

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 23rd, 2024
5:00 p.m. – Open 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.

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 032-211-011, APN 032-211-035, APN 032-211-021

Garberville Sanitary District Negotiating Team with Jennie Short and Dan Thomas. Russ Gans (GSD attorney) will participate. Under negotiation: Property Acquisition Negotiation, Price and/or terms of payment/conditions for, Easement Agreement and/or Grant Deeds.

(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*

Operators--Dan and Brian- Water Leaks—Hill Side Sliding

Office---Mary Nieto—Customer Complaints--Concerns

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 2023 - Handout at Meeting

A.2 Approve December 19th, 2024 Regular Meeting Minutes - pg. 5-8

A.3 Operations Safety Report- Handout at meeting

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 Tank Replacement Project Update Resolution #24-002 Handout at Meeting Pg. 9-23
(discussion—possible action)

Motion: Second: Roll Call Vote:

- B.2 Approve 2022—2023 Audit pg. 24-62
 (discussion—action requested)
Motion: **Second:** **Vote:**
- B.3 Past Due Customers--Payment Plan Agreement pg. 63-70
 (discussion-possible action)
Motion: **Second:** **Vote:**

C. POLICY REVISION / ADOPTION

- C.1 Damage to Water System Facilities Sec 7.3 pg. 71-76
 (discussion-action requested) Resolution #24-001
Motion: **Second:** **Roll Call Vote:**
- C.2 Emergency Preparedness Plan pg. 77-82
 (discussion-possible action) 2nd reading
Motion: **Second:** **Vote:**
- C.3 Filling Pools and Tanks Sec 14.1 pg. 83-86
 (discussion-possible action) 2nd reading
Motion: **Second:** **Vote:**

IX. THE BOARD WILL ENTER CLOSED SESSION

Comments or Questions about Closed Session Items.

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Gov. Code

Section, 54956.9(d)(2), (e)(3): One Claim, Claimant: (Richard and Hope Lamb).
 (discussion—possible action)
Motion: **Second:** **Vote:**

X. Return to Open Session

Report of actions taken in closed session

XI. ITEMS FOR NEXT BOARD MEETING----- **Date of Next Meeting: February 27th, 2024**

1. Drought Planning
2. Application for Construction Funding from DWSRF for project
3. Project Update

XII. ADJOURNMENT

The GSD Board meeting agenda will be posted at the District Office no later than. Date: Saturday, January 20th, 2024. 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 23rd 2024

Welcome to 2024 and with your guidance of professional services and staff, I am optimistic that we will continue making much needed improvements, in our continued effort to stop leaks, repair failing equipment and prepare for the future, through improvement projects and infrastructure replacement.

The bad weather is upon us, which has created some problems but none that staff has not been able to work through and they all are very much appreciated for their dedication to each other and the District.

Once again, there has been many meetings, emails and phone calls regarding the tank replacement project but Jennie will be giving you an update on that agenda item.

Respectfully Submitted:

Ralph Emerson

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

**Date of Meeting: Tuesday, December 19th 2023
5:00 p.m. – Open Public Session**

I. REGULAR MEETING CALLED TO ORDER

Doug Bryan called the meeting to order at 5:01 PM

II. ESTABLISHMENT OF QUORUM

Rio Anderson: Present

Doug Bryan: Present

Julie Lyon: Present

Dan Thomas: Present by Phone

Richard Landes: Absent

III. APPROVAL OF AGENDA

Motion: Julie Lyon Second: Rio Anderson Vote: 4-0

IV. THE BOARD WILL ENTER CLOSED SESSION AT END OF MEETING

V. COMMENTS AND QUESTIONS FROM THE AUDIENCE

No Audience

VI. ANNOUNCEMENTS AND COMMUNICATIONS

REPORTS AND PRESENTATIONS

Operations Staff: (Brian and Dan) River Levels—Operational Demands

Operations reported on a leak that occurred between The Patriot station and Sherwood Forest Motel. They used the jetter to resolve the situation approximately 180 feet down the line.

Office Staff: (Mary Nieto) Customer Concerns, Delinquent Service Payments

Mary reports ongoing and increasing difficulty fielding customer ‘challenges’ to pay regular bills, let alone catch up with past due accounts. Some customers have entered into Payment Plan Agreements.

Board Members: None to Report

Correspondence: None to Report

General Manager: Ralph Emerson Pg. 5

No further comments were made at the meeting.

VII. PUBLIC HEARING ITEMS

**A. Water Tank Replacement Project– Public Hearing for Comment and Possible Action on Draft IS/MND.
Presentation by: Jennie Short and Stein Coriell**

- i. The Board will consider adoption of the GSD Robertson/Wallan/Hurlbutt Tanks Replacement Project Final Initial Study/ Mitigated Negative Declaration- SCH#2023100664 prepared in accordance with the California Environmental Quality Act (“CEQA”) and adoption of Resolution 23-015.

Resolution 23-015 Motion: Julie Lyon Second: Rio Anderson Roll Call Vote: 4-0

NO PUBLIC COMMENT – non in attendance

Stein’s Notes: read the project summary provided in the agenda packet pgs. 15-17 (1-3)

The board entered into a 3 minute recess to sign paperwork concerning public hearing.

VIII. RETURN TO OPEN SESSION

The board returned to open session at 5:23 p.m.

IX. REGULAR AGENDA ITEMS

A. CONSENT AGENDA

- A.1 Approve Financials Date **No Financials**
- A.2 Approve **November 14th 2023** Regular Meeting Minutes - pg. 6-8
- A.3 Operations Safety Report- pg. 9-11

Motion: Rio Anderson Second: Julie Lyon Vote: 4-0

B. GENERAL BUSINESS – *Action items*

- B.1 Board Member Officers-Assignments pg. 12-13
(discussion—action required)

Nomination of Chairperson: *Doug Bryan is nominated*

Motion: Rio Second: Julie Vote: 4-0

Nomination of Vice Chairperson: *Rio Anderson is nominated*

Motion: Julie Second: Dan Vote: 4-0

Nomination of Secretary---*Ralph Emerson is nominated*

Motion: Doug Second: Rio Vote: 4-0

Nomination of Treasurer: *Julie Lyon is nominated*

Motion: Doug Second: Dan Vote: 4-0

Authorized Signatures to Sign For District: *All Board Members and Ralph & Mary*

Motion: Doug Second: Dan Vote: 4-0

***Budget Committee: Julie Lyon and Dan Thomas (Richard Landes Alternate)**

***Water Rate Committee: Julie Lyon and Dan Thomas (Richard Landes Alternate)**

***Drought/Water Ordinance Committee: Rio Anderson and Doug Bryan (Dan Thomas Alternate)**

- B.2 Approve Board Calendar 2024 pg. 14
(discussion-possible action)

Motion: Dan Second: Rio Vote: 4-0

- B.3 Update on Tank Replacement Project: See board memo for full summary pg. 15-164
(discussion-possible action) **no action taken**

The Garberville Sanitary District (GSD) proposes to implement the Robertson/Wallan/Hurlbutt Tanks Replacement Project. Both of the existing tanks in operation are leaking and they lack sufficient storage capacity for maximum daily consumption and fire suppression; they also do not meet current seismic design standards. In addition, the District proposes to replace or upgrade three booster pump stations (Upper Maple Lane Pump Station, Arthur/Alderpoint Pump Station, and Wallan Pump Station). Funding issues came up the day of meeting. The board will soon have to make a decision on how to proceed.

- B.4 Meadows Aerial Water Line Project Update
(discussion-possible action) **no action taken**

- B.5 Clean California Dump Day pg. 165-172
(discussion-possible action) **no action taken**

No more information was provided, this item was tabled.

C. POLICY REVISION / ADOPTION

- C.1 Damage to Water System Facilities Sec 7.3 pg. 173
(discussion—no action) **no action taken** 1st reading and some discussion

- C.2 Waiver and Release of Liability Waiver Application: pg. 174
(discussion—possible action) **no action taken**
Doug mentioned to have legal counsel review the application.

- C.3 Drought Preparedness Plan: pg. 175-177
(discussion-possible action) **no action taken**
The state has new requirements for drought preparedness. Bring back as needed.

- C.4 Emergency Preparedness Plan **no action taken** pg. 178-183
(discussion—no action) 1st reading
needs more discussion regarding river contaminants and consider how this also affects drought conditions

- C.5 Sec 14.1 Filling Pools and Tanks **no action taken** pg. 184-185
(discussion-no action) 1st reading
Bring back with more information. The CSF of the river was discussed as being more important than the time of year the pool is being filled.

X. THE BOARD WILL ENTER CLOSED SESSION

The board entered into closed session at 7:00 p.m.

XI. 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 032-211-011, APN 032-211-035, APN 032-211-021

Garberville Sanitary District Negotiating Team with Jennie Short and Dan Thomas. Russ Gans (GSD attorney) will participate. Under negotiation: Property Acquisition Negotiation, Price and/or terms of payment/conditions for, Easement Agreement and/or Grant Deeds.

(discussion—possible action) **No action was taken**

2. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION (Gov. Code**

Section, 54956.9(d)(2), (e)(3): One Claim, Claimant: (Richard and Hope Lamb).

(discussion—possible action) **No action taken**

XII. Return to Open Session

The Board returned to open session at 7:50 p.m.

Doug Bryan reported that no action was taken during closed session.

XIII. ITEMS FOR NEXT BOARD MEETING

Next Board Meeting January 23rd, 2024

1. Drought Planning
2. Tank Replacement Project
3. In-House Projects
4. Emergency Preparedness Plan
5. Filling Pools and Tanks

XIV. ADJOURNMENT

Doug ended the meeting at 7:50 p.m.



GARBERVILLE SANITARY DISTRICT

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

BOARD OF DIRECTORS MEETING MEMORANDUM

Meeting Date: January 23, 2024
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:

- Completed the Humboldt County General Plan Conformance and Special Permit (for SMA) application and submitted to the County
- Submitted the CDFW for 1600 Notification for construction project and intake
- Prepared and submitted the NCRWQCB for WDR permit application
- Completed the lead and asbestos survey report
- Prepared the Final IS/MND, held the public hearing, adopted resolutions, adopted and filed the NOD with the County Recorder and the Office of Planning and Research State Clearinghouse
- Submitted the CEQA documentation to DFA and DWR for concurrence
- DWR Invoice #3 in the amount of \$146,302.24 for reimbursement of expenses
- Appraiser completed the in field survey of the property
- Prepared the plat map for property acquisition @ the Main Tank site
- Prepared the draft Property Exchange Agreement between GSD and the Swaffar Trust
- Met with PG&E representative for new/relocated service applications
- Coordinated with CalFire to obtain concurrence with the Alderpoint PS footprint on their property

Over the next month SHN and Points West will have:

- Complete the 90% plans, specifications, and estimate of project costs
- Finalize the SWPPP
- Coordinate with the County and NCRWQCB to make sure the permits are progressing in a timely manner
- Receive clearance from ACOE for the project

The rest of the project team will be working on:

- DFA Invoice #4 in the amount of \$115,839.89 for reimbursement of expenses
- Submitted DWR quarterly report #4
- Submitted DFA quarterly report #7
- property acquisition negotiations with G. Swaffar
- Completion of the appraisal report for the easements needed for the project
- coordination with the Real Estate Branch of DWR and General Services as needed

- coordination with Caltrans and CalFire
- preparation of the last few TMF attachments for the report
- continued oversight of the finances
- preparation of the Drinking Water State Revolving Fund Construction Funding application

Attached is a resolution authorizing the General Manager and the Consultant Project Manager to sign all permit applications and subsequent agreements and forms necessary for finalization of the permitting of the project. Also attached is the Draft of the Lake or Streambed Alteration Agreement (LSAA) between GSD and the California Department of Fish and Wildlife (CDFW) for the construction work associated with the project. A similar draft agreement will be produced for the Raw Water Intake. We applied for the tanks project and the raw water intake as two separate agreements even though they have both come out of the comments for the project because the conditions for the two are different and the RWI Agreement will be renewed at the expiration in five years but the construction should be completed by then. I have reviewed the Draft LSAA and the conditions in items 2.3, 2.6, 2.16, and 2.18 needing to be clearly listed in the plans and specifications plus the SWPPP that SHN is preparing. There were no unanticipated conditions listed in the LSAA. If the Board adopts the proposed resolution, Ralph will sign the LSAA on behalf of the District.

FINANCIAL IMPLICATIONS

To follow is a summary of the project costs through November 30, 2023, and the reimbursement status/amounts.

Description	Amount
Ineligible Expenses	\$32,174.29
Ineligible Expenses-DWR elimination of markups by SHN	3,996.85
Arthur Road PRV Construction Costs	57,610.01
DFA Reimbursement Rounding - Cumulative	-2.51
DFA Reimbursement Invoice #1 (paid)	64,008.00
DFA Reimbursement Invoice #2 (paid)	71,398.00
DFA Reimbursement Invoice #3 (paid)	52,221.00
DWR Reimbursement Invoice #1 (paid)	165,759.30
DWR Reimbursement Invoice #2 (paid)	64,077.51
DWR Reimbursement Invoice #3 (submitted)	131,672.02
DFA Reimbursement Invoice #4 (preparing)	115,839.89
DWR Reimbursement Invoice #4 (preparing)	77,414.76
DWR Retention Due	40,167.64
Expenses Awaiting Invoicing	3,000.00
Expenses Awaiting FA Amendment for Reimbursement	26,542.50
Total Project Costs to Date	\$905,879.26

Attached you will find the Project Tracking Report that list all the tasks in the DFA and DWR funding agreements along with the amounts requested for reimbursement, spent with SHN, estimated completion date and status of completion/submittal. As can be seen on the project tracking sheet, we have invoiced for \$303,483 of a total \$325,000 leaving **\$21,517** from DFA and \$439,121 of a total \$485,000 leaving **\$45,879** from DWR for the planning phase of this project.

The contract with SHN will exceed the remaining funding from these two agencies. SHN's total contract is for \$940,310 of which they have billed \$625,716.68 as of December 31, 2023 leaving **\$314,593.32**. They likely will not end up spending the entirety of this amount. Unfortunately, the majority of the remainder of their contract does not currently have funding available.

The request for an amendment to our Planning Project Funding Agreement to DFA in the amount of **\$347,00** in July 2023 has not yet been fully processed. We are still awaiting determination of the amount of additional funding that will be allocated to this project and whether they will add PERMITTING and PROPERTY ACQUISITION to this agreement or have us include it in the Construction Phase application.

RECOMMENDATIONS

1. Adopt Resolution 24-002

ATTACHMENTS

Project Tracking Report

Draft Lake and Streambed Alteration Agreement with CDFW

Resolution 24-002 Authorizing the General Manager and Consultant Project Manager to execute all project permitting documents on behalf of the Board

Robertson/Wallan/Hurlbutt Tank Replacement Project Tracking Report

Through Nov 30, 2023

DFA FA Item	SHN Task # Description	DFA Funding Agmt \$	Reimb. Amount \$	DWR Grant Agmt \$	DWR Reimb. \$	SHN Contract \$	SHN Billed \$ thru 12/31/23	Estimated Completion Date	Completion Status *	Comments
1	DWR Task 2 - Project Development Project Evaluation, Alternative Analysis and Pre-design 1 Data Collection & System Evaluation 5 Draft PER Deliver: Draft Preliminary Engineering Report	35,000	44,655	362,000	343,835	28,000 106,000	27,983 94,725	03/31/23	C C	Includes DFA#1,2,3 & 5 Submitted 04/04/23
2	2 Surveying and Geotechnical Investigation 3 Survey 4 Geotechnical Investigation and Geologic Hazards Evaluation Deliver: Geotechnical Report	20,000	41,868			1,820 60,000	1,820 54,996	07/31/23 07/31/23	C C	Submitted 09/19/23 Submitted 08/31/23
3	3 Final Preliminary Engineering Report 5 Final PER portion of Task 5 6 30% Plans Deliver: Final Preliminary Engineering Report Preliminary Design	55,000	54,900			20,000 118,500	19,757 115,675	05/31/23 07/31/23	C C	Submitted 06/15/23 Submitted 08/01/23
4	4 Environmental Documents (CEQA) DWR#3 2 Special Studies - Wetlands, Biological, Botany, Cultural Resources 7 CEQA Document + NOD Permitting- County, State, Federal Deliver: Draft Environmental Documents Final Environmental Documents	60,000	67,599	63,000	84,746	69,750 50,000 55,000	69,735 43,578 23,337	08/31/23 01/31/24 05/31/24 10/31/23 02/28/24	C C IP C	Submitted 08/17/23 Submitted Nov 2023 Submitted 10/23/23 Submitted 12/20/23
5	5 Plans & Specifications Deliver: Draft Plans, Specifications & Bid Documents (60%) Final Plans, Specifications & Bid Documents (100%)	70,000	68,740			431,240	174,111	08/31/23 02/28/24	C IP	Submitted 09/29/23 90% Due 1/31/24

Robertson/Wallan/Hurlbutt Tank Replacement Project Tracking Report

DFA FA Item	SHN Task # Description	DFA Funding Agmnt \$	Reimb. Amount \$	DWR Grant Agmnt \$	DWR Reimb. \$	SHN Contract \$	SHN Billed \$ thru 12/31/23	Estimated Completion Date	Completion Status *	Comments
6	Technical, Managerial and Financial Deliver: Draft TMF Assessment form & supporting documentation Final TMF Assessment form & supporting documentation	20,000	10,245					09/30/23 02/28/24	IP IP	Draft Assessment Done Attachments In Progress
7	Water Rate Study Deliver: Draft Rate Study Final Rate Study	10,000							C	June 2020 Increases implemented June '21, '22 & '23
8	Administration (DWR #1) Deliver: Quarterly Progress Reports	20,000	15,476	15,000	10,540			12/31/25	P	Rpt#5 Submitted and Reimbursement Req #3&4
9	Work Completion (Planning Phase)							03/31/24		
TOTAL:		\$ 325,000	\$ 303,483	\$ 485,000	\$ 439,121	\$ 940,310	\$ 625,717			
Post Planning Phase Major Milestones										
	Right of Way Acquisition			140,000	39,971			????	U	Coord w/ prop owners
	Issuance of Federal, State & County permits							5/31/2024	U	Being Submitted
	Application for Construction Funding							02/28/24	U	DFA Const App
	Execution of FA for Construction Phase							11/30/24		DFA CPFA, DWR Done
	Bid Project 1			10,000				7/31/2024		
	Award Project 1							8/31/2024		
	Begin Construction Work-Project 1 (DWR)							9/10/2024		
	Construction			3,630,000						
	CM, DA, CPM			280,000						
	Complete Construction Work-Project 1							9/30/2025		
	Final Funding Reimbursement-DWR							12/31/25		
	Project 2 Starts after FA with DFA Executed							????		
Total:		325,000	303,483	4,545,000	479,091			625,717		
* Notes: Completion Status Key: C = Task Complete U = Task Underway P = Periodic Task for duration of project										

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE
REGION 1 – NORTHERN REGION
619 2nd Street
Eureka, CA 95501



LAKE OR STREAMBED ALTERATION AGREEMENT
NOTIFICATION NO. EPIMS-HUM-45723-R1C
Unnamed Tributary to South Fork Eel River, Tributary to the Eel River
and the Pacific Ocean

Ralph Emerson, representing Garberville Sanitary District
Garberville Sanitary District Tanks Replacement Project (Project)
1 Encroachment

This Lake or Streambed Alteration Agreement (Agreement) is entered into between the California Department of Fish and Wildlife (CDFW) and Ralph Emerson (Permittee).

RECITALS

WHEREAS, pursuant to Fish and Game Code (FGC) section 1602, the Permittee initially notified CDFW on November 17, 2023, that the Permittee intends to complete the Project described herein.

WHEREAS, pursuant to FGC section 1603, CDFW has determined that the Project could substantially adversely affect existing fish or wildlife resources and has included measures in the Agreement necessary to protect those resources.

WHEREAS, the Permittee has reviewed the Agreement and accepts its terms and conditions, including the measures to protect fish and wildlife resources.

NOW THEREFORE, the Permittee agrees to complete the Project in accordance with the Agreement.

PROJECT LOCATION

The Project is located within the South Fork Eel River watershed, in the town of Garberville, County of Humboldt, State of California. The Project is located in Section 24, T4S, R3E, Humboldt Base and Meridian; in the Garberville U.S. Geological Survey 7.5-minute quadrangle; Assessor's Parcel Number 032-211-021.

PROJECT DESCRIPTION

The Project is limited to one encroachment for ground disturbance, open trench construction of new water lines, and construction of a new access road to support upgrades to facilities managed by Garberville Sanitary District. Work for this encroachment will include excavation, backfilling and compaction of fill, and implementation of erosion control.

PROJECT IMPACTS

Existing fish or wildlife resources the project could substantially adversely affect include Coastal Giant Salamander (*Dicamptodon tenebrosus*), Foothill Yellow-legged Frog (*Rana boylei*), Northern Red-legged Frog (*Rana aurora*), Red-bellied newt (*Taricha rivularis*), Boreal Toad (*Anaxyrus boreas boreas*), amphibians, reptiles, aquatic invertebrates, mammals, birds, and other aquatic and riparian species.

The adverse effects the project could have on the fish or wildlife resources identified above include:

Impacts to water quality:

- Temporary increase in fine sediment transport;

Impacts to bed, channel, or bank and direct effects on fish, wildlife, and their habitat:

- Loss or decline of riparian habitat; and

Impacts to natural flow and effects on habitat structure and process:

- Direct and/or incidental take;
- Indirect impacts;
- Water quality degradation; and
- Damage to aquatic habitat and function.

MEASURES TO PROTECT FISH AND WILDLIFE RESOURCES

1. Administrative Measures

The Permittee shall meet each administrative requirement described below.

- 1.1 Documentation at Project Site. The Permittee shall make the Agreement, any extensions and amendments to the Agreement, and all related notification materials and California Environmental Quality Act (CEQA) documents, readily available at the project site at all times and shall be presented to CDFW personnel, or personnel from another state, federal, or local agency upon request.
- 1.2 Providing Agreement to Persons at Project Site. The Permittee shall provide copies of the Agreement and any extensions and amendments to the Agreement to all persons who will be working on the project at the project site on behalf of the Permittee, including but not limited to contractors, subcontractors, inspectors, and monitors.
- 1.3 Change of Conditions and Need to Cease Operations. If conditions arise, or change, in such a manner as to be considered deleterious by CDFW to the stream

or wildlife, operations shall cease until corrective measures approved by CDFW are taken.

- 1.4 Adherence to Existing Authorizations. All water diversion facilities that the Permittee owns, operates, or controls shall be operated and maintained in accordance with current law and applicable water rights.
- 1.5 Notification of Conflicting Provisions. The Permittee shall notify CDFW if the Permittee determines or learns that a provision in the Agreement might conflict with a provision imposed on the project by another local, state, or federal agency. In that event, CDFW shall contact the Permittee to resolve any conflict.
- 1.6 Project Site Entry. Permittee agrees that CDFW personnel may enter the Project site at any time to verify compliance with the Agreement.

2. Avoidance and Minimization Measures

To avoid or minimize adverse impacts to fish and wildlife resources identified above, the Permittee shall implement each measure listed below.

- 2.1 Permitted Project Activities. Except where otherwise stipulated in this Agreement, all work shall be in accordance with the Permittee Notification received on November 17, 2023, together with all maps, BMP's, photographs, drawings, and other supporting documents submitted with the Notification.
- 2.2 Incidental Take. This Agreement does not allow for the "take," or "incidental take" of any federal or State listed threatened or endangered listed species.

Project Timing

- 2.3 Work Period. All work shall be confined to the period **June 1 through October 31** of each year. Work within the active channel of a stream shall be restricted to periods of dry weather. Precipitation forecasts and potential increases in stream flow shall be considered when planning construction activities. Construction activities shall cease, and all necessary erosion control measures shall be implemented prior to the onset of precipitation.
- 2.4 Work Completion. The proposed work **shall be completed prior to the expiration of this Agreement's term**. A notice of completed work, including photographs of each site, shall be submitted to CDFW within seven (7) days of work completion for each encroachment.
- 2.5 Extension of the Work Period. If weather conditions permit, and the Permittee wishes to extend the work period before June 1 or after October 31, a written request shall be made to CDFW at least five (5) working days before the **proposed work period variance. Written approval (letter or e-mail) for the**

proposed time extension must be received from CDFW prior to activities beginning before June 1 or continuing past October 31.

- 2.6 Avoidance of Nesting Birds. Fish and Game Code sections 3503 and 3503.5 prohibits the taking or destroying of native bird's nests or eggs. Vegetation maintenance or removal (e.g., clearing and grubbing) shall occur between September 1 and March 15. Removal areas should be managed once cleared to reduce nesting potential during the breeding season.

Vegetation Management

- 2.7 Minimum Vegetation Removal. No native riparian vegetation shall be removed from the bank of the stream, except where authorized by CDFW. Permittee shall limit the disturbance or removal of native vegetation to the minimum necessary to achieve design guidelines and standards for the Authorized Activity. Permittee shall take precautions to avoid damage to vegetation outside the work area.

Stream Protections

- 2.8 Stream Protection. No debris, soil, silt, sand, bark, slash, sawdust, rubbish, cement or concrete washings, oil or petroleum products, or other deleterious material from project activities shall be allowed to enter into or be placed where it may be washed by rainfall or runoff into the stream. All project materials and debris shall be removed from the project site and properly disposed of off-site upon project completion.
- 2.9 Equipment Maintenance. Refueling of machinery or heavy equipment, or adding or draining oil, lubricants, coolants, or hydraulic fluids shall not take place within stream bed, channel, and bank. All such fluids and containers shall be disposed of properly off-site. Heavy equipment shall not be stored within stream bed, channel, and bank.
- 2.10 Hazardous Spills. If at any time any material which could be hazardous or toxic to aquatic life enters a stream, the Permittee shall immediately notify the California Emergency Management Agency State Warning Center at 1-800-852-7550, and immediately initiate clean-up activities. Permittee shall notify CDFW at 707-445-6493 and consulted regarding clean-up procedures as soon as practicable, but no later than 24 hours after the spill.
- 2.11 Work Prohibition in Wetted Stream. No work is authorized in a wetted stream channel (i.e., where surface or subsurface water is present). All work shall be conducted when the stream is dry. Permittee shall notify CDFW if it determines that work in a wetted stream is required to complete a project and will submit a site-specific dewatering plan for review and approval.

- 2.12 Excavated Fill. Excavated fill material shall be placed in a stable upland location where it cannot deliver to a stream or wetland. To minimize the potential for material to enter the watercourse during the winter period, all excavated and relocated fill material shall be contoured (to drain water) and compacted to effectively incorporate and stabilize loose material into existing road and/or landing features.
- 2.13 Runoff from Steep Areas. The Permittee shall ensure that runoff (concentrated flow) from steep, erodible surfaces will be slowed and diverted into stable areas with little erosion potential or contained behind erosion control structures. Erosion control structures such as straw bales and/or siltation control fencing shall be placed and maintained until the threat of erosion ceases. Frequent water bars shall be placed on dirt roads, heavy equipment tracks, or other work trails to control erosion.
- 2.14 Road Approaches. The Permittee shall treat road approaches to minimize erosion and sediment delivery to the stream. Permittee shall ensure road approaches are hydrologically disconnected to the maximum extent feasible to prevent sediment from entering the stream.

Erosion Control and Pollution

- 2.15 Erosion Control. Permittee shall use erosion control measures throughout all work phases where sediment runoff could enter a stream, lake, or wetland (i.e., Waters of the State).
- 2.16 Seed and Mulch. Upon completion of construction operations and/or the onset of wet weather, Permittee shall stabilize exposed soil areas within the work area. Permittee shall utilize vegetative (e.g., plant seed) or other non-vegetative methods such as jute mat, coir mat, wood chip mat, straw mat/wattle, straw mulch, native duff (leaves, needles, fine twigs, etc.), or lopped native slash to protect and stabilize soils. Straw mulching shall utilize at least 2 to 4 inches of clean, weed-free, straw (such as rice or barley). Seeding shall use regional native seed or non-native seed that is known not to persist or spread [e.g., barley (*Hordeum vulgare*), or wheat (*Triticum aestivum*)]. No known invasive grass seed such as annual or perennial ryegrass (*Lolium multiflorum* or *L. perenne*, which are now referred to as *Festuca perennis*), shall be used. Use of Humboldt grass seed mix is prohibited.
- 2.17 Erosion and Sediment Barriers. Permittee shall monitor and maintain all erosion and sediment barriers in good operating condition throughout the work period and the following rainy season, defined herein to mean **October 31 through June 1**. Maintenance includes, but is not limited to, removal of accumulated sediment and/or replacement of damaged sediment fencing, coir logs, coir rolls, and/or straw bale barriers. If the sediment barrier fails to function as designed, Permittee shall employ corrective measures, and notify CDFW immediately.

- 2.18 Prohibition on Use of Monofilament Netting. To minimize the risk of ensnaring and strangling wildlife, Permittee shall not use any erosion control materials that contain synthetic (e.g., plastic or nylon) monofilament netting, including photo- or biodegradable plastic netting. Geotextiles, fiber rolls, and other erosion control measures shall be made of loose-weave mesh, such as jute, hemp, coconut (coir) fiber, or other products without welded weaves.
- 2.19 Site Maintenance. Permittee shall be responsible for site maintenance including, but not limited to, re-establishing erosion control to minimize surface erosion and ensuring drainage structures and stream banks remain sufficiently stable.
- 2.20 Cover Spoil Piles. Permittee shall have readily available erosion control materials such as wattles, natural fiber mats, or plastic sheeting, to cover and contain exposed spoil piles and exposed areas to prevent sediment from eroding into a stream, lake, or wetland (i.e., Waters of the State). Permittee shall apply and secure these materials prior to rain events to prevent loose soils from entering a stream, lake, or wetland (i.e., Waters of the State).
- 2.21 No Dumping. Permittee shall not deposit, permit to pass into, or place where it can pass into a stream, lake, or wetland (i.e., Waters of the State) any material deleterious to fish and wildlife, or abandon, dispose of, or throw away within 150 feet of a stream, lake, or wetland (i.e., Waters of the State) any cans, bottles, garbage, motor vehicle or parts thereof, rubbish, litter, refuse, waste, debris, or the viscera or carcass of any dead mammal, or the carcass of any dead bird.

3. Reporting Measures

Permittee shall meet each reporting requirement described below. All reports shall be submitted by e-mail to CDFW at EPIMS.R1C@wildlife.ca.gov.

- 3.1 Notice of Work Initiation. The Permittee shall contact CDFW within the seven-day period preceding the beginning of work permitted by this Agreement. Information to be disclosed shall include Agreement number, and the anticipated start date.
- 3.2 Notice of Work Completion. The proposed work **shall be completed prior to the expiration of this Agreement's term**. A notice of completed work (measure 2.4) shall be submitted to CDFW **within seven (7) days** of work completion. Information to be disclosed shall include Agreement number, photos of each work site labeled with the project ID, and a short description of the work completed.

CONTACT INFORMATION

Written communication the Permittee or CDFW submits to the other shall be delivered to the address below unless the Permittee or CDFW specifies otherwise.

To Permittee:

Ralph Emerson
P.O. Box 211
Garberville, California 95542
707-923-9566
remerson@garbervillesd.com

To CDFW:

Department of Fish and Wildlife
Northern Region
619 2nd Street
Eureka, California 95501
EPIMS.R1C@wildlife.ca.gov
Jonathan.Hollis@wildlife.ca.gov
Attn: Lake and Streambed Alteration Program
Notification No. EPIMS-HUM-45723-R1C

LIABILITY

The Permittee shall be solely liable for any violation of the Agreement, whether committed by the Permittee or any person acting on behalf of the Permittee, including its officers, employees, representatives, agents or contractors and subcontractors, to complete the project or any activity related to it that the Agreement authorizes.

This Agreement does not constitute CDFW's endorsement of or require the Permittee to proceed with the project. The decision to proceed with the project is the Permittee's alone.

SUSPENSION AND REVOCATION

CDFW may suspend or revoke in its entirety this Agreement if it determines that the Permittee or any person acting on behalf of the Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, is not in compliance with the Agreement.

Before CDFW suspends or revokes the Agreement, it shall provide the Permittee written notice by certified or registered mail that it intends to suspend or revoke. The notice shall state the reason(s) for the proposed suspension or revocation, provide the Permittee an opportunity to correct any deficiency before CDFW suspends or revokes the Agreement, and include instructions to the Permittee, if necessary, including but not limited to a directive to immediately cease the specific activity or activities that caused CDFW to issue the notice.

ENFORCEMENT

Nothing in the Agreement precludes CDFW from pursuing an enforcement action against the Permittee instead of, or in addition to, suspending or revoking the Agreement.

Nothing in the Agreement limits or otherwise affects CDFW's enforcement authority or that of its enforcement personnel.

OTHER LEGAL OBLIGATIONS

This Agreement does not relieve the Permittee or any person acting on behalf of the Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, from obtaining any other permits or authorizations that might be required under other federal, state, or local laws or regulations before beginning the project or an activity related to it.

This Agreement does not relieve the Permittee or any person acting on behalf of the Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, from complying with other applicable statutes in the FGC including, but not limited to, FGC sections 2050 *et seq.* (threatened and endangered species), 3503 (bird nests and eggs), 3503.5 (birds of prey), 5650 (water pollution), 5652 (refuse disposal into water), 5901 (fish passage), 5937 (sufficient water for fish), and 5948 (obstruction of stream).

Nothing in the Agreement authorizes the Permittee or any person acting on behalf of the Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, to trespass.

AMENDMENT

CDFW may amend the Agreement at any time during its term if CDFW determines the amendment is necessary to protect an existing fish or wildlife resource.

The Permittee may amend the Agreement at any time during its term, provided the amendment is mutually agreed to in writing by CDFW and the Permittee. To request an amendment, the Permittee shall submit to CDFW a completed CDFW "Request to Amend Lake or Streambed Alteration" form and include with the completed form payment of the corresponding amendment fee identified in CDFW's current fee schedule (see Cal. Code Regs., tit. 14, § 699.5).

TRANSFER AND ASSIGNMENT

This Agreement may not be transferred or assigned to another entity, and any purported transfer or assignment of the Agreement to another entity shall not be valid or effective,

unless the transfer or assignment is requested by the Permittee in writing, as specified below, and thereafter CDFW approves the transfer or assignment in writing.

The transfer or assignment of the Agreement to another entity shall constitute a minor amendment, and therefore to request a transfer or assignment, the Permittee shall submit to CDFW a completed CDFW “Request to Amend Lake or Streambed Alteration” form and include with the completed form payment of the minor amendment fee identified in CDFW’s current fee schedule (see Cal. Code Regs., tit. 14, § 699.5).

EXTENSIONS

In accordance with FGC section 1605(b), the Permittee may request one extension of the Agreement, provided the request is made prior to the expiration of the Agreement’s term. To request an extension, the Permittee shall submit to CDFW a completed CDFW “Request to Extend Lake or Streambed Alteration” form and include with the completed form payment of the extension fee identified in CDFW’s current fee schedule (see Cal. Code Regs., tit. 14, § 699.5). CDFW shall process the extension request in accordance with FGC 1605(b) through (e).

If the Permittee fails to submit a request to extend the Agreement prior to its expiration, the Permittee must submit a new notification and notification fee before beginning or continuing the project the Agreement covers (FGC section 1605(f)).

EFFECTIVE DATE

The Agreement becomes effective on the date of CDFW’s signature, which shall be: 1) after the Permittee signature; 2) after CDFW complies with all applicable requirements under the California Environmental Quality Act (CEQA); and 3) after payment of the applicable FGC section 711.4 filing fee listed at http://www.wildlife.ca.gov/habcon/ceqa/ceqa_changes.html.

TERM

This Agreement shall **expire five years** from date of execution, unless it is terminated or extended before then. All provisions in the Agreement shall remain in force throughout its term. The Permittee shall remain responsible for implementing any provisions specified herein to protect fish and wildlife resources after the Agreement expires or is terminated, as FGC section 1605(a)(2) requires.

AUTHORITY

If the person signing the Agreement (signatory) is doing so as a representative of the Permittee, the signatory hereby acknowledges that he or she is doing so on the Permittee’s behalf and represents and warrants that he or she has the authority to legally bind the Permittee to the provisions herein.

AUTHORIZATION

This Agreement authorizes only the project described herein. If the Permittee begins or completes a project different from the project the Agreement authorizes, the Permittee may be subject to civil or criminal prosecution for failing to notify CDFW in accordance with FGC section 1602.

CONCURRENCE

Through the electronic signature by the permittee or permittee's representative as evidenced by the attached concurrence from CDFW's Environmental Permit Information Management System (EPIMS), the permittee accepts and agrees to comply with all provisions contained herein.

The EPIMS concurrence page containing electronic signatures must be attached to this agreement to be valid.



GARBERVILLE SANITARY DISTRICT

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

BOARD AGENDA MEMORANDUM

Meeting Date: January 23, 2024
To: Garberville Sanitary District Board of Directors
From: Jennie Short, Consultant Project Manager
Subject: Audit for Fiscal Year 2022/23

GENERAL OVERVIEW

The District contracted with Anderson, Lucas, Somerville, and Borges to perform the annual audit for the 2022/23 fiscal year. Again this year, the staff person performing the audit was Keith Borges. I have reviewed the Draft Audit has and Mr. Borges has provided the attached final audit for the Board's consideration.

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

There was one item that required audit entries to correct - several journal entries were prepared to make corrections to previous years estimated **accrued interest** that we are owed from Humboldt County for the water and sewer reserve accounts held there. These journal entries also posted **property taxes** that had be posted by the County with dates that preceded the audit dates. This is the third 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. The County has made significant progress on reconciling the previous years and making the necessary interest payments. I am optimistic that by the end of the current fiscal year, that the County will be current with these entries.

STAFF RECOMMENDATION FOR BOARD ACTIONS

1. Review the Draft Audit as presented
2. Review the Representations Letter, approve it, and authorize the Chair of the Board to sign on behalf of the District.
3. Confirm that the Board is making no changes to Resolution 23-003 for the Safe Harbor De Minimus limit of \$5,000

ATTACHMENTS

Audit with Management Discussion and Analysis Report
Final SAS 114 Letter
Final SAS 115 Letter

GARBERVILLE SANITARY DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2023

GARBERVILLE SANITARY DISTRICT

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June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Garberville Sanitary District

Opinions

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, 2023 and 2022, 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, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 audit opinions.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Garberville Sanitary District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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.

Board of Directors
Garberville Sanitary District

- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Garberville Sanitary District's ability to continue as a going concern for a reasonable period of time.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing procedures generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

December 29, 2023
Fortuna, California

MANAGEMENT'S DISCUSSION & ANALYSIS

GARBERVILLE SANITARY DISTRICT
Management's Discussion & Analysis Report

For Year ended June 30, 2023

Purpose of the MD&A

This Management Discussion and Analysis report is being prepared to provide an objective and easily readable analysis of the District's financial activities based on currently known facts, decisions, or conditions. It is meant to supplement the detailed financial statements and the audit with a concise overview or an explanation of what makes up the numbers presented. It is Management's intention that this information provides the financial statement reader with a brief and concise overview and analysis of the District's financial activities for the fiscal year ended June 30, 2023.

Brief Discussion of Basic Financial Statements

The District's annual report consists of: Management's Discussion and Analysis, Financial Statements, and Notes to the Financial Statements.

The basic financial statements following this discussion are: Statement of Net Position, Statement of Activities and Changes in Net Position, and Statement of Cash Flows. The District's basic statements report "Business-Type Activities" of the Water and Sewer operations. Following the basic financial statements are Notes to the Financial Statement that provide accounting methodology and other disclosures related to specifically identified financial statement reporting.

Condensed Comparative Financial Statements

FINANCIAL HIGHLIGHTS

- The District's assets exceeded liabilities at the close of the fiscal year by \$ 9,667,511.49. This represents the net position of the District as of June 30, 2023.
- The District's net position decreased by \$ 78,631.12.
- Total operational revenues for the fiscal year were \$1,196,866.60, an increase of \$106,706.25 or 9.79% over the prior fiscal year.
- Total operating expenses for the fiscal year were \$910,918.09, an increase of \$15,149.57 or 1.69% over the prior fiscal year. Consistent with generally accepted accounting principles, operating expenses do not include principal payments or capital asset purchases.
- In addition to the operating expenses, the District also made principal payments on long term debt in the amount of \$115,882.24 during the fiscal year.
- In addition to the operating expenses, the District incurred \$465,021.23 in capital asset purchases during the current fiscal year.
- Cash and Cash Equivalents on June 30, 2023 totaled \$788,489.70.
- Cash and Cash Equivalents decreased by \$84,327.93 during the fiscal year.
- Net Income excluding Grant Income and Depreciation was \$327,467.22, which is an increase of \$84,041.36 over last year.
- Accounts receivable increased this year by \$32,633.76 this year.

GARBERVILLE SANITARY DISTRICT
Management's Discussion & Analysis Report

For Year ended June 30, 2023

Analysis of Financial Position and Results of Operations

REVENUE

The District receives revenue from two sources, service fees and property taxes. Services fees are considered as operating revenue and for the purposes of the financial statements they are labeled Operational Revenue. Property taxes are consolidated with other non-operating revenues such as interest income and grant income into the category of Other Revenue. The table below compares Program Revenue and General Revenue for the year ended June 30, 2023 to the year ended June 30, 2022.

Table 1. Revenue Summary and Comparison

	June 30, 2023	June 30, 2022	Change (\$)	Change (%)
Operational Revenue				
Water Charges	673,649.75	621,407.25	52,242.50	8.41%
Sewer Charges	501,436.10	450,658.10	50,778.00	11.27%
Late Charges	14,655.00	15,255.00	-600.00	-3.93%
Other	7,125.75	2,840.00	4,285.75	150.91%
Total Operational Revenue	1,196,866.60	1,090,160.35	106,706.25	9.79%
General Revenue				
Property Tax	33,308.34	31,190.57	2,117.77	6.79%
Water Grants	387,970.26	55,802.85	332,167.41	595.25%
Interest	1,762.00	10,813.94	-9,051.94	-83.71%
Other	3,739.67	14,475.03	-10,735.36	-74.16%
Total General Revenue	426,780.27	112,282.39	314,497.88	280.10%
Total Revenue	1,623,646.87	1,202,442.74	421,204.13	35.03%

Each year the Board adopts a budget that estimates the revenues from both base rate service charges and the more variable revenues from the units of water that are consumed by each customer. This year the operational revenues are \$43,133.40 under the budget amount. This is concerning because of the potential effect that the rate increases are having on conservation of water useage, which directly affects the variable portion of the operational revenues. Because both water and sewer revenues are calculated in part on the number of units used by the customer, this conservation affects both classes of operational revenue. Further investigation into where this deficit has come from is warranted. The majority of the District's revenue is from base rates, which remain stable. In August 2023, the Board reconvened the Rate Committee to investigate the causes of the deficit in projected revenue from the new rates and actual revenue.

The GSD Board adopted the five-year incremental rate structure in Attachment 1 of Resolution 20-007. The scheduled rate increase with an effective date of July 1, 2022 was approved for implementation with a slight modification in Resolution 22-007.

In addition to the revenues not meeting budget projections, the Accounts Receivable balance increased by \$32,633.76 this year, which is indicative of the difficulties that a significant percent of the customers are having in paying the higher water and sewer rates in the current local economy.

GARBERVILLE SANITARY DISTRICT
Management's Discussion & Analysis Report

For Year ended June 30, 2023

EXPENSES

The operational expenses are divided into five categories in the financial statements: Administrative and General, Sewage Collection, Sewage Treatment, Water Transmission and Distribution, and Water Treatment. In the following table the expenses have been summarized into major groups.

Table 2. Expense Summary and Comparison

	June 30, 2023	June 30, 2022	Change (\$)	Change (%)
Operational Expenses				
General Administrative	195,965.08	187,527.39	8,437.69	4.31%
Payroll	481,178.12	465,494.38	15,683.74	3.26%
Liability Insurance	52,534.86	53,273.43	-738.57	-1.41%
Sewage Collection	18,996.23	12,729.51	6,266.72	32.99%
Sewage Treatment	44,601.21	38,425.50	6,175.71	13.85%
Water Trans. & Dist.	33,559.15	38,082.61	-4,523.46	-13.48%
Water Treatment	84,083.44	100,235.70	-16,152.26	-19.21%
Total Operational Expenses	910,918.09	895,768.52	15,149.57	1.66%
Other Expenses				
Interest	5,233.55	3,265.76	1,967.79	37.60%
Miscellaneous	8,057.75	4,179.75	3,878.00	48.13%
Depreciation	414,839.60	422,589.00	-7,749.40	-1.87%
Total Other Expenses	428,130.90	430,034.51	-1,903.61	-0.44%
Total Expenses	1,339,048.99	1,325,803.03	-5,775.01	-0.43%

For the current fiscal year, the expenses were \$50,677.49 less than the amount budgeted.

Since the deficiency in revenue is less than the savings in expenses, it basically balanced out so that the operational net income was \$7,544.09 more than budgeted. On a million-dollar budget, that is a very small variation in the bottom line for the budget performance.

Budgetary Analysis

This year the overall net income was \$300,597.88. Once Grant Income and Depreciation are removed from this amount, the Net Income is \$327,467.22. This is \$84,041.36 more than last year.

There are a group of expenses that increase each year by more than standard cost of living and inflation rates and are mainly out of the control of District personnel. Each year we experience increases in costs for the various insurances that we have to possess. These include worker's compensation, health/dental/vision, property, pollution, cyber, General liability, errors & omissions, employee and public officials' dishonesty, auto liability, comprehensive and collision, and mobile equipment/trailer coverage. These are in four policies. Two policies we pay for on an annual basis due July 1 and the other two we pay for monthly, one month in advance. The total for all four policies in 2022-23 was \$ 100,994.57 and for 2023-24 is budgeted for \$117,140 which is an \$16,145 or 15.99% increase. This particular expense is escalating much quicker than the existing rate structure anticipated.

GARBERVILLE SANITARY DISTRICT
Management's Discussion & Analysis Report

For Year ended June 30, 2023

Payroll expenses also increase each year, which include wages, taxes, worker's compensation insurance, and benefits such as health and dental insurance, retirement, and vacation. The increases for worker's compensation and health/dental/vision insurances are dictated by SDRMA, but we have also awarded raises to the majority of the staff each year.

One area in which there is significant variation between years is for the Monitoring expenses. This is due to the terms of the State Water Resources Control Board monitoring schedule for distribution within our Water Permit and the requirements for our Wastewater Discharge Permit. Some tests are required annually, but there are groups that must be completed every 2, 3, 5, and 10 years. Depending upon where we are within the cycle, the cost of the tests can vary greatly. The budget adopted by the Board includes an estimate of the anticipated costs based upon the scheduled tests and the estimated cost per test.

Analysis of the Balances and Significant Transactions of Individual Funds

CASH BALANCES

The cash balances saw some significant changes this year as we moved funds from the Water Fund treasury account to the operations account to cover the large expenses associated with the tank replacement project. These funds will be replaced in those accounts once the project is completed and the state has fully reimbursed the District for the expenses that we have to "front" for the project. The requirement to be reimbursed in arrears has resulted in a negative cash flow of \$84,327.93 for this fiscal year.

Table 3. Cash Account Balances

Checking/Savings	June 30, 2023	June 30, 2022	Change (\$)
1005 · Umpqua Checking - Operating	113,735.48	165,091.66	(51,356.18)
1006 · Umpqua System Reserve - Water	25,814.51	25,811.93	2.58
1007 · Umpqua System Reserve - Sewer	31,273.32	31,270.19	3.13
1011 · Water Enterprise Fund	46,837.03	46,832.34	4.69
1030 · County Treasury - Sewer Reserve	481,067.57	434,307.06	37,585.17
1031 · County Treasury - Water Reserve	45,419.65	141,265.36	(97,118.79)
1035 · Water Capital Improvement Fund	26,001.84	18,000.01	8,001.83
1036 · Sewer Capital Improvement Fund	18,000.04	9,998.82	8,001.22
1040 · Petty Cash	39.51	39.51	0.00
1050 · Cash Drawer	300.75	200.75	100.00
Total Checking/Savings	788,489.70	872,817.63	-84,327.93

GRANT RECEIVABLE

Grant Receivables are at a significant level this year as we await reimbursement for the project expenses that have been incurred through the end of this fiscal year, but have not yet been reimbursed. There is a total grant receivable balance of \$379,229.00 as of June 30, 2023. Details for what makes up this balance are provided in section 6 as part of the discussion on the Tanks Replacement Project. The expenses that make up this receivable amount have been paid for in part from Capital Project reserve account funds, which will be put back when the reimbursement is received, but the Board should be prepared for the reserve fund balance

GARBERVILLE SANITARY DISTRICT
Management's Discussion & Analysis Report

For Year ended June 30, 2023

to drop below the \$700,000 target balance at least for a period of time during the upcoming year(s) while we proceed with this project.

Capital Assets and Reoccurring Fixed Assets

As part of the budget review and adoption process, the District identifies fixed assets and capital projects that will be undertaken over the next fiscal year. For the 2022-23 fiscal year, the Board budgeted for a year-end total of \$478,000.00. Actual expenditures for fixed asset acquisition through June 30, 2023 total \$465,021.23. The following table summarizes the budgeted and actual expenses.

Table 4. Details of Fixed Assets and Capital Projects Budgeted and Spent

Asset Description	Amount Budgeted	Amount Spent
Robertson + Wallen + Hurlbutt Tank Replacement Project	350,000	420,057.70
Meadows Aerial Waterline SRF Grant/Loan	8,000	
Bear Canyon Sewer Aerial Preliminary Design	5,000	
WWTP Flow Meters/Reprogram	7,500	
Fencing/Shelter for Raw Water Intake Generator & Controls	20,000	
Raw Water Intake Pump	70,000	
Pumps - Rebuild FW @ SWTP	7,500	
LMI Pumps - Water		5,793.31
LMI Pump - Sewer		1,565.61
Loprest Actuators for SWTP Filters		33,135.61
Chlorine analyzer & Turbidity sensor		4,469.00
Unspecified	10,000	
Total:	478,000	465,021.23

ROBERTSON, WALLAN, AND HURLBUTT TANKS REPLACEMENT PLANNING PROJECT

This capital asset project consists of replacing the existing 180,000-gallon, in-ground, concrete, finished water storage tank (Hurlbutt Tank) with a new in-ground, 550,000-gallon, pre-stressed concrete tank (Main Tank) located on an adjacent parcel. Replace the existing 20,000-gallon, failing, redwood drinking water storage tank (Wallan Tank) with an approximately 77,000-gallon bolted steel tank. Remove the failing Robertson Tank from the system. Demolish the existing Upper Maple Lane Pump Station and replace it with a new one at the site of the new Main Tank. Demolish the existing Arthur Pump Station and replace it with a new Alderpoint Pump Station. Upgrade the existing Wallan Pump Station to meet the operational requirements of the new Wallan Tank. Install new segments of distribution piping to connect the new tanks and pump stations to the existing distribution system. Install new, diesel-powered, backup generators at the Tobin Well, Upper Maple Lane Pump Station, Alderpoint Pump Station, and Wallan Pump Station. Install new instrumentation, controls, and radio telemetry improvements.

We executed a funding agreement with SWRCB for state revolving funds to complete surveying, geotechnical, design, CEQA, permitting and preparation of biddable plans and specifications for replacement of these three old tanks. The funding is in the amount of \$325,000 as 100% grant through Proposition 86. The scope of work associated with this planning project is estimated to be more than the \$325,000 and now includes some components deemed necessary, but not included in the original funding agreement. A request

GARBERVILLE SANITARY DISTRICT
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for an increase in planning grant funds has been prepared for the State's review and approval. At this time the amendment for the increase in funding has not been executed.

The grant program is a reimbursement program which means that the District will incur all the expenses and then SWRCB DFA will review eligibility of the expenses and eventually reimburse us. The difficulty with this is that it can take 6 - 12 months, or sometimes even more, to elapse between the date the District pays the expense and when they receive the reimbursement. This results in hundreds of thousands of dollars being utilized from the reserve account during the delay.

In November 2021, the District submitted a grant application packet for the Small Community Drought Relief Program for the Wallan, Robertson, and Hurlbutt Tanks. On August 22, 2022, the District received notice from the State of California Department of Water Resources Small Community Drought Relief Program that they had approved funding in an amount not to exceed \$4,545,000 for this project. This grant covers administration, project development, property acquisition, and construction for the tank replacement project. The Grant Agreement was executed on March 6, 2023. An amendment was executed on October 4, 2023, which modified the scope of work to only include the Hurlbutt/Main Tank and associated waterline and pump station.

Table 5. Summary of CIP-Robertson/Wallan/Hurlbutt project costs and Reimbursement Sources (including prior fiscal years) through June 30, 2023.

Description	Amount
Ineligible Expenses - Pre FA	\$ 32,796.28
Arthur Road PRV Construction Costs	\$ 57,610.01
DFA Reimbursement Invoice #1 (paid 12/12/23)	\$ 64,007.74
DWR Reimbursement Invoice #1 (paid 8/8/23)	\$165,759.30
DFA Reimbursement Invoice #2 (paid 9/21/23)	\$ 71,396.46
DWR Reimbursement Invoice #2 (submitted)	\$ 64,291.73
DFA Reimbursement Invoice #3 (paid 9/27/23)	\$ 52,220.29
DWR Retention Due	\$ 25,561.23
Expenses Awaiting Invoicing	0.00
Expenses Awaiting FA Amendment for Reimbursement	\$ 26,542.50
Total Project Costs to Date	\$ 562,380.93

The only Reimbursement that we received prior to June 30, 2023 was DFA #1. This amount was partially from FY 22/23, but the majority was from 2021/22 that had already been posted as a grant receivable as of 6/30/22 in the amount of \$55,266.74.

The amount outstanding from DFA as of 6/30/23 is $\$71,396.46 + 52,220.29 = \$123,616.75$.

The amount outstanding from DWR as of 6/30/23 is $\$165,759.30 + 64,291.73 + 25,561.23 = \$255,612.25$.

The total Grant Receivable is \$379,229.00

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For Year ended June 30, 2023

Upon completion of the environmental review, permitting, property acquisition and final design, this project will transition into a construction project. Partial funding for the construction phase is included in the DWR grant. The remainder will be applied for from the SWRCB Division of Financial Assistance Drinking Water State Revolving Fund program. All indications are that the construction funds will be awarded.

In July 2023 the District submitted a funding agreement amendment to add additional planning grant funds to the project in the amount of \$347,000, and the District also requested that the Work Completion Date be extended from March 31, 2024 to December 31, 2024. All indications from the DFA Project Manager are that this request has been approved by each level of review as it works its way through the approval process.

Long-term Debt Activity

The District has several long-term loans for various projects or assets that have been acquired over the past few years. Each loan is listed below with loan terms and remaining balance as of June 30, 2023. More detail can be found in the Financial Statement Note 4.

Table 6. Loan Payments made this year are:

Name of Lender	PRINCIPLE	INTEREST	TOTAL
SWRCB WWTP Principle Pmt (until 8/2023, 2%, \$428,907)	25,076.93	1,012.98	26,089.91
SWRCB DWIP Principle Pmt (until 01/2046, 0%, \$1,379,471)	45,982.36	0	45,982.36
RCAC Backhoe (3 yr. 9/1/23, 5%, \$60,000)	20,831.84	747.20	21,579.04
Ditch Witch Vac Trailer (3 yr., until 5/2025, 4.83%, \$74,280)	23,991.15	3,473.37	27,464.52
TOTAL	115,882.28	5,233.55	121,115.83

Table 7. Loan Payments budgeted for next year are:

Name of Lender	PRINCIPLE	INTEREST	TOTAL
SWRCB WWTP Principle Pmt (until 8/2023, 2%, \$428,907)	25,578.45	511.49	26,089.94
SWRCB DWIP Principle Pmt (until 01/2046, 0%, \$1,379,471)	45,982.36	-	45,982.36
RCAC Backhoe (3 yr. 9/1/23, 5%, \$60,000)	3,566.69	22.35	3,589.05
Ditch Witch Vac Trailer (3 yr., until 5/2025, 4.83%, \$74,280)	25,657.61	1,806.91	27,464.52
TOTAL	100,785.11	2,340.75	103,125.87

As of June 30, 2023, we only have three more months of payments on the backhoe and one payment left on the 20-year sewer loan for IP-2000 project. This will free up a significant amount of funds for use on other CIP or asset acquisition/replacement projects.

Currently Known Facts, Decisions, or Conditions

There are no additional facts, decisions or conditions that management anticipates having a material effect on the District's financial position in the next fiscal year.

BASIC FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Statement of Net Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 215,165	\$ 250,413
Cash - Restricted for Debt Service	46,837	46,832
Accounts Receivable - net of \$5,000	127,971	102,217
Allowance for Doubtful Accounts		
Capital Grant Receivable	379,229	55,267
Interest Receivable - County	2,267	18,900
Prepays and Deposits	7,684	4,198
Total Current Assets	<u>779,153</u>	<u>477,827</u>
Restricted Assets		
Cash in County Treasury	526,487	575,572
Total Restricted Assets	<u>526,487</u>	<u>575,572</u>
Noncurrent Assets		
Capital Assets, Net of Depreciation	9,127,808	9,497,684
Construction in Progress	579,303	159,246
Total Noncurrent Assets	<u>9,707,111</u>	<u>9,656,930</u>
Total Assets	<u>\$ 11,012,751</u>	<u>\$ 10,710,329</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 183,036	\$ 61,360
Utility Service Deposits	5,800	6,400
Accrued Vacation	40,734	40,953
Other Accrued Liabilities	1,625	-
Current Portion of Long-Term Obligations	100,785	116,056
Total Current Liabilities	<u>331,980</u>	<u>224,769</u>
Noncurrent Liabilities		
Noncurrent Portion of Long-Term Obligations	1,013,260	1,113,871
Total Liabilities	<u>\$ 1,345,240</u>	<u>\$ 1,338,640</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	8,593,066	8,427,003
Restricted for Debt Service	46,837	46,832
Unrestricted	1,027,608	897,854
Total Net Position	<u>\$ 9,667,511</u>	<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, 2023

	Water	Sewer	Total 2023
OPERATING REVENUES			
Utility Sales	673,650	501,436	1,175,086
Connection Fees	8,000	8,000	16,000
Other Revenues	12,231	9,550	21,781
<u>Total Operating Revenues</u>	693,881	518,986	1,212,867
OPERATING EXPENSES			
Salaries and Wages	181,545	210,204	391,749
Payroll Taxes	14,560	16,782	31,342
Employee Benefits	24,018	25,400	49,418
Rent	4,593	4,592	9,185
Materials and Supplies	1,132	1,154	2,286
Transportation	2,385	2,386	4,771
Sewage Collection	-	18,996	18,996
Office Expense	5,249	5,179	10,428
Insurance	30,288	30,916	61,204
Professional Services	35,926	30,729	66,655
Sewage Treatment	-	44,601	44,601
Water Treatment	84,083	-	84,083
Water Distribution	33,559	-	33,559
Permits and Fees	9,479	27,135	36,614
Utilities	1,619	1,619	3,238
Bad Debts	15,298	471	15,769
Other Expenses	24,198	22,821	47,019
Depreciation and Amortization	270,353	144,487	414,840
<u>Total Operating Expenses</u>	738,285	587,472	1,325,757
OPERATING GAIN (LOSS)	(44,404)	(68,486)	(112,890)
NON-OPERATING REVENUES (EXPENSES)			
Capital Grant Income	387,970	-	387,970
Property Taxes and Exemptions	-	34,050	34,050
Other Income	2,320	1,420	3,740
Other Expense	(7,451)	(1,349)	(8,800)
Interest Income (Current Year)	1,252	7,830	9,082
Interest Income (Prior Year Adjustment)	(3,078)	(4,242)	(7,320)
Interest Expense	(3,124)	(2,110)	(5,234)
<u>Total Non-operating Revenues</u>	377,889	35,599	413,488
CHANGE IN NET POSITION	333,485	(32,887)	300,598
NET POSITION			
BEGINNING OF YEAR			9,371,689
ADJUSTMENT FOR PRIOR YEAR INSURANCE EXPENSE			(4,776)
END OF YEAR			9,667,511

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

	Water	Sewer	Total 2022
OPERATING REVENUES			
Utility Sales	629,035	458,285	1,087,320
Other Revenues	2,840	-	2,840
<u>Total Operating Revenues</u>	631,875	458,285	1,090,160
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
Depreciation and Amortization	272,942	149,647	422,589
<u>Total Operating Expenses</u>	735,303	578,279	1,313,582
OPERATING GAIN (LOSS)	(103,428)	(119,994)	(223,422)
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>	67,972	36,866	104,838
CHANGE IN NET POSITION	(35,456)	(83,128)	(118,584)
NET POSITION			
BEGINNING OF YEAR			9,490,273
END OF YEAR			9,371,689

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 1,186,513	\$ 1,110,215
Cash Paid for Employees	(431,758)	(444,313)
Cash Paid for Goods and Services	(364,338)	(403,631)
	390,417	262,271
Cash Flows From Non-Capital Financing Activities		
Property Tax Revenues	34,050	31,191
	34,050	31,191
Cash Flows From Capital and Related Financing Activities		
Proceeds from Long-Term Debt	-	74,280
Principal Paid on Long-Term Debt	(115,882)	(90,386)
Proceeds from Capital Grants	64,008	-
Interest Paid on Long-Term Debt	(5,234)	(3,266)
Acquisition of Capital Assets	(465,022)	(226,619)
Proceeds from Other Income	3,740	15,007
Other Expenses	(8,800)	(4,180)
	(527,190)	(235,164)
Cash Flows From Investing Activities		
Interest on Investments	18,395	14
	18,395	14
Net Increase (Decrease) in Cash and Cash Equivalents	(84,328)	58,312
Cash and Cash Equivalents - Beginning of Year	872,817	814,505
Cash and Cash Equivalents - End of Year	\$ 788,489	\$ 872,817

The accompanying notes are an integral part of these financial statements

GARBERVILLE SANITARY DISTRICT
Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of Operating Gain (Loss) to Net Cash Provided by Operating Activities		
Operating Gain (Loss)	\$ (112,890)	\$ (223,422)
Adjustment to Reconcile Operating Gain (Loss) to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	414,840	422,589
Prior Period Adjustment to Prepaid Insurance	(4,776)	-
(Increase) Decrease in Accounts Receivable	(25,754)	20,953
(Increase) Decrease in Customer Deposits	(600)	(900)
(Increase) Decrease in Prepaid Expenses	(3,486)	(758)
Increase (Decrease) in Accounts Payable	121,676	33,290
Increase (Decrease) in Accrued Liabilities	1,406	10,517
	503,307	485,692
Total Adjustments		
	503,307	485,692
Net Cash Provided by Operating Activities	\$ 390,417	\$ 262,271
 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	\$ 788,489	\$ 872,817
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 215,165	\$ 250,413
Cash - Restricted for Debt Service	46,837	46,832
Cash in County Treasury	526,487	575,572
	\$ 788,489	\$ 872,817

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2023

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, 2023

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, 2023 and 2022 was \$40,734 and \$40,953 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 appropriable 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, 2023 and 2022.

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2023

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>2023</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	\$ 113,735	\$ 101,090	\$ -	\$ -	\$ 214,824
Restricted Water Fund	46,837	-	-	-	46,837
Petty Cash	-	-	-	341	341
Subtotal					262,002
Pooled with County	-	-	526,487	-	526,487
Total	<u>\$ 160,572</u>	<u>\$ 101,090</u>	<u>\$ 526,487</u>	<u>\$ 341</u>	<u>\$ 788,489</u>

<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					297,244
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>

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2023

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION

Capital Assets for the District for the years ended June 30, 2023 and 2022 consisted of the following:

	Balance 6/30/22	Additions	Deletions Transfers	Balance 6/30/23
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	2,395,296	-	-	2,395,296
Sewer Treatment Facilities	507,553	-	-	507,553
Water Distribution	2,804,483	-	-	2,804,483
Water Treatment	79,920	33,136	-	113,056
Water Pumps	10,049	5,793	-	15,842
Sewer Pumps	32,648	1,566	-	34,214
Water Project 2015	4,968,105	-	-	4,968,105
Sewer Project 2011	2,792,452	-	-	2,792,452
Wallan Road Tank	142,323	420,058	-	562,381
Office Equipment	38,244	-	-	38,244
Equipment	311,402	4,469	-	315,871
Vehicles	121,206	-	-	121,206
Annexation Project	157,367	-	-	157,367
CIP Church Street	6,800	-	-	6,800
CIP Bear Canyon	989	-	-	989
CIP Meadows Aerial	9,134	-	-	9,134
Less: Accumulated Depreciation	(5,265,319)	(414,842)	-	(5,680,160)
Total	<u>\$ 9,656,930</u>	<u>\$ 50,180</u>	<u>\$ -</u>	<u>\$ 9,707,111</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2023

NOTE 3 - CAPITAL ASSETS AND DEPRECIATION (Continued)

	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, 2023

NOTE 4 - LONG-TERM DEBT

Long-term debt of the District for the years ended June 30, 2023 and 2022 consisted of the following:

	Balance 6/30/22	Additions	Principal Payments	Balance 6/30/23
SWRCB	50,655	-	(25,076)	25,578
RCAC-Backhoe	24,406	-	(20,832)	3,574
Ditchwitch Trailer	74,280	-	(23,991)	50,289
SRF Loan	1,080,586	-	(45,982)	1,034,604
	<u>\$ 1,229,927</u>	<u>\$ -</u>	<u>\$ (115,881)</u>	<u>\$ 1,114,045</u>

	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>

Current portion of long-term debt is as follows:

SWRCB	\$ 25,578
Ditchwitch Trailer	25,658
SRF Loan	45,982
RCAC Loan	3,567
	<u>\$ 100,785</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, 2023 was \$25,578.

GARBERVILLE SANITARY DISTRICT
Notes to Financial Statements
June 30, 2023

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
2024	25,578	980	26,558
	<u>\$ 25,578</u>	<u>\$ 980</u>	<u>\$ 26,558</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, 2023 was \$3,574.

Year(s) Ending June 30	Principal	Interest	Total
2024	3,567	22	3,589
2025	7	-	7
	<u>\$ 3,574</u>	<u>\$ 22</u>	<u>\$ 3,596</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, 2023 was \$50,289.

Year(s) Ending June 30	Principal	Interest	Total
2024	25,658	1,906	27,564
2025	24,631	1,099	25,730
	<u>\$ 50,289</u>	<u>\$ 3,005</u>	<u>\$ 53,294</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2023

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, 2023 was \$1,034,604.

Year(s) Ending June 30	Principal	Interest	Total
2024	45,982	-	45,982
2025	45,982	-	45,982
2026	45,982	-	45,982
2027	45,982	-	45,982
2028	45,982	-	45,982
2029-2033	229,910	-	229,910
2034-2038	229,910	-	229,910
2039-2043	229,910	-	229,910
2044-2046	114,964	-	114,964
	<u>\$1,034,604</u>	<u>\$ -</u>	<u>\$1,034,604</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2023

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, 2022 through June 30, 2023. 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>2023</u>	<u>2022</u>
Current Secured Taxes	\$ 31,952	\$ 29,334
Current Unsecured Taxes	1,215	1,135
Prior Years - Taxes	14	84
Current Supplemental Taxes	511	343
Prior Years - Supplemental	66	-
Homeowners' Exemptions	292	295
Total Taxes and Exemptions	<u>\$ 34,050</u>	<u>\$ 31,191</u>

GARBERVILLE SANITARY DISTRICT

Notes to Financial Statements

June 30, 2023

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 2026.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 29, 2023, the date the financial statements were available to be issued.

December 29, 2023

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, 2023. 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 September 8, 2023. 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 county fund current year interest adjustments | \$ 9,068 |
| 2. | Record county fund prior year interest adjustments | \$ (7,320) |
| 3. | Record additional county fund activity as of 6/30/2023 | \$ 2,201 |

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 29, 2023.

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, LLP

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, 2023 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

Fortuna, California
December 29, 2023

January 23, 2024

Anderson, Lucas, Somerville & Borges
1338 Main Street
Fortuna, CA 95540

We are providing this letter in connection with your audits of the financial statements of Garberville Sanitary District as of June 30, 2023 and for the year then ended for the purpose of expressing opinions as to whether the financial statements 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 Garberville Sanitary District and the respective changes in financial position and cash flows in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgement of a reasonable person relying on the information would be changed or influenced by the omission or misstatements. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 29, 2023, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the business-type activities required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all –
 - a. Financial records and related data.
 - b. Minutes of the meetings of the Board of Directors of the Garberville Sanitary District or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule, if any, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, you have proposed adjusting journal entries that have been posted. We are in agreement with those adjustments.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
10. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
11. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the District is contingently liable.

- c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied and adequately disclosed.
- 12. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 13. There are no –
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with generally accepted accounting principles (Statement of Financial Accounting Standards No. 5).
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by Financial Accounting Standards Board (FASB) Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
- 14. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 15. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you.

16. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have followed all applicable laws and regulations in adopting, approving and amending budgets.
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 & 37 for presentation as major are identified and presented.
20. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
21. Provisions for uncollectible receivables have been properly identified and recorded.
22. Interfund, internal and inter-entity activity and balances have been appropriately classified and reported.
23. Deposits and investment securities, if any, are properly classified as to risk, and investments are properly valued.
24. Capital assets are properly capitalized, reported, and, if applicable, depreciated.
25. We acknowledge our responsibility for the required supplementary information (RSI), if any. The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used on the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurements and presentations of the RSI.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: _____

Title: Chair of the Board of Directors

Past Due Report with Service Address and Phone

01/20/2024

Past Due Printing Group: Shut Off Letter Printing Group (ORDER BY SBW.AccountNumber)

Account	Route Name	Past Due	0 - 30	31 - 60	61 - 90	91 - 120	121 +	Balance
001		200.00	184.00	178.00	22.00	0.00	0.00	384.00
Meter off -004		1,592.00	142.00	142.00	142.00	142.00	1,166.00	1,734.00
007		440.80	413.20	440.80	0.00	0.00	0.00	854.00
037		142.50	109.00	130.00	12.50	0.00	0.00	251.50
038		157.00	166.00	157.00	0.00	0.00	0.00	323.00
045		258.00	160.00	172.00	86.00	0.00	0.00	418.00
046		675.00	172.00	184.00	238.00	253.00	0.00	163.33 847.00
047		381.00	150.00	127.00	254.00	0.00	0.00	531.00
052		154.00	166.00	154.00	0.00	0.00	0.00	320.00
053		326.00	196.00	203.00	123.00	0.00	0.00	522.00
Meter off -060		2,263.00	112.00	236.00	124.00	124.00	1,779.00	2,375.00
063		15.00	148.00	15.00	0.00	0.00	0.00	163.00
071		166.00	166.00	166.00	0.00	0.00	0.00	332.00
074		2.00	198.00	2.00	0.00	0.00	0.00	200.00
079		309.50	318.00	309.50	0.00	0.00	0.00	627.50
090		254.00	127.00	127.00	127.00	0.00	0.00	381.00
092		154.00	154.00	154.00	0.00	0.00	0.00	308.00
Payment Plan -096		164.00	139.00	164.00	0.00	0.00	0.00	303.00
Meter off -098		1,057.00	221.00	213.00	213.00	229.00	402.00	1,278.00
099		299.40	308.60	299.40	0.00	0.00	0.00	608.00
112		84.00	154.00	84.00	0.00	0.00	0.00	238.00
Payment Plan -117		309.00	190.00	166.00	143.00	0.00	0.00	499.00
126		150.00	150.00	150.00	0.00	0.00	0.00	300.00
Meter off -132		1,493.10	142.00	142.00	142.00	142.00	1,067.10	1,635.10

Past Due Report with Service Address and Phone

01/20/2024

Past Due Printing Group: Shut Off Letter Printing Group (ORDER BY SBW.AccountNumber)

Account	Route Name	Past Due	0 - 30	31 - 60	61 - 90	91 - 120	121 +	Balance
132-02		743.80	15.00	15.00	0.00	0.00	728.80	758.80
Payment Plan - 142-05		407.50	7.50	0.00	0.00	0.00	407.50	415.00
142-06		556.00	15.00	0.00	154.00	133.00	269.00	571.00
Payment Plan - 143-03		159.00	0.00	0.00	0.00	15.00	144.00	159.00
143-04		147.00	0.00	15.00	15.00	117.00	0.00	147.00
147		2,059.50	127.00	127.00	127.00	127.00	1,678.50	2,186.50
Payment Plan - 166		2,978.75	127.00	227.00	127.00	127.00	2,497.75	3,105.75
Meter off - 171		446.00	79.00	194.00	94.00	79.00	79.00	525.00
Payment Plan - 178		531.30	172.00	160.00	166.00	190.00	15.30	703.30 623.30
189		153.00	168.00	153.00	0.00	0.00	0.00	321.00
196		341.80	323.40	341.80	0.00	0.00	0.00	665.20
201		213.40	368.20	213.40	0.00	0.00	0.00	581.60
202		1,499.10	1,543.15	1,499.10	0.00	0.00	0.00	3,042.25 2,292.25
Meter off - 203		269.00	142.00	142.00	127.00	0.00	0.00	411.00
203-02		418.50	0.00	100.00	15.00	166.00	137.50	418.50
211		139.00	139.00	139.00	0.00	0.00	0.00	278.00
213		269.00	150.00	142.00	127.00	0.00	0.00	419.00 169.00
Meter off - 232		841.00	160.00	278.00	178.00	198.00	187.00	1,001.00
234		153.00	154.00	153.00	0.00	0.00	0.00	307.00
240-04		1,099.00	142.00	142.00	142.00	142.00	673.00	1,241.00
266		50.00	190.00	50.00	0.00	0.00	0.00	240.00
276		381.00	157.00	381.00	0.00	0.00	0.00	538.00
282		151.00	185.00	151.00	0.00	0.00	0.00	336.00
294-04		494.00	0.00	203.00	210.00	81.00	0.00	494.00

Past Due Report with Service Address and Phone

01/20/2024

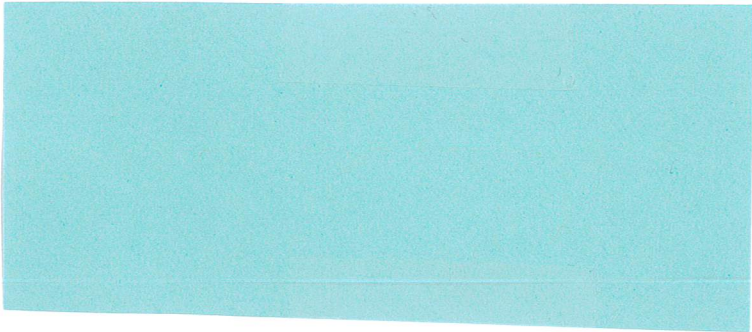
Past Due Printing Group: Shut Off Letter Printing Group (ORDER BY SBW.AccountNumber)

Account	Route Name	Past Due	0 - 30	31 - 60	61 - 90	91 - 120	121 +	Balance
298		365.00	184.00	184.00	181.00	0.00	0.00	549.00
308		265.00	0.00	79.00	94.00	92.00	0.00	265.00
312		199.00	169.00	199.00	0.00	0.00	0.00	368.00
332		294.00	161.00	231.00	63.00	0.00	0.00	455.00
334		137.50	160.00	137.50	0.00	0.00	0.00	297.50
Payment Plan -337		455.00	154.00	160.00	178.00	117.00	0.00	609.00 509.00
346		266.40	272.40	266.40	0.00	0.00	0.00	538.80
Meter Off -360		444.50	160.00	160.00	160.00	124.50	0.00	604.50
Payment Plan ↗ 374 ↘		287.00	154.00	154.00	133.00	0.00	0.00	441.00
374-06		423.00	15.00	15.00	15.00	148.00	245.00	438.00
386		153.00	146.00	153.00	0.00	0.00	0.00	299.00
387		237.00	331.00	237.00	0.00	0.00	0.00	568.00
396		139.00	139.00	139.00	0.00	0.00	0.00	278.00
400		6.00	148.00	6.00	0.00	0.00	0.00	154.00
407		261.50	133.00	218.00	43.50	0.00	0.00	394.50
430		108.00	143.00	108.00	0.00	0.00	0.00	251.00
meter off -446		652.00	94.00	179.00	97.00	97.00	279.00	746.00
447		181.00	188.00	181.00	0.00	0.00	0.00	369.00
449		151.00	151.00	151.00	0.00	0.00	0.00	302.00
451		133.00	139.00	133.00	0.00	0.00	0.00	272.00
455		145.00	166.00	145.00	0.00	0.00	0.00	311.00
Meter off -463		277.00	154.00	160.00	117.00	0.00	0.00	431.00
473		59.00	103.00	59.00	0.00	0.00	0.00	162.00
meter off -474		446.00	79.00	194.00	94.00	79.00	79.00	525.00

Past Due Report with Service Address and Phone

01/20/2024

Past Due Printing Group: Shut Off Letter Printing Group (ORDER BY SBW.AccountNumber)

Account	Route Name	Past Due	0 - 30	31 - 60	61 - 90	91 - 120	121 +	Balance
476		445.25	177.00	201.00	244.25	0.00	0.00	622.25
		32,077.10	12,470.45	12,791.90	4,528.25	2,922.50	11,834.45	44,547.55

42,314.88



Garberville Sanitary District Customer Payment Plan Agreement

Customer Name/Address/Phone: _____

GSD Account #/Service Address: _____

Promise to Pay

By Signing this Agreement, I acknowledge and reaffirm my outstanding debt pertaining to the Past-Due Balance of \$ _____ with the Garberville Sanitary District as of _____.

By signing this agreement, I agree to pay my outstanding debt according to the following schedule, terms and conditions. Alterations to this agreement can only be made by both parties and must be placed in writing. Both parties will receive a printed copy of this agreement, and will be responsible for upholding its terms:

1. I agree and accept responsibility for monthly payments of at least \$ _____. Payments are due before the 25th of each month and will continue until such time as my account is PAID IN FULL.
2. I understand all payments are to be made payable to the Garberville Sanitary District and mailed to G.S.D. P.O. Box 211, Garberville CA 95542, or brought directly to the G.S.D. Office located at 919 Redwood Drive, Garberville CA. Business Hours are 9:00 am to 5:00 pm Monday through Thursday. A Drop Box outside the front door is provided for after-hours delivery. Payments may also be made to the G.S.D website: [PAY YOUR BILL ONLINE! - Garberville Sanitary District \(garbervillesd.org\)](http://www.garbervillesd.org)
3. I understand it is my responsibility to notify the G.S.D. Office of any address, phone, name or email changes. Notification must be promptly made to Mary Nieto at m.nieto@garbervillesd.org

or by calling (707) 923- 9566, or by mailing updated personal information to the post office address provided on this form.

4. I understand any payment returned by my banking institution for “Insufficient Funds”, “Stop Payment”, “Closed Account” or any other reason will immediately cause the account to become delinquent and thereafter placed in a collection status which may include referral to a collection agency. Bounced checks will incur an NSF fee of \$40.00.
5. I understand that I may make additional payments beyond the agreed monthly payment at any time; however, I am still responsible for continuing to make minimum monthly payments until such time as my account balance is PAID IN FULL.
6. I further understand and agree that if I do not follow through with any portion of the stated schedule of payments, terms or conditions, and/or if any installment is delinquent beyond thirty (30) days, this account, at the sole option of the Garberville Sanitary District, may be declared immediately due and payable in full. I promise to pay all attorney fees and other reasonable collection costs and charges necessary for the collection of any amount not paid when due. I understand that, if my account is referred to a collection agency, the collection fee is ordinarily thirty-three and one third percent (33 1/3%) of the total outstanding balance due, for which I will be responsible in addition to the principal debt due and payable.
7. I am currently aware of the G.S.D. Ordinance: (copied below)

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. **Customer Bills:** Bills will be mailed by the first of each month.

Late Payments Procedure:

NON-Residential

Bills Past Due – Courtesy Call

35 Days Past Due – Shut off notice – Hand delivered to service address.

7 Days after Shut Off notice is delivered – Water will be turned off. The owner will be notified.

There will be a **\$100 reconnection fee** due, prior to water being reconnected.

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.

Two YEARS Past Due -Turn over to collection agency.

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

Bills Past Due – Courtesy Call

60 Days Past Due – Service subject to disconnection pursuant to Policy Governing of Residential Water Service for Nonpayment of Water Rates and Charges.

One YEAR Past Due – Lin 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.

Two YEARS Past Due – Turn over to collection agency.

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

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.

NSF (non-sufficient funds) from any payment source will require the customer to pay all bank charges and a \$35 handling fee.

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.

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.

By this agreement, it is agreed that the payment of \$ _____ will be surrendered to the Garberville Sanitary District every month until the total of the payment required, which is \$ _____, has been delivered.

INSTALLMENT SCHEDULE				OFFICE USE ONLY	
PAYMENTS	DUE DATE	AMOUNT	PAID	RECEIVED BY	
First					
Second					
Third					
Fourth					
Fifth					
Sixth					
Seventh					
Eighth					
Ninth					

Tenth					
Eleventh					
Twelfth					

Payments beyond this point may be renegotiated and extended with an additional agreement form reflecting such possible changes.

I have carefully and completely read this agreement and fully understand the purpose, intent and the effect of this agreement. I have voluntarily executed the agreement by action of my own free will.

G.S.D. Customer/Payee _____

Date _____

G.S.D. General Mgr./Designee _____

Date _____

Sec 7.3 Damage to Water System Facilities. The customer shall be liable for any damage to the service facilities or equipment when such damage is from causes originating on the premises by an act of the customer or his tenants, agents, employees, contractors, licensees or permittees, including the breaking or destruction of locks by the customer or others on or near a meter.

The District shall be reimbursed by the customer or property owner for any such damage promptly on presentation of a bill. Failure to pay for damages or enter into payment plan with GSD, may result in termination of water/sewer service along with being subject to legal recourse.

Sec 7.3a Water-Sewer Pipe Damage and Responsibility. The District is not responsible for damage to water/sewer pipes on private property and will not enter property for inspection without approval from property owner/tenant and General Manager. When District employees assist a customer on private property, they will not be responsible for damage, now or in the future. No work will be performed on public/private property, without completing an approved liability/damage waiver.

Approved: November 14th, 2023

Resolution #23-013



Garberville Sanitary District
PO Box 211
919 Redwood Dr.
Garberville, CA 95542
Office (707)923-9566 Fax (707)923-3130

RELEASE OF LIABILITY/INDEMNITY AGREEMENT:

PROPERTY AND PROPERTY OWNER(S):

Date: _____

Property Address: _____ (the "Property")

Property Owner(s) Name:(s) _____

_____ the ("Property Owner(s)")

Name of Business (if any): _____

Phone Number: _____

Email Address: _____

1. Release of Liability. The undersigned Property Owner(s) represent and warrant to the Garberville Sanitary District ("District") that he/she/they are the owners of record of the above-described Property and hold and possess all possessory and ownership rights in and to said Property.

In consideration for the District's agreement to enter and repair certain waterlines, wastewater lines and/or other utility liens on the undersigned Property Owner(s)' Property, the undersigned, on behalf of the undersigned Property Owner(s) and the Property Owner(s)' heirs, successors, assigns, agents, tenants, representatives, subsidiaries, principals, directors, members, officers, employees, authorized volunteers, contractors and subcontractors (collectively "Property Owner(s) Associated Parties"), hereby release and forever discharge the District, each self-insurance pool in which the District is a member, each representative and employee, board member, officer, agent and/or contractor of the District, and their successors and assigns (the "Released Parties"), and each of them, from any and all legal actions, (including without limitation any claim for attorneys' fees, costs, interest and penalties), damages causes of action, suits, debts, liens, demands, penalties, expenses, and causes of action of any kind or nature whatsoever at law, in tort, in equity, in contract, or under any statute, administrative rule or regulation, whether known or unknown, direct or consequential, foreseen or unforeseen, matured or unmatured, asserted or

unasserted, alleged or unalleged, developed or undeveloped, discoverable or undiscoverable, identified in this Release or not (collectively "Claims"), which Property Owner(s) and/or Property Owner(s) Associated Parties might have or might claim to have against the District and the Released Parties in any way related to, arising from or regarding the District's and the Released Parties' entry and performance of utility service repair work on Property Owner(s)' Property.

It is understood and agreed by Property Owner(s) for itself/themselves and Property Owner(s) Associated Persons, and each of them, that this is a full and final release applying not only to all Claims that are presently known, but also to all Claims that are presently unknown, unanticipated, and undisclosed to them. Accordingly, Property Owners for itself/themselves and on behalf of Property Owner(s) Associated Persons waive all rights under section 1542 of the California Civil Code which reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

2. **Indemnification**. Property Owner(s) agree to hold harmless, defend and indemnify the Released Parties from any and all liens and claims, whether known or unknown, claimed now or claimed later, by any third-party, including, but not limited to, any and all liens or claims asserted by any of Property Owner(s) Associated Parties and/or any other third party regarding any obligations incurred by Property Owners as a result of the District's agreement to enter and repair certain waterlines, wastewater lines and/or other utility liens on the undersigned Property Owner(s)' Property.

THE UNDERSIGNED PROPERTY OWNER(S) ACKNOWLEDGE THAT HE/SHE/THEY HAVE CAREFULLY READ THIS RELEASE OF LIABILITY AND INDEMNITY AGREEMENT AND FULLY UNDERSTAND THAT IT IS A RELEASE OF LIABILITY.

PROPERTY OWNER(S) (Complete for each Property Owner):

Print Name: _____

Signature: _____

Date: _____

Print Name: _____

Signature: _____

Date: _____

Print Name: _____

Signature: _____

Date: _____

Print Name: _____

Signature: _____

Date: _____

Reviewed and Accepted by Garberville Sanitary District:

Print Name: _____

Signature: _____

Date: _____

Title: _____

RESOLUTION 24-001

A RESOLUTION OF THE GARBERVILLE SANITARY DISTRICT AUTHORIZING A CHANGE TO SEC 7.3 DAMAGE TO WATER SYSTEM FACILITIES

A. **WHEREAS,** the Board of Directors of the Garberville Sanitary District, has determined that Sec 7.3 must be upgraded to include language which protects the District when accessing private property for emergency repairs.

B. **WHEREAS,** when District personnel are asked to access or must access private property to make changes, fix leaks or make repairs to the distribution or collection system, this new ordinance will protect GSD and employees from damages that may happen from accessing the property.

C. **WHEREAS,** when GSD personnel access private property, the owner or representative will fill out and sign a waiver of liability agreement at District office before work is to be performed.

D. **WHEREAS,** the District is committed to assisting our customers when a water/wastewater problem arises but must be protected in the event of injury or damage to personnel or property.

E. **WHEREAS,** this updated ordinance will go into effect upon Board approval

Sec 7.3 Damage to Water System Facilities. The customer shall be liable for any damage to the service facilities or equipment when such damage is from causes originating on the premises by an act of the customer or his tenants, agents, employees, contractors, licensees or permittees, including the breaking or destruction of locks by the customer or others on or near a meter.

The District shall be reimbursed by the customer or property owner for any such damage promptly on presentation of a bill. Failure to pay for damages or enter into payment plan with GSD, may result in termination of water/sewer service along with being subject to legal recourse.

NOW, THEREFORE BE IT RESOLVED , THAT THE BOARD OF DIRECTORS OF THE GARBERVILLE SANITARY DISTRICT DOES HEREBY APPROVE RESOLUTION 24-001, APPROVING CHANGES DAMAGE TO WATER SYSTEM FACILITIES SEC 7.3

PASSED, APPROVED AND ADOPTED this 23RD day of January 2024 by the following roll call vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Doug Bryan—Board Chairperson

ATTEST:

Ralph Emerson, Board Secretary



Garberville Sanitary District
PO Box 211
919 Redwood Dr.
Garberville, CA. 95542
Office(707)923-9566 Fax(707)923-3130

EMERGENCY OPERATIONS PLAN

Garberville Sanitary District is committed to providing the best service possible for our customers but we also want to provide leadership, a remediation plan and assistance in surviving and escaping emergencies which may arise.

Southern Humboldt is vulnerable to a host of hazards and natural disasters such as earthquakes, floods, winter storms, landslides, droughts and fires; which is why Garberville Sanitary District is providing this Emergency Operational Plan, to assist in protecting our environment and customers.

Garberville is located in an area which has had many natural disaster emergencies over the years and because Cal-Trans, Cal-Fire, Sheriff's Office, PG&E, Humboldt County Road Department, The Hospital, Water District and the Garberville Fire Department are all located within the GSD boundaries, we must work together and coordinate effectively to survive any emergency.

EMERGENCY CONTACTS

Call 911

Garberville Sanitary District—(707)923-9569
<https://garbervillesd.specialdistrict.org/>

Office of Emergency Services—(707)445-7251
<https://humboldt.gov/356/Office-of-Emergency-Services>

Sheriff's Office--(707)923-2761
<https://humboldt.gov/2350/Sheriffs-Office-Newsroom>

Cal Fire—(707)923-2645
<https://www.fire.ca.gov/incidents/>

Humboldt County Road Department—(707) 445-7491
<https://humboldt.gov/CivicAlerts.aspx?CID=14>

Cal-Trans—(707)923-9374
<https://roads.dot.ca.gov/roadscell.php>

EMERGENCY CONTACTS

Humboldt County Public Health—(707)445-6200
<https://humboldt.gov/330/Public-Health>

PG&E—(800) 743-5000
<https://www.pgecurrents.com/>

Hospital—(707)923-3921

KMUD News— (707)-923-2605
<https://kmud.org/>

Redwood Rural Health Center—(707)923-2783

Garberville Fire Department—(707)923-3196

Search & Rescue—911

Humboldt County Evacuation and Information Center—(707)268-2500
<https://humboldt.gov/374/Emergency-Operations-Plan>

Emergency Alert Notification-- <https://member.everbridge.net/453003085616405/login>

Southern Humboldt Amateur Radio Club— <http://www.sharc-ca.org> , info@sharc-ca.org
Patte Rae: 707-223-1560

Redheaded Black Belt News Online
<https://kymkemp.com/>

Lost Coast Outpost News
<https://lostcoastoutpost.com/>

USGS River Conditions
https://waterdata.usgs.gov/ca/nwis/uv?site_no=11476500

ARE YOU PREPARED

1. Have a 72 hour emergency preparedness kit
2. Know your escape routes
3. Have contact list with you that include names, phone numbers, email info and addresses
4. Have a location identified with family and friends where they can meet you
5. Ensure that you have additional fuel, food, water, heat and batteries for lights stored
6. You may lose all contact so be prepared and if necessary have a survival manual
7. Be prepared to treat your own water by boiling, filtration or disinfectant
8. Have additional water available in case water service is disrupted
9. Remove all fuel which may start a fire and endanger your house
10. Notify somebody immediately if danger approaches, so they know your circumstances
11. First Aid Kit and know how to use it

ACTION TAKEN FOR EMERGENCIES

Fires

1. Don't try to be a hero
2. Be prepared to survive or get out
3. Fires can happen at any time for a variety of reasons so be aware of the conditions.
 - a) Call 911
 - b) Lightening is notorious for starting multiple fires that can halt escape
 - c) Debris and anything flammable is an accelerant so remove it from around house
 - d) Fires typically move faster uphill and slower downhill but wind blows fire everywhere
 - e) As fire becomes close, wet yard, house and roof while removing anything flammable
 - f) Grass fires move quickly but generate less heat than brush and heavy timber
4. Store water and a fire backpack with spray nozzle along with fire extinguisher
5. Always have a fire retardant blanket or clothing available if unable to get out
6. Garberville Sanitary District will make water available to anyone in danger during a fire
7. We will keep our website updated with current conditions of the emergency so continue to check in for road closures and updates www.garbervillesd.org
8. You can call our emergency number at (707)923-9569

Floods

There have been floods in the past which have closed roads, destroyed buildings and property, along with causing mass destruction, including death so although floods are a minimal risk, we must plan for the unexpected.

As the South Fork Eel River rises, you can check the Garberville Sanitary District website for local flood concerns, along with the emergency contacts above. You can also check river conditions on your own by going to the USGS Water Information Center - https://waterdata.usgs.gov/ca/nwis/uv?site_no=11476500

Flood stage for the Eel River is 33ft, so being prepared for road closures and flood damage is important for all people living near the river or along the highway 101 corridor from Leggett to Fortuna.

Assuming the water will not affect you is the wrong plan for survival because once the water has breached the banks and closed roads, you are at the mercy of the flood so best practice is to leave the area before road closes and seek higher ground to ensure your safety.

ARE YOU PREPARED

1. Have a 72 hour emergency preparedness kit
2. Know your escape routes
3. Have contact list with you that include names, phone numbers, email info and addresses
4. Have a location identified with family and friends where they can meet you
5. Ensure that you have additional fuel, water, food, heat and batteries for lights stored
6. You may lose all contact so be prepared and if necessary have a survival manual
7. Be prepared to treat your own water by boiling, filtration or disinfectant
8. Have additional water available in case water service is disrupted
9. Remove all fuel which may start a fire and endanger your house
10. Notify somebody immediately if danger approaches, so they know your circumstances
11. Have portable submersible pump available with hose
12. Have emergency floatation devices for everyone in your home or business
13. Boats will not help during a flood so do not try to leave in a boat
14. Have security ropes, cables or lines attached to anything you want to secure as water rises.
15. First Aid Kit and know how to use it

Earthquake

Earthquakes are difficult to prepare for because unlike fires and floods, they can happen at any time and with no warning, weather or environmental indicators or rain which causes river to rise. An earthquake can destroy everything within the area impacted so being prepared or surviving an earthquake requires knowing how to protect yourself quickly.

Have a place to go where you can quickly be safe from falling objects, broken glass and other objects that can move and cause harm. Make sure that where you go for safety, there is access to a phone or device to contact others and that you protect your face and vital organs from moving objects

ARE YOU PREPARED

1. Have a 72 hour emergency preparedness kit
2. Know your escape routes
3. Have contact list with you that include names, phone numbers, email info and addresses
4. Have a location identified with family and friends where they can meet you
5. Ensure that you have additional fuel, water, food, heat and batteries for lights stored
6. You may lose all contact so be prepared and if necessary have a survival manual
7. Be prepared to treat your own water by boiling, filtration or disinfectant
8. Have additional water available in case water service is disrupted
9. Remove all fuel which may start a fire and endanger your house
10. Notify somebody immediately if danger approaches, so they know your circumstances
11. First Aid Kit and knowledge of use

ROAD CLOSURES

You know how to access your property, business or home during normal conditions but you need to know how to access or leave property quickly and safely in the event of emergencies, disasters or road closures.

Have an escape route with all possibilities and a map in your car and programmed on your phone.

The roads might be closed so locate the escape routes which may require a river or overland escape. Are you prepared to leave by boat if required or do you have a survival backpack, clothing and shoes to walk to safety?

RIVER CONTAMINATION

When the South Fork of Eel River or convergent tributary has been contaminated or potentially contaminated by a known or unknown toxic substance, a boil water order will be issued immediately by robocall, media and website.

1. Turn off water treatment plant until water is determined to be safe.
2. Turn on Tobin well and test water entering distribution system.
3. GSD Operators will do an inspection and test water quality.
4. Contact Board Members of situation
5. Contact Media, Humboldt County OES, Sheriff, Environmental Health and Board Members.
6. Determine what contaminant may have entered the water and work with environmental agencies to ensure contaminant is removed or able to be treated to safe drinking water level.
7. Update website with what has taken place and what GSD is doing to ensure safe potable water.
8. Initiate phase 4 of drought plan-(on web site or call office) **Board Input from last meeting**
9. When water is determined safe, turn on the water treatment plant and turn off the Tobin well.
10. Update the website and make a robocall, that water is safe to drink and notify the media.
11. Write a report of timeline, when notified and what actions were taken.
12. General Manager and staff will work on report for Board Meeting

GARBERVILLE SANITARY DISTRICT RESPONSIBILITY

NOTIFY CUSTOMERS

Garberville Sanitary District will notify all customers of local disasters and emergencies through our Call system and we will give updates as we get them, which include escape routes, road closures, evacuation centers and all pertinent information to assist our customers. We will have all emergency and preparedness information updated hourly during all local disasters and emergency events.

ESCAPE ROUTES

Know your escape routes and check our website frequently because we will maintain the most current information about what is happening with the disaster or emergency.

We will keep you informed on road closures as well as alternative routes that can be taken to help you leave the area safely and expediently.

ARTICLE 14 - GENERAL PROVISIONS

Sec 14.1 Pools and Tanks. When an abnormally large quantity of water is desired for filling a swimming pool or other purposes, arrangements must be made with the District prior to taking such water. Permission to take water in unusual quantities will be given only if it can be safely delivered through the District's facilities and if other consumers are not inconvenienced thereby.

A copy of procedures will be given along with permission. **(See Section 15.7)**

a. Filling pools must be completed by July 1st or application will be denied.

b. Filling pools will be denied when drought plan is in place.

Sec 15.7 Fee for Filling Pools. Any person wanting to fill a swimming pool, must fill out an application at the GSD Office (no cost). This application will be on file with customer account and used to verify the gallons required.

a. Fee for filling pools will be less than regular potable water use and based on gallons used.

b. The fee will be calculated by the units of water used (748 gallons = 1 unit).

c. The units of water will be multiplied by the 2nd tier of customer water rate.

d. When pool is filled after July 1st, customer will pay full consumption charge.

e. A waiver can be granted to fill pool or tank after July 1st, if evidence of accidental or natural disaster emptied pool or tank. This will require a written report of what happened and can only be approved by General Manager or designee.

Garberville Sanitary District
PO Box 211
919 Redwood dr.
Garberville, CA. 95542
Office(707)923-9566 Fax(707)923-3130

APPLICATION FOR FILLING POOLS

Property and Contact Details:

Property to be served: APN # _____

Applicant Details: (if not the owner)

Full Name: _____

Street Address: _____

Mailing Address: _____

Phone Work# _____ Cell Phone# _____

Email Address: _____

Residential Home or Apartment

Commercial

Pool Details:

a. Location _____

b. Gallons _____

Sec 15.7 Fee for Filling Pools. Any person wanting to fill a swimming pool, must fill out an application at the GSD Office (no cost). This application will be on file with customer account and used to verify the gallons required.

a. Fee for filling pools will be less than regular potable water use and based on gallons used.

b. The fee will be calculated by the units of water used (748 gallons = 1 unit).

c. The units of water will be multiplied by the 2nd tier of customer water rate.

I, the undersigned, hereby declare that the information given on this application is true and correct. I am authorized to make this application in the name of the legal owner and in so doing, accept the conditions of the Garberville Sanitary District for compliance with pool Ordinance. Sec 14.1 and 15.7

Name _____ Date _____



Garberville Sanitary District
PO Box 211
919 Redwood dr.
Garberville, CA. 95542
Office(707)923-9566 Fax(707)923-3130

APPLICATION FOR FILLING POOLS OR LARGE TANKS.

Property and Contact Details:

Property to be served: _____ **APN #** _____

Applicant Details: (if not the owner)

Full Name: _____

Street Address: _____

Mailing Address: _____

Phone Work# _____ Cell Phone# _____

Email Address: _____

- Residential Home or Apartment
- Commercial

Pool Details:

a. Location _____

b. Gallons _____

ARTICLE 14 - GENERAL PROVISIONS

Sec 14.1 Pools and Tanks. When an abnormally large quantity of water is desired for filling a swimming pool or other purposes, arrangements must be made with the District prior to taking such water. Permission to take water in unusual quantities will be given only if it can be safely delivered through the District’s facilities and if other consumers are not inconvenienced thereby. A copy of procedures will be given along with permission. **(See Section 15.7)**

a. Filling pools must be completed by July 1st or application will be denied.

b. Filling pools will be denied when drought plan is in place.

Sec 15.7 Fee for Filling Pools. Any person wanting to fill a swimming pool, must fill out an application at the GSD Office (no cost). This application will be on file with customer account and used to verify the gallons required.

a. Fee for filling pools will be less than regular potable water use and based on gallons used.

b. The fee will be calculated by the units of water used (748 gallons = 1 unit).

c. The units of water will be multiplied by the 2nd tier of customer water rate.

d. When pool is filled after July 1st, customer will pay full consumption charge.

e. A waiver can be granted to fill pool or tank after July 1st, if evidence of accidental or natural disaster emptied pool or tank. This will require a written report of what happened and can only be approved by General Manager or designee.

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I, the undersigned, hereby declare that the information given on this application is true and correct. I am authorized to make this application in the name of the legal owner and in so doing, accept the conditions of the Garberville Sanitary District for compliance with pool Ordinance. Sec 14.1 and 15.7

Name _____ Date _____