll Call Vote**

Recommendation:

1. Staff recommend that the Board review, take public comment, and approve the FY2025-26 Budget; and
2. Approve Resolution 2025-17 establishing Appropriations Limits for FY2025-26

Discussion:

The proposed FY2025-26 Budget does not differ significantly from the draft budgets that were presented to the board earlier this year; however, some important differences to note are changes made within the CIP budget for Operations.

- The Mad River Crossing project was increased across the next four fiscal years to reflect a more accurate estimate of the full project at \$5,250,000.
- The McCluski Tank Replacements project was reduced across the next three fiscal years to reflect the actual estimate of \$2,500,000.
- The Highway Undercrossing project budget was increased from \$300,000 to \$2,000,000 for fiscal year 25/26 and then reduced in the subsequent two years to accurately budget across the period of performance for the project grant.
- The Fischer Lift Station project was reduced by a total of \$1,000,000 over the next three fiscal years to reflect the actual estimate to finish this project.
- The Office Building was adjusted to reflect this project breaking ground in fiscal year 25/26 with \$1,000,000 being budgeted for the first year and \$3,000,000 budgeted across the two following fiscal years.

For the Parks & General Fund operating budget, the expected revenue for programs is projected to be less than the projected revenue for 2024-25 based on the current year's decreased enrollments in various camps provided by the District. Facility rental revenue in the current fiscal year is also lower than the budget projections and staff anticipate similar facility rental revenues in FY 2025-26. There is also \$1.4 million budgeted in grant revenue for the construction of BMX Track and Park.

For the purposes of this proposal, the salary and benefits costs are based on the methodologies agreed upon during the last employee negotiations which took place during the current fiscal year, 2024/25. Other operating costs have increased due to higher activity levels and inflation.

In 2023, the property owners of McKinleyville voted to increase the Measure B assessment amount. The 2025-26 Proposed Measure B budget is based upon the revenues projected in the 2025-26 Engineers Report for the Measure B Assessment District Renewal and Establishment of Increased Assessment. Given that the Measure B fund is currently showing a deficit of over \$665,000 as reported in the 2023-24 Audit, Staff budgeted with the intent of paying down a portion of the existing deficit.

All operating budgets have been adjusted to reflect revised premium projections from the District’s health insurance provider. Please note the large increase in the Anthem Consumer Driven Health Plan; this is due to now having five participants versus two in past years. See fixed cost table below:

Fixed Cost	FY24-25	FY25-26	%Change
Worker’s Comp Insurance	\$61,823.64	\$70,306.00	13.72%
Health Insurance			
Anthem Advantage PPO	\$275,368.37	\$272,540.88	-1.03%
Anthem CalCare HMO	\$580,417.46	\$496,242.48	-14.50%
Anthem Consumer Driven Health Plan	\$42,099.35	\$108,096.24	156.76%
Delta Dental	\$34,091.05	\$32,462.16	-4.78%
Employee Assistance Program	\$883.87	\$863.04	-2.36%
UnitedHealthcare Medicare Advantage PPO	\$40,423.35	\$55,344.60	36.91%
General Liability Insurance	\$174,493.23	\$173,782.00	-0.41%
CalPERS PEPRA Employer Portion*	\$2,024.00	\$4,528.00	123.72%
CalPERS Classic Employer Portion*	\$221,828.00	\$258,561.00	16.56%

* The total minimum required employer contribution for CalPERS PEPRA and Classic is the sum of the Plan’s Employer Normal Cost Rate, expressed as a percentage of payroll and paid as payroll is reported, plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount, billed monthly or paid annually in dollars. The values expressed in this table are the fixed UAL costs. The Employer Normal Cost Rate for Classic is 11.94% and for PEPRA is 7.96%.

The Budgets, graphs, historical trend analysis, capital projects budgets, and narratives are included in the final budget document, as is the Appropriations

Limits calculation, which is an annual item required by State law. The Appropriations Limit calculates the amount of property tax revenue that may be spent by local governments, including Special Districts. It is calculated based on population growth and other factors.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Budgetary fiscal analysis: see summaries in proposed FY2025-26 Budget.

Appropriations Limit fiscal analysis: As the proposed expenditures subject to the Limit are \$268,069 under the Appropriations Limit threshold, no additional analysis is required.

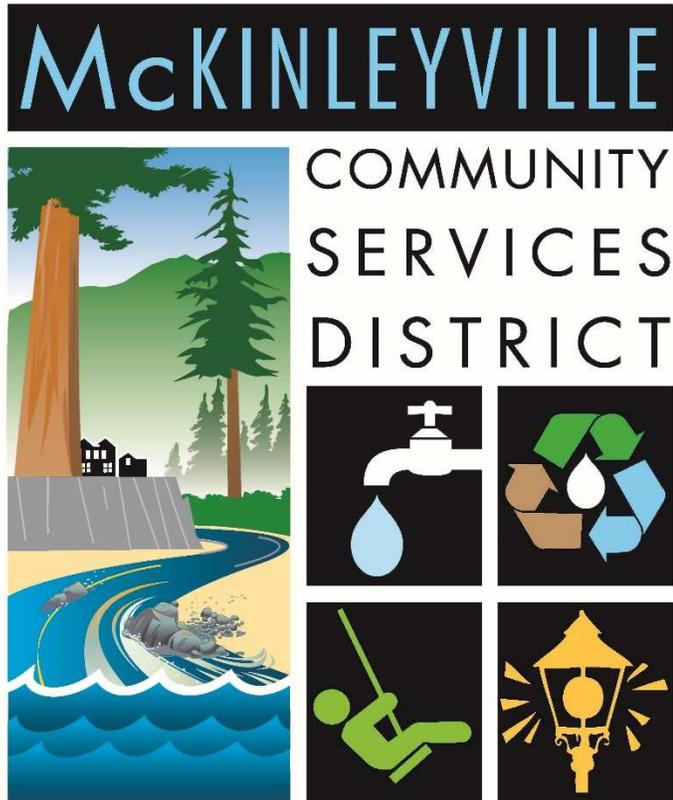
Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 – Proposed Budget for FY2025-26
- Attachment 2 – Resolution 2025-17

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BUDGET

For the Fiscal Year Ending June 30, 2026

Adoption Date: June 5, 2025

MCSO BOARD OF DIRECTORS

James Biteman, President
Dennis Mayo, Vice President
David Couch, Director
Gregory P. Orsini, Director
Scott Binder, Director

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

For the Fiscal Year Ending June 30, 2026

INTRODUCTION AND BUDGET GUIDE

This budget is intended to serve as a management tool for the operation of the McKinleyville Community Services District (MCSD) during fiscal year July 1, 2025 through June 30, 2026. The Budget sets forth goals and priorities for staff to accomplish during the year in the four district operating departments. This budget is dynamic in that it can be amended as the Board adds goals and changes priorities.

- Page 3 includes information about McKinleyville and the McKinleyville Community Services District.
- The Mission Statement, estimated Full-Time Employee Equivalents for the fiscal year, and the Organizational Chart are included beginning at Page 5.
- Budgets and accompanying graphs for the Governmental Funds & the Enterprise Funds are shown beginning at Page 8. Detailed line-item budgets are available for review by the Board and the public but are not included in this policy-level document.
- Historical Data is presented beginning at Page 15.
- MCSD's Capital Improvement Program Budgets, Exhibit 11, start on Page 19. Narratives are shown in Appendix A, beginning at Page 30.
- A summary of the MCSD's Board current Strategic Plan 2024-2029 is shown in Appendix B, beginning at Page 35.
- The Appropriations Limit calculations required by law for the Fiscal Year 2025-26 are included in Appendix C, starting on Page 46.

DESCRIPTION OF THE COMMUNITY

McKinleyville is an unincorporated community of Humboldt County in the north coastal region of California 300 miles north of San Francisco. McKinleyville has an approximate population of 16,262 according to 2020 data from the U. S. Census Bureau. It is the third largest community population area in Humboldt County behind Eureka (26,512) and Arcata (18,857). McKinleyville borders the Pacific Ocean and has a mild climate year-round with frequent fog and moderate to heavy precipitation mainly between October and April. Because of the combination of coastal, mountain and valley areas, residents have the opportunity for a wide range of recreational activities. Just minutes from McKinleyville, you can surf, fish for salmon and steelhead, hike underneath the world's tallest trees and bike the Pacific Coast Trail.

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

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

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

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

DESCRIPTION OF THE DISTRICT

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

MCSD's principal activities include water, sewer, parks, recreation, street lighting and open space maintenance services. In recent years, the District has dramatically expanded its recreational services by developing approximately 44 acres of community parks: Hiller Park Playground and Picnic Area, Hiller Park Loop Trails, Hiller Sports Complex, Pierson Park and Larissa Park. In addition, the District has constructed state-of-the-art buildings to provide indoor sports and recreation (McKinleyville Activity Center), a community activities center (Azalea Hall), a Teen and Community Center, and a library (a branch of the Humboldt County Library). In 1999, the Mad River Rotary Club completed the fund-raising and construction of a Law Enforcement Facility on District land adjacent to the Library and Azalea Hall. The facility was then donated to the District and is leased to the Humboldt County Sheriff's Department. In January 2024 the District closed escrow on 599 acres of timberland that is now the McKinleyville Community Forest and in 2025 MCSD will begin construction of its BMX Track and Park.

MCSD purchases its wholesale water supply from the Humboldt Bay Municipal Water District, which diverts water from its million-gallon tank on Essex Hill under the Mad River to MCSD's Grant A. Ramey Pump Station at North Bank and Azalea Roads. Water is then pumped to storage tanks at McCluski Hill, Cochran Road and Norton Road; MCSD's six storage tanks have a combined capacity of 5.25 million gallons, approximately a 36-hour supply for our 7,500 water customers. An additional 4.5-million-gallon tank is currently under construction to be completed in 2025.

All sewage for MCSD's 6,600 customers is treated at the Wastewater Management Facility at Hiller Park. MCSD maintains approximately 65 miles of sewer mains. MCSD recycles treated wastewater for agricultural irrigation at the Fischer Irrigation Site, Pialorsi Irrigation Site, and at Hiller Park. With a major upgrade of the Wastewater Management Facility completed in 2019, MCSD is committed to maintaining its sewage collection, treatment and disposal systems as a model for other communities.

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

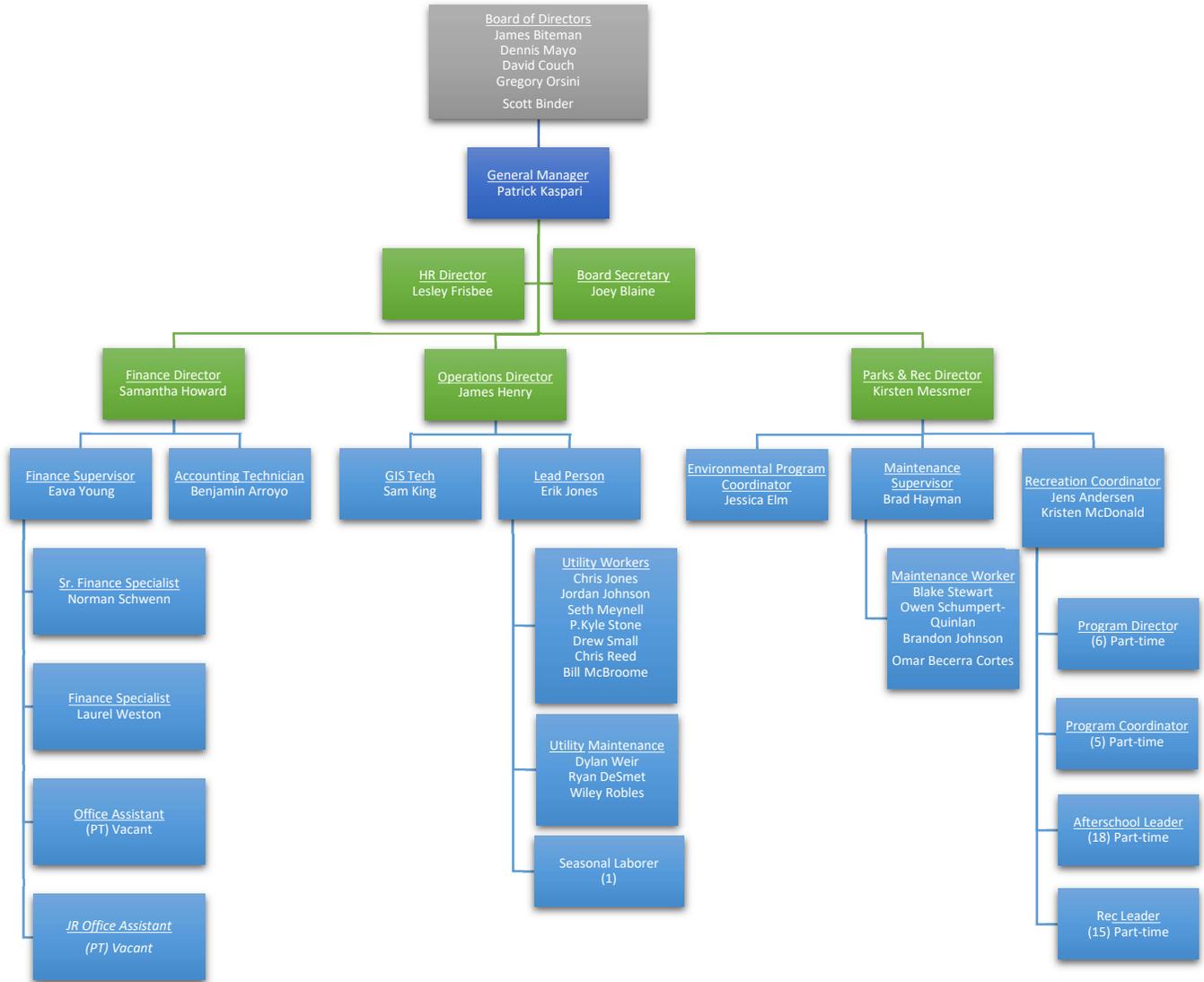
**McKINLEYVILLE COMMUNITY SERVICES DISTRICT
MISSION STATEMENT**

McKinleyville Community Services District provides authorized services fundamental to the health and well-being of the community.

**Estimated Employee Full Time Equivalents
For the Fiscal Year ending June 30, 2026**

	Full-Time Benefitted	Part-Time & Seasonal
General Manager	1	0
Finance & Administration	7	2
Operations	13	1
Parks & Recreation	9	44
Total	31	48

McKinleyville Community Services District
Organization Chart: Fiscal Year 2025-26
 Revised May 2025



McKinleyville Community Services District
Exhibits of Financial Information
Budget for the year ending June 30, 2026

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McKinleyville Community Services District
Budget Summary: Net Position - All Funds
FY2025-26

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets and deferred outflows of resources are projected in the budget to exceed liabilities and deferred inflows of resources by \$56,223,683.59 as of June 30, 2026.

The District's total net position is made up of three components: (1) net investment in capital assets such as construction of capital projects, (2) restricted net position per the District's Reserve Policy, and (3) unrestricted net position, or liquid cash reserves.

At the end of the Fiscal Year, June 30, 2026, the net position of the District is projected to increase from the FY23-24 total of \$48,725,896. A moderate decrease of approximately 1%, or \$754,091.71, is projected for the current fiscal year FY24-25 with an increase of approximately 17%, or \$8,251,879.30, in budgeted year FY25-26 which will result in a total net position of \$56,223,683.59.

A 25.49%, or \$6,125,956.88, decrease in total revenues is projected for the end of the current year, for a total of \$17,902,235.12 from all revenue sources. This compares to a moderate increase projected for the upcoming budget year of 5.75%, or \$1,028,731.10, for a total of \$18,930,966.22 in projected revenues for FY25-26.

Total expenditures are projected to increase at the end of the current year by 2.33%, or \$238,097.06, for a total of \$10,471,162.06 for all expenditure types. The overall increase projected for the coming budget year is much greater, at 29.56%, or \$3,095,276.65, for a total of \$13,566,438.71 projected budgeted expenditures for FY25-26.

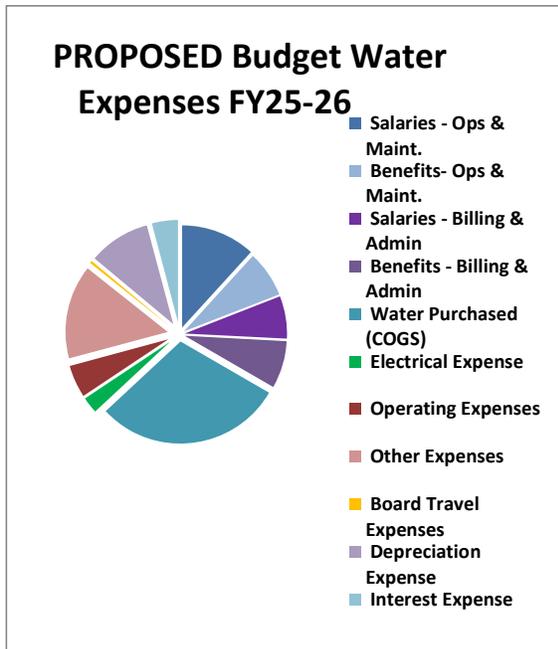
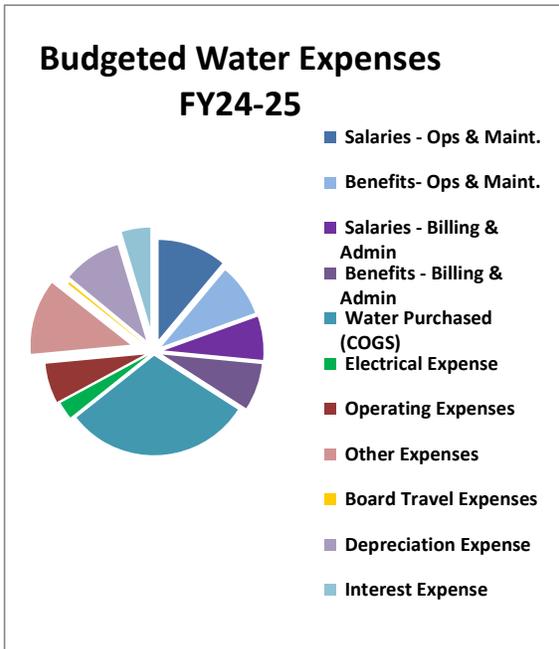
Overall net position is projected to change positively in the current fiscal year. In the coming year, projected net position will increase slightly due to grant revenues and their associated investment in the District's capital assets. In the Enterprise Funds, a larger increase is projected in the Sewer Fund than the Water Fund due to the construction of the Highway Sewer Undercrossing. In the Governmental Funds, the Parks General Fund will see an increase in revenues due to grants to build the BMX Track and Park which has been delayed in the current year. These revenues will be offset by associated capital expenditures. Since the increase in Measure B assessments was approved, revenues for the maintenance of community capital assets will continue to increase, though that increase will be offset by expenditures covering both deferred and additional maintenance. The Streetlight Fund remains a more normal picture, with budgeted revenues exceeding budgeted expenditures.

McKinleyville Community Services District
Summary PROPOSED Budgets - All Funds
FY 2025-26

Description	Water Fund	Wastewater Fund	Streetlights Fund	Gen'l/Parks Fund	Measure B Fund	Total (Memorandum Only)
Revenues						
Water Sales	4,460,000					4,460,000
Sewer Service Charges		4,450,000				4,450,000
Capacity Fees	75,000	100,000				175,000
Streetlight Charges			125,200			125,200
Program Fees				369,850		369,850
Facility Fees				89,900		89,900
Property Taxes				765,761		765,761
Measure B Assessment					730,516	730,516
Open Space Fees				169,584		169,584
Contributions & Other Program				1,500		1,500
Grant Revenue	1,750,000	3,500,000		1,400,000		6,650,000
Other Revenue	135,859	91,372	18,550	19,875		265,656
Contributed Construction	25,000	75,000				100,000
Proceeds from Long Term Debt (Gov't only)						-
Quimby Fees/Capital Proj. Grants				10,000		10,000
Interest Revenue	200,000	250,000	3,000	175,000	40,000	668,000
Total Revenues	6,645,859	8,466,372	146,750	3,001,470	770,516	19,030,966
Expenditures						
Salaries & Benefits - Operations & Maint.	890,286	967,725	3,387			1,861,398
Salaries & Benefits - Billing & Admin	665,006	666,401	56,701			1,388,109
Salaries & Benefits - Rec Programs				431,229		431,229
Salaries & Benefits- Parks Maintenance				264,168	200,487	464,655
Salaries & Benefits- Parks&Rec Admin				476,985		476,985
Water Purchased (COGS)	1,385,125					1,385,125
Water & Electrical Expense	121,500	229,000	34,800			385,300
Operating Expenses	240,500	419,900				660,400
Other Expenses	693,149	800,214	31,220			1,524,583
Other Expenditures - Rec Programs				25,950		25,950
Other Expenditures - Parks Maintenance				102,200	155,450	257,650
Other Expenditures - Parks&Rec Admin				154,970		154,970
Depreciation Expense	457,000	1,550,000				2,007,000
Board Travel Expense	18,000	5,700	600	3,560		27,860
CalPERS UAL - Gov't Funds only				40,000		40,000
Debt Service - Gov't Funds only					109,764	109,764
Interest Expense	192,542	376,229			17,690	586,461
Parks/Meas.B Capital Expenditures			5,000	1,502,000	272,000	1,779,000
Total Expenditures	4,663,108	5,015,169	131,709	3,001,062	755,391	13,566,439
Excess (Deficit)	1,982,751	3,451,203	15,041	408	15,125	5,464,528
Fund Balance - July 1, 2024						
Projected Surplus (Deficit) FY2024-25	5,900,721	912,778	26,131	269,199	322,243	7,431,073
Debt Principal FY2024-25 (Enterprise only)	(256,302)	(786,749)				(1,043,051)
New Borrowing FY2024-25(Enterprise only)	-	-				-
Capital Expenditure FY2024-25(Enterprise)	(6,566,659)	(575,454)				(7,142,114)
Projected Fund Balance June 30, 2025	19,498,085	27,011,116	174,662	1,631,117	(343,176)	47,971,804
Budgeted Excess (Deficit) FY2025-26	1,982,751	3,451,203	15,041	408	15,125	5,464,528
Anticipated Borrowing FY2025-26(Enterprise)	6,946,500	7,627,977				14,574,477
Debt Principal FY2024-25(Enterprise only)	(265,724)	(787,402)				(1,053,125)
Capital Expenditure FY2024-25(Enterprise)	(4,639,500)	(6,094,500)				(10,734,000)
Projected Fund Balance June 30, 2026	23,522,112	31,208,394	189,703	1,631,525	(328,051)	56,223,684

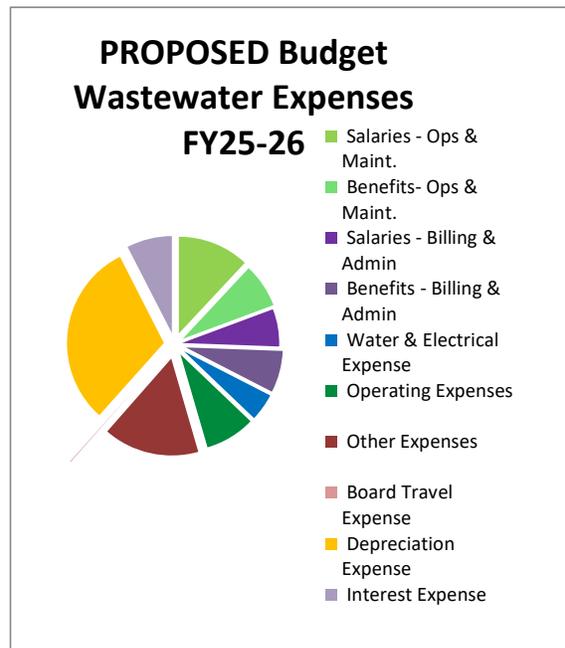
McKinleyville Community Services District
Enterprise Funds: PROPOSED Water Operating Budget
FY 2025-26

Description	Water Fund Approved Budget FY24-25		Water Fund Proposed Budget FY25-26		Difference	
Water Revenues						
Water Sales	4,350,000	37%	4,460,000	67%	110,000	3%
Capacity Fees	150,000	1%	75,000	1%	(75,000)	-50%
Grant Revenue	7,000,000	59%	1,750,000	26%	(5,250,000)	-75%
Other Revenue	131,950	1%	135,859	2%	3,909	3%
Contributed Construction	25,000	0%	25,000	0%	-	0%
Interest Revenue	150,000	1%	200,000	3%	50,000	33%
Total Revenues	11,806,950	100%	6,645,859	100%	(5,161,091)	-44%
Water Expenses						
Salaries - Ops & Maint.	475,214	11%	547,742	12%	72,528	15.3%
Benefits- Ops & Maint.	360,246	8%	342,544	7%	(17,702)	-4.9%
Salaries - Billing & Admin	299,724	7%	313,853	7%	14,129	4.7%
Benefits - Billing & Admin	325,533	8%	351,153	8%	25,620	7.9%
Water Purchased (COGS)	1,295,000	30%	1,385,125	30%	90,125	7.0%
Electrical Expense	120,000	3%	121,500	3%	1,500	1.3%
Operating Expenses	274,500	6%	240,500	5%	(34,000)	-12.4%
Other Expenses	518,485	12%	693,149	15%	174,664	33.7%
Board Travel Expenses	15,000	0%	18,000	0%	3,000	20.0%
Depreciation Expense	400,000	9%	457,000	10%	57,000	14.3%
Interest Expense	200,724	5%	192,542	4%	(8,182)	-4.1%
Total Expenses	4,284,426	100%	4,663,108	100%	378,682	8.8%
Excess (Deficit)	7,522,524		1,982,751		(5,539,773)	



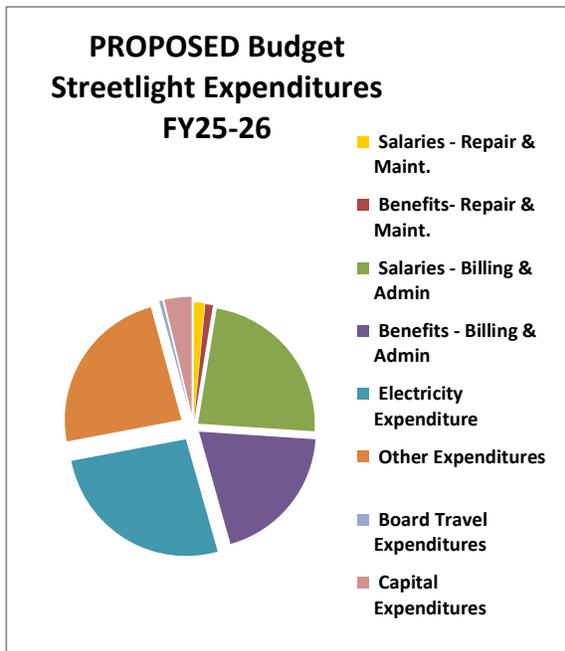
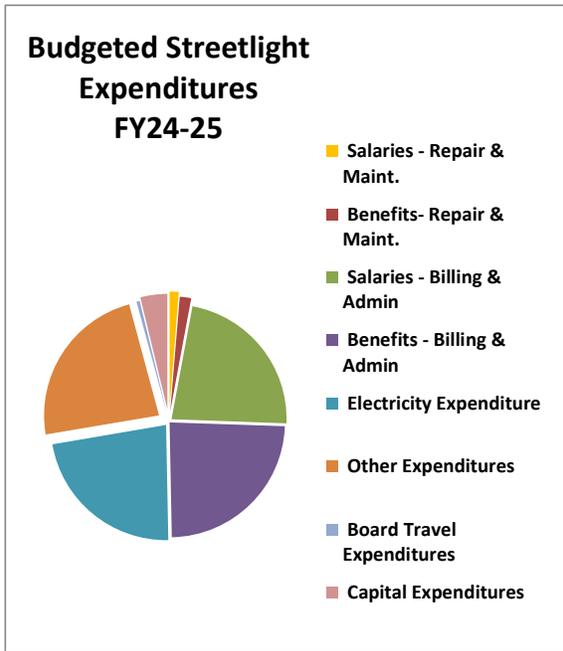
McKinleyville Community Services District
Enterprise Funds: PROPOSED Sewer Operating Budget
FY 2025-26

Description	Wastewater Fund Approved Budget FY24-25		Wastewater Fund Proposed Budget FY25-26		Difference	
Wastewater Revenues						
Sewer Service Charges	4,200,000	77%	4,450,000	53%	250,000	6%
Capacity Fees	200,000	4%	100,000	1%	(100,000)	-50%
Grant Revenue	725,000	13%	3,500,000	41%	2,775,000	383%
Other Revenue	86,442	2%	91,372	1%	4,930	6%
Contributed Construction	125,000	2%	75,000	1%	(50,000)	-40%
Interest Revenue	120,000	2%	250,000	3%	130,000	108%
Total Revenues	5,456,442	100%	8,466,372	100%	3,009,930	55.2%
Wastewater Expenses						
Salaries - Ops & Maint.	526,069	12%	599,004	12%	72,935	14%
Benefits- Ops & Maint.	384,207	9%	368,721	7%	(15,486)	-4%
Salaries - Billing & Admin	295,951	7%	314,638	6%	18,687	6%
Benefits - Billing & Admin	326,190	7%	351,763	7%	25,573	8%
Water & Electrical Expense	228,000	5%	229,000	5%	1,000	0%
Operating Expenses	419,000	9%	419,900	8%	900	0%
Other Expenses	500,057	11%	800,214	16%	300,157	60%
Board Travel Expense	5,000	0%	5,700	0%	700	14%
Depreciation Expense	1,500,000	34%	1,550,000	31%	50,000	3%
Interest Expense	255,851	6%	376,229	8%	120,378	47%
Total Expenditures	4,440,325	100%	5,015,169	100%	574,844	12.9%
Excess (Deficit)	1,016,117		3,451,203		2,435,086	



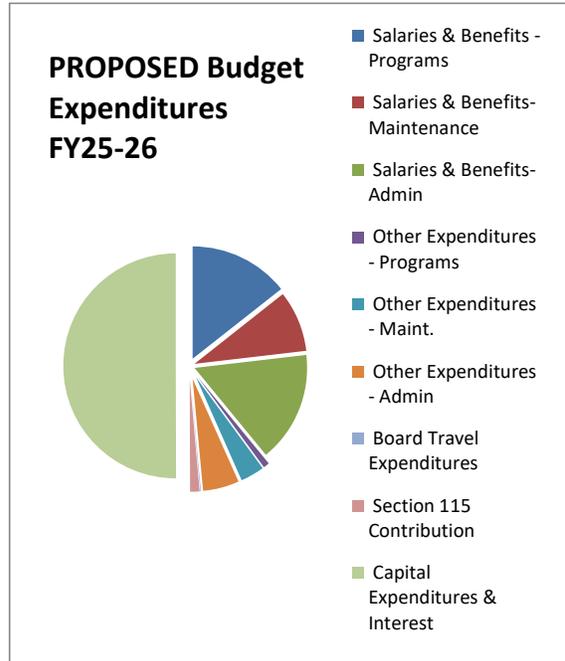
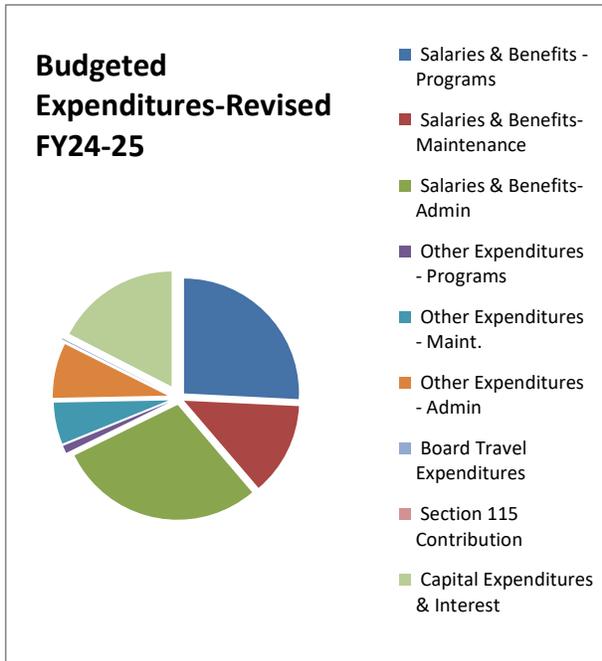
McKinleyville Community Services District
Streetlights Fund PROPOSED Operating Budget
FY 2025-26

Description	Streetlights Fund Approved Budget FY24-25		Streetlights Fund Proposed Budget FY25-26		Difference	
Streetlight Revenues						
Streetlight Charges	120,000	87%	125,200	85%	5,200	4.3%
Other Charges	18,500	13%	18,550	13%	50	0.3%
Interest Revenue	100	0%	3,000	2%	2,900	2900.0%
Total Revenues	138,600	100%	146,750	100%	8,150	6%
Streetlight Expenditures						
Salaries - Repair & Maint.	1,732	1%	1,955	1%	223	12.9%
Benefits- Repair & Maint.	2,117	2%	1,432	1%	(685)	-32.4%
Salaries - Billing & Admin	30,009	23%	30,907	23%	898	3.0%
Benefits - Billing & Admin	32,025	24%	25,794	20%	(6,231)	-19.5%
Electricity Expenditure	30,000	23%	34,800	26%	4,800	16.0%
Other Expenditures	31,094	23%	31,220	24%	126	0.4%
Board Travel Expenditures	600	0%	600	0%	-	0.0%
Capital Expenditures	5,000	4%	5,000	4%	-	0.0%
Total Expenditures	132,577	100%	131,709	100%	(868)	-1%
Excess (Deficit)	6,023		15,041		9,018	



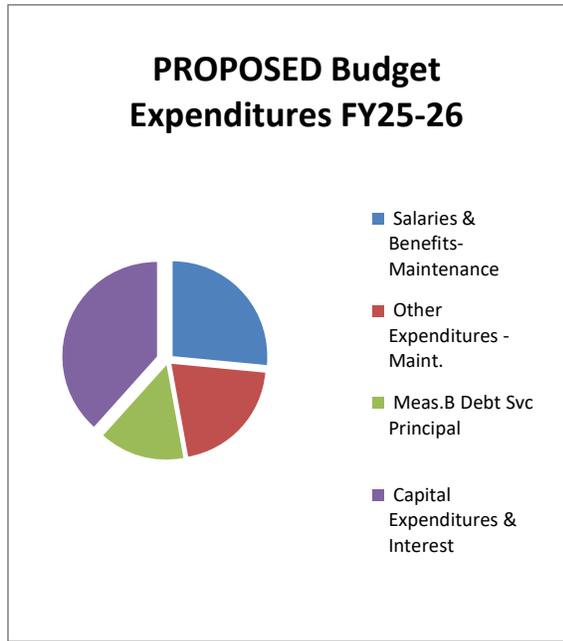
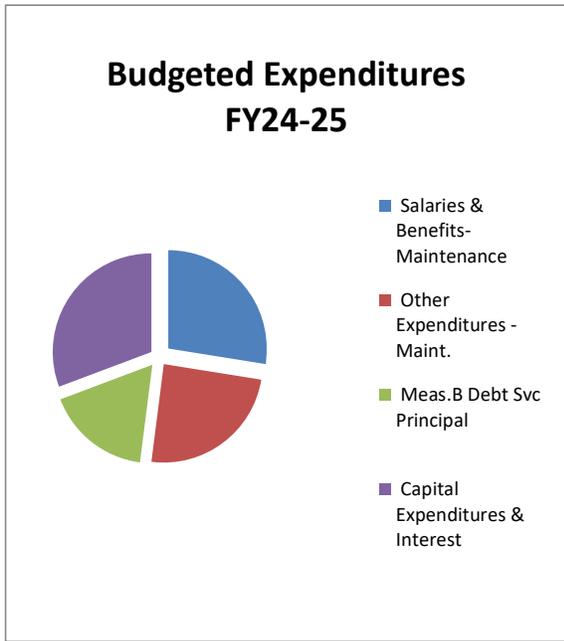
McKinleyville Community Services District
Parks/General Fund PROPOSED Operating Budget
FY 2025-26

Description	Parks/General Fund Revised Budget FY2024-25		Parks/General Fund DRAFT Budget FY2025-26		Difference	
		% of Budget		% of Budget		% Change
Revenues						
Program Fees	374,795	18%	369,850	12%	(4,945)	-1.3%
Facility Fees	104,515	5%	89,900	3%	(14,615)	-14.0%
Property Taxes	733,794	34%	765,761	26%	31,967	4.4%
Open Space Fees	162,645	8%	169,584	6%	6,939	4.3%
Contributions & Other Program	1,600	0%	1,500	0.0%	(100)	-6.3%
Other Revenue	32,795	2%	19,875	1%	(12,920)	-39.4%
Grant Revenue	500,000	23%	1,400,000	47%	900,000	180.0%
Quimby Fees/ Grants/Loans	10,000	0%	10,000	0%	-	0.0%
Interest Revenue	213,400	10.0%	175,000	5.8%	(38,400)	-18.0%
Total Revenues	2,133,544	100%	3,001,470	100%	867,926	40.7%
Expenditures						
Salaries & Benefits - Programs	469,530	26%	431,229	14%	(38,301)	-8.2%
Salaries & Benefits- Maintenance	236,618	13%	264,168	9%	27,550	11.6%
Salaries & Benefits- Admin	527,975	29%	476,985	16%	(50,990)	-9.7%
Other Expenditures - Programs	19,715	1%	25,950	1%	6,235	31.6%
Other Expenditures - Maint.	106,820	6%	102,200	3.4%	(4,620)	-4.3%
Other Expenditures - Admin	141,105	8%	154,970	5.2%	13,865	9.8%
Board Travel Expenditures	2,225	0.1%	3,560	0.1%	1,335	60.0%
Section 115 Contribution	-	0%	40,000	1.3%	40,000	100.0%
Capital Expenditures & Interest	318,000	17%	1,502,000	50%	1,184,000	372.3%
Total Expenditures	1,821,988	100%	3,001,062	100%	1,179,074	64.7%
Excess (Deficit)	311,556		408		(311,148)	



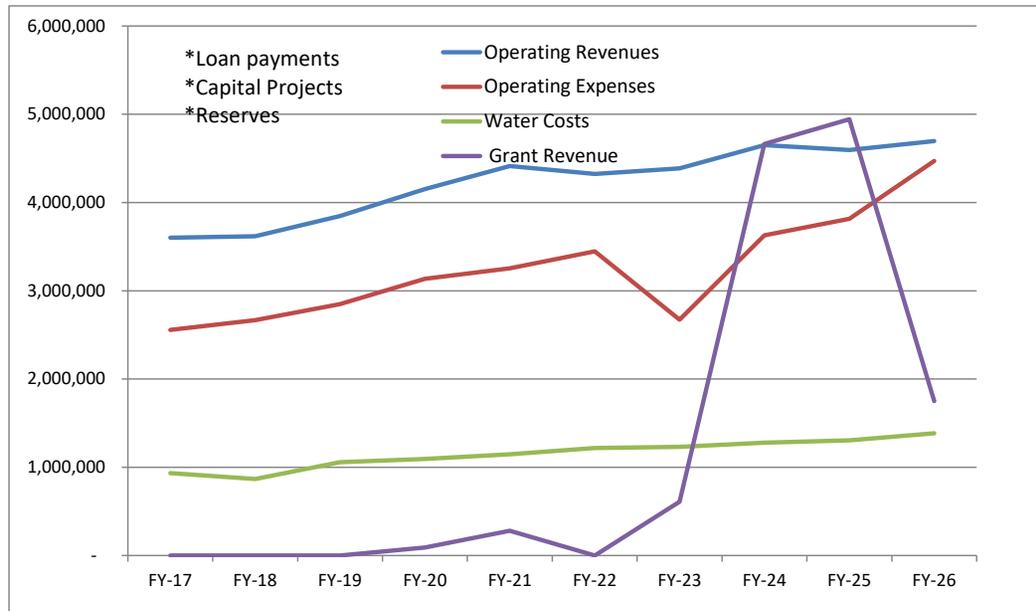
McKinleyville Community Services District
Measure B Fund PROPOSED Operating Budget
FY 2025-26

Description	Measure B Fund Approved Budget FY24-25		Measure B Fund DRAFT Budget FY25-26		Difference	
		% of Budget		% of Budget		% Change
Revenues						
Measure B Assessment	701,659	100%	730,516	95%	28,857	4%
Grants/Contributions	-	0%	-	0%	-	0%
Other Revenue	-	0%	-	0%	-	0%
Proceeds from Debt	-	-	-	0%	-	0%
Quimby Fees/ ReservesDraw	-	0%	-	0%	-	0%
Interest Revenue	3,000	0.4%	40,000	5.2%	37,000	1233%
Total Revenues	704,659	100%	770,516	100%	65,857	9%
Expenditures						
Salaries & Benefits- Maintenance	169,515	28%	200,487	27%	30,972	18%
Other Expenditures - Maint.	150,750	24%	155,450	21%	4,700	3%
Meas.B Debt Svc Principal	105,968	17%	109,764	15%	3,796	4%
Capital Expenditures & Interest	189,485	31%	289,690	38%	100,205	53%
Total Expenditures	615,718	100%	755,391	100%	139,673	23%
Excess (Deficit)	88,941		15,125		(73,816)	



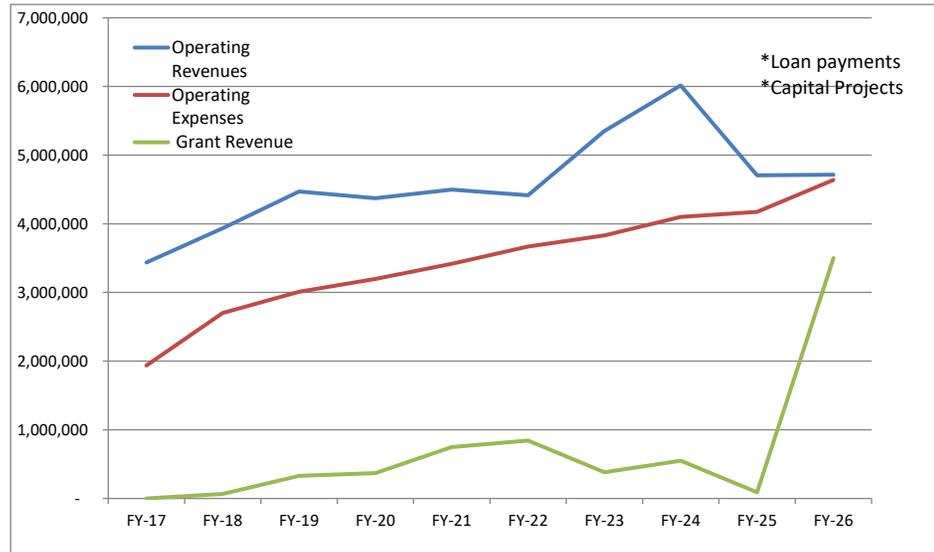
McKinleyville Community Services District
Water Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2017-2026

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Estimate	2026 Budget
Operating Revenues										
Water Sales	3,307,872	3,201,667	3,333,250	3,689,722	4,038,710	3,901,039	4,037,782	4,275,304	4,402,140	4,460,000
Other Water Revenues	293,149	416,418	512,887	462,716	373,750	422,106	348,407	375,605	191,475	235,858
Total Operating Revenues	3,601,020	3,618,085	3,846,137	4,152,438	4,412,460	4,323,145	4,386,189	4,650,909	4,593,615	4,695,858
Operating Expenses										
Salaries & Benefits	961,086	873,905	793,755	884,086	940,282	902,593	1,405,464	1,215,115	1,377,171	1,500,292
Water Cost	933,907	867,122	1,056,472	1,094,722	1,147,401	1,218,070	1,230,774	1,278,435	1,304,190	1,385,125
Other Expenses	314,758	562,998	610,340	700,340	754,257	935,278	(382,031)	678,666	734,111	1,128,149
Depreciation	346,630	363,985	389,295	455,902	411,197	391,802	418,842	456,297	399,996	457,000
Total Operating Expenses	2,556,381	2,668,010	2,849,862	3,135,050	3,253,138	3,447,743	2,673,049	3,628,513	3,815,468	4,470,566
Net Operating Income (Loss)	1,044,639	950,075	996,275	1,017,387	1,159,322	875,403	1,713,140	1,022,396	778,147	225,292
Interest Income	31,579	41,491	79,233	85,414	48,234	47,357	221,549	351,400	336,210	200,000
Interest Expense	(68,446)	(64,890)	(61,108)	(57,336)	(53,320)	(143,315)	(201,918)	(169,098)	(157,236)	(192,542)
Grant Revenue	-	-	-	89,989	280,400	-	610,423	4,663,830	4,943,602	1,750,000
Net Income (Loss)	1,007,773	926,676	1,014,399	1,135,454	1,434,636	779,445	2,343,194	5,868,528	5,900,723	1,982,750



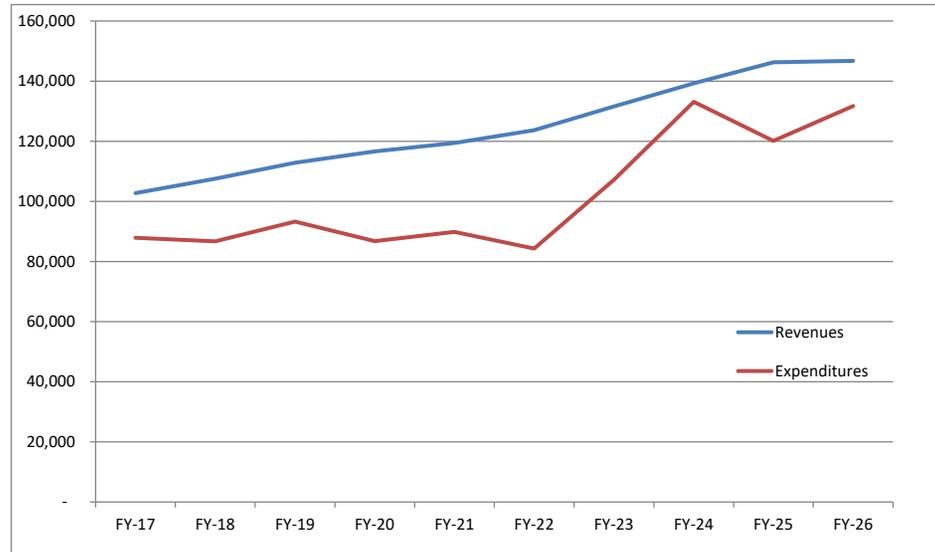
McKinleyville Community Services District
Sewer Enterprise Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2017-2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Actual	Estimate	Budget							
Operating Revenues										
Wastewater Service Charges	3,062,739	3,333,752	3,705,348	3,716,614	3,969,885	4,027,668	4,073,751	4,304,295	4,440,659	4,450,000
Other Wastewater Revenues	373,867	601,896	765,040	654,816	528,535	389,079	1,277,441	1,711,310	264,803	266,372
Total Operating Revenues	3,436,606	3,935,647	4,470,388	4,371,430	4,498,420	4,416,747	5,351,192	6,015,605	4,705,462	4,716,372
Operating Expenses										
Salaries & Benefits	990,442	1,040,516	991,199	1,040,090	1,172,658	1,154,077	1,674,910	1,530,439	1,572,305	1,614,126
Other Expenses	492,402	832,570	817,800	946,210	968,170	1,073,865	627,359	1,025,098	1,052,842	1,474,814
Depreciation	453,677	829,508	1,201,128	1,211,865	1,276,998	1,439,445	1,528,860	1,546,151	1,550,000	1,550,000
Total Operating Expenses	1,936,521	2,702,594	3,010,126	3,198,164	3,417,826	3,667,387	3,831,129	4,101,688	4,175,147	4,638,940
Net Operating Income (Loss)	1,500,086	1,233,053	1,460,262	1,173,266	1,080,594	749,360	1,520,063	1,913,917	530,315	77,432
Interest Income	30,154	48,208	120,116	135,107	85,047	68,616	260,265	405,920	522,660	250,000
Interest Expense	(23,803)	(198,112)	(225,072)	(313,825)	(225,790)	(317,477)	(320,960)	(387,721)	(230,034)	(376,229)
Grant Revenue	-	66,089	330,901	369,882	747,878	843,893	381,338	550,807	89,837	3,500,000
Net Income (Loss)	1,506,436	1,149,238	1,686,207	1,364,431	1,687,729	1,344,392	1,840,706	2,482,923	912,778	3,451,203



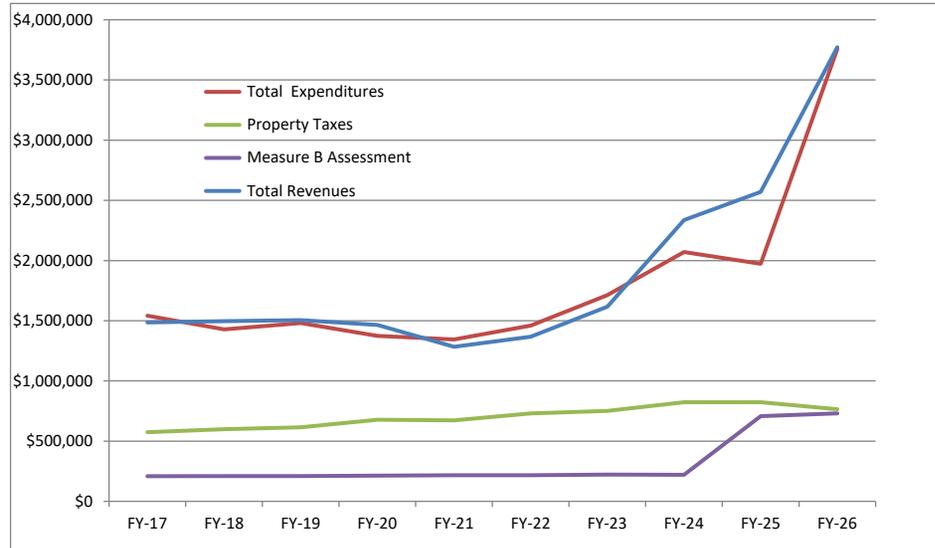
McKinleyville Community Services District
Streetlight Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2017-2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Actual	Estimate	Budget							
Revenues	102,744	107,557	112,870	116,620	119,403	123,692	131,606	139,269	146,240	146,750
Expenditures										
Salaries & Benefits	37,296	36,852	38,155	39,693	51,443	39,805	61,238	53,028	60,514	60,088
Other Expenditures	30,719	30,022	35,272	37,198	38,409	40,226	44,828	55,965	59,598	66,620
Debt Service	19,865	19,865	19,865	9,863	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	4,273	1,150	24,139	-	5,000
Total Expenditures	87,880	86,739	93,293	86,753	89,853	84,304	107,216	133,132	120,112	131,708
Excess (Deficit)	14,864	20,817	19,578	29,868	29,551	39,388	24,390	6,137	26,129	15,042



McKinleyville Community Services District
Parks & Recreation, Measure B Assessment, & General Fund
Historical Analysis
Fiscal Years Ended (Ending) June 30, 2017-2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Actual	Estimate	Budget							
Combined Revenues										
Programs	384,959	374,327	285,629	198,879	153,616	219,800	310,220	331,070	361,001	354,200
Rentals	89,029	96,868	87,948	69,903	11,947	64,170	81,722	101,065	77,667	89,900
Property Taxes	574,220	598,430	615,380	677,798	671,671	729,263	751,141	823,090	823,090	765,761
Measure B Assessment	208,775	209,573	210,254	212,622	217,031	216,405	221,304	219,825	707,727	730,516
State Bonds & Grants	-	-	7,215	10,128	1,920	5,000	33,633	248,664	145,000	1,400,000
Other Revenue	212,637	198,827	244,785	243,124	191,965	87,634	177,707	358,721	229,625	256,609
Interest Revenue	16,287	18,799	53,839	51,911	35,578	44,339	41,849	254,159	225,348	175,000
Total Revenues	1,485,907	1,496,824	1,505,049	1,464,365	1,283,728	1,366,611	1,617,576	2,336,594	2,569,458	3,771,986
Combined Expenditures										
Salaries & Benefits	920,016	975,993	1,017,783	961,057	914,368	1,028,720	1,196,785	1,299,484	1,345,176	1,347,379
Other Expenditures	458,267	323,053	308,048	288,697	276,857	298,469	356,711	460,068	434,265	797,499
Debt Service	82,831	84,288	85,798	88,872	92,054	95,351	93,674	102,304	105,968	109,764
Capital Expenditures	80,568	45,473	69,128	36,025	61,264	37,368	65,634	209,771	87,656	1,502,000
Total Expenditures	1,541,682	1,428,807	1,480,757	1,374,652	1,344,542	1,459,908	1,712,804	2,071,627	1,973,065	3,756,642
Combined Excess (Deficit)	(55,775)	68,017	24,292	89,714	(60,815)	(93,298)	(95,228)	264,967	596,393	15,344



McKinleyville Community Services District
 Enterprise Funds **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
Heavy Equipment										
Hydrocleaner (Sewer Fund) and appurtenances				475						
Backhoe/ Bobcat and Attachments	20							150		
Excavator		325								
Dump Truck				85						90
Tractor and Attachments		10					50			
Air Compressor and appurtenances	22						20			
Portable Emergency Generators						70			100	
Totals:	42	335	0	560	0	70	70	150	100	90

Utility Vehicles										
3/4 or 1-Ton Pickup	160	85	0	0	85	85	85			85
CCTV Trailer							30			
Car								40		
Light Duty Utility Truck			120	60						
Totals:	160	85	120	60	85	85	115	40	0	85

McKinleyville Community Services District
Enterprise Funds PROPOSED Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035

Water System										
4.5m New Tank Property procurement, design & cons	1,000									
Property Purchase/Improvements										
Water Tank Painting	750						750		800	
Water Tank Cathodic					25					25
Ramey Pump Station Upgrades			36	56	150					
Emergency Water Supply: Mad River Crossing	250	2,000	2,000	1,000						
Digital Control & Radio Telemetry Upgrade					100					
Meter Reader Upgrade			15				20			
McCluski Tank 3 Replacement	500	1,000	1,000							8
McCluski Pipeline Assessment and Replace	30	100								
Tank Seismic Actuators					20					
Fire Hydrant System Upgrade	7	7	7	7						
Water Main Rehabilitation and Replacement	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Customer Radio Meter Testing/Replacements				20	90	200	200	200	200	
Blake Station Upgrades										
Emergency Generator									1,000	
Totals:	3,537	4,107	4,058	2,083	1,385	1,200	1,970	1,200	3,000	1,033

McKinleyville Community Services District
Enterprise Funds PROPOSED Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
Sewer System										
WWMF Engr Study (Disinfection Upgrade Proj)				70	150	70				
WWMF NPDES Permitting						2,000	300		6,000	
WWMF Fencing and Gate	10	10	10		10	10	10	10	10	
WWMF SO2/Chlorine Injector Controllers								20		
WWMF Sludge Disposal & handling	240	240	240	240	240	240	240	240	240	240
Customer Radio Meter Testing/Replacements				20	90	200	200	200	200	
Collection System Upgrades-Hwy Undercrossings	2,000	3,800	1,000							
Sewer Main Rehabilitation and Replacement	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Sewer Lift Stn. Pump & Generator Replacements	40	40	40	40	40	40	40	40	40	40
Sewer Lift Station Upgrades-B Street			250	550						
Digital Control & Radio Telemetry Upgrade					100					
Electric Vehicle Charging Stations		100								
Fischer Lift Station Upgrades	500	1,500	1,500							
Sewer Main Camera Unit	50			50						
Underground Pipe Locator & Camera	5	5					5			5
SCBA Apparatus and Bottles	6					6				
WWMF Solar Microgrid, Design/Build, O&M										
WWMF Pond Armoring	80									
WWMF Pumps & Motors	16	20	20	20	22	22	22			
Totals:	3,947	6,715	4,060	1,990	1,652	3,588	1,817	1,510	7,490	1,285

McKinleyville Community Services District
 Enterprise Funds **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

	1	2	3	4	5	6	7	8	9	10
(All numbers in \$000s)										
	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035

Office, Corporation Yard & Shops										
Facility Upgrades and Sealcoat	10	10			10		10			
Office Building	1,000	2,000	1,000							
Property Purchase	450									
Major Building Repairs (emergency repairs)	20	20	14							
Totals:	1,480	2,030	1,014	0	10	0	10	0	0	0

Computers, Software & Equipment										
Computers, Printers, File Server upgrades	20	20	20	20	20	20	20	20	20	20
MOM Upgrade and Replacement - ERP eval	450	35								
Office Equipment	5	5	5	5	5	5	5	5	5	5
GIS/CADD Equipment and Software	8	5		5			5			5
Totals:	483	65	25	30	25	25	30	25	25	30

Reclamation (Fischer & Pialorsi Ranches)										
Barn, Fence, House Upgrades	15	15	15	15	15	15	15	15	5	5
Irrigation Pipe and Fittings	10		10						10	
Recycled Water Project	1,000	2,000	2,000							
Underground Valving and Piping	20			12						
Totals:	1,045	2,015	2,025	27	15	15	15	15	15	5

McKinleyville Community Services District
Enterprise Funds PROPOSED Capital Improvement Project Budget
For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
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	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
Small Equipment & Other										
Misc./ Emergency Equipment Replacement	20	20	20	20	20	20	20	20	20	20
GPS Surveying Equipment	20							20		
Office Emergency Generator		22								
Totals:	40	42	20	20	20	20	20	40	20	20

Expenditures	10,734	15,394	11,322	4,770	3,192	5,003	4,047	2,980	10,650	2,548
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Departmental Allocations:

Water Fund	4,640	5,386	4,648	2,181	1,455	1,300	2,093	1,328	3,073	1,146
Wastewater Fund	6,095	10,009	6,675	2,590	1,737	3,703	1,955	1,653	7,578	1,403
Total	10,734	15,394	11,322	4,770	3,192	5,003	4,047	2,980	10,650	2,548

	0	0	0	0	0	0	0	0	0	0
Internal Funds/Reserves/Debt - District Share	6,797	7,669	5,510	3,608	3,192	5,003	4,047	2,980	10,650	2,548
Potential Grant Funding Expected	3,938	7,725	5,813	1,163						

McKinleyville Community Services District
 General Fund (Parks & Recreation) **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

1 2 3 4 5 6 7 8 9 10

	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
1. Hiller Park & Sports Complex Projects										
Park landscaping & signage	5	5	5							
Playground Structure Replacement			132							
Concessions/RR Interior				9						
Roof Replacement-Concessions/RR					25					
Concessions/RR Exterior		10				45				
Roof Replacement-Hiller Park west RR		10								
Restroom Upgrade-Hiller Park West		75								
Parking Lot				16						
Back Stops	30									
Development of Caretaker Lot				80						
Totals:	35	100	137	105	25	45	0	0	0	0
2. Pierson Park Projects										
Playground Structure Replacement				90						
Park Restrooms/Garage			250		15					
Gazebo Rehabilitation/Replacement	15	7		8						
Pavilion Rehabilitation/Replacement		11								15
Landscaping/Courts/Benches			8		80					
Skatepark										
ADA Sidewalk Replacements		20		20		20		20		
Totals:	15	38	258	118	95	20	0	20	0	15

McKinleyville Community Services District
 General Fund (Parks & Recreation) **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

1 2 3 4 5 6 7 8 9 10

	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
3. Azalea Hall Projects										
Major Appliance Replacement	10	10	12	12	14	14	16	16		
Replace flooring	15	15								
Roof replacement					75					
Exterior Repairs/Replacement		50	50		15					
Parking lot resurfacing	16									
Wall/Window Covering replacement		10	10	10						
Replace tables & chairs				15					16	
P/A system and audio-visual					6					
Totals:	41	85	72	37	110	14	16	16	16	0
4. McKinleyville Activity Center Projects										
Landscaping & signage	5		5		5		5		5	
Flooring replacement		100								
Gymnasium Walls		25								
Roof replacement					100					
Siding repair/replacement		70								
Equipment rehabilitation/replacement		10								
Parking lot resurfacing			30							
Bleacher replacement		5		12						
Major Appliance replacement	32									8
Interior fixtures		10								
Totals:	37	220	35	12	105	0	5	0	5	8

McKinleyville Community Services District
 General Fund (Parks & Recreation) **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
5. Other Park Projects & Equipment										
Mower & landscaping equipment		26				18		28		
Light duty utility truck/van/car/EV	11		12		12		80		18	
Totals:	11	26	12	0	12	18	80	28	18	0
6. Law Enforcement Facility Projects										
Flooring		19								
Furnace replacement		6								
Roof replacement								35		
Siding replacement			21							
LEF/Library Parking sealing/paving/fencing	14	5								
Totals:	14	11	21	0	0	0	0	35	0	0
7. McKinleyville Library Projects										
Flooring replacement	25	16								
Furnace replacement	10	10	10	10	10					
Fire Suppression system	20									
Roof & Siding replacement		60								
ADA compliance	50									
Totals:	105	86	10	10	10	0	0	0	0	0

McKinleyville Community Services District
 General Fund (Parks & Recreation) **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

	1	2	3	4	5	6	7	8	9	10
	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
8. Teen & Community Center										
Flooring	18					40				
Interior rehabilitation/replacment						6				
Kitchen Equipment & Appliances	8	8	8	8	8	8	8	8	8	8
Roof & Siding replacement										
Equipment rehabilitation/replacement	10									
Parking lot resurfacing/Exterior Rehab		8								
Furnace & Water Heater			5							8
Tables & chairs		15								
Totals:	36	31	13	8	8	54	8	8	8	16
9. Projects Contingent Upon Grant Funding										
Playstructure replacement-Larissa Park		10								
Community Forest										
Hewitt Ranch Parking & Amenities Dev.				120						
Totals:	0	10	0							
10. Projects Funded by Quimby & Other Funds										
Hiller Sports Site - fence										
Pole Barn				60						
BMX Track and Park Project	1,400									
Granite (Mad River) Property										
Skate Park/ Washington property proj Totals:	1,400	0	0	60	0	0	0	0	0	0

McKinleyville Community Services District
 General Fund (Parks & Recreation) **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

(All numbers in \$000s)

1 2 3 4 5 6 7 8 9 10

		June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
11	Community Forest										
	Placeholder for CF projects to be determined by committee	80									
	Totals:	80	0								
Total Planned Capital Expenditures		1,774	607	558	350	365	151	109	107	47	39
	Grant-Funded Capital Projects	1,425									

McKinleyville Community Services District
 Streetlights Fund **PROPOSED** Capital Improvement Project Budget
 For the Fiscal Years Ending June 30, 2026 - 2035

	1	2	3	4	5	6	7	8	9	10
	June 30, 2026	June 30, 2027	June 30, 2028	June 30, 2029	June 30, 2030	June 30, 2031	June 30, 2032	June 30, 2033	June 30, 2034	June 30, 2035
1. Heavy Equipment										
Lift		90								
Totals:	0	90	0	0	0	0	0	0	0	0
2. Poles and Lights										
Inspection									65	
Pole Replacement	5	5	5	5	5	5	5	5	5	
LED Replacements						10				
Totals:	5	5	5	5	5	15	5	5	70	0
Total Planned Expenditures	5	95	5	5	5	15	5	5	70	0

**Capital Improvement Plan
Water, Sewer and Streetlights Funds
Fiscal Year 2025-26**

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

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Heavy Equipment and Utility Vehicles

In 1998, the Board adopted a Fleet Replacement Plan to ensure that MCSD's fleet of heavy equipment and utility vehicles would be replaced in an approximately ten-year cycle. At present, the Water and Wastewater Funds plan to replace two of the District's utility trucks in 2025-26. In 2027 the District will begin replacing the truck fleets with electric trucks, as long as the trucks that are needed are being produced. If not in production, the District will file an exemption until a manufacturer can produce a truck that can replace the $\frac{3}{4}$ ton utility trucks. The FY 2024/25 budget has the purchase of a skid steer included in the CIP. In 2025-26, \$20,000 has been budgeted to purchase additional attachments for the skid steer, including possibly a mower head, although this budget item may also be utilized to purchase additional skid steer attachments as deemed necessary.

Water System

The District will embark on several water projects in FY2025-26. The 4.5-million-gallon tank is expected to be completed during fiscal year 2024-25; however, in the event that it is not completed in 2024-25, \$1 million has been set aside to cover any residual expenses.

Another large project that may begin in FY2025-26 is the Mad River Crossing Emergency Water Supply. This is a multi-year, \$4.25 million project that will provide a redundant water main under the Mad River. The District submitted a Hazard Mitigation Grant application for this project and was told that it would likely be funded under that program. However, the District has not received the obligation letter to-date. This project will not be implemented if the grant funding is not received. In FY2025-26, \$250,000 has been budgeted for design and planning if the grant is received, of that 75% will be covered by grant funds.

The District has also been awarded grant funding for the initial design and permitting for the replacement of the two McCluski tanks. This portion of the project has been

completed and the District is waiting for the obligation of the grant funding for the final design and construction for the replacement of the McCluski Tanks. If the grant funding is received, it is anticipated that this project will span FY2025-26 and conclude in FY2027-28. 75% of this project will also be grant funded (\$4.5 million). \$500,000 has been budgeted for FY2025-26, however, the project will not proceed until the grant funding is obtained.

\$750,000 is budgeted for a tank recoating project. Each tank recoating cycle is approximately 20 to 30 years for preventative maintenance to avoid corrosion and maintain structural integrity. Other projects currently proposed for the Water Fund include \$30,000 for the McCluski Pipeline Assessment, The fire hydrant system is still scheduled to be upgraded and the District will use this \$7,000 budget item to upgrade dry barrel hydrants in commercial areas to wet barrel hydrants.

\$1,000,000 is scheduled for the ongoing Water Main Rehabilitation/ Replacement Project. \$1,000,000 will continue to be set-aside from rates to build up reserves, per the last board approved Rate Study and is debt-funded (COPs). There likely will not be a major water main upgrade project this fiscal year, however, District staff will work on planning the next upgrade. If the Mad River Crossing Emergency Water Supply project is funded by a Hazard Mitigation grant, a portion of this set aside could also be used to fund the required District grant match.

Sewer System

\$240,000 is set aside annually to pay for the next bio-solids project. These should occur on a four to six year cycle. \$1,000,000 is budgeted for the Sewer Mainline Rehabilitation/ Replacement Project. As with the Water side of this project, \$1,000,000 will continue to be set-aside from rates to build up reserves, as approved by the Board in the 2018 rate study. We may try to use a portion of this to complete the rehabilitation of the sewer forcemain from the Letz lift station. A portion will be spent on the design, but it is unclear whether the project will go to construction in FY2025/26 or FY2026/27.

The Highway Undercrossing project should commence in fiscal year 2025-26 as FEMA has awarded the District a \$5.2 million grant; \$2 million is budgeted for fiscal year 2025-26 to finish up the design and permitting, with hopes of also beginning construction; the remaining construction funds are allocated over subsequent fiscal years. The Fischer Lift Station Upgrade budget portion of \$500,000 for the 2025-26 fiscal year is to cover the final design and engineering and to potentially start the construction of the project, while the remaining balance (\$4 million) is to be used in FY26-27 and FY27-28 to finalize construction. The Fischer Lift Station Upgrade is another FEMA Hazard Mitigation Grant that will fund 75% of the project cost. Other significant Wastewater projects include a set aside of \$40,000 for lift station pump and generator replacements. \$50,000 has also been budgeted for a sewer-main camera unit and \$80,000 to armor the WWMF ponds.

The remaining projects are for smaller dollar amounts, \$10,000 for WWMF fencing and gate, \$5,000 for an underground pipe locator and camera, \$6,000 for an SCBA apparatus and bottles, and \$16,000 for WWMF pumps and motors. Funding for these

smaller projects will come from pay-go funding according to the approved Reserves Policy for the maintenance and replacement of capital infrastructure.

Office, Corporation Yard, Computers and Software

\$1 million has been budgeted to finish the architectural design of the District's operations and administrative office with hopes of beginning construction towards the end of FY2025-26 with an additional \$3 million being budgeted over subsequent years. The office renovation will be funded with Certificates of Participation. \$450,000 has been budgeted for the purchase of the property behind the District offices. We have discussed the purchase of this property with the property owner, but no agreements have been made at this time. \$20,000 has been set aside for major repairs to the existing offices and \$10,000 for miscellaneous facility upgrades and sealcoat.

The District intends to replace its existing accounting software with a new Enterprise Resource Planning (ERP) system in FY2025-26. \$450,000 has been budgeted for the ERP and an additional \$8,000 has been added for GIS and AutoCAD software. A total of \$25,000 has been budgeted for computers, printers, office equipment, and potential file server upgrades.

Reclamation (Fischer & Pialorsi Ranch)

The District intends to continue the Recycled Water Project in 2025-26 with \$1,000,000 being budgeted in 2025/26 and \$2,000,000 each year for two subsequent years. A grant application has been submitted to the State Water Resources Control Board to fund this project. It is unknown at this time whether this will be grant funded or grant/loan funded. The Project will not proceed until that is known, and with further Board approval. \$10,000 is set aside for irrigation pipe and fittings and \$20,000 for underground valving and piping. Additionally, \$15,000 has been budgeted for upgrades at the Fischer and Pialorsi Ranches which may include barn, fencing, and house improvements.

Small Equipment & Other

\$20,000 is budgeted to cover miscellaneous emergency equipment needed and another \$20,000 is budgeted for GPS surveying equipment.

Streetlights

Replacement of any poles that may fail, is budgeted for \$5,000.

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

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

**Capital Improvement Plan
Parks and General Fund
Fiscal Year 2025-26**

General Fund capital asset purchases and projects are significantly dependent upon property tax revenues and assessments. The Measure B Maintenance Assessment District -- Renewal for Parks, Open Space, and Recreational Facilities was renewed in FY2023-24 and will continue in perpetuity until ended by voters.

CAPITAL IMPROVEMENT PROGRAM PROJECT DISCUSSION

Utility Vehicles and Equipment

In 1998, the Board adopted a Fleet Replacement Plan to ensure that MCSD's aging fleet of service vehicles would be replaced in an approximately ten-year cycle. Where possible, the District has started to exchange some of the heavier utility vehicles with light compact trucks for savings on capital and operating costs. One Park maintenance truck is scheduled to be replaced in fiscal year 2025-26 for which \$11,000 has been budgeted.

Facility Projects

Azalea Hall- \$15,000 has been budgeted to replace the kitchen floor and \$16,000 for the parking lot resurfacing. \$10,000 is budgeted for major appliance replacement in the event of unforeseen appliance failure.

McKinleyville Activity Center- \$5,000 has been budgeted for landscaping and signage. \$32,000 has been budgeted for the Fire Suppression System as it has exceeded its lifespan and during inspection, replacement was recommended.

Law Enforcement Facility- \$14,000 has been budgeted for parking lot resurfacing. This includes the parking lot shared by the library.

McKinleyville Library- Carpet replacement did not take place last fiscal year as planned, therefore \$25,000 has again been budgeted for fiscal year 2025-26; this is grant dependent. \$10,000 has been budgeted to replace the furnace and \$20,000 has been budgeted for the Fire Suppression System as it has exceeded its lifespan and during inspection, replacement was recommended. Additionally, \$50,000 has been budgeted to continue the ADA compliance upgrades.

Teen & Community Center- \$18,000 has been budgeted to replace the carpet and \$8,000 for unforeseen kitchen equipment/appliance failures. Miscellaneous equipment such as roll-up doors and sound room equipment may need replacement to which \$10,000 has been budgeted.

Parks and Trails Projects

Hiller Park & Sports Complex- \$5,000 has been budgeted for landscaping and signage. Additionally, \$30,000 has been budgeted for backstop upgrades within the sports complex.

Pierson Park- \$15,000 has been budgeted for Gazebo Rehabilitation & Repairs. This will include new siding and new picnic tables.

BMX Track & Park- In 2021, the District was awarded a \$2.3 million grant to construct a BMX Track & Park. Design began in fiscal year 2022-2023 and construction is scheduled to begin in fiscal year 2024-25. \$1.4 Million has been budgeted in 2025-26 for completion of construction and subsequent projects and maintenance.

McKinleyville Community Forest- There are many projects that will need to be completed within the Community Forest during fiscal year 2025-26 for which \$80,000 has been budgeted. Specific projects are yet to be identified by the McKinleyville Community Forest Committee.

Small Equipment, Contingency and Other

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

Note on Parks & General Fund Capital Improvement Plan

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

Strategic Plan

2024-2029

McKinleyville Community
Services District

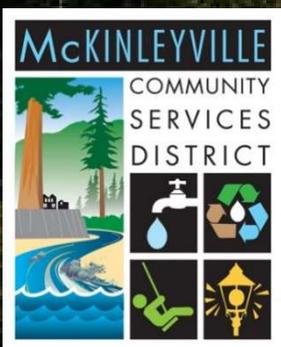


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APPENDIX A: Progress Reports A-1

Plan Revisions

Date	Description of Change

Introduction

Purpose

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

The Plan was updated in July 2023-2024 by the District's Board of Directors and staff with the understanding that it is a living document that will be reviewed regularly and revised as needed to better serve the District and the McKinleyville community. The Plan was purposefully fashioned as a succinct, workable document so that it can be easily used to:

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

History

The McKinleyville Community Services District was created on April 7, 1970 when McKinleyville's voters voted to form the District. Initially, the District had authority to serve water and treat sewer wastes. In 1972, the voters added street lighting powers, in 1985 the voters added recreational powers and in 1995 the voters authorized construction of the McKinleyville Library.

Services

The District boundary encompasses 12,140 acres ranging from North Bank Road on the south to Patrick's Creek on the north and has over 5,841 active water services and 4,993 active sewer connections. The District is an independent, special district governed by a five member Board of Directors. The District provides the following services:

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

Mission, Vision & Values

Mission

McKinleyville Community Services District provides authorized services fundamental to the health and well-being of the community.

Vision

McKinleyville Community Services District is and will continue to be one of California's leading providers of municipal services.

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

- 1 The Parks & Recreation Department has effectively closed the gap between expenses and revenues and is operating with strategies that are sustainable over time.
- 2 The District's workforce recruitment strategies are attracting and retaining high quality employees at every level.
- 3 The District is prepared to manage both planned and unplanned shifts in the workforce through robust employee training and development strategies as well as on-going succession planning.
- 4 The District has completed all prioritized and funded capital projects as identified in the Strategic Capital Project Matrix (Exhibit A) through 2029 and has identified a long term financing plan for capital projects on the horizon.

Mission, Vision & Values

Values

The Board of Directors has collectively established the following core values to guide the work of the District:

INTEGRITY

- Truthful and transparent in word and action. Taking responsibility for outcomes of all actions; Meeting commitments and honoring promises; Honoring rights, dignity and worth of all community members.

RESPONSIBILITY

- Decision making in service for the greatest good of the McKinleyville CSD. Committed to accepting the ownership of decisions and all results.

FAMILY

- Group/Unit that is not always chosen; yet connected by commonalities and shared experience with defined roles with caring and commitment to the organization.

COLLABORATIVE

- Interactive and participatory decision making that promotes inclusivity, mutual respect, accountability, and open communication.

Goals & Objectives

GOAL 1

The Parks & Recreation Department has effectively closed the gap between expenses and revenues and is operating with strategies that are sustainable over time.

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	FUNDING SOURCE	HAZARD FORECAST	DESIRED OUTCOME
Community Forest Mgmt Planning	P & R Dept/ Community Forest Committee	Jan 2024	Dec. 2026	Forestry consultants;	General Fund/Grants	Lack of funding available	Board adopted Forest Management Plan
Establish Community Forest Advisory Committee	P & R Dept / Community Forest Committee	Jan 2024	Jan 2025	Staff time	General Fund/Grants	Lack of community participation	Engaged and functional Advisory Committee as Defined in Rules and Regs
Update P&R Master Plan	P & R Director	Jan 2024	Dec 2024	Staff time	General Fund	Lack of staff time	Board adopted Park & Rec Master Plan

Goals & Objectives

GOAL 2

The District's workforce recruitment strategies are attracting and retaining high quality employees at every level.

**Success of this goal will be measured by tracking applicant data, employee retention data and collecting feedback from employees regarding training, workplace culture and wellness.*

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	FUNDING SOURCE	HAZARD FORECAST	DESIRED OUTCOME
Ensure pay scale and benefits are competitive and attractive for all positions	Finance/GM	Jan 2024	Jul 2025	Current Salary Survey	Operating Budget	Unable to hire or retain employees. Budget doesn't support desired wage scale	Increase in qualified applicants; retain existing staff. Success measured through applicant data and employee retention data.
Develop/Update Recruitment materials and outreach strategies	HR	Mar 2024	On going	Staff time	Operating Budget	Qualified applicants don't apply for positions	Defined recruitment & outreach strategy
Develop/update staff development and training programs	Dept Heads/ Supervisors/ HR	Jan 2024	Dec 2028 (on going)	Staff time	Operating Budget	Employees leave positions due to lack of upward career pathways	A catalog of professional development options/opportunities exists. Training SOP's for critical tasks of each position exist.
Invest in workplace culture improvement and employee wellness activities	HR/ All Depts/ GM	Jan 2024	Dec 2028 (on going)	Staff time	Operating Budget	Unable to retain employees	Employees report being content and valued at work. Employees voluntarily participate in morale boosting activities
System of evaluation and assessment of effectiveness of employee wellness activities implemented	HR/Dept Heads	Jan 2024	Dec 2024	Staff time	Operating Budget	Unable to retain employees	Employees provide feedback on workplace culture and morale regularly

Goals & Objectives

GOAL 3

The District is prepared to manage both planned and unplanned shifts in the workforce through robust employee training and development strategies as well as on-going succession planning.

**The success of this goal will be determined by the existence of a functional succession plan for each position; having a primary and back up trained for each critical task; and staff that are actively participating in available training and development opportunities.*

ACTION DESCRIPTION	PARTY / DEPT RESPONSIBLE	BEGIN DATE	DUE DATE	RESOURCES REQUIRED (staff, tech, etc.)	FUNDING SOURCE	HAZARD FORECAST	DESIRED OUTCOME
Update Succession Plan	All Depts / HR / GM	Jan 2024	Dec 2028	Staff time	Operating Budget	Employee leaves before replacement is trained	Employees are exposed to roles and responsibilities of supervisory and leadership positions. A Succession Plan that is viable and accurate is documented
Cross train critical tasks and responsibilities	All Depts	Jan 2024	Dec 2028 (ongoing)	Staff time	Operating Budget	Employee leaves before replacement is trained	All positions have a primary responsible person and a back up person for every critical function.
Develop/update staff development and training programs	HR / Dept. Heads	May 2024	Dec 2028 (ongoing)	Staff time/ outside trainings	Operating Budget	Staff opt to not participate in on-going professional development	Functioning Staff Development and Training program Training and development programs that support upward mobility of employees are in place

Goals & Objectives

GOAL 4

The District has completed all prioritized and funded capital projects as identified in the **Strategic Capital Project Matrix** through 2029 and has identified a long term financing plan for capital projects on the horizon. Plan is presented to Board of Directors annually.

In order to continue being one of California’s leading providers of municipal services the District is committed to investing in it’s existing infrastructure through careful and thoughtful analysis and planning. The Strategic Capital Project Matrix reflects the District’s plan for infrastructure maintenance and improvement over time.

Strategic Capital Project List

Year	Water	Sewer	Parks & Rec	Finance & Admin
2023	<ul style="list-style-type: none"> - 4.5MG Tank Construct (HMG/NCRP/Bond funding) - Central Ave Main construct (Bond funding) - Hewitt Tank Design (HMG funding) 	<ul style="list-style-type: none"> - Finish Microgrid (SRF grant/loan) - Central Ave Sewer rehab (Bond funding) - Armor Pond 3 (Operating funds) - Bella Vista Sewer main rehab (Operating funds) 	<ul style="list-style-type: none"> - Finish BMX design (Prop. 68 grant) - Measure B ballot (Operating funds) - Phase 1 of Skatepark constructed (Humboldt Skatepark Collective funded) - Water heater replacements in all facilities 	<ul style="list-style-type: none"> - Office Remodel Design (Operating funds, future SRF Planning grant)
2024	<ul style="list-style-type: none"> - 4.5MG Tank Construct - Mad River Crossing Design (HMG funding with Op match) - Hewitt Tank Design (HMG funding with Op match) - Lead survey due 10/16/2024 (Operating funds/SRF grant/loan) - Tank 2A paint (Operating funds) 	<ul style="list-style-type: none"> - New NPDES Permit (Operating funds) - Fischer/Letz design (SRF Planning grant) - B/Kelly design (SRF Planning grant) - Forcemain design (SRF Planning grant) - Highway sewer crossing design (HMG funding with Ops match) - Pialorsi irrigation design (Reclaimed Water grant/loan) - Fischer Trail design (grant funding dependent) - Sewer Mainline Rehab (Operating funds) 	<ul style="list-style-type: none"> - BMX Construction (Prop. 68 grant) - Acquire Community Forest (NRC grant) - Comm Forest Management Plan development (Operating funds) 	<ul style="list-style-type: none"> - Software RFP (Operating funds)
2025	<ul style="list-style-type: none"> - Hewitt Tank Construct (HMG funding with match via Bond/Loan) - Mad River crossing design (HMG funding with Op match) 	<ul style="list-style-type: none"> - Fischer/Letz design (SRF Planning grant) - B/Kelly design (SRF Planning grant) - Forcemain design (SRF Planning grant) - Highway sewer crossing design (HMG funding with Ops match) - Pialorsi irrigation construct (Reclaimed Water grant/loan) - Fischer trail construct (grant funding dependent) - Sewer Mainline Rehab (Operating funds) 	<ul style="list-style-type: none"> - Skate Park construct (grant funds or Humboldt Skatepark Collective funded) - Measure B increase realized? - Comm Forest Management Plan development (Operating funds) 	<ul style="list-style-type: none"> - Purchase new software (Operating funds)

Goals & Objectives

2026	<ul style="list-style-type: none"> - Hewitt Tank Construct (HMG funding with match via Bond/Loan) - Mad River crossing construct (HMG funding with match via Bond/Loan) 	<ul style="list-style-type: none"> - Fischer/Letz construct (SRF grant/loan) - B/Kelly construct (SRF grant/loan) - Forcemain construct (SRF grant/loan) - Highway sewer crossing construct (HMG funding with match via Bond/Loan) 	<ul style="list-style-type: none"> - Community Forest parking lots/trails (grant funding dependent) 	<ul style="list-style-type: none"> - Office Remodel construct (SRF grant/loan) -Water & Sewer Rate Study (Ops funds)
2027	<ul style="list-style-type: none"> - Mad River crossing construct (HMG funding with match via Bond/Loan) 	<ul style="list-style-type: none"> - Fischer/Letz construct (SRF grant/loan) - B/Kelly construct (SRF grant/loan) - Forcemain construct (SRF grant/loan) - Highway sewer crossing construct (HMG funding with match via Bond/Loan) - BSB dredging (Bond/Loan/Operating funds) 	<ul style="list-style-type: none"> - Community Forest parking lots/trails (grant funding dependent) 	<ul style="list-style-type: none"> - 50% of vehicle purchases zero emission (Loan/Operations funding) - New Water & Sewer Rates
2028	<ul style="list-style-type: none"> - Watermain replacement for Grace Park design (Bond/Loan) 	<ul style="list-style-type: none"> - Highway sewer crossing construct (HMG funding with match via Bond/Loan) - Alt disinfection study (Ops funding) - Sewermain replacement for Grace Park design (Bond/Loan) 		
2029	<ul style="list-style-type: none"> - Watermain replacement for Grace Park construct (Bond/Loan) 	<ul style="list-style-type: none"> - WWTP upgrade design (inc. disinfection) (Bond/Loan) - NPDES Permit update (Ops funding) - Sewermain replacement for Grace Park construct (Bond/Loan) 	<ul style="list-style-type: none"> - Hewitt Ranch develop (grant funding dependent) 	
2030	<ul style="list-style-type: none"> - Watermain replacement for Fernwood design (Bond/Loan) 	<ul style="list-style-type: none"> - WWTP upgrade design (Bond/Loan) - Sewermain replacement for Fernwood design (Ops funding) - Digital Controls upgrade design (Ops funding) 		

Plan Review, Revisions & Reporting

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

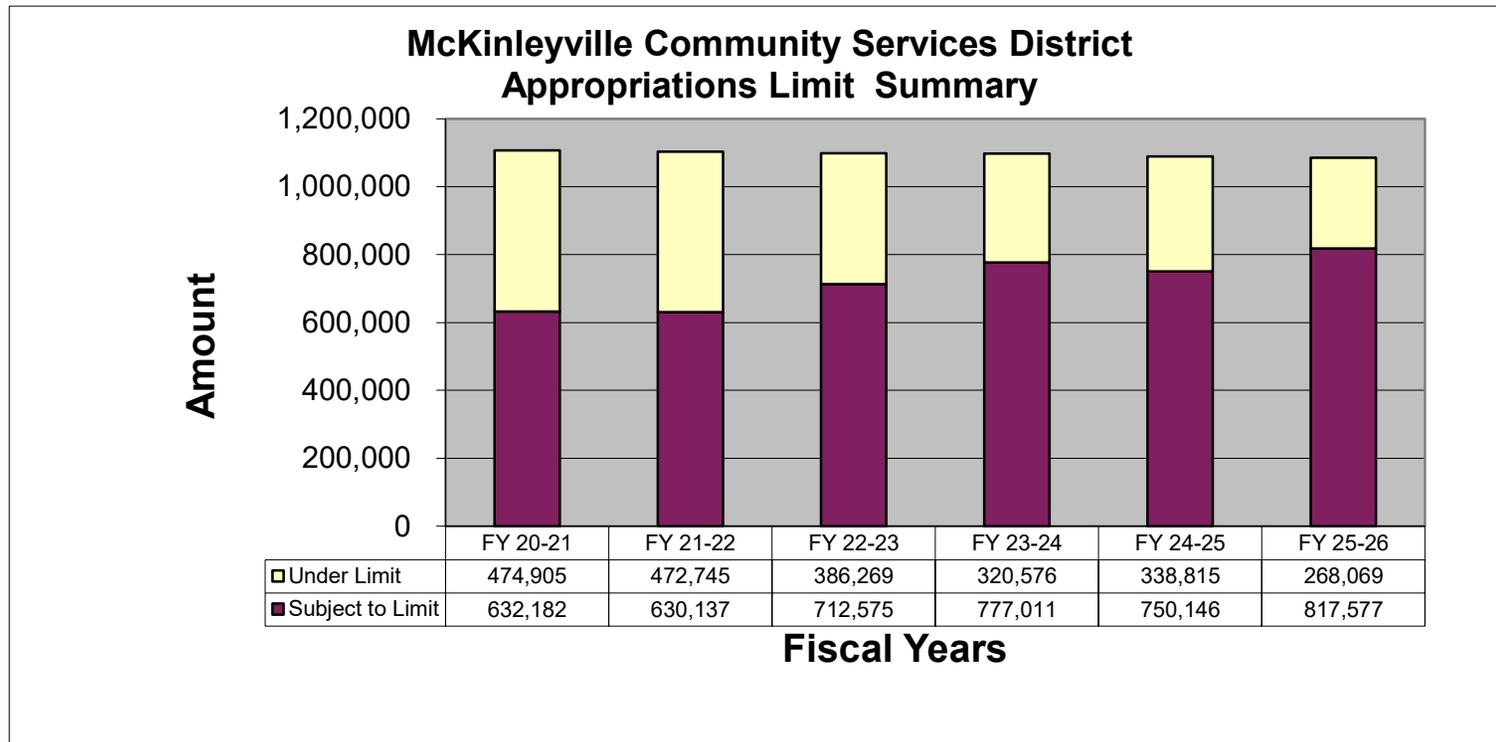
At the end of each fiscal year, the General Manager will prepare a brief report for the Board of Directors summarizing the progress that has been made toward attaining the District's goals and objectives. Reports will be included in the Appendix of this Plan.

McKinleyville Community Services District

Appropriations Limit Calculation Summary

FY 25-26 Budget

Prior Year Final Appropriation Limit		\$ 1,088,961
Allowed Compounded Percentage Increase from Prior Year ⁽¹⁾		
Non-Residential Assessed Valuation Percent Change	-0.004%	
MCSD Unincorporated County Population Percent Change	-0.300%	
Compounded Percentage as an Adjustment Factor	-0.304%	
Annual Adjustment Amount to Appropriation Limit		(3,316)
Current Year Appropriation Limit		1,085,646
Current Year Adopted Budget Appropriations From Proceeds of Taxes ⁽²⁾		
Proceeds of Taxes From Adopted Budget ⁽³⁾	832,464	
Less Allowable Exclusion of Certain Appropriations ⁽³⁾	(14,887)	
		817,577
Current Year Appropriations Subject to Appropriation Limit		817,577
Current Year Appropriations Under the Appropriation Limit ⁽³⁾		\$ (268,069)
Percentage Under the Limit		-25%



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

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

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

Summary of Appropriations From Proceeds of Taxes	From Non Proceeds of Taxes	From Proceeds of Taxes	Total Appropriations
General Fund	2,939,522	832,464	3,771,986
Street Lighting Fund	146,750	-	146,750
Water Fund	6,645,858	-	6,645,858
Wastewater Fund	8,466,372	-	8,466,372
Total Proceeds and Non Proceeds of Taxes	18,198,502	832,464	19,030,966

Summary of Exclusions	
Court Order Costs	-
Federal Mandates	14,887
Qualified Capital Equipment	-
Qualified Debt Service	-
Total Exclusions to Appropriations Subject to Limit	14,887

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 25-26 Budget

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

	Estimated User Fees Revenues & Expenditures	Allocation By Activity			
		Parks	Street Lighting	Water Operations	Wastewater Operations
GENERAL FUND - Parks					
Charges for Services	445,250	445,250			
Miscellaneous Fees & Reimbursements	19,875	19,875			
Total General Fund	465,125	465,125	-	-	
Street Lighting Fund	146,750		146,750		
Water Operations Fund	6,645,858			6,645,858	
Wastewater Operations Fund	8,466,372				8,466,372
Total Estimate of User Fees	15,724,105	465,125	146,750	6,645,858	8,466,372
Current Year Adopted Budget					
Operations & Equipment	11,332,551	1,993,633	126,648	4,440,875	4,771,395
Allocations for Improvements	-				
User Fees (Under) or in Excess of Costs	4,391,554	(1,528,508)	20,102	2,204,983	3,694,977

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 25-26 Budget

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

PROCEEDS AND NON-PROCEEDS OF TAXES REVENUE ANALYSIS	Revenue Estimates (1)	Use of Reserves or Fund Balances (2)	Net of Other Uses or Transfers To Other Funds	Net of Other Sources or Transfers From Other Funds	Total Appropriation of Funds (3)	Appropriations From	
						Non-Proceeds of Taxes	Proceeds of Taxes
General Fund							
Property Tax	765,761				765,761	-	765,761
Special Assessment	730,516				730,516	730,516	-
Charges for Services	445,250				445,250	445,250	-
Grants	1,416,000				1,416,000	1,416,000	-
Development Fees	179,584				179,584	179,584	-
Parks Interest (4)	175,000				175,000	108,297	66,703
Measure B Interest	40,000				40,000	40,000	-
Miscellaneous Fees & Reimbursements	19,875				19,875	19,875	-
Other Financing Sources	-				-	-	-
Other Sources	-				-	-	-
TOTAL GENERAL FUND REVENUES	3,771,986	0	0	0	3,771,986	2,939,522	832,464
Street Lighting Fund	146,750	(15,102)				146,750	
Water Fund	6,645,858	(2,204,983)				6,645,858	
Wastewater Fund	8,466,372	(3,694,977)				8,466,372	
Debt Service Fund	-					-	
Total All Funds	19,030,966	(5,915,062)	-	-	3,771,986	18,198,502	832,464

(1) See Worksheet 2.1 for Detail to all Funds

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

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

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

**McKinleyville Community Services District
Revenue Estimates Detail
FY 25-26 Budget**

Proceeds Detail (Worksheet 2.1 of Guidelines)

End	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
General Fund - Parks					
41050	ADMIN FEE	5,500	5,500		Reimbursement for Services
42020	PROC. FEES	1,500	1,500		User Fees for Services
42030	BAD CHECK FEES	40	40		Miscellaneous Fees and Reimbursements
43002	REFUNDS/REBATES	100	100		Miscellaneous Fees and Reimbursements
43195	OTHER OP. REV.	60	60		Miscellaneous Fees and Reimbursements
43197	LEASE REVENUE	2,675	2,675		Use of Property fees
44000	OPEN SPACE FEES	149,484	149,484		Development Fees
45000	OPEN SPACE FEES	20,100	20,100		Development Fees
47050	MSC PAYROLL REM	-	-		Miscellaneous Fees and Reimbursements
47999	EVENT RENTALS	42,200	42,200		User Fees for Services
48000	COMM. EVENTS	-	-		User Fees for Services
48001	VENDOR CONTRACT	42,800	42,800		User Fees for Services
48002	EVENT SERVICES	4,500	4,500		User Fees for Services
48010	INSURANCE FEES	-	-		User Fees for Services
48020	AD INCOME	400	400		User Fees for Services
48040	COMMISSIONS VND	-	-		User Fees for Services
48050	REC. PROGRAMS	354,200	354,200		User Fees for Services
48051	FRF DISCOUNT	(350)	(350)		User Fees for Services
48055	PROGRAM GRANTS	16,000	16,000		Related to Restricted Grants
48070	SALE OF SCRAP	-	-		Use of Property fees
50001	PARKS INT. REVENUE	175,000	108,297	66,703	Allocated
50001	MEASURE B INT REV	40,000	40,000		
51001	SECURED TAXES	765,761		765,761	
51060	MEASURE B ASSMT	730,516	730,516		Special Assessment Restricted Specific Use
52000	OTHER INCOME	-	-		Miscellaneous Fees and Reimbursements
53001	CONTRIBUTIONS	1,500	1,500		Donations
53002	QUIMBY FEES	10,000	10,000		Development fees
54001	STATE GRANTS	1,400,000	1,400,000		Related to Restricted Grants
57000	GAIN ON DISPOSAL	10,000	10,000		Miscellaneous Fees and Reimbursements
Total General Fund		3,771,986	2,939,522	832,464	

Street Lighting

41050	ADMIN FEE	15,000	15,000		
42020	PROC. FEES	3,500	3,500		
43195	OTHER OP. REV.	-	-		
47001	ST. LIGHT CHGS	117,000	117,000		
47001	ST. LIGHT CHGS	8,200	8,200		
50001	INT. REVENUE	3,000	3,000		
52000	OTHER INCOME	50	50		
Total Street Lighting		146,750	146,750	-	User Fees for Services

Water Fund

40000	WATER BASE CHG	1,900,000	1,900,000		
40001	MTR. WATER SALE	1,602,000	1,602,000		
40003	HBMWD PASS THRU	958,000	958,000		
41001	NEW SVC. FEES	25,000	25,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	-	-		
42001	PERMIT FEES	-	-		
42010	CONN. FEES	75,000	75,000		
42020	PROC. FEES	18,000	18,000		
42030	BAD CHECK FEES	500	500		
42040	RECONN. FEES	5,000	5,000		
42050	DCV INSPECTION	22,500	22,500		
43010	REFUNDS/REBATES	1,000	1,000		
43010	REC. BAD DEBTS	1,735	1,735		
43190	CELL TOWER REV.	18,000	18,000		

**McKinleyville Community Services District
Revenue Estimates Detail
FY 25-26 Budget**

Proceeds Detail (Worksheet 2.1 of Guidelines)

Fnd	Acct	Estimated Revenue (2)	Less Non- Proceeds of Taxes	Net Proceeds of Taxes	Comments
43195	OTHER OP. REV.	20,000	20,000		
43197	LEASE REVENUE	3,600	3,600		
43198	PAVING FEES	3,000	3,000		
43199	SERVICE UPGRADE	-	-		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	-	-		
50001	INT. REVENUE	200,000	200,000		
50005	LATE CHARGES	14,523.00	14,523.00		
51011	CONTRIB CONST	25,000.00	25,000.00		
52000	OTHER INCOME	-	-		
54001-2	GRANTS	1,750,000.00	1,750,000.00		
56000	GAIN ON DISPOSAL	3,000.00	3,000.00		
57000	UNREALIZED GAIN/LO	-	-		
Total Water		6,645,858	6,645,858	0	User Fees for Services

Wastewater Fund

40002	SWR SVC CHGS.	4,450,000	4,450,000		
40010	STORM WATER FEE	480	480		
41001	NEW SVC. FEES	25,000	25,000		
41002	INSTALLATION FEES	-	-		
41020	PL. CK. FEE DEP	-	-		
41040	SWR CONST PRMT	2,000	2,000		
42001	INSPECTION FEES	-	-		
42010	CONN. FEES	100,000	100,000		
42020	PROC. FEES	-	-		
42030	BAD CHECK FEES	300	300		
42040	RECONN. FEES	-	-		
42050	DCV INSPECTION	-	-		
43002	REFUNDS/REBATES	1,500	1,500		
43010	REC. BAD DEBTS	1,500	1,500		
43190	CELL TOWER REV.	18,000	18,000		
43195	OTHER OP. REV.	6,500	6,500		
43197	LEASE REVENUE	71,592	71,592		
43198	PAVING FEES	1,000	1,000		
46000	AFTER HRS CHGS	-	-		
48060	EQUIP USAGE FEE	-	-		
48070	SALE OF SCRAP	-	-		
50001	INT. REVENUE	250,000	250,000		
50005	LATE CHARGES	13,500	13,500		
51011	CONTRIB CONST	75,000	75,000		
52000	OTHER INCOME	-	-		
54001-2	GRANTS	3,500,000	3,500,000		
56000	GAIN ON DISPOSAL	-	-		
57000	UNREALIZED GAIN/LO	(50,000)	(50,000)		
Total Wastewater		8,466,372	8,466,372	0	User Fees for Services

Debt Service

Total Debt Service		-	-	-	Debt Related
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Total All Funds		19,030,966	18,198,502	832,464	
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McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 25-26 Budget

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

	<u>Adopted Budget</u>
Total Appropriations From Proceeds of Taxes (From Worksheet # 2)	\$ 832,464
Less Allowed Exclusions (From Worksheet #7)	(14,887)
Current Year Appropriations Subject to Limit	<u>\$ 817,577</u>
Current Year Appropriations Limit (From Worksheet #6)	1,085,646
Current Year Appropriations Over or (Under) Limit	<u>\$ (268,069)</u>
Percentage Over or (Under) Limit	<u><u>-25%</u></u>

McKinleyville Community Services District

APPROPRIATIONS LIMIT CALCULATION

Population and Growth Factors (Worksheet #5 of Guidelines)

FY 25-26 Budget

	Percent Change Indices		Percent Change in Population [1]		Allowed Annual Percent Growth in Appropriations Limit	Revised Appropriations Limit [2]
	Percent Change in Per Capita Personal Income [3]	Percent Change in Annual Non-Residential Assessed Valuation growth to Total Growth [4]	MCS D (Unincorporated County)	Humboldt County Total		
FY 16-17	5.37	-0.30	0.1	0.00	99.80269%	1,100,883
FY 17-18	3.69	0.25	1.1	1.00	101.35177%	1,115,765
FY 18-19	3.67	0.25	-0.4	-0.30	99.84407%	1,114,025
FY 19-20	3.85	0.14	-0.6	-0.54	99.54377%	1,108,942
FY 20-21	3.73	0.23	-0.4	-0.50	99.83264%	1,107,086
FY 21-22	5.73	0.22	-0.6	-1.50	99.62020%	1,102,882
FY 22-23	7.55	0.03	-0.4	-0.30	99.63388%	1,098,844
FY 23-24	4.44	0.29	-0.4	-0.90	99.88570%	1,097,588
FY 24-25	3.62	0.32	-1.1	-1.10	99.21404%	1,088,961
FY 25-26	6.44	0.00	-0.3	-0.10	99.69553%	1,085,646

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

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

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

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

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 25-26 Budget

Appropriations Limit Calculation (Worksheet #6 of Guidelines)
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Prior Year Appropriations Limit (From Worksheet #5)	\$ 1,088,961
Current Year Growth Factors (From Worksheet #5)	
Non-Residential Assessed Valuation Percent Change	0.00%
MCSD Unincorporated County Population Percent Change	-0.30%
	<hr/>
Compounded Total Percentage Adjustment Factor	-0.304%
Current Year Annual Adjustment Amount	\$ (3,316)
Other Adjustments to Limit (see detail worksheets)	
Reduction In Limit	
Loss of Responsibility	0
Transfer of Services to Private Sector	0
Transfer of Services to Fees	0
Increase in Limit	
Assumed Responsibility of Services	0
	<hr/>
Total Adjustments to Limit	\$ -
	<hr/>
Current Year Appropriations Limit	\$ 1,085,646
	<hr/>

McKinleyville Community Services District
APPROPRIATIONS LIMIT CALCULATION
FY 25-26 Budget

Exclusions to Appropriations Limit (Worksheet #7 of Guidelines)
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	Exclusions
Court Orders	-
Federal Mandates	
Fair Labor Standards Act Payments	-
FICA and Medicare Payments	12,594
Unemployment Payments	2,293
Total Federal Mandates	14,887
Qualified Capital Outlays (Assets of over \$100,000)	-
Total Qualified Capital Outlays Paid From Proceeds of Taxes	-
Qualified Debt Service	
Total Qualified Debt Service Paid From Proceeds of Taxes	-
Total Exclusions	14,887

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RESOLUTION 2025-17

**A RESOLUTION ESTABLISHING APPROPRIATIONS LIMITS FOR MCKINLEYVILLE
COMMUNITY SERVICES DISTRICT IN FISCAL YEAR 2025-26 PURSUANT TO ARTICLE
XIIIB OF THE CALIFORNIA CONSTITUTION**

WHEREAS, Pursuant to Article XIIIB of the California Constitution, the McKinleyville Community Services District is required to establish, by resolution, the limit to which funds derived from ad valorem taxes may be appropriated during Fiscal Year 2025-26; and

WHEREAS, the District staff has obtained from the California Department of Finance a Population Change Estimate for the area within the McKinleyville Community Services District; and

WHEREAS, the results of the Population Change Estimate have been included within the determination of the McKinleyville Community Services District appropriations limit for Fiscal Year 2024-25; and

WHEREAS, the McKinleyville Community Services District has determined that such limit should be established at \$1,085,646.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the McKinleyville Community Services District does hereby establish the limit to which funds derived from ad valorem taxes may be appropriated during the Fiscal Year 2025-26 pursuant to the provisions of Article XIIIB of the California Constitution as \$1,085,646.

ADOPTED, SIGNED AND APPROVED at a duly called meeting of the Board of Directors of the McKinleyville Community Services District on June 4, 2025 by the following polled vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

James Biteman, Board President

Attest:

Joseph Blaine, CMC, Board Secretary

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McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **ACTION**

ITEM: E.4 **Consider Approval of Contract with Oppenheimer for Certificate of Participation Underwriting Services**

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

TYPE OF ACTION: **Roll Call**

Recommendation:

Staff recommends that the Board review the information provided, discuss, take public comment and approve the General Manager to execute a contract with Oppenheimer to provide Underwriting Services for Certificates of Participation to fund the next round of Capital Improvement Projects.

Discussion:

The District's *Debt Management and Capital Financing Policy* requires that the District finance capital improvements in excess of \$500,000. The District sold Certificates of Participation (COPs) in 2021 to fund the latest round of Water & Wastewater Capital Improvement Projects including the Central Avenue Water & Sewer Mainline Rehabilitation projects, the 4.5MG Water Tank construction, and the Highway 101 Sewer Crossing project. The Water COPs have been spent down on the 4.5MG Tank construction and the remaining \$3.1M of Wastewater COPs will be spent on the Highway Sewer Crossing Project.

The next round of Capital Improvement Projects (CIP) are largely 75% grant funded, but the District still needs to fund the grant match and fund those projects that are not grant funded. **Attachment 2** outlines the Water and Wastewater projects that require financing over the next five years. The Water projects are the painting of a Norton water tank, the District's match for the Mad River Water Main replacement, the match for the McCluski water tank replacements, and the remodeling of the Office Building. The Wastewater projects consist of our reoccurring sludge disposal, the Highway 101 Sewer Crossing, the replacement of the Letz Forcemain, the upgrades of the Fischer and B Street Lift Stations, and the Office Remodel project. The Water Projects total to be financed is \$6,946,500 and the Wastewater Projects total to be financed is \$7,627,977.

Oppenheimer performed an initial assessment of the District's current Debt and Debt Service Coverage, which is included as **Attachment 3**. They did a preliminary analysis of maximum debt service coverage and 1.5x debt service coverage for both the Water and Wastewater Enterprise funds. They estimated the financing capacity at 1.5x debt service coverage for the Water Enterprise Fund to be \$6,959,556 and for the Wastewater Enterprise Fund to be \$12,570,250 (see pages 6 & 9 of the Oppenheimer Report).

Oppenheimer and District Staff presented the above information to the Audit & Finance Committee at an April 8, 2025 committee meeting. The Audit & Finance Committee recommended proceeding with soliciting Scopes and Fees from Oppenheimer to act as an Underwriter for the proposed Certificates of Participation. The Oppenheimer Scope and Agreement, as well as the necessary disclosure letter are included as **Attachment 1**. As stated in the scope, fees are to be determined in the certificate purchase agreement. Payment of the fee will be contingent on the closing of the transaction. If the transaction does not close, the fee is not payable

The District will also need to contract with a Municipal Advisor to represent the District during this process, and Staff has already contacted Jim Fabian of Fieldman Rolapp & Associates to serve in that roll. Staff has also contacted Albert Reyes of Kutak Rock LLP to serve as Bond Counsel for the transaction. Oppenheimer, Fieldman Rolapp, and Kutak Rock are the same organizations that the District worked with during the 2021 COPs. There are also a number of other steps in the final issuance of the COPs and these will be coming back to the Board. There are also a number of questions on timing and these will also be discussed with Audit & Finance Committee, Oppenheimer, Fieldman Rolapp & Kutak Rock. Staff will continue to update the Board on the progress throughout this process.

Alternatives:

Staff analysis consists of the following potential alternative

- Take No Action

Fiscal Analysis:

Attachment 2 summarizes the capital improvement project funding that requires financing. The full Fiscal Analysis will follow as the debt issuance documents are finalized.

Environmental Requirements:

Not applicable. CEQA documents will be completed for each capital improvement project as they are finalized.

Exhibits/Attachments:

- Attachment 1 – Oppenheimer Service Agreement
- Attachment 2 – CIP Funding Table
- Attachment 3 – Oppenheimer Debt Presentation

Instructions: Sign and return original. Upon acceptance by McKinleyville Community Services District, a copy will be signed by its authorized representative and promptly returned to you. Insert below, the names of your authorized representative(s).

Accepted: McKinleyville CSD

Consultant:

(Business Name)

By Patrick Kaspari

By _____

Title General Manager

Title _____

Other authorized representative(s):

Other authorized representative(s):

Samantha Howard

Consultant agrees with McKinleyville Community Services District that:

- a. **Indemnification.** To the fullest extent permitted by law and consistent with California Civil Code §2782.8(a), Consultant will, indemnify, defend, and hold harmless McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers (collectively "District") from and against all claims, demands and damages of all persons and entities that arise out of the Consultant's negligent acts or omissions, recklessness, or willful misconduct in the performance (or non-performance) of the Services under this Agreement. Consultant shall not be obligated to defend or indemnify the District from and against all claims, demands and damages that arise out of, pertain to, or relate to the District's own negligent acts or omissions, recklessness, or willful misconduct or the negligent acts or omissions, recklessness, or willful misconduct of others.
- b. **Standard of Care.** In providing the Services under this Agreement, Consultant shall exercise that degree of skill and care ordinarily used by other reputable members of Consultant's profession, practicing in the same or similar locality and under similar circumstances.
- c. **Workers Compensation Insurance.** By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and that Consultant will comply with such provisions before commencing the performance of the professional services and work under this Agreement. Consultant and sub-consultants will keep workers' compensation insurance for their employees in effect during all Services covered by this Agreement.
- d. **Professional Liability Insurance.** Consultant will file with McKinleyville Community Services District, before beginning professional services, a certificate of insurance satisfactory to the McKinleyville Community Services District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 30 days notice of cancellation (10 days for non-payment of premium) to McKinleyville Community Services District. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. The retroactive date (if any) is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the contract Services. Consultant shall purchase a one-year extended reporting period i) if the retroactive date is advanced past the effective date of this Agreement; ii) if the policy is canceled or not renewed; or iii) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant provides insurance coverage deemed appropriate by Consultant for the role of the subconsultant under this contract.
- e. **Insurance Certificates.** Consultant will file with McKinleyville Community Services District, before beginning professional services, certificates of insurance satisfactory to McKinleyville Community Services District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed

operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability requiring 30 days (10 days for non-payment of premium) notice of cancellation to McKinleyville Community Services District. The general liability coverage is to state or be endorsed to state "such insurance shall be primary and any insurance, self-insurance or other coverage maintained by McKinleyville Community Services District, its directors, officers, employees, or authorized volunteers shall not contribute to it". The general liability coverage shall give McKinleyville Community Services District, its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII, or equivalent, or as otherwise approved by McKinleyville Community Services District. In the event that the Consultant employs other consultants (sub-consultants) as part of the Services covered by this Agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant has in place levels of insurance deemed appropriate by the Consultant for the risk associated with the role of each subconsultant under this contract.

- f. **Renewal Certificates.** If any of the required coverages expire during the term of this Agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to McKinleyville Community Services District at least ten (10) days prior to the expiration date.
- g. **General Manager Authority.** Consultant shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other authorized representative(s)" on behalf of McKinleyville Community Services District.
- h. **Payment Intervals.** Payment, unless otherwise specified on Page 1, is to be 30 days after acceptance of a written invoice by McKinleyville Community Services District.
- i. **Permits and Licenses.** Permits and licenses required by governmental authorities in connection with Consultant's services will be obtained at Consultant's sole cost and expense, and Consultant will comply with applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.
- j. **Amendments and Modifications.** Any change in the scope of the professional Services to be done, method of performance, nature of materials, work provided or price thereof, or to any other matter materially affecting the performance or nature of the Services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental Agreement executed by McKinleyville Community Services District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.
- k. **Representations.** Consultant represents that it is now, and will remain for the duration of its Services, properly licensed, qualified, experienced, and equipped to perform the Services. Consultant also represents that the Services shall be completed in accordance with this Agreement. Consultant further represents that the Services and the sale or use of the Services shall not infringe, directly or indirectly, on any valid patent, copyright or trademark, and Consultant shall, at Consultant's sole cost and expense, indemnify, and hold harmless McKinleyville Community Services District from and against any and all

claims and causes of action based on infringements thereof. These representations shall survive the expiration or termination of this Agreement, and are in addition to any warranties provided by law. No payment to Consultant for any Services performed hereunder (including, without limitation, final payment) shall constitute a waiver of any Claims by McKinleyville Community Services District against Consultant relating to the Services.

- l. **Ownership of Drawings and Samples.** Consultant shall submit promptly for all drawings, details, samples and other data required or specifically requested by McKinleyville Community Services District in connection with provision of the Services, and such drawings, details, samples and other data created in connection with performance of the Services and provision of the work shall constitute the property of the McKinleyville Community Services District.
- m. **Compliance with Law/Safety.** In performance of the Services, Consultant shall, at its expense, exercise due professional care, comply strictly with, and cause all sub-consultants to comply strictly with, all laws, orders, rules and regulations of governmental authorities, including those relating to the storage, use or disposal of hazardous wastes, substances or materials, and including the procurement and payment for all necessary permits, certificates and licenses required in connection with the Services. If either Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant or McKinleyville Community Services District receives notice of any violation by Consultant of any laws relating to Consultant's (or sub-consultants) services or work provided hereunder, such party shall promptly inform the other party in writing of the existence thereof. Consultant shall comply with all applicable laws relating to safety, including without limitation the Occupational Safety and Health Act of 1970 as it may be amended from time to time, and all regulations and standards issued pursuant thereto. Consultant shall conform to the current prevailing standards of safety practice.
- n. **Equal Opportunity.** In the performance of the Services there shall be no discrimination on account of race, religion, sex, sexual orientation, age or national origin and Consultant shall comply with applicable federal, state and local laws and regulations pertaining to fair employment practices, including without limitation the provisions of Executive Order 11246 as amended by the President of the United States and the rules and regulations issued pursuant thereto, unless exempted.
- o. **Termination.** McKinleyville Community Services District may, at its option, terminate this Agreement without cause at any time. If at the time of any such termination, any Services have already been provided by Consultant but are unpaid for, McKinleyville Community Services District's only obligation, if Consultant is not in default, shall be to pay for such Services actually provided by Consultant prior to the date of termination. Upon receipt of notice of termination, Consultant shall immediately stop all performance hereunder except as otherwise directed by McKinleyville Community Services District, and if Consultant is not in default, McKinleyville Community Services District shall pay to Consultant (a) the prorata portion of the agreed price based on the percentage completion of the Services which was satisfactorily completed at the time of termination, and (b) the actual net costs incurred by Consultant directly connected with the Services that was not completed prior to the date of termination; provided, however, that under no circumstances shall the total under (a) and (b) exceed the contract price stated on page one (1) of this Agreement, above. Upon such payment, title to any such items or uncompleted Services shall, at McKinleyville Community Services District's option, pass to McKinleyville Community Services District.

- p. **Default.** Upon any default by Consultant hereunder, or in the event of proceedings by or against Consultant in bankruptcy or for the appointment of a receiver or trustee or an assignment for the benefit of creditors, McKinleyville Community Services District may, at its option, terminate this Agreement without penalty or liability (except for payment for any Services completed and accepted by McKinleyville Community Services District). Consultant shall be liable to McKinleyville Community Services District for all expenses incurred by McKinleyville Community Services District in finishing the Services and any damage incurred through any default, which at the option of McKinleyville Community Services District, may be charged against any amounts due from McKinleyville Community Services District to Consultant hereunder, but Consultant's liability hereunder shall not be limited thereby and such liability shall survive the expiration or termination of this Agreement. Any remedies provided for in this Agreement are cumulative and shall be in addition to, and not in limitation of, any other rights and remedies that may be available at law or in equity. Neither party shall be in default of this Agreement until such party has received three (3) days written notification (except in the instance of a health or safety concern, in which case failure to immediately remediate the health or safety violation shall be grounds to declare a default of this Agreement), and an opportunity to cure, or in the case of an alleged default which requires more than three (3) days to cure, a reasonable time so long as the alleged defaulting party commences the remediation of the default immediately, and thereafter diligently prosecutes the same to completion.
- q. **Notices.** Notices, requests, demands, and other communications hereunder shall be in writing and delivered personally, sent by reputable overnight courier or mailed by first class, United States mail, with postage prepaid, to McKinleyville Community Services District, **PO Box 2037, McKinleyville California 95519, Attention: Patrick Kaspari**, and to Consultant at the address set forth below its signature, or at any other address that may be given by either party to the other in the manner provided above. Notices delivered personally or sent by overnight courier shall be deemed delivered upon receipt. Notices delivered by mail shall be deemed delivered upon the earlier of (i) receipt or (ii) the date five (5) U.S. mail delivery days after the notice was placed in the United States mail as provided above.
- r. **Headings.** All section headings are provided for convenience only, and shall not be deemed to constitute material terms and conditions of this Agreement.
- s. **Interpretation.** Both Consultant and McKinleyville Community Services District are deemed to have jointly participated in the negotiation and preparation of this Agreement. Consequently, both Consultant and McKinleyville Community Services District are considered to have drafted this Agreement in equal parts and, if any ambiguity is found to exist, all rules of law and evidence requiring ambiguities to be interpreted to the detriment of the drafting party shall not apply.
- t. **Attorneys Fees and Venue for Disputes.** If litigation becomes necessary to enforce the terms and provisions of this Agreement or as a result of any breach by Consultant or District of this Agreement, the prevailing party in any such litigation shall be entitled to recover reasonable attorney's fees and costs. The Humboldt County Superior Court for the State of California shall have exclusive jurisdiction over any dispute arising out of this Agreement or Consultant's provision of Services hereunder, and shall serve as the venue for any such dispute. All parties expressly consent to this designation of jurisdiction and venue.

- u. MUTUAL UNDERSTANDING OF SERVICES. McKinleyville Community Services District and Consultant agree that the purpose of value engineering is the identification and presentation of recommendations for improvement of project or process value, for consideration by the McKinleyville Community Services District and their other professional advisors. Both parties understand that as a part of these services, Consultant does no design work and makes no project decisions. McKinleyville Community Services District and Consultant agree that Consultant will be liable to the McKinleyville Community Services District only for damages arising from Consultant's negligence in the performance of the Value Analysis or Value Engineering work itself, and only to the extent that such negligence directly damages the McKinleyville Community Services District.

AGREEMENT FOR UNDERWRITING SERVICES
McKinleyville Community Services District
2025/2026 Revenue Certificates of Participation

This Agreement, made and entered into, by and between the McKinleyville Community Services District (the “District”) and Oppenheimer & Co. Inc. (“OpCo”) is for the purpose of establishing OpCo as Underwriter for a public offering method of sale for the District’s 2025/2026 Revenue Certificates of Participation (the “COPs”). Fees are to be determined in the certificate purchase agreement. Payment of the fee will be contingent on the closing of the transaction. If the transaction does not close, the fee is not payable. Prior to the close, the District reserves the right to terminate this Agreement or reject the proposed financing at any time.

SCOPE OF SERVICES

OpCo shall perform the duties and services specifically set forth herein and shall provide such other services as it deems necessary or advisable as Underwriter for the COPs. The District may request, with the concurrence of OpCo, to expand this Scope of Services to include additional services not specifically identified herein which are reasonable and necessary to accomplish the Financing.

UNDERWRITING SERVICES

OpCo’s services may include, but shall not be limited to, the following:

- Monitor and Comply with the Transaction Process
- Provide Market Updates
- Credit Rating Modeling
- Credit Enhancement Analysis - Rating and Bond Insurance
- Develop Marketing Plan and Pricing Strategies: Price, Underwrite and Sell
- Compute Sizing and Design Structure of the COPs
- Review Financing Documents
- Prepare and Present to Staff, Committee and/or Board Meetings
- Provide Pre-Closing and Post-Closing Assistance

Specifically, OpCo’s underwriting services will include, but are not limited to:

- **Monitor and Comply with the Transaction Process** - OpCo shall work with the financing team for the successful implementation of the financing strategy and timetable that is adopted. OpCo shall participate in all activities leading to the successful sale and close of the COPs.
- **Provide Market Updates** – OpCo will provide regular summaries of current market conditions, trends in the market and how these may favorably or unfavorably affect the COPs.

- **Credit Rating Modeling** – OpCo will model an estimated credit rating and point out the issuance’s strengths and weaknesses. We will work with the financing team to structure the transaction to receive the best possible credit rating.
- **Credit Enhancement Analysis - Rating and Bond Insurance** – OpCo will analyze the benefits of a rating and/or credit enhancement and assist in the preparation of any rating agency strategy and presentation as needed. We will perform numerical analyses, providing quantitative analysis of credit enhancement benefits.
- **Develop Marketing Plan and Pricing Strategies: Price, Underwrite and Sell** – OpCo will develop a pre-sale marketing plan, solicit price views from the market to provide preliminary pricing indications for the offering range of the financing, and provide sales comparables and market commentary. We will price, underwrite, and sell the COPs.
- **Compute Sizing and Design Structure of the Financing** – OpCo shall work with the financing team to compute sizing and design the financing structure to be consistent with the terms agreed upon by the District, commenting on whether they reflect current conditions in the capital markets. OpCo will perform numerical iterations as necessary during negotiations with investors to provide examples of financing scenarios, sources and uses of funds, debt service schedules, cash flow projections, and debt coverage calculations, as needed. OpCo will also work with the financing team to structure debt consistent with existing covenants and requirements, if any.
- **Review Financing Documents** – OpCo will assist the financing team in the drafting and review of respective financing resolutions, legal documents, Preliminary Official Statement (POS) and Final Official Statement (FOS) and closing documents. In this regard, OpCo shall monitor document preparation for a consistent and accurate presentation of the business terms and financing structure agreed upon by the District.
- **Prepare Presentation and Present to Staff, Committee and/or Board Members** – As deemed appropriate by the financing team, OpCo shall prepare and present any market analysis, interest rate information, including proposed term and maturity structure. OpCo can discuss how investor feedback impacts the pricing. Upon request, OpCo will attend any meetings or educational sessions.
- **Provide Pre-Closing and Post-Closing Assistance** – OpCo will assist with monitoring the progress of final delivery of the securities and settlement of the costs of issuance. This will include the planning and execution of a thorough distribution/sale of the COPs, and executing the certificate purchase agreement with the District. Post-closing, we will provide a compilation of the transaction and will assist with continuing disclosure and CDIAC reporting.

The District and OpCo have each caused this Agreement to be executed by their duly authorized officers as of the dates written below.

OPPENHEIMER & CO. INC.

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT

By *Rick Brandis*
Rick Brandis, Managing Director

By _____
Pat Kaspari, General Manager

Date _____

Date _____



Rick Brandis
Managing Director
135 Main Street, Suite 1700
San Francisco, CA 94105

Transacts Business on All Principal Exchanges, Member SIPC

May 6, 2025

McKinleyville Community Services District
1656 Sutter Road
McKinleyville, CA 95519

Attn: Pat Kaspari, General Manager

Re: Disclosures by Sole Underwriter
Pursuant to MSRB Rule G-17
2025/2026 Revenue Certificates of Participation

Dear Pat Kaspari:

We are writing to provide you, as General Manager of the McKinleyville Community Services District (Issuer), and an official of the Issuer with the authority to bind the Issuer by contract, with certain disclosures relating to the captioned bond issue (Bonds) to:

- i. Confirm and engage Oppenheimer & Co. Inc. (Oppenheimer), to serve as underwriter, and not as a financial advisor or municipal advisor, pursuant to the Securities and Exchange Commission's Municipal Advisor Rule in connection with the issuance of the Bonds. Oppenheimer is relying on the underwriter's exemption to municipal advisor registration required by the "Municipal Advisor Rule" of the Securities and Exchange Commission (effective July 1, 2014), and;
- ii. Provide certain underwriting disclosures as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).¹

As part of our services as underwriter, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

I. Dealer-Specific Conflicts of Interest Disclosures

Oppenheimer has identified the below actual or potential² material conflicts of interest:

- o In the ordinary course of its various business activities, Oppenheimer and its affiliates, officers, directors, and employees may purchase, sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities may involve or relate to assets, securities,

¹ Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

² When we refer to *potential* material conflicts throughout this letter, we refer to ones that are reasonably likely to mature into *actual* material conflicts during the course of the transaction, which is the standard required by MSRB Rule G-17.

and/or instruments of the Issuer (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer. Oppenheimer and its affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

II. Transaction-Specific Disclosures

- Disclosures Concerning Complex Municipal Securities Financing:
 - Since we have not recommended a “complex municipal securities financing” to the Issuer or Obligor, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

III. Standard Disclosures

- Disclosures Concerning the Underwriters’ Role:
 - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both issuers and investors.
 - The primary role of the underwriter is to purchase the Bonds with a view to distribution in an arm’s-length commercial transaction with the Issuer or as a, on a best-efforts basis, negotiate with investor/s to purchase the Bonds. The underwriter has financial and other interests that differ from those of the Issuer.
 - Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
 - The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer’s interest in this transaction.
 - The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable, or on a best-efforts basis, negotiate with investor/s to purchase the Bonds.
 - The underwriter will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.³
- Disclosures Concerning the Underwriter’s Compensation:

³ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters’ obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

May 6, 2025

- o The underwriter will be compensated by an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing in this letter should be viewed as a commitment by the underwriter to purchase or sell all the Bonds, on a best-efforts basis, negotiate with investor/s to purchase the Bonds, and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

Under SEC and MSRB Rules, we are required to confirm our role as underwriter, and seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect or sign and return the enclosed copy of this letter to me via email as a PDF attachment. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you, and the Issuer in connection with the issuance of the Bonds. Thank you.

Sincerely,



Rick Brandis, Managing Director
Oppenheimer & Co. Inc.

May 6, 2025

Acknowledgement:

Pat Kaspari, General Manager

Date: _____

CC: Jim Fabian, Fieldman Rolapp & Associates
Albert Reyes, Kutak Rock LLP

MCSO 5YEAR FORECAST OF CIP OVER \$500,000-FINANCING RECOMMENDATION

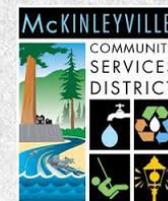
	2026	2027	2028	2029	2030	FIVE YEAR TOTAL	Financ	GRANT FUNDS EXPECTED	LEFT TO BE FINANCE
WATER SYSTEM									
Water Tank Painting	750,000					750,000	Y		750,000
Emergency Water Supply: MR	250,000	2,000,000	2,000,000	1,000,000		5,250,000	Y	2,475,000	2,775,000
McCluski Tank 3 Replacement	500,000	1,000,000	1,000,000			2,500,000	Y	1,078,500	1,421,500
Office Building-Water Portion	500,000	1,000,000	500,000			2,000,000	Y		2,000,000
								WATER FINANCE TOTAL	6,946,500
SEWER SYSTEM									
WWMF Sludge Disposal & handling	240,000	240,000	240,000	240,000	240,000	1,200,000	Y		1,200,000
Collection System Upgrades-Hwy Undercrossings	2,000,000	3,800,000	1,000,000			6,800,000	Y	5,321,062.48	1,478,938
Sewer Main Rehabilitation and Replacement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	Y		3,000,000
Sewer Lift Station Upgrades-B Street			250,000	550,000		800,000	Y		800,000
Fischer Lift Station Upgrades	500,000	1,500,000	1,500,000			3,500,000	Y	1,173,750	2,326,250
Office Building-Sewer Portion	500,000	1,000,000	500,000			2,000,000	Y		2,000,000
								Sewer Finance Subtotal	10,805,188
								Remaining Bond Balance	(3,177,211)
								SEWER FINANCE TOTAL	7,627,977

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McKinleyville Community Services District

Financing Capital Improvements



April 8, 2025

Outstanding Debt

Issue Name	Outstanding Amount	Interest Rates Current - Final	Final Maturity	Call Provisions	Current Rating	Reserve Fund	Notes
UTILITY REVENUE BONDS							
McKinleyville Community Services District Revenue Certificates of Participation, Series 2021A (Water) Original Par Amount: \$4,335,000 Dated: December 21, 2021 Rating (S&P): AA (Ins), AA- (U/L)	\$4,115,000 (after 8/1/24 pmt)	4.000%-4.000%	8/1/2051	In whole or in part on any date on or after 8/1/2031 at par	S&P: AA (Ins) as of 12/8/21 S&P: AA- (U/L) as of 9/27/24	None	Financed the construction of a 4.5 million gallon water tank and water mainline replacements. DSC: 120% UW: Brandis Tallman, A Division of Oppenheimer and Co. Inc. MA: Fieldmann Rolapp & Associates BC/DC: Kutak Rock https://sema.mark.org/P2152467/P2117720/P2159366.pdf
McKinleyville Community Services District Revenue Certificates of Participation, Series 2021B (Wastewater) Original Par Amount: \$3,560,000 Dated: December 21, 2021 Rating (S&P): AA (Ins), AA- (U/L)	\$3,330,000 (after 9/15/24 pmt)	3.000%-4.000%	9/15/2051	In whole or in part on any date on or after 9/15/2031 at par	S&P: AA (Ins) as of 12/8/21 S&P: AA- (U/L) as of 9/27/24	None	Financed the construction of highway sewer undercrossings and sewer mainline replacements. DSC: 120% UW: Brandis Tallman, A Division of Oppenheimer and Co. Inc. MA: Fieldmann Rolapp & Associates BC/DC: Kutak Rock https://sema.mark.org/P2152467/P2117720/P2159366.pdf
UTILITY REVENUE LOANS / OBLIGATIONS							
McKinleyville Community Services District 2020 Installment Purchase Contract (Wastewater) Original Par Amount: \$1,508,000 Dated: March 26, 2020	\$1,054,900 (after 3/8/25 pmt)	1.900%	3/8/2035	Not callable	-	-	Financed the acquisition of property to expand the District's ability to recycle reclaimed wastewater DSC: 120% PA: Brandis Tallman LLC BC: Kutak Rock Lender: JPMorgan Chase
McKinleyville Community Services District 2018 State Revolving Microgrid Loan (Water) Original Par Amount: \$4,969,180 Dated: 2018	\$4,969,180 (pmts start in 2025)	1.800%	December 2039	-	-	-	Financed improvements to the water system. Lender: State Water Resources Control Board
McKinleyville Community Services District 2015 State Revolving Fund Loan No. 3 (Wastewater) Original Par Amount: \$15,569,506 Dated: 2015	\$13,127,830 (as of 6/30/24)	1.600%	September 2048	-	-	-	Financed improvements to a wastewater management facility. Lender: State Water Resources Control Board
McKinleyville Community Services District 2012 I-Bank Loan (Water) Original Par Amount: \$956,034 Dated: 2012	\$423,649 (as of 6/30/24)	3.370%	August 2030	-	-	-	Financed improvements to the water system. Lender: California Infrastructure and Economic Development Bank
McKinleyville Community Services District 2011 ARRA Loan (Water) Original Par Amount: \$165,100 Dated: 2011	\$30,665 (as of 6/30/24)	1.000%	December 2026	-	-	-	Financed improvements to the water system. Lender: California Energy Resources Conservation and Development Commission
McKinleyville Community Services District 1971 Davis-Grunsky Loan (Water) Original Par Amount: \$3,673,000 Dated: 1971	\$1,143,636 (as of 6/30/24)	2.500%	2033	-	-	Cash	Financed improvements to the water system. Lender: State of California
LEASE AGREEMENTS							
McKinleyville Community Services District 2014 Lease Agreement Original Par Amount: \$1,468,929 Dated: October 1, 2014	\$579,196 (after 11/1/24 pmt)	3.540%	11/1/2029	In whole or in part on any date according to the following of par: 11/1/18 - 10/31/19: 104% 11/1/19 - 10/31/20: 103% 11/1/20 - 10/31/21: 102% 11/1/21 - 10/31/22: 101% 11/1/22 and thereafter: Par	-	-	Financed the construction of the Teen and Community Center Project. PA: Brandis Tallman LLC BC: Nossaman LLP Lender: Umpqua Bank

CIP Grant vs Debt

MCSO 5 YEAR FORECAST OF CIP OVER \$500,000

	2026	2027	2028	2029	2030	FIVE YEAR TOTAL	GRANT FUNDS EXPECTED	LEFT TO BE FINANCE
HEAVY EQUIPMENT								
Hydrocleaner				500,000		500,000		
WATER SYSTEM								
Water Tank Painting	750,000					750,000		750,000
Emergency Water Supply: MR	250,000	1,000,000	2,000,000	1,000,000		4,250,000	3,187,500	1,062,500
McCluski Tank 3 Replacement	1,000,000	2,000,000	3,000,000			6,000,000	4,500,000	1,500,000
Water Main Rehab/Replace	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000		5,000,000
SEWER SYSTEM								
WWMF Sludge Disposal & handling	240,000	240,000	240,000	240,000	240,000	1,200,000		1,200,000
Collection System Upgrades-Hwy Undercrossings	300,000	2,000,000	4,500,000			,800,000	5,200,000	1,600,000
Sewer Main Rehabilitation and Replacement	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000		5,000,000
Sewer Lift Station Upgrades-B Street		550,000				550,000		550,000
Fischer Lift Station Upgrades	500,000	2,000,000	2,000,000			4,500,000	3,375,000	1,125,000
OFFICE, CORPORATE YARD & SHOP								
Office Building	275,000	2,000,000	2,000,000			4,275,000		4,275,000
RECLAMATION (FISCHER & PIALORSI RANCH)								
Recycled Water Project	1,000,000	2,000,000	2,000,000			5,000,000		
	6,315,000	13,790,000	17,740,000	3,740,000	2,240,000	43,825,000		22,062,500

Credit Rating Review – Water System

Rating Factors	McKinleyville Community Services District 2021 Water Revenue COPs Rated AA- (S&P)	FY 2023-2024 Audit
Economic Fundamentals	<ul style="list-style-type: none"> • Unemployment Rate: 5% • Poverty Rate – 19% • Average Income - 97% of National Average 	<ul style="list-style-type: none"> • Unemployment Rate: 5.5% • Poverty Rate – 15% • Average Income - 83% of National Average
System Characteristics	<ul style="list-style-type: none"> • Small Water System 	<ul style="list-style-type: none"> • Small Water System
Financial Strength	<ul style="list-style-type: none"> • Pro Forma DSC: 2.30x • Cash Balances - \$6,000,000 • Days Cash on Hand – 834 days • Debt to Operating Revenue – 2.78x 	<ul style="list-style-type: none"> • Current DSC: 3.57x • Cash Balances - \$10,232,000 • Days Cash on Hand – 1,189 days • Debt to Operating Revenue – 1.65x
Other Factors	<ul style="list-style-type: none"> • Rate Management • Diversified Customer Base • Rate Covenant Requirement – 1.20x • Additional Bonds Test Requirement – 1.20x 	<ul style="list-style-type: none"> • Rate Management • Diversified Customer Base • Rate Covenant Requirement – 1.20x • Additional Bonds Test Requirement – 1.20x

Maximum Debt Service Coverage Pro Forma: Water Enterprise

Description	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Actual FYE 2023	Actual FYE 2024	Projected ¹ FYE 2025	Projected ¹ FYE 2026	Projected ¹ FYE 2027	Projected ¹ FYE 2028
REVENUES:²									
Water revenue	3,660,510	4,000,025	3,849,907	4,007,971	4,242,268	-	-	-	-
Other	126,560	132,508	146,915	122,046	136,244	-	-	-	-
Investment Earnings	161,455	34,012	(101,520)	161,819	383,974	-	-	-	-
Gain on sale of assets	3,925	106	197	4,235	2,508	-	-	-	-
TOTAL REVENUE	3,952,450	4,166,651	3,895,499	4,296,071	4,764,994	5,155,000	5,442,000	5,700,000	5,700,000
OPERATING EXPENSES:³									
Water purchase	1,094,722	1,147,401	1,218,070	1,230,774	1,278,435	-	-	-	-
Salaries and related expenses	509,490	544,665	552,521	610,632	713,739	-	-	-	-
Employee benefits	624,094	659,676	583,429	(125,939)	562,342	-	-	-	-
Services and supplies	463	16	133	76	20,432	-	-	-	-
Professional services	29,796	58,637	56,300	52,439	57,305	-	-	-	-
Utilities	58,679	66,113	69,877	80,145	108,857	-	-	-	-
Insurance expense	38,866	52,321	51,526	52,870	60,037	-	-	-	-
Other	293,446	286,074	320,214	323,293	338,000	-	-	-	-
TOTAL OPERATING EXPENSES	2,649,556	2,814,903	2,852,070	2,224,290	3,139,147	3,657,352	3,810,374	3,960,790	4,079,614
NET REVENUE FOR DEBT SERVICE	1,302,894	1,351,748	1,043,429	2,071,781	1,625,847	1,497,648	1,631,626	1,739,210	1,620,386
1971 Davis-Grunsky Act Loan	141,278	141,279	141,278	141,278	141,279	141,278	141,278	141,279	141,279
2011 ARRA Loan	12,390	12,390	12,390	12,332	12,332	12,332	12,332	6,460	-
2012 California IBank Loan	70,183	70,018	68,116	68,088	68,058	68,026	67,997	63,685	68,949
2018 State Revolving Fund Microgrid Loan	-	-	-	-	-	193,028	193,028	193,029	193,029
2021A Water Revenue COPs	-	-	-	233,811	233,800	235,300	236,600	237,700	233,700
TOTAL DEBT SERVICE	223,851	223,687	221,784	455,509	455,469	649,964	651,235	642,153	636,957
DEBT SERVICE COVERAGE	5.82	6.04	4.70	4.55	3.57	2.30	2.51	2.71	2.54
EXCESS DEBT SERVICE CAPACITY⁴					899,404	598,076	708,453	807,189	713,365
ESTIMATED FINANCING CAPACITY⁵									11,103,353

¹ Projections are based on the District's 2022 rate study. FY 2028 assume flat revenues after 2027 and a 3% annual increase to operating expenses.

² Excludes operating grant of \$89,989 for FY 2020.

³ Excludes depreciation expense.

⁴ Maximum annual debt service allowed given 1.20x rate covenant.

⁵ Total borrowing amount; assumes a 30-year term with a 5.25% interest rate. Page 183 of 243

1.50x Debt Service Coverage Pro Forma: Water Enterprise

Description	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Actual FYE 2023	Actual FYE 2024	Projected ¹ FYE 2025	Projected ¹ FYE 2026	Projected ¹ FYE 2027	Projected ¹ FYE 2028
REVENUES:²									
Water revenue	3,660,510	4,000,025	3,849,907	4,007,971	4,242,268	-	-	-	-
Other	126,560	132,508	146,915	122,046	136,244	-	-	-	-
Investment Earnings	161,455	34,012	(101,520)	161,819	383,974	-	-	-	-
Gain on sale of assets	3,925	106	197	4,235	2,508	-	-	-	-
TOTAL REVENUE	3,952,450	4,166,651	3,895,499	4,296,071	4,764,994	5,155,000	5,442,000	5,700,000	5,700,000
OPERATING EXPENSES:³									
Water purchase	1,094,722	1,147,401	1,218,070	1,230,774	1,278,435	-	-	-	-
Salaries and related expenses	509,490	544,665	552,521	610,632	713,739	-	-	-	-
Employee benefits	624,094	659,676	583,429	(125,939)	562,342	-	-	-	-
Services and supplies	463	16	133	76	20,432	-	-	-	-
Professional services	29,796	58,637	56,300	52,439	57,305	-	-	-	-
Utilities	58,679	66,113	69,877	80,145	108,857	-	-	-	-
Insurance expense	38,866	52,321	51,526	52,870	60,037	-	-	-	-
Other	293,446	286,074	320,214	323,293	338,000	-	-	-	-
TOTAL OPERATING EXPENSES	2,649,556	2,814,903	2,852,070	2,224,290	3,139,147	3,657,352	3,810,374	3,960,790	4,079,614
NET REVENUE FOR DEBT SERVICE	1,302,894	1,351,748	1,043,429	2,071,781	1,625,847	1,497,648	1,631,626	1,739,210	1,620,386
1971 Davis-Grunsky Act Loan	141,278	141,279	141,278	141,278	141,279	141,278	141,278	141,279	141,279
2011 ARRA Loan	12,390	12,390	12,390	12,332	12,332	12,332	12,332	6,460	-
2012 California IBank Loan	70,183	70,018	68,116	68,088	68,058	68,026	67,997	63,685	68,949
2018 State Revolving Fund Microgrid Loan	-	-	-	-	-	193,028	193,028	193,029	193,029
2021A Water Revenue COPs	-	-	-	233,811	233,800	235,300	236,600	237,700	233,700
TOTAL DEBT SERVICE	223,851	223,687	221,784	455,509	455,469	649,964	651,235	642,153	636,957
DEBT SERVICE COVERAGE	5.82	6.04	4.70	4.55	3.57	2.30	2.51	2.71	2.54
EXCESS DEBT SERVICE CAPACITY⁴					628,429	348,468	436,516	517,320	443,301
ESTIMATED FINANCING CAPACITY⁵									6,959,556

¹ Projections are based on the District's 2022 rate study. FY 2028 assume flat revenues after 2027 and a 3% annual increase to operating expenses.

² Excludes operating grant of \$89,989 for FY 2020.

³ Excludes depreciation expense.

⁴ Annual debt service assuming 1.50x rate covenant.

⁵ Total borrowing amount; assumes a 30-year term with a 5.25% interest rate.

Credit Rating Review – Wastewater System

Rating Factors	McKinleyville Community Services District 2021 Wastewater Revenue COPs Rated AA- (S&P)	FY 2023-2024 Audit
Economic Fundamentals	<ul style="list-style-type: none"> • Unemployment Rate: 5% • Poverty Rate – 19% • Average Income - 97% of National Average 	<ul style="list-style-type: none"> • Unemployment Rate: 5.5% • Poverty Rate – 15% • Average Income - 83% of National Average
System Characteristics	<ul style="list-style-type: none"> • Small Wastewater System 	<ul style="list-style-type: none"> • Small Wastewater System
Financial Strength	<ul style="list-style-type: none"> • Pro Forma DSC – 4.5x • Cash Balances - \$10,800,000 • Days Cash on Hand – 6 years • Debt to Operating Revenue – 5.00x 	<ul style="list-style-type: none"> • Current DSC – 2.42x • Cash Balances - \$16,800,000 • Days Cash on Hand – 6.6 years • Debt to Operating Revenue – 4.53x
Other Factors	<ul style="list-style-type: none"> • Rate Management • Diversified Customer Base • Rate Covenant Requirement – 1.20x • Additional Bonds Test Requirement – 1.20x 	<ul style="list-style-type: none"> • Rate Management • Diversified Customer Base • Rate Covenant Requirement – 1.20x • Additional Bonds Test Requirement – 1.20x

Maximum Debt Service Coverage Pro Forma: Wastewater Enterprise

Description	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Actual FYE 2023	Actual FYE 2024	Projected ¹ FYE 2025	Projected ¹ FYE 2026	Projected ¹ FYE 2027	Projected ¹ FYE 2028
REVENUES:²									
Sewer revenue	3,686,262	3,938,438	3,999,791	4,096,582	4,286,859	-	-	-	-
Other	88,614	117,989	144,185	135,215	122,392	-	-	-	-
Investment Earnings	243,661	67,572	(136,510)	188,242	473,210	-	-	-	-
Gain on sale of assets	3,976	106	203	4,231	2,508	-	-	-	-
TOTAL REVENUE	4,022,513	4,124,105	4,007,669	4,424,270	4,884,969	5,040,000	5,316,000	5,608,000	5,608,000
OPERATING EXPENSES:³									
Salaries and related expenses	569,025	663,536	665,819	736,518	891,793	-	-	-	-
Employee benefits	746,866	775,435	716,806	825,389	835,822	-	-	-	-
Services and supplies	2,502	3,126	2,844	886	2,789	-	-	-	-
Professional services	30,475	44,822	55,711	55,480	54,713	-	-	-	-
Utilities	186,957	216,511	218,874	194,417	235,419	-	-	-	-
Insurance expense	38,859	52,321	51,495	57,714	70,543	-	-	-	-
Other	325,840	370,902	362,510	427,114	447,025	-	-	-	-
TOTAL OPERATING EXPENSES	1,900,524	2,126,653	2,074,059	2,297,518	2,538,104	2,597,394	2,696,022	2,797,428	2,881,351
NET REVENUE FOR DEBT SERVICE	2,121,989	1,997,452	1,933,610	2,126,752	2,346,865	2,442,606	2,619,978	2,810,572	2,726,649
1982 USDA Sewer Revenue Bonds	93,250	89,250	85,250	66,625	-	-	-	-	-
2015 State Revolving Fund Loan No. 3	663,032	663,032	663,032	663,032	663,032	663,032	663,032	663,032	663,032
2020 Installment Purchase Contract	-	110,553	116,447	116,333	116,388	116,408	116,395	116,447	116,363
2021B Wastewater Revenue COPs	-	-	-	193,150	190,900	193,575	191,175	193,806	191,363
TOTAL DEBT SERVICE	756,282	862,835	864,729	1,039,140	970,320	973,015	970,602	973,285	970,758
DEBT SERVICE COVERAGE	2.81	2.31	2.24	2.05	2.42	2.51	2.70	2.89	2.81
EXCESS DEBT SERVICE CAPACITY⁴					985,401	1,062,490	1,212,713	1,368,858	1,301,450
ESTIMATED FINANCING CAPACITY⁵									19,342,493

¹ Projections are based on the District's 2022 rate study. FY 2028 assume flat revenues after 2027 and a 3% annual increase to operating expenses.

² Excludes operating grant of \$183,216 for FY 2020 and Inflation Reduction Act - operating grant of \$1,776,720 for FY 2024.

³ Excludes depreciation expense.

⁴ Maximum annual debt service allowed given 1.20x rate covenant.

⁵ Total borrowing amount; assumes a 30-year term with a 5.25% interest rate.

1.50x Debt Service Coverage Pro Forma: Wastewater Enterprise

Description	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Actual FYE 2023	Actual FYE 2024	Projected ¹ FYE 2025	Projected ¹ FYE 2026	Projected ¹ FYE 2027	Projected ¹ FYE 2028
REVENUES:²									
Sewer revenue	3,686,262	3,938,438	3,999,791	4,096,582	4,286,859	-	-	-	-
Other	88,614	117,989	144,185	135,215	122,392	-	-	-	-
Investment Earnings	243,661	67,572	(136,510)	188,242	473,210	-	-	-	-
Gain on sale of assets	3,976	106	203	4,231	2,508	-	-	-	-
TOTAL REVENUE	4,022,513	4,124,105	4,007,669	4,424,270	4,884,969	5,040,000	5,316,000	5,608,000	5,608,000
OPERATING EXPENSES:³									
Salaries and related expenses	569,025	663,536	665,819	736,518	891,793	-	-	-	-
Employee benefits	746,866	775,435	716,806	825,389	835,822	-	-	-	-
Services and supplies	2,502	3,126	2,844	886	2,789	-	-	-	-
Professional services	30,475	44,822	55,711	55,480	54,713	-	-	-	-
Utilities	186,957	216,511	218,874	194,417	235,419	-	-	-	-
Insurance expense	38,859	52,321	51,495	57,714	70,543	-	-	-	-
Other	325,840	370,902	362,510	427,114	447,025	-	-	-	-
TOTAL OPERATING EXPENSES	1,900,524	2,126,653	2,074,059	2,297,518	2,538,104	2,597,394	2,696,022	2,797,428	2,881,351
NET REVENUE FOR DEBT SERVICE	2,121,989	1,997,452	1,933,610	2,126,752	2,346,865	2,442,606	2,619,978	2,810,572	2,726,649
1982 USDA Sewer Revenue Bonds	93,250	89,250	85,250	66,625	-	-	-	-	-
2015 State Revolving Fund Loan No. 3	663,032	663,032	663,032	663,032	663,032	663,032	663,032	663,032	663,032
2020 Installment Purchase Contract	-	110,553	116,447	116,333	116,388	116,408	116,395	116,447	116,363
2021B Wastewater Revenue COPs	-	-	-	193,150	190,900	193,575	191,175	193,806	191,363
TOTAL DEBT SERVICE	756,282	862,835	864,729	1,039,140	970,320	973,015	970,602	973,285	970,758
DEBT SERVICE COVERAGE	2.81	2.31	2.24	2.05	2.42	2.51	2.70	2.89	2.81
EXCESS DEBT SERVICE CAPACITY⁴					594,257	655,389	776,050	900,430	847,008
ESTIMATED FINANCING CAPACITY⁵									12,570,250

¹ Projections are based on the District's 2022 rate study. FY 2028 assume flat revenues after 2027 and a 3% annual increase to operating expenses.

² Excludes operating grant of \$183,216 for FY 2020 and Inflation Reduction Act - operating grant of \$1,776,720 for FY 2024.

³ Excludes depreciation expense.

⁴ Annual debt service assuming 1.50x rate covenant.

⁵ Total borrowing amount; assumes a 30-year term with a 5.25% interest rate.

MSRB G-17 Notice

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

The Municipal Securities Rulemaking Board Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012) (the “G-17 Notice”) requires the underwriter to seek your acknowledgement that you have received the following disclosure. Accordingly, please respond via email to nicki.tallman@opco.com or rick.brandis@opco.com to the effect that you have received the disclosures included herein.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **INFORMATIONAL**

ITEM: E.5 **Distribution of the Annual Board Self-Evaluation**

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

TYPE OF ACTION: **Information Only**

Recommendation:

Staff recommends that the Board review, take Public comment, and discuss the information provided for the distribution of the Annual Board Self-Evaluation.

Discussion:

At the March 2016 Board meeting, a modification to the Board of Director's Policy Manual adding Part 11, Annual Board Self Evaluation, was approved. The policy provides the Directors with a tool to assess their own performance as a Board to help identify strengths and areas in which it may improve function.

At the November 2020 Board meeting, modifications to the Board Self-Evaluation worksheet were approved. Modifications to the worksheet included changes to the evaluation questions to ensure the desired expectations of this evaluation, which are to clarify roles, enhance harmony and understanding among Board members, and to improve the efficiency and effectiveness of the Board meetings. Additionally, it was approved to move the evaluation to a digital platform, which will automatically compile the results.

At tonight's meeting, the evaluation questions are provided in hard copy form (**Attachment 1**). A digital link will be sent to each Board Member for completion. This evaluation must be completed on or before July 25, 2025. If any Board Director needs assistance completing the digital questionnaire, they can contact the Board Secretary.

The compiled evaluation will be reviewed at the August 6, 2025 meeting.

Alternatives:

Take Action

Fiscal Analysis:

Not applicable

Environmental Requirements:

Not applicable

Exhibits/Attachments:

- Attachment 1 - Self-Evaluation Questionnaire

7. Do you have any suggestions for improving the working relationship between the General Manager and the Board?

8. What are MCSD's major programs and services that you would like to know more about?

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

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

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

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

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

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

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

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

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

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Exhibits/Attachments:

- Attachment 1 – 2025 CSDA Annual Conference Brochure



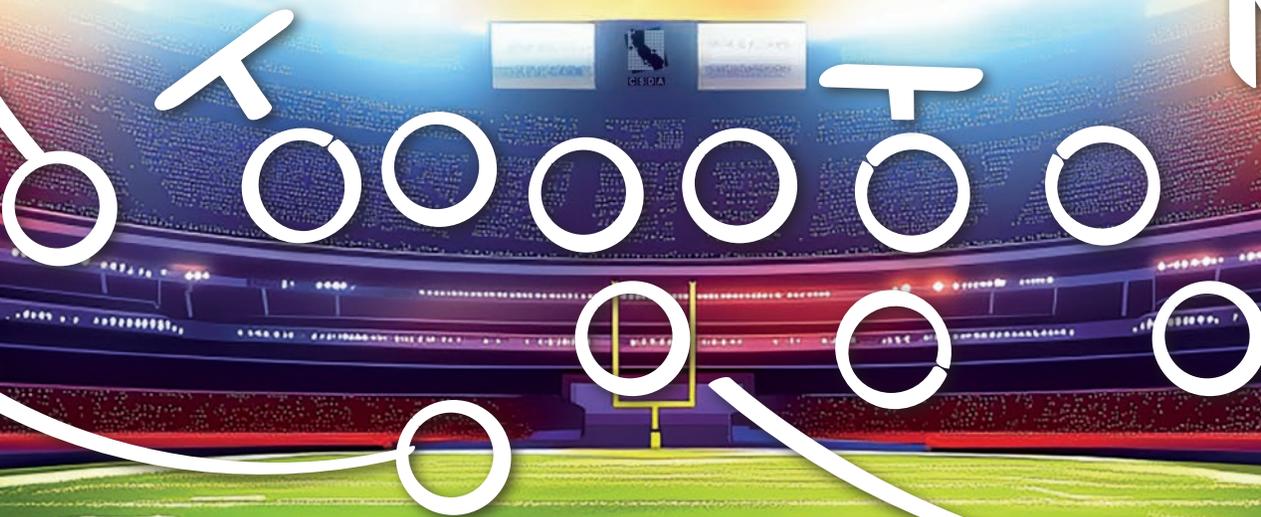
**California Special
Districts Association**
Districts Stronger Together

X X X X X X X
X X X X X X X
2025 X

CSDA ANNUAL CONFERENCE & EXHIBITOR SHOWCASE

The Leadership Conference for Special Districts

📍 **Monterey, CA** | 📅 **August 25 – 28, 2025**





The CSDA Annual Conference & Exhibitor Showcase is the must-attend event for special district leaders across California! With a densely packed agenda, this conference offers unparalleled opportunities to connect with peers and experts and learn about new tools and trends.

Network with fellow special district professionals, explore the latest innovations and services in our extensive exhibitors' hall, and choose from over 30 targeted breakout sessions tailored to address today's relevant trends and topics for special districts.

This essential event will sharpen your skills, broaden your knowledge, infuse you with enthusiasm, and forge new connections. Join us in 2025!



SDRMA Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's full conference attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.



IT'S GAME TIME IN MONTEREY!

CSDA's 2025 Annual Conference & Exhibitor Showcase is back in Monterey! Attendees can take a stroll down historic Cannery Row and Monterey's Old Fisherman's Wharf, where you can savor a steaming bread bowl of creamy clam chowder. Visit the world-renowned Monterey Bay Aquarium to watch playful sea otters and penguins up close or set sail on an unforgettable boat tour. In your free time outside of the conference, soak in the breathtaking coastal beauty and vibrant culture that make Monterey truly unforgettable!



Monterey Conference Center
One Portola Plaza, Monterey, CA 93940

CSDA room reservations at the Marriott and Portola Hotel & Spa in the CSDA block are available starting at the rate of \$249 plus tax. The room reservation cut-off is August 4, 2025; however, space is limited and may sell out before this date. One night's non-refundable room and tax will be charged on August 4, 2025 for rooms reserved in the CSDA room block.

Information about hotel reservations and links to book in the CSDA room block will be emailed to you within 24 hours of registration.

PRE-CONFERENCE Monday, August 25, 2025

9:00 a.m. – 3:30 p.m.

Pre-Conference Workshop:

Special District Leadership Academy Module 1: Governance Foundations

Hilary Straus, Citrus Heights Water District

SDRMA CIP ELIGIBLE

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

\$325 CSDA Member / \$650 Non-member*

**Price includes continental breakfast and lunch.*

Pre-Conference Workshop:

So, You Want to Be a General Manager?

*Scott Carroll, CSDM, Costa Mesa Sanitary District
Melissa Asher, CPS HR Consulting*

**Qualifies toward the completion of the Essential Leadership Skills Certificate*

Sponsored by:  **SPECIAL DISTRICT
LEADERSHIP FOUNDATION**

This is a practical career development workshop for senior executives and emerging leaders in special districts. This action-oriented workshop includes group and panel discussions on the journey, roles, and skillsets of a general manager; identifying general manager opportunities; developing positive relations with the board, staff, and peer agency executives; and leadership best practices.

\$130 CSDA Member and Non-member*

**Price includes continental breakfast and lunch.*

9:00 a.m. Shotgun Start



Pre-Conference Activity
**SDLF Scramble for
Scholarships Golf
Tournament**
Del Monte Golf Course

Join special district elected officials, staff, and business affiliates at this optional fun event. Great golf skills are not necessary! Proceeds

benefit the Special District Leadership Foundation scholarship fund.

\$130 includes golf with cart, lunch, and prizes!

Hurry, space is limited and is on a first-come, first-served basis.

10:15 a.m. – 2:00 p.m.

Pre-Conference Tour:

Moss Landing Harbor District Tour, Lunch & Elkhorn Slough Boat Tour

Playful sea otters, curious harbor seals, boisterous sea lions, and hundreds of bird species abound as you explore one of California's most spectacular wetlands aboard a stable, 27-foot, U.S. Coast Guard inspected pontoon boat in a tour of Elkhorn Slough. Enjoy a tour of the district, eat lunch, and then board the boat for a view of the slough.

\$95 per person, includes transportation to/from the Conference Center and tour (lunch is included).

Early registration is encouraged. Limited to 24 attendees.

10:30 a.m. – 3:00 p.m.

 Young Professionals
Pre-Conference Activity:
Monterey Bay Kayak Tour

Join your fellow YPs (Young Professional district staff under the age of 40) for the best way to experience the wildlife and nature of Monterey Bay, via kayak. The 1.5-hour kayaking tour will take you to visit sea otters, harbor seals and birds up close. End your pre-conference day networking with your fellow YPs over drinks.

\$90 per person, including kayak excursion and post-tour happy hour.

Early registration is encouraged. Due to safety, the maximum weight is 250 lbs.

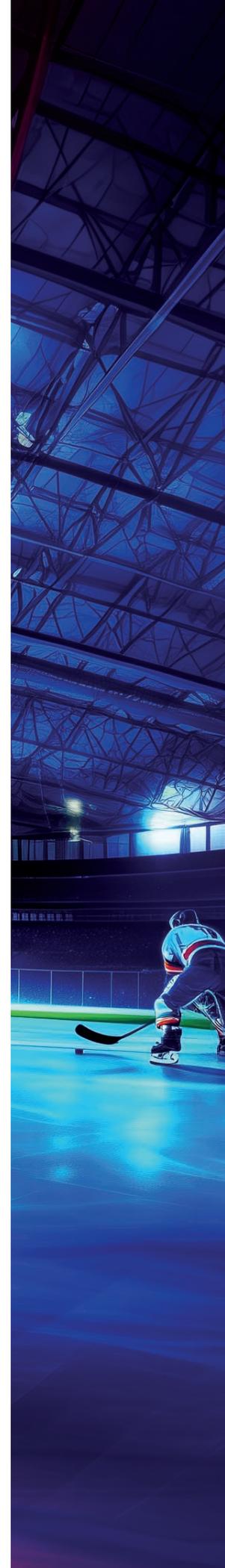
1:00 – 3:00 p.m.

Pre-Conference Breakout:

Sexual Harassment Prevention Training*

Jennifer Martinez, Hanson Bridgett, LLP

State law requires most local officials and employees to receive sexual harassment prevention training and education for at least two hours within six months of taking office or commencing employment and every two years



thereafter. Presented by an attorney with deep experience in public and employment law, this session provides an interactive presentation meeting the requirements of state law.

**Optional - Free to CSDA Members and Non-members who are already attending the full conference.*

1:00 – 3:00 p.m.

Pre-Conference:

Certified Special District Manager (CSDM) Exam, Special District Leadership Foundation*

**Optional - Must be scheduled prior to the conference.*

3:00 – 5:00 p.m.

Pre-Conference Breakout:

Ethics AB 1234 Compliance Training*

Richard Pio Roda, Redwood Public Law, LLP

California Government Code Section 53235(a) provides that if a local agency provides any type of compensation, salary, or stipend to a member of a legislative body, or provides reimbursement for actual and necessary expenses incurred by a member of a legislative body in the performance of official duties, then all local agency officials shall receive training in ethics. Subdivision (b) of Section 53235 further provides that each

local agency official shall receive at least two hours of training in general ethics principles and ethics laws relevant to his or her public service every two years. This training satisfies these requirements by covering several topics on ethics, including the Political Reform Act and Government Code Section 1090 conflicts of interest, the Levine Act, the Ralph M. Brown Act, and the California Public Records Act. Attendees will receive a certificate that they attended the mandatory training that will satisfy this training requirement for the next two years of their public service.

**Optional - Free to CSDA Members and Non-members who are already attending the full conference.*

3:30 – 5:00 p.m.

Chapter Leaders Meeting*

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities. The meeting will begin with networking and refreshments with CSDA Diamond and Platinum Business Affiliate Members, including information on how they can help support your chapter's efforts!

**Optional - No fee, but must be attending the conference to participate.*

CONFERENCE OFFICIALLY BEGINS!

5:15 – 7:30 p.m.

President's Reception with the Exhibitors – Tailgate Party – Conference Officially Begins!

Throw on your favorite team jersey and join us in the exhibit hall for the ultimate tailgate-style KICKOFF to the 2025 CSDA Annual Conference! Network with fellow attendees and business professionals who provide all types of goods and services to special districts. Appetizers, refreshments, and entertainment will be provided.

Reception is included in the conference registration.

7:30 – 9:00 p.m.

SDRMA Member Reception – Invitation only

Join us in the SDRMA Dessert Dugout for a sweet treat immediately following the opening reception. Network with your fellow SDRMA members and meet your friendly SDRMA staff.

Electronic invitation to follow in early August.



SCHEDULE *Tuesday, August 26, 2025*

7:00 a.m. – 6:00 p.m.

Registration Open

7:30 – 8:30 a.m.

CSDA Board Meeting

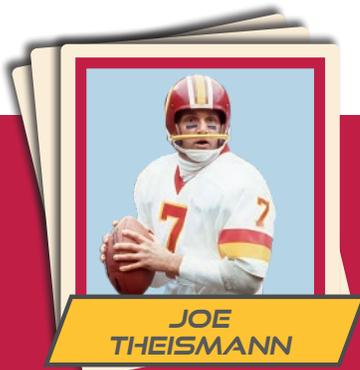
7:30 a.m. – 6:30 p.m.

Exhibitor Showcase Open

7:30 – 8:30 a.m.

Continental Breakfast in the Exhibit Hall (Raffle)

Breakfast is included in conference registration.



8:45 – 10:45 a.m.

Opening General Session and Keynote

“Game Plan for Success”

Joe Theismann, Former Star Quarterback, Emmy Award-Winning NFL Analyst, Entrepreneur & Author

Sponsored by: 

This dynamic presentation outlines the game plan that brought Joe Theismann success both on and off the football field. Former NFL MVP quarterback and Super Bowl Champion, he reveals his Game Plan for Success by drawing parallels between winning in football and in business. Joe focuses on how to succeed under pressure – when it is “4th and 1,” and how to adapt quickly to unexpected situations when you are faced with a “blitz” instead of a zone. He urges individuals and organizations to set goals and correct errors each step of the way—an approach that builds unstoppable momentum, making even the strongest opposition struggle to keep up.



Awards Presented:

- ▶ General Manager of the Year
- ▶ Board Member of the Year
- ▶ Staff Member of the Year
- ▶ SDLF Certificate in Special District Governance
- ▶ SDLF Certified Special District Manager
- ▶ SDLF Essential Leadership Skills Certificate

All registered conference attendees are welcome.

11:00 a.m. – 12:00 p.m.

Breakout Sessions

How to Navigate the Planning & Building Permitting Processes of Cities and Counties

*Gary Bell and Aleks Giragosian,
Colantuono Highsmith & Whatley, PC*

Many special districts play a role in reviewing, conditioning, and approving land use decisions made by cities and counties. This session reviews that process and shares case studies.

Power in Community-Based Social Marketing: Organics Recycling in Multi-Family Communities

*Rob Hilton and Sara Parral,
West Valley Solid Waste Management Authority*

Learn how our District used Community-Based Social Marketing to increase participation and engagement in a challenging program. If we can

make multi-family composting work, you can make any program work!

Innovating Wildfire Prevention: Strategies, Funding, and Tools for Special Districts

*Dan Turner, San Luis Obispo Fire Safe Council
Hannah Newby, Andy Johnson and Lexi Journey,
Rincon Consultants, Inc.*

As wildfire threats continue to escalate across California, special districts play a critical role in driving effective wildfire prevention projects. This session will explore cutting-edge innovations in wildfire planning, from developing firesheds and leveraging data-driven dashboards to streamlining CEQA compliance for fuel mitigation efforts. Attendees will also gain insights into the latest funding opportunities designed to support proactive wildfire resilience.



SCHEDULE *Tuesday, August 26, 2025*

Unlocking the Magic: HR Best Practices for Special Districts

Melissa Asher and Tiffany Bose, CPS HR Consulting

Discover HR insights by delving into impactful practices across administration, training, and policies. Learn how to leverage essential information to increase effectiveness and empower your district to lead with confidence.

Bridging the Governance Gap: Addressing Turnover and Board Team

Karin Freese, PHD, MBA, Del Puerto Health Care District

Discover how to transform high-turnover chaos into resilient leadership. Learn the power of communication, structured onboarding, and role clarity to revolutionize governance and inspire thriving districts.

The Most Common Legal Questions Special Districts Ask:

A General Counsel's Perspective

Derek Cole, Cole Huber, LLP

What are the most common questions special districts ask their general counsels? Municipal attorneys handle a wide range of legal practice areas, but there are certain questions that commonly come up more than others.

This presentation will identify and provide general answers to these questions. Topics include closed sessions, conflicts of interest, public records requests, and others.

My District Needs to Borrow Money... Now What?

Andrea Salazar, South Tahoe Public Utility District

Rick Brandis, Oppenheimer & Co. Inc.

Dmitry Semenov, Ridgeline Municipal Strategies

This session discusses key considerations for obtaining financing (bonds, private placements, financing leases, and government loans - USDA, SRF, WIFIA, etc.) and how market changes are impacting your agency's ability to borrow money.

12:15 – 1:30 p.m.

Lunch with the Exhibitors

All attendees are welcome to attend lunch in the exhibit hall. Enjoy your lunch while taking time to learn more about our exhibitors and the valuable services they provide. From risk management to accounting, HR, legal, banking services, and more – our exhibitors have some of the best of what you're looking for!

Lunch is included in the conference registration.

1:30 – 3:00 p.m.

Breakout Sessions

Demystifying Public Service: What Being an Effective Special District Board Member Means to You, Your Organization, and Your Community

Tom Scaglione, Grossmont Healthcare District

You have been elected or appointed to a special district board by your community. This is a tremendous honor that comes with much responsibility. As a board member for a special district, you have committed to representing the best interests of your community, ensuring the delivery of essential local services and infrastructure, and faithfully serving the public good while upholding the law. Attendees at this program will learn how to be an effective board member and serve their constituents' best interests.

Finance Policies Power Play: Navigating the Rules of the Game

*Josh Byerrum and Samantha Prall,
Platinum Strategies Inc.*

Join us for an in-depth review of financial policies and best practices that will shape your organization's fiscal health. This session will explore key policies and their practical applications, focusing on how these guidelines trickle down to impact your budget and financial statements. We will uncover the strategies behind successful financial management, ensuring you're equipped to tackle challenges and seize opportunities with confidence. Whether you are fine-tuning your current approach or implementing new policies, this session provides the insights you need to stay ahead of the game.

With Arms Wide Open - Managing Conflict and Public Protest When Increasing Rates

*Dean Atyia, Best Best & Krieger LLP
Jessica Self, Union Public Utility District*

Both an attorney and special district representative will present strategies and share stories for managing public perception during the Proposition 218 rate setting process. There will be particular emphasis on reducing litigation risk and facilitating public acceptance of increased rates.

Evolution of LAFCO and Why it Matters to You

*Jason Fried, Marin LAFCO
Joe Serrano, LAFCO of Santa Cruz County*

This session focuses on two primary areas: the more relevant one is to talk about how special districts can work with their LAFCO effectively, not to look at LAFCO as the bogeyman but as an ally there to help. The other is to encourage those special districts in counties that are not seated on LAFCO to seriously to learn the benefits of being on the commission and consider joining.

Huddle Up! New and Future GM Meet Up

*Scott Carroll, CSDM, Costa Mesa Sanitary District
Justin Scott-Coe, CSDM, Monte Vista Water District*

Join us for an engaging and interactive breakout session designed exclusively for new and aspiring General Managers. "Huddle Up!" is your opportunity to connect with peers, share experiences, and gain valuable insights into the dynamic role of a GM. Whether you are new to the position or preparing for the next step in your career, this session will provide you with practical strategies, leadership tips, and industry best practices to navigate the challenges and seize the opportunities ahead. Don't miss this chance to build your professional network and walk away with actionable ideas to excel in your role.

Navigating the AI Tide: Legal and Ethical Implications for Special Districts

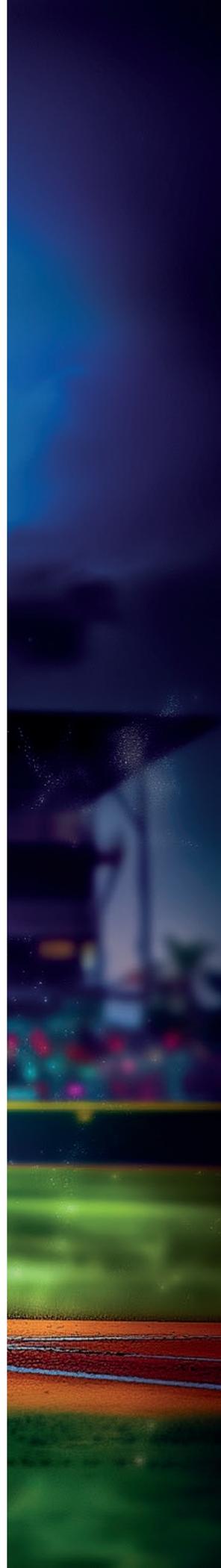
Nick Clair, Lozano Smith, Attorneys at Law

Explore AI's transformative role in special districts, focusing on legal risks, ethical considerations, and strategies for navigating the AI tide in public agency law and operations.

Playing by the Rules: The Brown Act

*Nicolle Falcis and Jeff Hoskinson,
Atkinson, Andelson, Loya, Ruud & Romo*

Join us for this breakdown of the Brown Act—California's open meeting law for local government bodies. This action-packed session will provide the playbook for transparency, tackle key rules for meetings, and strategies to avoid penalties like serial meetings and closed session fouls. Whether you are a rookie board member or a seasoned MVP, you will leave this session ready to keep your team compliant with the rules and your meetings open to the public.



3:30 – 4:45 p.m.

Breakout Sessions

Impact Fee Playbook:

Best Practices and Local Challenges

*Miasha Rivas and Willie Sapeta,
Lake County Fire Protection District
Dmitry Semenov, Ridgeline Municipal Strategies*

Impact fees fund essential facilities but implementing them is anything but straightforward. Here is a practical guide to designing effective fee programs, navigating local approval processes, and managing regulatory challenges.

Cash Flow Analysis and Forecasting: Implementing the Right Approach for Your Entity

Tom Tight, California CLASS

This session will provide an overview of cash flow forecasting activities, discuss details of what is included in a cash flow analysis (including how to conduct one), and outline the type of information governments should be tracking for accurate analysis. Finally, we will perform a live case study on a government using our new, proprietary cash flow modeling tool (CFMAX).

Game Plan for Hosting More Positive, Productive, and Fun Public Workshops

Institute for Local Government

Based on ILG's popular Meeting Mastery training, this session will provide California's special district leaders with practical, actionable tips for transforming their public workshops into dynamic, inclusive, and engaging experiences. From preparing for the workshop to managing diverse opinions and creating an atmosphere of fun and openness, this session will equip leaders with the tools to not only host more effective workshops but also create lasting relationships with the communities they serve.

Got Surplus Land? New Changes in the Surplus Land Act

*Laura Ratcliffe, Hanson Bridgett, LLP
Christine Compton, Irvine Ranch Water District*

Regulations regarding the disposal of "Surplus Land" (which may include both selling and leasing agency property) have changed in recent years. We will cover the key aspects of the Surplus Land

Act (SLA), practical implementation advice, and pitfalls to avoid. We will also provide updates on recent developments in interpretation of and amendment to the SLA.

Culturally Relevant Community Engagement: Waterwise Loteria

*Elizabeth Willis and Monica Curiel,
Chino Basin Water Conservation District*

How to empower your team to create culturally appropriate, place-based programming to engage your constituents and become a valued part of the community you serve.

Lessons Learned After the 2018 Camp Fire - And How Your District Can Prepare for Natural Disasters

*Mickey Rich and Kevin Phillips,
Paradise Irrigation District*

The session will cover wildfires' impacts on municipal water systems, including contamination risks and restoration challenges. It will also highlight innovative recovery strategies, mitigation, and community engagement.

General Manager Performance Evaluations: A Strategic Approach That Works

Martin Rauch, Rauch Communication Consultants, Inc.

A well-executed General Manager Performance Evaluation is vital for both the manager's success and the Board's effectiveness. But many Boards struggle with this critical task. Learn a proven process that enhances communication and understanding between the manager and board; incorporates both subjective and objective criteria for a comprehensive assessment; aligns the evaluation with clear policy directions and connects it to the broader strategic plan and the manager's annual goals.



Tuesday, August 26, 2025 (contd.)



5:00 – 6:30 p.m.

Mix and Mingle in the Exhibit Hall

Stop by the exhibit hall for one final chance to chat with the exhibitors, enjoy a drink and hors d'oeuvres, and enter for one more chance to win one of our fabulous prizes!

The exhibit hall closes on Tuesday, August 26 at 6:30 p.m.

Reception is included in full conference registration



SCHEDULE *Wednesday, August 27, 2025*

7:00 a.m. – 6:00 p.m.

Registration Open

8:00 – 8:30 a.m.

SDRMA Sponsored Full Plated Breakfast

Breakfast is included in the full conference registration.

8:30 – 10:30 a.m.

General Session Keynote and Awards

The Undeniable, Jaw-Dropping Power of Encouragement

Brad Montgomery, Keynote Speaker, Entrepreneur, Author & Podcaster

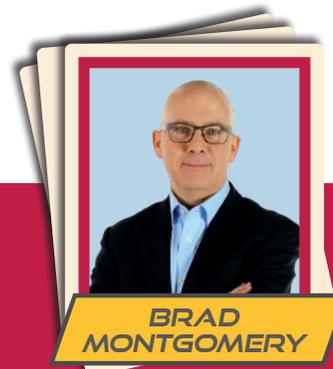
Sponsored by: 

The business strategy you cannot afford to ignore. How do we get more out of ourselves and those people around us? The key to investing in your people is to strategically deploy the power of encouragement. It's free, easy, massively underutilized. Encouragement nurtures loyalty, trust, and job satisfaction. With Brad Montgomery's authentic and innate humor, this program brings encouragement to life, illustrating its transformative potential for personal and organizational growth.

Awards Presented:

- ▶ SDRMA Safety Awards
- ▶ Transparency Certificate of Excellence
- ▶ District of Distinction

All registered conference attendees welcome.



SCHEDULE *Wednesday, August 27, 2025*

10:45 a.m. – 12:00 p.m.

Breakout Sessions

Hoops They Did It Again: The California Legislature Workers' Compensation (WC) Law & Court Updates

Danny Peña,

*Special District Risk Management Authority
Boone White, Esq., MacIntyre & White, LLP*

During this session, attendees will learn how recent WC laws affect the current WC system and provide practical ways to not only be compliant with new case law but also look at various options to improve or reduce WC costs.

Building Big Projects: Slicing Through Community Concerns

Ryder Todd Smith, Tripepi Smith

Big projects are hard to do in California. Community sentiment can derail major infrastructure. Let's talk about communicating about your capital initiatives before, during and after completion.

Staying in Bounds: A Play-by-Play Update on Labor & Employment Laws

Andrew Aller, Atkinson, Andelson, Loya, Ruud & Romo

Get ready to hit the field with the latest developments in California and federal labor and employment law impacting special districts.

This session will coach you through key plays involving discrimination and harassment policies, leave laws, recent court rulings, wage and hour rules, and more. Learn how to avoid compliance penalties, build an all-star HR strategy, and keep your organization in the legal end zone.



Procurement and Public Contracting: To Bid or Not To Bid

Steven Flower, Richards Watson and Gershon

This session will be an introduction to procurement and public contracting. It will cover the fundamentals of district purchasing processes; from purchase orders and consulting contracts to formal bidding for public works projects, and everything in between. We will discuss when to bid and when not to bid to ensure that your district is compliant with the Government Code, Labor Code, and your local district policies.

The Latest CalPERS Developments - What You Need to Know Now

Michael D. Youril, Liebert Cassidy Whitmore

CalPERS rules and regulations continue to evolve, creating complex challenges for California's special districts. With rising employer contribution costs, stricter reporting requirements, and compliance pitfalls, staying ahead of the latest developments is important to avoid costly mistakes. This session will break down key updates impacting special districts, including reporting errors that trigger penalties, new and evolving interpretations, disability retirements and common mistakes.

Red Flag! Handling the Rogue Board Member

Brent Ives, BHI Management Consulting

Agencies often face challenging Board members who act out—both in and outside of meetings. While their message may have merit, their behavior often does not. Addressing these situations is not always straightforward. Join this compelling session to hear real cases—some resolved effectively, others not.

Local Elections: Combating Misinformation and Deceptive AI

Mac Clemmens, Streamline

As AI technology evolves, the risk of misinformation and disinformation becomes more pronounced. This presentation will provide insights into the challenges of the political season, offer strategic recommendations for districts, and introduce tools and platforms for maintaining the integrity of information within your community.

11:00 a.m. – 12:00 p.m.

SDLF Board and Annual Meeting

12:15 – 2:30 p.m.

Legislative Update Luncheon

CSDA Advocacy Legal Affairs Team

Trying to keep up with the relentless action in Sacramento and Washington D.C. and what it means for your special district? CSDA's advocacy and legal affairs team, in partnership with the National Special Districts Association, will present attendees with the most up-to-date information on the biggest state and federal legislative, budgetary, and legal issues impacting special districts in 2025. This session will cut through the noise and provide a high-level overview of the key public policy matters that truly do matter most to our membership.

Awards Presented:

- ▶ Innovative Project/Program of the Year Award (large district)
- ▶ Innovative Project/Program of the Year Award (small district)
- ▶ Exceptional Public Outreach & Advocacy Award (large district)
- ▶ Exceptional Public Outreach & Advocacy Award (small district)
- ▶ Ralph Heim Exceptional Outreach & Advocacy Award

Lunch is included in the conference registration.

2:45 – 3:45 p.m.

Breakout Sessions

Back to Basics – Strengthening Your Game with an Injury & Illness Prevention Playbook

Enriqueta Castro, CSP,

Special District Risk Management Authority

While the IIPP seems like a basic Cal/OSHA standard, it is actually the essential foundation of an effective safety program. Participants will gain a fresh perspective on how an effectively implemented IIPP produces a powerful safety program.

Vacancies in Your Governing Board: When do They Occur and How do You Handle Them?

Derek Cole, Cole Huber, LLP

This presentation will address when and how vacancies occur in the governing board of special districts. It will cover all grounds for vacancies, including resignations, prolonged failure to attend board meetings, and failure to discharge the duties of office. The presentation will cover how to fill vacant offices through appointments or special elections, the timing for responding to vacancies, and what happens if deadlines are not met.

Take Your Audit from a Penalty to a Touchdown

Scott German, CPA,

Fechter & Company, Certified Public Accountants

We will explain what district management's responsibility is for the audit and how to make your financial reporting ready for audit.

Compliance Without the Snooze: Making Your Website Work for You

Mac Clemmens and Maria Lara, Streamline

Website compliance does not have to be a legal labyrinth or a total snoozefest. In this interactive session, we will wake you up with 16 key checkpoints to keep your district's website compliant, accessible and up to date, plus you'll walk away with easy-to-use tools and a simple, stress-free "checklist" to make compliance painless (and maybe even fun!). If "website compliance" makes your eyes glaze over, this session is for you!

Beyond the Legislative Update Lunch: Additional Insights

CSDA Advocacy and Legal Affairs Team

Did you leave the Legislative Update Luncheon still hungry for more? That's what the Post Script breakout session is for. Here's your chance to meet with the legislative and legal affairs presenters from CSDA and the National Special Districts Association in a smaller setting designed to address your questions related to the topics presented earlier at the luncheon. Join us for a deeper dive into the biggest bills and hottest legislative and legal topics impacting special districts. So, take notes at the luncheon and bring your questions to the Post Script.



SCHEDULE *Wednesday, August 27, 2025*

Game Plan for Transparency: Understanding the California Public Records Act

Darren Ziegler, Best Best & Krieger, LLP

Are you ready to tackle transparency head-on? In this training session, we will break down the CPRA like a winning playbook. Just like in sports, understanding the rules of the game is the key to success. This session will examine tools to navigate the CPRA with confidence. Whether you're a seasoned professional or a newcomer to public records, we'll walk you through every step of the CPRA, from identifying the playbook of public records requests to making sure you're following the game rules for disclosure and exemptions.

Proposition 218 Demystified: Clear and Transparent Processes

Josh Byerrum and Habib Isaac, Platinum Strategies Inc.

How we proposed a 13% annual rate increase over five years, anchored in community engagement and transparent communication, with minimal opposition from a 27,000-strong service area.

2:45 – 3:45 p.m.

CSDA Finance Corporation Board and Annual Meeting

4:00 – 5:00 p.m.

Breakout Sessions

CEQA for the Brave: Advanced CEQA Topics

Ann Danforth, Andrew Shen and Rubin Cruse, Renne Public Law Group, LLP

Explore advanced CEQA topics, including recent case law, new legislation, policy trends, and strategies to streamline compliance and adapt to evolving requirements. Gain insights to navigate CEQA's complexities effectively.

Caught in the Feed: Managing Employee Social Media Without Crossing the Line

Phil Bui, Liebert Cassidy Whitmore

In this eye-opening session, we will examine how special districts can proactively address social media risks while respecting legal boundaries. Through recent case examples, we'll unpack where employee speech is protected, when discipline is appropriate, and how to build enforceable, up-to-date policies that won't land your agency in court. Whether you are revisiting your social media policy or dealing with a current issue, this session offers clear guidance, common pitfalls to avoid, and practical tools to protect your agency in a fast-moving digital world.

Better Boards Equals Better Districts: Best Practice for Boards

Martin Rauch, Rauch Communication Consultants, Inc.

This session offers practical, proven strategies to help you master good governance, streamline your board and manager roles, and build a cohesive team as the foundation for maintaining an effective special district. Learn how to foster board teamwork; carry out the director's role with excellence; build a productive relationship with your manager; ensure your Board is focusing on the right information and issues; deal with difficult directors; improve deliberation; provide clear policy direction to the Manager; implement a productive general manager performance evaluation; and more. Join this interactive session filled with real-world examples and actionable ideas to drive change and improvement in your district.

From Chaos to Calm: How to Avoid Disruptive Public Meetings and How to Handle Them if They Occur

Craig Steele, Richards Watson and Gershon

Public meetings have an outsized impact on the "brand" of a public agency. Most constituents want calm, well-organized, and respectful interactions with their local government officials. This presentation will focus on the rules regarding public participation, and techniques that can help minimize the kinds of disruptions that can create negative impressions of your agency. Districts can promote open, courteous discussions of important local issues while still protecting free speech rights. In this session, we will provide tips for doing just that.

SCHEDULE *Wednesday, August 27, 2025*

Unlocking New Funding Sources Through Contamination Cost Recovery

Ken Sansone, SL Environmental Law Group, PC

Identify the potential legal claims your special district may have against manufacturers over contamination issues and learn how to minimize the financial impact of contamination on utilities and ratepayers.

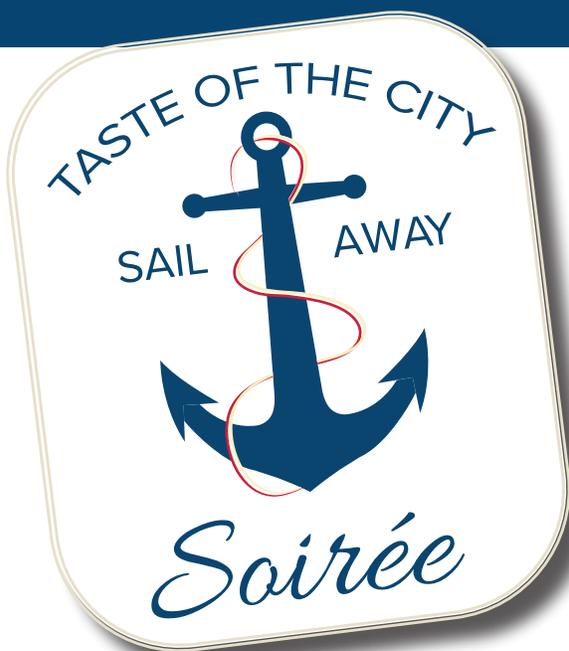


6:00 – 9:00 p.m.

Taste of the City – Sail Away Soirée

Sample the food and beverage flavors of Monterey while enjoying all your Yacht Rock favorites from the Alison Sharino Band and a lively silent auction, benefiting SDLF.

Reception is included with full conference registration.



SCHEDULE *Thursday, August 28, 2025*

8:00 – 10:00 a.m.

Closing Breakfast: Connect and Collaborate

We are in the final quarter—let's finish strong! Join your special district teammates for an energizing session where we tackle challenges unique to each district type, strategize winning plays with best practices, and share inspiring stories from the field. This is your chance to huddle up, trade ideas, and build connections that will help you score big in the future. Fuel up with a continental breakfast, and let's bring this Annual Conference to a close together!

Awards Presented:

- ▶ Excellence in Technology
- ▶ Chapter of the Year
- ▶ Beacon Awards
- ▶ Recognition of Previous and Outgoing Board Members

Breakfast is included in full conference registration.

10:00 a.m.

Conference Adjourns



REGISTRATION FEES

Save \$\$\$ by registering now!

Early Bird (on or before July 25, 2025)

- Member (Full Conference) \$890
- Non-member (Full Conference) \$1,780
- Guest of a CSDA Member* (Full Conference, cannot be from a district/company) \$460
- Guest of a CSDA Non-member * (Full Conference, cannot be from a district/company) \$920
- Member (One-day Registration) \$495
- Non-member (One-day Registration) \$990

Regular Registration (After July 25, 2025)

- Member (Full Conference) \$990
- Non-member (Full Conference) \$1,980
- Guest of a CSDA Member* (Full Conference, cannot be from a district/company) \$565
- Guest of a CSDA Non-member * (Full Conference, cannot be from a district/company) \$1,130
- Member (One-day Registration) \$530
- Non-member (One-day Registration) \$1,060

*Guest registration includes all meal functions, receptions (including Taste of the City), and Keynote sessions. We also offer a Taste of the City-only guest registration, as well as a Party Pack guest registration, which includes all three evening receptions.

Not sure if you are a member? Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the many benefits of CSDA membership contact Member Services at membership@csda.net or 877-924-2732.



Attendee Registration Form

Hotel Reservations *Marriott and Portola Hotel & Spa*

CSDA room reservations at the Marriott and Portola Hotel & Spa in the CSDA block are available starting at the rate of \$249 plus tax. The room reservation cut-off is August 4, 2025; however, space is limited and may sell out before this date.

One night's non-refundable room and tax will be charged on 8/4/25 for rooms reserved in the CSDA room block.

Full Conference Registration Fees Include:

- President's Reception with the Exhibitors on Monday
- Keynote Sessions
- Continental Breakfast with the Exhibitors on Tuesday
- Lunch with the Exhibitors on Tuesday
- Mix and Mingle in the Exhibit Hall on Tuesday
- SDRMA Full Plated Breakfast on Wednesday
- Legislative Update Luncheon on Wednesday
- All Breakout Sessions on Tuesday and Wednesday
- Taste of the City Reception on Wednesday
- Closing Breakfast on Thursday

Three Ways to Register

- 1** ONLINE by visiting the CSDA Annual Conference website at conference.csdanet.net
- 2** FAX your registration form to 916-520-2465. (All faxed forms must include payment)
- 3** MAIL to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. (Please include registration form along with payment. Check should be made payable to: California Special Districts Association).

Name:		Title:		
District:				
Address:				
City:		State:	Zip:	
Phone:		Fax:		
Email:		Website:		
Special Needs (including dietary)		First time attending the CSDA Annual Conference & Exhibitor Showcase? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Emergency Contact:				
Conference Registration Fees		Early Bird (on/before July 25, 2025)	Regular (after July 25, 2025)	SUBTOTAL
<input type="checkbox"/> CSDA Member - Full Conference		\$890.00	\$990.00	
<input type="checkbox"/> Non-member - Full Conference		\$1,780.00	\$1,980.00	
<input type="checkbox"/> Guest of a Member - Full Conference* (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$460.00	\$565.00	
<input type="checkbox"/> Guest of a Non-member - Full Conference* (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$920.00	\$1,130.00	
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$495.00 each day	\$530.00 each day	
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$990.00 each day	\$1,060.00 each day	
*Guest registration includes all meal functions, receptions (including Taste of the City), and Keynote sessions. We also offer a reception only (Party Pack) and Taste of the City only guest registration.				
Separate Registration Fees		Member	Non-member	SUBTOTAL
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Aug. 25		\$325.00	\$650.00	
<input type="checkbox"/> Pre-Conference Workshop: So, You Want to Be a General Manager? - Aug. 25		\$130.00 CSDA Member/Non-member		
<input type="checkbox"/> SDLF Scramble for Scholarships Golf Tournament - Aug. 25		\$130.00 (includes lunch)		
<input type="checkbox"/> Pre-Conference Tour: Moss Landing Harbor District Tour, Lunch & Elkhorn Slough Boat Tour - Aug. 25		\$95.00 (includes lunch)		
<input type="checkbox"/> Pre-Conference Activity: Young Professionals: Monterey Bay Kayak Tour - Aug. 25		\$95.00		
<input type="checkbox"/> "Taste of the City" Reception (Guests only) - Aug. 27		\$105.00	\$210.00	
<input type="checkbox"/> Guest Party Pack (admission to President's Reception, Mix & Mingle, and Taste of the City)		\$250.00	\$500.00	
TOTAL				
Payment Information				
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover				
Account name:		Account Number:		
Expiration date:	Zip Code:	CVC:	Authorized Signature:	

Cancellations/Substitution Policy: Cancellations must be in writing and received by CSDA no later than July 25, 2025. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after July 25, 2025. Substitutions are acceptable and must be made in writing no later than August 20, 2025. Please submit any cancellation notice or substitution request to meganh@csda.net or fax to 916-520-2465.

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

Anti-Discrimination and Harassment Policy: CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at www.csdanet.net/about-csda/who-we-are.



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**CSDA ANNUAL CONFERENCE
& EXHIBITOR SHOWCASE**
The Leadership Conference for Special Districts
📍 Monterey, CA | 📅 August 25 – 28, 2025

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **INFORMATION**

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

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

TYPE OF ACTION: **None**

FINANCIAL, AUDIT, & BUDGET INFORMATION

Total Board Travel as of April 30, 2025, is \$17,164.01 which is 77.67% of the approved \$22,100 budget for this item. (GL# 001/005/501/551 62090/62155-888)

Audit/Budget Update:

The District has contracted with C.J. Brown & Co for auditing services for the next three fiscal years. Engagement planning for fiscal year 2024-25 will take place at the beginning of June with interim field work to take place shortly thereafter. Final audit field work will take place in October 2025.

District staff have drafted, and presented, the proposed full Master Budget for fiscal year 2025-26. Once approved, staff will post the Master Budget to the District's website for transparency.

Treasurer's Report Highlights:

The April Treasurer's Report is the Simple Report which includes the Activity Summary by Fund with Graphs.

The Activity Summary by Fund provides information on revenues and expenses or expenditures for each fund by month for the full fiscal year. The Water and Wastewater funds are listed first, followed by graphs showing revenue versus expenses versus budgets. Parks, Measure B, and Streetlights information is given next, with accompanying graphs for each. Grant Revenue has also been added to the graphs for Water, Sewer, and Parks.

Other Update

Staff have met and identified projects that will require financing for completion over the next five years. Staff then met with the Finance and Audit committee and representatives from Oppenheimer & Co. to discuss the next round of District funding.

Staff are still in the discovery phase of this process and the Board will be notified as it progresses.

New accounting and billing software has been budgeted for in FY25-26. Staff has developed a committee to begin the internal discussion of this project and will then begin reaching out to potential providers for demonstrations soon after July 1.

McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.B **Operations Department – April/May 2025 Report**

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

TYPE OF ACTION: **None**

Water Department:

Water Statistics:

The district pumped 33.2 million gallons of water in April. Five 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 Routes 7 and 8 were conducted in April. 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 1.35 million gallons and the average usage per day was 1.10 million gallons.

Water Distribution Maintenance:

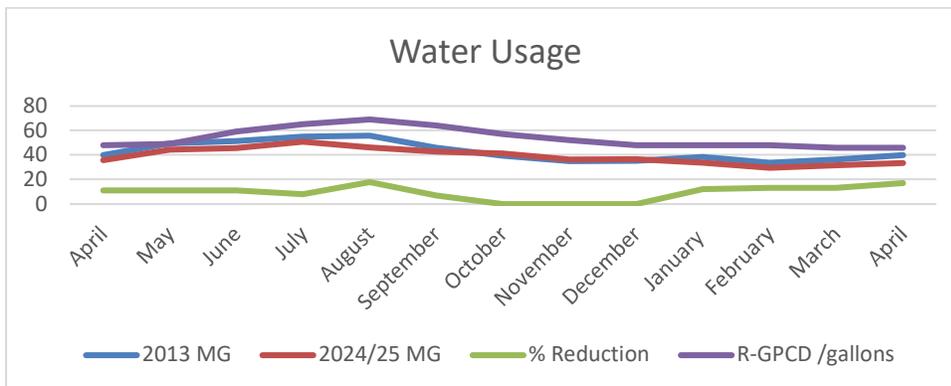
Weekly Bacteria Samples were collected on Schedules 3, 4, 5 and 6 which represent different locations in the water distribution system. The schedules are made up of a sample taken in each pressure zone. Several blow-off repairs have been made due to findings during the annual valve exercising program. Fire Hydrant painting continues as fill-in work and is approximately 60% completed. A water service leak was repaired on Murray due to poor bedding material.

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. The CL2 pump at North Bank station was repaired due to not functioning properly during the monthly inspections. Mowing and string trimming took place at several water facilities.

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
April	39.755	35.754	11	48
May	49.407	44.278	11	49
June	51.337	45.509	11	59
July	54.757	50.797	8	65
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



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 will be completed in the next two weeks.

Sewer Department:**Wastewater Statistics:**

37.3 million gallons of wastewater were collected and pumped to the WWMF. 40.1 million gallons of wastewater were treated and discharged to NPDES Permit EFF-001 River Discharge.

Sewer Station Maintenance:

Monthly inspections and daily routines were conducted at all sewer stations. The metal station vault lids were replaced at the Kelly Station due to rusted springs making it heavy and difficult to open. The lids were replaced with the aluminum lids that came from the Hiller Station upgrade. The Fischer and B Street stations were 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 rubber check valve was replaced on pump 2 at Letz due to failing and causing the pump to lose prime. This was noticed during the daily pump hour monitoring which showed higher pumping hours than normal.

Sewer Collection System:

Grease traps were inspected at required facilities. Customers that are out of compliance were notified to have their traps pumped and possibly shorten their pumping schedule. The semi-annual hydro-cleaning was completed using the vac-con and high pressured water through a spinning nozzle to clean 8200' of sewer mains. This is done to remove grease and grit from the mains which could accumulate and possibly cause a sewer spill. Customers were notified in advance.

Wastewater Management Facility:

Daily and weekly maintenance continues at the treatment plant to perform required service on the equipment. Site mowing was conducted along with scheduled maintenance on equipment. Staff completed the awnings over the Micro-grid inverters and the MCC.

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 to prepare for discharge.

Street Light Department:

There were 2 streetlight complaints in April due to bad photo cell and bad power.

Promote Staff Training and Advancement:

Weekly tailgate meetings and training associated with job requirements. Staff received Spill Response, Setting Up Traffic Control, Back Injury Prevention, Facing Stress and the Dangers of Energized Equipment trainings.

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 and worked on calendar of events and trainings

Reviewed Fischer Lift Station Project drawings and submitted comments

Attended Letz Sewer Main Project meeting and site walk

Attended BMX Track meetings and site visits

Cleaning of Homeless Camp in Community Forest

Helped organize the expansion of the Murray Parking Lot

Highway Crossing project meeting

Reviewed Office remodel drawings and submitted them to LDA

Rotten shop siding was replaced and painted

Staff took equipment and attended the School Emergency Equipment fair.

GIS:

Plans & Programs

- Vehicle Binder Plans Updates
- Injury and Illness Prevention Plan
 - Updated Plan chart to include workplace violence prevention plan
 - Uploaded updated Plan to Website to replace old one
- Public Power Safety Shutoff Plan
 - Updated Generator list/specs and employee list

General GIS/Maps Created

- Water As-Built Project
 - Continued digitizing sheets with 5 sheets remaining
- Community Forest Map
 - Made revision to the MCF forest trail map to include map segment numbers for first responders.
 - Added a couple new trails found since the inception of the original trail map
 - Made 10 you are here trail map signs with new trail map features

- Updated the Interactive map QR code to direct to the new web map
- Community forest web map migration to new ArcGIS Application
 - Updated the existing layers of the MCF Map and moved them to the new web map application.
 - Trail Map QR code takes you to this newly created web map
 - MCSD Website is updated to include new web map and the updated trail map.
- Water Facilities Map for North Bank Road utility Request by the County
- 2025 Community Survey Map for Parks related survey
- Misc Facilities Map Edits

Misc. Work Completed

- USA's & Document Filing

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McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **INFORMATION**

ITEM: F.3.C **Parks & Recreation Director’s Report for May 2025**

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

TYPE OF ACTION: **None**

STAFFING UPDATES:

Having brought on Jess Elm’s as the Environmental Programs Coordinator on May 1, 2025 and Omar Becerra Cortes an a Parks Maintenance Worker on May 20, 2025 the Parks & Recreation Department is once again fully staffed.

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.

PARK AND RECREATION COMMITTEE:

The Park and Recreation Committee (PARC) met on May 21, 2025. The PARC Committee made edits and approved the Parks & Recreation Community Survey, which will be available to be filled out through July 31, 2025. This survey helps to give guidance and data for the Parks & Recreation Master Plan Update which will be completed by the end of 2025. The Approved Minutes from the April 16 PARC Meeting can be reviewed in **Attachment 1**.

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. A groundbreaking ceremony is scheduled for Friday, May 30 at 2pm at the BMX park. A Bike Rodeo is also planned for Saturday, May 31 from 10am-2pm at Pierson Park, this effort was spearheaded by representatives from McKinleyville BMX, Humboldt Skatepark Collective – McKinleyville Skatepark and MCSD staff, other participants include: Providence, Redwood Empire BMX, Two Feathers NAFS, Revolution Bicycles, MBTTA, Visual Concepts, HCSO, RCMBBA, Humboldt Composite High School MTB Club, Cruz N Kitchen and promotion from the McKinleyville Chamber.

MCKINLEYVILLE COMMUNITY FOREST COMMITTEE & SUBCOMMITTEES:

MCF Committee Update

The McKinleyville Community Forest Committee (MCFC) did meet on May 20, 2025. The Approved Minutes of the April 15 MCFC Meeting can be reviewed in **Attachment 2**. Key topics included approving the Draft Donation Letter for the McKinleyville Community Forest Fund at HAF and approving the Numbered MCF Trail Map. The Committee also heard reports from the Chairs for the TICS and FMPFB Subcommittees.

TICS Subcommittee Update

The TICS Subcommittee met on May 27, 2025. The subcommittee approved extending the Meeting time from 1 hour to 2 hours. The subcommittee discussed Return Line Trails from the Jump Lines, the First Street Property Sale, as well as their approach to Developing a Trails Plan.

FMPFB Subcommittee Update

The FMPFB Subcommittee met on May 7, 2025. Discussion continued around possible CFIP Grant Projects, Mark Andre and Greg Blomstrom with BBW, met with some potential contractors at the forest to see if their costs would be close to what CalFire reimbursement rates. Staff, Mark and Greg also met with Jim Robbins (CalFire) at the MCF to check out possible projects needed in the forest. The subcommittee then switched focusing on real-time edits to the Community Forest Management Plan. The group reviewed and revised part of section 4 & 5 of the 10-section document.

RECREATION PROGRAM UPDATES

Recreation Program Updates

- Drop-in Pickleball is back on 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. The first session was Sunday, May 25, 2025.
- Beginning Pickleball just finished up it March session which was on Thursday evenings from 6-8pm March 6-27, the class fee is \$50 for residents and \$55 for non-residents. Next session dates to be determined.
- 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.
- 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 Summer Basketball Program's registration opened May 1. Third-fourth graders will play on Tuesdays and fifth and sixth graders on Thursdays from June 24- August 7th. Registration fees are \$80 for McKinleyville residents and \$85 for non-residents.
- The Pee Wee Basketball League has wrapped up it's 2025 season on May 17.
- Sunday Night drop-in Basketball is averaging 8-10 participants per week.
- Playgroup for children 0-5 years old runs every Thursday from 10:30am-12:30pm through the school year minus Holiday Break Weeks.
- The next Tot-letics session will be T-ball will likely be May 24 – June 21, both sessions are currently full with 20 kids signed up per session.

- We are partnering with MUSD this summer to run the ELP Tot-Camp for TK-K MUSD students at the McKinleyville Activity Center. MUSD is covering the cost per student/week for 30 students/week for 8 weeks from June 23 – August 15.
- Scoot N Skate summer camp will run for 3 weeks at the McKinleyville Skatepark from July 11 from 1-5pm. Registration is open now, the registration fee is \$120/week for McKinleyville Residents and \$125/week for non-residents.
- The upcoming Middle School Dances for the 24-25 school year have been scheduled. Five different PTOs reached out with an interest to partner on a dance. Four PTOs were selected lotto style via zoom. The line up for next year will be:
 - Friday, October 25, 2024 –Coastal Grove PTO
 - 267 Middle Schoolers attended the first dance!
 - Friday, December 6, 2024 – McKinleyville Schools PTO
 - 207 Middle Schoolers attended this dance
 - Friday, February 7, 2025 – Jacoby Creek PTO
 - 177 Middle Schoolers attended this dance
 - Friday, April 18, 2025 – Pacific Union PTO
 - 174 Middle Schoolers attended this dance

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

May Rentals:

- 8 Azalea Hall Rentals plus a weekly and a bi-weekly meeting room rental.
- 7 Pierson Park Rentals.
- 0 Teen Center Rentals.
- 0 Activity Center Rentals.
- 1 Activity Center and 0 Teen Center Birthday Party Program Rentals.
- The Teen Center Kitchen has two 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 – 2024-4-16 Approved PARC Meeting Minutes
- Attachment 2 – 2025-4-15 Approved MCFC Meeting Minutes

**MINUTES OF THE REGULAR MEETING OF THE PARK AND RECREATION COMMITTEE
(PARC) HELD ON WEDNESDAY, April 16, 2025 at 6:00 P.M.
IN PERSON AT THE MCSD OFFICE – 1656 SUTTER ROAD, MCKINLEYVILLE, CALIFORNIA**

Agenda Item 1 – Call To Order & Roll Call

The meeting was called to order at 6:06 p.m. with following committee members in attendance in person at the MCSD Office:

Charlie Caldwell – Chair
Jennifer Ortega - Vice Chair
Jane Fusek
John Kulstad - Arrived at 6:27pm
Evan Schwartz
Ciara Torres
*Scott Binder - MCSD Board Director (non-voting member)

Via Zoom:
Dana Merrill - AB1234 Compliance

Absent:
Patti Stuart
Heidi Conzelmann
Phil Heidrick

Staff in Attendance:
Kirsten Messmer
Pat Kaspari

Members of the Public:
Jamie Bellermann
Carol Cox
Rebecca Henson
Jacqueline Handy
Eric Frayer
Samantha Peters

Agenda Item 2 – Pledge of Allegiance

The Pledge of Allegiance was led by Charlie Cladwell.

Agenda Item 3 – Additions or Changes to the Agenda

There were no additions or changes to the agenda.

Agenda Item 4 – Approval of Agenda

Motion: It was moved to approve the agenda.

Motion by: Committee Member Jane Fuskek; **Second:** Committee Member Ciara Torres. There were no comments from the Committee or public.

Roll Call: Ayes: Caldwell, Schwartz, Fusek, Merrill, Ortega, Schwartz, Torres Nays: None Absent: Patti Stuart, Heidi Conzelman, Phil Heidrick, John Kulstad. **Motion Summary:** Motion passed.

Agenda Item 5 – Public Comment

There was no Public Comment.

Agenda Item 6 - Approval of the March 19, 2025 Meeting Minutes

Motion: It was moved to approve the Meeting Minutes, with spelling corrections for Director Messmer's last name on Items 8 & 9.

Motion by: Committee Member Evan Schwartz; **Second:** Committee Member Jane Fusek There were no comments from the Committee or public.

Roll Call: Ayes: Ayes: Caldwell, Schwartz, Fusek, Merrill, Ortega, Schwartz, Torres Nays: None Absent: Patti Stuart, Heidi Conzelman, Phil Heidrick, John Kulstad.

Motion Summary: Motion passed.

Agenda Item 7 – Possible Addition of Tribal Land Acknowledgement to PARC Procedures

PARC Committee Chair Caldwell presented the item, giving an update on it's current status; which is he hasn't heard back yet. Committee discussion ensued, with the following Motion approved.

Motion: Leaving it on and keeping it as informational going forward

Motion by: Committee Member Jane Fusek; **Second:** Committee Member Jenn Ortega

There were no comments from the Committee or public.

Roll Call: Ayes: Ayes: Caldwell, Schwartz, Fusek, Merrill, Ortega, Schwartz, Torres Nays: None Absent: Patti Stuart, Heidi Conzelman, Phil Heidrick, John Kulstad.

Motion Summary: Motion passed.

Agenda Item 8 – Update on Land & Water Conservation Fund Grant Opportunity (Information)

Parks & Recreation Director Messmer presented the item.

This was an informational item, no action was taken.

Agenda Item 9 – Review the Parks & Recreation Master Plan Update (Information)

Parks & Recreation Director Messmer presented the item. The committee reviewed Chapter 1 of the Master Plan Update.

This was an informational item, no action was taken.

Agenda Item 10 – Update on the Botanical Garden (Information)

PARC Committee member Jane Fusek presented the item. The committee reviewed Chapter 1 of the Master Plan Update.

This was an informational item, no action was taken.

Agenda Item 11 – Hiller “Off Leash” Dog Area Discussion (Information)

Parks & Recreation Director Messmer presented the item.

Members of the community came to discuss the issues with the dog park off leash some members in favor of it continuing to be off leash without fencing and others wanting it to be fenced.

This was an informational item, no action was taken. Will be included in our next meeting.

Make an action plan regarding public safety to prepare for the board.

Agenda Item 12 – McKinleyville Community Forest Report

Update on McKinleyville Community Forest Subcommittees from MCF Committee Member Jennifer Ortega.

Agenda Item 13 – Parks & Recreation Director Report

STAFFING UPDATES:

At the March 5 MCSD Board Meeting, a new position was created and added to the District's Organization Chart: Environmental Programs Coordinator. This position reports to the Parks and Recreation Director and will take on a variety of tasks, such as the Community Forest and other District owned open spaces, Grant Writing and Administration, CEQA, Public Meeting Administration, etc. We did the 1st round of interviews on March 28 and 30, narrowing down to two candidates. The 2nd round of interviews will take place on April 16.

John Trewin's last day as a Parks Maintenance Worker with the District was March 28, 2025. We wish him well in his retirement and hope his days are filled with relaxation and happiness. The position has been posted, we anticipate narrowing down the applicants and holding interviews the week of April 21.

RECREATION PROGRAM UPDATES:

- Drop-in Pickleball is back on its normal school year schedule: Monday, Wednesday and Friday mornings from 9:00am to 12:00pm at the McKinleyville Activity Center. Drop in is \$4 per person.
- Beginning Pickleball will return this summer with a longer 6-week class!
- 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.
- 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.
- Staff are running the Pee Wee Basketball Season now. As usual the Season runs April 5 – May 17 for TK-2nd Graders. Registration is done and full with 108 players signed up.
- Sunday Night drop-in Basketball is averaging 10-15 participants per week.
- Playgroup for children who are 0-5 years old and their caregivers runs every Thursday from 10:30am-12:30pm through the school year minus Holiday Break Weeks.
- The next Tot-letics session will be T-ball will take place May 24 – June 21. Registration is almost full with 35 out of 40 spots filled.
- Registration is open for Breakout for Spring Break week; these weeks will include skating at the Skatepark (weather dependent).
- The upcoming Middle School Dances for the 24-25 school year have been scheduled. Five different PTOs reached out with an interest to partner on a dance. Four PTOs were selected lotto style via zoom. The line up for next year will be:

- Friday, October 25, 2024 --Coastal Grove PTO 267 Middle Schoolers attended the first dance!
- Friday, December 6, 2024 – McKinleyville Schools PT 207 Middle Schoolers attended this dance
- Friday, February 7, 2025 – Jacoby Creek PTO 177 Middle Schoolers attended this dance
- Friday, April 18, 2025 – Pacific Union PTO
- Friday, April 18, 2025 – Pacific Union PTO

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 and spent a day doing trail work in the Community Forest. Staff continue to keep up with daily/weekly routine facility and vehicle maintenance. Monthly inspections were conducted on all facilities and Open Spaces.

FACILITY RENTALS & USE

March Rentals:

- 6 Azalea Hall Rentals plus a weekly and a bi-weekly meeting room rental.
- 3 Pierson Park Rentals.
- 3 Teen Center Rentals.
- 9 Activity Center Rentals.
- 3 Activity Center and 1 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.

Agenda Item 14 – Ad Hoc Committee Reports

Skate Park (Charlie Caldwell) – Had their meeting first of the month, update on website. Raising funds for phase 2.

Fischer Ranch Estuary Project (Heidi Conzelmann) – No new information.

BMX Bike Track & Park at School/Washington (Charlie Caldwell) – Staff are waiting for the contractor to sign the Building Permit. Staff anticipate construction to begin soon. Bike rodeo to promote park happening on May 31st.

Community Garden (Ciara Torres) – Clean up happening this weekend on April 19th.

Agenda Item 15 – Committee Member Announcements and Future Agenda Items

- Next Committee Meeting: May 21, 2025
- Next MCSD Board Meeting: May 7, 2025
- Agenda Item 7 – Possible Addition of Tribal Land Acknowledgement to PARC Procedures
- Update from staff on the LWCF 50% Matching Grant possibility.
- Further Review of the Master Plan Update & Parks & Recreation Survey Review

Agenda Item 16 - Adjournment

Meeting Adjourned at 7:59 pm



Kirsten Messmer, Parks & Recreation Director for Ciara Torres, PARC Secretary

MINUTES OF THE REGULAR MEETING OF THE MCKINLEYVILLE COMMUNITY FOREST COMMITTEE (MCFC) HELD ON TUESDAY, APRIL 15, 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.

Roll Call

The following committee members and staff were in attendance in person at Azalea Hall.

- Gregory Orsini, Chair, MCSD Board Director (Non-Voting Member)
- James Biteman, 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 **(Arrived at 5:38 during Item 7)**
- 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
- Kevin Creed, At-Large Member
- Christopher Collier, Alternate Natural Resources Agency Member
- Nicole West, Alternate Natural Resources/Biologist Member
- Kevin Creed, At-Large Member
- Todd Truesdell, At-Large Member
- Joey Blaine, MCSD Board Secretary

Absent: Mersadies Campbell, Alternate Forester Member

Nicole West served as a voting member in the initial absence of Maya Conrad.

2 Pledge of Allegiance

The Pledge of Allegiance was led by Jens Andersen.

3 Additions or Changes to the Agenda

There we no additions or changes to the agenda.

4 Approval of Agenda

Motion: It was moved to approve the agenda.

Motion by: Creed **Second:** Messmer

Roll Call: Ayes: Kaspari, Henry, Messmer, Andersen, Ortega, Rink, Brown, Early-Dorvall, Stephens, Truesdell, Creed, West

Nays: None

Absent: Conrad

Motion Summary: Motion passed.

5 Public Comment and Written Communications

There was no public comment.

6 Consider Approval of Minutes of the Regular Meeting of the McKinleyville Community Forest Committee on March 18, 2025

Motion: It was moved to approve the March 18, 2025 meeting minutes.

Motion by: Creed **Second:** Kaspari

Roll Call: Ayes: Kaspari, Henry, Messmer, Andersen, Ortega, Rink, Brown, Early-Dorvall, Stephens, Truesdell, Creed, West

Nays: None

Absent: Conrad

Motion Summary: Motion passed.

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

Charlie Caldwell, TICS Subcommittee Chair, reviewed the item.

The Committee commented, discussed, and asked clarifying questions.

There was no public comment.

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

8 Forest Management Plan and Funding/Budget Subcommittee Report

Kevin Creed, Chair of the Forest Management Plan and Funding/Budget Subcommittee, reviewed the item.

The Committee commented, discussed and asked clarifying questions.

There was no public comment.

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

9 Consider Recommendation of Approval of Memorandum of Understanding with Humboldt Trails Council to the MCSD Board of Directors

Operations Director James Henry presented the item.

The Committee commented, discussed and asked clarifying questions.

Motion: It was moved to recommend the Draft Memorandum of Understanding go to the MCSD Board for approval.

Motion by: Conrad **Second:** Stephens

Roll Call: Ayes: Kaspari, Henry, Messmer, Andersen, Ortega, Rink, Brown, Early-Dorvall, Stephens, Truesdell, Creed

Nays: None

Motion Summary: Motion passed.

11 Committee Member Announcements and Future Agenda Items

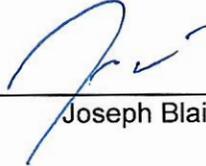
Parks and Recreation Director Messmer announced that the second round of interviews for the Environmental Programs Coordinator were upcoming later in the week.

Maya Conrad announced the April 23, 2025 McKinleyville Municipal Advisory Meeting would host John Ford, Director of Humboldt County Planning and Building, discussing the Town Center Environmental Impact Report.

Parks and Recreation Director Messmer also announced the purchase of a side-by-side to be used by the MCSD Parks and Recreation maintenance crew.

12 Adjournment

Meeting Adjourned at 6:06 p.m.



Joseph Blaine, CMC, Board Secretary

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McKinleyville Community Services District

BOARD OF DIRECTORS

June 4, 2025

TYPE OF ITEM: **INFORMATIONAL**

ITEM: F.3.D **General Manager’s Report for June 4, 2025 Meeting**

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

TYPE OF ACTION: **Information Only**

A summary of activity for the month of May 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 =	\$4,186
• WEX Labor Reimbursement =	\$0
• SWAP =	\$3,600
• Volunteer Pickleball Labor =	\$906
• CSW =	\$1,095
• Amazon Savings =	\$37
• <u>Umpqua fee waivers & new interest rate =</u>	<u>\$6,805</u>
TOTAL COST SAVINGS FOR MAY =	\$16,629

TOTAL CURRENT COST SAVINGS FOR FY 24/25 = \$297,576

This represents real saving that the District Staff should be recognized and commended for. This represents savings that are passed onto the District’s ratepayers and the community.

4.5 Gallon Water Tank Project – Mercer Fraser is still working on finalizing the piping so they can disinfected and filled the tank. They originally were going to fill the tank the middle of April, then the end of April, then May, and as of the writing of this report, they have still not started to fill the tank. As soon as the tank is filled and it passes the leak testing, they will backfill around the tank, construct the road, and finalize the rest of the site work. Colburn Electric’s work is proceeding with the construction of the upgrade to the electrical system and generator. The current contract completion date of February 28, 2025 has passed. The District has informed Mercer Fraser that we will begin deducting Liquidated Damages from their pay requests. The Contractual Liquidated Damages (LDs) for this project is \$2,100 per calendar day, as of June 1 they have incurred \$128,100 in LDs.

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 has budgeted the final \$9M. However, we have also now included \$1M in the CIP for FY 2025/26 to finish out the project.

Sewer Undercrossing Project – As the Board is aware, this project will replace the three highway crossings, where the sewer mains from the east side of McKinleyville cross under Highway 101 to the west side and the District's wastewater treatment facility. GHD did the initial design for this project, and the District requested that CalOES allow us to use GHD to finish up the contract. The Board approved the GHD contract at the May 7, 2025 Board Meeting, pending approval from CalOES. We just received approval from CalOES to utilizing GHD and they have begun working on the final design and permitting. 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. This fiscal years budget included \$100,000 for this project, with \$2M budgeted for the 2025/26 and \$4.5M 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. It is likely that the \$100,000 budgeted this year will not be spent.

Office Remodel – LDA Partners continues to work on the Office Remodel design. LDA submitted Draft Plans in September 2024 and District Staff completed a final review. LDA has moved into the final design plans and specifications. They have stated they will have final plans completed in June. In February 2025, they submitted a construction cost estimate for \$3.5M. As discussed as part of the Operations CIP budgeting at the March 5, 2025 Board Meeting, we have included \$2M for FY25/26 and \$2M for FY26/27 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. We of course would bring this item back to the Board for consideration prior to any final decisions being made.

McCluski/Hewitt Tank Replacement Project – This project, consisting of the replacement of the two existing redwood tanks at the west end of Hewitt Ave on McCluski Hill, is waiting for FEMA to complete NEPA for the project and release Phase 2 grant funding. 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 Phase 1 grant funding included the completion of 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. District Staff is working on a request for additional grant funding, and then we will wait for the Phase 2 grant funding to be released for the final design, bidding and construction of the tanks.

This first phase of the work cost \$155,750 overall, which included a \$38,938 District match. This work was included in the 2024/25 Fiscal Year budget, with \$200k budget for this FY to complete the design, and \$500k budget for the 2025/26 FY and \$1M each budget for the 2026/27 & 27/28 FYs. 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. As mentioned, we will submit a request to see if there is additional grant funding available from FEMA/CalOES for this increased construction costs.

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 is finalizing the environmental and geotechnical work required for the CEQA/NEPA permitting and design. The draft Plans and Specifications were submitted to the District in March 2025 and will be completed and submitted to CalOES likely in June 2025.

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 the design, permitting and construction oversight is \$410,000 for a total project cost of approximately \$2.9M. This is \$1,381,000 over the

original grant project estimate. The District will request an increase in grant funding to cover the full 75% of the new overall project cost of \$2,175,000. If the full grant funding is obtained, the District's match will be \$725,000. If the additional grant funding is not obtained, the District's match will be \$1,713,500. Regardless, the District's match will be funded by the Certificates of Participation, Series 2021B-Sewer bonds. The Series 2021-B Sewer COPs currently has a fund balance of \$3,130,941.

Microgrid Project – As reported at the February 2025 Board Meeting, we are still working through some bugs, mainly 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 substantial 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.

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. The meeting in May was canceled due to the Memorial Day holiday.

Grant Applications – As discussed at the March 2025 Board Meeting, we obtained funding from the CAL Fire for the California Forest Improvement Program (CFIP) for the completion of the Community Forest Management Plan. This grant will also likely cover some initial projects and we are working with BBW & Associates to identify some fundable projects we can complete this calendar year.

As discussed, and approved at the November Board Meeting, we are also pursuing funding from the CAL FIRE Forest Health Program to fund the shaded fuel break and thinning of the Community Forest to prevent wildfires. This grant was submitted on January 15th, 2025. We recently heard that unfortunately this grant will not be funded.

The Mad River Watermain Crossing Hazard Mitigation Grant application was submitted to CalOES in March 2021. We heard in December 2021 that the project had been forwarded by CalOES to FEMA for funding. We still have not received a grant agreement for this project.

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 of 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 2025, Board Meeting, we are also finishing up the design and assessment as part of the Recycled Water Grant for the Pialorsi property. 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.

Other Work – May was extremely busy. We continue to be busy with the ongoing construction of the 4.5MG tank and our regular construction meetings and work associated with that. We have sorted out the County permit for the BMX Park and have sorted out change orders with the Contractor to move the project forward and we hosted the groundbreaking ceremony on May 30th. The BMX Construction will add to the plate of the GM, Operations Director and the Parks & Rec. Director. We continue to work on the Microgrid project as well, meeting with Ameresco and GHD on the transition phase between construction and operations. The Community Forest continues to take up time with meetings and chasing grants as well as responding to community comments and working with Green Diamond and our other neighbors to clean up homeless encampments. We are very happy with the hiring of Jess Elms, the new Environmental Project Coordinator, and a sure that will relieve some of this stress. We also reviewed the design plans, specifications and contract documents from GHD for the Fischer Lift Station upgrade project and are working with them to scope out the replacement of the Letz Lift Station forcemain. We also had meetings with the Rancheria, HBMWD and their Engineer, to review the planning study for the watermain extension to the Trinidad Rancheria. The County is also in the middle of the update to the Countywide Hazard Mitigation Plan, and the Draft Plan is out for review. The GM also attended a Community Forest Committee meeting, and the MCF Forest Management Plan

Subcommittee meeting, HBMWD Muni Meetings, MMAC Incorporation and Regular meetings, the PARC meetings, and CSDA Local Chapter meetings. Things continue to be very busy at the District.

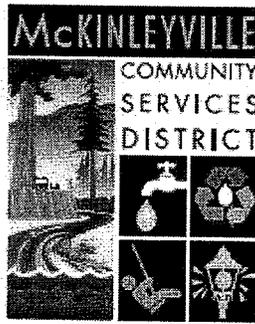
Attachments: Attachment 1 – WWMF Monthly Self-Monitoring Report

PHYSICAL ADDRESS:

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McKINLEYVILLE, CA 95519

MAILING ADDRESS:

P.O. BOX 2037
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PHONE: (707) 839-3251
FAX: (707) 839-8456

PARKS & RECREATION OFFICE:

PHONE: (707) 839-9003
FAX: (707) 839-5964

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

May 27, 2025

RE: MONTHLY MONITORING REPORT

Dear Sabrina:

Enclosed is the Monthly Monitoring Report for April 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 29 days going to 001. The required monitoring and water quality constituents that were tested and reported was in compliance in April.

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 April and was in compliance.

Monthly River Monitoring was conducted in April.

Quarter 2 sampling was conducted in April.

Semi Annual Chronic Testing was conducted in January

MCKINLEYVILLE COMMUNITY SERVICES DISTRICT WASTEWATER MANAGEMENT FACILITY MONITORING DATA

MONTH: April 2025

DATE	EFFLUENT MONITORING																				
	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD	Flow MGD
1	1.813	1.643	1.360	7690	2538																
2	1.629	1.665	1.353	7890	2618																
3	1.478	1.669	1.368	5880	1929																
4	1.404	1.668	1.447	4680	1452																
5	1.370	1.662	1.481	3910	1185																
6	1.411	1.645	1.514	3480	1032																
7	1.527	1.003	1.389	4250	1373																
8	1.405	0.000	0	4120	0																
9	1.352	0.613	1.258	3290	1174																
10	1.294	1.000	1.505	2680	799																
11	1.264	1.261	1.131	2280	905																
12	1.255	1.347	1.286	1970	688																
13	1.287	1.390	1.191	1710	644																
14	1.229	1.401	1.276	1490	524																
15	1.200	1.399	1.175	1250	478																
16	1.176	1.401	1.293	1140	396																
17	1.163	1.410	1.498	1050	315																
18	1.129	1.412	1.355	961	318																
19	1.155	1.414	1.302	860	296																
20	1.172	1.413	1.413	760	241																
21	1.110	1.413	1.380	715	233																
22	1.086	1.415	1.516	656	194																
23	1.084	1.411	1.420	584	185																
24	1.054	1.408	1.546	550	160																
25	1.030	1.386	1.416	545	173																
26	1.074	1.378	1.372	545	178																
27	1.118	1.349	1.365	545	179																
28	1.044	1.313	1.323	503	171																
29	1.006	1.335	1.374	467	153																
30	1.004	1.279	1.325	433	147																

MONTHLY TESTS EFF-001 DISCHARGE TO RIVER												MONTHLY TESTS REC-001 DISCHARGE TO LAND												MONTHLY TESTS EFF-002 DISCHARGE TO RIVER															
Ammonia Impact				Nitrate				Hardness				Total Phosphorus				TDS				AMMONIA				NITRATE				NITRITE				SODIUM CHLORIDE				BORON			
0.1				1.7				4.0				7.0				4.4				N/A				N/A				N/A				N/A				N/A			
MONTHLY TESTS EFF-002 DISCHARGE TO RIVER												MONTHLY TESTS REC-002 DISCHARGE TO LAND												MONTHLY TESTS EFF-002 DISCHARGE TO RIVER															
TDS				Ammonia				Conductivity				Turbidity				Hardness				Ammonia				TDS				Conductivity				Turbidity							
7.6				54				79				145				87				51				87				7.7				139.3							
MONTHLY TESTS EFF-001 DISCHARGE TO RIVER												MONTHLY TESTS REC-001 DISCHARGE TO LAND												MONTHLY TESTS EFF-002 DISCHARGE TO RIVER															
TDS				Ammonia				Conductivity				Turbidity				Hardness				Ammonia				TDS				Conductivity				Turbidity							
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TDS				Ammonia				Conductivity				Turbidity</																											

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

April 2025

Discharge Monitoring DATE	M-INF INFLUENT MGD	M-001 EFFLUENT MGD	MAXIMUM GPM	004 REC-001 FISCHER UPPER MGD	003 REC-001 FISCHER LOWER MGD	006 REC-001 PIALORSI MGD	005 REC-001 HILLER MGD	IRRGATE TOTAL MGD	001 EFF-001 RIVER MGD
1	1.813	1.643	1360					0.000	1.643
2	1.629	1.665	1353					0.000	1.665
3	1.478	1.669	1368					0.000	1.669
4	1.404	1.668	1447					0.000	1.668
5	1.370	1.662	1481					0.000	1.662
6	1.411	1.645	1514					0.000	1.645
7	1.527	1.003	1389					0.000	1.003
8	1.405	0.000	0	Washed CCB				0.000	0.000
9	1.352	0.613	1258					0.000	0.613
10	1.294	1.000	1505					0.000	1.000
11	1.264	1.261	1131					0.000	1.261
12	1.255	1.347	1286					0.000	1.347
13	1.287	1.390	1191					0.000	1.390
14	1.229	1.401	1276					0.000	1.401
15	1.200	1.399	1175					0.000	1.399
16	1.176	1.401	1293					0.000	1.401
17	1.163	1.410	1498					0.000	1.410
18	1.129	1.412	1355					0.000	1.412
19	1.155	1.414	1302					0.000	1.414
20	1.172	1.413	1413					0.000	1.413
21	1.110	1.413	1380					0.000	1.413
22	1.086	1.415	1516					0.000	1.415
23	1.084	1.411	1420					0.000	1.411
24	1.054	1.408	1546					0.000	1.408
25	1.030	1.386	1416					0.000	1.386
26	1.074	1.378	1372					0.000	1.378
27	1.118	1.349	1365					0.000	1.349
28	1.044	1.313	1323					0.000	1.313
29	1.006	1.335	1374					0.000	1.335
30	1.004	1.279	1325					0.000	1.279
TOTAL	37.323	40.103		0.000	0.000	0.000	0.000	0.000	40.103
AVERAGE	1.244	1.337	1321	0.000	0.000	0.000	0.000	0.000	1.337
MAXIMUM	1.813	1.669	1546	0.000	0.000	0.000	0.000	0.000	1.669
MINIMUM	1.004	0.000	0	0.000	0.000	0.000	0.000	0.000	0.000
DAYS	30	29		0	0	0	0		29

DAYS WITH NO DISCHARGE = 1