

**GARBERVILLE SANITARY DISTRICT
BOARD OF DIRECTORS MEETING
AGENDA**

**There will be a regular meeting held by the Garberville Sanitary District Board of Directors at the
GSD District Office
919 Redwood DR. Garberville, CA**

**Date of Meeting: Tuesday, January 31, 2023
5:00 p.m. – Open Public Session**

Any writings or documents that are public records and are provided to a majority of the governing board regarding an open session item on this agenda will be made available for public inspection in the District Office located at 919 Redwood Dr. during normal business hours.

NOTE: The Board of Directors may require staff and the public to participate, via teleconference or Otherwise electronically. This meeting is compliant with AB361 which allows for a deviation of Teleconference rules required by the Brown Act during a proclaimed state of emergency.

I. REGULAR MEETING CALLED TO ORDER

II. ESTABLISHMENT OF QUORUM

Rio Anderson___, Doug Bryan___, Julie Lyon___, Dan Thomas___, Richard Landes___

III. APPROVAL OF AGENDA - Action to add or delete items from any portion of the agenda or to discuss any consent agenda items must be taken prior to adoption of the agenda.

Motion: Second: Vote:

IV. THE BOARD WILL ENTER CLOSED SESSION (5:00pm)

IVa. Questions or Comments about Closed Session Items

1. Conference with Real Property Negotiators (Government Code § 54956.8):

Property: Approximately (undetermined) acres of land and is a portion of the parcel designated as Assessor’s Parcel Numbers APN 032-211-035, APN 032-211-011, APN 032-211-021, APN 223-061-007, APN 032-211-034, APN 032-111-025

Garberville Sanitary District Negotiating Team with Russ Gans (GSD attorney) will participate and under negotiation: Price and/or terms of payment/conditions, Ground Lease and Development Agreement

(discussion—possible action)

Motion: Second: Vote:

V. RETURN TO OPEN SESSION

Report of action taken in Closed Session

Government Code Section 54954.3 provides that the public will have an opportunity to address the Board on any item described on a regular or special meeting before consideration of that item. The Board reserves the right to limit the time of presentation by individuals and groups

VI. COMMENTS AND QUESTIONS FROM THE AUDIENCE

Up to fifteen minutes of this portion of the meeting are reserved for members of the public to address the Board on items not listed on the agenda and within the jurisdiction of the GSD Board. Speakers are limited to 3 minutes. The GSD Board is prohibited by law from taking action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the GSD Board does not respond to public comment at this time.

General Public / Community Groups

Remote Public Comments:

- 1. Submit public comments in writing or by Email to the Garberville Board of Directors and Staff prior to meeting, so Board and staff have time to review the information provided. All public Comments sent to office or by email, must be received prior to 1:00PM on day of meeting.**

VII. ANNOUNCEMENTS AND COMMUNICATIONS

REPORTS AND PRESENTATIONS – *Routine report of activities, operations, meetings / conferences held and/or attended by Board members, Staff, and General Manager*

Operations Staff- Operational Demands

Office Staff-

Board Members-

Correspondence-

General Manager—Ralph Emerson Pg. 4

VIII. REGULAR AGENDA ITEMS

A. CONSENT AGENDA

Notice to the Public

All matters listed under Consent Agenda are considered to be routine and non-controversial, require no discussion and are expected to have unanimous Board support and may be enacted by the Board by one motion and voice vote. There will be no separate discussion of these items; however, before the Board votes on the motion to adopt, members of the Board may request that specific items be removed from the Consent Agenda for separate discussion and action. Any items will be considered after the motion to approve the Consent Agenda as time permits.

A.1 Approve Financials Date September, October, November 2022 - pg. 5-39

A.2 Approve December 20, 2022 Regular Meeting Minutes – pg. 40-42

A.3 Operations Safety Report- pg. 43-44

Motion: Second: Vote:

B. GENERAL BUSINESS – Action items

Notice to the Public

The Board of Directors will allow public comment on agenda items at the time the agenda item is considered. However We ask that any person who wishes to speak on an agenda item submit a request prior to the meeting being called to order. You will be given 3 minutes on each agenda item that you wish to comment on and the Board of Directors will discuss the item amongst themselves with no other public comment.

B.1 Water Tank Replacement Project **pg. 45-146**

(discussion—possible action) Jennie

Motion: Second: Vote:

- B.2 Final Audit 2022 pg. 147-175
 (discussion-possible action) Jennie
Motion: **Second:** **Vote:**
- B.3 River and Rain Update Past 20 Years
 (discussion-possible action) Dan and Brian
Motion: **Second:** **Vote:**
- B.4 Arrearage Code and LIHWAP Update
 (discussion-possible action) Mary
Motion: **Second:** **Vote:**
- B.5 Pine Street Apartments-Building Project pg. 176-178
 (discussion-possible action)
Motion: **Second:** **Vote:**
- B.6 Developer Projects Update
 (discussion—no action)
- B.7 Authorized Check Signers pg. 179-180
 (action requested) Resolution 23-001
Motion: **Second:** **Vote**

C. POLICY REVISION / ADOPTION

- C.1 Amend Brown Act Policy pg. 181-242
 (discussion—Action Requested)
Motion: **Second:** **Vote:**
- C.2 Billing Procedures-Sec 9.5 pg. 243-253
 (discussion-possible action) 3rd reading
 Resolution #23-002
Motion: **Second:** **Vote:**

VIII. ITEMS FOR NEXT BOARD MEETING

1. Water Tank Replacement Project
2. River and Rain Update
3. Developer Project Update
- 4.
- 5.

IX. ADJOURNMENT

The GSD Board meeting agenda will be posted at the District Office no later than. Date: Saturday, January 28th, 2023. The agenda will be on the GSD website and is emailed to the local newspapers and those who have requested an agenda in writing or e-mail.

In accordance with the Americans with Disabilities Act, if you need a special accommodation to participate, please contact the Garberville Sanitary District Office at (707)923-9566 at least 48 hours in advance.

Garberville Sanitary District

**PO Box 211
Garberville, CA. 95542
(707)923-9566**

GENERAL MANAGER REPORT

Date: January 31st 2023

Winter storms have raised havoc with operations and customer service because of power outages, excessive rain, turbidity in water and the amount of water in the collection system which required multiple hours of over-time. Staff accepted the challenges and were able to maintain safe potable water and customer service.

The tank replacement project is moving forward and we have had multiple meetings between all participants in the design, implementation and funding of this project. We are moving closer to having plans to submit and this item is on the agenda for more discussion.

There have been customers who have approached me about reductions in their service charges, so Mary has been working with me to educate those customers while researching whether they have legitimate justification for service charge reduction. We have been telling all customers who have concerns, that they should submit a report in writing so that it can be discussed with the Board or settled in the office.

Respectfully Submitted:

Ralph Emerson



GARBERVILLE SANITARY DISTRICT

P.O. BOX 211 • GARBERVILLE, CA 95542 • (707) 923-9566

BOARD AGENDA MEMORANDUM - Consent Item

Meeting Date: January 31, 2023
 To: Garberville Sanitary District Board of Directors
 From: Jennie Short, Consultant Project Manager
 Subject: September, October, and November 2022 Financial Statements

GENERAL OVERVIEW AND FINANCIAL CONSIDERATIONS

The attached Financial Statements are for September, October and November 2022. They are not preliminary as the audit entries have been included in the balance sheet account balances.

Table 1. Overview of the “Combined Revenue & Expense Report for Board”

Description	Annual Budget	YTD Actual	YTD Budget	YTD Difference	😊
Total Revenue (excl. connection fees)	1,329,230.00	542,188.22	527,633.35	14,554.87	😊
Total Expense (excl. Depreciation)	970,426.09	363,368.12	401,663.98	-38,295.86	😊
Net Income (excl. Depreciation)	358,803.91	178,820.10	125,969.37	52,850.73	😊
Payroll	472,533.58	150,529.65	141,385.40	6,683.63	😞
Repair & Maintenance + Supplies	106,900.00	14,224.25	44,458.35	-30,234.10	😊

As can be seen on the “Statement of Cash Flows Report for Board - July - November 2022” and the “Balance Sheet Report for Board as of November 30, 2022”:

- Operational revenues are \$15,007.35 **OVER** budget.
- Operational expenses are \$ 38,692.99 **UNDER** budget.
- Net cash **DECREASE** for November is \$9,296.70 and the year to date is a net cash **DECREASE** of \$ 35,688.09. This negative cash flow is mainly due to the large payment to SDRMA for entire year’s property, liability, and worker’s compensation insurance, the loan payment for the wastewater project, and the payments for SHN’s work on the Robertson/Wallan/Hurlbutt Tanks project. When

we receive the first reimbursement from the State for the project it will help offset this negative cash flow. The State paid \$64,008.00 in December 2022.

- Regular Time Payroll costs are **\$9,144.25 OVER** budget, mainly due to the annual payout of excess vacation to the employees in November.
- The repair and maintenance plus supplies expenses are **\$ 30,234.10 UNDER** the YTD budgeted amount.
- Total payments on loans through November 30, 2022 total **\$ 43,465.05** of a budgeted year-end total of \$115,467.61.
- Expenditures for fixed asset acquisition through November 30, 2022 total **\$109,095.55** of a budgeted year-end total of \$478,000.00. The projects anticipated were:

Asset Description	Annual Amount Budgeted	Amount Spent YTD
Robertson + Wallen + Hurlbutt Tank Replacement Project	350,000	104,626.55
Meadows Aerial Waterline SRF Grant/Loan	8,000	
Bear Canyon Sewer Aerial Preliminary Design	5,000	
WWTP Flow Meters/Reprogram	7,500	
Fencing and Shelter for Raw Water Intake Generator & Controls	20,000	
Raw Water Intake Pump	70,000	
Pumps - Rebuild FW @ SWTP	7,500	
Unspecified	10,000	4,469.00
Total:	478,000	109,095.55

RECOMMENDED BOARD ACTIONS

Review the reports and approve them with the consent agenda.

ATTACHMENTS

1. Statement of Cash Flows - Current Month and Fiscal Year to Date
2. Balance Sheet with Comparison = Current month and Fiscal Year beginning July 1, 2022.
3. Revenue and Expense Report - Combined Report for Water & Sewer containing current month actual, fiscal year to date actual, and annual budget for the months of September, October, and November 2022
4. Check Register Report for all checks issued in September, October, and November 2022.

Financial Statements

September 2022

GARBERVILLE SANITARY DISTRICT

Balance Sheet

As of September 30, 2022

	Jun 30, 22	Sept 30, 22	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
1005 · Umpqua Checking - Operating	165,091.66	102,484.75	(62,606.91)
1006 · Umpqua System Reserve - Water	25,811.93	25,812.58	0.65
1007 · Umpqua System Reserve - Sewer	31,270.19	31,270.98	0.79
1011 · Water Enterprise Fund	46,832.34	46,833.52	1.18
1030 · County Treasury - Sewer Reserve	434,307.06	434,307.06	0.00
1031 · County Treasury - Water Reserve	141,265.36	141,265.36	0.00
1035 · Water Capital Improvement Fund	17,999.37	25,999.89	8,000.52
1036 · Sewer Capital Improvement Fund	9,998.37	17,998.69	8,000.32
1040 · Petty Cash	39.51	39.51	0.00
1050 · Cash Drawer	200.75	200.75	0.00
Total Checking/Savings	872,816.54	826,213.09	(46,603.45)
Accounts Receivable			
1115 · Acct Receivable - Collection	0.00		0.00
11000 · Accounts Receivable - Other	4,668.04	2,168.04	(2,500.00)
Total Accounts Receivable	4,668.04	2,168.04	(2,500.00)
Other Current Assets			
1100 · Accounts Receivable			
1110 · Accts Receivable Over Payments	(2,514.77)	(4,592.97)	(2,078.20)
1100 · Accounts Receivable - Other	105,064.11	134,090.18	29,026.07
Total 1100 · Accounts Receivable	102,549.34	129,497.21	26,947.87
1121 · Payroll Tax Overpayment	304.15		(304.15)
1310 · County Interest Receivable	10,800.00	10,800.00	0.00
1315 · Water Grant Receivable	55,266.74	55,266.74	0.00
1500 · Prepaid Insurance	3,893.74	46,876.82	42,983.08
1501 · Prepaid Workers Comp	0.00	4,410.81	4,410.81
1510 · Prepaid Licenses and Permits		21,232.31	21,232.31
1550 · Allowance for Doubtful Accounts	(5,000.00)	(5,000.00)	0.00
Total Other Current Assets	167,813.97	263,083.89	92,769.92
Total Current Assets	1,045,298.55	1,091,465.02	46,166.47
Fixed Assets			
CIP-Church Street	6,800.00	6,800.00	0.00
CIP- Bear Canyon Sewerline	988.75	988.75	0.00
CIP - Meadows Aerial Waterline	9,133.44	9,133.44	0.00
CIP-Robertson-Wallan-Hurlbutt Tanks	142,323.23	189,946.53	47,623.30
WATER			0.00
Land - Water	94,594.62	94,594.62	0.00
Water Easements & Intangibles	177,397.11	177,397.11	0.00
Treatment	79,919.93	79,919.93	0.00
Distribution	2,804,484.17	2,804,484.17	0.00
Pumps	10,048.99	10,048.99	0.00
DWTP (Water) 2015	4,968,104.88	4,968,104.88	0.00
Total WATER	8,134,549.70	8,134,549.70	0.00
Water System	142,474.97	142,474.97	0.00

GARBERVILLE SANITARY DISTRICT

Balance Sheet

As of September 30, 2022

	Jun 30, 22	Sept 30, 22	\$ Change
SEWER			
Land - Sewer	129,810.68	129,810.68	0.00
Collection	2,395,295.12	2,395,295.12	0.00
Treatment	507,552.59	507,552.59	0.00
Pumps	32,648.40	32,648.40	0.00
Sewer Project - 2011	2,792,451.91	2,792,451.91	0.00
Total SEWER	5,857,758.70	5,857,758.70	0.00
Office Equipment	38,244.29	38,244.29	0.00
Equipment	311,403.29	315,872.29	4,469.00
Vehicles	121,205.99	121,205.99	0.00
MSR/SOI and Annexation Project	157,367.08	157,367.08	0.00
Accumulated Depreciation-Water	(2,760,532.30)	(2,827,480.06)	(66,947.76)
Accumulated Depreciation-Sewer	(2,504,788.10)	(2,538,395.09)	(33,606.99)
Total Fixed Assets	9,656,929.04	9,608,466.59	(48,462.45)
TOTAL ASSETS	10,702,227.59	10,699,931.61	(2,295.98)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable	58,597.50	36,515.57	(22,081.93)
Total Accounts Payable	58,597.50	36,515.57	(22,081.93)
Other Current Liabilities			
20001 · Accounts Payable - SWRCB	763.50	763.50	0.00
2300 · Service Deposits	6,400.00	6,300.00	(100.00)
20000 · Account Payable	2,100.00	30,409.76	28,309.76
2205 · Accrued Simple	(101.46)	(101.46)	0.00
2220 · Accrued State PR Taxes		137.70	
2230 · Accrued Vacation	40,952.75	40,952.75	0.00
2250 · Loans Payable - Current Portion	93,065.47	93,065.47	0.00
Total Other Current Liabilities	143,180.26	171,527.72	28,347.46
Total Current Liabilities	201,777.76	208,043.29	6,265.53
Long Term Liabilities			
2661 · Ditchwitch Vacuum Trailer	74,279.81	68,464.59	(5,815.22)
2665 · RCAC Loan - #0998 Backhoe	24,406.07	19,295.15	(5,110.92)
2500 · N/P - SWRCB	50,655.35	25,578.42	(25,076.93)
2700 · SRF Loan - Water	1,080,585.66	1,080,585.66	0.00
2900 · Less Current Portion	(93,065.47)	(93,065.47)	0.00
Total Long Term Liabilities	1,136,861.42	1,100,858.35	(36,003.07)
Total Liabilities	1,338,639.18	1,308,901.64	(29,737.54)
Equity			
3000 · Contributed Capital	6,129,491.75	6,129,491.75	0.00
3100 · Retained Earnings	3,352,681.06	3,234,096.66	(118,584.40)
Net Income	(118,584.40)	27,441.56	146,025.96
Total Equity	9,363,588.41	9,391,029.97	27,441.56
TOTAL LIABILITIES & EQUITY	10,702,227.59	10,699,931.61	(2,295.98)

GARBERVILLE SANITARY DISTRICT Statement of Cash Flows Report for Board

September 2022

	Sep 22	Jul - Sep 22
OPERATING ACTIVITIES		
Net Income	21,721.22	27,441.56
Adjustments to reconcile Net Income to net cash provided by operations:		
11000 · Accounts Receivable - Other	0.00	2,500.00
1100 · Accounts Receivable	(1,190.74)	(29,026.07)
1110 · Accts Receivable Over Payments	2,738.05	2,078.20
1500 · Prepaid Insurance	4,775.89	(42,983.08)
1501 · Prepaid Workers Comp	908.67	(4,410.81)
1510 · Prepaid Licenses and Permits	2,359.15	(21,232.31)
1121 · Payroll Tax Overpayment	0.00	304.15
2000 · Accounts Payable	(14,328.58)	(22,081.93)
20000 · Account Payable	0.00	28,309.76
2220 · Accrued State PR Taxes	137.70	137.70
2300 · Service Deposits	(100.00)	(100.00)
Net cash provided by Operating Activities	17,021.36	(59,062.83)
INVESTING ACTIVITIES		
Equipment	0.00	(4,469.00)
Accumulated Depreciation-Water	22,315.92	66,947.76
Accumulated Depreciation-Sewer	11,202.33	33,606.99
CIP-Robertson-Wallan-Hurlbutt Tanks	(9,828.75)	(47,623.30)
Net cash provided by Investing Activities	23,689.50	48,462.45
FINANCING ACTIVITIES		
2500 · N/P - SWRCB	0.00	(25,076.93)
2661 · Ditchwitch Vacuum Trailer	(1,997.15)	(5,815.22)
2665 · RCAC Loan - #0998 Backhoe	(1,710.73)	(5,110.92)
Net cash provided by Financing Activities	(3,707.88)	(36,003.07)
Net cash increase for period	37,002.98	(46,603.45)
Cash at beginning of period	789,210.11	872,816.54
Cash at end of period	826,213.09	826,213.09

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
September 2022

	Current Month Sept 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
Ordinary Income/Expense					
Income					
Water Charges					
4100 · Residential	30,598.25	94,196.15	98,280.00	360,000.00	-4,083.85
4110 · Commercial	30,550.25	88,463.75	94,185.00	345,000.00	-5,721.25
Total Water Charges	61,148.50	182,659.90	192,465.00	705,000.00	-9,805.10
4200 · Sewer Charges	46,215.20	132,382.50	141,960.00	520,000.00	-9,577.50
4300 · Connection Fees	16,000.00	16,000.00	0.00	24,000.00	16,000.00
4650 · Late Charges	1,215.00	3,510.00	3,000.00	12,000.00	510.00
4700 · Other Operating Revenue	540.00	940.00	750.00	3,000.00	190.00
Total Income	125,118.70	335,492.40	338,175.00	1,264,000.00	-2,682.60
Gross Profit	125,118.70	335,492.40	338,175.00	1,264,000.00	-2,682.60
Expense					
Administrative and General					
5025 · Discount Program	270.00	630.00	900.00	3,600.00	-270.00
5000 · Advertising	0.00	0.00	100.00	300.00	-100.00
5005 · Bad Debts	2,079.75	3,274.50	1,124.99	5,000.00	2,149.51
5010 · Bank Charges					
5012 · Merchant Account Fees	594.16	1,655.72	1,000.02	4,000.00	655.70
5010 · Bank Charges - Other	184.52	537.16	499.98	2,000.00	37.18
Total 5010 · Bank Charges	778.68	2,192.88	1,500.00	6,000.00	692.88
5020 · Directors Fees	550.00	550.00	499.99	2,000.00	50.01
5030 · Dues and Memberships	0.00	1,064.00	1,352.52	5,410.00	-288.52
5035 · Education and Training	0.00	550.00	750.00	3,000.00	-200.00
5036 · Education and Training - B.O.D.	0.00	0.00	75.00	300.00	-75.00
Insurance					
5040 · Liability	4,775.89	14,327.67	13,704.24	54,817.00	623.43
5050 · Workers' Comp	908.67	2,632.77	1,760.88	7,043.58	871.89
5055 · Health					
5055.1 · Employee Portion	-746.24	-2,238.72	-2,312.52	-9,250.00	73.80
5055 · Health - Other	3,893.74	11,681.22	12,162.48	48,650.00	-481.26
Total 5055 · Health	3,147.50	9,442.50	9,849.96	39,400.00	-407.46
Total Insurance	8,832.06	26,402.94	25,315.08	101,260.58	1,087.86
5060 · Licenses, Permits, and Fees	2,564.15	7,282.45	7,883.73	31,535.00	-601.28
5065 · Auto	314.75	1,620.33	1,000.00	2,500.00	620.33
5070 · Miscellaneous	0.00	0.00	100.00	100.00	-100.00
5080 · Office Expense	1,851.67	4,725.95	1,999.98	8,000.00	2,725.97
5085 · Outside Services	709.00	1,949.00	2,254.98	9,020.00	-305.98
5090 · Payroll Taxes	2,443.70	7,109.88	8,475.00	33,900.00	-1,365.12
5100 · Postage	289.80	788.59	874.98	3,500.00	-86.39
5110 · Professional Fees	5,443.00	13,519.25	21,499.98	86,000.00	-7,980.73
5120 · Property Taxes	0.00	0.00	50.00	50.00	-50.00
5125 · Repairs and Maintenance	62.48	62.48	500.00	2,000.00	-437.52
5130 · Rents	0.00	1,670.00	2,505.00	10,020.00	-835.00
5135 · Retirement	724.23	2,186.00	2,322.48	9,290.00	-136.48
5137 · Supplies	21.54	368.18	375.00	1,500.00	-6.82
5140 · Telephone	856.78	2,592.23	2,815.02	11,260.00	-222.79

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
September 2022

	Current Month Sept 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
5145 · Tools	0.00	1,436.30	499.98	2,000.00	936.32
5150 · Travel and Meetings	0.00	338.17	375.00	1,500.00	-36.83
5155 · Utilities	259.36	783.47	1,093.74	4,375.00	-310.27
5160 · Wages					
5165 · Wages - Overtime	600.00	1,239.00	1,018.74	4,075.00	220.26
5160 · Wages - Other	12,643.57	38,988.82	45,760.98	183,044.00	-6,772.16
Total 5160 · Wages	13,243.57	40,227.82	46,779.72	187,119.00	-6,551.90
5170 · Vacation Accrual Adjustment	0.00	0.00	0.00	6,000.00	0.00
Total Administrative and General	41,294.52	121,324.42	133,022.17	536,539.58	-11,697.75
Sewage Collection					
6010 · Fuel	322.94	939.03	1,250.01	5,000.00	-310.98
6030 · Repairs and Maintenance	73.74	73.74	3,249.99	13,000.00	-3,176.25
6040 · Supplies	0.00	0.00	500.01	2,000.00	-500.01
6050 · Utilities	367.18	1,123.38	1,250.01	5,000.00	-126.63
6060 · Wages					0.00
6065 · Wages - Overtime Sewer Collecti	651.00	1,038.00	2,874.99	11,500.00	-1,836.99
6060 · Wages - Other	4,005.98	13,492.07	8,249.49	32,998.00	5,242.58
Total 6060 · Wages	4,656.98	14,530.07	11,124.48	44,498.00	3,405.59
Total Sewage Collection	5,420.84	16,666.22	17,374.50	69,498.00	-708.28
Sewage Treatment					
6075 · Fuel	322.94	939.03	1,250.01	5,000.00	-310.98
6080 · Monitoring	617.50	617.50	1,749.99	7,000.00	-1,132.49
6100 · Repairs and Maintenance	55.16	211.21	3,750.00	15,000.00	-3,538.79
6110 · Supplies	0.00	0.00	1,950.00	7,800.00	-1,950.00
6120 · Utilities	1,058.04	3,163.39	3,437.49	13,750.00	-274.10
6130 · Wages					
6135 · Wages - Overtime Sewer Treatmer	279.00	1,885.50	875.01	3,500.00	1,010.49
6130 · Wages - Other	4,246.97	11,850.40	8,988.00	35,952.00	2,862.40
Total 6130 · Wages	4,525.97	13,735.90	9,863.01	39,452.00	3,872.89
Total Sewage Treatment	6,579.61	18,667.03	22,000.50	88,002.00	-3,333.47
Water Trans and Distribution					
7075 · Fuel	322.94	939.03	1,250.01	5,000.00	-310.98
7090 · Repairs and Maintenance	2,704.84	3,441.53	7,500.00	30,000.00	-4,058.47
7100 · Supplies	0.00	0.00	1,250.01	5,000.00	-1,250.01
7110 · Utilities	943.71	2,750.70	3,125.01	12,500.00	-374.31
7120 · Wages					
7125 · Wages - Overtime Water Trans &	0.00	648.00	2,124.99	8,500.00	-1,476.99
7120 · Wages - Other	3,683.08	9,660.54	10,891.26	43,565.00	-1,230.72
Total 7120 · Wages	3,683.08	10,308.54	13,016.25	52,065.00	-2,707.71
Total Water Trans and Distribution	7,654.57	17,439.80	26,141.28	104,565.00	-8,701.48
Water Treatment					
7020 · Fuel	322.97	939.09	1,250.01	5,000.00	-310.92
7010 · Monitoring	1,232.50	1,622.50	2,000.01	8,000.00	-377.51
7030 · Repairs and Maintenance	0.00	2,591.47	3,750.00	15,000.00	-1,158.53
7040 · Supplies	0.00	937.59	3,900.00	15,600.00	-2,962.41
7050 · Utilities	5,223.98	15,536.91	16,406.25	65,625.00	-869.34
7060 · Wages					

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
September 2022

	Current Month Sept 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
7065 · Wages - Overtime Water Treatment	186.00	1,360.00	2,499.99	10,000.00	-1,139.99
7060 · Wages - Other	3,842.50	10,086.22	10,941.51	43,766.00	-855.29
Total 7060 · Wages	4,028.50	11,446.22	13,441.50	53,766.00	-1,995.28
Total Water Treatment	10,807.95	33,073.78	40,747.77	162,991.00	-7,673.99
Total Expense	71,757.49	207,171.25	239,286.22	961,595.58	-32,114.97
Net Ordinary Income	53,361.21	128,321.15	98,888.78	302,404.42	29,432.37
Other Income/Expense					
Other Income					
Property Tax Revenue					
8010 · Secured	0.00	0.00	0.00	25,500.00	0.00
8020 · Unsecured	0.00	0.00	0.00	1,900.00	0.00
8025 · Prior Years	0.00	0.00	0.00	10.00	0.00
8030 · Supplemental - Current	0.00	0.00	0.00	250.00	0.00
8035 · Supplemental - Prior Years	0.00	0.00	0.00	50.00	0.00
Property Tax Revenue - Other	0.00	0.00	0.00	27,710.00	0.00
Total Property Tax Revenue	0.00	0.00	0.00	55,420.00	0.00
8060 · Interest Income	1.69	3.46	1,125.00	4,500.00	-1,121.54
8070 · Other Non-Operating Revenue	2,705.65	2,750.67	1,250.01	5,000.00	1,500.66
9030 · Homeowners' Tax Relief	0.00	0.00	0.00	310.00	0.00
Total Other Income	2,707.34	2,754.13	2,375.01	65,230.00	379.12
Other Expense					
9010 · Other Expenses	450.00	731.25	1,000.02	4,000.00	-268.77
9040 · Depreciation	33,518.25	100,554.75	103,749.99	415,000.00	-3,195.24
9050 · Interest Expense	379.08	2,347.72	1,967.34	4,830.51	380.38
Total Other Expense	34,347.33	103,633.72	106,717.35	423,830.51	-3,083.63
Net Other Income	-31,639.99	-100,879.59	-104,342.34	-358,600.51	3,462.75
Net Income	21,721.22	27,441.56	-5,453.56	-56,196.09	32,895.12

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
September 2022

Date	Num	Memo	Amount
101 Netlink			
09/15/2022	11704		-250.00
Total 101 Netlink			-250.00
Adobe			
09/26/2022	DBT		-239.88
Total Adobe			-239.88
Amazon.com			
09/08/2022	DBT		-73.74
Total Amazon.com			-73.74
Bank Of The West			
09/15/2022	DBT		-2,288.71
Total Bank Of The West			-2,288.71
Blue Star Gas			
09/21/2022	11716		-11.00
Total Blue Star Gas			-11.00
Branscomb Center			
09/23/2022	DBT		-247.78
Total Branscomb Center			-247.78
Capital Bank & Trust			
09/01/2022	EFT	025158148	-366.45
09/01/2022	EFT	557880519	-878.40
09/20/2022	EFT	557880519	-876.66
09/20/2022	EFT	025158148	-357.78
Total Capital Bank & Trust			-2,479.29
Clear Rate Communications			
09/13/2022	11700		-367.09
Total Clear Rate Communications			-367.09
CRWA			
09/14/2022	11701		-572.00
Total CRWA			-572.00
Daniel Thomas			
09/29/2022	11725		-150.00
Total Daniel Thomas			-150.00
Dazey's Building Center			
09/26/2022	11719		-114.36
Total Dazey's Building Center			-114.36
Doug Bryan			
09/29/2022	11726		-150.00
Total Doug Bryan			-150.00
EDD			
09/01/2022	EFT	499-0538-3	-0.11
09/01/2022	EFT	499-0538-3	-873.64
09/20/2022	EFT	499-0538-3	-0.33
09/20/2022	EFT	499-0538-3	-821.21
Total EDD			-1,695.29

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
September 2022

Date	Num	Memo	Amount
Emerald Technologies			
09/29/2022	11729		-280.00
Total Emerald Technologies			-280.00
Fluentstream Tech			
09/15/2022	11705		-117.89
Total Fluentstream Tech			-117.89
Frontier Communications			
09/28/2022	11723		-116.30
Total Frontier Communications			-116.30
Glacier Water Vending			
09/08/2022	DBT		-2.60
09/08/2022	DBT		-2.60
Total Glacier Water Vending			-5.20
IRS			
09/01/2022	EFT	68-0296323	-3,865.38
09/20/2022	EFT	68-0296323	-3,630.74
Total IRS			-7,496.12
Jennie Short			
09/21/2022	11714		-3,926.25
Total Jennie Short			-3,926.25
Julie Lyon			
09/29/2022	11727		-150.00
Total Julie Lyon			-150.00
Just Rent It, LLC			
09/15/2022	11706		-13.20
Total Just Rent It, LLC			-13.20
Lori Ruiz			
09/22/2022	11717		-200.00
Total Lori Ruiz			-200.00
North Coast Laboratories Ltd.			
09/12/2022	11699		-195.00
Total North Coast Laboratories Ltd.			-195.00
PACE Supply			
09/27/2022	11722		-723.00
Total PACE Supply			-723.00
PG&E			
09/20/2022	11676		-8,081.92
Total PG&E			-8,081.92
R. Anderson			
09/29/2022	11728		-100.00
Total R. Anderson			-100.00
Ralph Emerson			
09/22/2022	11718		-50.00
Total Ralph Emerson			-50.00

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
September 2022

Date	Num	Memo	Amount
Rays Food Place			
09/27/2022	DBT		-8.45
09/29/2022	DBT		-6.02
Total Rays Food Place			-14.47
Recology Humboldt County			
09/14/2022	11702		-12.00
09/29/2022	11730		-12.00
Total Recology Humboldt County			-24.00
Redwood Merchant Services			
09/04/2022	11909		-216.38
09/30/2022			-336.72
Total Redwood Merchant Services			-553.10
RENNER			
09/10/2022	DBT		-1,271.79
Total RENNER			-1,271.79
Rural Community Assistance Prog - Backhoe			
09/01/2022	DBT		-1,798.25
Total Rural Community Assistance Prog - Backhoe			-1,798.25
SDRMA			
09/19/2022	11707		-340.24
Total SDRMA			-340.24
Shell Oil			
09/30/2022	DBT		-20.00
Total Shell Oil			-20.00
SHN Consulting Engineers & Geologists			
09/12/2022	11664		-33,783.50
Total SHN Consulting Engineers & Geologists			-33,783.50
Staples Credit Plan			
09/28/2022	11724		-95.19
Total Staples Credit Plan			-95.19
Starlink			
09/02/2022	DBT		-135.00
Total Starlink			-135.00
Streamline Inc			
09/14/2022	11703		-100.00
Total Streamline Inc			-100.00
The Mitchell Law Firm, LLP			
09/27/2022	11721		-637.50
Total The Mitchell Law Firm, LLP			-637.50
Umpqua Bank			
09/15/2022	11908		-198.25
Total Umpqua Bank			-198.25
WYCKOFF'S Inc			
09/26/2022	11720		-103.92
Total WYCKOFF'S Inc			-103.92

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
September 2022

Date	Num	Memo	Amount
Arreguin, Daniel J			
09/01/2022	11693		-3,010.94
09/20/2022	11708		-2,738.38
Total Arreguin, Daniel J			-5,749.32
Emerson, Ralph K			
09/01/2022	11694		-2,916.85
09/20/2022	11709		-2,916.86
Total Emerson, Ralph K			-5,833.71
Miller, Brian A			
09/01/2022	11695		-2,179.62
09/20/2022	11710		-2,230.96
Total Miller, Brian A			-4,410.58
Nieto, Mary			
09/01/2022	11696		-1,796.94
09/20/2022	11711		-1,581.81
Total Nieto, Mary			-3,378.75
Ruiz, Ricardo			
09/01/2022	11697		-633.41
09/20/2022	11712		-341.28
Total Ruiz, Ricardo			-974.69
Sweet, Laura D.			
09/01/2022	11698		-100.34
09/20/2022	11713		-304.00
Total Sweet, Laura D.			-404.34
TOTAL			-89,920.62

Financial Statements

October 2022

GARBERVILLE SANITARY DISTRICT

Balance Sheet

As of October 31, 2022

	Jun 30, 22	Oct 31, 22	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
1005 · Umpqua Checking - Operating	165,091.66	222,695.92	57,604.26
1006 · Umpqua System Reserve - Water	25,811.93	25,812.80	0.87
1007 · Umpqua System Reserve - Sewer	31,270.19	31,271.25	1.06
1011 · Water Enterprise Fund	46,832.34	46,833.92	1.58
1030 · County Treasury - Sewer Reserve	434,307.06	434,307.06	0.00
1031 · County Treasury - Water Reserve	141,265.36	41,265.36	(100,000.00)
1035 · Water Capital Improvement Fund	17,999.37	25,999.89	8,000.52
1036 · Sewer Capital Improvement Fund	9,998.37	17,998.69	8,000.32
1040 · Petty Cash	39.51	39.51	0.00
1050 · Cash Drawer	200.75	200.75	0.00
Total Checking/Savings	872,816.54	846,425.15	(26,391.39)
Accounts Receivable			
11000 · Accounts Receivable - Other	4,668.04	1,673.26	(2,994.78)
Total Accounts Receivable	4,668.04	1,673.26	(2,994.78)
Other Current Assets			
1100 · Accounts Receivable			
1110 · Accts Receivable Over Payments	(2,514.77)	(3,308.06)	(793.29)
1100 · Accounts Receivable - Other	105,064.11	134,553.57	29,489.46
Total 1100 · Accounts Receivable	102,549.34	131,245.51	28,696.17
1121 · Payroll Tax Overpayment	304.15	0.00	(304.15)
1310 · County Interest Receivable	10,800.00	10,800.00	0.00
1315 · Water Grant Receivable	55,266.74	55,266.74	0.00
1500 · Prepaid Insurance	3,893.74	42,100.93	38,207.19
1501 · Prepaid Workers Comp	0.00	3,423.99	3,423.99
1510 · Prepaid Licenses and Permits		18,873.16	18,873.16
1550 · Allowance for Doubtful Accounts	(5,000.00)	(5,000.00)	0.00
Total Other Current Assets	167,813.97	256,710.33	85,901.58
Total Current Assets	1,045,298.55	1,104,808.74	59,510.19
Fixed Assets			
CIP-Church Street	6,800.00	6,800.00	0.00
CIP- Bear Canyon Sewerline	988.75	988.75	0.00
CIP - Meadows Aerial Waterline	9,133.44	9,133.44	0.00
CIP-Robertson-Wallan-Hurlbutt Tanks	142,323.23	200,149.03	57,825.80
WATER			
Land - Water	94,594.62	94,594.62	0.00
Water Easements & Intangibles	177,397.11	177,397.11	0.00
Treatment	79,919.93	79,919.93	0.00
Distribution	2,804,484.17	2,804,484.17	0.00
Pumps	10,048.99	10,048.99	0.00
DWTP (Water) 2015	4,968,104.88	4,968,104.88	0.00
Total WATER	8,134,549.70	8,134,549.70	0.00
Water System	142,474.97	142,474.97	0.00

GARBERVILLE SANITARY DISTRICT

Balance Sheet

As of October 31, 2022

	Jun 30, 22	Oct 31, 22	\$ Change
SEWER			
Land - Sewer	129,810.68	129,810.68	0.00
Collection	2,395,295.12	2,395,295.12	0.00
Treatment	507,552.59	507,552.59	0.00
Pumps	32,648.40	32,648.40	0.00
Sewer Project - 2011	2,792,451.91	2,792,451.91	0.00
Total SEWER	5,857,758.70	5,857,758.70	0.00
Office Equipment	38,244.29	38,244.29	0.00
Equipment	311,403.29	315,872.29	4,469.00
Vehicles	121,205.99	121,205.99	0.00
MSR/SOI and Annexation Project	157,367.08	157,367.08	0.00
Accumulated Depreciation-Water	(2,760,532.30)	(2,849,795.98)	(89,263.68)
Accumulated Depreciation-Sewer	(2,504,788.10)	(2,549,597.42)	(44,809.32)
Total Fixed Assets	9,656,929.04	9,585,150.84	(71,778.20)
TOTAL ASSETS	10,702,227.59	10,689,959.58	(12,268.01)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable	58,597.50	34,994.93	(23,602.57)
Total Accounts Payable	58,597.50	34,994.93	(23,602.57)
Other Current Liabilities			
20001 · Accounts Payable - SWRCB	763.50	763.50	0.00
2300 · Service Deposits	6,400.00	6,500.00	100.00
20000 · Account Payable	2,100.00	30,409.76	28,309.76
2205 · Accrued Simple	(101.46)	(101.46)	0.00
2220 · Accrued State PR Taxes		8.41	
2230 · Accrued Vacation	40,952.75	40,952.75	0.00
2250 · Loans Payable - Current Portion	93,065.47	93,065.47	0.00
Total Other Current Liabilities	143,180.26	171,598.43	28,418.17
Total Current Liabilities	201,777.76	206,593.36	4,815.60
Long Term Liabilities			
2661 · Ditchwitch Vacuum Trailer	74,279.81	66,459.18	(7,820.63)
2665 · RCAC Loan - #0998 Backhoe	24,406.07	17,577.30	(6,828.77)
2500 · N/P - SWRCB	50,655.35	25,578.42	(25,076.93)
2700 · SRF Loan - Water	1,080,585.66	1,080,585.66	0.00
2900 · Less Current Portion	(93,065.47)	(93,065.47)	0.00
Total Long Term Liabilities	1,136,861.42	1,097,135.09	(39,726.33)
Total Liabilities	1,338,639.18	1,303,728.45	(34,910.73)
Equity			
3000 · Contributed Capital	6,129,491.75	6,129,491.75	0.00
3100 · Retained Earnings	3,352,681.06	3,234,096.66	(118,584.40)
Net Income	(118,584.40)	22,642.72	141,227.12
Total Equity	9,363,588.41	9,386,231.13	22,642.72
TOTAL LIABILITIES & EQUITY	10,702,227.59	10,689,959.58	(12,268.01)

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows Report for Board
July through October 2022

	Current Month Oct 22	YTD Jul - Oct 22
OPERATING ACTIVITIES		
Net Income	(4,798.84)	22,642.72
Adjustments to reconcile Net Income to net cash provided by operations:		
11000 · Accounts Receivable - Other	494.78	2,994.78
1100 · Accounts Receivable	(463.39)	(29,489.46)
1110 · Accts Receivable Over Payments	(1,284.91)	793.29
1500 · Prepaid Insurance	4,775.89	(38,207.19)
1501 · Prepaid Workers Comp	986.82	(3,423.99)
1510 · Prepaid Licenses and Permits	2,359.15	(18,873.16)
1121 · Payroll Tax Overpayment	0.00	304.15
2000 · Accounts Payable	(1,520.64)	(23,602.57)
20000 · Account Payable	0.00	28,309.76
2220 · Accrued State PR Taxes	(129.29)	8.41
2300 · Service Deposits	200.00	100.00
Net cash provided by Operating Activities	619.57	(58,443.26)
INVESTING ACTIVITIES		
Equipment		(4,469.00)
Accumulated Depreciation-Water	22,315.92	89,263.68
Accumulated Depreciation-Sewer	11,202.33	44,809.32
CIP-Robertson-Wallan-Hurlbutt T	(10,202.50)	(57,825.80)
Net cash provided by Investing Activities	23,315.75	71,778.20
FINANCING ACTIVITIES		
2500 · N/P - SWRCB	0.00	(25,076.93)
2661 · Ditchwitch Vacuum Trailer	(2,005.41)	(7,820.63)
2665 · RCAC Loan - #0998 Backhoe	(1,717.85)	(6,828.77)
Net cash provided by Financing Activities	(3,723.26)	(39,726.33)
Net cash increase for period	20,212.06	(26,391.39)
Cash at beginning of period	826,213.09	872,816.54
Cash at end of period	846,425.15	846,425.15

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
 October 2022

	Current Month Oct 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
Ordinary Income/Expense					
Income					
Water Charges					
4100 · Residential	27,794.50	121,990.65	125,280.00	360,000.00	-3,289.35
4110 · Commercial	29,101.50	117,565.25	120,060.00	345,000.00	-2,494.75
Total Water Charges	56,896.00	239,555.90	245,340.00	705,000.00	-5,784.10
4200 · Sewer Charges	44,074.40	176,456.90	180,960.00	520,000.00	-4,503.10
4300 · Connection Fees	0.00	16,000.00	0.00	24,000.00	16,000.00
4650 · Late Charges	1,440.00	4,950.00	4,000.00	12,000.00	950.00
4700 · Other Operating Revenue	100.00	1,040.00	1,000.00	3,000.00	40.00
Total Income	102,510.40	438,002.80	431,300.00	1,264,000.00	6,702.80
Gross Profit	102,510.40	438,002.80	431,300.00	1,264,000.00	6,702.80
Expense					
Administrative and General					
5025 · Discount Program	240.00	870.00	1,200.00	3,600.00	-330.00
5000 · Advertising	0.00	0.00	100.00	300.00	-100.00
5005 · Bad Debts	1,134.50	4,409.00	1,333.32	5,000.00	3,075.68
5010 · Bank Charges					
5012 · Merchant Account Fees	506.22	2,161.94	1,333.36	4,000.00	828.58
5010 · Bank Charges - Other	168.59	705.75	666.64	2,000.00	39.11
Total 5010 · Bank Charges	674.81	2,867.69	2,000.00	6,000.00	867.69
5020 · Directors Fees	0.00	550.00	583.32	2,000.00	-33.32
5030 · Dues and Memberships	4,358.00	5,422.00	1,803.36	5,410.00	3,618.64
5035 · Education and Training	0.00	550.00	1,000.00	3,000.00	-450.00
5036 · Education and Training - B.O.D.	0.00	0.00	100.00	300.00	-100.00
Insurance					
5040 · Liability	4,775.89	19,103.56	18,272.32	54,817.00	831.24
5050 · Workers' Comp	986.82	3,619.59	2,347.84	7,043.58	1,271.75
5055 · Health					
5055.1 · Employee Portion	-746.24	-2,984.96	-3,083.36	-9,250.00	98.40
5055 · Health - Other	3,893.74	15,574.96	16,216.64	48,650.00	-641.68
Total 5055 · Health	3,147.50	12,590.00	13,133.28	39,400.00	-543.28
Total Insurance	8,910.21	35,313.15	33,753.44	101,260.58	1,559.71
5060 · Licenses, Permits, and Fees	3,306.33	10,588.78	10,511.64	31,535.00	77.14
5065 · Auto	39.96	1,660.29	1,000.00	2,500.00	660.29
5070 · Miscellaneous	5.30	5.30	100.00	100.00	-94.70
5080 · Office Expense	347.21	5,073.16	2,666.64	8,000.00	2,406.52
5085 · Outside Services	721.67	2,670.67	3,006.64	9,020.00	-335.97
5090 · Payroll Taxes	2,454.20	9,564.08	11,300.00	33,900.00	-1,735.92
5100 · Postage	0.00	788.59	1,166.64	3,500.00	-378.05
5110 · Professional Fees	2,767.50	16,286.75	28,666.64	86,000.00	-12,379.89
5120 · Property Taxes	0.00	0.00	50.00	50.00	-50.00
5125 · Repairs and Maintenance	0.00	62.48	750.00	2,000.00	-687.52
5130 · Rents	835.00	2,505.00	3,340.00	10,020.00	-835.00
5135 · Retirement	777.54	2,963.54	3,096.64	9,290.00	-133.10
5137 · Supplies	542.02	910.20	500.00	1,500.00	410.20
5140 · Telephone	852.90	3,445.13	3,753.36	11,260.00	-308.23

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
October 2022

	Current Month Oct 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
5145 · Tools	39.46	1,475.76	666.64	2,000.00	809.12
5150 · Travel and Meetings	0.00	338.17	500.00	1,500.00	-161.83
5155 · Utilities	141.78	925.25	1,458.32	4,375.00	-533.07
5160 · Wages					
5165 · Wages - Overtime	462.00	1,701.00	1,358.32	4,075.00	342.68
5160 · Wages - Other	12,482.40	51,471.22	61,014.64	183,044.00	-9,543.42
Total 5160 · Wages	12,944.40	53,172.22	62,372.96	187,119.00	-9,200.74
5170 · Vacation Accrual Adjustment	0.00	0.00	0.00	6,000.00	0.00
Total Administrative and General	41,092.79	162,417.21	176,779.56	536,539.58	-14,362.35
Sewage Collection					
6010 · Fuel	438.13	1,377.16	1,666.68	5,000.00	-289.52
6030 · Repairs and Maintenance	0.00	73.74	4,333.32	13,000.00	-4,259.58
6040 · Supplies	0.00	0.00	666.68	2,000.00	-666.68
6050 · Utilities	62.14	1,185.52	1,666.68	5,000.00	-481.16
6060 · Wages					0.00
6065 · Wages - Overtime Sewer Collecti	2,379.00	3,417.00	3,833.32	11,500.00	-416.32
6060 · Wages - Other	3,897.83	17,389.90	10,999.32	32,998.00	6,390.58
Total 6060 · Wages	6,276.83	20,806.90	14,832.64	44,498.00	5,974.26
Total Sewage Collection	6,777.10	23,443.32	23,166.00	69,498.00	277.32
Sewage Treatment					
6075 · Fuel	438.13	1,377.16	1,666.68	5,000.00	-289.52
6080 · Monitoring	0.00	617.50	2,333.32	7,000.00	-1,715.82
6100 · Repairs and Maintenance	60.83	272.04	5,000.00	15,000.00	-4,727.96
6110 · Supplies	2,518.27	2,518.27	2,600.00	7,800.00	-81.73
6120 · Utilities	832.36	3,995.75	4,583.32	13,750.00	-587.57
6130 · Wages					
6135 · Wages - Overtime Sewer Treatmer	0.00	1,885.50	1,166.68	3,500.00	718.82
6130 · Wages - Other	3,791.83	15,642.23	11,984.00	35,952.00	3,658.23
Total 6130 · Wages	3,791.83	17,527.73	13,150.68	39,452.00	4,377.05
Total Sewage Treatment	7,641.42	26,308.45	29,334.00	88,002.00	-3,025.55
Water Trans and Distribution					
7075 · Fuel	438.13	1,377.16	1,666.68	5,000.00	-289.52
7090 · Repairs and Maintenance	151.09	3,592.62	10,000.00	30,000.00	-6,407.38
7100 · Supplies	0.00	0.00	1,666.68	5,000.00	-1,666.68
7110 · Utilities	476.33	3,227.03	4,166.68	12,500.00	-939.65
7120 · Wages					
7125 · Wages - Overtime Water Trans &	892.00	1,540.00	2,833.32	8,500.00	-1,293.32
7120 · Wages - Other	3,837.83	13,498.37	14,521.68	43,565.00	-1,023.31
Total 7120 · Wages	4,729.83	15,038.37	17,355.00	52,065.00	-2,316.63
Total Water Trans and Distribution	5,795.38	23,235.18	34,855.04	104,565.00	-11,619.86
Water Treatment					
7020 · Fuel	438.13	1,377.22	1,666.68	5,000.00	-289.46
7010 · Monitoring	195.00	1,817.50	2,666.68	8,000.00	-849.18
7030 · Repairs and Maintenance	645.41	3,236.88	5,000.00	15,000.00	-1,763.12
7040 · Supplies	2,498.56	3,436.15	5,200.00	15,600.00	-1,763.85
7050 · Utilities	4,272.89	19,809.80	21,875.00	65,625.00	-2,065.20
7060 · Wages					

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
 October 2022

	Current Month Oct 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
7065 · Wages - Overtime Water Treatment	0.00	1,360.00	3,333.32	10,000.00	-1,973.32
7060 · Wages - Other	3,495.50	13,581.72	14,588.68	43,766.00	-1,006.96
Total 7060 · Wages	3,495.50	14,941.72	17,922.00	53,766.00	-2,980.28
Total Water Treatment	11,545.49	44,619.27	54,330.36	162,991.00	-9,711.09
Total Expense	72,852.18	280,023.43	318,464.96	961,595.58	-38,441.53
Net Ordinary Income	29,658.22	157,979.37	112,835.04	302,404.42	45,144.33
Other Income/Expense					
Other Income					
Property Tax Revenue					
8010 · Secured	0.00	0.00	0.00	25,500.00	0.00
8020 · Unsecured	0.00	0.00	0.00	1,900.00	0.00
8025 · Prior Years	0.00	0.00	0.00	10.00	0.00
8030 · Supplemental - Current	0.00	0.00	0.00	250.00	0.00
8035 · Supplemental - Prior Years	0.00	0.00	0.00	50.00	0.00
Property Tax Revenue - Other	0.00	0.00	0.00	27,710.00	0.00
Total Property Tax Revenue	0.00	0.00	0.00	55,420.00	0.00
8060 · Interest Income	0.89	4.35	1,125.00	4,500.00	-1,120.65
8070 · Other Non-Operating Revenue	0.00	2,750.67	1,666.68	5,000.00	1,083.99
9030 · Homeowners' Tax Relief	0.00	0.00	0.00	310.00	0.00
Total Other Income	0.89	2,755.02	2,791.68	65,230.00	-36.66
Other Expense					
8041 · Emergency Wage Reimbursement	576.00	576.00	0.00	0.00	576.00
9010 · Other Expenses	0.00	731.25	1,333.36	4,000.00	-602.11
9040 · Depreciation	33,518.25	134,073.00	138,333.32	415,000.00	-4,260.32
9050 · Interest Expense	363.70	2,711.42	2,285.46	4,830.51	425.96
Total Other Expense	34,457.95	138,091.67	141,952.14	423,830.51	-3,860.47
Net Other Income	-34,457.06	-135,336.65	-139,160.46	-358,600.51	3,823.81
Net Income	-4,798.84	22,642.72	-26,325.42	-56,196.09	48,968.14

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
 October 2022

Date	Num	Memo	Amount
101 Netlink			
10/18/2022	11752		-250.00
Total 101 Netlink			-250.00
Amazon.com			
10/19/2022	DBT		-690.64
10/20/2022	DBT		-538.74
10/24/2022	DBT		-39.46
Total Amazon.com			-1,268.84
Anderson, Lucas, Somerville & Borges			
10/18/2022	11753		-1,500.00
Total Anderson, Lucas, Somerville & Borges			-1,500.00
Bank Of The West			
10/15/2022	DBT		-2,288.71
Total Bank Of The West			-2,288.71
Blue Star Gas			
10/24/2022	11766		-11.00
Total Blue Star Gas			-11.00
Brenntag Pacific, Inc.			
10/24/2022	11761		-4,997.12
Total Brenntag Pacific, Inc.			-4,997.12
Capital Bank & Trust			
10/05/2022	EFT	557880519	-965.26
10/05/2022	EFT	025158148	-405.15
10/20/2022	EFT	025158148	-372.39
10/20/2022	EFT	557880519	-899.95
Total Capital Bank & Trust			-2,642.75
Clear Rate Communications			
10/13/2022	11751		-363.76
Total Clear Rate Communications			-363.76
Dazey's Building Center			
10/24/2022	11763		-265.08
Total Dazey's Building Center			-265.08
EDD			
10/05/2022	EFT	499-0538-3	-0.22
10/05/2022	EFT	499-0538-3	-963.11
10/14/2022	DBT	499-0538-3	-137.70
10/20/2022	EFT	499-0538-3	-853.52
10/20/2022	EFT	499-0538-3	-12.09
Total EDD			-1,966.64
Emerald Technologies			
10/12/2022	DBT		-114.48
Total Emerald Technologies			-114.48
Fluentstream Tech			
10/04/2022	11734		-117.80
Total Fluentstream Tech			-117.80

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
October 2022

Date	Num	Memo	Amount
IRS			
10/05/2022	EFT	68-0296323	-4,174.94
10/20/2022	EFT	68-0296323	-3,756.64
Total IRS			-7,931.58
JAYHAWK SOFTWARE			
10/12/2022	11743		-775.00
Total JAYHAWK SOFTWARE			-775.00
Just Rent It, LLC			
10/12/2022	11748		-48.49
Total Just Rent It, LLC			-48.49
Lori Ruiz			
10/24/2022	11764		-200.00
Total Lori Ruiz			-200.00
MILT'S SAW SHOP			
10/12/2022	11749		-21.54
Total MILT'S SAW SHOP			-21.54
NAPA			
10/04/2022	11733		-314.75
Total NAPA			-314.75
North Coast Laboratories Ltd.			
10/12/2022	11750		-730.00
Total North Coast Laboratories Ltd.			-730.00
PACE Supply			
10/24/2022	11762		-2,084.44
Total PACE Supply			-2,084.44
PG&E			
10/12/2022	11741		-7,542.45
Total PG&E			-7,542.45
Pitney Bowes Purchase Power			
10/12/2022	11744		-289.80
Total Pitney Bowes Purchase Power			-289.80
Ralph Emerson			
10/24/2022	11765		-50.00
Total Ralph Emerson			-50.00
Recology Humboldt County			
10/26/2022	11770		-24.00
Total Recology Humboldt County			-24.00
Redwood Merchant Services			
10/03/2022	11910		-257.44
10/31/2022			-334.59
Total Redwood Merchant Services			-592.03
RENNER			
10/10/2022	DBT		-1,579.04
10/31/2022	DBT		-73.48
Total RENNER			-1,652.52

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
October 2022

Date	Num	Memo	Amount
Rural Community Assistance Prog - Backhoe			
10/01/2022	DBT		-1,798.25
Total Rural Community Assistance Prog - Backhoe			-1,798.25
SDRMA			
10/12/2022	11715		-3,553.50
10/12/2022	11742		-3,893.74
Total SDRMA			-7,447.24
Sentry III Center			
10/03/2022	11731		-835.00
Total Sentry III Center			-835.00
Shell Oil			
10/03/2022	DBT		-100.00
Total Shell Oil			-100.00
SHN Consulting Engineers & Geologists			
10/19/2022	11754		-7,935.00
Total SHN Consulting Engineers & Geologists			-7,935.00
Starlink			
10/03/2022	DBT		-135.00
Total Starlink			-135.00
Streamline Inc			
10/12/2022	11745		-100.00
Total Streamline Inc			-100.00
The Mitchell Law Firm, LLP			
10/27/2022	11771		-868.00
Total The Mitchell Law Firm, LLP			-868.00
Umpqua Bank			
10/20/2022	11911		-184.52
Total Umpqua Bank			-184.52
US Cellular			
10/03/2022	11732		-205.50
Total US Cellular			-205.50
Wyatt & Whitchurch, E.A. Inc.			
10/12/2022	11746		-285.00
Total Wyatt & Whitchurch, E.A. Inc.			-285.00
WYCKOFF'S Inc			
10/31/2022	11772		-46.71
Total WYCKOFF'S Inc			-46.71
Arreguin, Daniel J			
10/05/2022	11735		-3,432.30
10/20/2022	11755		-2,993.48
Total Arreguin, Daniel J			-6,425.78
Emerson, Ralph K			
10/05/2022	11736		-2,916.85
10/20/2022	11756		-2,916.86
Total Emerson, Ralph K			-5,833.71

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
 October 2022

Date	Num	Memo	Amount
Miller, Brian A			
10/05/2022	11737		-2,539.30
10/20/2022	11757		-2,296.27
Total Miller, Brian A			-4,835.57
Nieto, Mary			
10/05/2022	11738		-1,569.96
10/20/2022	11758		-1,502.16
Total Nieto, Mary			-3,072.12
Ruiz, Ricardo			
10/05/2022	11739		-713.23
10/20/2022	11759		-523.43
Total Ruiz, Ricardo			-1,236.66
Sweet, Laura D.			
10/05/2022	11740		-201.89
10/20/2022	11760		-282.79
Total Sweet, Laura D.			-484.68
TOTAL			-79,871.52

Financial Statements

November 2022

GARBERVILLE SANITARY DISTRICT

Balance Sheet

As of November 30, 2022

	Jun 30, 22	Nov 30, 22	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
1005 · Umpqua Checking - Operating	165,091.66	213,298.37	48,206.71
1006 · Umpqua System Reserve - Water	25,811.93	25,813.01	1.08
1007 · Umpqua System Reserve - Sewer	31,270.19	31,271.50	1.31
1011 · Water Enterprise Fund	46,832.34	46,834.31	1.97
1030 · County Treasury - Sewer Reserve	434,307.06	434,307.06	0.00
1031 · County Treasury - Water Reserve	141,265.36	41,265.36	(100,000.00)
1035 · Water Capital Improvement Fund	17,999.37	25,999.89	8,000.52
1036 · Sewer Capital Improvement Fund	9,998.37	17,998.69	8,000.32
1040 · Petty Cash	39.51	39.51	0.00
1050 · Cash Drawer	200.75	300.75	100.00
Total Checking/Savings	872,816.54	837,128.45	(35,688.09)
Accounts Receivable			
11000 · Accounts Receivable - Other	4,668.04	1,673.26	(2,994.78)
Total Accounts Receivable	4,668.04	1,673.26	(2,994.78)
Other Current Assets			
1100 · Accounts Receivable			
1110 · Accts Receivable Over Payments	(2,514.77)	(3,689.57)	(1,174.80)
1100 · Accounts Receivable - Other	105,064.11	132,402.10	27,337.99
Total 1100 · Accounts Receivable	102,549.34	128,712.53	26,163.19
1121 · Payroll Tax Overpayment	304.15		(304.15)
1310 · County Interest Receivable	10,800.00	10,800.00	0.00
1315 · Water Grant Receivable	55,266.74	55,266.74	0.00
1500 · Prepaid Insurance	3,893.74	37,325.04	33,431.30
1501 · Prepaid Workers Comp	0.00	2,415.78	2,415.78
1510 · Prepaid Licenses and Permits		16,514.01	16,514.01
1550 · Allowance for Doubtful Accounts	(5,000.00)	(5,000.00)	0.00
Total Other Current Assets	167,813.97	246,034.10	75,225.35
Total Current Assets	1,045,298.55	1,084,835.81	39,537.26
Fixed Assets			
CIP-Church Street	6,800.00	6,800.00	0.00
CIP- Bear Canyon Sewerline	988.75	988.75	0.00
CIP - Meadows Aerial Waterline	9,133.44	9,133.44	0.00
CIP-Robertson-Wallan-Hurlbutt Tanks	142,323.23	246,949.78	104,626.55
WATER			
Land - Water	94,594.62	94,594.62	0.00
Water Easements & Intangibles	177,397.11	177,397.11	0.00
Treatment	79,919.93	79,919.93	0.00
Distribution	2,804,484.17	2,804,484.17	0.00
Pumps	10,048.99	10,048.99	0.00
DWTP (Water) 2015	4,968,104.88	4,968,104.88	0.00
Total WATER	8,134,549.70	8,134,549.70	0.00
Water System	142,474.97	142,474.97	0.00

GARBERVILLE SANITARY DISTRICT

Balance Sheet

As of November 30, 2022

	Jun 30, 22	Nov 30, 22	\$ Change
SEWER			
Land - Sewer	129,810.68	129,810.68	0.00
Collection	2,395,295.12	2,395,295.12	0.00
Treatment	507,552.59	507,552.59	0.00
Pumps	32,648.40	32,648.40	0.00
Sewer Project - 2011	2,792,451.91	2,792,451.91	0.00
Total SEWER	5,857,758.70	5,857,758.70	0.00
Office Equipment	38,244.29	38,244.29	0.00
Equipment	311,403.29	315,872.29	4,469.00
Vehicles	121,205.99	121,205.99	0.00
MSR/SOI and Annexation Project	157,367.08	157,367.08	0.00
Accumulated Depreciation-Water	(2,760,532.30)	(2,872,111.90)	(111,579.60)
Accumulated Depreciation-Sewer	(2,504,788.10)	(2,560,799.75)	(56,011.65)
Total Fixed Assets	9,656,929.04	9,598,433.34	(58,495.70)
TOTAL ASSETS	10,702,227.59	10,683,269.15	(18,958.44)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 · Accounts Payable	58,597.50	43,557.09	(15,040.41)
Total Accounts Payable	58,597.50	43,557.09	(15,040.41)
Other Current Liabilities			
20001 · Accounts Payable - SWRCB	763.50	763.50	0.00
2300 · Service Deposits	6,400.00	6,400.00	0.00
20000 · Account Payable	2,100.00	30,409.76	28,309.76
2205 · Accrued Simple	(101.46)	(101.46)	0.00
2220 · Accrued State PR Taxes		8.41	
2230 · Accrued Vacation	40,952.75	40,952.75	0.00
2250 · Loans Payable - Current Portion	93,065.47	93,065.47	0.00
Total Other Current Liabilities	143,180.26	171,498.43	28,318.17
Total Current Liabilities	201,777.76	215,055.52	13,277.76
Long Term Liabilities			
2661 · Ditchwitch Vacuum Trailer	74,279.81	64,445.47	(9,834.34)
2665 · RCAC Loan - #0998 Backhoe	24,406.07	15,852.29	(8,553.78)
2500 · N/P - SWRCB	50,655.35	25,578.42	(25,076.93)
2700 · SRF Loan - Water	1,080,585.66	1,080,585.66	0.00
2900 · Less Current Portion	(93,065.47)	(93,065.47)	0.00
Total Long Term Liabilities	1,136,861.42	1,093,396.37	(43,465.05)
Total Liabilities	1,338,639.18	1,308,451.89	(30,187.29)
Equity			
3000 · Contributed Capital	6,129,491.75	6,129,491.75	0.00
3100 · Retained Earnings	3,352,681.06	3,234,096.66	(118,584.40)
Net Income	(118,584.40)	11,228.85	129,813.25
Total Equity	9,363,588.41	9,374,817.26	11,228.85
TOTAL LIABILITIES & EQUITY	10,702,227.59	10,683,269.15	(18,958.44)

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows Report for Board
July through November 2022

	Current Month Nov 22	YTD Jul - Oct 22
OPERATING ACTIVITIES		
Net Income	(11,413.87)	11,228.85
Adjustments to reconcile Net Income to net cash provided by operations:		
11000 · Accounts Receivable - Other	0.00	2,994.78
1100 · Accounts Receivable	2,151.47	(27,337.99)
1100 · Accounts Receivable	381.51	1,174.80
1500 · Prepaid Insurance	4,775.89	(33,431.30)
1501 · Prepaid Workers Comp	1,008.21	(2,415.78)
1510 · Prepaid Licenses and Permits	2,359.15	(16,514.01)
1121 · Payroll Tax Overpayment	0.00	304.15
2000 · Accounts Payable	8,562.16	(15,040.41)
20000 · Account Payable	0.00	28,309.76
2220 · Accrued State PR Taxes	0.00	8.41
2300 · Service Deposits	(100.00)	0.00
Net cash provided by Operating Activities	<u>7,724.52</u>	<u>(50,718.74)</u>
INVESTING ACTIVITIES		
Equipment	0.00	(4,469.00)
Accumulated Depreciation-Water	22,315.92	111,579.60
Accumulated Depreciation-Sewer	11,202.33	56,011.65
CIP-Robertson-Wallan-Hurlbutt T	(46,800.75)	(104,626.55)
Net cash provided by Investing Activities	<u>(13,282.50)</u>	<u>58,495.70</u>
FINANCING ACTIVITIES		
2500 · N/P - SWRCB	0.00	(25,076.93)
2661 · Ditchwitch Vacuum Trailer	(2,013.71)	(9,834.34)
2665 · RCAC Loan - #0998 Backhoe	(1,725.01)	(8,553.78)
Net cash provided by Financing Activities	<u>(3,738.72)</u>	<u>(43,465.05)</u>
Net cash increase for period	<u>(9,296.70)</u>	<u>(35,688.09)</u>
Cash at beginning of period	846,425.15	872,816.54
Cash at end of period	<u><u>837,128.45</u></u>	<u><u>837,128.45</u></u>

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
November 2022

	Current Month Nov 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
Ordinary Income/Expense					
Income					
Water Charges					
4100 · Residential	28,067.20	150,057.85	152,280.00	360,000.00	-2,222.15
4110 · Commercial	28,727.75	146,293.00	145,935.00	345,000.00	358.00
Total Water Charges	56,794.95	296,350.85	298,215.00	705,000.00	-1,864.15
4200 · Sewer Charges	43,329.60	219,786.50	219,960.00	520,000.00	-173.50
4300 · Connection Fees	0.00	16,000.00	0.00	24,000.00	16,000.00
4650 · Late Charges	1,305.00	6,255.00	5,000.00	12,000.00	1,255.00
4700 · Other Operating Revenue	0.00	1,040.00	1,250.00	3,000.00	-210.00
Total Income	101,429.55	539,432.35	524,425.00	1,264,000.00	15,007.35
Gross Profit	101,429.55	539,432.35	524,425.00	1,264,000.00	15,007.35
Expense					
Administrative and General					
5025 · Discount Program	300.00	1,170.00	1,500.00	3,600.00	-330.00
5000 · Advertising	0.00	0.00	100.00	300.00	-100.00
5005 · Bad Debts	60.00	4,469.00	1,541.65	5,000.00	2,927.35
5010 · Bank Charges					
5012 · Merchant Account Fees	605.71	2,767.65	1,666.70	4,000.00	1,100.95
5010 · Bank Charges - Other	165.90	871.65	833.30	2,000.00	38.35
Total 5010 · Bank Charges	771.61	3,639.30	2,500.00	6,000.00	1,139.30
5020 · Directors Fees	0.00	550.00	666.65	2,000.00	-116.65
5030 · Dues and Memberships	192.87	5,614.87	2,254.20	5,410.00	3,360.67
5035 · Education and Training	766.44	1,316.44	1,250.00	3,000.00	66.44
5036 · Education and Training - B.O.D.	0.00	0.00	125.00	300.00	-125.00
Insurance					
5040 · Liability	4,775.89	23,879.45	22,840.40	54,817.00	1,039.05
5050 · Workers' Comp	1,008.21	4,627.80	2,934.80	7,043.58	1,693.00
5055 · Health					
5055.1 · Employee Portion	-746.24	-3,731.20	-3,854.20	-9,250.00	123.00
5055 · Health - Other	3,893.74	19,468.70	20,270.80	48,650.00	-802.10
Total 5055 · Health	3,147.50	15,737.50	16,416.60	39,400.00	-679.10
Total Insurance	8,931.60	44,244.75	42,191.80	101,260.58	2,052.95
5060 · Licenses, Permits, and Fees	2,399.15	12,987.93	13,139.55	31,535.00	-151.62
5065 · Auto	2,946.53	4,606.82	1,000.00	2,500.00	3,606.82
5070 · Miscellaneous	0.00	5.30	100.00	100.00	-94.70
5080 · Office Expense	99.86	5,173.02	3,333.30	8,000.00	1,839.72
5085 · Outside Services	709.00	3,379.67	3,758.30	9,020.00	-378.63
5090 · Payroll Taxes	3,299.12	12,863.20	14,125.00	33,900.00	-1,261.80
5100 · Postage	208.99	997.58	1,458.30	3,500.00	-460.72
5110 · Professional Fees	3,300.75	19,587.50	35,833.30	86,000.00	-16,245.80
5120 · Property Taxes	0.00	0.00	50.00	50.00	-50.00
5125 · Repairs and Maintenance	0.00	62.48	750.00	2,000.00	-687.52
5130 · Rents	835.00	3,340.00	4,175.00	10,020.00	-835.00
5135 · Retirement	1,012.24	3,975.78	3,870.80	9,290.00	104.98
5137 · Supplies	24.77	934.97	625.00	1,500.00	309.97
5140 · Telephone	852.30	4,297.43	4,691.70	11,260.00	-394.27

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
November 2022

	Current Month Nov 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
5145 · Tools	0.00	1,475.76	833.30	2,000.00	642.46
5150 · Travel and Meetings	595.00	933.17	625.00	1,500.00	308.17
5155 · Utilities	208.47	1,133.72	1,822.90	4,375.00	-689.18
5160 · Wages					
5165 · Wages - Overtime	183.00	1,884.00	1,697.90	4,075.00	186.10
5160 · Wages - Other	24,253.01	75,724.23	76,268.30	183,044.00	-544.07
Total 5160 · Wages	24,436.01	77,608.23	77,966.20	187,119.00	-357.97
5170 · Vacation Accrual Adjustment	0.00	0.00	0.00	6,000.00	0.00
Total Administrative and General	51,949.71	214,366.92	220,286.95	536,539.58	-5,920.03
Sewage Collection					
6010 · Fuel	331.32	1,708.48	2,083.35	5,000.00	-374.87
6030 · Repairs and Maintenance	15.08	88.82	5,416.65	13,000.00	-5,327.83
6040 · Supplies	0.00	0.00	833.35	2,000.00	-833.35
6050 · Utilities	239.91	1,425.43	2,083.35	5,000.00	-657.92
6060 · Wages					0.00
6065 · Wages - Overtime Sewer Collecti	3,159.00	6,576.00	4,791.65	11,500.00	1,784.35
6060 · Wages - Other	3,646.11	21,036.01	13,749.15	32,998.00	7,286.86
Total 6060 · Wages	6,805.11	27,612.01	18,540.80	44,498.00	9,071.21
Total Sewage Collection	7,391.42	30,834.74	28,957.50	69,498.00	1,877.24
Sewage Treatment					
6075 · Fuel	331.32	1,708.48	2,083.35	5,000.00	-374.87
6080 · Monitoring	610.00	1,227.50	2,916.65	7,000.00	-1,689.15
6100 · Repairs and Maintenance	55.56	327.60	6,250.00	15,000.00	-5,922.40
6110 · Supplies	0.00	2,518.27	3,250.00	7,800.00	-731.73
6120 · Utilities	1,317.49	5,313.24	5,729.15	13,750.00	-415.91
6130 · Wages					
6135 · Wages - Overtime Sewer Treatmer	0.00	1,885.50	1,458.35	3,500.00	427.15
6130 · Wages - Other	3,698.69	19,340.92	14,980.00	35,952.00	4,360.92
Total 6130 · Wages	3,698.69	21,226.42	16,438.35	39,452.00	4,788.07
Total Sewage Treatment	6,013.06	32,321.51	36,667.50	88,002.00	-4,345.99
Water Trans and Distribution					
7075 · Fuel	331.32	1,708.48	2,083.35	5,000.00	-374.87
7090 · Repairs and Maintenance	26.46	3,619.08	12,500.00	30,000.00	-8,880.92
7100 · Supplies	0.00	0.00	2,083.35	5,000.00	-2,083.35
7110 · Utilities	857.94	4,084.97	5,208.35	12,500.00	-1,123.38
7120 · Wages					
7125 · Wages - Overtime Water Trans &	93.00	1,633.00	3,541.65	8,500.00	-1,908.65
7120 · Wages - Other	3,738.78	17,237.15	18,152.10	43,565.00	-914.95
Total 7120 · Wages	3,831.78	18,870.15	21,693.75	52,065.00	-2,823.60
Total Water Trans and Distribution	5,047.50	28,282.68	43,568.80	104,565.00	-15,286.12
Water Treatment					
7020 · Fuel	331.33	1,708.55	2,083.35	5,000.00	-374.80
7010 · Monitoring	170.00	1,987.50	3,333.35	8,000.00	-1,345.85
7030 · Repairs and Maintenance	0.00	3,236.88	6,250.00	15,000.00	-3,013.12
7040 · Supplies	0.00	3,436.15	6,500.00	15,600.00	-3,063.85
7050 · Utilities	4,164.64	23,974.44	27,343.75	65,625.00	-3,369.31

GARBERVILLE SANITARY DISTRICT
Combined Revenue & Expense Report for Board
November 2022

	Current Month Nov 2022	YTD Actual	YTD Budget	Annual Budget	Δ YTD Actual vs. Budget
7060 · Wages					
7065 · Wages - Overtime Water Treatmer	0.00	1,360.00	4,166.65	10,000.00	-2,806.65
7060 · Wages - Other	3,609.62	17,191.34	18,235.85	43,766.00	-1,044.51
Total 7060 · Wages	3,609.62	18,551.34	22,402.50	53,766.00	-3,851.16
Total Water Treatment	8,275.59	52,894.86	67,912.95	162,991.00	-15,018.09
Total Expense	78,677.28	358,700.71	397,393.70	961,595.58	-38,692.99
Net Ordinary Income	22,752.27	180,731.64	127,031.30	302,404.42	53,700.34
Other Income/Expense					
Other Income					
Property Tax Revenue					
8010 · Secured	0.00	0.00	0.00	25,500.00	0.00
8020 · Unsecured	0.00	0.00	0.00	1,900.00	0.00
8025 · Prior Years	0.00	0.00	0.00	10.00	0.00
8030 · Supplemental - Current	0.00	0.00	0.00	250.00	0.00
8035 · Supplemental - Prior Years	0.00	0.00	0.00	50.00	0.00
Property Tax Revenue - Other	0.00	0.00	0.00	27,710.00	0.00
Total Property Tax Revenue	0.00	0.00	0.00	55,420.00	0.00
8060 · Interest Income	0.85	5.20	1,125.00	4,500.00	-1,119.80
8070 · Other Non-Operating Revenue	0.00	2,750.67	2,083.35	5,000.00	667.32
9030 · Homeowners' Tax Relief	0.00	0.00	0.00	310.00	0.00
Total Other Income	0.85	2,755.87	3,208.35	65,230.00	-452.48
Other Expense					
8041 · Emergency Wage Reimbursement	285.00	861.00			861.00
9010 · Other Expenses	15.50	746.75	1,666.70	4,000.00	-919.95
9040 · Depreciation	33,518.25	167,591.25	172,916.65	415,000.00	-5,325.40
9050 · Interest Expense	348.24	3,059.66	2,603.58	4,830.51	456.08
Total Other Expense	34,166.99	172,258.66	177,186.93	423,830.51	-4,928.27
Net Other Income	-34,166.14	-169,502.79	-173,978.58	-358,600.51	4,475.79
Net Income	-11,413.87	11,228.85	-46,947.28	-56,196.09	58,176.13

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
November 2022

Date	Num	Memo	Amount
101 Netlink			
11/17/2022	11809		-250.00
Total 101 Netlink			-250.00
Amazon.com			
11/23/2022	DBT		-25.11
11/28/2022	DBT		-192.87
Total Amazon.com			-217.98
Bank Of The West			
11/15/2022	DBT		-2,288.71
Total Bank Of The West			-2,288.71
Blue Star Gas			
11/22/2022	11812		-31.81
Total Blue Star Gas			-31.81
Capital Bank & Trust			
11/02/2022	EFT	557880519	-938.14
11/02/2022	EFT	025158148	-391.47
11/17/2022	EFT	557880519	-1,391.79
11/17/2022	EFT	025158148	-620.77
Total Capital Bank & Trust			-3,342.17
Cash			
11/03/2022	11783		-100.00
Total Cash			-100.00
Clear Rate Communications			
11/14/2022	11788		-363.76
Total Clear Rate Communications			-363.76
Dazey's Building Center			
11/16/2022	11794		-146.29
Total Dazey's Building Center			-146.29
EDD			
11/02/2022	EFT	499-0538-3	-8.57
11/02/2022	EFT	499-0538-3	-942.87
11/17/2022	EFT	499-0538-3	-26.27
11/17/2022	EFT	499-0538-3	-1,482.90
Total EDD			-2,460.61
Embassy Suites			
11/11/2022	DBT		-766.44
Total Embassy Suites			-766.44
Fluentstream Tech			
11/14/2022	11789		-117.20
Total Fluentstream Tech			-117.20
Frontier Communications			
11/01/2022	11775		-116.30
11/29/2022	11818		-116.30
Total Frontier Communications			-232.60

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
November 2022

Date	Num	Memo	Amount
Humboldt County Dept. of Health & Human S			
11/14/2022	11790		-493.10
11/14/2022	11793		-454.08
Total Humboldt County Dept. of Health & Human S			-947.18
IRS			
11/02/2022	EFT	68-0296323	-4,118.50
11/17/2022	EFT	68-0296323	-6,713.44
Total IRS			-10,831.94
Jennie Short			
11/16/2022	11797		-11,344.05
Total Jennie Short			-11,344.05
Just Rent It, LLC			
11/16/2022	11795		-96.98
Total Just Rent It, LLC			-96.98
Lori Ruiz			
11/22/2022	11810		-200.00
Total Lori Ruiz			-200.00
NAPA			
11/02/2022	11782		-39.96
Total NAPA			-39.96
NCUAQMD			
11/17/2022	DBT		-40.00
Total NCUAQMD			-40.00
Nieto Mary			
11/03/2022	11784		-595.00
Total Nieto Mary			-595.00
North Coast Laboratories Ltd.			
11/06/2022	11785		-1,315.00
Total North Coast Laboratories Ltd.			-1,315.00
Office Max			
11/23/2022	DBT		-49.54
Total Office Max			-49.54
PG&E			
11/15/2022	11769		-5,418.52
Total PG&E			-5,418.52
Pitney Bowes Purchase Power			
11/14/2022	11791		-208.99
Total Pitney Bowes Purchase Power			-208.99
Points West Surveying Co.			
11/16/2022	11796		-22,475.00
Total Points West Surveying Co.			-22,475.00
Ralph Emerson			
11/22/2022	11813		-50.00
Total Ralph Emerson			-50.00

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
November 2022

Date	Num	Memo	Amount
Recology Humboldt County			
11/06/2022	11786		-24.67
11/28/2022	11816		-24.00
Total Recology Humboldt County			-48.67
Redway Feed & Supply			
11/29/2022	11817		-29.99
Total Redway Feed & Supply			-29.99
Redway Tire Service Inc			
11/29/2022	DBT		-1,454.49
Total Redway Tire Service Inc			-1,454.49
Redwood Merchant Services			
11/02/2022	11912		-171.63
11/30/2022			-299.44
Total Redwood Merchant Services			-471.07
RENNER			
11/10/2022	DBT		-1,225.29
Total RENNER			-1,225.29
Rural Community Assistance Prog - Backhoe			
11/01/2022	DBT		-1,798.25
Total Rural Community Assistance Prog - Backhoe			-1,798.25
SDRMA			
11/11/2022	11768		-3,893.74
Total SDRMA			-3,893.74
Sentry III Center			
11/01/2022	11773		-835.00
Total Sentry III Center			-835.00
Shell Oil			
11/01/2022	DBT		-100.00
Total Shell Oil			-100.00
SHN Consulting Engineers & Geologists			
11/03/2022	11767		-7,577.50
Total SHN Consulting Engineers & Geologists			-7,577.50
Starlink			
11/02/2022	DBT		-135.00
Total Starlink			-135.00
Streamline Inc			
11/14/2022	11792		-100.00
Total Streamline Inc			-100.00
SWRCB			
11/22/2022	11814		-205.00
Total SWRCB			-205.00
Sylvandale Gardens			
11/22/2022	DBT		-25.21
Total Sylvandale Gardens			-25.21

GARBERVILLE SANITARY DISTRICT
Check Register Report for Board
November 2022

Date	Num	Memo	Amount
The Mitchell Law Firm, LLP			
11/22/2022	11815		-542.50
Total The Mitchell Law Firm, LLP			-542.50
Umpqua Bank			
11/22/2022	11913		-168.59
Total Umpqua Bank			-168.59
US Cellular			
11/01/2022	11774		-205.04
11/29/2022	11819		-205.04
Total US Cellular			-410.08
Wyatt & Whitchurch, E.A. Inc.			
11/06/2022	11787		-350.00
Total Wyatt & Whitchurch, E.A. Inc.			-350.00
WYCKOFF'S Inc			
11/22/2022	11811		-3.36
Total WYCKOFF'S Inc			-3.36
Arreguin, Daniel J			
11/02/2022	11776		-3,247.59
11/17/2022	11798		-3,426.90
11/17/2022	11804		-3,258.40
Total Arreguin, Daniel J			-9,932.89
Emerson, Ralph K			
11/02/2022	11777		-2,916.85
11/17/2022	11799		-2,916.86
Total Emerson, Ralph K			-5,833.71
Miller, Brian A			
11/02/2022	11778		-2,438.98
11/17/2022	11800		-2,331.27
11/17/2022	11805		-2,061.53
Total Miller, Brian A			-6,831.78
Nieto, Mary			
11/02/2022	11779		-1,741.91
11/17/2022	11801		-1,552.24
11/17/2022	11806		-1,931.62
Total Nieto, Mary			-5,225.77
Ruiz, Ricardo			
11/02/2022	11780		-646.54
11/17/2022	11802		-310.25
Total Ruiz, Ricardo			-956.79
Sweet, Laura D.			
11/02/2022	11781		-200.65
11/17/2022	11803		-614.71
Total Sweet, Laura D.			-815.36
TOTAL			-112,899.77

**GARBERVILLE SANITARY DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES**

**Date of Meeting: Tuesday, December 20th 2022
5:00 p.m. – Open Public Session**

I. REGULAR MEETING CALLED TO ORDER

Doug Bryan called the meeting to order at 5:00 p.m.

II. ESTABLISHMENT OF QUORUM

Rio Anderson- Present

Doug Bryan- Present

Julie Lyon- Present

Dan Thomas- Present

Richard Landes- sworn in under the General Business Section of the Agenda.

III. APPROVAL OF AGENDA

Motion: Rio Anderson

Second: Dan Thomas

Vote: 4-0

IVa. Questions or Comments about Closed Session Items

1. Conference with Real Property Negotiators (Government Code § 54956.8):

Property: Approximately *(undetermined)* acres of land and is a portion of the parcel designated as Assessor's Parcel Numbers APN 032-211-035, APN 032-211-011, APN 032-211-021, APN 223-061-007, APN 032-211-034, APN 032-111-025
Garberville Sanitary District Negotiating Team with Russ Gans (GSD attorney) will participate and under negotiation: Price and/or terms of payment/conditions, Ground Lease and Development Agreement

2. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Gov. Code Section, 54956.9(d)(2), (e)(3)): One Claim, Claimant: (Richard and Hope Lamb).

V. RETURN TO OPEN SESSION

NO CLOSED SESSION

VI. COMMENTS AND QUESTIONS FROM THE AUDIENCE

Two Electronic emails from Ed Voice

Lisa Music

Kristen Vogel

VII. ANNOUNCEMENTS AND COMMUNICATIONS

REPORTS AND PRESENTATIONS –

Operations Staff- River Levels—Operational Demands

Dan mentioned the river level was 229 CFS.

Office Staff- Secretary Conference Report & LIHWAP Update from Mary

Board Members- None

Correspondence- None

South County Homes For All (SCHFA) Meeting Update

VIII. REGULAR AGENDA ITEMS

A. CONSENT AGENDA

- A.1 Approve Financials Date July & August 2022 - pg. 6-40
- A.2 Approve **October 25th, 2022** Regular Meeting Minutes - pg. 41-43
- A.3 Operations Safety Report- pg.44-49

Motion: Julie Lyon Second: Dan Thomas Vote: 4-0

B. GENERAL BUSINESS – *Action items*

- B.1 Swearing in of Board Members pg. 50-52
(discussion—possible action)

Ralph swore in Board Members Doug Bryan, Julie Lyon and Richard Landes.

- B.2 Board Member Officers-Assignments pg. 53-55
(Action Required)

Nomination of Chairperson
Motion: Rio Anderson Second: Julie Lyon Vote: 5-0

Rio nominated Doug for Chairperson.

Nomination of Vice Chairperson
Motion: Julie Lyon Second: Dan Thomas Vote: 5-0

Julie nominated Rio for Vice Chairperson.

Nomination of Secretary---Ralph Emerson
Motion: Doug Bryan Second: Julie Lyon Vote: 5-0

Doug nominated Ralph for Board Secretary.

Nomination of Treasurer
Motion: Doug Bryan Second: Dan Thomas Vote: 5-0

Doug nominated Julie for Treasurer.

Authorized Signatures to Sign For District
Motion: Doug Bryan Second: Dan Thomas Vote: 5-0

Doug motions that all Board members sign on behalf of the District.

- B.3 Approve Board Calendar pg. 56
(discussion-possible action)

Motion: Julie Lyon Second: Dan Thomas Vote: 5-0

The Board made the following changes to the Meeting Calendar for year 2023. The January 24th Board meeting was changed to January 31st, 2023. April 19th Strategic Planning meeting was changed to January 19th, 2023 at 4:00 p.m. April 24th, 2023 at 4:00 p.m. is the Budget meeting.

- B.4 Tank Replacement Project pg. 57-74
(discussion-possible action)

Since the last Board Meeting, the Project Team has been working on:

- Preparing draft layouts of partially in ground and above ground tanks in the field across from the existing Hurlbutt Tank
- Surveying in the field across the road from the Hurlbutt Tank was completed
- Surveying of the Wallan, Robertson, and Arthur Road PS was completed
- The first claim for reimbursement of expenses through July 31, 2022, has been submitted to DFA in the amount of \$90,550.24.
- Defining the project elements that will be in the Tanks project (phase 1) and the Meadows Aerial Waterline Relocation (phase 2).

- B.5 2021—2022 Audit pg. 75-78
(discussion-possible action) Jennie
Motion: Dan Thomas **Second: Julie Lyon** **Vote: 5-0**

- B.6 GSD Projects-Timeline pg. 79
(discussion—no action)
The Board discussed an issue a customer has with his water volume and pressure on his street. Also, they discussed how replacing old meters helps reduce water lose.

C. **POLICY REVISION / ADOPTION**

- C.1 Mandated Water Meter Discontinuance—Sec 10.9a pg. 80-82
(discussion-action requested) Resolution #22-011
Motion: Dan Thomas **Second: Richard Landes** **Vote: 5-0**

- C.2 Amend Brown Act Policy pg. 83-86
(discussion—possible action)
Bring Back.

- C.3 Billing Procedures-Sec 9.5 pg. 87-94
(discussion-no action) 2nd reading
Bring back billing procedures language with changes discussed amongst the Board.

VIII. **ITEMS FOR NEXT BOARD MEETING**

1. Water Tank Replacement Project
2. River and Rain Update
3. Developer Project Update
4. ***GSD Project Timeline***
5. ***Audit Fiscal Year 2021-22***
6. ***Billing Procedures Sec 9.5***

The Next Board Meeting is January 31st, 2023

IX. **ADJOURNMENT**

Doug Bryan ended the meeting at 6:17 p.m.



SAFETY TRAINING SIGN-IN SHEET

District Name: G.S.D.

Trainer: Ralph Emerson

Training Topic: Defensive Driving

Training Date: 1/27/23

EMPLOYEE NAME	SIGNATURE
Ralph Emerson	Ralph Emerson
Dan Arreguin	Dan Arreguin
Brian Miller	X
Mam Vieto	Mvieto

DEFENSIVE DRIVING IN WET WEATHER



Defensive driving is especially important when roads are wet and slippery. The general response is to slow down, and while this is critical, let's also take a look at other factors to consider while driving in the rain.

BE PREPARED

- When it's raining always plan for longer travel times.
- Don't let your vehicle's condition contribute to the dangers.
 - Make sure your breaks are in good condition.
 - Clean your windshield and windows and make certain your front & rear defrosters work.
 - Check the wiper blades and level of your washer fluid.
 - Regularly check your headlights, taillights, turn signals, and tire tread.

STAY FOCUSED

- Turn on headlights to increase visibility.
- Avoid distractions (phone use, grooming, reading, eating & drinking).
- Be attentive to what's happening all around you.
- When changing lanes always check your blind spots.

SLOW DOWN

Always maintain a safe following distance and turn off cruise control. If you start to skid or hydroplane the cruise control could hamper your efforts to slow down.

Leave at least five seconds between you and the vehicle in front of you. This gives you more time to react to what's ahead.

USING YOUR BRAKES

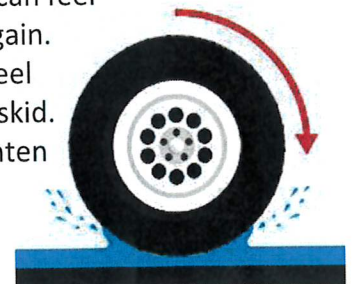
Brake gently and early. Hard braking in wet conditions can cause your vehicle to slide. This is a primary reason for rear end collisions. Braking early will also alert the driver behind you that you are slowing down.

ROAD POSITION

- While driving on highways, try to drive in the middle lanes and avoid driving through large puddles where possible.
- Try to avoid large trucks, tire spray can reduce visibility.
- Be prepared for wind and keep a firm grip on the steering wheel.

HYDROPLANING

Hydroplaning occurs when a layer of water builds between the tires and the road surface. If you start to hydroplane do not brake or turn suddenly. Ease your foot off the gas until the vehicle slows and you can feel traction on the road again. Turn your steering wheel in the direction of the skid. As you recover, straighten the wheels. If needed, brake gently.



This *Safety Talk* provides general awareness training on defensive driving in wet weather. If this information is unclear or if you have any additional questions, please talk to your supervisor.



GARBERVILLE SANITARY DISTRICT

P.O. BOX 211 • GARBERVILLE, CA 95542 • (707) 923-9566

BOARD OF DIRECTORS MEETING MEMORANDUM

Meeting Date: January 31, 2023
To: Board of Directors
From: Jennie Short, Consultant Project Manager
Subject: Robertson/Wallan/Hurlbutt Tank Replacement Project

GENERAL OVERVIEW

Since the last Board Meeting, the Project Team has been working on:

- Gaining general concurrence from the property owner of the field across from the existing Hurlbutt Tank for construction of a new partially in-ground concrete tank and new pump station for the Upper Meadows pressure zone
- Preparation of the base maps with as-built information for Wallan Tank, Robertson Tank, and the Arthur Road Pump Station.
- The first claim for reimbursement of expenses through July 31, 2022, has been paid by DFA in the amount of \$64,008.00.
- Negotiate with SHN for the scope of services that need to be added to their contract.
- Coordination with SWRCB-DFA and -DDW for concurrence with the project elements that will be in the Tanks project (phase 1) and the Meadows Aerial Waterline Relocation (phase 2) and what level of alternatives analysis must be completed for the Tanks project.
- Research for possible additional construction funding for the expanded project
- Submittal of the third quarterly progress report to DFA

Attached is the updated Project Tracking Report summarizes these FA items with their associated deliverables and the SHN tasks with estimated due dates and comments on the progress.

In May 2022, when the District contracted with SHN for the preliminary engineering services, we agreed upon a specific scope, schedule and fee based upon the project elements generally consisting of:

- Minor updates to the construction plans from 2012 associated with the new 1-million-gallon tank at the Upper Hurlbutt Tank site
- Minor updates to the waterline construction plans from 2012 for the new transmission line from downtown to the Upper Hurlbutt Tanks site
- Minor updates to the plans for renovations of the Oak Street Pump Station to bring the water up to the new higher site

- Demolition plans for the Robertson Tank
- Design of a replacement tank at the Wallan Tank site
- Geotechnical investigation for the Upper Hurlbutt Tank site and the Wallan Tank site
- Producing a PER and 30% plans for the project
- Conducting field investigations for the project area (wetlands, biological, botanical)
- Providing environmental input on the alternatives considered in the PER
- Contracting with ATEEM for the electrical, controls, and instrumentation aspects of the project for the initial PER and 30% design

As part of the initial review of the design parameters for the project, questions about the preferability of constructing the new tank at the Upper Hurlbutt Tank site led the team to reconsider whether other sites should be looked at prior to moving forward with our preconceived plan of building the tank, water transmission line, and pump station as contemplated in the 2012 construction plans that were bid. SHN produced a memo outlining their concerns and the long-term financial implications of this site with excessive elevation. The project team provided the memo to Mr. Swaffar and the negotiations committee met with him to discuss the options presented. A number of other sites were considered and SHN provided layouts, grading plans, and attended many meetings to work through the various alternatives that Mr. Swaffar and the negotiations team needed to inform the discussions. This work was all outside of the scope of work in the contract, but SHN has graciously continued to complete the work needed even though there were no contractual tasks to bill the work to. They have “held” the charges associated with this work.

Until the past few weeks, we were uncertain as to the breadth of what this analysis would require and whether the State would require more than what GSD or the property owner needed for initial negotiations. During the January 17th project progress coordination meeting with DFA and DDW, concurrence on what remaining analysis and documentation would be necessary was reached. We also presented the elements of the revised project for their consideration. Some of the major changes to the project elements include:

- The existing Hurlbutt and Robertson tank being consolidated into a single new partially buried concrete tank in the Hurlbutt Field
- Construction of a new replacement pump station adjacent to the new concrete tank to continue to supply water to the Upper Maple Lane pressure zone
- Construction of a new replacement pump station at the Arthur Road PS site
- Upgrades to the Wallan PS
- Generators for all of the new facilities that contain pumps
- Construction of a water transmission line from Redwood Drive up Melville and Hillcrest to the new tank site in the Hurlbutt Field
- Design of the external structures to house the two replacement pump stations (not just the internal pumps, piping, electrical, instrumentation and controls)

SHN has now put together a proposal outlining the out-of-scope work, and the additional scope of work that will be necessary for them to design the new facilities for the project instead of make minor alterations to their previous design. While the cost of the preliminary design is increasing, the long-term operational expenses and the direct construction costs for the project will be significantly reduced, far outweighing the

additional engineering costs. SHN's full proposal for an addendum to their engineering contract is attached, but I have prepared the following summaries for your use.

Out-of-Scope Efforts Completed Already

Description	Included in Task Number	Approx. Cost
Additional special studies efforts associated with finding human remains during our field investigation.	2	1,250
Evaluation of energy usage costs and preparation of a letter of recommendation associated with the Upper Hurlbutt Tank Site. (See letter dated June 30, 2022)	5	4,000
Detailed grading evaluation for various locations and configurations for the new Hurlbutt Tank that is proposed in the field to the south of the existing tank. Efforts also included coordination and meetings with the landowner, and revisions to grading evaluations. See various alternatives submitted on December 6, 2022, and revisions to the preferred alternative submitted on December 19, 2022.	5 Property Acquisition	15,000
Tank sizing evaluation (including review of fire flow recommendations) and preparation of a tank sizing recommendation letter. See letter dated October 5, 2022.	5	4,000
Additional coordination meetings with GSD and DFA that were not anticipated during the development of the original scope of work.	5	10,000
<ul style="list-style-type: none"> - Consideration of various alternative tank locations throughout the distribution. - Preparation of a conceptual layout for a potential tank and the pump station at the future Garberville Hospital site. - Effort associated with evaluating customer water meter location and elevation data that was originally collected by LACO. - Data gathering and meetings associated with the consideration of various project alternatives (including suggestions by DDW), such as relocating the distribution line crossing Bear Canyon to the Arthur Pump station. - Additional effort associated with considering the existing challenges and complexities associated with the Arthur Pump Station. 	5 & 6	9,000
Total Out-of-Scope Work Completed		43,250

New Scope of Work Summary

Description	Added to Task Number	Approx. Cost Added
Biological and wetland fieldwork for the expanded project study area (Hurlbutt Field Site)	2	27,000
Cultural Resources Investigation for entire project area (partially new scope)		
Air quality/greenhouse gas (GHG) emissions assessment for entire project area (all new scope)		
Survey scope of work has since been removed except minor coordination and communication efforts with Points West Surveying	3	(37,500)
Complete Geotechnical evaluation for additional locations: <ul style="list-style-type: none"> - Hurlbutt Field Tank Site - deep waterline in Hillcrest Drive - new pump station adjacent to Arthur Road Pump Station - new pump station adjacent to the new tank in Hurlbutt Field 	4	17,500
Geotech to coordinate with the Hurlbutt Field concrete tank structural engineer (DN Tanks)		
Analysis and Design of: <ul style="list-style-type: none"> - New tank in Hurlbutt Field (instead of minor updates to the 1-million-gallon tank site at Upper Hurlbutt site from 2012) - Waterline from main distribution system to Hurlbutt Field Tank - New PS for Upper Maple including a new structure (instead of minor updates) - New PS for Arthur Road including a new structure - Minor Distribution System Upgrades - Upgrades for Wallan Road PS - Generators + ATS and controls for all of the new facilities that contain pumps 	5	96,500
	6	
CEQA Compliance (all new scope with new task)	7	50,000
Total New Scope		153,500
Total Budget (New + Out-of-Scope) to be Added to Contract		196,750

Coordination with SWRCB-DFA staff to amend the Prop 68 funding agreement to include these additional efforts has begun and will continue as the preliminary engineering efforts continue to proceed. The next major milestone will be SHN's presentation of the preferred alternative for the project at the March Board meeting. Once the Board has concurred with this preferred alternative, the Draft Preliminary Engineering Report can be submitted to DFA and DDW for review and approval.

It is critical for the progress of this project for SHN to be given additional funds so that they can add the new project elements to their PER and 30% design efforts as well as be ready to undertake the CEQA process just as soon as the PER's preferred alternative has been approved by DFA. Inflation continues to be excessive and any delay in design for

the project will result in higher construction costs than anticipated when we applied for grant funding. Time is of the essence for this project.

FINANCIAL IMPLICATIONS

The increase to SHN's contract in the amount of **\$196,750** brings the total to an amount that exceeds the executed funding agreement with DFA, but still well below the total engineering funding that the District has been awarded by the Department of Water Resources.

The Final Draft Financial Agreement including Exhibits A, B and C for the Robertson/Hurlbutt/Wallan Tank Replacement Project Small Community Drought Relief Program in the amount of **\$4,545,000** is attached for your review. This Agreement has also been forwarded to District Counsel for review prior to final execution.

Attached is an overview of the Expedited Drinking Water Grant Funding Program Guidelines. More information will be presented during the Board meeting.

RECOMMENDATIONS

1. Review SHN's proposed addendum 1 to the Engineering Services Contract and authorize the chair of the Board to sign on behalf of the District.
2. Review the Final Draft FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES AND GARBERVILLE SANITARY DISTRICT FOR THE GARBERVILLE TANK REPLACEMENT PROJECT and authorize the Chair of the Board to sign the final executable version of the agreement on behalf of the District.
3. Review the letter to RCSD regarding possible consolidation and authorize the chair of the Board to sign on behalf of the District.

ATTACHMENTS

1. Project Tracking Report
2. SHN's memo for tank sites
3. SHN Proposal for Addendum 1
4. Letter to RCSD regarding possible consolidation
5. Final Draft FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA, DEPARTMENT OF WATER RESOURCES AND GARBERVILLE SANITARY DISTRICT FOR THE GARBERVILLE TANK REPLACEMENT PROJECT
6. Expedited Drinking Water Grant Funding Program Guidelines

Board Memo Attachment 1

Project Tracking Report

Robertson/Wallan/Hurlbutt Tank
Replacement Project

January 31, 2023

Robertson/Wallan/Hurlbutt Tank Replacement Project Tracking Report

FA Item SHN Task # Description	DFA Funding Agreement \$	Reimb. Request \$	DWR Funding Agreement \$	SHN Contract \$	SHN Billed \$	Points West Contract	Estimated Completion Date	Completion Status *	Comments
1 Project Evaluation, Alternative Analysis and Pre-design 1 Data Collection & System Evaluation 5 Draft PER Deliver: Draft Preliminary Engineering Report	35,000	56,580	60,000	28,000 66,500	27,983 26,035		03/31/23	C U	
2 Surveying and Geotechnical Investigation 3 Survey 4 Geotechnical Investigation and Geologic Hazards Evaluation Deliver: Geotechnical Report	20,000 15,000	1,133	40,000 42,000	37,500 4,500 42,500	1,820 710	53,000	02/28/23 07/31/23		Prep for field survey Prep for geotech
3 Final Preliminary Engineering Report 5 Final PER portion of Task 5 6 30% Plans Deliver: Final Preliminary Engineering Report Preliminary Design	55,000			10,000 46,000	18,791		05/31/23 07/31/23 05/31/23 07/31/23	U	
4 Environmental Documents (CEQA) 2 Special Studies - Wetlands, Biological, Botany, Cultural Resources Permitting Deliver: Draft Environmental Documents Final Environmental Documents	60,000 20,000	24,997	63,000 45,000	43,000	25,300		10/31/22 12/01/23 03/31/24	U	Fieldwork completed
5 Plans & Specifications Deliver: Draft Plans, Specifications & Bid Documents (60%) Final Plans, Specifications & Bid Documents (100%)	70,000		220,000				08/31/23 12/31/23		
6 Technical, Managerial and Financial Deliver: Draft TMF Assessment form & supporting documentation Final TMF Assessment form & supporting documentation	20,000						10/31/23 12/31/23		

Robertson/Wallan/Hurlbutt Tank Replacement Project Tracking Report

FA Item SHN Task # Description	DFA Funding Agreement \$	Reimb. Request \$	DWR Funding Agreement \$	SHN Contract \$	SHN Billed \$	Points West Contract	Estimated Completion Date	Completion Status *	Comments
7 Water Rate Study Deliver: Draft Rate Study Final Rate Study	10,000							C	June 2020 Increases implemented June 2021 & 2022
8 Administration Deliver: Quarterly Progress Reports	20,000	7,841	15,000					P	Rpt#3 Submitted Reimbursement Req #1
9 Work Completion (Planning Phase)							03/31/24		
TOTAL:	\$ 325,000	\$ 90,550	\$ 485,000	\$ 278,000	\$ 100,639	\$ 53,000			
Post Planning Phase Major Milestones									
Right of Way Acquisition			140,000					U	Coord w/ prop owners
Issuance of Federal, State & County permits								U	Researching Sources
Application for Construction Funding								U	Researching Sources
Execution of FA for Construction Phase									
Bid Project			10,000						
Award Project									
Begin Construction Work									
Construction			3,675,000						
CM, DA, CPM			235,000						
Complete Construction Work									
Final Funding Reimbursement							12/31/25		
Total:	325,000	90,550	4,545,000						
* Notes: Completion Status Key: C = Task Complete U = Task Underway P = Periodic Task for duration of project									

Board Memo Attachment 2

SHN's memo for tank sites

Robertson/Wallan/Hurlbutt Tank
Replacement Project

January 31, 2023



Reference: 022067

July 21, 2022

Jennie Short
Garberville Sanitary District
P.O. Box 211
Garberville, CA 95542

Subject: Garberville Sanitary District–Preliminary Alternative Tank Locations Evaluation

Dear Jennie Short:

This letter presents some initial thoughts regarding the advantages and disadvantages of different tank location options for Garberville Sanitary District (GSD).

The focus of this preliminary tank site analysis is the finish water storage (FWS) tank in the primary pressure zone. The current FWS tank is known by staff as the “Lower Hurlbutt tank” and it has a maximum water surface elevation (WSE) of 702 feet. The existing tank needs to be replaced or refurbished. If the FWS tank is replaced with a new tank at a different location, the new location needs to have a similar elevation as the existing tank or include elevation mitigation (added pump stations or pressure reducing valves) that are compatible with all other existing water system components. The FWS tank controls customer service pressures in the primary pressure zone and defines the pump duty points required to fill the tank from the existing Eel River intake pumps, FW pumps and the Arthur Road Pump station (PS).

We have identified the most significant advantages and disadvantages of three tank sites:

1. Upper Hurlbutt site at WSE 987 feet
2. Hospital site (previous CR site) at WSE 564 feet
3. Lower Hurlbutt, site (in the field adjacent the existing tank) at WSE 702 feet

Assumptions

1. The Upper Hurlbutt Tank site property owner requires that GSD agree to remove the existing tank from the Lower Hurlbutt site (currently owned by GSD), before negotiating the sale of the Upper Hurlbutt tank site. The owner is willing to enter into negotiations for acquisition of this site provided that it is established by engineering analysis that this is a preferred site for the water tank and no other feasible sites exist. (See GSD Hurlbutt Acquisition Documents, 2013)



2. Replacing the existing Hurlbutt tank would be constrained by the parcel that the tank is located on (which is owned by GSD) is only slightly larger than the diameter of the existing tank and the site cannot accommodate a larger tank diameter or two tanks on the site.
3. The FW pumps are providing adequate supply of treated water to the existing FWS tank (Lower Hurlbutt) at 250 gallons per minute (gpm) from the Surface Water Treatment Plant (SWTP) FW pump. The FW pump inlet is located at elevation 390 feet and pumps to the FWS tank maximum WSE of 702 feet. Any change to the WSE of a new FWS tank would change the duty point for the existing FW pumps, which must work in tandem with the river intake pumps and the pressure filtration system. Any change in duty point for the existing pumps would need to remain within the performance curve of the pumps to avoid the need to replace pumps. Additional pump stations would be required if the new FWS tank site is located higher than the existing FWS tank site.
4. The SWTP filter backwash cycle can cause low pressures in the distribution network if it runs at the same time as the Arthur Road pump station (PS). Any change to the FWS tank elevation will need to consider the impact on the Arthur Road PS.
5. The hydrant at the CAL FIRE station has insufficient pressure when filling tank trucks. Filling from this hydrant causes low pressures throughout the primary pressure zone and at the Arthur Road pump inlet. Supply to the CAL FIRE hydrant comes from the FWS tank through an aboveground pipe crossing Bear Canyon that splits off prior to the Arthur Road pump. Any change to the FWS tank elevation would affect this known low-pressure issue at the CAL FIRE hydrant. There is a way to back feed the CAL FIRE hydrant from the high-pressure side of Arthur Road PS, but it requires manual valve closures. Installing a holding tank at the CAL FIRE station would help to mitigate low pressures when filling trucks. However, separate funding for a holding tank should be available through CAL FIRE and is not a tank that GSD needs to include in the current tank project.
6. There are approximately 20 services connections located at elevations above the existing FWS tank that are supplied by submersible pumps inside the FWS tank and five bladder tanks. Most of these upper elevation services are located along Maple Lane. Maple Lane is connected by an aboveground pipe that is vulnerable to damage.
7. The Hospital tank site (formerly College of the Redwoods or CR tank site) has a ground elevation of approximately 547 feet and would have a proposed maximum WSE of 564 feet. The size of the tank may need to be smaller than ideal so that it fits with the hospital development plan.
8. The vacant field adjacent the existing FWS tank may also be available if the existing tank and all aboveground assets are removed.



Option #1. Upper Hurlbutt Site, WSE 987 Feet

Option #1 Advantages

1. Option #1 would result in a FWS tank maximum WSE of 987 feet. Stored water could flow by gravity from the tank (during power outages) to the primary pressure zone in the downtown area but limited by a new pressure reducing valve (PRV). The PRV would be set at a pressure equal to the existing FWS tank.
2. Option #1 would improve service pressure, flow rate, and total storage capacity to approximately 20 services (out of 450) located at higher elevations than the existing FWS tank. These services are currently connected to booster pump and bladder tank systems. This option could eliminate the need for these bladder tank systems, but less than 5% of total existing services would be improved (services at elevations 800-900 feet.)
3. Option #1 would increase the flow capacity of all hydrants in the primary pressure zone downtown by providing a steady flow from the tank through a main line PRV. The PRV would maintain a constant pressure as the larger high-elevation tank draws down, over a longer duration than the existing FWS tank can with its limited volume.
4. Option #1 would require the new PRV be set to supply the Arthur Road PS, at the same pressures currently supplied by the existing FWS tank (12-psi at the pump inlet), or increased to improve performance of the PS, limited by service pressures in the downtown area.
5. Option #1 would be large enough to accommodate more storage than the existing FWS tank and could also accommodate two tanks, which would make maintenance of the tanks easier in the future.

Option #1 Disadvantages

1. Option #1 would be inherently inefficient given that it would be located at a higher elevation that only benefits 20 customers (less than 5%). The inefficiency is due to the daily electrical pumping related to pumping all treated water up to an elevation that is too high for the majority of the distribution system and then reducing pressure (at the PRV) before re-entering the downtown distribution system. The cost of pumping all of the treated water (62 million gallons per year) up an extra 251 feet is estimated to be \$25,000 a year, a 77% increase over current pumping costs, with no increase in the total water used by customers. These extra costs would continue for the 50-year lifespan of the new tank, resulting in more than 1 million dollars of avoidable operational expense.
2. Option #1 would include a new main-line PRV, which if it were to fail to hold back the pressure from the Upper Hurlbutt Tank, the pressure in the existing distribution system would exceed 200-psi and would rupture most normal piping. It would be especially destructive to older pipes. This pressure would exceed the 85-psi maximum allowable service pressure standards the district has adopted and exceed the pressure ratings of all but high-pressure pipes. A failure of the PRV could result in catastrophic failure of the older distribution system pipes in the primary pressure zone. GSD could be held liable for



customer repair costs related to an over pressurized service supply, in addition to any water main repairs. A redundant PRV system may mitigate the risk of PRV failures and also accommodate regular maintenance/replacement.

3. Option #1 would require constructing the new tank on a difficult site to access resulting in higher construction costs than a site with easier access. Additional costs are anticipated due to the need for more site grading and improvements to the access road. The additional cost of an 8-inch water-main, buried in the access road, from a new pump station feeding the upper tank site, and also planned upgrades to older pipes in the downtown area.
4. Option #1 would require another pump station because the existing FW pumps cannot pump up to the Upper Hurlbutt Tank site elevation. The existing FWS tank (lower Hurlbutt) would need to remain in place to allow the FW pump to continue operating at its current duty point. A new pump station would be needed to push the water stored at the lower Hurlbutt site an additional 251 feet in elevation up to the new tank site at Upper Hurlbutt. The new pump station would lift all the treated water to an elevation higher than is necessary.
5. Option #1 would improve hydrant flow capacity at most locations in the primary pressure zone but would be limited to the flow rate capacity of the new mainline PRV, that would be needed to reduce the pressure from Upper Hurlbutt (986 feet) to that of the existing FWS tank (Lower Hurlbutt) at 702 feet.

Option #2. Hospital Site, WSE 584-Feet, But Also Retain/Refurbish The Existing Finish Water (Lower Hurlbutt) Tank, WSE 702-Feet

Option #2 Advantages

1. Option #2 would immediately improve the operation of the Intake/finish water pumps compared to the existing configuration. There are numerous distribution demands along the water main that fills the FWS tank (Lower Hurlbutt), at the same time as supplying the Arthur Road PS. All of these demands on the finish water pumps result in fluctuating pumping requirements in route to the storage tank. The low-pressure problems could be mitigated by installing a storage tank prior to the main distribution network in town. The finish water pumps could run at a lower head but higher flow rate. The flow exiting this new tank could be boosted by a new variable speed pump station (VSPS) to flow rates far exceeding the 250-gallons per minute (gpm) refill capacity of the existing finish water pumps. The increased flow capacity of the new Hospital site pump would be capable of meeting any demand of the distribution system, including rapid refilling of the existing FWS tank and supplying the upper pressures zones.
2. Option #2 would be a more efficient use of electrical pumping costs (than Option #1) given that the majority of water (95%) would not need to be pumped up an additional 251 feet to the Upper Hurlbutt site. The electrical pumping costs would be the same as they are now but



split between the finish water pump and a new Hospital site pump station. The pumping requirements would be split into two smaller pumping jobs but maintain the same static head to refill the FWS tank. The existing FW pumps should operate more efficiently at a lower head, (based on pump curve) allowing for an increased flow rate. The current 250-gpm maximum flow rate would increase closer to the 330-gpm design flow rate. The new Hospital site PS would provide an additional boost at a variable flow rate available to match any demand, drawing from the new Hospital Tank. A new variable-speed high-flow pump adjacent the new Hospital Tank could provide increased tank fill rates for the Hurlbutt, Alder, and Wallen tanks.

3. Option #2 would require retaining the existing finish water storage tank (Lower Hurlbutt). The existing tank would need to be replaced with a new tank of similar size (180,000-gallons), because this tank and pressure zone represents the heart of the water system and changing its elevation would result in changing service pressures for most customers.
4. Option #2 is also a more centralized location in the downtown distribution system, compared with the remote location of Option #1. This would result in higher capacity flow rates at all hydrants in the primary pressure zone and improved performance of the Arthur Road PS. Flow rates and durations would increase at most hydrants in the system. This would be due to less friction loss in the distribution system during periods of high demand (tank filling, hydrant use, and peak usage hours).
5. Option #2 would include an emergency generator that could provide improved emergency response during power outages and fires.
6. Option #2 construction should be less expensive than Option #1 because it is more accessible and adjacent to Highway 101, and would not require a lengthy new water main to the new tank, as the existing water mains are close to the Hospital Tank site.

Option #2 Disadvantages

1. Option #2 would provide no storage at a higher elevation that could gravity feed to the distribution system during a power outage. In order to access the water in the Hospital Tank, an emergency generator would be needed to power the new pump station during power outages.
2. Option #2 requires that the existing FWS tank (Lower Hurlbutt) remain in place. The existing tank is old and needs to be replaced. This may be difficult due to the very small parcel on which the existing tank is located.
3. Option #2 would require GSD to purchase property at the Hospital site. This would require new negotiations with the current hospital site landowner.



Option #3. Build A New Larger Finish Water Tank In The Field Adjacent To The Existing Tank And Remove The Existing Tank

Option #3 Advantages

1. Option #3 would provide a larger volume FWS tank with a similar elevation to the existing tank and allow the complete removal of the existing tank.
2. Option #3 would allow the existing intake/FW pumps to operate at the same duty point as the current tank elevation.
3. Option #3 would provide a significantly increased storage capacity in the primary pressure zone that would also benefit all pressure zones and all customers.
4. Option #3 would require less new piping and fewer easements. Existing pipes and easements would remain but may be adjusted to fit the new tank site that would be adjacent the existing tank, eliminating the need for significant new water mains and easements.
5. Option #3 would result in a cost savings by not requiring building a new pump station and all the other appurtenances required in Options #1 and #2.
6. Option #3 would not result in increased operational costs. (See Option #1 Disadvantage #1).
7. Option #3 would maintain the same or higher inlet pressure at the Arthur Road PS. The inlet pressure should be more stable due to the larger volume tank in the main pressure zone, with slower draw down of the WSE.
8. Option #3 would be the simplest to design and construct.
9. Option #3 would be the least cost project.
10. Option #3 would be the lowest cost operator maintenance option with the fewest tanks and pump stations to maintain.
11. Option #3 could be built by GSD, and it would be compatible with the addition of Option #2 as a future project funded by others.

Option #3 Disadvantages

1. Option #3 would not improve the low-pressure issues reported with the intake/FW pumps when backwashing the filters and running the Arthur Road PS. Operations would continue as they are currently.



Recommendation

Option #3. Build A New Larger Finish Water Tank In The Field Adjacent To The Existing Tank And Remove The Existing Tank

Tank site Option #3 is the best option for improved operations and compliance with regulatory agencies. It would also result in the lowest operational and maintenance costs, lowest cost capital funding requirements, and the highest percentage of grant funding eligibility. This option is the most cost-effective solution with the most improvement benefiting all customers.

Please review this recommendation and let us know if you have any questions.

Sincerely,

SHN



Richard Culp, PE
Senior Engineer

RDC:lam

Board Memo Attachment 3

SHN Proposal for Addendum 1

Robertson/Wallan/Hurlbutt Tank
Replacement Project

January 31, 2023



Reference: 022067

January 25, 2023

Jennie Short
Garberville Sanitary District
P. O. Box 211
Garberville, CA 95542

**Subject: Garberville Sanitary District Water System Improvements Project—
Planning and Design Phase Services for Revised Project**

Dear Jennie Short:

This letter presents our anticipated scope and fee for the planning and initial design phase of the Garberville Sanitary District (GSD) Water System Improvements project. SHN's original scope of work for this project was based on the assumption that the project would consist primarily of updating the design that SHN completed in 2012. However, as we began work on the project, we determined that there were some alternatives to the 2012 design that should be considered as potential solutions. This led to significant changes to the project, and it also required unanticipated (out of scope) efforts to evaluate these alternatives to the 2012 design. GSD and SHN have now settled on a revised project, and we have coordinated with both the Division of Financial Assistance (DFA) and the Division of Drinking Water (DDW) to get initial agreement with the revised project approach.

The scope and fee presented in this letter builds on our previous efforts and includes the out of scope work that SHN has completed to date.

Revised Project Understanding

Anticipated Project Elements

Based on our efforts to date, we expect this project to include the following primary components:

1. Water storage tanks:
 - a. Install a new partially buried concrete tank in the field to the south of the existing Hurlbutt Tank. This new tank will have an approximate capacity of 500,000 gallons and will replace the existing Hurlbutt Tank, which will be demolished. SHN and GSD have worked closely with the landowner to identify a suitable location for the new tank and the access road to the new tank. The existing tank will remain active until the new tank is constructed, so no temporary water storage is needed during construction of the new tank.



- b. Install a new aboveground, steel tank at the Wallan Tank site to replace the existing redwood tank on that site. The new tank is expected to have an approximate capacity of 70,000 gallons (based on feedback from DDW). There is an existing poly tank onsite that is providing temporary water storage. It is expected that this poly tank will continue to provide temporary water storage during the construction of the new tank and that no additional temporary water storage will be required to facilitate construction of the new tank.
 - c. Demolish the Robertson Tank (no replacement anticipated).
 - d. Water Storage Tank Capacity. In general, tank volumes should have the capacity to meet the following criteria:
 - i. System-wide storage capacity (consisting of all tanks within the distribution system) should have capacity to meet the system-wide Maximum Day Demand (MDD) with the appropriate peaking factor.
 - ii. Each pressure zone should have adequate water storage capacity to meet the MDD for that pressure zone (with appropriate peaking factor).
 - iii. If it is determined that the existing Alderpoint Tank does not have adequate capacity to meet the MDD with peaking factor for the pressure zone it serves, then the Hurlbutt Tank capacity should be increased to compensate for the deficiency in storage.
2. Replacement of the distribution piping at the following locations:
- a. Access road to the new Hurlbutt Tank site. The new distribution line is expected to begin at the intersection of Locust Street and Melville Road, run along Melville Road to the intersection at Hillcrest Drive, and then run along Hillcrest Drive to the new tank. The existing distribution line will be abandoned in place for the segment along Knights Lane, along the trailer park, and up the hill to the top of the hill behind the residence. The existing distribution line will be removed starting at the fence behind the residence and extending to the existing tank.
 - b. Alderpoint Road segment between Arthur Road and Wallan Road.
3. Pump stations:
- a. Construction of the new pump station (PS) at the new Hurlbutt Tank to provide water to the residents along Hillcrest Drive and the residents on Maple Lane. This new pump station will replace the existing pump station that is located at the existing Hurlbutt Tank. As stated in the scope of work below, SHN does not anticipate conducting an alternatives analysis for this pump station, and we assume that this pump station will function similarly to the existing Hurlbutt Tank Pump Station.
 - b. Replacement or upgrades to the Arthur Road Pump Station. The selected alternative for the Arthur PS will be determined as part of the preliminary engineering report (PER). The alternatives are described in scope of work below.



- c. Upgrades to the Wallan Road Pump Station. These upgrades are expected to be limited to replacing pumps, piping, valving, and controls within the existing pump house.
4. Pressure Reducing Valves
 - a. The new Hurlbutt Tank will have a higher water surface elevation than the existing Hurlbutt Tank. This will increase the pressure in the distribution system within the zone served by the Hurlbutt Tank. GSD is willing to accept an overall pressure increase of up to 10 pounds per square inch (psi) in the primary pressure zone of the distribution system. This increase in pressure is expected to result in some water services having pressures that exceed 80 psi. Rather than installing large PRVs to lower pressure throughout the entire distribution system, GSD has elected to install individual service PRVs where needed. GSD will be responsible for determining which services will need PRVs and will provide this information to SHN for incorporation into the project documents.
5. Communications, controls, and electrical:
 - a. New radio-based telemetry system
 - b. Selection of new programmable logic controls (PLCs) for control of pump stations and tank sites
 - c. Basic control strategy for water distribution
 - d. Electrical service modifications to support the various project elements
 - e. Generators
 - i. Arthur PS—Permanent outdoor generator in National Electrical Manufacturers Association (NEMA) enclosure with fully integrated automatic transfer switch.
 - ii. Hurlbutt Tank PS—Permanent outdoor generator in NEMA enclosure with fully integrated automatic transfer switch.
 - iii. Wallan PS—Temporary (trailer-mounted) generator. PS shall have an automatic transfer switch.

Project Approach

Due to the unknowns regarding which project alternatives will be selected and approved by DFA as part of the PER, SHN and A T.E.E.M., SHN's electrical and controls consultant, are proposing to approach this project in phases. This letter presents our anticipated efforts for the preliminary phase of the project, which is expected to include:

- Data Collection and Water System Evaluation
- Special Studies and Planning Assistance
- Geotechnical Investigation and Geologic Hazards Evaluation
- Development of a Preliminary Engineering Report (PER)
- Preparation of 30% plans
- California Environmental Quality Act (CEQA) Compliance



After the preliminary phase is complete, the project should be defined well enough to allow SHN and A T.E.E.M. to prepare a scope and fee to complete the design of the project.

Our anticipated efforts and a summary of our efforts completed to date for each task are described in more detail in the Revised Project Scope of Work section.

Revised Project Scope of Work

The scope of work below describes the work that has been completed to date on the project and the remaining scope of work for each task.

Project Meetings

SHN's project manager anticipates attending the meetings summarized below. Fees associated with these meetings are included in the tasks listed below.

- Attend Bi-weekly meeting with GSD
- Attend Monthly meetings with GSD and DFA
- SHN will hold internal design team meetings as needed to facilitate coordination and progress on the project.

Task 1. Data Collection and Water System Evaluation

SHN has completed the efforts required for this task under our original scope of work. No further efforts are anticipated under this task.

Task 2. Special Studies & Planning Assistance

This task includes the special studies that are anticipated to be needed for CEQA compliance. SHN has partially completed the efforts required under this task, but additional efforts are required. SHN previously conducted the field efforts and figure preparation for the previously anticipated project areas of impact. However, since our original scope of work was prepared, the project areas of impact have changed as the project has evolved. Therefore, additional efforts are required to complete this task. The scope of work below summarizes the efforts that have not been completed to date.

Biological and Wetland Assessment

SHN previously conducted a biological and wetland assessment of the previously anticipated project areas. SHN will conduct additional biological and wetland fieldwork for the expanded project study area. The expanded study area is assumed not to exceed 5 acres of additional area and includes the new proposed Hurlbutt Tank location and emergency overflow as well as the existing pipe alignment to be removed (within fenced areas). Two site visits will be conducted for early and late season botanical surveys, including sensitive vegetation mapping, and another site visit will be conducted for formal



wetland delineation of the expanded study area. This task includes a full reporting effort to synthesize this year's data with last year's data and prepare a combined biological and wetland assessment as per SHN's current scope.

Cultural Resources Investigation

SHN will hire William Rich & Associates (WRA) as a subconsultant to prepare a cultural resources investigation of the identified study area. This investigation will be prepared pursuant to CEQA and its guidelines (Title 14 California Code of Regulations [CCR] 15000 et seq.), and the National Historic Preservation Act and Section 106 encoded at 36 Code of Federal Regulations (CFR) Part 800, and will be accomplished by:

- identifying and recording cultural resources within the project area,
- offering a preliminary significance evaluation of the identified cultural resources,
- assessing the potential impacts to cultural resources resulting from the implementation of proposed project activities, and
- offering recommendations designed to protect resource integrity, as warranted.

WRA will update its study area pursuant to the expanded project study area. The expanded study area is assumed not to exceed 5 acres of additional area and includes the new proposed Hurlbutt Tank location and emergency overflow as well as the existing pipe alignment to be removed (within fenced areas). WRA's cultural resources investigation will be prepared to address the updated project including the expanded study area. It is assumed that an extended survey of subsurface conditions will not be required.

Air Quality/GHG Emissions

SHN will prepare an air quality/greenhouse gas (GHG) emissions assessment using CalEEMod pursuant to CEQA compliance. Results will estimate project emissions in pounds per day and tons per year for construction and operations.

Screening of Alternatives and PER Assistance

SHN's project biologist and project planner will provide input on the PER regarding the screening of potential project alternatives and evaluation of potential environmental impacts of the potential project alternatives. SHN's project planner and the project biologist will conduct a desktop review and one site visit to review potential project alternative alignments for environmental impacts and constraints. The outcome will be summarized and incorporated into the PER's alternatives analysis section. No other report or figure preparation is included.

Task 3. Survey

SHN provided some initial survey services for this project, but the survey scope of work has since been removed from SHN's scope of work and will now be handled by Points West Surveying. SHN has coordinated with Points West Surveying to help facilitate their surveying efforts, and additional minor



coordination and communication efforts with Points West Surveying are included in this scope of work. SHN does not anticipate producing any deliverables as part of this task.

Task 4. Geotechnical Investigation and Geologic Hazards Evaluation

SHN provided some initial services for this task before the project was revised. Our initial efforts included coordination and scheduling with drilling subcontractors. However, the drilling efforts were put on hold once the project began to change. The remaining efforts for this task are summarized below.

The project elements that are expected to require geotechnical consideration include investigation/assessment of the following:

1. Replacement of the Wallan Tank with an aboveground steel tank
2. Construction of one new partially buried concrete tank at the Lower Hurlbutt Tank and pump station
3. Installation of a buried waterline at the Lower Hurlbutt Tank site
4. Construction of a new pump station adjacent to the existing Arthur Road Pump Station
5. Visual evaluation of the stability of the Wallan Pump Station
6. Demolition of the Robertson Tank
7. Visual evaluation of the section of Alderpoint Road below the Robertson Tank where there are stability concerns

Based on our preliminary review, we are assuming subsurface investigation will only be required at the Wallan Tank site, the Lower Hurlbutt Tank site, the Lower Hurlbutt Tank access driveway, and the Arthur Road Pump Station site.

The purpose of our work will be to provide the project's design team with findings, conclusions, and recommendations regarding the geologic setting and geotechnical engineering criteria to support the design and construction of the new infrastructure. The geotechnical field investigation and report will be conducted and prepared in general accordance with the standards of the American Water Works Association (AWWA).

Specifically, the scope of our services will consist of the following:

1. Review nearby geotechnical and geologic reports of the property and published geologic and geologic hazard maps.
2. Site reconnaissance by senior engineering geologist/geotechnical engineer to observe existing site conditions.
3. Site visit by geologist to mark the exploration areas for USA (Underground Service Alert) to check the drilling locations for underground utilities.
4. Submit drilling permit applications to Humboldt County Division of Environmental Health (HCDEH) for each of the three subsurface investigation sites and pay associated county fees.



5. Coordinate and schedule a drilling contractor to drill geotechnical borings at each of the following sites: Lower Hurlbutt buried concrete tank, Lower Hurlbutt buried waterline beneath the access road, Wallan Tank, and Arthur Road Pump Station. The proposed drilling investigations are summarized as follows:
 - a. Lower Hurlbutt Buried Tank: Three borings total with depths ranging from 25 to 50 feet
 - b. Lower Hurlbutt waterline: One boring to a depth of 30 feet
 - c. Wallan Tank: Two borings to depths of 15 feet
 - d. Arthur Road Pump Station: Two borings to depths of 15 feet
6. Samples from each boring will be collected at suitable intervals, using standard penetration test (SPT) and modified California split spoon samplers. A drilling subcontractor will be retained to complete the borings. Dry soil cuttings will be spread onsite, and drilling fluid will be contained in drums and removed from the site by the driller.
7. At the proposed buried waterline beneath the Lower Hurlbutt access road, evaluate and describe subsurface conditions and characterize any limiting conditions relevant to either open-trench, or trenchless (HDD) installation methods. At this time, we are not including specific analyses (such as a frac-out analysis), or recommendations associated with an HDD method of installation.
8. Submit selected soil samples to SHN's soils testing laboratory for geotechnical analysis. Anticipated tests include dry density and moisture content, shear strength, Atterberg limits, and corrosivity testing. Specific tests may be added or eliminated depending on the materials encountered at the site.
9. Assess potential earthquake-related geologic/geotechnical hazards (for example, strong earthquake ground shaking, surface fault rupture, liquefaction, and differential settlement), and other potential geologic/geotechnical hazards.
10. Provide seismic design parameters in accordance with the applicable portions of the 2022 California Building Code (CBC) and the American Society of Civil Engineers (ASCE) 7-22 Standard, and the most recent edition of the AWWA standards, including site soil classification, seismic design category, and spectral response accelerations.
11. At the Wallan Tank, Lower Hurlbutt Tank, and Arthur Road Pump Station sites: Perform engineering analyses in order to provide conclusions and recommendations regarding:
 - a. earthwork, including site and subgrade preparation, fill material specifications, and fill compaction requirements;
 - b. discussion of appropriate foundation options, including allowable bearing capacities, estimates of settlement (total and differential), minimum footing depth, and allowable lateral capacities;
 - c. support of concrete slabs-on-grade (if needed);
 - d. drainage requirements; and
 - e. observation of site preparation and grading, foundation installation, and other geotechnical construction considerations.



12. Evaluate slopes near Wallan and Lower Hurlbutt tank sites for stability and cut-slope requirements.
13. Meet with the Lower Hurlbutt Tank structural engineer (DN Tanks) to provide and discuss preliminary data results; provide a draft report of recommendations for their review.
14. Review civil design plans and specifications at the 60% and 90% stages.
15. Prepare one geotechnical investigation and geohazards report, complete with field and laboratory data from each of the subsurface investigations. This report will include a summary of our findings for each of the above listed project elements, and as applicable, our geotechnical recommendations or evaluation of site conditions.

Task 5. Preliminary Engineering Report (PER)

SHN has done some initial work on the PER under the original scope of work. These efforts include reviewing background information regarding Garberville's water distribution system and writing some of the initial sections of the PER where background information is required. However, the majority of our efforts for the PER task to date have included out-of-scope work that was needed to define the revised project.

Out-of-Scope Efforts Completed to Date

1. Evaluation of energy usage costs and preparation of a letter of recommendation associated with the Upper Hurlbutt Tank Site. (See letter dated June 30, 2022)
2. Detailed grading evaluation for various locations and configurations for the new Hurlbutt Tank that is proposed in the field to the south of the existing tank. Efforts also included coordination and meetings with the landowner, and revisions to grading evaluations. See various alternatives submitted on December 6, 2022, and revisions to the preferred alternative submitted on December 19, 2022.
3. Preparation of a conceptual layout for a potential tank and the pump station at the future Garberville Hospital site.
4. Tank sizing evaluation (including review of fire flow recommendations) and preparation of a tank sizing recommendation letter. See letter dated October 5, 2022.
5. Data gathering and meetings associated with the consideration of various project alternatives, such as relocating the distribution line crossing Bear Canyon to the Arthur Pump station.
6. Consideration of various alternative tank locations throughout the distribution.
7. Additional coordination meetings with GSD and DFA that were not anticipated during the development of the original scope of work.
8. Additional effort associated with considering the existing challenges and complexities associated with the Arthur Pump Station.



Remaining Scope of Work to be Completed for the Revised Project

1. SHN will prepare a PER in accordance with the Drinking Water State Revolving Fund (DWSRF). This PER will evaluate alternatives for the project elements, as described below. DWSRF requires that a consolidation analysis be included in the PER. This consolidation analysis will be conducted by GSD and will be included in the PER as an attachment. The example PER provided by GSD (for the City of Dunsmuir) provides a good example for the level of effort required when evaluating the various project alternatives for this project. The various alternatives to be considered for each project alternative include:
 - a. Hurlbutt Tank—Alternatives analysis focused on functionality and landowner approval, not on cost comparisons. Tank capacity is expected to be approximately 500,000 gallons, based on the previous tank sizing evaluation conducted by SHN and site limitations. Alternatives to be considered include:
 - i. Keep existing tank (no upgrades)
 - ii. Upgrade existing tank
 - iii. Install new tank (at location approved by landowner)
 - iv. Note: The new Hurlbutt Tank will also require a new pump station. However, an alternatives analysis for this pump station is not anticipated and is not included in this scope of work.
 - b. Wallan Tank—Alternatives analysis focused on lifecycle costs and GSD preference. Tank capacity is expected to be approximately 70,000 gallons, based on the Water Board's comments on the previous tank sizing evaluation conducted by SHN. Alternatives to be considered include:
 - i. Welded steel tank
 - ii. Epoxy-coated bolted steel tank
 - iii. Glass-fused-to-steel bolted tank
 - c. Arthur Road Pump Station—The alternatives analysis will be focused on functionality and site constraints, not on cost comparisons. The alternatives to be considered include:
 - i. Keep the existing pump station (no upgrade)
 - ii. Upgrade the existing pump station
 - iii. Construct a new pump station
 - d. Wallan Pump Station—The alternatives analysis will be focused on functionality and site constraints, not on cost comparisons. The alternatives to be considered include:
 - i. Keep the existing pump station (no upgrade)
 - ii. Upgrade the existing pump station
 - iii. Construct a new pump station



- e. Minor Distribution System Upgrades—Distribution system upgrades will be limited to replacing the water main segment between the main distribution network in town (intersection of Melville Road and Locust Street) and the new Hurlbutt Tank. The alternatives analysis will be focused on functionality and site constraints, not cost comparisons. The alternatives to be considered include:
 - i. Leave existing distribution piping (no upgrade)
 - ii. Replace distribution pipes in their current alignment
 - iii. Install new pipes in new alignments
 - f. Update the tank sizing letter (dated October 5, 2022) to address comments from GSD and DDW.
 - g. A T.E.E.M. will provide preliminary level electrical and instrumentation costs to be incorporated into the PER. Instrumentation and controls options to be discussed and coordinated with GSD and A T.E.E.M. However, an alternatives analysis for instrumentation and controls is not included in this scope of work.
2. Based on the conclusions of the alternatives analyses, SHN will include in the PER a detailed description of the selected project (with the necessary components outlined in DWSRF's PER template) and a detailed construction cost estimate and proposed schedule for each component of the selected project.
 3. SHN assumes that GSD will be responsible for providing the following content so that SHN can incorporate this information into the PER:
 - a. Background information regarding the proposed project
 - b. Previous grant project PER text and all supporting documents
 - c. Description of the water system and its facilities, including details relating to sources, storage, treatment, and distribution
 - d. Description of the water system's present condition, suitability for continued use, adequacy of water supply, current water system capacity, age of facilities, and water quality
 - e. Description of the existing water system operations and maintenance (O&M) practices, and how these practices impact the water system's finances
 - f. Description of any financial or technical challenges that may impact water system operations and any preventive practices that are in place to address these challenges
 - g. Description of the problem being addressed by the project—documents supporting the ranked problem, including but not limited to the last 2 years of water quality data; most recent compliance orders; violations; citations; sanitary surveys; and, if the Compliance Order is related to a maximum contaminant level (MCL) exceedance, identification of the contaminant



- h. Consolidation analysis (If consolidation is deemed infeasible, GSD will fully and completely discuss the reasons for that determination and will provide supporting information justifying the decision.)
- i. Assistance with addressing the section of the PER related to comprehensive response to climate change

Task 6. 30% Engineering Design

SHN's design efforts on this project have not yet begun. However, SHN did perform some out-of-scope work under this task that was needed in order to help better understand the opportunities and constraints associated with GSD's water distribution system and to help GSD develop the revised project.

Out-of-Scope Efforts Completed to Date

- 1. Effort associated with evaluating customer water meter location and elevation data that was originally collected by LACO.

Remaining Scope of Work to be Completed for the Revised Project

- 1. SHN will conduct a site visit prior to proceeding with the 30% design.
- 2. Evaluation of pump station requirements—SHN will coordinate with pump manufacturers to identify suitable pump types, configurations, and horsepower requirements for the pump stations.
- 3. SHN's 30% plans, which are expected to include the following:
 - a. Cover Sheet
 - b. Project Overview Sheet
 - c. Standard Abbreviations and Legends
 - d. Demolition Plans for the Lower Hurlbutt Tank (and pump station), Wallan Tank, Robertson Tank, Arthur PS, Wallan PS, and the distribution system
 - e. Plan and Profile Sheets of the distribution piping upgrades
 - f. Tank Plans: Site Plan, Grading Plan, Tank Layouts (Upper Hurlbutt and Wallan)
 - g. Pump Station Plans: Site plan, and floor plans showing building layout, piping, valving, pump locations, and electrical/control panel locations for each pump station (Hurlbutt Tank PS, Arthur PS, and Wallan PS)
- 4. A T.E.E.M.'s 30% plans are expected to include the following:
 - a. Arthur Pump Station
 - i. One-line diagram and P&ID of the new pump station (need HP).
 - ii. Station will include new ATS and outdoor stationary generator



- b. Hurlbutt Tank & PS
 - i. One-line diagram and P&ID of the new pump station (need HP).
 - ii. Station will include new ATS and outdoor stationary generator
 - c. Wallan Pump Station
 - i. One-line diagram and P&ID of the new pump station (need HP).
 - ii. Station will include new ATS and temporary trailer generator.
 - d. Wallan Tank
 - i. One-line diagram and P&ID of the tank
 - ii. No generator
 - e. Note: A T.E.E.M.'s previous scope of work for the plans included additional sheets. However, the sheets included in the previous scope of work will not be included as part of the 30% design and will be included in future design submittals that are not included at this time.
5. SHN will develop an engineer's opinion of construction costs based on the 30% engineering design.

Task 7. CEQA Compliance

This task summarizes the tasks anticipated to be necessary to complete CEQA compliance, which is anticipated to consist of an Initial Study and Mitigated Negative Declaration.

Preparation of a Detailed Project Description

The CEQA process will begin with preparation of a detailed project description and figures identifying all the work areas (including access and staging areas) and improvements proposed for the project. This is a requirement of CEQA. SHN will work closely with GSD to develop a thorough project description that describes the existing facilities and the proposed improvements. The project description will be based on the Final PER and 30% design plans. This task will include up to one site visit with GSD.

Tribal Consultation

As part of the preparation of the Initial Study, SHN will assist GSD with tribal consultation with the local tribes pursuant to AB 52. Through this process, the tribes will be able to comment on the potential for the project to impact cultural resources. It is assumed that the necessary level of tribal consultation will be limited to the initial outreach required by AB52, up to five email/phone communications, up to one site visit, and that extended tribal consultation is not necessary.

Preparation of Administrative Draft Initial Study

SHN will prepare an Administrative Draft Initial Study for the project based on the detailed project description, project plans, special studies, agency review (for example, CDFW), and tribal consultation.



The Initial Study will be prepared pursuant to the current (2022) “CEQA Guidelines” and will be for GSD internal review only.

Preparation of Public Review Initial Study

Following receipt of any comments from GSD, SHN will make revisions and prepare a public review Draft Initial Study for the project.

Circulation of Initial Study and Responses to Comments

Following completion of the Initial Study, SHN will submit the document and associated forms (for example, Notice of Completion, Summary Form, and so on) to the State Clearinghouse for a 30-day circulation period to receive comments from responsible and trustee agencies. This task also includes the filing of a Notice of Availability with the County Clerk and noticing to contiguous property owners about the availability of the Initial Study for review. SHN will respond to comments received on the Initial Study prior to recommending the appropriate CEQA determination to GSD (for example, Negative Declaration, Mitigated Negative Declaration, or Environmental Impact Report).

Preparation of Mitigated Negative Declaration

Following completion of the Initial Study (assuming it identifies mitigation measures suitable to reduce all impacts to less than significant), SHN will prepare a Mitigated Negative Declaration.

Presentation to GSD Board

SHN is available to present the findings of the CEQA analysis and recommended determination to the GSD board. It is anticipated that attendance will be required at one GSD board meeting for adoption of the CEQA document. This task includes creating a resolution for adoption of the CEQA document and a brief memorandum explaining the resolution to the GSD board.

Assumptions

This scope of work is based upon the following assumptions:

1. The appropriate CEQA document will be an Initial Study with Mitigated Negative Declaration. Assumes no environmental impact report (EIR) will be determined to be necessary.
2. The expanded study area is assumed not to exceed 5 acres of additional area and includes the new proposed Hurlbutt tank location and emergency overflow as well as the existing pipe alignment to be removed (within fenced areas). The upper Hurlbutt Tank and access road have been removed from the project and study area. It is assumed that the project will not change substantially.
3. Once the detailed project description and site plan have been developed and CEQA preparation has commenced, the project will not change substantially (in a way that will cause substantial revisions).
4. GSD review of draft documents will take 2 weeks or less.



5. If lead and asbestos evaluations are needed:
 - a. pursuant to CEQA analysis; and/or
 - b. pursuant to North Coast Unified Air Quality Management District (NCUAQMD) National Emission Standards for Hazardous Air Pollutants (NESHAPs) compliance, for demolition of structures, those will be the responsibility of others.

Project Exclusions

Any services not specifically outlined in the above scope of work are excluded, including but not limited to the following:

1. National Environmental Policy Act (NEPA) or Federal Cross-cutters documentation—Garberville is a small severely economically disadvantaged community and is, therefore, subject to the “non-equivalency environmental review process”
2. Permitting, which is not required until a subsequent phase of project development
3. Species-specific protocol level surveys (for example, for salmonids, marbled murrelet, or northern spotted owls)—Species for which surveys would be required are assumed to not be present within the area of potential impacts. However, if these species are observed during the survey efforts, species-specific surveys would be needed.
4. Preparation of a biological/wetland mitigation monitoring and reporting plan; however, this task may be needed during a subsequent phase of project development.
5. Preparation of a traffic study, which is assumed to not be needed because the proposed project is generally for reconfiguration of elements of the community’s water system and is assumed to not have the potential to increase vehicle miles travelled
6. Preparation of visual renderings, which are assumed not to be needed because the proposed project is generally for reconfiguration of elements of the community’s water system in locations that will not have the potential to cause significant visual impacts
7. Preparation of a noise study, which is assumed not to be needed because only temporary noise impacts during construction are anticipated
8. Subsurface survey for cultural resources investigation—The cultural resources report task assumes that an extended survey of subsurface conditions will not be required.
9. Final Design Services—A scope and fee for providing final design services will be developed once the PER and 30% design efforts are complete.

Project Schedule

A preliminary schedule for 2023 key milestones is provided below:

End of March	Prepare Draft PER
End of April	Conduct Geotechnical Field Investigation
End of May	Prepare Final PER (one month after receipt of comments from DFA)



End of June	Submit Draft Geotechnical Report
End of July	30% Plans, and Submit Final Geotechnical Report
End of October	Special Studies Reports
End of March 2024	CEQA Compliance

Fee Summary

SHN’s primary staff for this project and our associated billing rates for 2023 are summarized below (billing rates will increase in 2024):

- Jared O’Barr, PE (Project Manager, Principal Engineer) - \$195/hr
- Richard Culp, PE (Senior Design Engineer) - \$170/hr
- Lory Widmer, PE (Project Engineer - \$160/hr
- Mike Malone, (Staff Engineer) - \$110/hr
- Jared Goebel (Staff Engineer)—\$100/hr
- Chris Newell (CAD Manager) - \$130/hr
- Stein Coriell (Senior Planner)—\$145/hr
- Joseph Saler (Botanist, Biologist)—\$135/hr
- Cindy Wilcox (Soil Scientist)—\$120/hr
- Gary Simpson, CEG (Senior Engineering Geologist)—\$195/hr
- John Dailey, GE (Geotechnical Engineering)—\$185/hr
- Alyssa Troia (Staff Geologist)—\$110/hr

Compensation for services described herein will be on a time and expenses basis. The following table provides an anticipated budget breakdown by each task. SHN shall be free to adjust budgets between these tasks as needed, as long as the total fee is not exceeded. This total fee will not be exceeded without prior authorization.

Task		Original Fee	Additional Fee	Revised Project Total
Task 1.	Data Collection & Water System Evaluation	\$28,000	\$0	\$28,000
Task 2.	Special Studies & Planning Assistance	\$43,000	\$28,250	\$71,250
Task 3.	Survey	\$42,000	(-\$37,500)	\$4,500
Task 4.	Geotechnical Investigation	\$42,500	\$17,500	\$60,000
Task 5.	PER	\$29,000	\$66,000	\$95,000
Task 6.	30% Plans	\$46,000	\$72,500	\$118,500
Task 7.	CEQA Compliance	\$0	\$50,000	\$50,000
A T.E.E.M. Services (with 10% markup)		\$47,500	\$0	\$47,500
Total Fee		\$278,000	\$196,750	\$474,750



Explanation for Additional Fees

Task 2: Special Studies

- Extra work associated with discovering human remains during field investigation.
- Extra work associated with expanded project footprint in Revised Project.
- Addition of Air Quality/GHG Emissions study to support CEQA.

Task 4: Geotechnical Investigation

- Borings were added to the project to facilitate new Hurlbutt Tank and deep utility line installation along Hillcrest Drive.
- Borings were added to the Arthur PS site to facilitate the potential construction of a new pump station on that site.
- Drilling contractor fee increases since 2022.
- Geotechnical review of engineering design added to project scope.

Task 5: PER

- Refer to “Out-of-Scope Efforts Completed to Date” summary provided in the Task 5 scope of work section above.
- Additional efforts associated with the fact that SHN’s original scope of work for this project was based on the assumption that the project would consist primarily of updating the design that SHN completed in 2012. The revised project will require more thorough evaluation than originally anticipated.

Task 6: 30% Plans

- Refer to “Out-of-Scope Efforts Completed to Date” summary provided in the Task 6 scope of work section above.
- Addition of generators to the project. The original scope of work did not include any services related to generators.
- Additional efforts associated with the fact that SHN’s original scope of work for this project was based on the assumption that the project would consist primarily of updating the design that SHN completed in 2012. The revised project will require more thorough evaluation than originally anticipated.

Task 7: CEQA Compliance

- CEQA compliance was excluded from our original scope of work

General fee increases for the remaining efforts occurring in 2023 rather than 2022, as was originally anticipated.



Jennie Short

GSD Water System Improvements—Planning and Design Phase Services for Revised Project

January 25, 2023

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Thank you for providing SHN with the opportunity to propose on this project. If you have any questions or comments regarding the information provided in this proposal, please email me at jobarr@shn-engr.com.

Sincerely,

SHN



Jared O'Barr, PE
Civil Engineering Principal



Board Memo Attachment 4

Letter to RCSD
regarding possible consolidation

Robertson/Wallan/Hurlbutt Tank
Replacement Project

January 31, 2023



GARBERVILLE SANITARY DISTRICT

P.O. BOX 211 • GARBERVILLE, CA 95542 • (707) 923-9566

January 31, 2023

Redway Community Services District
1150 Evergreen Rd # 2
Redway, CA 95560

SUBJECT: Formal Inquiry on Interest in Consolidation into Garberville Sanitary District as a Single District and/or Physical Intertie between the two Districts

Dear Honorable Board Members:

The Garberville Sanitary District is in the preliminary engineering phase of a project consisting of replacing three leaking water tanks which has been funded through the State Water Resources Control Board Division of Financial Assistance and the Department of Water Resources. One of the elements of the Preliminary Engineering Report (PER) that must be considered is whether consolidation with another public water system within 5 miles of the GSD service boundary is a viable alternative. GSD's Project Manager (Jennie Short) has reached out numerous times to your General Manager in an effort to determine RCSD's interest, or lack thereof, in consolidation into GSD and has requested a written response for inclusion into the PER to document your desires. Attached to this letter are several of the emails in which Mrs. Short summarizes the details of various phone conversations and outlines project information that might be helpful for your review.

In short, the GSD Board is now reaching out in a more formal manner in hopes that RCSD's Board or GM will supply a written response identifying your interest level in full consolidation or whether you would like to partner to look into possibilities and funding for a future physical intertie for emergency mutual aid amongst us as neighboring water purveying agencies. GSD must address consolidation in the PER for the Tanks Replacement Project, which is scheduled to be completed by the end of February 2023, so time is of the essence in receiving your reply. A lack of response will be documented as a lack of interest in consolidation in our PER.

We would be happy to have Mrs. Short attend the next RCSD Board meeting to supply information and answer questions, or be involved in a committee if that would help RCSD be able to move forward with producing the requested written communication. You can contact Mrs. Short at (707)223-4567 or via email at jmshort@garbervillesd.org. If you would like to ask questions of the GSD Board, please feel free to attend the next meeting on February 21, 2023. We sincerely appreciate your quick attention to this matter.

Respectfully,

Doug Bryan
Chair of the Board of Directors

jms

Enclosures: Emails

<jmshort@garbervillesd.org>

From: jmshort <jmshort@garbervillesd.org>
To: ccox.rcsd@gmail.com <ccox.rcsd@gmail.com>
Cc: Ralph Emerson <remerson@garbervillesd.org>
Date: 2023-01-04 3:37pm
Subject: Intertie Discussion Topics Summary
Attach.: image001.png (145.52 KB)

Hello Cody,

Thanks for taking the time to talk yesterday. To summarize our conversation, here is my understanding of the various topics we discussed.

1. Redway CSD is not interested in consolidating into GSD and becoming a single entity.
2. RCSD is, however, interesting in working with GSD to construct a physical intertie between the two systems so that there is an ability for each agency to sell water to each other in an emergency and we would no longer need to truck water from one system to another. This intertie waterline would likely be in Redwood Drive and the portion of the waterline in GSD's SOI would be owned, operated and maintained by GSD and the portion in RCSD's would be theirs. Our SOIs share a common boundary on Redwood Drive, so it would seem that this is the logical location for the split in ownership. The long-term CIP in GSD's 2013 MSR as adopted by Humboldt LAFCo (previously emailed to you) provides a general concept of what the project might look like.
3. There are numerous details that would need to be worked out between the two agencies regarding waterline sizing, appurtenances at the meters, backflow preventors, manual valves, flushing for chlorine residual, etc. but; both agencies would like to open discussions on these items with the goal of obtaining funding from DWR or the State Waterboard DFA.
4. GSD is currently in the planning efforts of a tank replacement project. This tank project is the first phase of a two-part project. The first phase is being limited to replacement of the rest of GSD's old water tanks, the pumps feeding them, and a very small length of waterline to reconnect the new tanks to the existing system. The second phase would include significant distribution line construction and replacement.
5. One of the biggest elements of Phase 2 is the replacement of the aerial over Bear Canyon from downtown to the Meadows Subdivision with a line that is in roadways and bridges. Part of this waterline would include running a larger transmission line from the existing 8" line in Redwood Drive (probably starting @ the new waterline in the intersection of Redwood Drive and Sprowel Creek Road), through the Hwy 101 overcrossing structure, down Redwood Drive to Humboldt County's Bear Canyon Bridge where the waterline would be placed in the bay designated for the waterline, continue down Redwood Drive to Blue Star Gas, feed the existing waterline in Bear Canyon Road, turn up Alderpoint Road, through the Hwy 101 overcrossing structure, up to the pump station at the intersection of Alderpoint Road and Arthur Road.
6. An intertie waterline would be continued beyond the new waterline to Blue Star Gas towards Redway.
7. GSD is currently coordinating with the State Waterboard DFA on the Funding Agreement for Phase 2 of the project with the hopes that the FA will be executed by January 2024. DFA's project manager inquired about them providing to GSD funding to include the intertie waterline from GSD to Redway as part of Phase 2. I told her that I thought Redway was already receiving funding from DWR for this same work, but that I would keep her in the loop

- as Redway proceeds with the FA process. This might be a place that we can try for funding.
8. Yesterday you indicated that \$1M of the anticipated funding for Redway was cut from the project and this might jeopardize including the intertie in Redway's project.
 9. As GSD's capital projects manager, I would be pleased to participate in Redway's project funding planning meeting in any way that would be helpful for the committee to understand GSD's project(s) and discuss how we can coordinate to provide the best service and resources to the ratepayers in our District. We would support Redway pursuing the intertie and would also be willing to push the Waterboard to add funding to our Phase 2 project to add the intertie to our project. If Ralph's involvement as the GSD GM is helpful, I am sure he would be happy to participate as well.

The thing that is most time sensitive for GSD's Phase 1 project is to get an email or letter from Redway CSD (either you as GSD or the Board) stating that Redway is not interested in consolidating with GSD but that they are interested in pursuing a physical intertie between the two Districts for emergency use. GSD/SHN must address consolidation in the Preliminary Engineering Report for the Phase 1 project, which is scheduled to be completed by the end of February 2023.

I hope that I have included everything we discussed. If I have missed something critical, please let me know.

Thanks, Jennie

-----Original Message-----

From: ccox.rcsd@gmail.com <ccox.rcsd@gmail.com>

To: 'jmshort' <jmshort@garbervillesd.org>

Subject: Good morning

Sent: 2023-01-04 8:07am

Could you please send me a summary of our discussion and I will let you know when we can schedule a meeting. I am wanting to start an e-mail chain with you for me and staff.

Thank you,

Cody Cox

General Manager

O. 707.923.3101

F. 707.923.3102

E. ccox.rcsd@gmail.com

image001.png

<jmshort@garbervillesd.org>

From: jmshort <jmshort@garbervillesd.org>
To: ccox.rcsd@gmail.com <ccox.rcsd@gmail.com>
Date: 2022-12-22 10:41am
Subject: Re: GSD Tanks Replacement Project - Consolidation Inquiry

Hi Cody,

I left you a voice mail today on your cell phone inquiring about getting the letter from RCSD responding about not wanting to consolidate and the desire to construct a physical intertie between the districts. We will be putting together the Preliminary Engineering Report and submitting it to the State in February and the letter from Redway should be included if possible.

I can have GSD's Board send a formal letter of inquiry to RCSD's Board if that will help with the process. Then if RCSD doesn't respond, GSD will at least be able to include the letter and move forward with our tank replacement project. Please let me know if this would help.

Thanks, Jennie

-----Original Message-----

From: jmshort <jmshort@garbervillesd.org>
To: ccox.rcsd@gmail.com <ccox.rcsd@gmail.com>
Subject: GSD Tanks Replacement Project - Consolidation Inquiry
Sent: 2022-10-11 2:57pm

Hi Cody,

GSD is in the preliminary engineering phase of a project consisting of replacing three leaking water tanks that has been funded through the State Water Resources Control Board Division of Financial Assistance. One of the elements of the Preliminary Engineering Report must be consideration of whether consolidation with another public water system within 5 miles of the GSD service boundary is a viable alternative. I am reaching out to determine whether consolidation something that Redway would be interested in. If you could give me a call at your convenience to discuss the possibilities, I would appreciate it. You can reach me on my cell phone at (707)223-4567. I am available Wednesday 9 - 12:30 and all day on Thursday or Friday this week.

Thanks, Jennie

Jennie Short
Consultant Project Manager
Garberville Sanitary District

<jmshort@garbervillesd.org>

From: jmshort <jmshort@garbervillesd.org>
To: ccox.rcsd@gmail.com <ccox.rcsd@gmail.com>
Date: 2022-11-18 2:39pm
Subject: Consolidation Letter

Hi Cody,

Checking on the probable date of receipt for the letter regarding consolidation?

Thanks, Jennie

-----Original Message-----

From: ccox.rcsd@gmail.com <ccox.rcsd@gmail.com>
To: 'jmshort' <jmshort@garbervillesd.org>
Subject: RE: GSD MSR with Interite to RCSD Marked
Sent: 2022-10-31 9:14am

Thank you so much, I will work on getting that letter to you soon here.

From: jmshort <jmshort@garbervillesd.org>
Sent: Monday, October 31, 2022 10:03 AM
To: ccox.rcsd@gmail.com
Cc: Ralph Emerson <remerson@garbervillesd.org>
Subject: GSD MSR with Interite to RCSD Marked

Hi Cody,

Thanks for the information on the projects that RCSD is undertaking over the next few years. As discussed, I have attached GSD's Municipal Services Review adopted by LAFCo in 2013 that shows the intertie we had planned for between GSD and RCSD (see pdf pages 29 & 30). At the time RCSD's board was not supportive, but since the MSR is a long-range planning document and we felt that it was in the best interest of both communities to have an emergency intertie that would allow each water system to sell water to the other one in an emergency, it was included in the conceptual project. As rural communities we need to be able to provide mutual aid to each other when needed. If this planning document can help in your application process in any way, please feel free to forward it to whomever you would like.

Board Memo Attachment 5

Final Draft FUNDING AGREEMENT BETWEEN
THE STATE OF CALIFORNIA,
DEPARTMENT OF WATER RESOURCES AND
GARBERVILLE SANITARY DISTRICT
FOR THE GARBERVILLE TANK REPLACEMENT PROJECT

Robertson/Wallan/Hurlbutt Tank
Replacement Project

January 31, 2023

**STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES**

AGREEMENT NUMBER: 46000XXXXX

**FUNDING AGREEMENT BETWEEN THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES
AND
GARBERVILLE SANITARY DISTRICT**

**FOR THE
GARBERVILLE TANK REPLACEMENT PROJECT**

A PART OF THE SMALL COMMUNITY DROUGHT RELIEF PROGRAM

FUNDED BY

**THE BUDGET ACT OF 2021 AS AMENDED
(STATS. 2022, ch. 44, § 25)**

**FUNDING AGREEMENT BETWEEN
THE STATE OF CALIFORNIA (DEPARTMENT OF WATER RESOURCES) AND
GARBERVILLE SANITARY DISTRICT**

<SAP AGREEMENT NUMBER>

SMALL COMMUNITY DROUGHT RELIEF PROGRAM

THIS FUNDING AGREEMENT is entered into by and between the Department of Water Resources of the State of California, herein referred to as the "State" and the Garberville Sanitary District, a Special District in the State of California, duly organized, existing, and acting pursuant to the laws thereof, herein referred to as the "Grantee," which parties do hereby agree as follows:

1. **PURPOSE.** State shall provide funding pursuant to the Budget Act of 2021, as amended (Stats. 2022, ch. 44, § 25), to the Grantee to assist in financing the Garberville Tank Replacement Project (Project). By executing this Agreement, the Grantee certifies that the purpose of the Project is in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to: (1) address immediate impacts on human health and safety; (2) address immediate impacts on fish and wildlife resources; or, (3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies.
2. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is initially executed by State, through final payment plus three (3) years unless otherwise terminated or amended as provided in this Agreement. However, all work shall be completed by December 31, 2025, and no funds may be requested after March 31, 2025.
3. **PROJECT COST.** The reasonable cost of the Project is estimated to be \$ 4,545,000.
4. **FUNDING AMOUNT.** The maximum amount payable by the State under this Agreement shall not exceed \$ 4,545,000.
5. **GRANTEE REQUIRED COST SHARE.** Grantee agrees to fund the difference between the actual Project Cost in Paragraph 3 and the amount specified in Paragraph 4, if any.
6. **BASIC CONDITIONS.** State shall have no obligation to disburse money for the Project under this Funding Agreement until Grantee has satisfied the following conditions:
 - A. For the term of this Funding Agreement, Grantee submits timely Quarterly Progress Reports as required by **Paragraph 13**, "Submission of Reports."
 - B. Grantee submits all deliverables as specified in **Paragraph 13** of this Funding Agreement and in **Exhibit A**.
 - C. Prior to the commencement of construction or implementation activities, Grantee shall submit the following to the State:
 - i. Final plans and specifications certified by a California Registered Civil Engineer as to compliance for the Project as listed in **Exhibit A** of this Funding Agreement.
 - ii. Work that is subject to the California Environmental Quality Act (CEQA) and or environmental permitting shall not proceed under this Funding Agreement until the following actions are performed:
 - a. Grantee submits to the State all applicable environmental permits as indicated on the Environmental Information Form to the State, and

- b. Documents that satisfy the CEQA process are received by the State, and
- c. Grantee receives written concurrence from the State of the Lead Agency's CEQA document(s) and State notice of verification of environmental permit submittal.

State's concurrence of Lead Agency's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the Project or to require changes, alterations, or other mitigation. Grantee must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act (NEPA) by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, mitigation monitoring programs, and environmental permits as may be required prior to beginning construction/implementation.

- 7. **DISBURSEMENT OF FUNDS.** State will disburse to Grantee the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations pursuant to any federal statute or regulation. Any and all money disbursed to Grantee under this Funding Agreement shall be deposited in a separate account and shall be used solely to pay Eligible Project Costs.
- 8. **ELIGIBLE PROJECT COST.** Grantee shall apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law and **Exhibit B**. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and project construction. Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project included in this Agreement. Work performed on the Project after August 22, 2022, shall be eligible for reimbursement.

Costs that are not eligible for reimbursement include, but are not limited to the following items:

- A. Costs incurred prior to August 22, 2022.
- B. Operation and maintenance costs, including post-construction performance and monitoring costs.
- C. Purchase of equipment not an integral part of the Project.
- D. Establishing a reserve fund.
- E. Monitoring and assessment costs for efforts required after Project construction is complete.
- F. Replacement of existing funding sources for ongoing programs.
- G. Payment of federal or state taxes.
- H. Costs incurred as part of any necessary response and cleanup activities required under the Comprehensive Environmental Response, Compensation, and Liability Act; Resource Conservation and Recovery Act; Hazardous Substances Account Act; or other applicable law.
- I. Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- J. Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of a project, as set forth and detailed by engineering and feasibility studies, or land purchased prior to August 22, 2022.

K. Overhead and indirect costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the funded project (i.e., costs that are not directly related to the funded project). Examples of Indirect Costs include but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee's organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition; conference fees; and, generic overhead or markup. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed pursuant to this Agreement.

9. METHOD OF PAYMENT. After the disbursement requirements in Paragraph 6 "Basic Conditions" are met, State will disburse the whole or portions of State funding to Grantee, following receipt from Grantee via US mail or Express mail delivery of a "wet signature" invoice, or an electronic invoice certified and transmitted via DocuSign for costs incurred, including Cost Share, and timely Quarterly Progress Reports as required by Paragraph 13, "Submission of Reports." Payment will be made no more frequently than monthly, in arrears, upon receipt of an invoice bearing the Funding Agreement number. State will notify Grantee, in a timely manner, whenever, upon review of an Invoice, State determines that any portion or portions of the costs claimed are not eligible costs or is not supported by documentation or receipts acceptable to State. Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to State to cure such deficiency(ies). If Grantee fails to submit adequate documentation curing the deficiency(ies), State will adjust the pending invoice by the amount of ineligible or unapproved costs.

Invoices submitted by Grantee shall include the following information:

- A. Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
- B. Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.
- C. Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
 - i. Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 - ii. Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
 - iii. One set of sufficient evidence (i.e., receipts, copies of checks, timesheets) must be provided for all costs included in the invoice.
 - iv. Each invoice shall clearly delineate those costs claimed for reimbursement from the State's funding amount, as depicted in Paragraph 4, "Funding Amount" and those costs that represent Grantee's costs, as applicable, in Paragraph 5, "Grantee Required Cost Share."
 - v. Invoices can be submitted by one of the following methods.
 - a. Via email at harmony.gugino@water.ca.gov

- b. Mail the invoice with the original "wet signature" to the following address: Harmony Gugino, Department of Water Resources, Northern Region Office, Main Street, Red Bluff, CA, 96080.

All invoices submitted shall be accurate and signed under penalty of law. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs/cost share). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder plus interest. Additionally, the State may request an audit pursuant to **Paragraph D.5** and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 115, 470, 487-489.)

10. **WITHHOLDING OF DISBURSEMENTS BY STATE.** If State determines that the Project is not being implemented in accordance with the provisions of this Funding Agreement, or that Grantee has failed in any other respect to comply with the provisions of this Funding Agreement, and if Grantee does not remedy any such failure to State's satisfaction, State may withhold from Grantee all or any portion of the State funding and take any other action that it deems necessary to protect its interests. Where a portion of the State funding has been disbursed to the Grantee and State notifies Grantee of its decision not to release funds that have been withheld pursuant to **Paragraph 11**, the portion that has been disbursed shall thereafter be repaid immediately as directed by State. State may consider Grantee's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in **Paragraph 11, "Default Provisions."** If State notifies Grantee of its decision to withhold the entire funding amount from Grantee pursuant to this Paragraph, this Funding Agreement shall terminate upon receipt of such notice by Grantee and the State shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either party.
11. **DEFAULT PROVISIONS.** Grantee will be in default under this Funding Agreement if any of the following occur:
- A. Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between Grantee and State evidencing or securing Grantee's obligations.
 - B. Making any false warranty, representation, or statement with respect to this Funding Agreement, the application, or any documents filed to obtain grant funding.
 - C. Failure to operate or maintain the Project in accordance with this Funding Agreement.
 - D. Failure to make any remittance required by this Funding Agreement, including any remittance recommended as the result of an audit conducted pursuant to **Paragraph D.5**.
 - E. Failure to submit timely progress reports.
 - F. Failure to routinely invoice State.
 - G. Failure to meet any of the requirements set forth in **Paragraph 12, "Continuing Eligibility."**

Should an event of default occur, State shall provide a notice of default to the Grantee and shall give Grantee at least ten (10) calendar days to cure the default from the date the notice is sent via

first-class mail to the Grantee. If the Grantee fails to cure the default within the time prescribed by the State, State may do any of the following:

- A. Declare the funding disbursed be immediately repaid.
- B. Terminate any obligation to make future payments to Grantee.
- C. Terminate the Funding Agreement.
- D. Take any other action that it deems necessary to protect its interests.

In the event State finds it necessary to enforce this provision of this Funding Agreement in the manner provided by law, Grantee agrees to pay all costs incurred by State including, but not limited to, reasonable attorneys' fees, legal expenses, and costs.

12. CONTINUING ELIGIBILITY. Grantee must meet the following ongoing requirement(s) to remain eligible to receive State funds:
- A. Grantee must adhere to the protocols developed pursuant to The Open and Transparent Water Data Act (Wat. Code, § 12406) for data sharing, transparency, documentation, and quality control.
 - B. If the Grantee diverting surface water, the Grantee must maintain compliance with diversion reporting requirements as outlined in Water Code section 5100 et seq.
 - C. If applicable, maintain compliance with the Urban Water Management Planning Act (Wat. Code, § 10610 et seq.).
 - D. If applicable, maintain compliance with Sustainable Water Use and Demand Reduction requirements outlined in Water Code Section 10608, et seq.
 - E. On March 4, 2022, the Governor issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. The EO may be found at: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under State law. The EO directs DWR to terminate funding agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine that the Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.
13. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to State. All reports shall be submitted to the State's Project Manager and shall be submitted via email or DWR's "Grant Review and Tracking System" (GRanTS). If requested, Grantee shall promptly provide any additional information deemed necessary by State for the approval of reports. Reports shall be presented in the formats described in the applicable portion of **Exhibit F**. The timely submittal of reports is a requirement for initial and continued disbursement of State funds. Submittal and subsequent approval by the State, of a Project Completion Report is a requirement for the release of any funds retained for such project.

- A. Quarterly Progress Reports: Grantee shall submit Quarterly Progress Reports to meet the State's requirement for disbursement of funds. Quarterly Progress Reports shall be sent directly to the Project Manager via email or uploaded via GRanTS, and the State's Project Manager notified of upload. Quarterly Progress Reports shall, in part, provide a brief description of the work performed, Grantee's activities, milestones achieved, any accomplishments and any problems encountered in the performance of the work under this Funding Agreement during the reporting period. The first Quarterly Progress Report should be submitted to the State no later than three months after the execution of the agreement with future reports then due on successive three-month increments based on the invoicing schedule and this date.
- B. Project Completion Report: Grantee shall prepare and submit to State a Project Completion Report for the Project. Grantee shall submit the Project Completion Report within ninety (90) calendar days of project completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of final project by a registered civil engineer, consistent with Standard Condition **D.17, "Final Inspections and Certification of Registered Civil Engineer"**. A DWR "Certification of Project Completion" form will be provided by the State.
14. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation projects and in consideration of the funding made by State, Grantee agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. The State shall not be liable for any cost of such maintenance, management, or operation. Grantee or their successors may, with the written approval of State, transfer this responsibility to use, manage, and maintain the property. For purposes of this Funding Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of Grantee to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State, be considered a breach of this Funding Agreement and may be treated as default under **Paragraph 11, "Default Provisions."**
15. NOTIFICATION OF STATE. Grantee shall promptly notify State, in writing, of the following items:
- A. Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to State and State has given written approval for such change. Substantial changes generally include changes to the scope of work, schedule or term, and budget.
- B. Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by State's representatives. Grantee shall make such notification at least 14 calendar days prior to the event.

- C. Discovery of any potential archaeological or historical resource. Should a potential archaeological or historical resource be discovered during construction, the Grantee agrees that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the State has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the State.
 - D. The initiation of any litigation or the threat of litigation against the Grantee regarding the Project or that may affect the Project in any way.
 - E. Final inspection of the completed work on a project by a Registered Civil Engineer, in accordance with **Standard Condition D.17, "Final Inspections and Certification of Registered Civil Engineer."** Grantee shall notify the State's Project Manager of the inspection date at least 14 calendar days prior to the inspection in order to provide State the opportunity to participate in the inspection.
16. **NOTICES.** Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:
- A. By delivery in person.
 - B. By certified U.S. mail, return receipt requested, postage prepaid.
 - C. By "overnight" delivery service, provided that next-business-day delivery is requested by the sender.
 - D. By electronic means.
 - E. Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the below addresses. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below.
17. **PERFORMANCE EVALUATION.** Upon completion of this Funding Agreement, Grantee's performance will be evaluated by the State and a copy of the evaluation will be placed in the State file and a copy sent to the Grantee.

18. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:

Department of Water Resources
Arthur Hinojosa
Manager, Division of Regional Assistance
P.O. Box 942836
Sacramento, CA 94236
Phone: (916) 902-6713
Email: Arthur.Hinojosa@water.ca.gov

Garberville Sanitary District
Ralph Emerson
General Manager
P.O. Box 211
Garberville, CA 95542
Phone: (707) 923-9566
Email: remerson@garbervillesd.org

Direct all inquiries to the Project Manager:

Department of Water Resources
Harmony Gugino
Environmental Scientist
2440 Main Street
Red Bluff, CA 96080
Phone: (530) 529-7393
Email: harmony.gugino@water.ca.gov

Garberville Sanitary District
Jennie Short
Consultant Project Manager
P.O. Box 211
Garberville, CA 95542
Phone: (707) 223-4567
Email: jmshort@garbervillesd.org

Either party may change its Project Representative or Project Manager upon written notice to the other party.

19. STANDARD PROVISIONS AND INTEGRATION. This Funding Agreement is complete and is the final Agreement between the parties. The following Exhibits are attached and made a part of this Funding Agreement by this reference:

Exhibit A – WORK PLAN

Exhibit B – BUDGET

Exhibit C – SCHEDULE

Exhibit D – STANDARD CONDITIONS

Exhibit E – GRANTEE'S AUTHORIZING RESOLUTION

Exhibit F – REPORT FORMATS AND REQUIREMENTS

Exhibit G – STATE AUDIT DOCUMENT REQUIREMENTS

Exhibit H – INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE

Exhibit I – APPRAISAL SPECIFICATIONS

Exhibit J – ADVANCE PAYMENT

IN WITNESS WHEREOF, the parties hereto have executed this Funding Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

GARBERVILLE SANITARY DISTRICT

Arthur Hinojosa, Manager
Division of Regional Assistance

Ralph Emerson, General Manager

Date_____

Date_____

Approved as to Legal Form and Sufficiency

Robin Brewer, Assistant General Counsel
Office of General Counsel

Date_____

EXHIBIT A WORK PLAN

Project Title: Garberville Tank Replacement Project

Funding Recipient: Garberville Sanitary District

Project Description: The Project consists of demolishing three very old leaky water storage tanks and replacing them with one partially in-ground concrete water tank and one steel water tank along with associated pipings and necessary appurtenances to help the Garberville community thrive during this and future droughts.

The Robertson tank is a 50,000-gallon partially in-ground concrete tank with a wood roof structure fed from the Arthur Road pump station and the Alderpoint Road Tank. The tank was reportedly constructed in 1921 and currently has visible structural cracks that have been held together with a cable system.

The Hurlbutt Tank is a 200,000-gallon partially in-ground concrete tank with a wood roof structure. It was built around 1940. When this tank was inspected in 2013, it was identified as needing replacement due to its age, structural integrity, construction materials, and leakage. The concrete has cracks that allow the water to constantly leak into the surrounding soils.

Replacement of Robertson and Hurlbutt Tanks together may allow for the combination of these tanks into a single larger partially in-ground concrete tank. The replacement tank would be located on the parcel above the existing Hurlbutt Tank. The new tank will be sized during the design stage. The Project would also consist of the waterline transmission lines to bring the water from the existing downtown system up to the new tank and the pumps necessary to pump the water to this higher elevation. A Pressure Reducing Valve (PRV) will need to be installed along with a short section of the transmission line to bypass the Robertson tank and utilize storage capacity from the new Hurlbutt Tank and the existing Alderpoint Tank. Both Robertson and Hurlbutt tanks will need to be demolished.

The Wallan Tank was constructed in 1978 as part of the Meadows Subdivision Unit 1 Phase 2 development project. It is a 20,000-gallon redwood tank with large holes. Historically, the holes were drilled and filled, which allowed for the tank's useful life to be extended. The holes are now larger and irregular in shape as the wood had rotted. There are also holes in the bottom of the tank that cannot be repaired. The tank serves the Upper Wallen Road pressure zone and is necessary for continued service to the residences in that pressure zone. Replacement with a new steel water tank at the existing site of the redwood tank is likely the long-term solution. The Grantee holds easements for the existing site and the waterline feeding the tank. Minor alterations to piping and telemetry will be needed.

Task 1 – Project Administration

This task includes project administration, invoicing, and reporting.

Project administration includes working with DWR to develop and execute the Grant Agreement, administration of the Project including overseeing the budget and schedule, construction management and inspection, making payments to engineers and contractors after inspections and/or approval of work, and other activities related to the completion of the Project. Includes attending weekly/monthly meetings (as needed) with DWR Project Manager.

Invoicing includes, preparing and submitting invoices and appropriate backup documentation to the DWR Project Manager describing the work completed and listing the costs incurred during the billing cycle.

Reporting includes preparing and submitting progress reports. Prepare quarterly reports and submit them to DWR. Draft Grant Completion Report and submit for DWR comment. Prepare final Grant Completion Report incorporating DWR comments. All reports should be prepared as specified in Exhibit F of this Agreement.

Deliverables:

- Record retention
- Invoices and supporting documents
- Quarterly Progress Reports
- Draft Grant Completion Report
- Final Grant Completion Report

Task 2 – Project Development

Task 2a – Project Evaluation, Alternative Analysis, and Preliminary Design

This task includes:

- Initial assessment of each existing tank site for replacement at the current location and assessment of alternative tank sites for combining Robertson and Hurlbutt Tanks into a single Replacement Tank
- Analyze feasible tank replacement alternatives considering location, tank size, configuration, material, design type, and appearance
- Prepare a 40-year life-cycle analysis of feasible alternatives that include projected capital cost and operation and maintenance (O&M)
- Verify functionality and future serviceability of pump stations filling each tank site
- Assess distribution waterline modifications needed to connect replacement tanks with the existing distribution system
- Prepare a 30% design of the preferred project including the location, size, and material type for each replacement tank, the distribution lines needed to connect to the new tanks, PRVs' locations and type/pressure range, pump station modifications if needed

Deliverables:

- Preliminary Engineering Report including a description of preferred alternative
- 30% design plans, technical specifications, and cost estimates

Task 2b – Topographical Surveying

This task includes conducting a topographical survey of tank sites and hydrogeological gradients from tank to pump station and pressure zone customers at each of the various sites associated with the existing tanks, the replacement tank locations, the PRVs, and all waterline transmission locations associated with the project footprint.

Deliverables:

- Worked up surfaces and base maps in PDFs.

Task 2c – Geotechnical Evaluation

This task includes a geotechnical evaluation of four sites – Robertson Tank, Existing Hurlbutt Tank, Wallan Tank, and Alternative Hurlbutt.

Deliverables:

- Geotechnical memorandum including design criteria for each site evaluated

Task 2d – Final Design

This task includes the following activities.

- Completion of 90% and final (100%) design incorporating geotechnical design criteria, topographical survey data, environmental constraints and mitigation measures, adjustments for property acquisition as needed, the inclusion of all funding source bid and/or construction requirements and forms
- Preparation of final biddable plans, specifications, and an Engineer's estimate of probable construction costs

Deliverables:

- 90% and final biddable plans and specifications
- Engineer's Estimate of probable construction costs

Task 3 – Environmental and Permitting

Task 3a – Environmental Review

This task includes filling out the Environmental Information Form (EIF), preparing CEQA documentation, and submitting them to the DWR's project manager for DWR's review and concurrence prior to beginning construction.

Deliverables:

- Environmental Information Form
- Final CEQA documentation

Task 3b – Permitting

This task includes coordinating with permitting agencies and obtaining the necessary permits to implement the Project.

Deliverables:

- Copies of necessary permits

Task 4 – Property Acquisition

This task includes the following activities.

- Identifying whether the construction sites are within existing public rights of way, existing easements, or properties owned in fee by the Grantee. For all locations which are outside of existing easements, right of ways, and Grantee's property, the Grantee will provide a plat map and proposed easement description for the area necessitating acquisition.
- Negotiating with several property owners for road and waterline transmission easements, and tank relocation easements
- Confirming and documenting the acquisition of all necessary easements

The Program shall reimburse only up to \$140,000 towards the eligible land purchase. However, the real estate transaction needs to be approved by the Department of General Services before completing the purchase (Exhibits H and I).

Deliverables:

- Appraiser's reports
- Copy of Title Insurance Report
- Escrow Closure Notice
- Other escrow documents
- Recorded Easement Agreements for each construction site for the tank replacements

Task 5 – Bidding and Construction

Task 5a – Bidding Project

This task includes the following activities.

- Production of paper plans, specifications, and estimates packages as needed
- Solicitation for Bids, Bid Walk, Issuance of Addenda and answering bidder's questions, Open Bids
- Analysis of Bids and recommendation for award
- Processing of award documentation and execution of construction contract

Deliverables:

- Bid documents
- Proof of advertisement
- Copy of all bids received
- Notice of Intent to Award with Engineer's analysis and recommendation

- Notice of Award
- Executed construction contracts
- Notice to Proceed

Task 5b – Construction

This task includes the following activities.

- Construction by the selected Contractor
- Performing construction management including construction engineering, materials testing, Stormwater Pollution Prevention Plan compliance, labor compliance reporting, and onsite inspections to verify compliance with plans and specifications
- Verification of compliance with various funding agreement conditions for contractors and consultants.
- Any other tasks needed to ensure a fully functioning tank

Deliverables:

- Payment Estimates
- Construction photos
- Contract Change Orders as needed
- Notice of Completion
- Final Contractor Payment Documentation
- Engineer's Project Certification Report
- As-built drawings

**EXHIBIT B
BUDGET**

All work associated with the Project must be completed prior to payment of retention. Backup documentation for cost share will not be reviewed for the purposes of invoicing. The Grantee is required to maintain all financial documents related to the Project in accordance with Exhibit G (State Audit Document Requirements for Grantees).

Task	Funding Amount
Task 1 – Project Administration	15,000
Task 2 – Project Development	362,000
Task 3 – Environmental and Permitting	108,000
Task 4 – Property Acquisition	140,000
Task 5 – Bidding and Construction	3,920,000
Grand Total	4,545,000

**EXHIBIT C
SCHEDULE**

Task	Start Date	End Date
Task 1 – Project Administration	8/22/2022	12/31/2025
Task 2 – Project Development	8/22/2022	12/31/2025
Task 3 – Environmental and Permitting	8/22/2022	12/31/2025
Task 4 – Property Acquisition	8/22/2022	12/31/2025
Task 5 – Bidding and Construction	8/22/2022	12/31/2025

Exhibit D
STANDARD CONDITIONS

D.1. ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:

- A. **Separate Accounting of Funding Disbursements:** Grantee shall account for the money disbursed pursuant to this Funding Agreement separately from all other Grantee funds. Grantee shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. Grantee shall keep complete and accurate records of all receipts and disbursements on expenditures of such funds. Grantee shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State at any and all reasonable times.
- B. **Disposition of Money Disbursed:** All money disbursed pursuant to this Funding Agreement shall be deposited in a separate account, administered, and accounted for pursuant to the provisions of applicable law.
- C. **Remittance of Unexpended Funds:** Grantee shall remit to State any unexpended funds that were disbursed to Grantee under this Funding Agreement and were not used to pay Eligible Project Costs within a period of sixty (60) calendar days from the final disbursement from State to Grantee of funds or, within thirty (30) calendar days of the expiration of the Funding Agreement, whichever comes first.

D.2. ACKNOWLEDGEMENT OF CREDIT AND SIGNAGE: Grantee shall include appropriate acknowledgement of credit to the State for its support when promoting the Project or using any data and/or information developed under this Funding Agreement. Signage shall be posted in a prominent location at Project site(s) (if applicable) or at the Grantee's headquarters and shall include the Department of Water Resources color logo and the following disclosure statement: "Funding for this project has been provided in full or in part from the State Department of Water Resources." The Grantee shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

D.3. AMENDMENT: This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law. Requests by the Grantee for amendments must be in writing stating the amendment request and the reason for the request. Requests solely for a time extension must be submitted at least 90 days prior to the work completion date set forth in Paragraph 2. Any other request for an amendment must be submitted at least 180 days prior to the work completion date set forth in Paragraph 2. State shall have no obligation to agree to an amendment.

D.4. AMERICANS WITH DISABILITIES ACT: By signing this Funding Agreement, Grantee assures State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

D.5. AUDITS: State reserves the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State. After completion of the Project, State may require Grantee to conduct a final audit to State's specifications, at Grantee's expense, such audit to be conducted by and a report prepared by an independent Certified Public Accountant. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State

may elect to pursue any remedies provided in **Paragraph 11** or take any other action it deems necessary to protect its interests. The Grantee agrees it shall return any audit disallowances to the State.

Pursuant to Government Code section 8546.7, the Grantee shall be subject to the examination and audit by the State for a period of three (3) years after final payment under this Funding Agreement with respect of all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of Grantee or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after receipt of the final disbursement under this Agreement.

- D.6. **BUDGET CONTINGENCY:** If the Budget Act of the current year covered under this Funding Agreement does not appropriate sufficient funds for this program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of State to make any payments under this Funding Agreement. In this event, State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Funding Agreement and Grantee shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide Grantee with a right of priority for payment over any other Grantee. If funding for any fiscal year after the current year covered by this Funding Agreement is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Funding Agreement with no liability occurring to State or offer a Funding Agreement amendment to Grantee to reflect the reduced amount.
- D.7. **CEQA:** Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA). (Pub. Resources Code, § 21000 et seq.) Any work that is subject to CEQA and funded under this Agreement shall not proceed until documents that satisfy the CEQA process are received by the State's Project Manager and the State has completed its CEQA compliance. Work funded under this Agreement that is subject to a CEQA document shall not proceed until and unless approved by the Department of Water Resources. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. If CEQA compliance by the Grantee is not complete at the time the State signs this Agreement, once State has considered the environmental documents, it may decide to require changes, alterations, or other mitigation to the Project; or to not fund the Project. Should the State decide to not fund the Project, this Agreement shall be terminated in accordance with **Paragraph 11**.
- D.8. **CHILD SUPPORT COMPLIANCE ACT:** The Grantee acknowledges in accordance with Public Contract Code section 7110, that:
- A. The Grantee recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Family Code section 5200 et seq.; and
 - B. The Grantee, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.9. **CLAIMS DISPUTE:** Any claim that the Grantee may have regarding performance of this Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the DWR Project Representative, within thirty (30) days of the Grantee's knowledge of the claim. State and Grantee shall then attempt to negotiate a

resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

- D.10. **COMPETITIVE BIDDING AND PROCUREMENTS:** Grantee's contracts with other entities for the acquisition of goods and services and construction of public works with funds provided by State under this Funding Agreement must be in writing and shall comply with all applicable laws and regulations regarding the securing of competitive bids and undertaking competitive negotiations. If the Grantee does not have a written policy to award contracts through a competitive bidding or sole source process, the Department of General Services' *State Contracting Manual* rules must be followed and are available at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting>.
- D.11. **COMPUTER SOFTWARE:** Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.12. **CONFLICT OF INTEREST:** All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code sections 10410 and 10411, for State conflict of interest requirements.
- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
 - B. **Former State Employees:** For the two-year period from the date, he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date, he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
 - C. **Employees of the Grantee:** Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act. (Gov. Code, § 87100 et seq.)
 - D. **Employees and Consultants to the Grantee:** Individuals working on behalf of the Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

- D.13. DELIVERY OF INFORMATION, REPORTS, AND DATA: Grantee agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State.
- D.14. DISPOSITION OF EQUIPMENT: Grantee shall provide to State, not less than 30 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item. Within 60 calendar days of receipt of such inventory, State shall provide Grantee with a list of the items on the inventory that State will take title to. All other items shall become the property of Grantee. State shall arrange for delivery from Grantee of items that it takes title to. Cost of transportation, if any, shall be borne by State.
- D.15. DRUG-FREE WORKPLACE CERTIFICATION: Certification of Compliance: By signing this Funding Agreement, Grantee, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:
- A. Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by the Government Code section 8355.
 - B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355 to inform employees, contractors, or subcontractors about all of the following:
 - i. The dangers of drug abuse in the workplace,
 - ii. Grantee's policy of maintaining a drug-free workplace,
 - iii. Any available counseling, rehabilitation, and employee assistance programs, and
 - iv. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
 - C. Provide, as required by Government Code section 8355, that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
 - i. Will receive a copy of Grantee's drug-free policy statement, and
 - ii. Will agree to abide by terms of Grantee's condition of employment, contract, or subcontract.
- D.16. EASEMENTS: Where the Grantee acquires property in fee title or funds improvements to real property already owned in fee by the Grantee using State funds provided through this Funding Agreement, an appropriate easement or other title restriction providing for floodplain preservation and agricultural and/or wildlife habitat conservation for the subject property in perpetuity, approved by the State, shall be conveyed to a regulatory or trustee agency or conservation group acceptable to the State. The easement or other title restriction must be in the first position ahead of any recorded mortgage or lien on the property unless this requirement is waived by the State.

Where the Grantee acquires an easement under this Agreement, the Grantee agrees to monitor and enforce the terms of the easement, unless the easement is subsequently transferred to another land management or conservation organization or entity with State

permission, at which time monitoring and enforcement responsibilities will transfer to the new easement owner.

Failure to provide an easement acceptable to the State may result in termination of this Agreement.

- D.17. FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED CIVIL ENGINEER: Upon completion of the Project, Grantee shall provide for a final inspection and certification by a California Registered Civil Engineer that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement.
- D.18. GOVERNING LAW: This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.19. GRANTEE'S RESPONSIBILITIES: Grantee and its representatives shall:
- A. Faithfully and expeditiously perform or cause to be performed all project work as described in Exhibit A (Work Plan) and in accordance with Project Exhibit B (Budget) and Exhibit C (Schedule).
 - B. Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by Grantee in the application, documents, amendments, and communications filed in support of its request for funding.
 - C. Comply with all applicable California, federal, and local laws and regulations.
 - D. Implement the Project in accordance with applicable provisions of the law.
 - E. Fulfill its obligations under the Funding Agreement and be responsible for the performance of the Project.
 - F. Obtain any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. Grantee shall provide copies of permits and approvals to State.
 - G. Be solely responsible for design, construction, and operation, and maintenance of the Project. Review or approval of plans, specifications, bid documents, or other construction documents by State is solely for the purpose of proper administration of funds by State and shall not be deemed to relieve or restrict responsibilities of Grantee under this Agreement.
 - H. Be solely responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.
- D.20. INDEMNIFICATION: Grantee shall indemnify and hold and save the State, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Agreement, including any breach of this Agreement. Grantee shall require its contractors or subcontractors

to name the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Agreement.

- D.21. INDEPENDENT CAPACITY: Grantee, and the agents and employees of the Grantee, in the performance of the Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State.
- D.22. INSPECTION OF BOOKS, RECORDS, AND REPORTS: During regular office hours, each of the parties hereto and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of either party pertaining to this Funding Agreement or matters related hereto. Each of the parties hereto shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by Grantee to comply with this provision shall be considered a breach of this Funding Agreement, and State may withhold disbursements to Grantee or take any other action it deems necessary to protect its interests.
- D.23. INSPECTIONS OF PROJECT BY STATE: State shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grantee. This right shall extend to any subcontracts, and Grantee shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to its Funding Agreement with State.
- D.24. LABOR CODE COMPLIANCE: The Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current Department of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>. The Grantee affirms that it is aware of the provisions of section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance, and the Grantee affirms that it will comply with such provisions before commencing the performance of the work under this Agreement and will make its contractors and subcontractors aware of this provision.
- D.25. MODIFICATION OF OVERALL WORK PLAN: At the request of the Grantee, the State may at its sole discretion approve non-material changes to the portions of Exhibits A, B, and C that concern the budget and schedule without formally amending this Funding Agreement. Non-material changes with respect to the budget are changes that only result in reallocation of the budget and will not result in an increase in the amount of the State Funding Agreement. Non-material changes with respect to the Project schedule are changes that will not extend the term of this Funding Agreement. Requests for non-material changes to the budget and schedule must be submitted by the Grantee to the State in writing and are not effective unless and until specifically approved by the State's Program Manager in writing.
- D.26. NONDISCRIMINATION: During the performance of this Funding Agreement, Grantee and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital/domestic partner status, gender identity, and denial of medical and family care leave or pregnancy disability leave. Grantee and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and

harassment. Grantee and its contractors or subcontractors shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission are incorporated into this Agreement by reference. Grantee and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Funding Agreement.

- D.27. OPINIONS AND DETERMINATIONS: Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.
- D.28. PERFORMANCE BOND: Where contractors are used, the Grantee shall not authorize construction to begin until each contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value, and labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Any bond issued pursuant to this paragraph must be issued by a California-admitted surety. (Pub. Contract Code, § 7103; Code Civ. Proc., § 995.311.)
- D.29. PRIORITY HIRING CONSIDERATIONS: If this Funding Agreement includes services in excess of \$200,000, the Grantee shall give priority consideration in filling vacancies in positions funded by the Funding Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353.
- D.30. PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE PERMISSION: The Grantee shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with Grantee's service of water, without prior permission of State. Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of Grantee to meet its obligations under this Funding Agreement, without prior written permission of State. State may require that the proceeds from the disposition of any real or personal property be remitted to State.
- D.31. PROJECT ACCESS: The Grantee shall ensure that the State, the Governor of the State, or any authorized representatives of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of this Agreement.
- D.32. REMAINING BALANCE: In the event the Grantee does not submit invoices requesting all of the funds encumbered under this Funding Agreement, any remaining funds revert to the State. The State will notify the Grantee stating that the Project file is closed, and any remaining balance will be disencumbered and unavailable for further use under this Funding Agreement.
- D.33. REMEDIES NOT EXCLUSIVE: The use by either party of any remedy specified herein for the enforcement of this Funding 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.
- D.34. RETENTION: The State shall withhold ten percent (10%) of the funds requested by the Grantee for reimbursement of Eligible Project Costs until the Project is completed and Final

Report is approved. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.

- D.35. RIGHTS IN DATA: Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act. (Gov. Code, § 6250 et seq.) Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State shall have the right to use any data described in this Paragraph for any public purpose.
- D.36. SEVERABILITY: Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Funding Agreement shall continue as modified.
- D.37. SUSPENSION OF PAYMENTS: This Funding Agreement may be subject to suspension of payments or termination, or both if the State determines that:
- A. Grantee, its contractors, or subcontractors have made a false certification, or
 - B. Grantee, its contractors, or subcontractors violates the certification by failing to carry out the requirements noted in this Funding Agreement.
- D.38. SUCCESSORS AND ASSIGNS: This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the Grantee shall be valid unless and until it is approved by State and made subject to such reasonable terms and conditions as State may impose.
- D.39. TERMINATION BY GRANTEE: Subject to State approval which may be reasonably withheld, Grantee may terminate this Agreement and be relieved of contractual obligations. In doing so, Grantee must provide a reason(s) for termination. Grantee must submit all progress reports summarizing accomplishments up until termination date.
- D.40. TERMINATION FOR CAUSE: Subject to the right to cure under Paragraph 11, the State may terminate this Funding Agreement and be relieved of any payments should Grantee fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 11.
- D.41. TERMINATION WITHOUT CAUSE: The State may terminate this Agreement without cause on 30 days' advance written notice. The Grantee shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.42. THIRD PARTY BENEFICIARIES: The parties to this Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or any duty, covenant, obligation or understanding established herein.
- D.43. TIMELINESS: Time is of the essence in this Funding Agreement.
- D.44. TRAVEL: Travel includes the reasonable and necessary costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources for excluded employees. These rates may

be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>.

Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

- D.45. **UNION ORGANIZING:** Grantee, by signing this Funding Agreement, hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Funding Agreement. Furthermore, Grantee, by signing this Funding Agreement, hereby certifies that:
- A. No State funds disbursed by this Funding Agreement will be used to assist, promote, or deter union organizing.
 - B. Grantee shall account for State funds disbursed for a specific expenditure by this Funding Agreement to show those funds were allocated to that expenditure.
 - C. Grantee shall, where State funds are not designated as described in (b) above, allocate, on a pro rata basis, all disbursements that support the program.
 - D. If Grantee makes expenditures to assist, promote, or deter union organizing, Grantee will maintain records sufficient to show that no State funds were used for those expenditures and that Grantee shall provide those records to the Attorney General upon request.
- D.46. **VENUE:** The State and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
- D.47. **WAIVER OF RIGHTS:** None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the parties here to that from time to time either party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either party of rights arising in connection with the Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.

Exhibit E
GRANTEE'S AUTHORIZING RESOLUTION

RESOLUTION NO. [xxxx]

A RESOLUTION OF THE [GOVERNING BODY] OF THE [AGENCY NAME]
AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION
FOR THE [PROJECT TITLE]

WHEREAS, [Agency Name] proposes to implement [Project Title];

WHEREAS, [Project Title] is being implemented in response to a drought scenario, as defined by Water Code section 13198(a) and is intended to: (1) address immediate impacts on human health and safety; (2) address immediate impacts on fish and wildlife resources; or, (3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies;

WHEREAS, [Agency Name] has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, [Agency Name] intends to apply for grant funding from the California Department of Water Resources for the [Project Title];

THEREFORE, BE IT RESOLVED by the [Governing Body] of the [Agency Name] as follows:

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021, as amended (Stats. 2022, ch. 44, § 25), the [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources, and take such other actions as necessary or appropriate to obtain grant funding.
2. The [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
3. The [Agency Name] [Title of Authorized Representative], or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

CERTIFICATION I hereby certify that the foregoing Resolution was duly and regularly adopted by the [Governing Body Name] of the [agency name] at the meeting held on [date], motion by [member name] and seconded by [member name], motion passed by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

[Printed Name]
[Title], [Governing Body]

Attest:

[Printed Name]
[Secretary/Clerk]

Exhibit F

REPORT FORMATS AND REQUIREMENTS

The following reporting formats should be utilized. Please obtain State approval prior to submitting a report in an alternative format.

1. PROGRESS REPORTS

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information.

PROJECT STATUS

Describe the work performed during the time period covered by the report including but not limited to:

PROJECT INFORMATION

- Legal matters
- Engineering Evaluations
- Environmental matters
- Status of permits, easements, rights-of-way, rights of entry, and approvals as may be required by other State, federal, and/or local agencies
- Major accomplishments during the quarter (i.e., tasks completed, milestones met, meetings held or attended, press releases, etc.)
- Issues/concerns that have, will, or could affect the schedule or budget, with a recommendation on how to correct the matter
- Describe differences between the work performed and the work outlined in the Overall Work Plan, including change orders
- Demonstrate financial ability to pay local cost share of Eligible Project Costs required to complete the Project
- Estimate the percentage completion of the overall project
- Identify key issues that need to be resolved
- Photos documenting progress

COST INFORMATION

- Provide a list showing all project costs incurred during the time period covered by the report by the Grantee and each contractor working on the Project and which of these costs are Eligible Project Costs
- A discussion on how the actual budget is progressing in comparison to the project budget included in the Overall Work Plan
- A list of any changes approved to the budget in accordance with Funding Agreement and a revised budget, by task, if changed from latest budget in the Overall Work Plan
- A discussion of whether there have been any changes to the Grantee's finance plan for payment of the Grantee's share of Eligible Project Costs

SCHEDULE INFORMATION

- A schedule showing actual progress versus planned progress
- A discussion on how the actual schedule is progressing in comparison to the original or last reported schedule
- A list of any changes approved to the Schedule in accordance with Funding Agreement and a revised schedule, by task, if changed from latest reported schedule

2. PROJECT COMPLETION REPORT

Project Completion Reports shall generally use the following format.

EXECUTIVE SUMMARY – Should include a brief summary of project information and include the following items:

- Brief description of work proposed to be done in the original application
- Description of actual work completed and any deviations from the work plan identified in the Funding Agreement

REPORTS AND/OR PRODUCTS – The following items should be provided

- Final Evaluation report
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Self-Certification that the Project meets the stated goal of the funding agreement (e.g. 100-year level of flood protection, HMP standard, PL-84-99, etc.)
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final project schedule showing actual progress versus planned progress

COSTS AND DISPOSITION OF FUNDS – A list showing:

- The date each invoice was submitted to State
- The amount of the invoice
- The date the check was received
- The amount of the check (If a check has not been received for the final invoice, then state this in this section.)
- A summary of the payments made by the Grantee for meeting its cost sharing obligations under this Funding Agreement.
- A summary of final funds disbursement including:
 - Labor cost of personnel of agency/ major consultant /sub-consultants. Indicate personnel, hours, rates, type of profession, and reason for consultant, i.e., design, CEQA work, etc.

- Evaluation cost information, shown by material, equipment, labor costs, and any change orders
- Any other incurred cost detail
- A statement verifying separate accounting of funding disbursements
- Summary of project cost including the following items:
 - Accounting of the cost of project expenditure;
 - Include all internal and external costs not previously disclosed; and
 - A discussion of factors that positively or negatively affected the project cost and any deviation from the original project cost estimate.

ADDITIONAL INFORMATION – Any relevant additional Information should be included.

Exhibit G

STATE AUDIT DOCUMENT REQUIREMENTS

The following provides a list of documents typically required by State Auditors and general guidelines for Grantees. List of documents pertains to both State funding and Grantee's Cost Share, if any, and details the documents/records that State Auditors would need to review in the event of this Funding Agreement is audited. Grantees should ensure that such records are maintained for three (3) years after final disbursement pursuant to this Agreement.

State Audit Document Requirements

Internal Controls

1. Organization chart (e.g., Agency's overall organization chart and organization chart for the State funded Program/Project).
2. Written internal procedures and flowcharts for the following:
 - a) Receipts and deposits
 - b) Disbursements
 - c) State reimbursement requests
 - d) Expenditure tracking of State funds
 - e) Guidelines, policy, and procedures on State-funded Program/Project
3. Audit reports of the Agency internal control structure and/or financial statements within the last two years.
4. Prior audit reports on the State funded Program/Project.

State Funding:

1. Original Funding Agreement, any amendment(s), and budget modification documents.
2. A listing of all grants, loans, or subventions received from the State.
3. A listing of all other funding sources for the Program/Project.

Contracts:

1. All subcontractor and consultant contracts and related or partners' documents, if applicable.
2. Contracts between the Agency and member agencies as related to the State-funded Program/Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Funding Agreement.
2. Documentation linking subcontractor invoices to State reimbursement, requests, and related Funding Agreement budget line items.
3. Reimbursement requests submitted to the State for the Funding Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips (or bank statements) showing deposits of the payments received from the State.

3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grants or loans.
4. Bank statements showing the deposit of the receipts.

Accounting Records:

1. Ledgers showing entries for funding receipts and cash disbursements.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to requests for Funding Agreement reimbursement.

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and Agency staff that worked on the State funded Program/Project.
2. Payroll records including timesheets for contractor staff and the Agency personnel who provided services charged to the program

Project Files:

1. All supporting documentation maintained in the project files.
2. All Funding Agreement related correspondence.

Exhibit H

INFORMATION NEEDED FOR ESCROW PROCESSING AND CLOSURE

The Grantee must provide the following documents to the State Project Representative during the escrow process. Property acquisition escrow documents must be submitted within the term of this Funding Agreement and after a qualified appraisal has been approved.

- Name and Address of Title Company Handling the Escrow
- Escrow Number
- Name of Escrow Officer
- Escrow Officer's Phone Number
- Dollar Amount Needed to Close Escrow
- Legal Description of Property Being Acquired
- Assessor's Parcel Number(s) of Property Being Acquired
- Copy of Title Insurance Report
- Entity Taking Title as Named Insured on Title Insurance Policy
- Copy of Escrow Instructions in Draft Form Prior to Recording for Review Purposes
- Copy of Final Escrow Instructions
- Verification that all Encumbrances (Liens, Back Taxes, and Similar Obligations) have been Cleared Prior to Recording the Deed to Transfer Title
- Copy of Deed for Review Purposes Prior to Recording
- Copy of Deed as Recorded in County Recorder's Office
- Copy of Escrow Closure Notice

Exhibit I

APPRAISAL SPECIFICATIONS

For property acquisitions funded this Funding Agreement, the Grantee must submit an appraisal for review and approval by the Department of General Services or DWR's Real Estate Branch prior to reimbursement or depositing State funds into an escrow account. All appraisal reports, regardless of report format, must include all applicable Appraisal Specifications below. Appraisals for a total compensation of \$150,000 or more shall be reported as a Self-Contained Appraisal Report. Appraisals for a total compensation of less than \$150,000 may be reported as a Summary Appraisal Report, which includes all information necessary to arrive at the appraiser's conclusion. Appraisal Specifications 14, 16, 21, 23-25, and 28 shall be narrative analysis regardless of the reporting format.

1. Title page with sufficient identification of appraisal assignment.
2. Letter of transmittal summarizing important assumptions and conclusions, value estimate, date of value and date of report.
3. Table of contents.
4. Assumptions and Limiting Conditions, Extraordinary Assumptions, and Hypothetical Conditions as needed.
5. Description of the scope of work, including the extent of data collection and limitations, if any, in obtaining relevant data.
6. Definition of Fair Market Value, as defined by Code of Civil Procedure, section 1263.320.
7. Photographs of subject property and comparable data, including significant physical features and the interior of structural improvements, if applicable.
8. Copies of Tax Assessor's plat map with the subject marked along with all contiguous assessor's parcels that depict the ownership.
9. A legal description of the subject property, if available.
10. For large, remote or inaccessible parcels, provide aerial photographs or topographical maps depicting the subject boundaries.
11. Three-year subject property history, including sales, listings, leases, options, zoning, applications for permits, or other documents or facts that might indicate or affect use or value.
12. Discussion of any current Agreement of Sale, option, or listing of subject property. This issue required increased diligence since state agencies often utilize non-profit organizations to quickly acquire sensitive-habitat parcels using Option Agreements. However, due to confidentiality clauses, the terms of the Option are often not disclosed to the state. If the appraiser discovers evidence of an Option or the possible existence of an Option, and the terms cannot be disclosed due to a confidentiality clause, then the appraiser is to cease work and contact the client.
13. Regional, area, and neighborhood analyses. This information may be presented in a summary format.
14. Market conditions and trends including identification of the relevant market area, a discussion of supply and demand within the relevant market area, and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area. This information may be presented in a summary format.
15. Discussion of subject land/site characteristics (size, topography, current use, elevations, zoning and land use issues, development entitlements, General Plan designation, utilities, offsite

improvements, access, land features such as levees and creeks, offsite improvements, easements and encumbrances, covenants, conditions and restrictions, flood and earthquake information, toxic hazards, water rights, mineral rights, toxic hazards, taxes and assessments, etc.).

16. Description of subject improvements including all structures, square footage, physical age, type of construction, quality of construction, condition of improvements and/or identification of any permanent plantings. Discussion of construction cost methodology, costs included and excluded, accrued depreciation from all causes, remaining economic life, items of deferred maintenance and cost to cure, and incurable items. Construction cost data must include cost data source, date of estimate or date of publication of cost manual, section and page reference of cost manual, copies of cost estimate if provided from another source, replacement or reproduction cost method used, and supporting calculations including worksheets or spreadsheets.
17. Subject property leasing and operating cost history, including all items of income and expense.
18. Analysis and conclusion of the larger parcel for partial taking appraisals. For partial taking appraisals, Appraisal Specifications generally apply to the larger parcel rather than an ownership where the larger parcel is not the entire ownership.
19. Include a copy of a recent preliminary title report (within the past year) as an appraisal exhibit. Discuss the title exceptions and analyze the effect of title exceptions on fair market value.
20. For appraisals of partial takings or easements, a detailed description of the taking or easement area including surface features and topography, easements, encumbrances or improvements including levees within the subject partial take or easement, and whether the take area is characteristic of the larger parcel. Any characteristics of the taking area, including existing pre-project levees that render the take area different from the larger parcel must be addressed in the valuation.
21. Opinion of highest and best use for the subject property, based on an in depth analysis supporting the concluded use which includes the detail required by the complexity of the analysis. Such support typically requires a discussion of the four criteria of tests utilized to determine the highest and best use of a property. If alternative feasible uses exist, explain and support market, development, cash flow, and risk factors leading to an ultimate highest and best use decision.
22. All approaches to market value applicable to the property type and in the subject market. Explain and support the exclusion of any usual approaches to value.
23. Map(s) showing all comparable properties in relation to the subject property.
24. Photographs and plat maps of comparable properties.
25. In depth discussion of comparable properties, similarities and differences compared to the subject, adjustments to the comparable data, and discussion of the reliability and credibility of the data as it relates to the indicated subject property value. Improved comparable sales which are used to compare to vacant land subject properties must include an allocation between land and improvements, using methodology similar to methodology used in item 16 above to estimate improvement value when possible, with an explanation of the methodology used.
26. Comparable data sheets.
 - a) For sales, include information on grantor/grantee, sale/recordation dates, listed or asking price as of the date of sale, highest and best use, financing, conditions of sale, buyer motivation, sufficient location information (street address, post mile, and/or distance from local landmarks

- such as bridges, road intersections, structures, etc.), land/site characteristics, improvements, source of any allocation of sale price between land and improvements, and confirming source.
- b) For listings, also include marketing time from list date to effective date of the appraisal, original list price, changes in list price, broker feedback, if available.
 - c) For leases, include significant information such as lessor/lessee, lease date and term, type of lease, rent and escalation, expenses, size of space leased, tenant improvement allowance, concessions, use restrictions, options, and confirming source. When comparing improved sales to a vacant land subject, the contributory value of the improvements must be segregated from the land value.
27. For appraisals of easements, a before and after analysis of the burden of the easement on the fee, with attention to how the easement affects highest and best use in the after condition. An Easement Valuation Matrix or generalized easement valuation references may be used ONLY as a reference for a secondary basis of value.
28. For partial taking and easement appraisals, valuation of the remainder in the after condition and analysis and identification of any change in highest and best use or other characteristics in the after condition, to establish severance damages to the remainder in the after condition, and a discussion of special and general benefits, and cost to cure damages or construction contract work.
29. There are occasions where properties involve water rights, minerals, or salable timber that require separate valuations. If an appraisal assignment includes water rights, minerals, or merchantable timber that requires separate valuation, the valuation of the water rights, minerals, or merchantable timber must be completed by a credentialed subject matter specialist.
30. For partial taking and easement appraisals, presentation of the valuation in California partial taking acquisition required format.
31. Implied dedication statement.
32. Reconciliation and final value estimate. Include analysis and comparison of the comparable sales to the subject, and explain and support conclusions reached.
33. Discussion of any departures taken in the development of the appraisal.
34. Signed Certification consistent with the language found in Uniform Standards of Professional Appraisal Practice.
35. If applicable, in addition to the above, appraisals of telecommunication sites must also provide:
- a) A discussion of market conditions and trends including identification of the relevant market, a discussion of supply and demand within the relevant market area and a discussion of the relevant market factors impacting demand for site acquisition and leasing within the relevant market area.
 - b) An analysis of other (ground and vault) leases comparable to subject property. Factors to be discussed in the analysis include the latitude, longitude, type of tower, tower height, number of rack spaces, number of racks occupied, placement of racks, power source and adequacy, back-up power, vault and site improvements description and location on site, other utilities; access, and road maintenance costs.

Exhibit J ADVANCE PAYMENT

Water Code section 13198.4(c) authorizes advanced payment by the State for grantees that demonstrate cash flow issues. A project may receive an advanced payment of twenty-five (25) percent of its grant award; the remaining seventy-five (75) percent of the grant award will be reimbursed in arrears after the advanced funds have been fully expended. Within ninety (90) calendar days of execution of the Grant Agreement, the Grantee may provide the State an Advanced Payment Request. Advanced Payment Requests received ninety-one (91) calendar days after the execution of this Agreement will not be eligible to receive an advanced payment. The Advanced Payment Request shall contain the following:

- A. If the Grantee is requesting the advanced payment, the request(s) shall include:
 1. Descriptive information of each project with an update on project status
 2. Description and documentation of the cash flow issues the Grantee has that requires funds to be advanced
 3. The names of the entities that will receive the funding for each project
 4. A detailed Funding Plan which includes how the advanced payment will be expended (in terms of workplan, budget, and schedule) within the timeframe agreed upon by DWR and the Grantee. The Funding Plan must clearly identify the total budget (at Budget Category Level) for each project clearly showing the portion of advanced payment and reimbursement funds.
 5. Any other information that DWR may deem necessary
- B. Upon review and approval of the Advanced Payment Request, DWR may authorize payment of the requested amount or a lesser amount for those entities that have requested advanced funds. Based on the project's Funding Plan and other considerations, DWR may develop a "Disbursement Schedule," to disburse funds in installments. This Disbursement Schedule may change based on the project's ongoing compliance with the Advanced Payment requirements and the project's cash flow needs.
- C. Once DWR authorizes the Advanced Payment Request, the Grantee shall submit Advanced Payment Invoice(s) for the initial amount based on the "Disbursement Schedule" containing the request for each project requesting advanced funds, to the State with signature and date of the Grantee's Project Representative, as indicated in Paragraph 18, "Project Representative." The Grantee shall be responsible for the timely distribution of the advanced funds. The Advanced Payment Invoice(s) shall be submitted on forms provided by the State and shall meet the following format requirements:
 1. Invoice shall contain the date of the invoice, the time period covered by the invoice, and the total amount due.
 2. Invoice shall be itemized based on the budget categories specified in Exhibit B, "Budget."
 3. The State Project Manager will notify the Grantee, in a timely manner, when, upon review of an Advance Payment Invoice, the State determines that any portion or portions of the costs claimed are not eligible costs. The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). The Grantee may, within thirty (30) calendar days of the date of receipt of such notice, submit additional documentation to cure such deficiency(ies). If costs are not consistent with the

tasks in Exhibit A, the State will reject the claim and remove them from the Accountability Report.

4. On a quarterly basis, the Grantee will submit an Accountability Report to the State that demonstrates how actual expenditures compare with the scheduled budget. The Accountability Report shall include the following information:
 - i. An itemization of how advanced funds have been spent to-date (Expenditure Report), including documentation that supports the disbursements (e.g., contractor invoices, receipts, personnel hours, etc.). Accountability Reports shall be itemized based on the budget categories (i.e., tasks) specified in Exhibit B.
 - ii. An updated Accountability Report including an updated Funding Plan that depicts how the remaining advanced funds will be expended and the activities and deliverables associated with the advanced funds within the timeframe agreed upon by DWR and the Grantee when the advanced payment request was approved.
 - iii. Documentation that the funds were placed in a non-interest bearing account, including the dates of deposits and withdrawals from that account.
 - iv. Proof of distribution of advanced funds, if applicable.
- D. Once the Grantee has spent all advanced funds in a budget category, then the method of payment will revert to the reimbursement process for that budget category specified in Paragraph 9, "Method of Payment."

Board Memo Attachment 6

Expedited
Drinking Water Grant Funding
Program Guidelines

Robertson/Wallan/Hurlbutt Tank
Replacement Project

January 31, 2023

State Water Resources Control Board

NOTICE OF OPPORTUNITY FOR PUBLIC COMMENTS, PUBLIC WORKSHOPS, AND BOARD CONSIDERATION OF DRAFT GUIDELINES FOR EXPEDITED DRINKING WATER GRANT FUNDING PROGRAM

Opportunity for Public Comments on Draft Guidelines

NOTICE IS HEREBY GIVEN that the State Water Resources Control Board (State Water Board) will accept written comments on the Draft Expedited Drinking Water Grant Funding Program Guidelines (Draft Guidelines). Written comments must be submitted no later than **12:00 noon on Friday, February 10, 2023**. Written comments must be submitted per the procedures in the “Submission of Comments” section of this public notice.

Expedited Drinking Water Grant Funding Program Workshops

NOTICE IS ADDITIONALLY HEREBY GIVEN that State Water Board staff will conduct three public workshops on the Draft Guidelines. The workshops will be held on:

Monday, February 6, 2023 – 1:00 p.m. to 3:00 p.m.

Southern California Workshop

Highgrove Room

3737 Main Street, Suite 200

Riverside, CA 92501

In-Person Participation

Tuesday, February 7, 2023 – 9:30 a.m.

State Water Board Workshop (Northern California Workshop)

Coastal Hearing Room, Second Floor

Joe Serna Jr. - CalEPA Building

1001 I Street

Sacramento, CA 95814

In Person and Remote Participation

Wednesday, February 8, 2023 – 2:00 p.m. to 4:00 p.m.

Central Valley Workshop

Self-Help Enterprises Board Room

8445 W Elowin Ct

Visalia, CA 93291

In Person Participation

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

Comment letters may be submitted to the Clerk to the Board via email (if less than 15 megabytes) at commentletters@waterboards.ca.gov. If the electronic comment letter is greater than 15 megabytes, it may be submitted by fax at (916) 341-5620. Couriers delivering hard copies of comment letters must check in with lobby security personnel, who can contact Ms. Townsend at (916) 341-5600.

FUTURE NOTICES

Any change to the public workshop dates, the public comment period, or the meeting date for the State Water Board to consider adoption of the Draft Guidelines will be provided via the State Water Board's email distribution list. Any person desiring notice of any changes must be subscribed to the State Water Board's email list.

The subscription form is located at:

http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.html.

To subscribe, select the "General Interests" category, then check the box for "Board Meetings" and provide the required information.

Additionally, any person desiring notices concerning funding opportunities for drinking water infrastructure projects more broadly may subscribe to the Drinking Water State Revolving Fund list. To subscribe, use the above link and select the "Financial Assistance (Grants and Loans)" category, then check the box for "Drinking Water State Revolving Fund" and provide the required information.

ADDITIONAL INFORMATION

Please direct all questions regarding this notice to Mr. Pete Stamas at (916) 552-9983 or Pete.Stamas@waterboards.ca.gov.

Date January 6, 2023

 for

Jeanine Townsend
Clerk to the Board

EXPEDITED DRINKING WATER GRANT FUNDING PROGRAM GUIDELINES

The Water Quality, Supply, and Infrastructure
Improvement Act of 2014
(Proposition 1)

The California Drought, Water, Parks, Climate, Coastal
Protection, and Outdoor Access for All Act of 2018
(Proposition 68)

California Budget Act of 2021 and Budget Act of 2022,
General Fund Appropriations

Safe and Affordable Drinking Water Fund

Adopted by the State Water Board March XX, 2023



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1. PURPOSE AND OVERVIEW

This document serves as the Project Solicitation and Evaluation Guidelines (Guidelines) (Public Resources Code, §80010 and Water Code, §79706) for the State Water Resources Control Board's (State Water Board) Expedited Drinking Water Grant Funding Program. The funds available for projects will be provided as grants only. These Guidelines do not establish a loan program. The State Water Board's Division of Financial Assistance (DFA) administers the program, and the solicitation for project proposals that DFA develops will include more information on how to apply.

This program provides an expedited process by which public agency applicants with qualifying high priority projects can receive State grant funding. Application forms, reviews, procedures, and requirements may vary from the Drinking Water State Revolving Fund (DWSRF) funding program to the extent authorized by the Deputy Director of DFA or designee to support reduction of processing times and information submittal requirements. Applicants that do not qualify for this program may be directed to apply for funding through the process established in the Policy for Implementing the DWSRF (DWSRF Policy) and the DWSRF Intended Use Plan (IUP), or through other funding programs.

Changes to the Guidelines may be necessary due to legislation or changes in State Water Board policy. If substantive changes are necessary, these Guidelines will be amended and subject to a public review process. The Deputy Director of DFA may make non-substantive changes to the Guidelines.

The Deputy Director of DFA may update and amend the Appendices to the Guidelines, and create new Appendices, as necessary.

See Appendix A for a summary of acronyms, abbreviations and definitions used in these Guidelines.

2. HUMAN RIGHT TO WATER

Section 106.3 of the Water Code provides that it is the policy of the state that "every human being has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking, and sanitary purposes." The State Water Board has considered the provisions of Section 106.3 of the Water Code in establishing these Guidelines. By establishing this expedited funding program, critical drinking water infrastructure projects will be constructed on a shorter timeline, resulting in many small communities gaining access to safe, clean, affordable, and accessible water much sooner than would occur without this program.

3. FUNDING

The Expedited Drinking Water Grant Funding Program utilizes a variety of state funding sources for drinking water infrastructure projects, described below. These funding

sources may also be administered through the DWSRF Policy and DWSRF IUP or through the Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water (SADW) Policy (SADW Policy) and SADW Fund Expenditure Plan (SADW FEP) or as otherwise authorized by the State Water Board. If other funding sources are specified in the DWSRF IUP or are otherwise authorized by the State Water Board for this program, DFA may commit the funds consistent with these Guidelines as authorized.

3.1. Proposition 1

Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Assembly Bill 1471, Rendon) authorized the sale of general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 79724 of Proposition 1 allocated \$260 million for drinking water grants and loans for Public Water System (PWS) infrastructure improvements and related actions to meet safe drinking water standards, to ensure affordable drinking water, or both.

3.2. Proposition 68

Proposition 68, the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 (Senate Bill 5, De León) authorized the sale of general obligation bonds for water projects including surface and groundwater storage, ecosystem and watershed protection and restoration, and drinking water protection. Section 80140 of Proposition 68 allocated \$220 million for drinking water and clean water grants and loans for PWS infrastructure improvements and related actions to improve water quality or help provide clean, safe, and reliable drinking water.

3.3. Safe and Affordable Drinking Water Fund

Senate Bill 200 (Ch. 120, Stats. 2019) established the SADW Fund to address funding gaps and to provide funding solutions to water systems, especially those serving disadvantaged communities, to address both their short- and long-term drinking water needs.

3.4. General Fund Infrastructure Appropriations

The Budget Act of 2021 (Senate Bill 129 and Senate Bill 170) appropriated \$1.55 billion to the State Water Board in item 3940-106-0001. The budget bill specified that \$650 million is for drinking water projects, with priority given to disadvantaged communities. If additional general fund appropriations are approved by the California State Legislature, the State Water Board may commit the funds consistent with these Guidelines as authorized.

4. ELIGIBILITY REQUIREMENTS

Applicants applying to the Expedited Drinking Water Grant Funding Program must meet all relevant eligibility criteria to be considered for funding.

4.1. Eligible Funding Applicants

Eligible applicants are:

- Community water systems owned by public agencies, e.g., cities, counties, special districts, Joint Powers Authorities (JPAs), or other political subdivisions of the state; or
- Non-transient, noncommunity water systems owned by public school districts.

4.2. Eligible Projects

Projects that are eligible to receive funds through the Expedited Drinking Water Grant Funding Program:

- a. Must be eligible project types under the DWSRF Policy and the current DWSRF IUP, except as modified herein;
- b. Must benefit a small severely disadvantaged community (SDAC), a small disadvantaged community (DAC), a small non-disadvantaged community (non-DAC)¹, or an expanded small DAC/SDAC, as defined in the DWSRF Policy and DWSRF IUP;
- c. Must consist of the construction of capital assets, as defined in Government Code §16727(a);
- d. Must not be comprised solely of the planning activities associated with an eventual construction project; and
- e. Must be a Category A-D project and/or be a consolidation project, as defined in the DWSRF Policy and DWSRF IUP.

4.3. Funding Prioritization

In its evaluation of project proposals, the State Water Board will prioritize projects that benefit small DACs and small SDACs, with an emphasis on consolidations, based on the following criteria and the requirements of the funding sources:

- a. **Human Right to Water** – the project supports and advances the State’s policy on the human right to water, including any resolutions or policies adopted by the State Water Board.
- b. **Regulatory Priority** – the project has been identified as a high priority by the applicable state or federal regulatory agency (i.e., Division of Drinking Water, the United States Environmental Protection Agency).

¹ Projects benefiting non-DACs may be eligible to receive grant funds from SADW (if the project reduces greenhouse gas emissions) or from the general fund infrastructure appropriations. Projects benefiting non-DACs cannot receive grant funds from Proposition 1 or Proposition 68.

- c. **Drought Related** – the project is needed to address acute drinking water shortages in domestic water supplies; prevent a potential acute drinking water shortage; increase drought resilience; or meet the requirements of Senate Bill 552 (Stats. 2021, ch. 245).
- d. **Timeliness for Project Completion** – the project’s schedule is reasonable and meets appropriation deadlines.
- e. **Status of Environmental Review** – the project qualifies for a California Environmental Quality Act (CEQA) exemption or the CEQA process is complete.

4.4. Other Considerations

Additional eligibility considerations are discussed in further detail below.

4.4.1. Phased Projects

Drinking water infrastructure projects can be complex and in some cases are most effectively carried out in phases. A phased project is one in which one phase of the project must be completed before the next phase begins (e.g., a well is drilled and pump tested before being developed with permanent equipment), or where two or more phases can be conducted independently, but each phase must be completed to successfully accomplish overall project goals (e.g., development of a new production well to increase the receiving water system’s source capacity, and consolidation of a small water system).

Multiple project phases may be included in one grant agreement if it is administratively expedient to do so and the phases have similar, relatively short-term schedules for completion. Individual or multiple project phases may be funded separately if the information from one phase is needed to accurately describe the scope and budget of the subsequent phase, if one phase is on a significantly different schedule than another, or if the overall project is sufficiently complex that phasing the project with separate grant agreements is in the best interest of the state to maintain adequate fiscal and regulatory oversight.

4.4.2. Multiple Projects

The State Water Board may enter into a single grant agreement with an applicant for multiple projects, if it is administratively expedient to do so, or may have separate grant agreements for individual projects (e.g., if the projects have significantly different timelines for completion; or legal issues may hold up one project, but not another). In either case, each individual project must meet all the eligibility requirements under this program.

5. GRANT AMOUNTS

Grant funding for eligible projects will be awarded based on the criteria, maximums, and funding decision processes set forth in the most current version of the DWSRF IUP, unless otherwise indicated in these Guidelines.

5.1. Maximum Funding Amounts

The grant amount per project cannot exceed \$10 million, and cannot exceed the maximum grant limit specified in the DWSRF IUP applicable to the project (e.g., maximum grant amount per connection or maximum grant amount received by the community over a five-year period). On a case-by-case basis, for good cause, the Deputy Director of DFA or designee may approve grants above \$10 million per project, so long as the approved amount does not exceed the maximum grant limitations specified in the DWSRF IUP.

Proposition 1 and Proposition 68 limit construction grants to \$5 million per project in most cases.² DFA has the discretion to utilize grant funding from multiple sources for a project. For example, a \$10 million project may be funded with \$5 million in grant funds from Proposition 1 and \$5 million in grant funds from general fund appropriations.

6. PROJECT SELECTION PROCESS

For the initial round(s) of funding, DFA staff anticipate identifying projects for which DFA has already received partial or complete DWSRF Program applications, or that are receiving technical assistance, that qualify under these Guidelines, and selecting preliminary funding award recipients from these existing applicants. Thereafter, applicants shall submit project proposals and other application materials described below via the Financial Assistance Application Submittal Tool (FAAST). DFA will periodically announce a deadline to submit project proposals for consideration. Application procedures and anticipated time frames are summarized in Appendix E. DFA may continue to direct applicants with partial or complete DWSRF Program applications into the program. DFA staff will conduct workshops to address questions and provide general assistance to applicants.

Project proposals will be evaluated based on the eligibility requirements and criteria discussed in these Guidelines. Applicants and/or projects that are ineligible for funding under these Guidelines may be directed to other funding programs.

6.1. Project Proposal

The project proposal form is referenced as Appendix B and will be posted on DFA's website. This is a more streamlined application compared with the DWSRF

² Construction grants for projects that provide regional benefits or are shared among multiple entities, at least one of which is a small DAC, are limited to \$20 million.

application. Applicants will be required to submit the information specified in the applicable form(s), such as the following:

- a. General information about the applicant (e.g., contact information, entity type) and the water system (e.g., population, number of service connections) that is necessary to determine eligibility
- b. Explanation of the problem that the project will address
- c. Self-Certification Form
- d. Engineering report, technical memo, or similar document that includes a description of alternatives considered
- e. Project scope, schedule, and budget
- f. Adopted authorizing resolution (if available)

Other documents may be provided if available (e.g., feasibility studies, environmental documents, documentation demonstrating that the applicant has the required access/property rights required for the project). Technical assistance may be provided to assist with the preparation of the application.

It is **highly** recommended that applicants review both the sample grant agreement (posted at _____) and the form of opinion of counsel (posted at _____) with their own attorney prior to submission of their project proposal to ensure that they will be able to comply with the required terms, including the cross-cutting state laws (e.g., nondiscrimination, drug-free workplace, competitive bid, etc.) and will be able to make the representations and warranties (e.g., long-term property rights, solvency, no relevant litigation, etc.). Notwithstanding the foregoing, the State Water Board may revise the standard grant agreement terms and conditions to reflect changes in state law or make other necessary revisions.

6.2. Completeness and Eligibility Review

All project proposals will undergo completeness and eligibility reviews for the required items listed in the application materials. If a project proposal is determined to be incomplete or ineligible, it may not be reviewed or considered for funding.

DFA will consult with the local Division of Drinking Water (DDW) district office to ensure that the project is consistent with State Water Board policies, permits and orders. DDW will assist DFA in reviewing the scope, schedule, and budget of each application that is submitted and determined eligible for funding. The level of involvement and review by the DDW will depend on the scope of the proposed project. DDW will inform the applicant of any requirements (e.g., Safe Drinking Water Act, California Waterworks Standards) that may require consideration in the applicant's project.

DFA staff will identify projects recommended for funding. The Deputy Director of DFA makes the final decision as to which applicants will receive a preliminary funding award.

6.3. Preliminary Funding Award Notification

DFA will notify applicants of preliminary funding awards via email, or by letter, and will post approved project lists on the State Water Board website. Award notifications will identify draft terms and conditions, including conditions precedent, that will be applicable to the grant agreement. The notification will include deadline(s) for deliverables that need to be completed to receive a grant agreement, such as:

- a. Adopted authorizing resolution
- b. Technical, Managerial, and Financial (TMF) Assessment Form (see Appendix C)
- c. Environmental Package for the Expedited Drinking Water Grant Funding Program (see Appendix B), including documents or a notice of exemption (NOE) filed with the County Clerk and State Clearinghouse, any comment letters, and resolution/minutes adopting CEQA Documents (only if the CEQA process is complete).

DFA may request additional information or documentation. Any lack of responsiveness by applicants to inquiries and requests for information or documentation may result in DFA withdrawing preliminary funding awards.

6.4. Grant Agreement

Following notification of preliminary funding awards and completion of the deliverables identified in the award notification and any other requirements, the State Water Board will issue grant agreements to recipients. Grant agreements will not be effective until signed by the recipient's authorized representative and the State Water Board, and must be accompanied by a satisfactory legal opinion of the recipient's counsel (see form of opinion of counsel posted at _____).

The grant agreement will require the recipient to provide complete technical, financial, and environmental information for review, to the extent not already provided, before the Division provides approval to proceed with activities such as solicitation of construction bids, selecting a construction contractor, and commencement of construction of the project.

7. REIMBURSEMENT OF COSTS

Only work performed within the terms and conditions of an executed grant agreement that meets the applicable requirements, which may depend on the funding source, will be eligible for reimbursement.

Recipients may request reimbursement of planning/design and other eligible non-construction costs upon execution of the grant agreement, except that recipients shall not purchase any equipment or land, or other property rights for the project without

written approval from the project manager. Compliance with any conditions required by the State Water Board, and completion of the recipient's CEQA documents and the State Water Board's environmental review, will be conditions precedent to reimbursement of certain purchases and will be required before any construction costs are incurred. No activities requiring CEQA review, including construction, may proceed unless and until the State Water Board, as the CEQA responsible agency, completes its own CEQA review process and notifies the recipient of approval to proceed. (See Sections 8.1 and 8.2 of these Guidelines)

DFA may also include conditions that must be satisfied prior to disbursement of construction funds, completion of construction or final disbursement, such as documentation demonstrating that necessary elements of TMF have been addressed, adopted water rates sufficient to operate and maintain (O&M) the water system and the project, or submission of a permit amendment application to the local DDW district office (if applicable).

7.1. Eligible Project Costs

Allowable costs are those set forth in the DWSRF Policy and DWSRF IUP. For projects receiving grant funds from SADW, additional guidance on allowable costs is set forth in the Policy for Developing the Fund Expenditure Plan for the SADW Policy (SADW Fund Policy) and the SADW Fund Expenditure Plan (SADW FEP).

7.2. Advance Payment

Proposition 1 and Proposition 68 authorize up to 25 percent (25%) of a grant for a project serving DACs to be awarded in advance of actual expenditures (Water Code, §79724, subd. (a)(1) and Public Resources Code, §80030). The State Water Board is also authorized to provide necessary advance payments for projects funded by the SADW Fund (Health and Safety Code, §116766(i)), or by any other funding source to the extent authorized. An advance payment program may be established and approved by the Deputy Director of DFA at a later date. No advance payments will be provided unless such a program is established.

8. GENERAL PROGRAM REQUIREMENTS

All applicants that are awarded a grant through the Expedited Drinking Water Grant Funding Program must comply with the terms and conditions set forth in the grant agreement, including the following general program requirements. Before applying, applicants must consider their ability to comply with these requirements. Guidance for recipients, including details that State Auditors may review if a grant is audited, are discussed in Appendix D.

All requirements, terms, and conditions in the DWSRF Policy and DWSRF IUP applicable to non-DWSRF state grant funded projects apply, unless inconsistent with these Guidelines, or waived by the Deputy Director of DFA or designee. Additional

statutory and regulatory requirements may apply as well, depending on the funding source. Application forms and procedures for environmental review, financial review, and final budget and construction approval, disbursement, and other procedures and requirements may vary from the DWSRF Policy and IUP to the extent approved by the Deputy Director of DFA or designee.

8.1. CEQA Compliance

Recipients are responsible for complying with all applicable laws and regulations for their projects, including CEQA. State Water Board selection of a project for funding does not indicate that the consideration of mitigation measures that would reduce or eliminate adverse environmental effects of that project is adequate. No construction may proceed unless and until the State Water Board completes its own CEQA findings if applicable and gives authorization to proceed with construction. The State Water Board may enter into a grant agreement to begin funding planning/design activities for a project, but such an award will not constitute approval of the construction scope element of the grant agreement or be a guarantee of construction funding. **The State Water Board expressly withholds approval of any construction project or construction element of a project and the release of funds associated with that construction project or that construction element of a project pending completion of the CEQA process, including the State Water Board making its own findings under CEQA if applicable.** Any funds in the award or the grant agreement linked to the construction element of a project are for encumbrance purposes only and will be reviewed after the State Water Board makes any necessary CEQA findings. The appropriate environmental review under CEQA must be complete before the State Water Board determines whether to approve funding for construction of the project or for any site acquisition (purchase of land, etc.) associated with the project.

When the lead agency's CEQA review process is complete, the lead agency must file a CEQA notice of determination or NOE for the project with the County Clerk and the State Clearinghouse.

8.2. Project Manager Notifications

Recipients will be required to obtain approvals from the Project Manager prior to soliciting for construction bids; purchasing necessary equipment, land or other property rights for the project; and/or any construction activities. The Project Manager will verify that the recipient has complied with all applicable conditions before giving such approval. **Proceeding with the bid solicitation process, equipment procurement, purchase of land or other property rights, and/or construction prior to receiving such authorization from the Project Manager may render the project ineligible for funding and may be grounds for immediate termination of the agreement.**

The Project Manager may conduct site visits and inspections to verify that the project is proceeding in accordance with the grant agreement. The Project Manager may document such field visits with photographs or notes, which may be included in DFA's project file.

8.3. Reporting

Every recipient is required to submit quarterly progress reports to DFA that detail activities that have occurred during the applicable reporting period. Reporting is required even if no project related activities took place during the reporting period. Additional reporting requirements specific to Greenhouse Gas Reduction Fund (GGRF) expenditures may be applicable to projects that receive SADW funds, as described in the SADW Fund Policy and the SADW FEP.

At the conclusion of the project, the recipient must submit a Project Completion Report, which must include a description of the project, a description of the problem the project sought to address, and a summary of compliance with applicable grant agreement conditions.

8.4. Confidentiality

Any privacy rights, as well as other confidentiality protections afforded by law with respect to the application materials that are submitted will be waived once submitted to the State Water Board. The locations of all projects awarded funding must be reported to the State Water Board and made available to the public. The State Water Board may report project locations to the public through internet-accessible databases. The State Water Board uses Global Positioning System (GPS) coordinates for project locations.

8.5. Disputes

An applicant or recipient may appeal a staff decision within 30 days. Disputes will be reviewed and resolved pursuant to the procedure set forth in the DWSRF Policy.

Where a grant agreement has been executed, the dispute and remedies provisions of that grant agreement will control, and the dispute provisions of this section are inapplicable. Recipients must continue with the responsibilities under the grant agreement during any dispute.

APPENDIX A: ACRONYMS, ABBREVIATIONS, AND DEFINITIONS

ACRONYMS AND ABBREVIATIONS

CEQA	California Environmental Quality Act
DAC	Disadvantaged Community
DDW	Division of Drinking Water
DFA	Division of Financial Assistance
DWSRF	Drinking Water State Revolving Fund
FAAST	Financial Assistance Application Submittal Tool
GGRF	Greenhouse Gas Reduction Fund
Guidelines	Project Solicitation and Evaluation Guidelines
IUP	Intended Use Plan
JPA	Joint Powers Authority
NOE	Notice of Exemption
Non-DAC	Non-Disadvantaged Community
O&M	Operation and Maintenance
PWS	Public Water System
SADW	Safe and Affordable Drinking Water
SADW FEP	SADW Fund Expenditure Plan
SADW Fund Policy	Policy for Developing the Fund Expenditure Plan for the SADW Policy
SDAC	Severely Disadvantaged Community
SDWA	Safe Drinking Water Act of 1996
State Water Board	State Water Resources Control Board
TMF	Technical, Managerial, and Financial

DEFINITIONS

Unless otherwise defined in these Guidelines, the definitions in the DWSRF Policy and the DWSRF IUP apply to funding provided under the Expedited Drinking Water Grant Funding Program. Additional definitions in the SADW Fund Policy and the SADW FEP are applicable to projects that receive SADW funds.

APPENDIX B: PROJECT PROPOSAL FORM

The Project Proposal Form is posted at: (_____)

APPENDIX C: TECHNICAL, MANAGERIAL, AND FINANCIAL CAPACITY

The federal SDWA requires states to incorporate TMF capacity into PWS operations. This requirement helps ensure that PWSs have long-term sustainability and are able to maintain compliance with all applicable drinking water laws and regulations.

Generally, applicants will be required to submit the appropriate TMF assessment form attached as an appendix to the DWSRF Policy prior to receiving a grant agreement. DFA will review and comment on the TMF assessment and will determine if all TMF elements have been satisfactorily addressed by the applicant. The applicant will be required to address the mandatory elements of TMF prior to receiving construction authorization. Recipients will be required to address the necessary elements of TMF prior to completion of construction or prior to the final disbursement. Exceptions or variations may be approved on a case-by-case basis as described in the DWSRF Policy or DWSRF IUP.

Technical assistance may be provided to ensure TMF elements will be addressed.

APPENDIX D: RECORDKEEPING GUIDANCE FOR RECIPIENTS

The list below details the documents and records that State Auditors would need to review in the event of a grant being audited. Recipients will be required to maintain such records for each funded project consistent with the records retention timeline established in the grant agreement.

Internal Controls

- 1) Organization chart (e.g., the recipient's overall organization chart and organization chart for the grant funded project)
- 2) Written internal procedures and flowcharts for the following:
 - a. Receipts, deposits, and disbursements
 - b. State disbursement requests
 - c. Grant expenditure tracking
 - d. Guidelines, policy, and procedures on grant funded project
- 3) Audit reports of the recipient's internal control structure and/or financial statements within the last three years
- 4) Prior audit reports on grant funded project

Grants

- 1) Original grant agreement, any amendment(s), and budget modification documents
- 2) A listing of all bond-funded grants received from the state
- 3) A listing of all other funding sources for each project

Contracts

- 1) All subcontractor and consultant contracts and related documents, if applicable
- 2) Contracts between the recipient and other agencies as related to the grant funded project

Invoices

- 1) Invoices from vendors and subcontractors for expenditures submitted to the state for payments under the grant
- 2) Documentation linking subcontractor invoices to state disbursement requests and related grant budget line items
- 3) Disbursement requests submitted to the state for the grant

Cash Documents

- 1) Receipts (copies of warrants) showing payments received from the state
- 2) Deposit slips (or bank statements) showing deposit of the payments received from the state
- 3) Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the grant
- 4) Bank statements showing the deposit of the receipts

Accounting Records

- 1) Ledgers showing entries for grant receipts and cash disbursements
- 2) Ledgers showing receipts and cash disbursement entries of other funding sources
- 3) Bridging documents that tie the general ledger to requests for grant reimbursement

Administration Costs

- 1) Supporting documents showing the calculation of administration costs

Personnel

- 1) List of all contractors and recipient's staff that worked on the grant-funded project
- 2) Payroll records including timesheets for contractor staff and the recipient's personnel who provided services charged to the project

Project Files

- 1) All supporting documentation maintained in the project files
- 2) All grant-related correspondence

APPENDIX E: SUMMARY OF PROCEDURES

This is a placeholder for Appendix E.



GARBERVILLE SANITARY DISTRICT

P.O. BOX 211 • GARBERVILLE, CA 95542 • (707) 923-9566

BOARD AGENDA MEMORANDUM

Meeting Date: January 31, 2023
To: Garberville Sanitary District Board of Directors
From: Jennie Short, Consultant Project Manager
Subject: Final Audit for Fiscal Year 2021/22

GENERAL OVERVIEW

The District contracted with Anderson, Lucas, Somerville, and Borges to perform the annual audit for the 2021/22 fiscal year. Again this year, the staff person performing the audit was Keith Borges. The Draft Audit has been reviewed by GSD staff and myself and Mr. Borges has provided the attached final audit for the Board's consideration.

This year the Board adopted the Representations Letter at the December 2022 Board meeting to meet the deadline for SDRMA.

Again this year the management report received from the auditor was very complementary.

There were two items that required audit entries to correct misstatements:

1. Create a journal entry to record the estimated **accrued interest** that we are owed from Humboldt County for the \$575,572.42 that we have on deposit there. This journal entry was in an amount of **\$10,800** and was posted as Interest Income and an Account Receivable from the County. This is the second year that it has been necessary for the interest to be estimated because the County Auditor has not been successful in posting the required interest income payments into our accounts. All the other special districts are having to do the same thing in their books.
2. Create a journal entry to record the value of the Robertson/Wallan/Hurlbutt Tanks Replacement Project expenses that are reimbursable through the Prop 68 Planning Grant Funding Agreement. This journal entry was in an amount of **\$55,267** and was posted as Water Grant Income and an Account Receivable from the State. My spreadsheet contained all the information and it was being tracked, but the necessary journal entry had not been made.

STAFF RECOMMENDATION FOR BOARD ACTIONS

1. Review and approve the Audit as presented
2. Review and Adopt Resolution 23-003: A RESOLUTION OF THE GARBERVILLE SANITARY DISTRICT UPDATING THE ELECTION TO UTILIZE SECTION 1.263(A)-1(F) DE MINIMIS SAFE HARBOR ELECTION WITH A THRESHOLD OF **\$5,000 PER INVOICE OR INDIVIDUAL ITEM**

ATTACHMENTS

Resolution 23-003
Final Audit
Final SAS 114 Letter
Final SAS 115 Letter



GARBERVILLE SANITARY DISTRICT

P.O. BOX 211 • GARBERVILLE, CA 95542 • (707) 923-9566

RESOLUTION NO. 23-003

A RESOLUTION OF THE GARBERVILLE SANITARY DISTRICT UPDATING THE ELECTION TO UTILIZE SECTION 1.263(A)-1(F) DE MINIMIS SAFE HARBOR ELECTION WITH A THRESHOLD OF \$5,000 PER INVOICE OR INDIVIDUAL ITEM IN ACCORDANCE WITH INTERNAL REVENUE SERVICE IN NOTICE 2015-82.

WHEREAS, the Garberville Sanitary District is a Special District that was formed by the Humboldt County Board of Supervisors on April 12, 1932, pursuant to the Sanitary District Act of 1923, after a majority vote was cast in a general election; and

WHEREAS, the Garberville Sanitary District incurs expenditures related to tangible property for both water and sewer enterprise funds; and

WHEREAS, the Internal Revenue Service issued the final tangible property regulations on Sept. 17, 2013, [Treasury Decision 9636 ("final tangibles regulations")]; and

WHEREAS, the de minimis safe harbor election does not include amounts paid for inventory (to be resold) and land; and

WHEREAS, the District has audited financial statements prepared each year but does not have a current written accounting policy manual.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the District is electing to utilize Section 1.263(a)-1(f) de minimis safe harbor election, with a threshold of \$5,000 per invoice or individual item, in accordance with Internal Revenue Service Publication 5712 "Capitalization of Tangible Property Audit Technique Guide Revision Date: 9/14/2022", and all items in excess of this threshold will be booked as capital assets and will be depreciated in accordance with District policy and Appendix B of Publication 946. This election is effective as of January 1, 2023, replaces Resolution 17-012, and will remain in effect until such time as a new resolution is adopted.

Passed and adopted by the Garberville Sanitary District's Board of Directors on **January 31, 2023** during a regular business meeting, by the following vote:

AYES:	Directors	_____
NOES:	Directors	_____
EXCUSED:	Directors	_____

_____, Chairperson

ATTEST:

Ralph Emerson
Clerk of Board of Directors

**GARBERVILLE SANITARY DISTRICT
FINANCIAL STATEMENTS**

JUNE 30, 2022

GARBERVILLE SANITARY DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Garberville Sanitary District

Opinion

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Garberville Sanitary District as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Garberville Sanitary District, as of June 30, 2022 and 2021, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Garberville Sanitary District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted accounting standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted accounting standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Garberville Sanitary District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

Board of Directors
Garberville Sanitary District

Other Matters

Required Supplementary Information

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Anderson, Lucas, Somerville, & Borges

December 20, 2022
Fortuna, California

BASIC FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Statement of Net Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 250,413	\$ 97,512
Cash - Restricted for Debt Service	46,832	46,828
Accounts Receivable - net of \$5,000 Allowance for Doubtful Accounts	102,217	123,170
Capital Grant Receivable	55,267	-
Interest Receivable - County	18,900	8,100
Prepays and Deposits	4,198	3,440
Total Current Assets	<u>477,827</u>	<u>279,050</u>
Restricted Assets		
Cash in County Treasury	575,572	670,165
Total Restricted Assets	<u>575,572</u>	<u>670,165</u>
Noncurrent Assets		
Capital Assets, Net of Depreciation	9,497,684	9,815,198
Construction in Progress	159,246	37,701
Total Noncurrent Assets	<u>9,656,930</u>	<u>9,852,899</u>
Total Assets	<u><u>\$ 10,710,329</u></u>	<u><u>\$ 10,802,114</u></u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 61,360	\$ 28,072
Utility Service Deposits	6,400	7,300
Accrued Vacation	40,953	30,436
Current Portion of Long-Term Obligations	116,056	90,385
Total Current Liabilities	<u>224,769</u>	<u>156,193</u>
Noncurrent Liabilities		
Noncurrent Portion of Long-Term Obligations	1,113,871	1,155,648
Total Liabilities	<u><u>\$ 1,338,640</u></u>	<u><u>\$ 1,311,841</u></u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	8,427,003	8,606,866
Restricted for Debt Service	46,832	46,828
Unrestricted	897,854	836,579
Total Net Position	<u><u>\$ 9,371,689</u></u>	<u><u>\$ 9,490,273</u></u>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022

	<u>Water</u>	<u>Sewer</u>	<u>Total 2022</u>
OPERATING REVENUES			
Utility Sales	629,035	458,285	1,087,320
Other Revenues	2,840	-	2,840
<u>Total Operating Revenues</u>	<u>631,875</u>	<u>458,285</u>	<u>1,090,160</u>
OPERATING EXPENSES			
Salaries and Wages	165,735	203,125	368,860
Payroll Taxes	13,259	16,269	29,528
Employee Benefits	26,802	29,640	56,442
Rent	5,010	5,010	10,020
Materials and Supplies	904	592	1,496
Transportation	1,795	1,794	3,589
Sewage Collection	-	12,729	12,729
Office Expense	4,452	4,451	8,903
Insurance	29,041	30,120	59,161
Professional Services	43,975	37,500	81,475
Sewage Treatment	-	38,425	38,425
Water Treatment	100,235	-	100,235
Water Distribution	38,082	-	38,082
Permits and Fees	3,396	27,693	31,089
Utilities	1,338	1,338	2,676
Bad Debts	5,312	(1,026)	4,286
Other Expenses	23,025	20,972	43,997
Deprecation and Amortization	272,942	149,647	422,589
<u>Total Operating Expenses</u>	<u>735,303</u>	<u>578,279</u>	<u>1,313,582</u>
OPERATING GAIN (LOSS)	<u>(103,428)</u>	<u>(119,994)</u>	<u>(223,422)</u>
NON-OPERATING REVENUES (EXPENSES)			
Capital Grant Income	55,267	-	55,267
Property Taxes and Exemptions	-	31,191	31,191
Other Income	14,156	856	15,012
Other Expense	(4,180)	-	(4,180)
Interest Income	3,610	7,204	10,814
Interest Expense	(881)	(2,385)	(3,266)
<u>Total Non-operating Revenues</u>	<u>67,972</u>	<u>36,866</u>	<u>104,838</u>
CHANGE IN NET POSITION	<u>(35,456)</u>	<u>(83,128)</u>	<u>(118,584)</u>
NET POSITION			
BEGINNING OF YEAR			<u>9,490,273</u>
END OF YEAR			<u>9,371,689</u>

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2021

	Water	Sewer	Total 2021
OPERATING REVENUES			
Utility Sales	\$ 575,986	\$ 417,839	\$ 993,825
Connection Fees	8,000	-	8,000
Other Revenues	4,555	3,480	8,035
<u>Total Operating Revenues</u>	588,541	421,319	1,009,860
OPERATING EXPENSES			
Salaries and Wages	175,666	160,619	336,285
Payroll Taxes	14,322	13,147	27,469
Employee Benefits	20,482	20,714	41,196
Rent	5,020	5,020	10,040
Materials and Supplies	567	503	1,070
Transportation	1,868	1,650	3,518
Sewage Collection	-	24,749	24,749
Office Expense	6,005	6,005	12,010
Insurance	26,352	26,094	52,446
Professional Services	42,977	36,852	79,829
Sewage Treatment	-	24,818	24,818
Water Treatment	72,363	-	72,363
Water Distribution	66,423	-	66,423
Permits and Fees	5,276	24,101	29,377
Utilities	1,247	1,247	2,494
Bad Debts	6,111	2,239	8,350
Other Expenses	21,670	20,419	42,089
Deprecation and Amortization	298,899	181,838	480,737
<u>Total Operating Expenses</u>	765,248	550,015	1,315,263
OPERATING GAIN (LOSS)	\$ (176,707)	\$ (128,696)	\$ (305,403)
NON-OPERATING REVENUES (EXPENSES)			
Property Taxes and Exemptions	-	31,105	31,105
Other Income	1,292	1,048	2,340
Other Expense	(6,652)	(212)	(6,864)
Interest Income	4,662	9,043	13,705
Interest Expense	(1,624)	(3,611)	(5,235)
<u>Total Non-operating Revenues (Expenses)</u>	(2,322)	37,373	35,051
CHANGE IN NET POSITION	\$ (179,029)	\$ (91,323)	\$ (270,352)
NET POSITION			
BEGINNING OF YEAR			9,760,625
END OF YEAR			\$ 9,490,273

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 1,110,215	\$ 998,519
Cash Paid for Employees	(444,313)	(419,863)
Cash Paid for Goods and Services	(403,631)	(423,448)
	<u>262,271</u>	<u>155,208</u>
Cash Flows From Non-Capital Financing Activities		
Cash from Sale of Assets	-	-
Property Tax Revenues	31,191	31,105
	<u>31,191</u>	<u>31,105</u>
Cash Flows From Capital and Related Financing Activities		
Proceeds from Long-Term Debt	74,280	60,000
Principal Paid on Long-Term Debt	(90,386)	(109,158)
Payment on SWRCB Settlement	-	(40,000)
Interest Paid on Long-Term Debt	(3,266)	(5,235)
Acquisition of Capital Assets	(226,619)	(101,574)
Proceeds from Other Income	15,007	2,340
Other Expenses	(4,180)	(6,864)
	<u>(235,164)</u>	<u>(200,491)</u>
Cash Flows From Investing Activities		
Interest on Investments	14	5,605
	<u>14</u>	<u>5,605</u>
Net Increase (Decrease) in Cash and Cash Equivalents	58,312	(8,573)
Cash and Cash Equivalents - Beginning of Year	814,505	823,078
Cash and Cash Equivalents - End of Year	\$ 872,817	\$ 814,505

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT

Statement of Cash Flows

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by Operating Activities		
Operating Gain (Loss)	\$ (223,422)	\$ (305,403)
Adjustment to Reconcile Operating Gain (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	422,589	480,737
(Increase) Decrease in Accounts Receivable	20,953	(12,041)
(Increase) Decrease in Customer Deposits	(900)	700
(Increase) Decrease in Prepaid Expenses	(758)	-
Increase (Decrease) in Accounts Payable	33,290	(6,126)
Increase (Decrease) in Accrued Liabilities	10,517	(2,661)
	485,692	460,610
Total Adjustments	485,692	460,610
Net Cash Provided by Operating Activities	\$ 262,271	\$ 155,208
 Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to Cash and Cash Equivalents per Balance Sheet		
Cash and Cash Equivalents per Statement of Cash Flows	\$ 872,817	\$ 814,505
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 297,245	\$ 144,340
Cash in County Treasury	575,572	670,165
	\$ 872,817	\$ 814,505

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - On April 12th, 1932, the Garberville Sanitary District (the "District") was formed, pursuant to the Sanitary District Act of 1923, Health & Safety Code Section 6400 et seq. for the following purposes:

1. The collection, treatment, and disposal of wastewater for the District and its inhabitants.

In December of 2004, the community voted to purchase the assets of the Garberville Water Company for the following purposes:

1. To supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation.

Garberville is an unincorporated community in the southern reaches of Humboldt County, California.

Measurement Focus and Basis of Accounting - The financial statements of the District are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The District applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District uses proprietary funds. Proprietary funds are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Accordingly, all of the District's assets and liabilities including capital assets and long-term liabilities are included in the accompanying Balance Sheet. Under the accrual method of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The District reports the following proprietary funds:

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to a private business or where the board of directors has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting – The General Manager with the assistance from the Consultant Project Manager presents proposed budgets to the Board of Directors for approval. The budget is approved by a motion to adopt by the Board of Directors.

The budgets for the enterprise funds are adopted on the full accrual basis of accounting consistent with the comparative actual amounts.

Cash and Cash Equivalents - Cash and cash equivalents for purposes of the statement of cash flows includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District. Restricted assets are included.

The District has a pooled investment which is administered by the County of Humboldt. These approved investments are carried at cost, which approximates market value, and may be liquidated as needed. The investment pool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of this pool.

Capital Assets and Depreciation - Capital assets are recorded at cost. Capital asset purchases with values exceeding \$2,500 and having a life expectancy of at least 3 years are capitalized.

Depreciation is computed under the straight-line method using lives ranging from 3 to 50 years. Depreciation expense is calculated by using annual allowance rates varying from 2% to 33% of the various year-end account balances.

Compensated Absences - Qualified employees of the District accrue vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time accumulated except sick leave. No compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The liability for compensated absences at June 30, 2022 and 2021 was \$40,953 and \$30,436 respectively and has been reflected thus on the Balance Sheet.

Fund Equity - Reservations of the ending retained earnings indicate the portions of retained earnings not appropriate for expenditures or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

Allowance Method Used to Record Bad Debts – Management has provided an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on a review of the current status of trade accounts receivable. It is reasonably possible that the District's estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$5,000 at June 30, 2022 and 2021.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Policy for Defining Operating and Non-Operating Revenues - The District's proprietary funds make a distinction between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing goods and services related directly to the principal operations of the funds. All revenues and expenses not meeting this definition are reported as non-operating including interest income and expense.

Policy for Applying FASB Pronouncements - The District has adopted all applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued after November 30, 1989.

Policy for Applying Restricted/Unrestricted Resources - When an expense is incurred for which both restricted and unrestricted retained earnings are available, restricted resources are applied first.

NOTE 2 - CASH AND CASH EQUIVALENTS

The District has no self-directed investments other than the pooled investment administered by the County referred to in Note 1. The District's funds maintained by other agencies are as follows:

<u>2022</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	\$ 165,092	\$ 85,080	\$ -	\$ -	\$ 250,171
Restricted Water Fund	46,832	-	-	-	46,832
Petty Cash	-	-	-	241	241
Subtotal					<u>297,244</u>
Pooled with County	-	-	575,573	-	575,573
Total	<u>\$ 211,924</u>	<u>\$ 85,080</u>	<u>\$ 575,573</u>	<u>\$ 241</u>	<u>\$ 872,817</u>

<u>2021</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	\$ 40,295	\$ 57,076	\$ -	\$ -	\$ 97,371
Restricted Water Fund	46,828	-	-	-	46,828
Petty Cash	-	-	-	142	142
Subtotal					<u>144,340</u>
Pooled with County	-	-	670,165	-	670,165
Total	<u>\$ 87,123</u>	<u>\$ 57,076</u>	<u>\$ 670,165</u>	<u>\$ 142</u>	<u>\$ 814,505</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital Assets for the District for the years ended June 30, 2022 and 2021 consisted of the following:

	Balance 6/30/21	Additions	Deletions Transfers	Balance 6/30/22
Land - Sewer	129,811	\$ -	\$ -	\$ 129,811
Land - Water	94,595	-	-	94,595
Water System	142,475	-	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,387,357	7,939	-	2,395,296
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,804,483	-	-	2,804,483
Water Treatment	79,920	-	-	79,920
Water Pumps	2,910	7,139	-	10,049
Sewer Pumps	16,932	15,716	-	32,648
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Wallan Road Tank	25,035	117,288	-	142,323
Office Equipment	38,244	-	-	38,244
Equipment	237,122	74,280	-	311,402
Vehicles	121,206	-	-	121,206
Annexation Project	157,367	-	-	157,367
CIP Church Street	-	6,800	-	6,800
CIP Hurlbutt Tank Replacement	2,768	-	(2,768)	-
CIP Bear Canyon	764	225	-	989
CIP Meadows Aerial	9,134	-	-	9,134
Less: Accumulated Depreciation	<u>(4,842,731)</u>	<u>(422,589)</u>	<u>-</u>	<u>(5,265,319)</u>
Total	<u>\$ 9,852,899</u>	<u>\$ (193,202)</u>	<u>\$ (2,768)</u>	<u>\$ 9,656,930</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION (Continued)

	Balance 6/30/20	Additions	Deletions Transfers	Balance 6/30/21
Land - Sewer	129,811	\$ -	\$ -	\$ 129,811
Land - Water	94,595	-	-	94,595
Water System	142,475	-	-	142,475
Water Easements	177,397	-	-	177,397
Collection Facilities	2,387,357	-	-	2,387,357
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,804,483	-	-	2,804,483
Water Treatment	70,773	9,147	-	79,920
Water Pumps	2,910	-	-	2,910
Sewer Pumps	16,932	-	-	16,932
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Wallan Road Tank	18,368	6,667	-	25,035
Office Equipment	38,244	-	-	38,244
Equipment	158,307	78,815	-	237,122
Vehicles	121,206	-	-	121,206
Annexation Project	157,367	-	-	157,367
CIP Hurlbutt Tank Replacement	-	2,768	-	2,768
CIP Bear Canyon	280	484	-	764
CIP Meadows Aerial	5,442	610	3,082	9,134
Less: Accumulated Depreciation	<u>(4,361,995)</u>	<u>(480,737)</u>	<u>-</u>	<u>(4,842,731)</u>
Total	<u>\$ 10,232,062</u>	<u>\$ (382,246)</u>	<u>\$ 3,082</u>	<u>\$ 9,852,899</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 4 - LONG-TERM DEBT

Long-term debt of the District for the years ended June 30, 2022 and 2021 consisted of the following:

	Balance 6/30/21	Additions	Principal Payments	Balance 6/30/22
SWRCB	75,241	-	(24,585)	50,655
RCAC-Backhoe	44,224	-	(19,818)	24,406
Ditchwitch Trailer	-	74,280	-	74,280
SRF Loan	1,126,568	-	(45,982)	1,080,586
	<u>\$ 1,246,033</u>	<u>\$ 74,280</u>	<u>\$ (90,385)</u>	<u>\$ 1,229,927</u>

	Balance 6/30/20	Additions	Principal Payments	Balance 6/30/21
SWRCB	99,344	-	(24,103)	75,241
RCAC-Tank	23,297	-	(23,297)	-
RCAC-Backhoe	-	60,000	(15,776)	44,224
SRF Loan	1,172,550	-	(45,982)	1,126,568
	<u>\$ 1,295,191</u>	<u>\$ 60,000</u>	<u>\$ (109,158)</u>	<u>\$ 1,246,033</u>

Current portion of long-term debt is as follows:

SWRCB	\$ 25,077
Ditchwitch Trailer	24,165
SRF Loan	45,982
RCAC Loan	20,832
	<u>\$ 116,056</u>

Descriptions, terms, and other information on each of the above categories of debt are as follows:

STATE WATER RESOURCES CONTROL BOARD (SWRCB):

On June 28, 2005, the District borrowed \$395,340 for the Sewer System Relocation Project. On September 27, 2006, the District received additional loan funding of \$33,567. The loan is payable in annual installments of \$26,090 each August 1, including 2% interest, through August 1, 2023. Net revenues of the District are pledged as collateral for this loan. The principal balance due as of June 30, 2022 was \$50,655.

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 4 - LONG-TERM DEBT (Continued)

STATE WATER RESOURCES CONTROL BOARD (SWRCB) – (Continued)

Following are the principal and interest requirements to maturity for each of the five subsequent fiscal years and in five-year increments thereafter:

Year(s) Ending June 30	Principal	Interest	Total
2023	25,077	1,013	26,090
2024	25,578	511	26,089
	<u>\$ 50,655</u>	<u>\$ 1,524</u>	<u>\$ 52,179</u>

RURAL COMMUNITY ASSISTANCE CORPORATION (RCAC-BACKHOE LOAN)

In June 2020 a used backhoe became available on the market. The District entered into a 3-year loan agreement on June 23, 2020 in the amount of \$60,000 with Rural Community Assistance Corporation, with whom the District has borrowed from many times previously. The maturity date on the loan is June 23, 2023 with an interest rate of 5.00%. Monthly payments of \$1,798.25 began on July 23, 2020. The principal balance at June 30, 2022 was \$24,406.

Year(s) Ending June 30	Principal	Interest	Total
2023	20,832	747	21,579
2024	3,574	22	3,597
	<u>\$ 24,406</u>	<u>\$ 769</u>	<u>\$ 25,176</u>

DITCHWITCH FINANCIAL SERVICES (DITCHWITCH VACUUM TRAILER)

The District entered into a 3-year loan agreement on May 2, 2022 in the amount of \$74,280 with DitchWitch Financial Services. The maturity date on the loan is June 30, 2025 with an interest rate of 4.83%. Monthly payments of \$2,220.57 began on July 30, 2022. The principal balance at June 30, 2022 was \$74,280.

Year(s) Ending June 30	Principal	Interest	Total
2023	23,576	3,071	26,647
2024	24,740	1,906	26,646
2025	25,964	684	26,648
	<u>\$ 74,280</u>	<u>\$ 5,661</u>	<u>\$ 79,941</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 4 - LONG-TERM DEBT (Continued)

STATE REVOLVING FUND (SRF)

The District began the Drinking Water Improvement Project in 2005. The project was completed January 29, 2015. The total project costs were \$4,968,105. Of this amount, the District received \$400,000 in planning grant and \$100,000 in planning loan funds (which have been fully repaid). The District entered into Funding Agreement (Project 1210008-006C) SRFCX103 under the provisions of the California Safe Drinking Water State Revolving Fund through the California Department of Public Health on May 10, 2013 in the amount of \$4,060,478. This amount consisted of \$3,000,000 in grant funds and the remainder in a 0% interest rate and 30-year term loan. The Funding Agreement was amended September 2014 to increase the total to \$4,379,471. The final loan amount was \$1,379,471.

The principal payments of \$22,991 are due semiannually on January 1 and July 1 commencing January 2016. The principal balance at June 30, 2022 was \$1,080,586.

Year(s) Ending	Principal	Interest	Total
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	45,982	-	45,982
2024	45,982	-	45,982
2025	45,982	-	45,982
2026	45,982	-	45,982
2027	45,982	-	45,982
2028-2032	229,910	-	229,910
2033-2037	229,910	-	229,910
2038-2042	229,910	-	229,910
2043-2046	160,946	-	160,946
	<u>\$ 1,080,586</u>	<u>\$ -</u>	<u>\$ 1,080,586</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 5 - INSURANCE

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq., effective July 1, 2021 through June 30, 2022. During its membership, the following policies were in effect:

	<u>Limits</u>
General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence)	2,500,000
Employee Dishonesty Coverage (per loss)	1,000,000
Property Loss (per occurrence)	1,000,000,000
Boiler and Machinery (per occurrence)	100,000,000
Public Officials Personal Liability (per occurrence)	500,000

NOTE 6 - PROPERTY TAXES/EXEMPTIONS

The County Board of Supervisors has authorized the District's receipt of taxes and exemptions from the County-wide \$1 per \$100 assessed valuation general purpose tax, as well as special taxes assessed for purposes of the general obligation bonds. The purpose of these appropriations is to assist the District in providing wastewater services. Following is a listing of the District's receipts by source:

	<u>2022</u>	<u>2021</u>
Current Secured Taxes	\$ 29,334	\$ 29,235
Current Unsecured Taxes	1,135	1,121
Prior Years - Taxes	84	14
Current Supplemental Taxes	343	341
Prior Years - Supplemental	-	89
Homeowners' Exemptions	295	305
Total Taxes and Exemptions	<u>\$ 31,191</u>	<u>\$ 31,105</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 7 – ROBERTS/HURLBUTT/WALLAN TANK REPLACEMENT PROJECT

In 2018, the District began initial planning efforts to investigate funding sources for replacement of the Robertson, Hurlbut and Wallan Tanks due to deterioration and leaking. On August 28, 2020, Compliance Order No. 01_01_20(R)_004 was issued by the State Water Resources Control Board (SWRCB) Division of Drinking Water. The Order consisted of five directives. Directives 1, 4, and 5 were completed in 2020. Directives #2 and 3 read:

2. By January 31, 2022, submit a design proposal for replacement of the Robertson Tank with either another tank or with the installation of a pressure reducing valve that complies with California Waterworks Standards.
3. By September 30, 2022, construct a replacement tank or install a pressure reducing valve in accordance with the design proposal in Directive 2, and take the Robertson Tank offline permanently.

The District contracted for the construction of a pressure reduction valve system at the intersection of Arthur Road and Alderpoint Road, funded by capital reserve funds. This PRV allowed for the Robertson Tank to be taken off-line and the Arthur Road pressure zone to be served off the Alderpoint Tank. Robertson Tank was taken offline in February 2022, completing the required actions on the remaining Directives.

The Tank Replacement Project is expected to cost \$5.87 million dollars. The District is part way through the planning phase for these improvements. Analysis of the water demands for each of the pressure zones served by these three tanks is underway along with the engineering, surveying, geotechnical, and environmental analysis for the project. The District was awarded \$325,000 in grant funding from the SWRCB Division of Financial Assistance to assist with the planning phase of the project. The District was also awarded grant funding from the Department of Water Resources' Small Community Drought Relief Program in the amount of \$4,545,000 in August 2022 for both the planning and construction phase of the project. Once the project has been bid for construction, more will be known about whether the DWR funding will be sufficient. The District is coordinating with SWRCB-DFA to meet all the requirements associated with obtaining supplementary construction funding through the SRF program or Prop 68 in case additional funds are necessary. Construction and project closeout are estimated to be completed by December 2016.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2022, the date the financial statements were available to be issued.



ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

KEITH D. BORGES, CPA
BARBARA J. GUEST, CPA
DANIEL COLE, CPA
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JAMES M. ANDERSON (1964-2001)
EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

December 20, 2022

To the Board of Directors and Members of Management
Garberville Sanitary District
Garberville, California

Board of Directors and Members of Management:

We have audited the financial statements of the business-type activities of the Garberville Sanitary District as of and for the year ended June 30, 2022. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated August 23, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our audit engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audits

We performed the audits according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were accumulated depreciation and depreciation expense.

Management's estimate of the accumulated depreciation and related expense for the current year was based on management's estimate of the life expectancy of the fixed assets. We reviewed the capital asset listing, and current year depreciation schedule. We were satisfied that the calculations used were reasonable.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audits

We encountered no difficulties in dealing with management in performing and completing our audits.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Record accrued interest income receivable	\$10,800
2. Record capital grant income receivable	\$55,267

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 20, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District, financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Garberville Sanitary District and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Lucas, Somerville, & Borges

ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP



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DAVID A. SOMERVILLE, INACTIVE

Board of Directors and Management Garberville Sanitary District

In planning and performing our audit of the financial statements of the business-type activities of the Garberville Sanitary District as of and for the year ended June 30, 2022 in accordance with auditing standards generally accepted in the United States of America, we considered Garberville Sanitary District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

Anderson, Lucas, Somerville, & Borges

Fortuna, California
December 20, 2022



HUMBOLDT COUNTY
PLANNING AND BUILDING DEPARTMENT ~ BUILDING DIVISION
3015 H STREET, EUREKA, CA 95501 ~ PHONE (707)445-7245

REFERRAL FORM

Date Sent
Generated By Nick Moyle
Assessor's Parcel Number 032-135-003-000
Application Number BLD-2022-57172
Application Name
Owner Name Van Meter John L & Pamela K

SITE INFORMATION

Street 520 Pine Ln
City Garberville **State** CA
Zip

PROJECT INFORMATION

Project Multi-Family
Project Type Alteration, Interior/Exterior
Project Description Van Meter Fire damage repairs

We have reviewed the project and recommend the following

Program Manager Approval By:



COUNTY OF HUMBOLDT
PLANNING AND BUILDING DEPARTMENT ~ BUILDING DIVISION
 3015 H STREET, EUREKA, CA 95501 ~ PHONE (707) 445-7245

PRE-SITE APPLICATION AND PRELIMINARY REVIEW FORM

Applicants are responsible for notifying the Building Division regarding project status.
 The Building Division retains project paperwork for 365 days. After 365 days, a new permit application and additional fee payment will be required.

OWNERS NAME AND MAILING ADDRESS			
Name	Van Meter John L & Pamela K		Phone
Address 1	Address 2		
City	Redway	State	CA Zip 95560

APPLICATION INFORMATION			
Name	Phone	(707)923-2200	
Address 1	P O BOX 573	Address 2	
City	GARBERVILLE	State	CA Zip 95542

APPLICATION INFO			
Application Number	BLD-2022-57172	Date	10/27/2022
		Permit Staff	Nick Moyle
Parcel Number	032-135-003-000	Lot No.	
		Old Parcel Number(s)	
Project Type	Alteration, Interior/Exterior		
Project Location	520 Pine Ln, Garberville, CA		
Project Description	Rebuild apartment #7 damaged by fire. (520 sf) re roof entire building and replace interior ceiling in other units where needed. (see demo permit 2022-55750 and CE21-1282) Existing apartments built 1946		
Contractor	VAN METER LOGGING INC		Contractor Phone 7079232200
Insp. District	Approx Sq Ft	Estimated Project Value \$25,896.00	
Public Water Yes	Public Sewer Yes		
Parking Spaces			
No. of Units	0.00	No. of Buildings	0.00
Fire SRA	SRA Exempt	Qualifies for Alternative Owner Builder (AOB)	
Zoning	Flood Zone	Firm#	
Geo Hazard# 2	Improvement Level		

NOTES	
OSE Perennial Watercourses:	n
OSE Seasonal:	n
Design Review By:	

COASTAL ZONE		
Coastal Zone:	Coastal Section:	CDP Info:

I attest to the above and hereby grant right of entry for inspections purposes:

Signature: _____ Date: _____

RESOLUTION 2023-001

A RESOLUTION OF THE GARBERVILLE SANITARY DISTRICT AUTHORIZING THOSE WHO CAN SIGN CHECKS OR TRANSFER MONEY ON BEHALF OF THE DISTRICT

A. WHEREAS, the Board of Directors of the Garberville Sanitary District, has determined that when money is transferred between District reserve accounts, the General Manager and the Board Chairperson must both sign for these transfers,

B. WHEREAS, when General Manager is unavailable, the Administrative Assistant and Board Chairperson will be the approved signers.

C. WHEREAS, when the Board Chairperson is unavailable, the acting Chairperson will be the signer.

D. WHEREAS, all checks and transfer of money between District accounts up to \$25,000, can be signed by acting Chairperson and General Manager or designee

E. WHEREAS, any checks or transfer of money that exceeds \$25,000 will require Board action,

F. WHEREAS, the chairperson is hereby empowered to certify and to execute any written authorizations as needed or required to implement these protocols,

G. WHEREAS, if chairperson is unavailable to execute written authorization of these protocols, it must come before the governing Board,

H. WHEREAS, the only persons allowed to sign District checks must be listed on the signatory card and recorded with the bank which checks are written

I. WHEREAS, no checks or money transfers will be authorized unless approved by authorized signers.

BOARD MEMBER AUTHORIZED SIGNATORIES:

Signatory _____

Signatory _____

Signatory _____

Signatory _____

Signatory _____

Signatory _____

Signatory _____

NOW, THEREFORE BE IT RESOLVED , THAT THE BOARD OF DIRECTORS OF THE GARBERVILLE SANITARY DISTRICT DOES HEREBY APPROVE RESOLUTION 23-001, AUTHORIZING CHECK SIGNERS AND THOSE WHO CAN TRANSFER OF FUNDS

PASSED, APPROVED AND ADOPTED this 31st day of January 2023 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Doug Bryan—Board Chairperson

ATTEST:

Ralph Emerson, Board Secretary

GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57607]

(Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]

(Division 2 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]

(Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 9. Meetings [54950 - 54963]

(Chapter 9 added by Stats. 1953, Ch. 1588.)

54950.

In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

(Added by Stats. 1953, Ch. 1588.)

54950.5.

This chapter shall be known as the Ralph M. Brown Act.

(Added by Stats. 1961, Ch. 115.)

54951.

As used in this chapter, "local agency" means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency.

(Amended by Stats. 1959, Ch. 1417.)

54952.

As used in this chapter, "legislative body" means:

(a) The governing body of a local agency or any other local body created by state or federal statute.

(b) A commission, committee, board, or other body of a local agency, whether permanent or temporary, decisionmaking or advisory, created by charter, ordinance, resolution, or formal action of a legislative body. However, advisory committees, composed solely of the members of the legislative body that are less

than a quorum of the legislative body are not legislative bodies, except that standing committees of a legislative body, irrespective of their composition, which have a continuing subject matter jurisdiction, or a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body are legislative bodies for purposes of this chapter.

(c) (1) A board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that either:

(A) Is created by the elected legislative body in order to exercise authority that may lawfully be delegated by the elected governing body to a private corporation, limited liability company, or other entity.

(B) Receives funds from a local agency and the membership of whose governing body includes a member of the legislative body of the local agency appointed to that governing body as a full voting member by the legislative body of the local agency.

(2) Notwithstanding subparagraph (B) of paragraph (1), no board, commission, committee, or other multimember body that governs a private corporation, limited liability company, or other entity that receives funds from a local agency and, as of February 9, 1996, has a member of the legislative body of the local agency as a full voting member of the governing body of that private corporation, limited liability company, or other entity shall be relieved from the public meeting requirements of this chapter by virtue of a change in status of the full voting member to a nonvoting member.

(d) The lessee of any hospital the whole or part of which is first leased pursuant to subdivision (p) of Section 32121 of the Health and Safety Code after January 1, 1994, where the lessee exercises any material authority of a legislative body of a local agency delegated to it by that legislative body whether the lessee is organized and operated by the local agency or by a delegated authority.

(Amended by Stats. 2002, Ch. 1073, Sec. 2. Effective January 1, 2003.)

54952.1.

Any person elected to serve as a member of a legislative body who has not yet assumed the duties of office shall conform his or her conduct to the requirements of this chapter and shall be treated for purposes of enforcement of this chapter as if he or she has already assumed office.

(Amended by Stats. 1994, Ch. 32, Sec. 2. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54952.2.

(a) As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(3) (A) Paragraph (1) shall not be construed as preventing a member of the legislative body from engaging in separate conversations or communications on an internet-based social media platform to answer questions, provide information to the public, or to solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body provided that a majority of the members of the legislative body do not use the internet-based social media platform to discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body. A member of the legislative body shall not respond directly to any communication on an internet-based social media platform regarding a matter that is within the subject matter jurisdiction of the legislative body that is made, posted, or shared by any other member of the legislative body.

(B) For purposes of this paragraph, all of the following definitions shall apply:

(i) "Discuss among themselves" means communications made, posted, or shared on an internet-based social media platform between members of a legislative body, including comments or use of digital icons that express reactions to communications made by other members of the legislative body.

(ii) "Internet-based social media platform" means an online service that is open and accessible to the public.

(iii) "Open and accessible to the public" means that members of the general public have the ability to access and participate, free of charge, in the social media platform without the approval by the social media platform or a person or entity other than the social media platform, including any forum and chatroom, and cannot be blocked from doing so, except when the internet-based social media platform determines that an individual violated its protocols or rules.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the members of the legislative body who are not members of the standing committee attend only as observers.

(d) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended by Stats. 2020, Ch. 89, Sec. 1. (AB 992) Effective January 1, 2021. Repealed as of January 1, 2026, by its own provisions. See later operative version added by Sec. 2 of Stats. 2020, Ch. 89.)

54952.2.

(a) As used in this chapter, "meeting" means any congregation of a majority of the members of a legislative body at the same time and location, including teleconference location as permitted by Section 54953, to hear, discuss, deliberate, or take action on any item that is within the subject matter jurisdiction of the legislative body.

(b) (1) A majority of the members of a legislative body shall not, outside a meeting authorized by this chapter, use a series of communications of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

(2) Paragraph (1) shall not be construed as preventing an employee or official of a local agency, from engaging in separate conversations or communications outside of a meeting authorized by this chapter with members of a legislative body in order to answer questions or provide information regarding a matter that is within the subject matter jurisdiction of the local agency, if that person does not communicate to members of the legislative body the comments or position of any other member or members of the legislative body.

(c) Nothing in this section shall impose the requirements of this chapter upon any of the following:

(1) Individual contacts or conversations between a member of a legislative body and any other person that do not violate subdivision (b).

(2) The attendance of a majority of the members of a legislative body at a conference or similar gathering open to the public that involves a discussion of issues of general interest to the public or to public agencies of the type represented by the legislative body, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specified nature that is within the subject matter jurisdiction of the local agency. Nothing in this paragraph is intended to allow members of the public free admission to a conference or similar gathering at which the organizers have required other participants or registrants to pay fees or charges as a condition of attendance.

(3) The attendance of a majority of the members of a legislative body at an open and publicized meeting organized to address a topic of local community concern by a person or organization other than the local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled program, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(4) The attendance of a majority of the members of a legislative body at an open and noticed meeting of another body of the local agency, or at an open and noticed meeting of a legislative body of another local agency, provided that a majority of the members do not discuss among themselves, other than as part of the scheduled meeting, business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(5) The attendance of a majority of the members of a legislative body at a purely social or ceremonial occasion, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

(6) The attendance of a majority of the members of a legislative body at an open and noticed meeting of a standing committee of that body, provided that the

members of the legislative body who are not members of the standing committee attend only as observers.

(d) This section shall become operative on January 1, 2026.

(Repealed (in Sec. 1) and added by Stats. 2020, Ch. 89, Sec. 2. (AB 992) Effective January 1, 2021. Section operative January 1, 2026, by its own provisions.)

54952.3.

(a) A legislative body that has convened a meeting and whose membership constitutes a quorum of any other legislative body may convene a meeting of that other legislative body, simultaneously or in serial order, only if a clerk or a member of the convened legislative body verbally announces, prior to convening any simultaneous or serial order meeting of that subsequent legislative body, the amount of compensation or stipend, if any, that each member will be entitled to receive as a result of convening the simultaneous or serial meeting of the subsequent legislative body and identifies that the compensation or stipend shall be provided as a result of convening a meeting for which each member is entitled to collect compensation or a stipend. However, the clerk or member of the legislative body shall not be required to announce the amount of compensation if the amount of compensation is prescribed in statute and no additional compensation has been authorized by a local agency.

(b) For purposes of this section, compensation and stipend shall not include amounts reimbursed for actual and necessary expenses incurred by a member in the performance of the member's official duties, including, but not limited to, reimbursement of expenses relating to travel, meals, and lodging.

(Added by Stats. 2011, Ch. 91, Sec. 1. (AB 23) Effective January 1, 2012.)

54952.6.

As used in this chapter, "action taken" means a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance.

(Added by Stats. 1961, Ch. 1671.)

54952.7.

A legislative body of a local agency may require that a copy of this chapter be given to each member of the legislative body and any person elected to serve as a member of the legislative body who has not assumed the duties of office. An elected legislative body of a local agency may require that a copy of this chapter be given to each member of each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body.

(Amended by Stats. 1993, Ch. 1138, Sec. 7. Effective January 1, 1994. Operative April 1, 1994, by Sec. 12 of Ch. 1138.)

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter. (In Person Recommended)

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section

7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local

agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow

sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2024, and as of that date is repealed.

(Amended (as amended by Stats. 2021, Ch. 165, Sec. 3) by Stats. 2022, Ch. 285, Sec. 1. (AB 2449) Effective January 1, 2023. Repealed as of January 1, 2024, by its own provisions. See later operative version amended by Sec. 2 of Stats. 2022, Ch. 285.)

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative

body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50

percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

(f) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(g) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(h) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing members of the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(i) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (f).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (e), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(6) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(7) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(8) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(j) This section shall become operative January 1, 2024, shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended (as added by Stats. 2021, Ch. 165, Sec. 4) by Stats. 2022, Ch. 285, Sec. 2. (AB 2449) Effective January 1, 2023. Operative January 1, 2024, by its own provisions. Repealed as of January 1, 2026, by its own provisions. See later operative version added by Sec. 3 of Stats. 2022, Ch. 285.)

54953.

(a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by

law. The teleconferenced meeting or proceeding shall comply with all requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. All votes taken during a teleconferenced meeting shall be by rollcall.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivision (d). The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

(4) For the purposes of this section, "teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both. Nothing in this section shall prohibit a local agency from providing the public with additional teleconference locations.

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and

associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) This section shall become operative January 1, 2026.

(Repealed (in Sec. 2) and added by Stats. 2022, Ch. 285, Sec. 3. (AB 2449) Effective January 1, 2023. Operative January 1, 2026, by its own provisions.)

54953.1.

The provisions of this chapter shall not be construed to prohibit the members of the legislative body of a local agency from giving testimony in private before a grand jury, either as individuals or as a body.

(Added by Stats. 1979, Ch. 950.)

54953.2.

All meetings of a legislative body of a local agency that are open and public shall meet the protections and prohibitions contained in 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.

(Added by Stats. 2002, Ch. 300, Sec. 5. Effective January 1, 2003.)

54953.3.

A member of the public shall not be required, as a condition to attendance at a meeting of a legislative body of a local agency, to register his or her name, to provide other information, to complete a questionnaire, or otherwise to fulfill any condition precedent to his or her attendance.

If an attendance list, register, questionnaire, or other similar document is posted at or near the entrance to the room where the meeting is to be held, or is circulated to the persons present during the meeting, it shall state clearly that the signing, registering, or completion of the document is voluntary, and that all persons may attend the meeting regardless of whether a person signs, registers, or completes the document.

(Amended by Stats. 1981, Ch. 968, Sec. 28.)

54953.5.

(a) Any person attending an open and public meeting of a legislative body of a local agency shall have the right to record the proceedings with an audio or video recorder or a still or motion picture camera in the absence of a reasonable finding by the legislative body of the local agency that the recording cannot continue without noise, illumination, or obstruction of view that constitutes, or would constitute, a persistent disruption of the proceedings.

(b) Any audio or video recording of an open and public meeting made for whatever purpose by or at the direction of the local agency shall be subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), but, notwithstanding Section 34090, may be erased or destroyed 30 days after the recording. Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency.

(Amended by Stats. 2021, Ch. 615, Sec. 205. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

54953.6.

No legislative body of a local agency shall prohibit or otherwise restrict the broadcast of its open and public meetings in the absence of a reasonable finding that the broadcast cannot be accomplished without noise, illumination, or obstruction of view that would constitute a persistent disruption of the proceedings.

(Amended by Stats. 1994, Ch. 32, Sec. 6. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54953.7.

Notwithstanding any other provision of law, legislative bodies of local agencies may impose requirements upon themselves which allow greater access to their meetings than prescribed by the minimal standards set forth in this chapter. In addition thereto, an elected legislative body of a local agency may impose such requirements on those appointed legislative bodies of the local agency of which all or a majority of the members are appointed by or under the authority of the elected legislative body.

(Added by Stats. 1981, Ch. 968, Sec. 29.)

54954.

(a) Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. Meetings of advisory committees or standing committees, for which an agenda is posted at least 72 hours in advance of the meeting pursuant to subdivision (a) of Section 54954.2, shall be considered for purposes of this chapter as regular meetings of the legislative body.

(b) Regular and special meetings of the legislative body shall be held within the boundaries of the territory over which the local agency exercises jurisdiction, except to do any of the following:

(1) Comply with state or federal law or court order, or attend a judicial or administrative proceeding to which the local agency is a party.

(2) Inspect real or personal property which cannot be conveniently brought within the boundaries of the territory over which the local agency exercises jurisdiction provided that the topic of the meeting is limited to items directly related to the real or personal property.

(3) Participate in meetings or discussions of multiagency significance that are outside the boundaries of a local agency's jurisdiction. However, any meeting or discussion held pursuant to this subdivision shall take place within the jurisdiction of one of the participating local agencies and be noticed by all participating agencies as provided for in this chapter.

(4) Meet in the closest meeting facility if the local agency has no meeting facility within the boundaries of the territory over which the local agency exercises jurisdiction, or at the principal office of the local agency if that office is located outside the territory over which the agency exercises jurisdiction.

(5) Meet outside their immediate jurisdiction with elected or appointed officials of the United States or the State of California when a local meeting would be impractical, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(6) Meet outside their immediate jurisdiction if the meeting takes place in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(7) Visit the office of the local agency's legal counsel for a closed session on pending litigation held pursuant to Section 54956.9, when to do so would reduce legal fees or costs.

(c) Meetings of the governing board of a school district shall be held within the district, except under the circumstances enumerated in subdivision (b), or to do any of the following:

(1) Attend a conference on nonadversarial collective bargaining techniques.

(2) Interview members of the public residing in another district with reference to the trustees' potential employment of an applicant for the position of the superintendent of the district.

(3) Interview a potential employee from another district.

(d) Meetings of a joint powers authority shall occur within the territory of at least one of its member agencies, or as provided in subdivision (b). However, a joint powers authority which has members throughout the state may meet at any facility in the state which complies with the requirements of Section 54961.

(e) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the presiding officer of the legislative body or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time.

(Amended by Stats. 2004, Ch. 257, Sec. 1. Effective January 1, 2005.)

54954.1.

Any person may request that a copy of the agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. If a local agency has an internet website, the legislative body or its designee shall email a copy of, or website link to, the agenda or a copy of all the documents constituting the agenda packet if the person requests that the item or items be delivered by email. If the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a link to a website that contains the documents by email or by other electronic means, the legislative body or its designee shall send by mail a copy of the agenda or a website link to the agenda and mail a copy of all other documents constituting the agenda packet in accordance with the mailing requirements established pursuant to this section. If requested, the agenda and documents in the agenda packet shall be made 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. Upon receipt of the written request, the legislative body or its designee shall cause the requested materials to be mailed at the time the agenda is posted pursuant to Section 54954.2 and 54956 or upon distribution to all, or a majority of all, of the members of a legislative body, whichever occurs first. Any request for mailed copies of agendas or agenda packets shall be valid for the calendar year in which it is filed, and must be renewed following January 1 of each year. The legislative body may establish a fee for mailing the agenda or agenda packet, which fee shall not exceed the cost of providing the service. Failure of the requesting person to receive the agenda or agenda packet pursuant to this section shall not constitute grounds for invalidation of the actions of the legislative body taken at the meeting for which the agenda or agenda packet was not received.

(Amended by Stats. 2021, Ch. 763, Sec. 1. (SB 274) Effective January 1, 2022.)

54954.2.

(a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's Internet Web site, if the local agency has one. If requested, the agenda shall be made 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. The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision

established by the state. The direct link to the integrated agenda management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an Internet Web site with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) For the purposes of this paragraph, both of the following definitions shall apply:

(i) "Integrated agenda management platform" means an Internet Web site of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(ii) "Legislative body" has the same meaning as that term is used in subdivision (a) of Section 54952.

(E) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual

information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at 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 local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(4) To consider action on a request from a member to participate in a meeting remotely due to emergency circumstances, pursuant to Section 54953, if the request does not allow sufficient time to place the proposed action on the posted agenda for the meeting for which the request is made. The legislative body may approve such a request by a majority vote of the legislative body.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(e) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended by Stats. 2022, Ch. 285, Sec. 4. (AB 2449) Effective January 1, 2023. Repealed as of January 1, 2026, by its own provisions. See later operative version added by Sec. 5 of Stats. 2022, Ch. 285.)

54954.2.

(a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public and on the local agency's Internet Web site, if the local agency has one. If requested, the agenda shall be made 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. The agenda shall include information regarding how, to whom, and when a request for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) For a meeting occurring on and after January 1, 2019, of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site, the following provisions shall apply:

(A) An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda. The direct link to the agenda shall not be in a contextual menu; however, a link in addition to the direct link to the agenda may be accessible through a contextual menu.

(B) An online posting of an agenda including, but not limited to, an agenda posted in an integrated agenda management platform, shall be posted in an open format that meets all of the following requirements:

(i) Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications.

(ii) Platform independent and machine readable.

(iii) Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

(C) A legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state that has an Internet Web site and an integrated agenda management platform shall not be required to comply with subparagraph (A) if all of the following are met:

(i) A direct link to the integrated agenda management platform shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state. The direct link to the integrated agenda

management platform shall not be in a contextual menu. When a person clicks on the direct link to the integrated agenda management platform, the direct link shall take the person directly to an Internet Web site with the agendas of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state.

(ii) The integrated agenda management platform may contain the prior agendas of a legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state for all meetings occurring on or after January 1, 2019.

(iii) The current agenda of the legislative body of a city, county, city and county, special district, school district, or political subdivision established by the state shall be the first agenda available at the top of the integrated agenda management platform.

(iv) All agendas posted in the integrated agenda management platform shall comply with the requirements in clauses (i), (ii), and (iii) of subparagraph (B).

(D) For the purposes of this paragraph, both of the following definitions shall apply:

(i) "Integrated agenda management platform" means an Internet Web site of a city, county, city and county, special district, school district, or political subdivision established by the state dedicated to providing the entirety of the agenda information for the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state to the public.

(ii) "Legislative body" has the same meaning as that term is used in subdivision (a) of Section 54952.

(E) The provisions of this paragraph shall not apply to a political subdivision of a local agency that was established by the legislative body of the city, county, city and county, special district, school district, or political subdivision established by the state.

(3) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting

concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at 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 local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(d) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(e) This section shall become operative January 1, 2026.

(Repealed (in Sec. 4) and added by Stats. 2022, Ch. 285, Sec. 5. (AB 2449) Effective January 1, 2023. Operative January 1, 2026, by its own provisions.)

54954.3.

(a) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2. However, the agenda need not provide an opportunity for members of the public to address the

legislative body on any item that has already been considered by a committee, composed exclusively of members of the legislative body, at a public meeting wherein all interested members of the public were afforded the opportunity to address the committee on the item, before or during the committee's consideration of the item, unless the item has been substantially changed since the committee heard the item, as determined by the legislative body. Every notice for a special meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.

(b) (1) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.

(2) Notwithstanding paragraph (1), when the legislative body of a local agency limits time for public comment, the legislative body of a local agency shall provide at least twice the allotted time to a member of the public who utilizes a translator to ensure that non-English speakers receive the same opportunity to directly address the legislative body of a local agency.

(3) Paragraph (2) shall not apply if the legislative body of a local agency utilizes simultaneous translation equipment in a manner that allows the legislative body of a local agency to hear the translated public testimony simultaneously.

(c) The legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body. Nothing in this subdivision shall confer any privilege or protection for expression beyond that otherwise provided by law.

(Amended by Stats. 2016, Ch. 507, Sec. 1. (AB 1787) Effective January 1, 2017.)

54954.4.

(a) The Legislature hereby finds and declares that Section 12 of Chapter 641 of the Statutes of 1986, authorizing reimbursement to local agencies and school districts for costs mandated by the state pursuant to that act, shall be interpreted strictly. The intent of the Legislature is to provide reimbursement for only those costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986.

(b) In this regard, the Legislature directs all state employees and officials involved in reviewing or authorizing claims for reimbursement, or otherwise participating in the reimbursement process, to rigorously review each claim and authorize only those claims, or parts thereof, which represent costs which are clearly and unequivocally incurred as the direct and necessary result of compliance with Chapter 641 of the Statutes of 1986 and for which complete documentation exists. For purposes of Section 54954.2, costs eligible for reimbursement shall only include the actual cost to post a single agenda for any one meeting.

(c) The Legislature hereby finds and declares that complete, faithful, and uninterrupted compliance with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code) is a

matter of overriding public importance. Unless specifically stated, no future Budget Act, or related budget enactments, shall, in any manner, be interpreted to suspend, eliminate, or otherwise modify the legal obligation and duty of local agencies to fully comply with Chapter 641 of the Statutes of 1986 in a complete, faithful, and uninterrupted manner.

(Added by Stats. 1991, Ch. 238, Sec. 1.)

54954.5.

For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:

LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to paragraphs (2) to (5), inclusive, of subdivision (e) of Section 54956.9.)

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW
(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)

(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.96:

CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)
Discussion will concern: (Specify closed session description used by the joint powers agency)

Name of local agency representative on joint powers agency board: (Specify name)
(Additional information listing the names of agencies or titles of representatives attending the closed session as consultants or other representatives.)

(k) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:

AUDIT BY CALIFORNIA STATE AUDITOR'S OFFICE

(Amended by Stats. 2012, Ch. 759, Sec. 6.1. (AB 2690) Effective January 1, 2013.)

54954.6.

(a) (1) Before adopting any new or increased general tax or any new or increased assessment, the legislative body of a local agency shall conduct at least one public meeting at which local officials shall allow public testimony regarding the proposed new or increased general tax or new or increased assessment in addition to the noticed public hearing at which the legislative body proposes to enact or increase the general tax or assessment.

For purposes of this section, the term "new or increased assessment" does not include any of the following:

(A) A fee that does not exceed the reasonable cost of providing the services, facilities, or regulatory activity for which the fee is charged.

(B) A service charge, rate, or charge, unless a special district's principal act requires the service charge, rate, or charge to conform to the requirements of this section.

(C) An ongoing annual assessment if it is imposed at the same or lower amount as any previous year.

(D) An assessment that does not exceed an assessment formula or range of assessments previously specified in the notice given to the public pursuant to subparagraph (G) of paragraph (2) of subdivision (c) and that was previously adopted by the agency or approved by the voters in the area where the assessment is imposed.

(E) Standby or immediate availability charges.

(2) The legislative body shall provide at least 45 days' public notice of the public hearing at which the legislative body proposes to enact or increase the general tax or assessment. The legislative body shall provide notice for the public meeting at the same time and in the same document as the notice for the public hearing, but the meeting shall occur prior to the hearing.

(b) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased general tax shall be accomplished by placing a display advertisement of at least one-eighth page in a newspaper of general circulation for three weeks pursuant to Section 6063 and by a first-class mailing to those interested parties who have filed a written request with the local agency for mailed notice of public meetings or hearings on new or increased general taxes. The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the first publication of the joint notice pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. Notwithstanding paragraph (2) of subdivision (a), the joint notice need not include notice of the public meeting after the meeting has taken place. The public hearing pursuant to subdivision (a) shall take place no earlier than 45 days after the first publication of the joint notice pursuant to this subdivision. Any written request for mailed notices shall be effective for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

(2) The notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) The amount or rate of the tax. If the tax is proposed to be increased from any previous year, the joint notice shall separately state both the existing tax rate and the proposed tax rate increase.

(B) The activity to be taxed.

(C) The estimated amount of revenue to be raised by the tax annually.

(D) The method and frequency for collecting the tax.

(E) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(F) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the tax.

(c) (1) The joint notice of both the public meeting and the public hearing required by subdivision (a) with respect to a proposal for a new or increased assessment on real property or businesses shall be accomplished through a mailing, postage prepaid, in the United States mail and shall be deemed given when so deposited.

The public meeting pursuant to subdivision (a) shall take place no earlier than 10 days after the joint mailing pursuant to this subdivision. The public hearing shall take place no earlier than seven days after the public meeting pursuant to this subdivision. The envelope or the cover of the mailing shall include the name of the local agency and the return address of the sender. This mailed notice shall be in at least 10-point type and shall be given to all property owners or business owners proposed to be subject to the new or increased assessment by a mailing by name to those persons whose names and addresses appear on the last equalized county assessment roll, the State Board of Equalization assessment roll, or the local agency's records pertaining to business ownership, as the case may be.

(2) The joint notice required by paragraph (1) of this subdivision shall include, but not be limited to, the following:

(A) In the case of an assessment proposed to be levied on property, the estimated amount of the assessment per parcel. In the case of an assessment proposed to be levied on businesses, the proposed method and basis of levying the assessment in sufficient detail to allow each business owner to calculate the amount of assessment to be levied against each business. If the assessment is proposed to be increased from any previous year, the joint notice shall separately state both the amount of the existing assessment and the proposed assessment increase.

(B) A general description of the purpose or improvements that the assessment will fund.

(C) The address to which property owners may mail a protest against the assessment.

(D) The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the assessment.

(E) A statement that a majority protest will cause the assessment to be abandoned if the assessment act used to levy the assessment so provides. Notice shall also state the percentage of protests required to trigger an election, if applicable.

(F) The dates, times, and locations of the public meeting and hearing described in subdivision (a).

(G) A proposed assessment formula or range as described in subparagraph (D) of paragraph (1) of subdivision (a) if applicable and that is noticed pursuant to this section.

(3) Notwithstanding paragraph (1), in the case of an assessment that is proposed exclusively for operation and maintenance expenses imposed throughout the entire local agency, or exclusively for operation and maintenance assessments proposed to be levied on 50,000 parcels or more, notice may be provided pursuant to this subdivision or pursuant to paragraph (1) of subdivision (b) and

shall include the estimated amount of the assessment of various types, amounts, or uses of property and the information required by subparagraphs (B) to (G), inclusive, of paragraph (2) of subdivision (c).

(4) Notwithstanding paragraph (1), in the case of an assessment proposed to be levied pursuant to Part 2 (commencing with Section 22500) of Division 2 of the Streets and Highways Code by a regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of, or pursuant to Division 26 (commencing with Section 35100) of, the Public Resources Code, notice may be provided pursuant to paragraph (1) of subdivision (b).

(d) The notice requirements imposed by this section shall be construed as additional to, and not to supersede, existing provisions of law, and shall be applied concurrently with the existing provisions so as to not delay or prolong the governmental decisionmaking process.

(e) This section shall not apply to any new or increased general tax or any new or increased assessment that requires an election of either of the following:

(1) The property owners subject to the assessment.

(2) The voters within the local agency imposing the tax or assessment.

(f) Nothing in this section shall prohibit a local agency from holding a consolidated meeting or hearing at which the legislative body discusses multiple tax or assessment proposals.

(g) The local agency may recover the reasonable costs of public meetings, public hearings, and notice required by this section from the proceeds of the tax or assessment. The costs recovered for these purposes, whether recovered pursuant to this subdivision or any other provision of law, shall not exceed the reasonable costs of the public meetings, public hearings, and notice.

(h) Any new or increased assessment that is subject to the notice and hearing provisions of Article XIII C or XIII D of the California Constitution is not subject to the notice and hearing requirements of this section.

(Amended by Stats. 2011, Ch. 382, Sec. 3.5. (SB 194) Effective January 1, 2012.)

54955.

The legislative body of a local agency may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting the clerk or secretary of the legislative body may declare the meeting adjourned to a stated time and place and he shall cause a written notice of the adjournment to be given in the same manner as provided in Section 54956 for special meetings, unless such notice is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned

regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings by ordinance, resolution, bylaw, or other rule.

(Amended by Stats. 1959, Ch. 647.)

54955.1.

Any hearing being held, or noticed or ordered to be held, by a legislative body of a local agency at any meeting may by order or notice of continuance be continued or reconvened to any subsequent meeting of the legislative body in the same manner and to the same extent set forth in Section 54955 for the adjournment of meetings; provided, that if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

(Added by Stats. 1965, Ch. 469.)

54956.

(a) A special meeting may be called at any time by the presiding officer of the legislative body of a local agency, or by a majority of the members of the legislative body, by delivering written notice to each member of the legislative body and to each local newspaper of general circulation and radio or television station requesting notice in writing and posting a notice on the local agency's Internet Web site, if the local agency has one. The notice shall be delivered personally or by any other means and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted or discussed. No other business shall be considered at these meetings by the legislative body. The written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the clerk or secretary of the legislative body a written waiver of notice. The waiver may be given by telegram. The written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public.

(b) Notwithstanding any other law, a legislative body shall not call a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits, of a local agency executive, as defined in subdivision (d) of Section 3511.1. However, this subdivision does not apply to a local agency calling a special meeting to discuss the local agency's budget.

(c) For purposes of subdivision (a), the requirement that the agenda be posted on the local agency's Internet Web site, if the local agency has one, shall only apply to a legislative body that meets either of the following standards:

(1) A legislative body as that term is defined by subdivision (a) of Section 54952.

(2) A legislative body as that term is defined by subdivision (b) of Section 54952, if the members of the legislative body are compensated for their appearance, and if one or more of the members of the legislative body are also members of a legislative body as that term is defined by subdivision (a) of Section 54952.

(Amended by Stats. 2011, Ch. 692, Sec. 9. (AB 1344) Effective January 1, 2012.)

54956.5.

(a) For purposes of this section, "emergency situation" means both of the following:

(1) An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body.

(2) A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a legislative body to provide one-hour notice before holding an emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body.

(b) (1) Subject to paragraph (2), in the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, a legislative body may hold an emergency meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Section 54956 or both of the notice and posting requirements.

(2) Each local newspaper of general circulation and radio or television station that has requested notice of special meetings pursuant to Section 54956 shall be notified by the presiding officer of the legislative body, or designee thereof, one hour prior to the emergency meeting, or, in the case of a dire emergency, at or near the time that the presiding officer or designee notifies the members of the legislative body of the emergency meeting. This notice shall be given by telephone and all telephone numbers provided in the most recent request of a newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the legislative body, or designee of the legislative body, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting, and any action taken at the meeting as soon after the meeting as possible.

(c) During a meeting held pursuant to this section, the legislative body may meet in closed session pursuant to Section 54957 if agreed to by a two-thirds vote of the members of the legislative body present, or, if less than two-thirds of the members are present, by a unanimous vote of the members present.

(d) All special meeting requirements, as prescribed in Section 54956 shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

(e) The minutes of a meeting called pursuant to this section, a list of persons who the presiding officer of the legislative body, or designee of the legislative body, notified or attempted to notify, a copy of the rollcall vote, and any actions taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

(Amended by Stats. 2002, Ch. 175, Sec. 2. Effective January 1, 2003.)

54956.6.

No fees may be charged by the legislative body of a local agency for carrying out any provision of this chapter, except as specifically authorized by this chapter.

(Added by Stats. 1980, Ch. 1284.)

54956.7.

Whenever a legislative body of a local agency determines that it is necessary to discuss and determine whether an applicant for a license or license renewal, who has a criminal record, is sufficiently rehabilitated to obtain the license, the legislative body may hold a closed session with the applicant and the applicant's attorney, if any, for the purpose of holding the discussion and making the determination. If the legislative body determines, as a result of the closed session, that the issuance or renewal of the license should be denied, the applicant shall be offered the opportunity to withdraw the application. If the applicant withdraws the application, no record shall be kept of the discussions or decisions made at the closed session and all matters relating to the closed session shall be confidential. If the applicant does not withdraw the application, the legislative body shall take action at the public meeting during which the closed session is held or at its next public meeting denying the application for the license but all matters relating to the closed session are confidential and shall not be disclosed without the consent of the applicant, except in an action by an applicant who has been denied a license challenging the denial of the license.

(Added by Stats. 1982, Ch. 298, Sec. 1.)

54956.75.

(a) Nothing contained in this chapter shall be construed to prevent the legislative body of a local agency that has received a confidential final draft audit report from the Bureau of State Audits from holding closed sessions to discuss its response to that report.

(b) After the public release of an audit report by the Bureau of State Audits, if a legislative body of a local agency meets to discuss the audit report, it shall do so in an open session unless exempted from that requirement by some other provision of law.

(Added by Stats. 2004, Ch. 576, Sec. 4. Effective January 1, 2005.)

54956.8.

Notwithstanding any other provision of this chapter, a legislative body of a local agency may hold a closed session with its negotiator prior to the purchase, sale, exchange, or lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its negotiators, the real property or real properties which the negotiations may concern, and the person or persons with whom its negotiators may negotiate.

For purposes of this section, negotiators may be members of the legislative body of the local agency.

For purposes of this section, "lease" includes renewal or renegotiation of a lease. Nothing in this section shall preclude a local agency from holding a closed session for discussions regarding eminent domain proceedings pursuant to Section 54956.9.

(Amended by Stats. 1998, Ch. 260, Sec. 3. Effective January 1, 1999.)

54956.81.

Notwithstanding any other provision of this chapter, a legislative body of a local agency that invests pension funds may hold a closed session to consider the purchase or sale of particular, specific pension fund investments. All investment transaction decisions made during the closed session shall be made by rollcall vote entered into the minutes of the closed session as provided in subdivision (a) of Section 54957.2.

(Added by Stats. 2004, Ch. 533, Sec. 20. Effective January 1, 2005.)

54956.86.

Notwithstanding any other provision of this chapter, a legislative body of a local agency which provides services pursuant to Section 14087.3 of the Welfare and Institutions Code may hold a closed session to hear a charge or complaint from a member enrolled in its health plan if the member does not wish to have his or her name, medical status, or other information that is protected by federal law publicly disclosed. Prior to holding a closed session pursuant to this section, the legislative body shall inform the member, in writing, of his or her right to have the charge or complaint heard in an open session rather than a closed session.

(Added by Stats. 1996, Ch. 182, Sec. 2. Effective January 1, 1997.)

54956.87.

(a) Notwithstanding any other provision of this chapter, the records of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors, whether paper records, records maintained in the management information system, or records in any other form, that relate to provider rate or payment determinations, allocation or distribution methodologies for provider payments, formulas or calculations for these payments, and contract negotiations with providers of health care for alternative rates are exempt from disclosure for a period of three years after the contract is fully executed. The transmission of the records, or the information contained therein in an alternative form, to the board of supervisors shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted to the board of supervisors shall be subject to this same exemption.

(b) Notwithstanding any other provision of law, the governing board of a health plan that is licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code) and that is governed by a county board of supervisors may order that a meeting held solely for the purpose of discussion or taking action on health plan trade secrets, as defined in subdivision (f), shall be held in closed session. The requirements of making a public report of action taken in closed session, and the vote or abstention of every member present, may be limited to a brief general description without the information constituting the trade secret.

(c) Notwithstanding any other provision of law, the governing board of a health plan may meet in closed session to consider and take action on matters pertaining to contracts and contract negotiations by the health plan with providers of health care services concerning all matters related to rates of payment. The governing board may delete the portion or portions containing trade secrets from any documents that were finally approved in the closed session held pursuant to subdivision (b) that are provided to persons who have made the timely or standing request.

(d) Nothing in this section shall be construed as preventing the governing board from meeting in closed session as otherwise provided by law.

(e) The provisions of this section shall not prevent access to any records by the Joint Legislative Audit Committee in the exercise of its powers pursuant to Article 1 (commencing with Section 10500) of Chapter 4 of Part 2 of Division 2 of Title 2. The provisions of this section also shall not prevent access to any records by the Department of Managed Health Care in the exercise of its powers pursuant to Article 1 (commencing with Section 1340) of Chapter 2.2 of Division 2 of the Health and Safety Code.

(f) For purposes of this section, "health plan trade secret" means a trade secret, as defined in subdivision (d) of Section 3426.1 of the Civil Code, that also meets both of the following criteria:

- (1) The secrecy of the information is necessary for the health plan to initiate a new service, program, marketing strategy, business plan, or technology, or to add a benefit or product.

(2) Premature disclosure of the trade secret would create a substantial probability of depriving the health plan of a substantial economic benefit or opportunity.

(Amended by Stats. 2015, Ch. 190, Sec. 65. (AB 1517) Effective January 1, 2016.)

54956.9.

(a) Nothing in this chapter shall be construed to prevent a legislative body of a local agency, based on advice of its legal counsel, from holding a closed session to confer with, or receive advice from, its legal counsel regarding pending litigation when discussion in open session concerning those matters would prejudice the position of the local agency in the litigation.

(b) For purposes of this chapter, all expressions of the lawyer-client privilege other than those provided in this section are hereby abrogated. This section is the exclusive expression of the lawyer-client privilege for purposes of conducting closed-session meetings pursuant to this chapter.

(c) For purposes of this section, "litigation" includes any adjudicatory proceeding, including eminent domain, before a court, administrative body exercising its adjudicatory authority, hearing officer, or arbitrator.

(d) For purposes of this section, litigation shall be considered pending when any of the following circumstances exist:

(1) Litigation, to which the local agency is a party, has been initiated formally.

(2) A point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the local agency.

(3) Based on existing facts and circumstances, the legislative body of the local agency is meeting only to decide whether a closed session is authorized pursuant to paragraph (2).

(4) Based on existing facts and circumstances, the legislative body of the local agency has decided to initiate or is deciding whether to initiate litigation.

(e) For purposes of paragraphs (2) and (3) of subdivision (d), "existing facts and circumstances" shall consist only of one of the following:

(1) Facts and circumstances that might result in litigation against the local agency but which the local agency believes are not yet known to a potential plaintiff or plaintiffs, which facts and circumstances need not be disclosed.

(2) Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the agency and that are known to a potential plaintiff or plaintiffs, which facts or circumstances shall be publicly stated on the agenda or announced.

(3) The receipt of a claim pursuant to the Government Claims Act (Division 3.6 (commencing with Section 810) of Title 1 of the Government Code) or some

other written communication from a potential plaintiff threatening litigation, which claim or communication shall be available for public inspection pursuant to Section 54957.5.

(4) A statement made by a person in an open and public meeting threatening litigation on a specific matter within the responsibility of the legislative body.

(5) A statement threatening litigation made by a person outside an open and public meeting on a specific matter within the responsibility of the legislative body so long as the official or employee of the local agency receiving knowledge of the threat makes a contemporaneous or other record of the statement prior to the meeting, which record shall be available for public inspection pursuant to Section 54957.5. The records so created need not identify the alleged victim of unlawful or tortious sexual conduct or anyone making the threat on their behalf, or identify a public employee who is the alleged perpetrator of any unlawful or tortious conduct upon which a threat of litigation is based, unless the identity of the person has been publicly disclosed.

(f) Nothing in this section shall require disclosure of written communications that are privileged and not subject to disclosure pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1).

(g) Prior to holding a closed session pursuant to this section, the legislative body of the local agency shall state on the agenda or publicly announce the paragraph of subdivision (d) that authorizes the closed session. If the session is closed pursuant to paragraph (1) of subdivision (d), the body shall state the title of or otherwise specifically identify the litigation to be discussed, unless the body states that to do so would jeopardize the agency's ability to effectuate service of process upon one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(h) A local agency shall be considered to be a "party" or to have a "significant exposure to litigation" if an officer or employee of the local agency is a party or has significant exposure to litigation concerning prior or prospective activities or alleged activities during the course and scope of that office or employment, including litigation in which it is an issue whether an activity is outside the course and scope of the office or employment.

(Amended by Stats. 2021, Ch. 615, Sec. 206. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

54956.95.

(a) Nothing in this chapter shall be construed to prevent a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, for purposes of insurance pooling, or a local agency member of the joint powers agency, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the joint powers agency or a local agency member of the joint powers agency.

(b) Nothing in this chapter shall be construed to prevent the Local Agency Self-Insurance Authority formed pursuant to Chapter 5.5 (commencing with Section 6599.01) of Division 7 of Title 1, or a local agency member of the authority, from holding a closed session to discuss a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the authority or a local agency member of the authority.

(c) Nothing in this section shall be construed to affect Section 54956.9 with respect to any other local agency.

(Added by Stats. 1989, Ch. 882, Sec. 3.)

54956.96.

(a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

(1) All information received by the legislative body of the local agency member in a closed session related to the information presented to the joint powers agency in closed session shall be confidential. However, a member of the legislative body of a local agency member may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(B) Other members of the legislative body of the local agency present in a closed session of that local agency member.

(2) Any designated alternate member of the legislative body of the joint powers agency who is also a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the joint powers agency in lieu of a local agency member's regularly appointed member to attend closed sessions of the joint powers agency.

(b) (1) In addition to the authority described in subdivision (a), the Clean Power Alliance of Southern California, or its successor entity, may adopt a policy or a bylaw or include in its joint powers agreement a provision that authorizes both of the following:

(A) A designated alternate member of the legislative body of the Clean Power Alliance of Southern California, or its successor entity, who is not a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the Clean Power Alliance of Southern California, or its successor entity, in lieu of a local agency member's regularly appointed member, to attend closed sessions of the Clean Power Alliance of Southern California, or its successor entity.

(B) All information that is received by a designated alternate member of the legislative body of the Clean Power Alliance of Southern California, or its successor entity, who is not a member of the legislative body of a local agency member, and that is presented to the Clean Power Alliance of Southern California, or its successor entity, in closed session, shall be confidential. However, the designated alternate member may disclose information obtained in a closed session that has direct financial or liability implications for the local agency member for which the designated alternate member attended the closed session, to the following individuals:

(i) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(ii) Members of the legislative body of the local agency present in a closed session of that local agency member.

(2) If the Clean Power Alliance of Southern California, or its successor entity, adopts a policy or bylaw or includes in its joint powers agreement a provision authorized pursuant to paragraph (1), the Clean Power Alliance of Southern California, or its successor entity, shall establish policies to prevent conflicts of interest and to address breaches of confidentiality that apply to a designated alternate member who is not a member of the legislative body of a local agency member who attends a closed session of the Clean Power Alliance of Southern California, or its successor entity.

(c) If the legislative body of a joint powers agency adopts a policy or a bylaw or includes provisions in its joint powers agreement pursuant to subdivision (a) or (b), then the legislative body of the local agency member, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the joint powers agency pursuant to paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b).

(d) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.

(Amended by Stats. 2019, Ch. 248, Sec. 1. (SB 355) Effective January 1, 2020. Repealed as of January 1, 2025, by its own provisions. See later operative version added by Sec. 2 of Stats. 2019, Ch. 248.)

54956.96.

(a) Nothing in this chapter shall be construed to prevent the legislative body of a joint powers agency formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, from adopting a policy or a bylaw or including in its joint powers agreement provisions that authorize either or both of the following:

(1) All information received by the legislative body of the local agency member in a closed session related to the information presented to the joint powers agency in closed session shall be confidential. However, a member of the legislative body of a local agency member may disclose information obtained in a closed session

that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that local agency member for purposes of obtaining advice on whether the matter has direct financial or liability implications for that local agency member.

(B) Other members of the legislative body of the local agency present in a closed session of that local agency member.

(2) A designated alternate member of the legislative body of the joint powers agency who is also a member of the legislative body of a local agency member and who is attending a properly noticed meeting of the joint powers agency in lieu of a local agency member's regularly appointed member to attend closed sessions of the joint powers agency.

(b) If the legislative body of a joint powers agency adopts a policy or a bylaw or includes provisions in its joint powers agreement pursuant to subdivision (a), then the legislative body of the local agency member, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the joint powers agency pursuant to paragraph (1) of subdivision (a).

(c) This section shall become operative on January 1, 2025.

(Repealed (in Sec. 1) and added by Stats. 2019, Ch. 248, Sec. 2. (SB 355) Effective January 1, 2020. Section operative January 1, 2025, by its own provisions.)

54956.97.

Notwithstanding any provision of law, the governing board, or a committee of the governing board, of a public bank, as defined in Section 57600 of the Government Code, may meet in closed session to consider and take action on matters pertaining to all of the following:

(a) A loan or investment decision.

(b) A decision of the internal audit committee, the compliance committee, or the governance committee.

(c) A meeting with a state or federal regulator.

(Added by Stats. 2019, Ch. 442, Sec. 14. (AB 857) Effective January 1, 2020.)

54956.98.

(a) For purposes of this section, the following definitions shall apply:

(1) "Shareholder, member, or owner local agency" or "shareholder, member, or owner" means a local agency that is a shareholder of a public bank.

(2) "Public bank" has the same meaning as defined in Section 57600.

(b) The governing board of a public bank may adopt a policy or a bylaw or include in its governing documents provisions that authorize any of the following:

(1) All information received by a shareholder, member, or owner of the public bank in a closed session related to the information presented to the governing board of a public bank in closed session shall be confidential. However, a member of the governing board of a shareholder, member, or owner local agency may disclose information obtained in a closed session that has direct financial or liability implications for that local agency to the following individuals:

(A) Legal counsel of that shareholder, member, or owner local agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that shareholder local agency.

(B) Other members of the governing board of the local agency present in a closed session of that shareholder, member, or owner local agency.

(2) A designated alternate member of the governing board of the public bank who is also a member of the governing board of a shareholder, member, or owner local agency and who is attending a properly noticed meeting of the public bank governing board in lieu of a shareholder, member, or owner local agency's regularly appointed member may attend a closed session of the public bank governing board.

(c) If the governing board of a public bank adopts a policy or a bylaw or includes provisions in its governing documents pursuant to subdivision (b), then the governing board of the shareholder, member, or owner local agency, upon the advice of its legal counsel, may conduct a closed session in order to receive, discuss, and take action concerning information obtained in a closed session of the public bank governing board pursuant to paragraph (1) of subdivision (b).

(Added by Stats. 2019, Ch. 442, Sec. 15. (AB 857) Effective January 1, 2020.)

54957.

(a) This chapter shall not be construed to prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or their respective deputies, or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, or a threat to the public's right of access to public services or public facilities.

(b) (1) Subject to paragraph (2), this chapter shall not be construed to prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

(2) As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of his or her right to have the complaints or charges

heard in an open session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

(3) The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

(4) For the purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline.

(Amended by Stats. 2013, Ch. 11, Sec. 1. (AB 246) Effective January 1, 2014.)

54957.1.

(a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention on that action of every member present, as follows:

(1) Approval of an agreement concluding real estate negotiations pursuant to Section 54956.8 shall be reported after the agreement is final, as follows:

(A) If its own approval renders the agreement final, the body shall report that approval and the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with the other party to the negotiations, the local agency shall disclose the fact of that approval and the substance of the agreement upon inquiry by any person, as soon as the other party or its agent has informed the local agency of its approval.

(2) Approval given to its legal counsel to defend, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in any form of litigation as the result of a consultation under Section 54956.9 shall be reported in open session at the public meeting during which the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. In the case of approval given to initiate or intervene in an action, the announcement need not identify the action, the defendants, or other particulars, but shall specify that the direction to initiate or intervene in an action has been given and that the action, the defendants, and the other particulars shall, once

formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(3) Approval given to its legal counsel of a settlement of pending litigation, as defined in Section 54956.9, at any stage prior to or during a judicial or quasi-judicial proceeding shall be reported after the settlement is final, as follows:

(A) If the legislative body accepts a settlement offer signed by the opposing party, the body shall report its acceptance and identify the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.

(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.

(7) Pension fund investment transaction decisions made pursuant to Section 54956.81 shall be disclosed at the first open meeting of the legislative body held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.

(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section

54954.1 or 54956, if the requester is present at the time the closed session ends, copies of any contracts, settlement agreements, or other documents that were finally approved or adopted in the closed session. If the action taken results in one or more substantive amendments to the related documents requiring retyping, the documents need not be released until the retyping is completed during normal business hours, provided that the presiding officer of the legislative body or his or her designee orally summarizes the substance of the amendments for the benefit of the document requester or any other person present and requesting the information.

(c) The documentation referred to in subdivision (b) shall be available to any person on the next business day following the meeting in which the action referred to is taken or, in the case of substantial amendments, when any necessary retyping is complete.

(d) Nothing in this section shall be construed to require that the legislative body approve actions not otherwise subject to legislative body approval.

(e) No action for injury to a reputational, liberty, or other personal interest may be commenced by or on behalf of any employee or former employee with respect to whom a disclosure is made by a legislative body in an effort to comply with this section.

(f) This section is necessary to implement, and reasonably within the scope of, paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

(Amended by Stats. 2006, Ch. 538, Sec. 311. Effective January 1, 2007.)

54957.2.

(a) The legislative body of a local agency may, by ordinance or resolution, designate a clerk or other officer or employee of the local agency who shall then attend each closed session of the legislative body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be kept confidential. The minute book shall be available only to members of the legislative body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction wherein the local agency lies. The minute book may, but need not, consist of a recording of the closed session.

(b) An elected legislative body of a local agency may require that each legislative body all or a majority of whose members are appointed by or under the authority of the elected legislative body keep a minute book as prescribed under subdivision (a).

(Amended by Stats. 2021, Ch. 615, Sec. 207. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

54957.5.

(a) Agendas of public meetings are disclosable public records under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), and shall be made available upon request without delay and in compliance with Section 54954.2 or Section 54956, as applicable. However, this section shall not apply to a writing, or portion thereof, that is exempt from public disclosure.

(b) (1) If a writing is a public record related to an agenda item for an open session of a regular meeting of the legislative body of a local agency and is distributed to all, or a majority of all, of the members of a legislative body of a local agency by a person in connection with a matter subject to discussion or consideration at an open meeting of the body less than 72 hours before that meeting, the writing shall be made available for public inspection pursuant to paragraph (2) at the time the writing is distributed to all, or a majority of all, of the members of the body.

(2) (A) Except as provided in subparagraph (B), a local agency shall comply with both of the following requirements:

(i) A local agency shall make any writing described in paragraph (1) available for public inspection at a public office or location that the agency shall designate for this purpose.

(ii) A local agency shall list the address of the office or location designated pursuant to clause (i) on the agendas for all meetings of the legislative body of that agency.

(B) A local agency shall not be required to comply with the requirements of subparagraph (A) if all of the following requirements are met:

(i) An initial staff report or similar document containing an executive summary and the staff recommendation, if any, relating to that agenda item is made available for public inspection at the office or location designated pursuant to clause (i) of subparagraph (A) at least 72 hours before the meeting.

(ii) The local agency immediately posts any writing described in paragraph (1) on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

(iii) The local agency lists the web address of the local agency's internet website on the agendas for all meetings of the legislative body of that agency.

(iv) (I) Subject to subclause (II), the local agency makes physical copies available for public inspection, beginning the next regular business hours for the local agency, at the office or location designated pursuant to clause (i) of subparagraph (A).

(II) This clause is satisfied only if the next regular business hours of the local agency commence at least 24 hours before that meeting.

(c) Writings that are public records described in subdivision (b) and distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the local agency or a member of its legislative body, or after the meeting if prepared by some other person. These writings shall be made available in appropriate alternative formats upon request by a person 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.

(d) This chapter shall not be construed to prevent the legislative body of a local agency from charging a fee or deposit for a copy of a public record pursuant to Section 7922.530, except that a surcharge shall not be imposed on persons with disabilities in violation of 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.

(e) This section shall not be construed to limit or delay the public's right to inspect or obtain a copy of any record required to be disclosed under the requirements of the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1), including, but not limited to, the ability of the public to inspect public records pursuant to Section 7922.525 and obtain copies of public records pursuant to either subdivision (b) of Section 7922.530 or Section 7922.535. This chapter shall not be construed to require a legislative body of a local agency to place any paid advertisement or any other paid notice in any publication.

(Amended (as amended by Stats. 2021, Ch. 615, Sec. 208) by Stats. 2022, Ch. 971, Sec. 1. (AB 2647) Effective January 1, 2023.)

54957.6.

(a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation.

However, prior to the closed session, the legislative body of the local agency shall hold an open and public session in which it identifies its designated representatives. Closed sessions of a legislative body of a local agency, as permitted in this section, shall be for the purpose of reviewing its position and instructing the local agency's designated representatives.

Closed sessions, as permitted in this section, may take place prior to and during consultations and discussions with representatives of employee organizations and unrepresented employees.

Closed sessions with the local agency's designated representative regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits may include discussion of an agency's available funds and funding priorities, but only insofar as these discussions relate to providing instructions to the local agency's designated representative.

Closed sessions held pursuant to this section shall not include final action on the proposed compensation of one or more unrepresented employees.

For the purposes enumerated in this section, a legislative body of a local agency may also meet with a state conciliator who has intervened in the proceedings.

(b) For the purposes of this section, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee, but shall not include any elected official, member of a legislative body, or other independent contractors.

(Amended by Stats. 1998, Ch. 260, Sec. 5. Effective January 1, 1999.)

54957.7.

(a) Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.

(b) After any closed session, the legislative body shall reconvene into open session prior to adjournment and shall make any disclosures required by Section 54957.1 of action taken in the closed session.

(c) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcements.

(Amended by Stats. 1993, Ch. 1137, Sec. 15. Effective January 1, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 1137.)

54957.8.

(a) For purposes of this section, "multijurisdictional law enforcement agency" means a joint powers entity formed pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 that provides law enforcement services for the parties to the joint powers agreement for the purpose of investigating criminal activity involving drugs; gangs; sex crimes; firearms trafficking or felony possession of a firearm; high technology, computer, or identity theft; human trafficking; or vehicle theft.

(b) Nothing contained in this chapter shall be construed to prevent the legislative body of a multijurisdictional law enforcement agency, or an advisory body of a multijurisdictional law enforcement agency, from holding closed sessions to discuss the case records of any ongoing criminal investigation of the multijurisdictional law enforcement agency or of any party to the joint powers agreement, to hear testimony from persons involved in the investigation, and to discuss courses of action in particular cases.

(Amended by Stats. 2006, Ch. 427, Sec. 1. Effective September 22, 2006.)

54957.9.

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the legislative body conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.

(Amended by Stats. 1981, Ch. 968, Sec. 34.)

54957.95.

(a) (1) In addition to authority exercised pursuant to Sections 54954.3 and 54957.9, the presiding member of the legislative body conducting a meeting or their designee may remove, or cause the removal of, an individual for disrupting the meeting.

(2) Prior to removing an individual, the presiding member or their designee shall warn the individual that their behavior is disrupting the meeting and that their failure to cease their behavior may result in their removal. The presiding member or their designee may then remove the individual if they do not promptly cease their disruptive behavior. This paragraph does not apply to any behavior described in subparagraph (B) of paragraph (1) of subdivision (b).

(b) As used in this section:

(1) "Disrupting" means engaging in behavior during a meeting of a legislative body that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting and includes, but is not limited to, one of the following:

(A) A failure to comply with reasonable and lawful regulations adopted by a legislative body pursuant to Section 54954.3 or any other law.

(B) Engaging in behavior that constitutes use of force or a true threat of force.

(2) "True threat of force" means a threat that has sufficient indicia of intent and seriousness, that a reasonable observer would perceive it to be an actual threat to use force by the person making the threat.

(Added by Stats. 2022, Ch. 171, Sec. 2. (SB 1100) Effective January 1, 2023.)

54957.10.

Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions to discuss a local agency employee's application for early withdrawal of funds in a deferred compensation plan when the application is based on financial hardship arising from an unforeseeable emergency due to illness, accident, casualty, or other extraordinary event, as specified in the deferred compensation plan.

(Added by Stats. 2001, Ch. 45, Sec. 1. Effective January 1, 2002.)

54958.

The provisions of this chapter shall apply to the legislative body of every local agency notwithstanding the conflicting provisions of any other state law.

(Added by Stats. 1953, Ch. 1588.)

54959.

Each member of a legislative body who attends a meeting of that legislative body where action is taken in violation of any provision of this chapter, and where the member intends to deprive the public of information to which the member knows or has reason to know the public is entitled under this chapter, is guilty of a misdemeanor.

(Amended by Stats. 1994, Ch. 32, Sec. 18. Effective March 30, 1994. Operative April 1, 1994, by Sec. 23 of Ch. 32.)

54960.

(a) The district attorney or any interested person may commence an action by mandamus, injunction, or declaratory relief for the purpose of stopping or preventing violations or threatened violations of this chapter by members of the legislative body of a local agency or to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body, or to determine the applicability of this chapter to past actions of the legislative body, subject to Section 54960.2, or to determine whether any rule or action by the legislative body to penalize or otherwise discourage the expression of one or more of its members is valid or invalid under the laws of this state or of the United States, or to compel the legislative body to audio record its closed sessions as hereinafter provided.

(b) The court in its discretion may, upon a judgment of a violation of Section 54956.7, 54956.8, 54956.9, 54956.95, 54957, or 54957.6, order the legislative body to audio record its closed sessions and preserve the audio recordings for the period and under the terms of security and confidentiality the court deems appropriate.

(c) (1) Each recording so kept shall be immediately labeled with the date of the closed session recorded and the title of the clerk or other officer who shall be custodian of the recording.

(2) The audio recordings shall be subject to the following discovery procedures:

(A) In any case in which discovery or disclosure of the audio recording is sought by either the district attorney or the plaintiff in a civil action pursuant to Section 54959, 54960, or 54960.1 alleging that a violation of this chapter has occurred in a closed session that has been recorded pursuant to this section, the party seeking discovery or disclosure shall file a written notice of motion with the appropriate court with notice to the governmental agency that has custody and control of the audio recording. The notice shall be given pursuant to subdivision (b) of Section 1005 of the Code of Civil Procedure.

(B) The notice shall include, in addition to the items required by Section 1010 of the Code of Civil Procedure, all of the following:

(i) Identification of the proceeding in which discovery or disclosure is sought, the party seeking discovery or disclosure, the date and time of the meeting recorded, and the governmental agency that has custody and control of the recording.

(ii) An affidavit that contains specific facts indicating that a violation of the act occurred in the closed session.

(3) If the court, following a review of the motion, finds that there is good cause to believe that a violation has occurred, the court may review, in camera, the recording of that portion of the closed session alleged to have violated the act.

(4) If, following the in camera review, the court concludes that disclosure of a portion of the recording would be likely to materially assist in the resolution of the litigation alleging violation of this chapter, the court shall, in its discretion, make a certified transcript of the portion of the recording a public exhibit in the proceeding.

(5) This section shall not permit discovery of communications that are protected by the attorney-client privilege.

(Amended by Stats. 2012, Ch. 732, Sec. 1. (SB 1003) Effective January 1, 2013.)

54960.1.

(a) The district attorney or any interested person may commence an action by mandamus or injunction for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 is null and void under this section. Nothing in this chapter shall be construed to prevent a legislative body from curing or correcting an action challenged pursuant to this section.

(b) Prior to any action being commenced pursuant to subdivision (a), the district attorney or interested person shall make a demand of the legislative body to cure or correct the action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5. The demand shall be in writing

and clearly describe the challenged action of the legislative body and nature of the alleged violation.

(c) (1) The written demand shall be made within 90 days from the date the action was taken unless the action was taken in an open session but in violation of Section 54954.2, in which case the written demand shall be made within 30 days from the date the action was taken.

(2) Within 30 days of receipt of the demand, the legislative body shall cure or correct the challenged action and inform the demanding party in writing of its actions to cure or correct or inform the demanding party in writing of its decision not to cure or correct the challenged action.

(3) If the legislative body takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the challenged action, and the 15-day period to commence the action described in subdivision (a) shall commence to run the day after the 30-day period to cure or correct expires.

(4) Within 15 days of receipt of the written notice of the legislative body's decision to cure or correct, or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall be required to commence the action pursuant to subdivision (a) or thereafter be barred from commencing the action.

(d) An action taken that is alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 shall not be determined to be null and void if any of the following conditions exist:

(1) The action taken was in substantial compliance with Sections 54953, 54954.2, 54954.5, 54954.6, 54956, and 54956.5.

(2) The action taken was in connection with the sale or issuance of notes, bonds, or other evidences of indebtedness or any contract, instrument, or agreement thereto.

(3) The action taken gave rise to a contractual obligation, including a contract let by competitive bid other than compensation for services in the form of salary or fees for professional services, upon which a party has, in good faith and without notice of a challenge to the validity of the action, detrimentally relied.

(4) The action taken was in connection with the collection of any tax.

(5) Any person, city, city and county, county, district, or any agency or subdivision of the state alleging noncompliance with subdivision (a) of Section 54954.2, Section 54956, or Section 54956.5, because of any defect, error, irregularity, or omission in the notice given pursuant to those provisions, had actual notice of the item of business at least 72 hours prior to the meeting at which the action was taken, if the meeting was noticed pursuant to Section 54954.2, or 24 hours prior to the meeting at which the action was taken if the meeting was noticed pursuant to Section 54956, or prior to the meeting at which the action was taken if the meeting is held pursuant to Section 54956.5.

(e) During any action seeking a judicial determination pursuant to subdivision (a) if the court determines, pursuant to a showing by the legislative body that an action alleged to have been taken in violation of Section 54953, 54954.2, 54954.5, 54954.6, 54956, or 54956.5 has been cured or corrected by a subsequent action of the legislative body, the action filed pursuant to subdivision (a) shall be dismissed with prejudice.

(f) The fact that a legislative body takes a subsequent action to cure or correct an action taken pursuant to this section shall not be construed or admissible as evidence of a violation of this chapter.

(Amended by Stats. 2002, Ch. 454, Sec. 23. Effective January 1, 2003.)

54960.2.

(a) The district attorney or any interested person may file an action to determine the applicability of this chapter to past actions of the legislative body pursuant to subdivision (a) of Section 54960 only if all of the following conditions are met:

(1) The district attorney or interested person alleging a violation of this chapter first submits a cease and desist letter by postal mail or facsimile transmission to the clerk or secretary of the legislative body being accused of the violation, as designated in the statement pertaining to that public agency on file pursuant to Section 53051, or if the agency does not have a statement on file designating a clerk or a secretary, to the chief executive officer of that agency, clearly describing the past action of the legislative body and nature of the alleged violation.

(2) The cease and desist letter required under paragraph (1) is submitted to the legislative body within nine months of the alleged violation.

(3) The time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b) has expired and the legislative body has not provided an unconditional commitment pursuant to subdivision (c).

(4) Within 60 days of receipt of the legislative body's response to the cease and desist letter, other than an unconditional commitment pursuant to subdivision (c), or within 60 days of the expiration of the time during which the legislative body may respond to the cease and desist letter pursuant to subdivision (b), whichever is earlier, the party submitting the cease and desist letter shall commence the action pursuant to subdivision (a) of Section 54960 or thereafter be barred from commencing the action.

(b) The legislative body may respond to a cease and desist letter submitted pursuant to subdivision (a) within 30 days of receiving the letter. This subdivision shall not be construed to prevent the legislative body from providing an unconditional commitment pursuant to subdivision (c) at any time after the 30-day period has expired, except that in that event the court shall award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to this section, in accordance with Section 54960.5.

(c) (1) If the legislative body elects to respond to the cease and desist letter with an unconditional commitment to cease, desist from, and not repeat the past action that is alleged to violate this chapter, that response shall be in substantially the following form:

To _____:

The [name of legislative body] has received your cease and desist letter dated [date] alleging that the following described past action of the legislative body violates the Ralph M. Brown Act:

[Describe alleged past action, as set forth in the cease and desist letter submitted pursuant to subdivision (a)]

In order to avoid unnecessary litigation and without admitting any violation of the Ralph M. Brown Act, the [name of legislative body] hereby unconditionally commits that it will cease, desist from, and not repeat the challenged past action as described above.

The [name of legislative body] may rescind this commitment only by a majority vote of its membership taken in open session at a regular meeting and noticed on its posted agenda as "Rescission of Brown Act Commitment." You will be provided with written notice, sent by any means or media you provide in response to this message, to whatever address or addresses you specify, of any intention to consider rescinding this commitment at least 30 days before any such regular meeting. In the event that this commitment is rescinded, you will have the right to commence legal action pursuant to subdivision (a) of Section 54960 of the Government Code. That notice will be delivered to you by the same means as this commitment, or may be mailed to an address that you have designated in writing.

Very truly yours,

[Chairperson or acting chairperson of the legislative body]

(2) An unconditional commitment pursuant to this subdivision shall be approved by the legislative body in open session at a regular or special meeting as a separate item of business, and not on its consent agenda.

(3) An action shall not be commenced to determine the applicability of this chapter to any past action of the legislative body for which the legislative body has provided an unconditional commitment pursuant to this subdivision. During any action seeking a judicial determination regarding the applicability of this chapter to any past action of the legislative body pursuant to subdivision (a), if the court determines that the legislative body has provided an unconditional commitment pursuant to this subdivision, the action shall be dismissed with

prejudice. Nothing in this subdivision shall be construed to modify or limit the existing ability of the district attorney or any interested person to commence an action to determine the applicability of this chapter to ongoing actions or threatened future actions of the legislative body.

(4) Except as provided in subdivision (d), the fact that a legislative body provides an unconditional commitment shall not be construed or admissible as evidence of a violation of this chapter.

(d) If the legislative body provides an unconditional commitment as set forth in subdivision (c), the legislative body shall not thereafter take or engage in the challenged action described in the cease and desist letter, except as provided in subdivision (e). Violation of this subdivision shall constitute an independent violation of this chapter, without regard to whether the challenged action would otherwise violate this chapter. An action alleging past violation or threatened future violation of this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

(e) The legislative body may resolve to rescind an unconditional commitment made pursuant to subdivision (c) by a majority vote of its membership taken in open session at a regular meeting as a separate item of business not on its consent agenda, and noticed on its posted agenda as "Rescission of Brown Act Commitment," provided that not less than 30 days prior to such regular meeting, the legislative body provides written notice of its intent to consider the rescission to each person to whom the unconditional commitment was made, and to the district attorney. Upon rescission, the district attorney or any interested person may commence an action pursuant to subdivision (a) of Section 54960. An action under this subdivision may be brought pursuant to subdivision (a) of Section 54960, without regard to the procedural requirements of this section.

(Added by Stats. 2012, Ch. 732, Sec. 2. (SB 1003) Effective January 1, 2013.)

54960.5.

A court may award court costs and reasonable attorney fees to the plaintiff in an action brought pursuant to Section 54960, 54960.1, or 54960.2 where it is found that a legislative body of the local agency has violated this chapter. Additionally, when an action brought pursuant to Section 54960.2 is dismissed with prejudice because a legislative body has provided an unconditional commitment pursuant to paragraph (1) of subdivision (c) of that section at any time after the 30-day period for making such a commitment has expired, the court shall award court costs and reasonable attorney fees to the plaintiff if the filing of that action caused the legislative body to issue the unconditional commitment. The costs and fees shall be paid by the local agency and shall not become a personal liability of any public officer or employee of the local agency.

A court may award court costs and reasonable attorney fees to a defendant in any action brought pursuant to Section 54960 or 54960.1 where the defendant has prevailed in a final determination of such action and the court finds that the action was clearly frivolous and totally lacking in merit.

(Amended by Stats. 2012, Ch. 732, Sec. 3. (SB 1003) Effective January 1, 2013.)

54961.

(a) No legislative body of a local agency shall conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of ancestry or any characteristic listed or defined in Section 11135, or which is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase. This section shall apply to every local agency as defined in Section 54951.

(b) No notice, agenda, announcement, or report required under this chapter need identify any victim or alleged victim of tortious sexual conduct or child abuse unless the identity of the person has been publicly disclosed.

(Amended by Stats. 2007, Ch. 568, Sec. 35. Effective January 1, 2008.)

54962.

Except as expressly authorized by this chapter, or by Sections 1461, 1462, 32106, and 32155 of the Health and Safety Code, or by Sections 37606, 37606.1, and 37624.3 of the Government Code as they apply to hospitals, or by any provision of the Education Code pertaining to school districts and community college districts, no closed session may be held by any legislative body of any local agency.

(Amended by Stats. 2006, Ch. 157, Sec. 2. Effective January 1, 2007.)

54963.

(a) A person may not disclose confidential information that has been acquired by being present in a closed session authorized by Section 54956.7, 54956.8, 54956.86, 54956.87, 54956.9, 54957, 54957.6, 54957.8, or 54957.10 to a person not entitled to receive it, unless the legislative body authorizes disclosure of that confidential information.

(b) For purposes of this section, "confidential information" means a communication made in a closed session that is specifically related to the basis for the legislative body of a local agency to meet lawfully in closed session under this chapter.

(c) Violation of this section may be addressed by the use of such remedies as are currently available by law, including, but not limited to:

(1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.

(2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.

(3) Referral of a member of a legislative body who has willfully disclosed confidential information in violation of this section to the grandjury.

(d) Disciplinary action pursuant to paragraph (2) of subdivision (c) shall require that the employee in question has either received training as to the requirements of this section or otherwise has been given notice of the requirements of this section.

(e) A local agency may not take any action authorized by subdivision (c) against a person, nor shall it be deemed a violation of this section, for doing any of the following:

(1) Making a confidential inquiry or complaint to a district attorney or grand jury concerning a perceived violation of law, including disclosing facts to a district attorney or grand jury that are necessary to establish the illegality of an action taken by a legislative body of a local agency or the potential illegality of an action that has been the subject of deliberation at a closed session if that action were to be taken by a legislative body of a local agency.

(2) Expressing an opinion concerning the propriety or legality of actions taken by a legislative body of a local agency in closed session, including disclosure of the nature and extent of the illegal or potentially illegal action.

(3) Disclosing information acquired by being present in a closed session under this chapter that is not confidential information.

(f) Nothing in this section shall be construed to prohibit disclosures under the whistleblower statutes contained in Section 1102.5 of the Labor Code or Article 4.5 (commencing with Section 53296) of Chapter 2 of this code.

(Added by Stats. 2002, Ch. 1119, Sec. 1. Effective January 1, 2003.)

<p>California Department of Justice</p> <p>OFFICE OF THE ATTORNEY GENERAL</p> 	<h1>Legal Alert</h1>	
<p><i>Subject:</i></p> <p>The Water Shutoff Protection Act</p>	<p><i>No.</i></p> <p>OAG-2022-04</p> <p><i>Date:</i></p> <p>October 26, 2022</p>	<p><i>Contact for information:</i></p> <p>EJ@doj.ca.gov</p>

TO: All Urban and Community Water Systems

The Office of the California Attorney General issues this legal alert to remind all water systems of the requirements of the Water Shutoff Protection Act.

In 2019, the Legislature adopted Senate Bill 998, the Water Shutoff Protection Act (the Act), Health and Safety Code Sections 116900 *et. seq.*, increasing protections for residents facing termination of water service due to non-payment.¹ In enacting these protections, the Legislature recognized that water debt and residential water shutoffs threaten human health and well-being and “have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.” (Sen. Bill. 998 (2017-2018 Reg. Sess.) §1, subd. (c).)

Although covered water systems were required to comply with the Act beginning in 2020, Governor Newsom issued Executive Order N-42-20 on April 2, 2020 due to the COVID-19 emergency, which temporarily prohibited the discontinuation of residential service for non-payment of a water bill. The COVID-19 emergency moratorium on residential water shutoffs expired in January 2022. The provisions of the Water Shutoff Protection Act remain in effect.

The Act applies to each “urban and community water system,” which it defines as “a public water system that supplies water to more than 200 service connections.” (§116902, subd. (d).) The Act **applies only to the discontinuation of residential water service for nonpayment.** (§§116906, subd. (a); 116902, subd. (c).) **The Act does not apply to terminations due to an unauthorized action by a customer.** (§116926.) The Act has several new requirements for termination of water service due to nonpayment, discussed below.

Urban and community water systems should immediately cease all water shutoffs that do not comply with the Act. **Water systems that have not yet adopted compliant policies and made them available to the public must do so immediately.** The State Water Resources Control Board and the California Public Utilities Commission have authority to issue citations with monetary penalties to non-compliant water systems. The Attorney General and the California Public Utilities Commission can enforce the Act by seeking a temporary or permanent injunction against non-compliant water systems.

¹ All statutory references are to the Health and Safety Code.

No Water Shutoffs Unless At Least 60-Days Delinquent

- Under the Act, an urban and community water system cannot discontinue service until a payment by a customer has been delinquent for at least 60 days. (§116908, subd. (a)(1)(A).)
- If service is discontinued for nonpayment, the water system is required to provide information about how to restore residential service. (§116912.)
- The Act also prohibits water shutoffs for residents who meet certain health and financial requirements and who are willing to make alternative payments. (§116910.)
- Reconnection fees are limited by the Act for residents with income below 200 percent of the federal poverty level and those residents are entitled to a waiver of interest charges on delinquent bills once every 12 months. (§116914.)

Written Policy Required

The Act requires every urban and community water system to have a written policy on discontinuation of residential water service for nonpayment. The policy shall include all of the following:

- (1) a plan for deferred or reduced payments;
- (2) alternative payment schedules;
- (3) a formal mechanism for a customer to contest or appeal a bill; and
- (4) a telephone number for a customer to discuss options to avoid discontinuation of service due to nonpayment. (§116906, subd. (a).)

This policy shall be available on a website if the provider has one. (§116906, subd. (b).) The policy shall be available in English, Spanish, Chinese, Tagalog, Vietnamese and Korean and any other language spoken by at least 10 percent of the people residing in the service area. (§116906, subd. (a); Civil Code, §1632.) If the water system does not have a website, the policy shall be provided to the customer upon request. (§116906, subd. (b).)

Telephone or Written Notification Requirements

The Act also addresses the notice which must be provided to the person listed on the water bill and provides notification protections for tenants, including:

- Notice must be provided to the person listed on the water bill at least 7 business days before the possible termination of service. (§116908, subd. (a)(1)(B).)
- If the customer's address is not the address of the property where water service is provided, notice must also be mailed to the property address, addressed to "Occupant."
- If the water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned as undeliverable, the water system is required to make a good faith effort to visit the residence and leave or make arrangements for placement in a conspicuous place a notice of imminent discontinuation for nonpayment and the system's discontinuation policy. (§116908, subd. (a)(2).)
- The notice must include the following: customer's name and address; amount of delinquency; date by which payment or arrangement for payment is required to avoid discontinuation of service; description of the process to apply for an extension of time to pay the delinquent charges; description of the procedure to petition for bill review and appeal; and description of

the procedure by which the customer can request a deferred, reduced, amortized or alternative payment schedule. (§116908, subd. (a)(1)(C).)

- Tenants of individually metered residences must be notified in writing that they have the right to become customers to whom water service will be billed without having to pay any of the delinquent amounts. (§116916, subd. (b).)

If an appeal is filed by “an adult at the residence,” a covered water system cannot terminate service while the appeal is pending. (§116908, subd. (b).)

Annual Reporting

An urban and community water system (as defined in the Act) is required to report annually to the State Water Resources Control Board on water shutoffs due to inability to pay and post the information on its website if it has one.

FAQ

As an additional resource, in 2020, the State Water Resources Control Board issued [an FAQ regarding the Act](#).

Water Shutoff Protection Act FAQs SB 998 (Dodd, 2018)

These FAQs are advisory and do not bind the State Water Resources Control Board in any future decision.

1. What is the Water Shutoff Protection Act?

The Water Shutoff Protection Act (“Act”) was established when Senate Bill 998 was enacted ([Chapter 891, statutes of 2018](#)). It requires certain actions related to discontinuation of water service due to nonpayment by “urban and community water systems” (defined by the Act as [public water systems](#) that supply water to more than 200 service connections). The purpose of the Act is to increase protections to residents associated with discontinuation of water service due to nonpayment (“water shutoffs”). A growing number of Californians face challenges in meeting basic expenses such as tap water. The Act supports the policy goal that all Californians, regardless of whether they pay a water bill directly, should be treated fairly when faced with a delinquent water bill, and fair treatment should include the ability to contest a bill, seek alternative payment schedules, and demonstrate medical needs.

2. What does the Water Shutoff Protection Act require of water systems?

The Water Shutoff Protection Act includes, but is not limited to, the following requirements for urban and community water systems:

- a. To adopt a written policy on discontinuation of water service for non-payment (“water shutoff policy”) that is compliant with the Act.
- b. To post the water shutoff policy on the system’s website, or if the system has no website, provide the policy to customers in writing upon request.
- c. To refrain from shutting off water service for non-payment for at least 60 days and adhere to specified procedures when pursuing water shutoffs. The procedures include, but are not limited to, providing notice in advance of any shutoffs for nonpayment and offering an appeal process for residents to contest a planned shutoff, and to arrange for alternate payment schedules or other means of accommodating financial hardships.
- d. To refrain from shutting off water service in certain specified conditions, such as a serious threat to life or health and safety of a resident or severe financial hardship.

- e. To restrict fees on reconnection of service as specified, for residents at or below 200% of the federal poverty level.
- f. To use specified notification procedures for properties with landlord-tenant relationships. For residential occupants who are tenants who have individual meters, these procedures include making a good faith effort to provide written notice of an imminent termination of service for the landlord's delinquency. The written notice must also inform these residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.
- g. To report the number of annual discontinuations of residential service for inability to pay on the system's website, if it has one, and to the State Water Resources Control Board, which must post the information on its website.

3. What must the “water shutoff policy” contain?

The water shutoff policy must contain:

- a. A plan for deferred or reduced payments.
- b. Alternative payment schedules.
- c. A formal mechanism for a customer to contest or appeal a bill.
- d. A telephone number for a customer to contact to discuss options for averting water shutoff for nonpayment.

4. What are the compliance dates for the Water Shutoff Protection Act?

The Water Shutoff Policy Act specifies two dates for compliance with its provisions. For urban and community water systems regulated by the CPUC, the compliance date is February 1, 2020. For urban water suppliers (defined in [Section 10617 of the Water Code](#)) not regulated by the California Public Utilities Commission (CPUC), the compliance date is also February 1, 2020.

For all other urban and community water systems, the compliance date is April 1, 2020.

(Note also that the Act does not contain any requirements for water systems serving fewer than 200 service connections).

5. What languages are required for the water shutoff policy?

The water shutoff policy and related notices must be provided in English, in the languages listed in [Section 1632 of the Civil Code](#), and in any other language spoken by 10% or more of the customers residing in the water system's service area.

6. Who enforces the Water Shutoff Protection Act?

The Act states that the State Water Resources Control Board may enforce the requirements for the shutoff policy and its website posting (or providing in writing upon request). For 2020, the Board will be collecting information to verify compliance through the electronic annual report water systems submit to the Board's Division of Drinking Water. In addition, the Act allows the Attorney General, at the request of the Board or upon his or her own motion, to bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice prohibited by the Act. For an urban and community water system regulated by the CPUC, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

(This fact sheet was last updated on January 10, 2020)

NEW-Staff Input–SB-998

Sec 9.5 Payment of Bills. Bills are due and payable by 4:30 P.M. on the 25th of each month and if not paid a \$15 late charge will be applied.

- a. **Customer Bills:**
Bills will be mailed by the first of each month.
- b. **Late Payments Procedure:**

Non-Residential

(1) **Bills Past Due** - Courtesy Call

(2) **35 Days Past Due** - Shut off notice - Hand delivered to service address.

(3) **7 Days after Shut Off notice** is delivered - Water will be turned off. Owner will be notified. There will be a **\$100 reconnection fee** due, prior to water reconnected.

(4) **One Year Past Due** -Lien on building/property - File Small Claims against owner/customer for service charges owed with associated fees and late charges plus \$500 for staff time and legal expenses.

(5) **Two Years Past Due** -Turn over to collection agency.

(6)**Two Years of Non-Payment**- meter will be removed and owner/property manager notified that a new water and sewer connection fee will be due before water reconnected.

Residential—Mixed Use (Residential-Commercial)

(1) **Bills Past Due** - Courtesy Call

(2) **60 Days Past Due** - Service subject to disconnection pursuant to Policy Governing of Residential Water Service for Nonpayment of Water Rates and Charges (Resolution No. 20-002)

(3) 7 days after shut off notice is delivered - Water service will be discontinued. Owner will be notified. There will be a \$100 reconnection fee due, prior to water reconnected. (See Sec 10.1 Disconnection for non-payment)

(4) One Year Past Due - Lien on building/property - File Small Claims against owner/customer for service charges owed with associated fees and late charges plus \$500 for staff time and legal expenses.

(5) Two Years Past Due - Turn over to collection agency.

(6)Two Years of Non-Payment - meter will be removed and owner and property manager notified that a new water and sewer connection fee will be due before water reconnected.

Updated 10/20/2022 as per Resolution 20-002 adopted 04/28/2020

- c. **Adjustment to bills - Payment Plans:** The General Manager or designee will be the only person authorized to make adjustments to a bill or enter into a payment plan.
- d. **NSF (non-sufficient funds)** from any payment source will require the customer to pay all bank charges and a \$35 handling fee.
- e. **Upon 2 NSF (non-sufficient funds)** within a 12-month period, automatic payment will be denied until an agreement can be reached with the General Manager or designee.

- f. **Tampering with water meters** or turning meters on after being turned off for non-payment may result in a customer fine of \$200 and a reconnection fee of \$100 which must be paid with all outstanding service charges before water will be turned on unless an agreement is made with the General Manager or designee.
- g. **Service Charge Discount** may be available for any customer that verifies they are over the age of 62 and have a combined income of less than \$24,000 annually. Customers who qualify may receive a (\$30) credit which can be used to decrease their monthly service charge. A service credit will only be authorized if water usage is below (10) units (7,500 gallons) in a given month, the service charge discount will be voided for that month if customer uses (11) units of water or above.

Updated 09/22/2022 as per Resolution 21-012 adopted 10/16/2021

RESOLUTION 23-002

A RESOLUTION OF THE GARBERVILLE SANITARY DISTRICT AUTHORIZING A CHANGE TO THE PAYMENT OF BILLS ORDINANCE SEC 9.5. TO BE COMPLIANT WITH STATE CODE AND SB 998

- A. **WHEREAS,** the Board of Directors of the Garberville Sanitary District, has determined that that the billing ordinance Sec 9.5 must be upgraded to include new State policy regarding shut offs for non-payment.
- B. **WHEREAS,** when customers are unable to pay their service charges, the District will work with them within the guidelines of District and State policy
- C. **WHEREAS,** there will be a difference between residential, mixed use and non-residential customers, along with different time lines for service disconnection
- D. **WHEREAS,** customers must comply with Sec 9.5 Payment of Bills or service will be disconnected and there will be a reconnection fee due before service is reconnected.
- E. **WHEREAS,** mixed use customers will be required to follow the residential customer payment of bills ordinance.
- F. **WHEREAS,** be it furthermore resolved that Sec 9.5 Payment of Bills, will replace existing ordinance upon Board approval.

Sec 9.5 Payment of Bills. Bills are due and payable by 4:30 P.M. on the 25th of each month and if not paid a \$15 late charge will be applied.

- a. **Customer Bills:**
Bills will be mailed by the first of each month.
- b. **Late Payments Procedure:**

Non-Residential

- (1) **Bills Past Due** – Courtesy Call
- (2) **35 Days Past Due** – Shut off notice – Hand delivered to service address.
- (3) **7 Days after Shut Off notice** is delivered – Water will be turned off. Owner will be notified. There will be a **\$100 reconnection fee** due, prior to water reconnected
- (4) **One Year Past Due** -Lien on building/property – File Small Claims against owner/customer for service charges owed with associated fees and late charges plus \$500 for staff time and legal expenses.

(5) **Two Years Past Due** -Turn over to collection agency.

(6)**Two Years of Non-Payment**- meter will be removed and owner/property manager notified that a new water and sewer connection fee will be due before water reconnected.

Residential---Mixed Use (Residential-Commercial)

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(3) 7 days after shut off notice is delivered – Water service will be discontinued. Owner will be notified. There will be a \$100 reconnection fee due, prior to water reconnected. (See Sec 10.1 Disconnection for non-payment)

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(5) Two Years Past Due – Turn over to collection agency.

(6) Two Years of Non-Payment – meter will be removed and owner and property manager notified that a new water and sewer connection fee will be due before water reconnected.

- c. **Adjustment to bills – Payment Plans:** The General Manager or designee will be the only person authorized to make adjustments to a bill or enter into a payment plan.
- d. **NSF (non-sufficient funds)** from any payment source will require the customer to pay all bank charges and a \$35 handling fee.
- e. **Upon 2 NSF (non-sufficient funds)** within a 12-month period, automatic payment will be denied until an agreement can be reached with the General Manager or designee.

NOW, THEREFORE BE IT RESOLVED , THAT THE BOARD OF DIRECTORS OF THE GARBERVILLE SANITARY DISTRICT DOES HEREBY APPROVE RESOLUTION 23-002, APPROVING CHANGES TO PAYMENT OF BILLS ORDINANCE SEC 9.5

PASSED, APPROVED AND ADOPTED this 31st day of January 2023 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Doug Bryan—Board Chairperson

ATTEST:

Ralph Emerson, Board Secretary