AGENDA

RIO DELL CITY COUNCIL
REGULAR MEETING – 6:30 P.M.
TUESDAY, JUNE 3, 2014
CITY COUNCIL CHAMBERS
675 WILDWOOD AVENUE, RIO DELL

WELCOME . . . By your presence in the City Council Chambers, you are participating in the process of representative government. Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue. Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Office of the City Clerk at (707) 764-3532. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to this meeting.

THE TYPE OF COUNCIL BUSINESS IS IDENTIFIED IMMEDIATELY AFTER EACH TITLE IN BOLD CAPITAL LETTERS

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. CEREMONIAL MATTERS

E. PUBLIC PRESENTATIONS

This time is for persons who wish to address the Council on any matter not on this agenda and over which the Council has jurisdiction. As such, a dialogue with the Council or staff is not intended. Items requiring Council action not listed on this agenda may be placed on the next regular agenda for consideration if the Council directs, unless a finding is made by at least 2/3rds of the Councilmembers present that the item came up after the agenda was posted and is of an urgency nature requiring immediate action. Please limit comments to a maximum of 3 minutes.

F. CONSENT CALENDAR

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Council members if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually in the next section, "SPECIAL CALL ITEMS".

1) 2014/0603.01 - Approve Minutes of the May 6, 2014 Regular Meeting **(ACTION)** 1

2) 2014/0603.02 – Approve Minutes of the May 13, 2014 Special Meeting **(ACTION)** 11

3) 2014/0603.03 - Approve Annual Rate Adjustment to Eel River Disposal Garbage Rates and accept as an amendment to the City's Solid Waste and Recycling Franchise Agreement effective July 1, 2014 **(ACTION)** 18

4) 2014/0603.04- Approve in concept a Green Waste Recycling Pilot Program with Eel River Disposal & Resource Recovery **(ACTION)** 27

5) 2014/0603.05 - Approve Resolution No. 1223-2014 Appointing Representative and Alternate to the SCORE Board of Directors **(ACTION)** 34

6) 2014/0603.06 - Authorize the City Manager to engage the auditing services of R.J. Ricciardi to complete the 2013-2014 Fiscal Year Audit **(ACTION)** 36

7) 2014/0603.07 - Approve 2014 Integrated Regional Water Management Drought Solicitation Project Application for City of Rio Dell and Scotia CSD Emergency Water Intertie in the amount of $913,449 **(ACTION)** 45

G. SPECIAL PRESENTATIONS

H. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS

1) "SPECIAL CALL ITEMS" from Consent Calendar

2) 2014/0603.08 - Consideration of Christian Prayers at Council meetings (Councilmember Johnson) **(ACTION)** 72

3) 2014/0603.09 - Authorize the City Manager to execute an agreement with Bartle Wells Associates to conduct a Water Rate and Water Capacity Fee Study for the Water Fund, not to exceed $25,000. **(ACTION)** 74

4) 2014/0603.10 - Set date for Study Session on FY 2014-15 Budget and Direction on Development of a Local Tax Revenue Measure **(ACTION)** 83

I. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

1) 2014/0603.11- Conduct second reading (by title only) and adopt Ordinance No. 318-2014 Establishing Density Bonus Regulations, Section 17.30.073 of the Rio Dell Municipal Code **(ACTION)** 85

J. REPORTS/STAFF COMMUNICATIONS

1. City Manager
2. Chief of Police – Verbal Monthly Police Report
3. Finance Director
4. Community Development Director

K. COUNCIL REPORTS/COMMUNICATIONS

L. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS: **No Closed Session Items Scheduled**

M. ADJOURNMENT

The next regular meeting will be on June 17, 2014
at 6:30 p.m. in City Hall Council Chambers

RIO DELL CITY COUNCIL
REGULAR MEETING
MAY 6, 2014
MINUTES

The regular meeting of the Rio Dell City Council was called to order at 6:30 p.m. by Mayor Thompson.

ROLL CALL: Present: Mayor Thompson, Councilmembers Johnson, Marks, and Wilson

Absent: Woodall (excused)

Others Present: City Manager Stretch, Finance Director Woodcox, Community Development Director Caldwell, Water/Roadways Superintendent Jensen, and City Clerk Dunham

Absent: Chief of Police Hill and Wastewater Superintendent Chicora (excused)

CEREMONIAL MATTERS

Proclamation in Recognition of Older Americans Month May 2014
Mayor Thompson read the proclamation in recognition of Older Americans Month urging every resident to take time to recognize older adults and the people who serve and support them as powerful and vital individuals who greatly contribute to the community. Tim Marks was present to accept the Proclamation on behalf of the Area 1 Agency on Aging.

Councilmember Marks commented that Tim Marks would be attending his first meeting of the Area 1 Agency on Aging and asked that he mention the need in Rio Dell for meals on wheels.

PUBLIC PRESENTATIONS

Chuck Schager from Eel River Disposal and Resource Recovery announced the Annual Spring Clean-Up Day would be held on Saturday, May 10th from 10:00 a.m. to 2:00 p.m. at the Eagle Prairie Elementary School and said it is an opportunity for Rio Dell residents to dispose of furniture, yard trimmings, scrap wood, old appliances and other un-needed items free of charge. He also mentioned that he has been discussing with the City Manager a proposal to offer a Green Waste Recycling Program to City residents at the cost of $3.00/month. He said the City Manager will be bringing the agreement to the City Council for consideration at a future meeting. He said they also recently started a pilot program for battery disposal and residents can now drop off old batteries at their facility in Fortuna.

Nick Angeloff addressed the Council and said the Little League Program is going very well and that the field is looking good; the Chamber of Commerce received the second in-kind contribution from the City for the Headwaters Grant; the Eagle Prairie Arts District is having a

Barbeque and Brew Event on Saturday and invited everyone to attend; and said the Upstate Rail Committee will be meeting in Red Bluff tomorrow.

Sharon Ehrlich addressed the Council regarding the Davis Street river bar access issue and the statement in the City Newsletter which stated that the Fire Department had difficulty accessing the river bar through the existing gate at the River's Edge R.V. Park. She said for clarification, she contacted the Fire Chief, Shane Wilson and he denied making any such statement. She said she is looking forward to working with the City in it's efforts to manage the access problems without violating the property rights of the River's Edge R.V. Park. She said there continues to be quads and ATV's driving onto private property and certified wildlife habitat areas and according to Fish & Game authorities it is a vehicle code violation. She stated that this needs to be addressed before kids, pets and seniors become casualties of unauthorized motorized vehicles on the river bar.

CONSENT CALENDAR

Councilmember Marks asked that Item No. 1 be removed from the Consent Calendar for separate discussion.

Motion was made by Johnson/Wilson to approve the consent calendar including the approval of the amendment of Section 2 (Term) and Section 6 (Salary) of existing Agreement with City Manager Jim Stretch to extend Term until or beyond arrival of the new City Manager and adjust Salary to Step C at $54.51/hr. effective May 22, 2014; and approval of an agreement with Freshwater Environmental Services in the amount of $5,120 for support services related to the implementation of the Cross Connection Control Program and City Water Supply System. Motion carried 4-0.

SPECIAL CALL ITEMS
(From Consent Calendar)

Approve Submittal of an Active Transportation Program (ATP) for Bicycle and Pedestrian Safety Projects
Councilmember Marks referred to project (1) "Scenic Way at Eeloa Avenue Intersection reconfiguration for pedestrian and bicyclist safety" and asked if this will interrupt the parking for some of the property owners and if the property owners had been notified.

City Manager Stretch explained that one of the property owners in question proposed a design of his own and pointed out that this is not the final plan. He said the project is still in the planning stage and with regard to the reconfiguration of the Scenic Way/Eeloa Ave. intersection the City Engineer thinks that if the City is awarded the $572,000 grant with a $65,000 City match we will be able to bring it in for less than that.

Councilmember Wilson commented that he recently moved to this neighborhood and his observation is that the foot traffic and vehicle traffic does need to be addressed in this area because it is only a matter of time when there will be a serious accident there.

Motion was made by Marks/Wilson to approve the submittal of an Active Transportation Program (ATP) for Bicycle and Pedestrian Safety Projects. Motion carried 4-0.

Report from Subcommittee Related to Old Ranch Road Water Line
Mayor Thompson stated the minutes of the Subcommittee meeting held on May 8, 2014 and a summary and recommendations by the Subcommittee were included in the packet. He announced that the Council will not be taking any action on this matter at this meeting.

City Manager Stretch stated that also included in the packet are answers to the questions posed by Old Ranch Road water customers during the May 8th meeting. He noted that a letter from the property owners to the City Council was sent indicating the property owners are now in agreement to grant the City an easement as requested.

Mayor Thompson called for public comment on the matter.

Copies of the Subcommittee report were then copied and circulated to the public.

Councilmember Marks complimented the City Clerk for providing detailed minutes of the May 8th meeting.

Councilmember Wilson stated that it sounds like there are several concerns and various points of view from reading the minutes of the meeting and he wants to make sure the decision that is made is accepted by all of the property owners.

Mayor Thompson said he spoke with Supervisor Rex Bohn and conveyed to him that it is not the intent of the City to discontinue water service to the customers served by the Old Ranch Road water line. He said Supervisor Bohn's desire is to get everyone together and come up with a solution that will solve the problem for years to come.

He continued by reading the report submitted by the Subcommittee and asked for public comment on the issue.

Susan Hagemann presented some points from her perspective and said in the Subcommittee Summary the second point was that the Old Ranch Road folks were divided as to a solution and said what their letter was trying to convey is that the property owners are in agreement as a group. She also stated that under (5.a) it is stated that according to the City Attorney it will be easy to put together an easement; she asked exactly what does that mean.

She said she is assuming the thought is that it will be easy to put together an easement and easy to have the City convey easements to all of the landowners so they can access their meters at the intersection of Old Ranch Road and Monument Road.

Mayor Thompson stated that he can't speak for the City Attorney but assumes that it will be given to the City Attorney and City Engineer for review to make sure what we do is legal.

Councilmember Marks said as stated in the minutes, the Attorney said it is an easy process to draw up easements and easy for the City to convey their easement to the property owners.

Councilmember Johnson said in his memories of that meeting, the Attorney said that it will not be a difficult matter to draw up easements that protect the property owners and give them the rights to maintain the water line that is above, below or adjacent to their properties.

Susan Hagemann said she and her husband would like to sit down with Supervisor Bohn and perhaps Supervisor Fennell with respectful, peaceful rules to work this out. She said from their perspective, they are not going back to square one and that this is a process of moving forward. She said there is a lot of emotion and a lot of history and they are doing the best they can to resolve this. She said she and her husband would like to have another Subcommittee meeting or perhaps with just the Mayor, Councilmember Johnson along with the Supervisors and get this resolved.

Mayor Thompson said in conversations he had with Rex Bohn he indicated that he wanted to help and when he said if he really wanted to help, he could send the County down to fix the slide; he said he did not receive a good response to the request.

He further stated that both Supervisor Bohn and Fennell mean well and do want to help but they don't have the history or know the background to this complex issue so don't know how they would be able to bring positive input on the situation unless they want to sit down and read a 100 years of documents in which they probably don't have the time. He said he has done the research and reviewed historical documents including City Council minutes.

Susan Hagemann commented that she feels hearing the perspective from the Supervisors would be helpful.

Mayor Thompson pointed out that three of the Council members are relatively new to the Council and have not been involved in the issues related to the Old Ranch Road water line so they have objectivity.

Ms. Hagemann asked again for another meeting with the subcommittee or a meeting where they can sit down and go over the facts point by point.

Mayor Thompson suggested the City wait for a response from HRC as to whether they will be willing to grant an easement to the City for placement of the water meters and an easement for the property owners for the water line before any further discussions occur.

City Manager Stretch stated that he would be meeting with a representative of HRC tomorrow.

Councilmember Marks asked if HRC grants the easements, if it will alleviate the problem with the one alleged problem property owner.

City Manager Stretch stated that he is not sure anything the City is talking about even crosses that property.

Ms. Hagemann confirmed that there is one property owner that is not served by the system that is not willing to grant access.

City Manager Stretch stated for clarification that he is meeting with HRC for two reasons: 1) the City's water line as it comes from Monument Road and goes down Old Ranch Road appears to be on the downhill slope and may be on their property. He said it has been surveyed and he has actually gone out and looked for monuments but hasn't been able to locate them. He said one of the questions posed in the letter to HRC is whether the City can place meters there just where the line comes in. He said the second issue is to take up the issue with the Hagemann's with regard to an easement across HRC's property until you get to the association's private property. He said with regard to the City conveying it's easement to the property owners, there is 620 feet that is probably not the City's property which is why he has asked them to meet with him.

Ms. Hagemann expressed her anxiety and worries about the whole water issue and asked how they will get the results of the meeting with HRC.

City Manager Stretch commented that he will share with the property owners the outcome of the meeting with HRC.

Mayor Thompson said he read their letter very carefully and doesn't doubt their sincerity. He commented that the City wants a solution and one that will be good for 100 years. He said if the City continues to patch the line to hold it together it is not going to solve the problem.

SPECIAL CALL ITEMS

Authorize the City Manager to Execute a One-Year Merchant Agreement with GovTeller to Provide Credit Card Processing Services for the City

Finance Director Woodcox provided a staff report and said in researching options to provide credit and debit card processing services for the City, staff discovered a company that allows

government entities and public agencies to be exempt from absorbing the transaction fees. She said the recommendation is to authorize a one-year Merchant Agreement with GovTeller to provide credit card processing services for the City with a one-time fee of $191.00 plus tax for the purchase of two USB card readers.

Councilmember Marks asked for clarification that if the service is not used, there is no cost to the City.

Finance Director Woodcox commented that she was correct.

Councilmember Wilson asked what the cost would be to the customer for payment of a normal water bill of $102.40.

Finance Director Woodcox estimated the fee to be $3.50-$5.00.

City Manager Stretch explained if the transaction is less than $50.00, the fee to the customer will be $1.50; if the transaction is more than $50.00 the fee will be $1.50 plus 2.49% of the amount of $50.00 or $3.99 for a $100.00 payment.

Finance Director Woodcox indicated that once online transaction payment processing is implemented, the fee will be a flat fee of $1.50.

Councilmember Johnson asked how this type of system is working with other municipalities.

Finance Director Woodcox stated that references were provided to her and she could make some phone calls if that is the direction of the Council.

Motion was made by Wilson/Johnson to authorize a one-year Merchant Agreement with GovTeller to provide credit card processing services for the City of Rio Dell. Motion carried 4-0.

<u>Authorize the Internal Transfer of Streets Fund Appropriations from Capital Projects Budget (Gas Tax) to Street Operations Budget in the Amount of Approximately $40,364</u>
City Manager Stretch provided a staff report and stated when the budget was put together last year, it assumed the historic spread for public works staff among the three funds they work in which is Water, Sewer and Streets. It was assumed that 13% of staff's time would be spent on street activities however; because of a bad winter there were culverts that were plugged and drain inlets that were not working and also the Wildwood Ave. Enhancement Project that required time. As a result, what happened is that more time, as recorded on time cards, was spent than the 13% allocation or estimated amount of $49,950. He reported the actual time was 35% which is equal to $112,245 for salaries and benefits. He stated there are monies within the Street Fund to cover this cost and staff is requesting approval of an internal transfer of Street Fund Appropriations from Capital Projects to the Street Operations Budget. He stated that $25,931 of

the funds are available in various line-items in the Public Works Operation Budget which leaves $40,364 to be transferred from other available sources; in this case the street projects included in the Capital Projects Budget.

Councilmember Wilson said if staff resources were allocated to the water and sewer funds but used in the street fund why can't the transfer come from those funds to the street fund.

City Manager Stretch commented that there are restrictions with regard to the enterprise funds. He stated the water and sewer funds will represent a savings in salaries at the end of the year and any savings at the end of the year go into reserves.

Councilmember Johnson asked if funds eliminated for stripping in the current budget will be allocated in next year's capital budget.

City Manager Stretch said the Council will see the line item in the next year's capital budget.

Motion was made by Johnson/Marks to authorize the transfer of funds from the Capital Projects Budget (Gas Tax) line items approved for Street Stripping ($39,364) and Street Paving of Fern, Eeloa, Eagle Prairie and Riverside Dr. ($1,000) to the Public Works Streets Budget (Gas Tax) for shortages in the Salary and Benefit line items, and authorize the internal transfer of available monies in the Public Works Streets Budget to accounts that may have deficits at year end, in the grand total amount of approximately $40,364. Motion carried 4-0.

ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS

Introduce and conduct first reading (by title only) and adopt Ordinance No. 316-2014 amending Commercial and Industrial Regulations by replacing the language "such as" with "similar to and including but not limited to" and to allow uses not compatible with the uses permitted in the zone with a Conditional Use Permit

Community Development Director Caldwell provided a staff report and explained this amendment is to simply clean-up the language in the Commercial and Industrial regulations by replacing "such as" with "similar to and including but not limited to." He said the City recently amended the Town Center Zone Development Standards and included this same language which allows staff some flexibility in determining whether or not a proposed use is similar to and compatible with the uses permitted in the zone with a Conditional Use Permit.

A public hearing was opened to receive public comment on the proposed ordinance amendment; there being no public comment, the public hearing closed.

Councilmember Wilson asked if these types of proposed uses will go to the Planning Commission for approval.

Community Development Director Caldwell stated that staff will have the flexibility to determine whether the use is compatible with other allowable uses permitted in that zone but if Staff is not comfortable with making a determination, then it will be taken to the Planning Commission.

Councilmember Johnson asked if staff has had a particular situation that was taken to the Planning Commission and asked if staff will report to the Commission when determinations are made by staff.

Community Development Director Caldwell said that staff will report such approvals.

Motion was made by Johnson/Marks to introduce and conduct first reading (by title only) of Ordinance No. 316-2014 amending Commercial and Industrial Regulations by replacing the language "such as" with "similar to and including but not limited to" and to allow uses not compatible with the uses permitted in the zone with a Conditional Use Permit. Motion carried 4-0.

REPORTS/STAFF COMMUNICATIONS

City Manager Stretch reported on recent activities and events and said he would be meeting with Mark Biaggi, Land Manager for HRC to discuss the easement request related to Old Ranch Road; said he was busy working with the Finance Director to reshape the Budget to make it more understandable for staff and the Council; he said working with the new Finance Director is wonderful; and said he expected the revised Wastewater Rate Study to be completed and available for review well before the May 20th meeting.

Councilmember Marks commented that related to the Wastewater Rate Study, Mayor Thompson has mentioned on numerous occasions that there are variables in winter usage due to things such as holiday entertaining and asked if a one-year average could be offered to customers as an option.

Councilmember Wilson said there are other cities that use a 6 month winter average.

City Manager Stretch said the idea of this rate structure is to be cost neutral and if customers are allowed to take advantage of different rate structures it will probably not be beneficial to the City. He said the reason the months of December, January and February were used is because typically those are the lowest months for usage. He pointed out that a 12 month average would likely be higher anyway. He suggested the Council present that same question to Bartle Wells during their presentation on May 20th.

Finance Director Woodcox reported she has been busy with implementation of the credit card system; finishing up the budget process; and reported the auditors will be here on May 20th to

provide a presentation on the previous years' budget and begin preliminary field work on the current year. She said they will also be bringing an engagement letter for the current year audit.

City Manager Stretch stated that former Finance Director Beauchaine was scheduled to be here next weekend to hopefully complete the work necessary to close out the wastewater project which is good since there is a lot of money owed to the City.

Councilmember Marks asked if the issues with the State were cleared up and also the easement issue with the State Lands Commission.

City Manager Stretch stated that the Finance Director and Accountant looked into the problem and fixed it. He also reported that the City's application will go to the State Lands Commission for approval in June as a formality since they have already approved the revised easement.

Community Development Director Caldwell reported on recent activities in the planning department and stated construction on the Dollar General store is moving along quickly and it iss expected to be open by the end of the June; said he will be attending a workshop in Sacramento put on by the Sacramento Valley Association of Building Officials next week, and on the May 20th agenda he will be bringing forward the Density Bonus ordinance and the quarterly General Plan and Zone amendment ordinance.

Water/Roadways Superintendent Jensen reported on recent activities in the public works department and said for the past month he has had a technician here from Pennsylvania who basically helped him reprogram the water plant and in doing so discovered some bad valves which had to be replaced as well as a transducer in one of the water tanks. He said he had divers in the tank vacuuming out the system and the transducer which controls the water plant was at the bottom of the tank and when they attempted to relocate it, it disintegrated. He said the 500,000 gallon Douglas St. tank and the 100,000 Dinsmore Flat tank were cleaned and there was only minor signs of corrosion inside so they are both in good shape. Lastly, he reported that the State inspector was here for the annual inspection and he actually went out and checked thing out and he was very pleased with the work that was done throughout the water system as well as the record keeping. He said overall, we got a very good report.

Councilmember Johnson questioned the cost for the valves and transducer.

Water/Roadways Superintendent Jensen stated he purchased an extra backup of each and the cost of the valves was $6,500 and the transducers range between $600.00 and $1,000 each. He commented that two transducers were installed and one was purchased as a backup.

COUNCIL REPORTS/COMMUNICATIONS

Councilmember Johnson stated at the last Council meeting there was an urgency item added to the agenda related to the rail and the use of HCAOG funds and reported that HCAOG approved the various rail matters and the recommendation of the Council that no local monies be used was part of the motion. He also reported he would be attending the quarterly League of California Cities meeting in Ft. Bragg on May 16th.

Councilmember Wilson reported on his attendance at the last RREDC meeting and said Scott Bower from Department of Fish & Game provided a 20 minute power point presentation related to 215 marijuana grows and their effect on wildlife and water. He said he feels it would be beneficial to invite him to come down and provide the same presentation. He said google earth can zoom in and determine the actual size of greenhouses and count the number of outdoor plants. He said growers actually take their 215 cards and blow them up and put them on the roofs of their greenhouses so people flying over will know they are legal grows. He said they did a pretty extensive study on the amount of water it takes to grow the plants and said the presentation was a mind awakening experience and asked for a consensus from the Council on whether they would like to schedule the presentation. The consensus was to invite Mr. Bower to an upcoming meeting to provide the presentation.

Councilmember Wilson asked staff if there is an existing ordinance regarding posting signs for yard sales.

Community Development Director Caldwell said he would look into the provisions and email the information to council members.

Mayor Thompson reported on his attendance at the last HWMA meeting and said the Board reached an agreement on the contract for garbage hauling and pointed out that 63% of the cost of garbage disposal is transportation. He said through negotiations, the rates per load will be cheaper than expected and included in the RFP were regulations on greenhouse emissions and said the trucks hauling north were getting 4.5 MPG whereas the trucks that will be going south are estimated to get 7 MPG.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 7:40 p.m. to the May 13, 2014 Special meeting.

_____
Jack Thompson, Mayor

Attest:

_____
Karen Dunham, City Clerk

RIO DELL CITY COUNCIL
SPECIAL MEETING
MAY 13, 2014
MINUTES

A Special Meeting of the Rio Dell City Council was called to order at 4:00 P.M. by Mayor Thompson.

ROLL CALL: Present: Mayor Thompson, Councilmembers Johnson, Marks, Wilson and Woodall

Others Present: (Closed Session) City Manager Stretch and Paul Kimura from Avery Associates

(Study Session) City Manager Stretch, Finance Director Woodcox, Water/Roadways Superintendent Jensen, City Engineer Perry and City Clerk Dunham

SPECIAL MEETING MATTERS

CLOSED SESSION - Public Employee Appointment – Title: City Manager – Review of Candidates with Paul Kimura, Avery Associates (Government Code ₴ 54957)

ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISUCSSED IN CLOSED SESSION

Mayor Thompson announced the Council would be adjourning to closed session to discuss the above matter and asked for public comment. There being no public comment, the Council adjourned to closed session at 4:00 p.m.

The meeting reconvened at 6:30 p.m. Mayor Thompson announced there was no reportable action taken in closed session.

STUDY SESSIONS

Review of Water System Asset Management Plan (AMP)/Capital Improvement Plan (CIP)
City Manager Stretch stated that City Engineer Merritt Perry and Engineer Jesse Willor from GHD Engineering were present to provide an overview of the Water System Management Plan/Capital Improvement Plan Update.

Engineer Perry began by stating that GHD was contracted by the City to develop an updated CIP and AMP for the City's water system, similar to the CIP completed by the City and GHD in 2010 in an effort to continue documenting the value of the City's existing infrastructure and

begin planning for future replacements. He introduced Jesse Willor, Project Engineer, who continued with a brief overview of the Plan.

Jesse explained that first he took the 2010 CIP, sat down with City staff and reviewed the list of recently added components to the water system to come up with a current inventory and to identify the date of installation, condition, service history, useful life, remaining useful life, importance, redundancy, priority, and estimated replacement costs for all water system assets. He said once he had the current list up to date, he developed a summary of priority water system projects including current probable construction costs as identified in Table 2.

He further explained that Table 3 looks at a five year Capital Expenditure Plan to complete the priority projects, looking at minimal costs to address these projects. He commented that if the City were to collect an additional $430,000/year for the CIP starting in 2017, that amount would be approximately one-half of the needed revenue to fully replace the system components as they wear out under the assumption of their useful life. He indicated the City should be collecting between $400,000 and $1,400,000 a year for replacement of water system components at the end of their useful life and the variation in the amount reflects the potential to extend the useful life of some of the components and the potential for the City to obtain grants to offset some of the costs. He indicated the average monthly cost per water customer based on 1430 connections would be around $25.00/month.

Jesse continued with review of various tables which included CIP inventories for the water treatment plant and water storage tanks.

Councilmember Johnson stated that according to Table 3, the goal is to raise between $425,000 and $430,000 per year and wondered if in lieu of having just a flat charge for each individual customer perhaps there could be a surcharge based on usage. He said according to his calculations, the charge would be $3.57 per 100 cubic feet of water used so the customer using 1 unit of water per month would get a base charge and a surcharge of $3.57, whereas the family using 10 units would get a surcharge of $35.70. He said the logic is that the system wears out based on water usage going through it. He recommended the consultants take a look at it as an optional method of capturing revenue.

Engineer Perry stated that he agrees with the logic however; the exercise here was really to update the project list and the next step is to see how to pay for those costs and how to assign those costs to the different rate payers. He said they provided the monthly costs per connection as an example but it was not intended to be a rate study.

Councilmember Johnson stated that the City Council is going to have to decide what formula is to be used when going into the rate study and whether it will be based on a flat rate surcharge or optional method which is what he is offering.

City Manager Stretch commented that there are a number of thing to understand and explained the methodology has been set forth here on the 5-year capital expenditures to complete priority projects and to go through the Prop 218 process the City Council does want to see the different approaches to fund those costs. He said as the Council is aware, the system is not capitalized at all and that is why we are having difficulty making repairs which will continue until the rates are set to generate that revenue. He said there was a study done in 2010 and presented to the City Council but was not implemented. He added that it is a very valid question to ask how we want to go about the rate calculations and it would be much easier to defend a rate increase if the rates are based on usage rather than a flat increase of $25.00/month for each customer.

Councilmember Wilson expressed concern with implementation of a $25.00 increase for all users and said it seems that an increase based on usage would be more equitable. He said in lieu of the priority projects listed, what happens if the City were to get grants to fund some of these projects.

He said in 2010 there was a higher number with fewer customers but improvements to the infiltration gallery were not included.

Water/Roadways Superintendent Jensen pointed out that the $1 million for the infiltration gallery is simply a place holder since it is unknown at this time if funding for these repairs will be received from another source. He said he would rather see the $1 million go to upgrades to the distribution system such as upsizing the water lines to bring them up to standard codes. He said there is a lot of old 2 inch lines and old asbestos pipes that desperately need to be replaced. He said they are using massive clamps to hold them together in places and it's only a matter of time they will have to be replaced.

Councilmember Wilson asked what the priorities are should the $1 million for the infiltration gallery be funded elsewhere.

Water/Roadways Superintendent Jensen referred to Table B.3 related to the Water Distribution System with the highest priority items being replacement of old undersized water line.

City Manager Stretch confirmed that the money would be used for improvements to the distribution system.

Engineer Perry pointed out that if you look at the list and take those items nearing the end of their useful life, those would be the first items to address.

Mayor Thompson questioned what the number would be for a ten-year Capital Expenditure Plan rather than the five-year plan and whether the $6 million estimate is enough. He said he went through the suggested rates and did a 10-year projection beginning in 2014 with the current rate of $24.77 then adding a 3% annual increase which brought the total to $6,032,368. The next

scenario began with the base rate of $25.06 and by adding the 3% ended up with a total of $6,102,993. He also questioned whether more funds should be put in initially to fund the priority projects.

Engineer Perry commented that what he would want to do is probably sit down with staff and go back and take a look at the projects and prioritize then on a 10-year basis but you would need to have a specific dollar amount. He said essentially they would be developing an alternative similar to the one here only projecting costs out over ten years and generating a table, assigning the costs and comparing those costs with what they would collect.

Councilmember Marks asked what would happen in the event of a major loss due to an emergency and asked if the State would step in.

City Engineer Perry said it would depend on the nature of the emergency and if the City could demonstrate the emergency posed a threat to public health and safety then there may be grant funds available for that purpose. He said the City would probably look to its reserve funds first.

Councilmember Marks asked if the City should be preparing for a bond for future emergencies.

City Manager Stretch stated that the attorneys and financial consultants are pretty expensive so he is not sure the Council would want to go there but could go through the exercise and get it approved by the voters but not implement it until needed.

He pointed out that this plan basically suggests no funds be spent for the first two years. He said in regard to the infiltration gallery, the City currently has a pre-application to the State for funding, is currently in litigation over the work and there is the proposed AMP/CIP so at some point there will be money from some source. He commented that although it is possible that several hundreds of feet of water line could go bad in one year but not really probable.

Councilmember Johnson stated that he sees public works crews out every day digging up the street and patching the line and that it will only get worse over time.

Water/Roadways Superintendent Jensen pointed out that with 6 miles of HDPE pipe throughout the City and the way the system is now being pressurized from the tank creating constant pressure, there are a lot less leaks. He said when things are being done such as exercising hydrants that cause pressure changes, then leaks occur.

He said in getting back to Councilmember Marks's question regarding emergency funding from the State he explained in 2006 when the City applied for grant funding, the State Department of Public Health required the City to establish rates that would provide for system maintenance and that a portion of the rate be allocated to the CIP for future improvements. If the City were to apply for funds for emergency repairs, the first thing they would look at is the CIP.

He said with regard to the drought situation, he said the Office of Emergency Services (OES) has indicated they would like to assist with installation of the line between Rio Dell and Scotia and make it a priority ahead of repairs to the infiltration gallery rather than waiting until it becomes an emergency situation.

Councilmember Wilson said when the rate structure was established in 2006 he understood a portion was to be set aside for the CIP but apparently there are no funds going into the water CIP at this time.

Water/Roadways Superintendent stated that the entire amount went to Water Debt Service to pay for the $3 million loan.

City Manager Stretch stated that the minutes from those meetings need to be reviewed for background and asked the City Clerk what her recollection was regarding the rate increases.

City Clerk Dunham stated that there were 2 rate studies done; the first did not include the CIP but she thought the second study and proposed rates included a $100,000 for the CIP. She agreed to put together the data and provide it to the Council.

Councilmember Marks said she also remembered there were 2 rate increases in which the second increase included an amount to be set aside for the CIP.

Councilmember Wilson said the Council asked for the information but not all of the information was found.

Councilmember Johnson pointed out that there is nothing in the Plan allocating for the rolling stock such a new vactor truck which alone is over $200,000 and said he would like to see some realistic numbers for some of the maintenance items.

Water/Roadways Superintendent Jensen said what it comes down to is luxury versus need and pointed out that some equipment is cheaper to rent due to infrequency of use.

City Manager Stretch stated rolling stock will be added.

Mayor Thompson called for public comment.

Carol Theuriet said going back 5 years, one of the two increases was put in to show the ability to pay back the loan. She said she understood the rates were to have a 5-year review which would be now. She said those funds could be incorporated into this fund to reduce the amount of the rate increase. She said she couldn't remember the amount and it could have been related to the sewer rates since they were being reviewed around the same time.

She also asked if there was a designated amount to be set aside from building permit revenue. City Clerk Dunham clarified that $500 of every new water connection and every sewer connection is to be set aside for Capital Improvement.

She then referred to Table B related to the Infiltration Gallery and asked for an explanation of the $1 million in repairs to a gallery that was constructed in 2006 with a remaining life span of 52 years.

Water/Roadways Superintendent Jensen explained the problem with the infiltration gallery is that it is basically not sitting in the water and needs to be repaired.

Engineer Perry said the assumption is that at the end of 60 years it will have to be replaced at a cost of $1 million.

Councilmember Wilson commented that the fix with the infiltration gallery will prevent the Water Superintendent from having to go out with the excavator to dig it out in the event we run out of water.

Carol Theuriet asked about the possibility of acquiring money from the State for dredging the river.

Engineer Perry stated that it probably would not be practical and would be more logical to redesign the gallery. He said there is an active channel and the problem is that the gallery is located over to one side of the river and the assumption for the $1 million is to change the gallery so staff does not have to manage the river.

City Manager Stretch asked the engineer if they put together a rate study if it would be based on 70% fixed and 30% volume like that of the wastewater rate schedule.

Engineer Perry commented they would probably recommend contracting with Bartle Wells Associates to put together the study.

City Manager Stretch said to summarize what he believes to be the consensus of the Council is that he contact BWA to develop a water rate study that includes maintenance, CIP and a normal rate structure; staff will look for prior studies and documentation on rates and put together the information for Council; and to add rolling stock to the proposed CIP.

Councilmember Marks referred to Table B(2) and asked when the new Dinsmore tank was installed and why repairs are needed.

Water/Roadways Superintendent Jensen explained the tank was installed in 2006 but did not include new telemetry. He said the controls are failing and the conduit is leaking so the plan is to install new solar powered telemetry.

City Manager Stretch commented that the CIP also needs to be updated to include a 10-year schedule and based on the proposed priority items and the immediate need to improve the distribution system we will have to generate a relatively large amount of money over a short period of time.

Water/Roadways Superintendent Jensen stated that there is not a lot of time regarding the priorities and related to the distribution system he estimated that 20% of the repairs need to be done very soon.

City Manager Stretch said perhaps the distribution system should be extended to the priority list.

Water/Roadways Superintendent Jensen said the problem is that the water rates would probably have to be raised by $50/month which would drive residents out of town.

Engineer Perry suggested the list of priority projects be extended then to choose what funding level you want to try to target.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 7:30 p.m. to the May 20, 2014 regular meeting.

_____
Jack Thompson, Mayor

Attest:

_____
Karen Dunham, City Clerk

CITY OF RIO DELL CALIFORNIA

TO: Mayor and Members of the City Council

THROUGH: Jim Stretch, City Manager

FROM: Brooke Woodcox, Finance Director

DATE: June 3, 2014

SUBJECT: Annual Adjustment to Eel River Disposal Garbage Rates

RECOMMENDATION

Approve the proposed rate adjustment with Eel River Disposal and accept it as an amendment to the City's Solid Waste and Recycling Franchise Agreement, effective July 1, 2014.

BUDGETARY IMPACT

Cost adjustments are borne by the user of the service.

BACKGROUND AND DISCUSSION

The Solid Waste Franchise Agreement with Eel River Disposal (ERD) includes a provision for an annual CPI adjustment to the Collection and Disposal rates. As documented in Exhibit A-1, the new disposal rate per ton totals $112.93, an increase of $1.20. The total attributable to the 75% CPI adjustment from ERD is $0.17. The other $1.13 per ton are pass through costs from Humboldt Waste Management Authority. This per ton increase is then applied to the disposal rates listed in Exhibit A. Each of the rates listed in Exhibit A represent a percentage of the one ton rate calculated in Exhibit A-1.

In addition to disposal rate changes, a CPI adjustment has been applied to the collection rate pursuant to contract. The new disposal rates can be found on Exhibit B, along with last year's rates that were increased by 1.6% to create the new rate structure.

Exhibit C details the combined rate which is simply the disposal rate by size plus the collection rate by size. Together, these total the combined rate. (Exhibit A + Exhibit B = Exhibit C).

In addition to the rate schedules, Exhibit E is attached to demonstrate the breakdown of the per ton rate by size as a percentage of one ton.

ATTACHMENTS
Letter from ERD dated May 14, 2014
Exhibit 'A' City of Rio Dell Disposal Rates
Exhibit 'B' City of Rio Dell Collection Rates
Exhibit 'C' City of Rio Dell Combined Rates

EEL RIVER DISPOSAL &
RESOURCE RECOVERY
725-5156

May 14, 2014

City of Rio Dell
Mr. Jim Stretch
675 Wildwood Ave
Rio Dell, Ca., 95562

RE: Rate increase to be effective 7-1-14

Dear Jim:

Please find enclosed new rate sheets reflecting our proposed rate change based upon the CPI, this year the change is +1.6 %. There was an increase in the disposal rate, last year the rate was $ 111.73 per ton and this year it is $ 112.93 per ton. The rate change should be effective July 1, 2014.

If you should have any questions I can be reached at 725-5156.

Sincerely,

Karen Smith

Karen Smith
Office Manager

P.O. Box 266 • Fortuna, CA 95540 • (707) 725-5156

Printed on Recycled paper

07/01/14

	RIO DELL	
ERD FEES:		
ERD Labor Cost	$7.08	**75 % of CPI**
ERD Operation	$4.38	**75 % of CPI**
ERD Scale Maintenance	$0.77	**75 % of CPI**
ERD Haul Cost Avoidance	-$10.72	**75 % of CPI**
ERD Capital Cost	$5.88	**FIXED FEE**
ERD Return on Investment	$6.70	**75 % of CPI**
HWMA FEES:		
Operations	$50.15	
Indirect Expenses	$4.27	
Payroll	$12.42	
Capital Expenditures	$4.71	
Transportation		
Landfill		
Household Hazardous Waste Program	$6.19	
County/City Recycling Programs	$4.93	
Table Bluff Maintenance	$1.03	
County Local Enforcement Agency (LEA)	$2.66	
Cleanup Fees	$0.57	
Cummings Landfill Maintenance, Monitoring	$4.67	
County Rural Container Subsidy	$4.18	
Administration	$1.91	
Other Fees (Fortuna Host fee of 1.15 per ton)	$1.15	
TOTAL	**$112.93**	

City of Rio Dell

Disposal Rates

EXHIBIT A

112.93 Per Ton
Effective 7-1-14

Bag Service	**1 Bag**
Regular	$1.90

Monthly Rate

20-Gallon Can	**1 Can**
1xWeekly	$5.15

Monthly Rate

32-Gallon Can	**1 Can**	**2 Cans**	**3 Cans**	**4 Cans**
1xWeekly	$8.24	$16.48	$24.73	$32.97
2XWeekly	$16.48	$32.97	$49.45	$65.94

Monthly Rate

Bins No Rental	**1 Yard**	**1.5 Yard**	**2 Yard**	**3 Yard**	**4 Yard**	**6 Yard**	**8 Yard**
1xWeekly	$52.03	$78.04	$104.05	$156.08	$208.11	$312.16	$416.22
2xWeekly	$104.05	$156.08	$208.11	$312.16	$416.22	$624.32	$832.43
3XWeekly	$156.08	$234.12	$312.16	$468.24	$624.32	$936.49	$1,248.65

City of Rio Dell

Collection Rate

EXHIBIT B

1.016

Bold numbers effective 7-1-14

Bag Service	1 Bag
Regular	$4.42
	$4.49
Curbside Recycling	$6.05
	$6.15

Monthly Rate

20-Gallon Can	1 Can
1xWeekly	$15.05
	$15.29

Monthly Rate

32-Gallon Can	1 Can	2 Cans	3 Cans	4 Cans
1xWeekly	$17.21	$24.11	$33.41	$39.35
2XWeekly	$30.03	$45.59	$64.20	$76.11
	$17.49	**$24.50**	**$33.94**	**$39.98**
	$30.51	**$46.32**	**$65.23**	**$77.33**

Monthly Rate

Bins No Rental	1 Yard	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
1xWeekly	$29.04	$43.54	$58.12	$87.19	$116.19	$174.37	$233.04
2xWeekly	$51.82	$86.53	$115.50	$173.16	$231.21	$346.41	$461.91
3XWeekly	$87.19	$129.87	$173.16	$259.87	$346.41	$519.57	$693.18
	$29.50	**$44.24**	**$59.05**	**$88.59**	**$118.05**	**$177.16**	**$236.77**
	$52.65	**$87.91**	**$117.35**	**$175.93**	**$234.91**	**$351.95**	**$469.30**
	$88.59	**$131.95**	**$175.93**	**$264.03**	**$351.95**	**$527.88**	**$704.27**

Bin Rental	1 Yard	1.5 Yard	2 Yard	3 Yard	4 Yard	6 Yard	8 Yard
	$19.36	$22.04	$24.77	$30.22	$35.54	$46.75	$54.49
	$19.67	**$22.39**	**$25.17**	**$30.70**	**$36.11**	**$47.50**	**$55.36**

City of Rio Dell

Combined Rate To be effective 7-1-14

EXHIBIT C

Bag Service	**1 Bag**
Regular	$6.39

Curbside Recycling	$6.15

Monthly Rate

20-Gallon Can	**1 Can**
1xWeekly	$20.44

Monthly Rate

32-Gallon Can	**1 Can**	**2 Cans**	**3 Cans**	**4 Cans**
1xWeekly	$25.73	$40.98	$58.67	$72.95
2XWeekly	$46.99	$79.29	$114.68	$143.26

Monthly Rate

Bins No Rental	**1 Yard**	**1.5 Yard**	**2 Yard**	**3 Yard**	**4 Yard**	**6 Yard**	**8 Yard**
1xWeekly	$81.53	$122.28	$163.10	$244.67	$326.16	$489.32	$652.99
2xWeekly	$156.70	$244.00	$325.46	$488.09	$651.13	$976.28	$1,301.73
3XWeekly	$244.67	$366.07	$488.09	$732.27	$976.28	$1,464.37	$1,952.92

Bin Rental	**1 Yard**	**1.5 Yard**	**2 Yard**	**3 Yard**	**4 Yard**	**6 Yard**	**8 Yard**
	$19.67	$22.39	$25.17	$30.70	$36.11	$47.50	$55.36

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Databases, Tables & Calculators by Subject

FONT SIZE:

Change Output Options: From: 2004 To: 2014 GO

include graphs

More Formatting Options

Data extracted on: May 12, 2014 (4:03:26 PM)

Consumer Price Index - All Urban Consumers

Series Id: CUUR0000SA0
Not Seasonally Adjusted
Area: U.S. city average
Item: All items
Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	188.9	187.6	190.2
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	195.3	193.2	197.4
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	201.6	200.6	202.6
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	207.342	205.709	208.976
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.366	233.548
2014	233.916	234.781	236.293												

12-Month Percent Change
Series Id: CUUR0000SA0
Not Seasonally Adjusted
Area: U.S. city average
Item: All items
Base Period: 1982-84=100

Download: .xls

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2004	1.9	1.7	1.7	2.3	3.1	3.3	3.0	2.7	2.5	3.2	3.5	3.3	2.7	2.3	3.0
2005	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4	3.0	3.8
2006	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0	2.5	3.2	3.8	2.6
2007	2.1	2.4	2.8	2.6	2.7	2.7	2.4	2.0	2.8	3.5	4.3	4.1	2.8	2.5	3.1
2008	4.3	4.0	4.0	3.9	4.2	5.0	5.6	5.4	4.9	3.7	1.1	0.1	3.8	4.2	3.4
2009	0.0	0.2	-0.4	-0.7	-1.3	-1.4	-2.1	-1.5	-1.3	-0.2	1.8	2.7	-0.4	-0.6	-0.1
2010	2.6	2.1	2.3	2.2	2.0	1.1	1.2	1.1	1.1	1.2	1.1	1.5	1.6	2.1	1.2
2011	1.6	2.1	2.7	3.2	3.6	3.6	3.6	3.8	3.9	3.5	3.4	3.0	3.2	2.8	3.5
2012	2.9	2.9	2.7	2.3	1.7	1.7	1.4	1.7	2.0	2.2	1.8	1.7	2.1	2.3	1.8
2013	1.6	2.0	1.5	1.1	1.4	1.8	2.0	1.5	1.2	1.0	1.2	1.5	1.5	1.5	1.4
2014	1.6	1.1	1.5												

Rio Dell

TOOLS
Areas at a Glance
Industries at a Glance

CALCULATORS
Inflation
Location Quotient

HELP
Help & Tutorials
FAQs

INFO
What's New
Careers @ BLS

RESOURCES
Inspector General (OIG)
Budget and Performance

EXHIBIT E

SIZE	TON	RATE	Rate/cont.	Monthly Rate	Rate w/FF	Monthly Rate w/ff
	1#/GAL-202#/YD					
20 Gallon	0.01	112.93	1.13	4.89	1.19	5.15
32 Gallon	0.016	112.93	1.81	7.83	1.90	8.24
40 Gallon	0.02	112.93	2.26	9.79	2.38	10.30
64 Gallon	0.032	112.93	3.61	15.66	3.80	16.48
1 Cu Yd	0.101	112.93	11.41	49.43	12.01	52.03
1.5 Cu Yd	0.1515	112.93	17.11	74.14	18.01	78.04
2 Cu Yd	0.202	112.93	22.81	98.85	24.01	104.05
3 Cu Yd	0.303	112.93	34.22	148.28	36.02	156.08
4 Cu Yd	0.404	112.93	45.62	197.70	48.02	208.11
6 Cu Yd	0.606	112.93	68.44	296.55	72.04	312.16
8 Cu Yd	0.808	112.93	91.25	395.41	96.05	416.22

EXHIBIT F

SERVICE TO THE CITY
RIO DELL FRANCHISE AGREEMENT

CONTRACTOR shall provide CITY with sold waste collection of up to twelve 32-gallon cans per week. The CITY may increase this limit by one can per year. CITY reserves the right to control the location and frequency of pick up within the above stated limits. Locations of bins are to be designated by CITY from time to time in writing. CONTRACTOR shall also provide recycling service to CITY. The list of materials that CONTRACTOR is required to pickup for such recycling collection shall not exceed that established in this Agreement, or as it is form time to time amended. (See section 2.01.03.05 in regard to recycling service.)

Current Can Locations: as of January, 2007

Police & City Hall	3 cans
Corporation Yard	1 four yard dumpster
Public Cans located throughout town	9 cans

CONTRACTOR will also provide services one day per year for a clean up event. Those services will include disposal bins and recycling bins. Recycling will include metals, wood, cardboard, and appliances. CONTRACTOR will provide labor to assist residents with their material. CONTRACTOR will not be required to accept tires, hazardous materials, liquids, household garbage, commercial waste, or waste from remodeling projects. Participants will be required to demonstrate that they are residents of Rio Dell. The CITY will pay for disposal costs of the disposed material from the event, but will not pay for transportation, or CONTRACTOR's labor. CITY and CONTRACTOR will work together to maximize recycling and minimize disposal. CITY will be responsible for organizing and publicizing the event. CITY will determine the date for the event.

Rio Dell City hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

June 3, 2014

TO: Rio Dell City Council

FROM: Jim Stretch, City Manager

SUBJECT: Eel River Disposal & Resource Recovery Proposal for Green Waste Program (ERD)

IT IS RECOMMENDED THAT THE CITY COUNCIL:

1. Approve in concept a Green Waste Recycling Pilot Program in Rio Dell for one (1) year at the cost of $3.00/month, and
2. Direct the City Manager to develop a limited term agreement with ERD and return to the City Council for approval.

BACKGROUND AND DISCUSSION

Attached is the April 21, 2014 letter from Eel River Disposal & Resource Recovery proposing to offer a Green Waste Recycling Program to City residents at the cost of $3/month, the same cost presently charged to Fortuna and Ferndale subscribers. Also attached is the City Manager's April 22, 2014 letter in response and Mr. Hardin's April 29, 2014 letter clarifying what would be acceptable terms to the one (1) year pilot program agreement.

A green waste recycling program for Rio Dell would appear to meet the need of the community since the Scotia green waste option was discontinued to residential self-haulers. ERD has suggested a 1 year pilot program at the cost of $3/month to determine if the program is financially feasible for them.

It is recommended that the City Council approve the program in concept and direct the City Manager to return to the Council with a limited term agreement.

EEL RIVER DISPOSAL &
RESOURCE RECOVERY
725-5156

April 29, 2014

City of Rio Dell
Mr. Jim Stretch
675 Wildwood Ave
Rio Dell, Ca, 95562

RE: Green waste service in Rio Dell

Dear Jim:

I received your response to our proposal and have listed the answers to your questions below:

1) We do not pay the City of Fortuna for the green waste; they just accept it free of charge.
2) We can bring the green waste to your facility if you are able to accept it free of charge.
3) Any resident can sign up for the green waste program without any other service.
4) Yes, services can be discontinued by either party.
5) Changing the wording to may include a provision to adjust rates would be just fine. We can discuss the possibility of using the City's corporation yard for drop off.
6) We want to make sure that we have enough customers using the service to cover our costs to pick up the green waste. For example, if we only have 50 customers sign up it would not be a feasible program.

Please contact me after you have reviewed this information.

Yours truly,

Harry A. Hardin
President

P.O. Box 266 • Fortuna, CA 95540 • (707) 725-5156

Printed on Recycled paper

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
(707) 764-5480 (fax)
E-mail: cm@riodellcity.com

April 22, 2014

Mr. Harry Hardin, President
Eel River Disposal & Resource Recovery
PO Box 266
Fortuna, CA 95540

Dear Harry:

I just received your April 21, 2014 letter inquiring about starting a Green Waste recycling program in Rio Dell, beginning with a one-year trial period. I like the proposal, but have a couple of questions/comments.

1. ERD delivers green waste to the City of Fortuna's Corporation yard. Does ERD pay Fortuna to accept green waste there or is ERD paid for the green waste?
2. Depending on the answer to question #1, the City of Rio Dell produces an EPA certified Class A biosolids product that greatly enhances the value of compost. Might there be an opportunity to add some of our biosolids product to the mix for value to the City?
3. Can residents sign up with ERD for only the green waste program, or is it required that they bundle services?
4. The proposed MOU allows ERD to discontinue service during the trial period, but not the City. I assume that the right to terminate the trial program would be mutual.
5. Section 5 of the proposed MOU assumes that costs always escalate, but that may not be the case. Accordingly, it seems appropriate that the Franchise Agreement may include a provision to adjust rates. For example, if the drop point for our green waste is changed to be the City of Rio Dell's corporation yard to be combined with our biosolids for resale, the customer's rate should decrease.
6. Section 6 provides that, if the program is not sufficiently used to reasonably sustain operations, ERD may terminate the program with a 30 day notice to the City. Can we better define "not sufficiently used to sustain operations"?

I look forward to hearing from you.

Sincerely,

_____

Jim Stretch, City Manager

EEL RIVER DISPOSAL & RESOURCE RECOVERY
725-5156

CITY OF R
APR 22 2014
RECEIVED

April 21, 2014

City of Rio Dell
Mr. Jim Stretch
675 Wildwood Ave
Rio Dell, Ca, 95562

RE: Green waste service in Rio Dell

Dear Jim:

Eel River Disposal would like to start a green waste recycling program in Rio Dell. We are proposing a one year pilot program to give us enough time to evaluate the participation rate and expenses involved.

We have been providing this service to the cities of Fortuna & Ferndale for several years and every month the participation grows. It appears to be a service that a lot of customers can utilize for a reasonable cost.

I have enclosed a Memorandum of Understanding outlining the program for your review. Please contact me at 707-725-5156 after you have reviewed this information and we can discuss this further.

Yours truly,

Harry A. Hardin
President

P.O. Box 266 • Fortuna, CA 95540 • (707) 725-5156

Printed on Recycled paper

MEMORANDUM OF UNDERSTANDING BETWEEN

THE CITY OF RIO DELL AND EEL RIVER DISPOSAL

COMPANY, INC. TO ESTABLISH THE CITY'S GREEN

WASTE CURBSIDE COLLECTION PROGRAM

This Memorandum of Understanding is entered into as of June 1, 2014 between Eel River Disposal Company, Inc. ("ERD") and the City of Rio Dell ("City").

RECITALS

A. WHEREAS, ERD holds the exclusive franchise from the City for the collection of solid waste and the exclusive right to collect recyclable materials placed at curbside (the "Franchise Agreement") and
B. WHEREAS, the Franchise Agreement defines recyclable materials to include yard trimmings ("Green Waste") and
C. WHEREAS, ERD and the City are interested in (1) gauging and generating interest in, (2) understanding the extent of the expected costs and (3) judging the value of the particular approaches of collecting Green Waste, and

NOW, THEREFORE, the City and ERD agree to this Memorandum of Understanding to create a trial program for the collection of Green Waste within the City:

1. From as soon after such date as the City executes this Agreement that ERD can proceed to May 31, 2015, there will be a program for the collection and reuse of Green Waste.
2. The program will involve the use of supplied specially designated sixty eight gallon Green Waste toters which will be picked up every other week during the Program. ERD will establish rules governing the location and placement of toters for pick up and the non-contamination of material. The Green Waste will be transported to the City of Fortuna's corporation yard. If this use of the material becomes unavailable or not fully available, the Program shall be suspended until ERD and the City can agree on a new delivery point and any other needed changes to the terms of the Program.
3. The participants in the Program must specially sign up for the participation in the Program. Participants will pay $ 3.00 per month for the service during the Program. The cost of the service will be added to the participant's current garbage or recycling service bill and is available to private residents, multifamily housing and businesses.

4. The City, with the advice and review of ERD will provide Program publicity in a similar manner as the Single Stream Recycling Collection Program under the Franchise Agreement and ERD will also provide Green Waste publicity to its current customers along with its billing for service.
5. Three months before the one-year anniversary of the Program, the City and ERD will meet to discuss the level of customer interest, what opportunities exist to enhance customer interest, what the per customer cost to provide this service was, the future prospects for Green Waste disposal and the level of contaminated materials in the Green Waste stream, all in connection with mutually drafting an appropriate Franchise Agreement amendment and serving an appropriate rate for Green Waste collection as part of the Franchise Agreement. The Franchise Agreement amendment shall include a vehicle to changing rates as costs escalate or if the location or cost of disposal should change.
6. If the Program is not sufficiently used to reasonably sustain operations, ERD and the City may agree to terminate the Program early upon giving subscribers thirty days' notice.

City of Rio Dell, a Municipal Corporation

By: _____

Eel River Disposal Company, Inc.

By: _____

Harry A. Hardin, President

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532

TO: Mayor and Members of the City Council

FROM: Karen Dunham, City Clerk

THROUGH: Jim Stretch, City Manager

DATE: June 3, 2014

SUBJECT: Appointment of Representatives to SCORE

RECOMMENDATION

Approve Resolution No. 1223-2014 Appointing Finance Director Brooke Woodcox to serve as the City's Representative and Karen Dunham as Alternate on the Board of Directors of SCORE (Small Cities Organized Risk Effort), repealing Resolution No. 1216-2014.

BACKGROUND AND DISCUSSION

The JPA creating SCORE requires the governing body of each member entity to appoint one Representative and one Alternate to the Board of Directors. On January 21, 2014 Jim Stretch was appointed as Representative and Karen Dunham as Alternate to replace Ron Henrickson and Stephanie Beauchaine. With Brook Woodcox now on board as the new Finance Director, staff is recommending she be appointed to serve as the City's representative on the Board.

RESOLUTION NO. 1223-2014

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIO DELL APPOINTING THE REPRESENTATIVE
AND ALTERNATE TO THE BOARD OF
DIRECTORS OF SCORE
(Small Cities Organized Risk Effort)
REPEALING RESOLUTION NO. 1216-2014

WHEREAS, Article VIII of the Joint Powers Agreement creating SCORE requires the governing body of each member entity appoint one Representative and one Alternate to the Board of Directors, and

WHEREAS, by previous adoption of Resolution No. 1216-2014, the City had appointed a representative and an alternate to the Board of Directors, and

NOW, THEREFORE, THE City Council of the City of Rio Dell does hereby resolve that ***Brooke Woodcox, Finance Director*** is hereby appointed to serve as the City's Representative on the Board of Directors of SCORE.

BE IT FURTHER RESOLVED that ***Karen Dunham, City Clerk***, is hereby appointed as the Alternate to the City's Representative on the Board of Directors of SCORE.

I HEREBY CERTIFY that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the 3rd day of June, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jack Thompson, Mayor

ATTEST:

_____
Karen Dunham, City Clerk

675 Wildwood Avenue
Rio Dell, CA 95562

TO: Mayor and Members of the City Council

THROUGH: Jim Stretch, City Manager

FROM: Brooke Woodcox, Finance Director

DATE: June 3, 2014

SUBJECT: Engagement of auditing services for Fiscal-Year 2013-2014

RECOMMENDATION

Authorize the City Manager to engage the auditing services of R.J. Ricciardi to complete the 2013-2014 Fiscal-Year Audit.

BUDGETARY IMPACT

None

BACKGROUND AND DISCUSSION

R.J. Ricciardi, Inc., has been the Auditor for the City for fiscal years 2011-2012 and 2012-2013. The original RFP provided that the City Council could extend the contract for up to three years.

At this time staff recommends the extension and engagement to include the 2013-2014 fiscal year audit.

R. J. RICCIARDI, INC.
CERTIFIED PUBLIC ACCOUNTANTS

May 7, 2014

Ms. Brooke Woodcox
Finance Director
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

Dear Brooke:

We are pleased to confirm our understanding of the services we are to provide City of Rio Dell (the City) for the year ended June 30, 2014. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the notes to the financial statements, which collectively comprise the basic financial statements, of the City as of and for the year ended June 30, 2014. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), and the statements of revenues, expenditures and changes in fund balance – budget and actual – for the general and major special revenue funds, to accompany the City's basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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 reassurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Statements of revenues, expenditures and changes in fund balance – budget and actual – for the general and major special revenue funds.

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole.

1000 FOURTH STREET, SUITE 400 SAN RAFAEL, CA 94901 TEL (415) 457-1215 FAX (415) 457-6735 www.rjrcpa.com

The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance for major programs and major program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and OMB Circular A-133 in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with Circular A-133, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and schedule of expenditures of federal awards and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us, and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

You are responsible for preparation of the schedule of expenditures of federal awards in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of these procedures will be to express an opinion on the City's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. Further, we understand that your employees will prepare all information we request in our Client Participation List in the format requested and send it to us 30 days prior to scheduling the audit field work. If you have insufficient personnel or time to prepare these items we can assist you in this area and we will discuss with you the additional time required and estimated fee for these services.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

The audit documentation for this engagement is the property of R.J. Ricciardi, Inc. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to regulatory agencies or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of R.J. Ricciardi, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the regulatory agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Michael O'Connor is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our estimated fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our estimated fees, including expenses, will be:

2014 $14,800 for the audit
$6,000 for the single audit
$4,250 for the preparation of the State Controller's Office Report
$1,500 for the Streets Report
(Total - $26,550)

Estimated fees for future years are as follows:

2015 $14,800 for the audit
$6,000 for the single audit
$4,250 for the preparation of the State Controller's Office Report
$1,500 for the Streets Report
(Total - $26,550)

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If additional time is needed for us to assist the City in the resolution or investigation of accounting errors, discrepancies, or reconciliation issues, assistance in the preparation of schedules, or to reflect in our workpapers corrections to the City's accounting records made after the start of the engagement, we will perform such additional work at our standard hourly rates indicated below:

Director $180
Manager $125
Senior accountant $100
Staff accountant $70

In addition to the estimated fees noted above, we reserve the right to invoice the City at our standard hourly rates time incurred providing information to successor auditors in compliance with SAS. No. 84. Our invoices and related fees for this service will be payable upon presentation.

We reserve the right to suspend or terminate our work if you have failed to fulfill your responsibilities set forth in this engagement letter, and such failure materially interferes with our work. If our work is suspended or terminated because of your failure to fulfill your responsibilities set forth in this engagement letter, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any damages (including consequential damages) incurred as a result of the suspension or termination of our work.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the City of Rio Dell and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the City of Rio Dell:

Officer signature:_____

Title:_____

Date:_____

DEV CPA David E. Vaughn CPA (209) 957-8806, fax (209) 957-9589
4540 Gnekow Drive, Stockton, Ca. 95212-1307

System Review Report

November 27, 2013

To the Shareholders,
R. J. Ricciardi, Inc., Certified Public Accountants,
and the Peer Review Committee of the California Society of CPAs

I have reviewed the system of quality control for the accounting and auditing practice of R. J. Ricciardi, Inc., Certified Public Accountants (the firm) in effect for the year ended May 31, 2013. My peer review was conducted in accordance with Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of my peer review, I considered reviews by regulatory entities, if applicable, in determining the nature and extent of my procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. My responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on my review. The nature, objectives, scope, limitations of, and procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an audit of an employee benefit plan and engagements performed under *Government Auditing Standards*.

In my opinion, the system of quality control for the accounting and auditing practice of R. J. Ricciardi, Inc., Certified Public Accountants in effect for the year ended May 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. R. J. Ricciardi, Inc., Certified Public Accountants has received a peer review rating of *pass*.

David E. Vaughn, CPA

Rio Dell City hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

June 3, 2014

TO: Rio Dell City Council

FROM: Jim Stretch, City Manager

SUBJECT: North Coast Resource Partnership Drought Grant Application for Emergency Intertie with Scotia CSD

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve the 2014 Integrated Regional Water Management Drought Solicitation Project Application for the City of Rio Dell and Scotia CSD Emergency Water Intertie in the amount of $913,449.

BACKGROUND AND DISCUSSION

On March 18, 2014 the City Council authorize the City Manager and Water Superintendent to work with the Town of Scotia and the Scotia Community Services District (when formed) on a mutual aid water system intertie between the 2 systems, including up to $2,000 of City Engineer time on the Rio Dell side of the intertie.

Attached is the grant application prepared by the City Engineer GHD in the amount of $913,449 for a Rio Dell/Scotia intertie. The grant would fund the entire project, including design and surveying, environmental permitting, administration, construction engineering and construction. As such, it is a joint application with the Scotia CSD and includes the entire intertie system for both communities.

The grant program was quickly created as the 2014Integrated Regional Water Management Drought Solicitation Project, funded by Proposition 84. Applications were due on May 26, 2014 and a review panel that will make funding recommendations. As an emergency intertie project between 2 communities, our application should rank high.

NORTH COAST RESOURCE PARTNERSHIP

NORTH COAST RESOURCE PARTNERSHIP
2014 IRWM Drought Solicitation Project Application

The North Coast Resource Partnership (NCRP) Implementation Project Application Instructions and additional information can be found at the ***NCRP 2014 Drought Project Solicitation*** *webpage. Please fill out grey text boxes and select all the check boxes that apply to your project.* ***It is important to save the application file with a distinct file name that references the project name. When the application is complete, please email the application to kgledhill@westcoastwatershed.com***

Project Applications will be accepted until 5:00 pm, May 26. *The project application will be closed at this date/time and edits to project applications and/or new project applications will no longer be accepted.*

Application responses should be clear, brief and succinct. Character limits are provided and include spaces. ***If you have questions, need additional information or technical assistance please contact Katherine Gledhill at kgledhill@westcoastwatershed.com or 707.795.1235.***

It should be noted that because the 2014 Integrated Regional Water Management (IRWM) Drought Grant Solicitation funded by Proposition 84 implementation grant funding opportunity is an expedited solicitation, additional information will be required of proponents whose projects are recommended for funding by the NCRP Policy Review Panel. This additional information will need to be submitted within 7 days after project proponents have been notified about funding recommendations for their projects. For more information, refer to the section "NCRP 2014 IRWM Drought Grant Solicitation Project Application Instructions".

Implementation Project Information

Project Name: Rio Dell and Scotia CSD Emergency Water Intertie

A. Organization Information

1. **Organization Name: City of Rio Dell**

2. **Address (City, County, State, Zip Code):**
675 Wildwood Avenue, Rio Dell, CA 95562

3. **Contact Name/Title**
Name: Jim Stretch
Title: City Manager
Email: cm@riodellcity.com
Phone Number (include area code) : (707) 764-3532

4. **Organization Type**
☒ Public Agency
☐ Nonprofit Organization
☐ Tribe
☐ Other: _____

5. **Authorized Representative (if different from the contact name)**
Name: Randy Jensen
Title: Water and Streets Superintendent
Email: water1@riodellcity.com
Phone Number (include area code) : (707) 764-3541

6. **Has your organization implemented similar projects in the past?** ☒ yes ☐ no
Please describe previous similar projects.
The City of Rio Dell has implemented numerous water and wastewater system improvement projects similar in size and scope to the proposed intertie project. The first of two key example projects is the Water Infrastructure Rehabilitation Feasibility Project. This project was a $5 million DWR grant funded project. It included the replacement of over 6 miles of water pipeline, over 100 new or replacement valves, 200 service connections and 21 new fire hydrants. The second example project was the City's wastewater system improvement project. This project included the installation of over 1000 feet of directionally drilled pipe under the Eel River, similar to the proposed installation of the Rio Dell Scotia intertie. The wastewater project was partially grant funded by the SWRCB, an included CEQA, other environmental permits and county and Caltrans encroachment permits.

7. **List all projects your organization is submitting to the North Coast Resource Partnership for the 2014 Drought Solicitation in order of priority.**
Rio Dell and Scotia CSD Emergency Water Intertie Project

8. **Organization Information Notes:**
_____

B. Eligibility

1. **North Coast Resource Partnership and North Coast Integrated Regional Water Management Objectives**
[for more information see the North Coast Integrated Regional Water Management Plan]

Check any of the following that apply to your project:

GOAL 1: INTRAREGIONAL COOPERATION & ADAPTIVE MANAGEMENT
☒ **Objective 1** - Respect local autonomy and local knowledge in Plan and project development and implementation
☒ **Objective 2** - Provide an ongoing framework for inclusive, efficient intraregional cooperation and effective, accountable NCIRWMP project implementation

GOAL 2: ECONOMIC VITALITY
☒ **Objective 3** - Ensure that economically disadvantaged communities are supported and that project implementation enhances the economic vitality of disadvantaged communities.
☐ **Objective 4** - Conserve and improve the economic benefits of North Coast Region working landscapes and natural areas

GOAL 3: ECOSYSTEM CONSERVATION AND ENHANCEMENT
☐ **Objective 5** – Conserve, enhance, and restore watersheds and aquatic ecosystems, including functions, habitats, and elements that support biological diversity
☐ **Objective 6** - Enhance salmonid populations by conserving, enhancing, and restoring required habitats and watershed processes

GOAL 4: BENEFICIAL USES OF WATER
☒ **Objective 7** - Ensure water supply reliability and quality for municipal, domestic, agricultural, cultural, and recreational uses while minimizing impacts to sensitive resources
☒ **Objective 8** - Improve drinking water quality and water related infrastructure to protect public health, with a focus on economically disadvantaged communities
☐ **Objective 9** - Protect groundwater resources from over-drafting and contamination

GOAL 5: CLIMATE ADAPTATION & ENERGY INDEPENDENCE
☐ **Objective 10** - Assess climate change effects, impacts, vulnerabilities, and strategies for local and regional sectors
☐ **Objective 11** - Promote local energy independence, water/ energy use efficiency, GHG emission reduction, and jobs creation

GOAL 6: PUBLIC SAFETY
☐ **Objective 12** - Improve flood protection and reduce flood risk in support of public safety

2. **Describe how your project addresses the North Coast Resource Partnership and NCIRWM Plan Goals and Objectives selected** [1000 characters max.] Objective 1: The project facilitates two local agencies in implementing a local priority project.
Objective 2: Project promotes cooperation between two independent local agencies and improves the ability of both agencies to supply each other with water providing a support mechanism for inter agency coordination.
Objective 3: Rio Dell is a disadvantaged community; a reliable water supply is critical to the economic vitality to the community.
Objective 7: Project ensures water reliability for both Rio Dell and Scotia.
Objective 8: The intertie will allow the City of Rio Dell to access higher quality raw water when making repairs to the infiltration gallery. The intertie will allow the City of Rio Dell more flexibility in timing of repairs to the infiltration gallery. If the repairs must be rushed due to emergency

condiditons in the Eel River, sediments could be released , which could result in increased turbidity in the Eel River.

3. **Eligible Project Type under 2014 IRWM Drought Grant Solicitation**
[select all that apply]
☒ Provide immediate regional drought preparedness (see instructions for a definition of drought preparedness).
☒ Increase local water supply reliability and the delivery of safe drinking water.
☐ Assist water suppliers and regions to implement conservation programs and measures that are not locally cost-effective (present value of the local benefits of implementing a water conservation program or measure is less than the present value of the local costs of implementing that program or measure).
☐ Reduce water quality conflicts or ecosystem conflicts created by the drought.

4. **Water Conservation Law Compliance**
[Compliance with Water Conservation Laws link: http://www.water.ca.gov/wateruseefficiency/finance]

Groundwater Management Plan
a) Is your organization required to file a Groundwater Management Plan (GWMP)?
☐ yes ☒ no
b) If Yes, has your organization completed a Groundwater Management Plan?
☐ yes ☐ no
c) If Yes, when was the GWMP adopted? _____
d) Additional information as needed: _____

California Statewide Groundwater Elevation Monitoring (CASGEM)
a) What is the priority of the project's groundwater basin(s)? [Refer to the CASGEM Basin Prioritization http://www.water.ca.gov/groundwater/casgem/basin_prioritization.cfm]
☐ high ☒ medium ☐ low ☐ very low
b) If the project's groundwater basin(s) is considered to be a high or medium priority and does not have a CASGEM monitoring entity, is your organization a potential monitoring entity as described in CWC Section 10927?
☐ yes ☒ no
c) If Yes, has a monitoring entity already been proposed that is in the process of being established for the relevant basin(s)?
☐ yes ☒ no
If so, please describe? _____
e) Additional information as needed: _____

Urban Water Management Plan
a) Is your organization required to file an Urban Water Management Plan (UWMP)?
☐ yes ☒ no
[*Definition of entity that is required to file an UWMP with DWR: water supplier of more than 3,000 customers or supplying more than 3000 acre-feet annually*].
b) If Yes, list the date the UWMP was approved by DWR: _____
c) Is your UWMP in compliance with AB 1420 requirements?
☐ yes ☐ no
d) Does the urban water supplier meet the water meter requirements of CWC 525?

☒ yes ☐ no

Agricultural Water Management Plan

a) Is your organization – or any organization that will receive funding from the project – required to file an Agricultural Water Management Plan (AWMP)?
☐ yes ☒ no
[*Definition of an agricultural water supplier: a water supplier, either publicly or privately owned, providing water to 10,000 or more irrigated acres, excluding the acreage that receives recycled water. This includes a supplier or contractor for water regardless of the basis of right that distributes or sells water for ultimate resale to customers.*]

b) If Yes, list date the AWMP was approved by DWR: _____

c) Does the agricultural water supplier(s) meet the requirements in CWC Part 2.55 Division 6?
☐ yes ☐ no

Surface Water Diversion Reports

a) Is your organization required to file surface water diversion reports per the requirements in CWC Part 5.1 Division 2?
☐ yes ☒ no

b) If Yes, list date the surface water diversion report was submitted to DWR: _____

C. Project Information

1. **Project Name:** **Rio Dell and Scotia CSD Emergency Water Intertie**

2. **Project Description/Summary** [2000 characters max.]

The City of Rio Dell's sole source of water is an infiltration gallery located in the Eel River. The City's infiltration gallery was installed along the edge of the river in impermeable bedrock beneath a thin layer of gravel. The deep low flow river channel, however, is currently located on the opposite side of the river and the main summer flows are a long distance from the infiltration gallery. Over the last several years, flows in the Eel River have reduced making it difficult for water to reach the City's infiltration gallery. In addition, during the winter fine sediments are deposited atop the infiltration gallery, which impede the flow of water through the gravels to the intake system.

The capacity of the infiltration gallery has begun to decline significantly. In 2011, the City's water pumps drew air for the first time and based on the City's water records, the intake flow rate had to be decreased from 600 gallons per minute to 300 gallons/minute. In 2012 & 2013 the situation grew worse. The decreased flow rates were seen sooner in the dry season, mid-July instead of the end of August. Emergency measures including trenching in the Eel River to supply flow to the infiltration gallery had to be taken to avoid a water shortage emergency. Furhter information on the problems with the existing infiltration gallery is attached to this application in the Lawsuit claim regarding the construction of the infiltration gallery (RioDell_Intertie_Support1.pdf) .

The proposed project is to construct an intertie between the City of Rio Dell and Scotia CSD. The Scotia CSD has a similar infiltration gallery, however it was installed across the length of the River and has not suffered a loss in supply. The project includes construction of 2500 feet of 12" PVC pipe and 730 feet of HDPE pipe directionally drilled under the Eel River and the Railroad. The pipe will connect at the south end of Edwards in Rio Dell and near the mill in Scotia. See attached map.

3. **Specific Project Goals/Objectives**
   [for each goal list specific objectives]

Goal 1: Prevent impacts to clients of Rio Dell from drought and low flows in the Eel River. [100 characters max.]
Goal 1 Objective: Increase the supply of water available to the City of Rio Dell [200 characters max.]
Goal 1 Objective: _____ [200 characters max.]
Goal 1 Objective: _____ [200 characters max.]
Goal 1 Objective: _____ [200 characters max.]

Goal 2: Improve Water Supply Reliability
Goal 2 Objective: Increase the number of water sources available to the City of Rio Dell and Scotia CSD
Goal 2 Objective: _____
Goal 2 Objective: _____
Goal 2 Objective: _____

Goal 3: Improve Interagency Coordination
Goal 3 Objective: Facilitate a system whereby Rio Dell and Scotia and share both stored water and treated water from their respective water treatmtn plants
Goal 3 Objective: _____
Goal 3 Objective: _____
Goal 3 Objective: _____

Additional Goals & Objectives (List)

_____

4. **Describe the population served by this project.** [500 characters max.]
   The project will serve the communities of the City of Rio Dell and Scotia. The project serves 3,329 people in Rio Dell and 849 people in Scotia.

5. **Describe how your project directly benefits the Economically Disadvantaged Communities it serves:** [500 character max.]
   The City of Rio Dell is a disadvantaged community with a Median Household Income of $40,218. The project will help citizens of Rio Dell address low flows in the Eel River, which are causing critically reduced water supplies.

6. **List the impaired water bodies (303d listing) that your project benefits:**
   [500 character max.] [for more information, see map and SWRCB & EPA]
   The Lower Eel River is covered by the Total Maximum Daily Loads (TMDLs) for sediment and temperature. In 1992, EPA added the Lower Eel River to California's 303(d) impaired waters list due to elevated sedimentation/ siltation and temperature, as part of listing the entire Eel River basin. The project has the potential to reuce sediment loads to the Eel River, as the intertie provides additional time for river protections to be implemented during repairs to the infiltration gallery.

7. **Will this project mitigate an existing or potential Cease and Desist Order or other regulatory compliance enforcement action?** ☐ yes ☒ no
   If so, please describe? [500 characters max.]

   _____

D. Drought Impacts

1. **Describe the water management impacts within the region due to the 2014 Drought and any anticipated or projected impacts if drought or dry year conditions continue into 2015. :** [1000 characters max.]
   Due to the 2014 drought, the City of Rio Dell initiated collaboration with Scotia CSD to develop a permanent intertie. In addition, Rio Dell is using public education and researching local drought indicators. The City is evaluating monthly water production and sewer volumes for the period 2000-2013. The goal of this analysis is to determine gallons per capita day (GPCD) trends, water use trends by sector, water loss trends, and an estimate of outdoor water use. Public education focuses on drought issues, and water conservation awareness and techniques. The City is compiling and evaluated historic groundwater elevation data for the Eel River Groundwater Plain and historic discharge data for the Eel River. The City is performing AWWA water audits on various data sets to quantify non-revenue water and improve the data collection process. The City is also updating the Water Shortage Contingency Plan. The plan will be updated with revised triggers for action.

2. **Discuss any planned or anticipated actions if drought or dry year conditions continue into 2015:** [500 characters max.]
   If the drought continues in 2015, the City will increase the amount of public education and implement the appropriate conservation stages based on the revised water shortage contingency plan. Additionally the City will be evaluating funding sources to relocate the infiltration gallery and identify alternative water sources that could be used to supplement the current source.

3. **List and describe the water conservation measures/restrictions, mandatory or voluntary, that have been implemented as a result of the 2014 Drought.** (See instructions about including supporting documentation, such as copies of local drought declarations or conservations directives in the application materials.) [500 characters max.] Public education in the form of a water conservation message in the annual Consumer Confidence Report. Public education including a link on the City webpage to saveourh2o.org, and a water conservation tip on the City webpage that updates daily. City is performing an AWWA water Audit of 2013 water data and for March-April 2014 data. City has budgeted for an updated water shortage contingency plan including an evaluation of an excess use penalty to encourage conservation.

4. **Drought & IRWM Elements**
   Indicate which elements are addressed by the project:

   Drought Project Element
   ☒ Provide immediate regional drought preparedness
   ☒ Increase local water supply reliability and the delivery of safe drinking water
   ☐ Assist water suppliers and regions to implement conservation programs and measures that are not locally cost-effective
   ☐ Reduce water quality conflicts or ecosystem conflicts created by the drought

   IRWM Project Element
   ☒ Water supply reliability, water conservation, and water use efficiency
   ☐ Stormwater capture, storage, clean-up, treatment, and management
   ☐ Removal of invasive non-native species, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands

☐ Non-point source pollution reduction, management, and monitoring
☐ Groundwater recharge and management projects
☐ Contaminant and salt removal through reclamation, desalting, and other treatment technologies and conveyance of reclaimed water for distribution to users
☒ Water banking, exchange, reclamation, and improvement of water quality
☐ Planning and implementation of multipurpose flood management programs
☐ Watershed protection and management
☒ Drinking water treatment and distribution
☐ Ecosystem and fisheries restoration and protection

5. **Describe how the selected drought elements above are addressed or alleviated by the project:** [1000 characters max.]

The proposed intertie will provide immediate drought preparedness to both communities. The proposed project will increase the reliability of local supplies by connecting Rio Dell to a more secure source of water and providing an emergency back up for Scotia as well. During repairs to the infiltration gallery, the City of Rio Dell will have access to higher quality raw water. The intertie will also allow the City to take the necessary time to perform repairs, using best management practices, decreasing the risk of rushed repairs which could result in increased turbidity in the Eel River.

6. **If your project addresses additional or new water supply, describe what has been done to conserve water within the project area of impact. Describe how you will ensure that the water savings are used for the stated beneficial uses:** [500 characters max.]
N/A

7. **Will the project directly impact groundwater levels and quality?** ☐ yes ☒ no
If so, please describe? [500 characters max.]
N/A

E. Project Tasks, Budget and Schedule

1. **Current Project Phase:**
☐ Feasibility Study
☒ Planning
☐ Environmental Documentation & CEQA
☐ Permitting
☐ Implementation / Construction
☐ Maintenance
☐ Monitoring
☐ Other: _____

2. **Projected Project Start Date:** 9/1/14

3. **Anticipated Project End Date:** 1/31/16

4. **Project Schedule & Readiness**

On what date will the project be ready to proceed to construction/implementation? [For construction projects," ready to proceed" means that construction bids have been awarded by the specified date.] 7/1/15

5. **What level of CEQA does your project require?**
   Please note that because this solicitation is for state funding, CEQA will be required. Select the type of documentation:
   - ☐ Initial Study
   - ☐ Environmental Impact Report (EIR)
   - ☐ Environmental Impact Statement (NEPA/Federal involvement)
   - ☐ Mitigated Negative Declaration
   - ☒ Negative Declaration
   - ☐ Environmental Assessment
   - ☐ Exempt
   - ☐ N/A - not a CEQA Project

   Date or anticipated data for CEQA compliance: 1/31/15
   State Clearinghouse Number: _____

6. **Are other permits required for this project?** ☒ yes ☐ no
   If yes, please list: Caltrans Encroachment, County Encroachment Permit, CDFW Section 1600 permit, Railroad Encroachment Permit, and a Statelands commission permit.

7. **Major Tasks, Schedule and Budget for 2014 IRWM Drought Grant Solicitation**

(MS Excel table available at http://www.northcoastirwmp.net/Content/10447/preview.html; please see instructions for submitting excel documents with application materials)

Major Tasks	Major Deliverables	Current Stage of Completion (%)	Total Task Budget	Non-State Match	IRWM Task Budget	Start Date	Completion Date
Project Management and Administration							
Administration	preparation of invoices and other deliverables	0%	$8,000.00	$0.00	$8,000.00	9/1/14	1/31/16
Labor Compliance Program	submission of Labor Compliance Program	0%	$9,500.00	$0.00	$9,500.00	7/1/15	11/30/15
Reporting	quarterly and final reports	0%	$11,000.00	$0.00	$11,000.00	9/1/14	1/31/16
Land Purchase / Easement							
_____	_____	_____	_____	_____	_____	_____	_____
Planning / Design							
Preliminary Alignment Evaluation	Infrastructure Evaluation	100%	$0.00	$0.00	$0.00	6/1/06	12/1/06
50% Design Plans, Specifications, and Cost Estimate	50% Design deliverable for review by responsible agencies	0%	$40,000.00	$0.00	$40,000.00	9/1/14	11/30/14
Final Design Plans, Specifications, and Cost Estimate	Final Plans and Specification ready for biding	0%	$28,000.00	$0.00	$28,000.00	12/1/14	1/30/15
Survey	Final Survey Stamped by a Licensed Surveyor	0%	$11,000.00	$0.00	$11,000.00	9/1/14	10/15/14
Environmental Compliance/ Mitigation / Permitting							
CEQA	Adopted Mitigated Negative Declaration	0%	$35,000.00	$0.00	$35,000.00	11/1/14	3/15/15
1600 Permit/ State Lands	Approved Permits	0%	$20,000.00	$0.00	$20,000.00	11/1/14	3/15/15
Encroachment Permits	Approved Permits	0%	$40,000.00	$0.00	$40,000.00	10/1/14	3/1/15
_____	_____	0%	_____	_____	_____	_____	_____
Construction / Implementation / Monitoring							
Construction	Completed Project/ NOC	0%	$524,759.00	$0.00	$524,759.00	7/1/15	11/30/15

Construction Management	Constructiion Managemement Logs	0%	$55,000.00	$0.00	$55,000.00	7/1/15	12/31/15
Contingency	25%	_____	$131,190.00	$0.00	$131,190.00	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total 2014 IRWM Drought Grant Solicitation Request			$913,449.00	$0.00	$913,449.00		
Is Requested Budget scalable by 25%? * ☐ yes **If so, indicate scaled totals:**			_____	_____	_____		
Is Requested Budget scalable by 50%? * ☐ yes **If so, indicate scaled totals:**			_____	_____	_____		

8. **Describe how a scaled budget would impact the overall project.** [500 characters max.]
The entire project must be constructed to achieve the proposed benefits.

9. **Describe the basis for the costs used to derive the project budget. Include the source of the unit cost estimates used. Also, explain any costs that are higher than the average market value. If labor costs are higher than those required by prevailing wage, explain why and what those labor costs are based on.** [500 characters max.]
The City's contract City Engineer, GHD, recently bid an intertie project invoving many of the same elements as the proposed project, and costs were taken from bid results. Cost data was also obtained for the recent directinal drilling the City completed under the Eel River for the wastewater project. RS means was used to fill in the gaps. The costs are not higher thatn those required by prevailing wage, however they do reflect the higher costs seen for projects bid in the last several years.

10. **Describe the financial need for the project** (i.e. describe why the project cannot be completed with the existing financial resources of the project proponent, landowner and/or beneficiary). **Describe the need for expedited funding.** [1000 characters max.]
The City of Rio Dell has had to undertake numerous captial projects in the last year to keep the City infrastructure in compliance with state laws and in working order. The City has had to take out millions in loans for both the water and wastewater systems. The rate payers have seen huge increases in water and wastewater bills in the last several years. The City does not have reserves to pay for the intertie project ,which is needed to assure a reliable supply of water for the City. The City has been using reserves for the emergency repairs needed in 2012 and 2013.

11. **List the sources of non-state matching funds, amounts and indicate their status** (i.e. not applied for yet, pending, received).

The proposed project is a critical water supply project serving a disadvantaged community. As such, the City is requesting a waiver of all match funds. The proposed project is a critical water supply project as infrastructure renovations to the public water supply system are necessary to assure continued reliability of the minimum quality and quantity of water for residnets of the City.

12. **List the sources and amount of state matching funds** (these are not eligible matching funds).

N/A

F. Collaborative Partnerships

1. **Describe local and/or political support for this project:** [500 characters max.]
This project is strongly supported by thte City of Rio Dell. To is also supported by the Scotia CSD as evidenced by the letter of support attached with this application. The California Emergency Managemetn Agency has also been contacted and is in support of the project.

2. **List all collaborating partners and agencies and nature of collaboration:**
Rio Dell has been the lead on the project. Scotia CSD has been consulted on the project and is supportive and they will also be an active participant in facilitating the intertie. CalEMA was contacted and is supportive of the project. They do not have funds to provide at this time. California Departmetn of Public Health will need to approvide the final proejct to assure ti is protective of public health.

3. **Describe collaboration for this project with the groups above.** Note that selected projects may be requested to submit letters of support or suitable written documentation from Counties and Tribes. [500 characters max.]
A letter of support is attached to this application from Scotia CSD (RioDell_Intertie_ScotiaSupport.pdf). CDPH is also infavor of intertie projects in general and will be a review agency on the proejct.

4. **Are there similar efforts being made by other groups?** ☐ **yes** ☒ **no**
If so, please describe? [250 characters max.]
N/A

5. **Describe the kind of notification, outreach and collaboration that has been done with the County(ies) and/or Tribes within the proposed project impact area:** Note that selected projects may be requested to submit documentation of notification or land owner access for the appropriate jurisdiction of the proposed project impact area. [500 characters max.]
There are no tribes located in the vicinity of the project. A cultural resources report will be completed as part of CEQA and cultural monitoring will be included in the project if needed. Collaboration with the County has not been initiated past the initial infrastructure planning in 2006.

G. Project Location

1. **Describe the location of the project**
Geographical Information (latitude and longitude in degrees, minutes, and seconds):
Latitude: 40°29'28.78"N
Longitude: 124°5'57.53"W

2. **Project Location Description :**
The project is located in the City of Rio Dell and Scotia CSD. The intertie will connect to the Rio Dell water system at Edwards Drive, then will be directionally drilled under the Eel River, and connect to the Scotia water system at Bridge Street. Figure 1 displays a project schematic.

3. **Site Address (if relevant) :**
Not applicable.

4. **Is this project located in a Disadvantaged Community?** [see North Coast map]
   - ☒ Entirely
   - ☐ Partially
   - ☐ No

   List the Disadvantaged Community(s)
   City of Rio Dell

H. Justification & Technical Basis of Project

1. **List any studies, plans and designs completed for the project.** ***Please the instructions for more information about submitting these with the final application.***
This project was originally identified as part of the 2006 City of Rio Dell-Scotia Annexation Evaluation in the Water Distribution System Technical Memorandum. Based on recent experiences with pipeline crossings of the Eel River, the pipeline is now proposed to be directionally drilled under the river, not

attached to the bridge. However the connection points and system operation information are still correct. Attached with this application is the 2006 Technical Memo (Rio Dell_Intertie_planning 2006.pdf) and a figure showing the currently proposed alignment (Rio Dell_Intertie_Alignment.pdf).

2. **Is this project integrated into existing local, watershed, basin/regional plans or reports?**
   ☒ yes ☐ no
   If so, please list plans or reports [list format: Document name, Author, Published date]:
   Humboldt Operational Area Hazard Mitigation Pan Update; Volume 2 , Partner Annex, Humboldt County, February 2014 (http://co.humboldt.ca.us/natural-resources/hazardmitigation/). Rio Dell Water Capital Improvement Plan, City of Rio Dell, December 2013.

3. **Describe the scientific and technical basis for your project:** [1000 characters max.]
   Interties are a proven mechanism for improving the water supply reliability of community water systems.The Scotia CSD's water infiltration gallery is functioning well during the recent drought river flow conditions, and can be a supplier to Rio Dell as well.

4. **If there are any potential adverse physical effects from the project, please describe:**
   There are potential adverse physical impacts from corssign the rier. However, these will be address i tneh CEQA and permitting processes. The City's recent experience with directionally drilling under the river has shown it can be done safely with no impacts.

5. **Summarize the projected physical benefits and immediate outcomes of the project:**
   Water Supply & Conservation
   a) Quantity and type of new storage or delivery infrastructure built [200 characters max.]: 2490 ft of 12" PVC pipe waterline and 730 ft of directionally drilled HDPE pipe water line.
   b) Number and type of water users provided with water [200 characters max.]: 3,329
   c) Acre-feet of water leased/purchased: 0.3 AF/day
   d) Quantity and type of stormwater capture infrastructure built [200 characters max.]: N/A
   e) Quantity and type of grey/reclaimed water infrastructure built [200 characters max.]: N/A
   f) Other water supply and/or conservation measure completed – include quantity: N/A

   Water Quality
   a) Water and/or wastewater treatment projects
      i. Quantity and type of water treatment infrastructure built or installed: N/A
      ii. Quantity and type of upgrades/replacements to water treatment infrastructure: N/A
      iii. Other water and/or wastewater water quality improvements – include quantity: N/A
   b) Quantity and type of road related water quality improvements [200 characters max.]: N/A
   c) For improvements that are not road related, number and type of watershed erosion and sediment control treatments completed [200 characters max.]: N/A
   d) Number and type of other water quality improvements [200 characters max.]: N/A

   Watershed Rehabilitation & Habitat Improvement
   a) Quantity and type of instream habitat improvements [200 characters max.]: N/A
   b) Quantity and type of vegetation improvements [200 characters max.]: N/A
   c) Quantity and type of fish passage improvements [200 characters max.]: N/A
   d) Other watershed or habitat improvements – include quantity [200 characters max.]: N/A

   Flood Management

a) Quantity and type of new infrastructure built [200 characters max.]: N/A
b) Other flood management measure completed – include quantity [200 characters max.]: N/A

Energy independence & Climate Change
a) Quantity and type of new infrastructure built [200 characters max.]: N/A
b) Other energy independence and/or climate change measure completed – include quantity: N/A

Other Work or Outcomes (not captured above)
a) New infrastructure built and quantity [200 characters max.]: N/A
b) Briefly describe outreach proposed including the number of landowners targeted and number of events [200 characters max.]: N/A
c) Briefly describe any other type of specific work proposed including quantities: N/A

6. **Describe how the performance of the project will be monitored**
Include what targets and methods will be used to monitor the project's ability to achieve the benefits and how performance will be assessed: [1000 characters max.]
Flow will be monitored to determine intertie use between Rio Dell and Scotia.

7. **Project Justification & Technical Basis Notes:**

_____

I. Project Benefits

1. **Project Benefits** [select all that apply]

Increase Water Supply
- [x] Increased water supply or range in water supply (i.e. acre-feet per year)
- [x] Improved water quality
- [ ] Increased recreational opportunities
- [ ] Decreased reliance on imported water
- [ ] Reduced groundwater overdraft
- [ ] Creation of wetlands and riparian habitat
- [x] Decreased operational costs
- [ ] Other _____

Water Quality Improvement
- [x] Increased water supply
- [ ] Improved aquatic and wetland species habitat and populations
- [ ] Increased cropland production
- [ ] Creation of wetlands and riparian habitat
- [ ] Improved recreation opportunities
- [ ] Decreased treatment costs
- [ ] Other _____

Groundwater Improvements
- [ ] Improved flood protection
- [ ] Decreased reliance on imported water
- [ ] Reduced surface water use, reduced pumping costs
- [ ] Decreased or prevention of groundwater overdraft

☐ Other _____

Water Conservation and Reuse
☐ Increased water saving
☐ Efficient reuse of wastewater
☒ Costs savings from reduced purchases of imported water
☒ Saving construction of water storage facilities
☐ Increased nutrient levels for plant and crop use from use of reclaimed wastewater
☐ Other _____

Watershed Rehabilitation
☐ Long-term sediment reduction and temperature improvements
☐ Reduced surface water nutrient and bacteria concentrations (improved water supply quality)
☐ Improved fish and wildlife habitat and passage
☐ Enhanced public safety and recreational opportunities
☐ Instream rehabilitation to redress hydromodification
☐ Other _____

Habitat Improvement
☐ Reduced surface water nutrient and bacteria concentrations (improved water supply quality)
☐ Enhanced fish habitat
☐ Increased opportunities for recreational hunting and viewing
☐ Increased numbers of native species
☐ Reduced flood risks
☐ Education opportunities
☐ Other _____

Flood Management
☐ Increased aquifer recharge
☐ Runoff reduction
☐ Improved surface water quality
☐ Natural resources preservation and restoration
☐ Reduced risk to life and property
☐ Decreased flood insurance costs
☐ Other _____

2. **For each of the Potential Benefits that your project claims complete the Amount of Benefit and Estimated Benefit Value in the following table to describe an estimate of the benefits expected to be a result of the proposed project.** [*See the NCRP Project Application instructions and background information to help complete the table. Work tables are provided in the instructions with additional guidance, source materials and examples from North Coast projects.*]

POTENTIAL PROJECT BENEFITS TABLE

Potential Benefits	Physical Amt of Benefit	Suggested Physical Units	Estimated Economic Value	Suggested Economic Units If project-specific units are used, provide source or other documentation of value at the end of each subsection.

Potential Benefits	Physical Amt of Benefit	Suggested Physical Units	Estimated Economic Value	Suggested Economic Units If project-specific units are used, provide source or other documentation of value at the end of each subsection.
Water Supply Benefits				
Increased Instream Flow for Environmental Purposes	_____	Gallons per year; Gallons per minute; Acre-feet per year	_____	$80-120 per acre-feet per year, depending on scarcity and availability of substitutes. A higher value may be appropriate if water is being made available for San Francisco Bay area ($160-$250) or Central Valley ($80-$280) users.
Increased Instream Flow for Agricultural Purposes	_____	Gallons per year; Gallons per minute; Acre-feet per year	_____	$80-120 per acre-feet per year, depending on scarcity and availability of substitutes. A higher value may be appropriate if water is being made available for San Francisco Bay area ($160-$250) or Central Valley ($80-$280) users.
Increased Instream Flow for Municipal Purposes	_____	Gallons per year; Gallons per minute; Acre-feet per year	_____	$80-120 per acre-feet per year, depending on scarcity and availability of substitutes. A higher value may be appropriate if water is being made available for San Francisco Bay area ($160-$250) or Central Valley ($80-$280) users.
Change in Timing and Volume of Instream Flow	_____	Cubic feet per second (cfs) over a particular period (document evidence of scarcity during this period)	_____	Project specific / Not monetized
Increased Water Supply Reliability	1280 households, reduced frequency every 10 years, for a period of 3 months	Number of household customers; Reduction in frequency of water shortages (e.g., once in five years, once in ten years); Reduction in magnitude of shortage (e.g., 10% reduction, 20% reduction)	$76,800/ 3 months	$19–$27 per household per month Lower value is appropriate for improvements in reliability in situations where shortage is likely to occur infrequently and/or for short periods of time. Higher value is appropriate for improvements in reliability in situations where shortage occurs frequently and/or for longer periods of time.
Increased Groundwater Recharge	_____	Percent increase; Gallons per year; Acre-feet per year	_____	Project Specific/Not monetized
Avoided Water Supply Purchases	Estimate purchase a	Volume of water purchased per year (or at the frequency purchases would be avoided)	Unknown	Project specific: $ per unit of raw water purchased per year

Potential Benefits	Physical Amt of Benefit	Suggested Physical Units	Estimated Economic Value	Suggested Economic Units If project-specific units are used, provide source or other documentation of value at the end of each subsection.
	minimum of 2.25 million gallons of water to supprt 25% of current use			
Avoided Water Supply Projects	New 1,000,000 gallon water storage tank	Description of the avoided project, including physical benefits, and timing of actions	$750,000	Project specific: Cost of avoided project(s), including capital, replacement, and operations & maintenance costs, as applicable.
Avoided Water Shortage Costs	_____	Gallons per year; Acre-feet per year; Percent change in frequency /severity of water shortages	_____	Project specific: Avoided costs associated with water shortages
Avoided Electric Costs	_____	Energy units (kWh) per year; Acre-feet of water pumped per year	_____	Project specific: $ per kWh per year (PG&E current rates for different customers can be found at: http://www.pge.com/nots/rates/tariffs/rateinfo.shtml)
Avoided Costs Associated with Emergency Repairs	_____	Project Specific	_____	Project specific: Avoided costs associated with labor and capital to make the emergency repair.
Revenue from Water Sales to New Customers	_____	Gallons per year; Acre-feet per year	_____	Project specific: $ amount of net increase in revenue
Project specific units and source of value (Water Supply): _____				
Water Quality				
Sediment Reduction	Estimate of sediment reduction is not	Tons per year	unknown	Project specific/ Up to $11 per ton of sediment per year

Potential Benefits	Physical Amt of Benefit	Suggested Physical Units	Estimated Economic Value	Suggested Economic Units If project-specific units are used, provide source or other documentation of value at the end of each subsection.
	available			
Decreased Water Temperature	_____	Avoided project; Change in maximum daily temperature, by day	_____	Project specific/Not monetized
Increased Dissolved Oxygen (DO)	_____	Avoided project; Change in DO concentration	_____	Project specific/Not monetized
Bacteria/ Contaminant Reduction	_____	Avoided project; Change in bacteria/ contaminant concentration	_____	Project specific/Not monetized
Additional Water Quality Projects Avoided	_____	Avoided projects	_____	Project specific/Not monetized
Avoided Water Treatment Costs	_____	Gallons per year; Acre-feet per year	_____	Project specific: Reduction in water treatment costs per unit of water per year
Avoided Culvert Failures	_____	Number of culvert failures avoided	_____	Project specific: Cost of culvert failure Either estimate costs if specific culvert failed or use an average appropriate for type of culvert and downstream/surrounding conditions.
Flood Damage Reduction	_____	Project specific.	_____	Project specific. May include avoided costs of damage to structures and infrastructure, avoided cost of loss or disruption of critical services, avoided cost of loss of life.
Project specific units and source of value (Water Quality): _____				
Other Benefits				
Fishery Improvement	_____	Number of fish per year; Percent population increase; Density (fish/m^2); Amount (e.g., miles) of new spawning habitat available. Other description of expected effects on fish populations, if none of the above are available.	_____	Project and species-specific values; Potential overlap with other benefits, such as water quality improvements and recreation benefits.
Increased Quantity or Quality of Recreation or Public Access	_____	Number of recreation days, by type of activity	_____	$128 per camping day, $54 per fishing day, $28 per hiking day, $33 per motorboating day, $61 per mountain biking day, $79 per picnicking day, $25 per sightseeing day, $33 per swimming day, $89 per wildlife viewing day.

Potential Benefits	Physical Amt of Benefit	Suggested Physical Units	Estimated Economic Value	Suggested Economic Units If project-specific units are used, provide source or other documentation of value at the end of each subsection.
Improved Fish Passage	_____	Number of fish per year; Percent population increase; Density (fish/m^2) Amount (e.g., miles) of new spawning habitat available; Other description of expected effects on fish populations, if none of the above are available.	_____	Project and species-specific values; Potential overlap with other benefits, such as water quality improvements and recreation benefits.
Habitat Restoration	_____	Acres of habitat, by type	_____	$120 per acre per year (riparian habitat) $2,000–$4,000 per acre per year (wetland habitat); Project-specific values may also be appropriate.
Invasive Plant Removal	_____	Acres of habitat improved	_____	$120 per acre per year (riparian habitat) $2,000–$4,000 per acre per year (wetland habitat); Project-specific values may also be appropriate.
Flood Control	_____	Area and type of land protected; Change in flood probabilities	_____	Project specific. See also Flood Damage Reduction, above.
Reduction in Shellfish Closures	_____	Number of days per year of reduced closures; Change in quantity of commercial shellfish production; Change in shellfish-related recreation days	_____	Project specific
Decreased Operation and Maintenance Costs	_____	Project specific	_____	Project specific: Avoided costs associated with labor and capital for operations and maintenance.
Avoided Costs of Road Maintenance	_____	Miles of road	_____	Project specific: Average road maintenance costs per mile including labor and capital.
Enhanced Fire-Fighting Capabilities	_____	Area protected per year; Avoided costs associated with other sources of water; Avoided costs of delays associated with responding to fires	_____	Project specific
Reduced Risk of Wildfire	_____	Amount of fuel load reduced; predicted reduction in annual fire risk	_____	Project specific; Non Monetized
Project specific units and source of value (Other Benefits): _____				
Community and Social Benefits				
Education or Technology Benefits	_____	Number of people reached; Description of effects of technology (e.g., saved labor, better accuracy, etc.)	_____	Project specific; Not monetized
Avoided Public Water Resources Conflicts	_____	Describe and quantify the conflicts	_____	Project specific; Not monetized
Social Health and Safety	_____	Describe the effects in the project benefit notes	_____	Project specific; Not monetized

Potential Benefits	Physical Amt of Benefit	Suggested Physical Units	Estimated Economic Value	Suggested Economic Units If project-specific units are used, provide source or other documentation of value at the end of each subsection.
Project specific units and source of value (Community & Social Benefits): _____				
Climate Change Amelioration				
Carbon Emissions Reductions from Reduced Electricity Use	_____	Reduction in emissions of CO_2 equivalent (CO2E) per year, in tons. Reduced electricity use per year in kWh. To calculate emissions for the project area, go to http://oaspub.epa.gov/powpro/ept_pack.charts	_____	**$15 per ton of carbon dioxide equivalent** (increases at a real rate of 2.5% per year)
Carbon Emissions Reductions from Other Reduced Energy Use	_____	Reduction in emissions of CO_2 equivalent (CO2E) per year, in tons. Reduced energy use per year (e.g., gallons of diesel fuel). To calculate emissions reductions from different energy sources, go to http://www.epa.gov/cleanenergy/energy-resources/calculator.html#results	_____	**$15 per ton of carbon dioxide equivalent** (increases at a real rate of 2.5% per year)
Carbon Sequestration	_____	Number of trees planted, by type; Volume of CO_2 sequestered per year (in tons); May use the Tree Carbon Calculator to estimate carbon dioxide sequestration from tree planting projects: http://www.fs.fed.us/ccrc/tools/ctcc.shtml	_____	**$15 per ton of carbon dioxide sequestered** (increases at a real rate of 2.5% per year); If estimates are not available but an estimate of number of trees planted is available, use the following value estimates: $0.64 for per hardwood planted per year; $0.49 per conifer planted per year; (average annual value of carbon sequestered by a tree with a moderate growth rate over 50 years, discounted at a rate of 3%);
Project specific units and source of value (Climate Change): _____				

3. **Project Cost Analysis in regards to Benefits**
   a) Have alternative methods been considered to achieve the same types and amounts of physical benefits as the proposed project been identified? [500 character max.]
   There are no alternatives to the intertie that provide the same benefits to Rio Dell and to Scotia as well. The City has considered the alternative of repairing the infiltration gallery.

   b) If no, please explain why alternative methods should not be considered. [500 character max.]
   _____

c) If yes, describe the alternative methods (including the proposed project) and estimated costs of the alternative(s). If a study of alternatives has been completed, please attach this information.
The alternative of repairs to the infiltration gallery is caught up in a law suit. As the design and engineering is also part of the lawsuit, the City cannot contract for these services to initiate the process of repairs until the lawsuit is settled. The City does not have the funds to separately initiate repairs to the infilrtation gallery without funds from the lawsuit. Costs for repair are not known at this time, but could exceed $2 million.

d) If alternative methods have not yet been considered, but at least one alternative method exists to achieve the same types of physical benefits, please describe that alternative and why it was not considered. [500 character max.]
N/A

e) Is the proposed project the least cost alternative to achieve the physical benefits? If so, please provide supporting information. [500 character max.]
Yes, the project is the least cost alternative to achieve the benefits over the long term. The intertie provides a permanent means for sharing resources between Rio Dell and Scotia. The main alterantive of repairing the infiltration gallery could cost over $2million. Other options to truck in water would exceed the $2million.

f) If the proposed project is not the least cost alternative, why is it the preferred alternative? Provide an explanation of any accomplishments of the proposed project that are different from the alternative project or methods. [500 character max.]
N/A

4. **Describe how your project benefits salmonids and other endangered/threatened species:**
[500 character max.]
N/A

5. **Describe how your project addresses climate change adaptation and mitigation: energy efficiency, reduction of greenhouse gas emissions, reduction of carbon, or reduction in water demand:**
[500 character max.]
N/A

6. **Project Benefits Notes:**

J. Other Project Data

1. **Select the other sensitive habitat areas your project benefits.**
[select all that apply]

- ☐ Riparian corridors
- ☐ Perennial and intermittent streams
- ☐ Wetlands
- ☐ Lakes and ponds and adjacent shore habitat

- ☐ Marine habitats
- ☐ Coastal tide lands and marshes
- ☐ Coastal and offshore areas containing breeding or nesting sites
- ☐ Native grassland
- ☐ Serpentine chaparral/grassland
- ☐ Cypress woodland
- ☐ Oak woodland
- ☐ Redwood forest
- ☐ Areas used for ecological scientific study and research
- ☐ Existing wildlife refuges and reserves
- ☐ Habitats supporting rare, endangered, threatened and endemic species (CNPS, State, Federal)

2. **Select the Areas of Biological Significance (ASBS), Marine Protected Areas (MPA) and Critical Coastal Areas (CCA) that your project benefits:**
[select all that apply] [for more information, see North Coast map]

Critical Coastal Area:

- ☐ Klamath River
- ☐ Redwood Creek
- ☐ Redwood National Park
- ☐ Trinidad Head
- ☐ Mad River
- ☐ Eel River
- ☐ Mattole River
- ☐ King Range
- ☐ Pudding Creek
- ☐ Noyo River
- ☐ Jughandle Cove
- ☐ Big River
- ☐ Albion River
- ☐ Navarro River
- ☐ Garcia River
- ☐ Saunders Reef
- ☐ Del Mar Landing
- ☐ Gerstle Cove
- ☐ Estero Americano
- ☐ Estero de San Antonio

California Marine Protected Area:

- ☐ Punta Gorda
- ☐ MacKerricher
- ☐ Point Cabrillo
- ☐ Russian Gulch
- ☐ Van Damme
- ☐ Manchester and Arena Rock
- ☐ Del Mar Landing
- ☐ Salt Point
- ☐ Gerstle Cove
- ☐ Fort Ross
- ☐ Sonoma Coast

- ☐ Bodega

Areas of Special Biological Significance:

- ☐ Bodega Marine Life Refuge
- ☐ Del Mar Landing Ecological Reserve
- ☐ Gerstle Cove
- ☐ Kelp Beds at Saunders Reef
- ☐ Kelp Beds at Trinidad Head
- ☐ Kings Range National Conservation Area
- ☐ Pygmy Forest Ecological Staircase
- ☐ Redwood National and State Parks

3. Statewide Priorities

[select all that apply] [for more information see IRWM Program Guidelines]

Drought Preparedness

☐ Promote water conservation, conjunctive use, reuse and recycling
☐ Improve landscape and agricultural irrigation efficiencies
☐ Achieve long term reduction of water use
☐ Efficient groundwater basin management
☒ System interties

Use and Reuse Water More Efficiently

☐ Increase urban and agricultural water use efficiency measures such as conservation and recycling
☐ Capture, store, treat, and use urban stormwater runoff (such as percolation to usable aquifers, underground storage beneath parks, small surface basins, domestic stormwater capture systems, or the creation of catch basins or sumps downhill of development
☐ Incorporate and implement low impact development (LID) design features, techniques, and practices to reduce or eliminate stormwater runoff

Climate Change Response Actions

☐ Adaptation to Climate Change: Advance and expand conjunctive management of multiple water supply sources
☐ Adaptation to Climate Change: Use and reuse water more efficiently
☒ Adaptation to Climate Change: Water management system modifications that address anticipated climate change impacts
☐ Adaptation to Climate Change: Establish and enhance migration corridors, re-establish river-floodplain hydrologic continuity, re-introduce anadromous fish populations to upper watersheds, and enhance upper watershed forests and meadow systems
☐ Reduction of Greenhouse Gas (GHG) Emissions: Reduce energy consumption of water systems and uses
☐ Reduction of Greenhouse Gas (GHG) Emissions: Use cleaner energy sources to move and treat water
☐ Reduce Energy Consumption: Water use efficiency
☐ Reduce Energy Consumption: Water recycling
☐ Reduce Energy Consumption: Water system energy efficiency
☐ Reduce Energy Consumption: Reuse runoff

Expand Environmental Stewardship

☐ Expand Environmental Stewardship to protect and enhance the environment by improving watershed, floodplain, and instream functions and to sustain water and flood management ecosystems.

Practice Integrated Flood Management

☐ Better emergency preparedness and response

☐ Improved flood protection
☐ More sustainable flood and water management systems
☐ Enhanced floodplain ecosystems
☐ LID techniques that store and infiltrate runoff while protecting groundwater

Protect Surface Water and Groundwater Quality

☐ Protecting and restoring surface water and groundwater quality to safeguard public and environmental health and secure water supplies for beneficial uses
☐ Salt/nutrient management planning as a components of an IRWM Plan

Improve Tribal Water and Natural Resources

☐ Improve Tribal Water and Natural Resources and include the development of Tribal consultation, collaboration, and access to funding for water programs

Ensure Equitable Distribution of Benefits

☒ Increase the participation of small and disadvantaged communities in the IRWM process.
☒ Develop multi-benefit projects with consideration of affected disadvantaged communities and vulnerable populations.
☒ Address safe drinking water and wastewater treatment needs of DACs.
☐ Address critical water supply or water quality needs of California Native American Tribes within the region.

4. Other Project Data Notes:

_____

COST ITEM LIST - Scotia Intertie

GHD INC

Estimator: JJW
Checked By: MP
Date: 05-20-2014

Project: Rio Dell Scotia Emergency Intertie Project

Construction Cost	UNIT	QTY	UNIT PRICE	TOTAL
Mobilization	LS	1	5.0%	$36,406
Construction Area Signs	LS	1	5.0%	$36,406
Construction Staking	LS	1	5.0%	$36,406
Traffic Control	LS	1	10.0%	$72,812
Control of Water	LS	1	1.0%	$7,281
Erosion control - SWPPP	LS	1	2.5%	$18,203
Demolition	LS	1	2.0%	$14,562
Temporary Shoring and Trench Safety	LS	1	2.0%	$14,562
Clearing and Grubbing	LS	1	$ 2,000.00	$2,000
12" PVC Pipe and Fittings	LF	2,488	$ 115.00	$286,120
Miscellaneous Valves	LS	1	$ 75,000.00	$75,000
Directional Drill (under River)	LF	650	$ 500.00	$325,000
Directional Drill (under Railroad)	LF	80	$ 500.00	$40,000
			Total	**$524,759**

Engineering Cost

CONTINGENCIES	**25%**		**$131,190**
DESIGN & SURVEYING			**$79,000**
Survey		$11,000	
50% PS&E		$40,000	
Final PS&E		$28,000	
Environmental Permitting			**$95,000**
CEQA		$35,000	
Encroachment Permitting		$40,000	
Section 1600/ State Lands		$20,000	
Administration			**$28,500**
Administration		$8,000	
Labor Compliance		$9,500	
Reporting		$11,000	
CONSTRUCTION ENGINEERING			**$55,000**
		Total:	**$913,449**

675 Wildwood Avenue
Rio Dell, CA 95562

TO: Rio Dell City Council

FROM: Karen Dunham, City Clerk

THROUGH: Jim Stretch City Manager

DATE: June 3, 2014

SUBJECT: Christian Prayers at Council Meetings

RECOMMENDATION

Consider whether there should be Christian prayers at the start of Council meetings.

BACKGROUND AND DISCUSSION

This item was placed on the agenda at the request of Councilmember Johnson at the May 20th Council meeting.

SCOTUS Times-Standard

Ruling favors prayer at council meeting

5/6/14

By Mark Sherman
The Associated Press

WASHINGTON » A narrowly divided Supreme Court upheld decidedly Christian prayers at the start of local council meetings on Monday, declaring them in line with long national traditions though the country has grown more religiously diverse.

The content of the prayers is not significant as long as they do not denigrate non-Christians or try to win converts, the court said in a 5-4 decision backed by its conservative majority.

Though the decision split the court along ideological lines, the Obama administration backed the winning side, the town of Greece, N.Y., outside of Rochester.

1983 decision

The outcome relied heavily on a 1983 decision in which the court upheld an opening prayer in the Nebraska Legislature and said prayer is part of the nation's fabric, not a violation of the First Amendment's guarantee of freedom of religion.

Writing for the court on Monday, Justice Anthony Kennedy said that forcing clergy to scrub the prayers of references to Jesus Christ and other sectarian religious figures would turn officials into censors. Instead, Kennedy said, the prayers should be seen as ceremonial and in keeping with the nation's traditions.

"The inclusion of a brief, ceremonial prayer as part of a larger exercise in civic recognition suggests that its purpose and effect are to acknowledge religious leaders and the institutions they represent, rather than to exclude or coerce nonbelievers," Kennedy said.

Justice Elena Kagan, writing for the court's four liberal justices, said, "I respectfully dissent from the court's opinion because I think the Town of Greece's prayer practices violate that norm of religious equality — the breathtakingly generous constitutional idea that our public institutions belong no less to the Buddhist or Hindu than to the Methodist or Episcopalian."

Kagan said the case differs significantly from the 1983 decision because "Greece's town meetings involve participation by ordinary citizens, and the invocations given — directly to those citizens — were predominantly sectarian in content."

A federal appeals court in New York had ruled that Greece violated the Constitution by opening nearly every meeting over an 11-year span with prayers that focused on Christianity.

Rio Dell City hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

June 3, 2014

TO: Rio Dell City Council

FROM: Jim Stretch, City Manager

SUBJECT: Water Rate and Capacity Fee study by Study Bartle Wells Associates

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an agreement with Bartle Wells Associates to conduct a water rate and water capacity fee study for the Water Fund, not to exceed $25,000.

BACKGROUND AND DISCUSSION

As the City Council is aware, many sections of the City's Water system date back to the 1950's and the Public Works Crew are constantly dealing with breaks, leaks, stuck valves and nonfunctioning fire hydrants. The system has never been adequately capitalized to replace bad sections of undersized and corroded supply lines. Approximately $77,000 is now being collected annually and deposited in the capital fund, but the City Engineer estimates that a minimum of $430,000 is required. A Financial Analyst can assist the City in determining what the rate should be.

The Water Operations budget is projected to begin the 2014-15 fiscal year with a fund balance of $114,479. Revenues are estimated at $515,000 and total expenditures are approximately $650,000. It appears that by the end of the fiscal year the Reserve balance may be zero. A rate study needs to be conducted to be able to balance revenues to expenditures.

The Water system Capacity Fee was last increased to $2,700 in 2002, 12 years ago. As you know, the capacity fee is the charge that a person pays when they establish a new water service. It is the cost of buying into the existing water system. Bartle Wells Associates recently conducted a wastewater capacity fee study for the city which resulted in the adjustment of the fee from $950 to $5,220. Given the time that has passed, this fee should also be analyzed and adjusted if appropriate.

Attached to this report is a proposal from Bartle Wells Associates to study these fees and rates at the cost not to exceed $25,000. It is proposed to have the study be completed by the end of the calendar year.

It is recommended that the City Council authorize the City Manager to enter into an agreement with Bartle Wells Associates to conduct the study as set forth in the proposal.

BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue
Berkeley, CA 94703
T: 510-653-3399
www.bartlewells.com

May 23, 2014

Jim Stretch, City Manager
City of Rio Dell
675 Wildwood Avenue
Rio Dell, CA 95562

Re: Proposal for a Water Rate Study

Bartle Wells Associates is pleased to submit this proposal to develop a Water Rate Study for the City of Rio Dell (City). We enjoyed working with the City on the Wastewater Rate and Capacity Fee Study and appreciate the opportunity to work with the City again. We understand that the City requires a water rate adjustment to fully fund the City's planned capital improvement projects and to equitably recover costs from outside-City customers. We also understand that the City is interested in rate design options that fund the capital projects via volume water rates as opposed to fixed charges.

Bartle Wells Associates
Founded in 1964, Bartle Wells Associates is an independent financial advisor to public agencies and is owned and managed by its principal consultants. We specialize in providing utility rate and financial advisory consulting services to California water and wastewater agencies. Our firm has a well-earned reputation for providing our clients with straightforward, practical advice and we have a strong record of building consensus for our final recommendations.

Rate Study Considerations and Approach
Our approach for this rate study is to work closely with the City to verify the number of accounts, customer type, and water use. During the course of working on the wastewater rate study, we discovered several accounts with significant water usage due to water leaks and water theft. A related issue is the utility billing of multifamily accounts, in particular, mobile homes. We understand that the City's mobile home parks are not sub-metered and that there may be equity issues between low and high use mobile homes within each mobile home park. We will also carefully review the cost of service, level of service, and rates for in-City customers versus outside-City customers.

After we have developed a cost of service and evaluated the utility billing information, we will work closely with the City to establish fixed and volume rates. Fixed rates are advantageous because they are a guaranteed revenue source that provides financial stability. However, volume rates are considered more equitable because high water users pay a higher bill and low water users pay a lower bill. We will consult with staff to develop fixed and volume rates that best meet the City's needs.

Having recently completed the Water System Asset Management Plan and Preliminary Capital Improvement Plan, BWA suggests that the City conduct a water capacity fee study as part of the water rate study. The function of the capacity fee is to insure that growth and new development pay their fair share of existing and future facilities. BWA has included a water capacity fee analysis as an optional task.

We would very much like to assist the City on this assignment. We propose to assign the same staff that worked on the Wastewater Rate and Capacity Fee Study to the Water Rate Study. Doug Dove will serve as project manager and Alison Lechowicz will serve as financial analyst. Please contact me at 510.653.3399 extension 110 or by email at ddove@bartlewells.com if you have any questions or would like any additional information.

Very truly yours,

BARTLE WELLS ASSOCIATES

Douglas R. Dove, PE, CIPFA
President

Alison Lechowicz, MPA
Financial Analyst

Scope of Work

Bartle Wells Associates will work closely with staff to provide an update of the water rates. This section presents a proposed scope of services that we believe forms a sound basis for completing this assignment.

1. Investigation and Data Collection

Assemble the information necessary to understand and describe the City's water rates and charges, confirm the City's existing infrastructure and proposed capital/facility's needs, and understand the City's existing and future customer base. Key steps in this phase of the project include:

- Review current user fees and billing system
- Review prior fee studies and history of operations
- Review current and historical customer billing information
- Review City financial information including audits, budgets and outstanding debt
- Identify current funding sources for operating and capital costs.
- Identify the types of customers that benefit from each group or type of facilities.

The assistance of City staff will be required during this phase in collecting and researching relevant information and helping to identify data sources when relevant. The objectives of investigation and data collection are to develop a sound understanding of the characteristics of the water system, its facilities and infrastructure, its finances and annual revenue requirements, short-term and long-term capital needs, and to develop the basic assumptions to be used in the study.

2. Revenue Requirement

Develop revenue and expense projections for the water enterprise over the next five to ten years. Include costs of future capital improvements. Project customer growth and annual water revenue requirements over the study period. Evaluate the financial impact of various rate adjustment alternatives. Develop a phased implementation plan for achieving the recommended rate structure goals while minimizing rate impacts.

3. Develop Preliminary Volume Water Rate Structure Recommendations

Determine an equitable allocation of costs to applicable water usage parameters. Work with the project team to identify customer and usage profiles to use in the rate analysis. Model the impacts of combined base and volume rates on various customer classes. Based on the best consumption information available, develop a preliminary rate structure for the City. Evaluate methods of including annual cost escalators such as Consumer Price Index in the new rates.

4. Rate Alternatives

Evaluate the City's current water rate structure for adequacy and equitability. Discuss alternative water rate structures including a higher volume rate that may be appropriate for the City and the pros and cons of potential adjustments or modifications to the current rate structure.

Calculate the rate impacts of various rate structure alternatives to provide the project team with a sound understanding of the implications of their decisions on the City's customer base. Work with the project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate adjustments that may reduce the impact on certain customers if warranted and/or requested by the project team. We will evaluate rate impacts to the low, medium, and high user in each customer group.

We will also evaluate the rates and charges of outside-City customers in comparison to the rates and charges of inside-City customers.

5. Survey Surrounding Agencies' Rates

Prepare a survey of surrounding water agencies' rates. Work with staff to identify agencies to be included in the survey. Summarize the findings of the survey in an easy-to-understand format.

6. Prepare Draft and Final Reports and Ordinances

Submit a draft report to the City that summarizes and clearly explains key findings and rate recommendations, as well as key alternatives evaluated. Receive additional input from the project team and finalize recommendations. The final report will incorporate feedback received from the project team and from City Council. We will also assist the City with the drafting of legal ordinances and/or resolutions.

7. Draft the Proposition 218 Mailer

BWA will assist the City with drafting the Proposition 218 rate notice. We recommend the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate revisions. We have found that ratepayers are generally much more accepting of rate increases when they understand why they are needed.

8. Attend Meetings and Public Hearings on Rates

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our

recommendations and can assist the City in developing public education materials. BWA will take the lead in presenting the rate recommendations at public meetings unless directed otherwise by staff. For this assignment, BWA suggests including three (3) trips to Rio Dell for presentations to City Council:

1) Presentation #1: Present draft recommendations to City Council
2) Presentation #2: Present final recommendations to City Council; City Council initiates the Proposition 218 process
3) Presentation #3: Attend the Proposition 218 rate hearing

9. OPTIONAL TASK: Water Capacity Fee

Concurrent with our review of the water utility's service area, rates and charges, and capital improvement projects, we recommend conducting a water capacity fee analysis. Our analysis will include:

- Review of the current capacity fee
- Survey of local water capacity fees
- Calculation of the current value and capacity of water assets
- Allocation of capital program costs to current and future users

Based on our analysis, we will develop draft and final capacity fee recommendations in consultation with the City. As needed, we will assist the City in preparing the water capacity fee ordinance or resolution.

Additional Services

BWA will remain available to attend additional meetings beyond those described above and provide additional financial consulting services beyond the scope of the services listed. Additional services may include:

- Attendance at additional meetings and/or water rate workshops with the public
- Additional drafts or revisions of the report

AVAILABILITY AND PROPOSED FEE

1. Bartle Wells Associates is prepared to begin work upon the City's authorization to proceed.

2. During the project development period, we will be available at all reasonable times and on reasonable notice for meetings and for consultation with City staff, attorneys, consulting engineers, and others as necessary.

3. Bartle Wells Associates will perform all work related to the assignment. Doug Dove, a firm principal and president will be assigned as project manager on this assignment. He will serve as the lead contact person for BWA and will be involved with the project a day-to-day basis.

4. The fees for services outlined in this proposal will not exceed $25,000 (including the optional water capacity fee task and direct expenses). The fees for services without the optional capacity fee task will not exceed $20,000 including direct expenses. The fee is based on the following assumptions:

   a. The project will be completed by December, 2014 or other mutually agreeable date preferred by the City. BWA will work to meet all City scheduling requirements and deadlines.
   b. All necessary information will be provided by the City and/or its other consultants in a timely manner.
   c. Development of a draft and a final version of tables and report. Time and expenses involved in revising tables and assumptions and additional report revisions may constitute additional services if not achievable within the budget.
   d. The fee is based on a total of up to 3 meetings and/or presentations.

5. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2014, which will remain in effect for the duration of this project.

6. In addition to the services provided under this proposal, the City may authorize Bartle Wells Associates to perform additional services, which may include, but are not limited to:
   - Changes in project scope
   - Delays in project schedule resulting in additional revisions
   - Additional meetings and presentations
   - Any other services not specified

7. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.

8. If the project is terminated for any reason, Bartle Wells Associates is to be reimbursed for professional services and direct expenses incurred up to the time notification of such termination is received.

9. This proposal may be withdrawn or amended if not accepted within 90 days.

BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2014
Rates Effective 1/1/2014

Professional Services

Financial Analyst I	$95 per hour
Financial Analyst II	$135 per hour
Senior Financial Analyst	$165 per hour
Senior Consultant	$195 per hour
Principal Consultant	$235 per hour

The professional time rates include all overhead and indirect costs. Bartle Wells Associates does not charge for secretarial support services and internal computer time. Expert witness, legal testimony or other special limited assignment will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2014 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at $60 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Long distance telephone and fax
- Printing and report binding
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Photocopying
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees will be billed monthly for the preceding month, and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverages as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	• $2,000,000 General Aggregate • $2,000,000 Products Comp Op Aggregate • $1,000,000 Personal & Advertising Injury • $1,000,000 Each Occurrence	6 1 15
Excess Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	• $1,000,000 Aggregate • $1,000,000 Each Occurrence	6 1 15
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	• $1,000,000 Combined Single Limit	6 1 15
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	Workers' Compensation: Statutory Limits for the State of California. Employers' Liability: • Bodily Injury by Accident - $1,000,000 each accident • Bodily Injury by Disease - $1,000,000 each employee • Bodily Injury by Disease - $1,000,000 policy limit	6 1 15
Professional Liability	Chubb & Son, Inc. BIND094045	Solely in the performance of services as municipal financing consultants for others for a fee. Limit: $2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)	6 1 15

Rio Dell City hall
675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532
riodellcity.com

June 3, 2014

TO: Rio Dell City Council

FROM: Jim Stretch, City Manager

SUBJECT: Set date for 2014-15 Budget Workshop and Direction on Revenue Program

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Set the date of June 10, 2014, 6:30PM for a special meeting to discuss the 2014-15 budget, and provide direction to staff as to the development of a local revenue measure to be placed on the November 4, 2014 ballot.

BACKGROUND AND DISCUSSION

The 2014-15 Recommended Budget for the City of Rio Dell is nearing completion and, as of the date of this writing, the General Fund cannot be balanced without affecting public services, unless its Reserve is used to fund expenditures. The imbalance between revenue and expenditures is estimated to be in the $100,000 range, or 12%. Staff is requesting a work session with the Council prior to setting the public hearing date on the plan.

The recommended budget contains no frills and is fiscally tight. There is no cost- of- living adjustment for City employees, even though a recent total compensation study of comparable cities in the area indicates that Rio Dell is lagging behind them on average of 16.25%. The issue is not an expenditure problem as much as it is a revenue problem. And unfortunately, though the General Fund Reserve stands at $1.1 million, the long term funding issue is apparent and needs to be addressed at the earliest opportunity.

The challenge is not just $100,000 this fiscal year, but involves the larger issue of municipal services to the community. As you are aware, there were staff lay-offs and reductions in the public works department (2.0) and police department (3.0) in 2010-11 and 2011-2012. These positions have not been added back, but need to be. A field crew of 4 Utility Workers simply cannot maintain city streets, drainage courses, all of the buildings and grounds and 20 miles of old water and sewer infrastructure, let alone our newest improvements that stretch the length of Wildwood Avenue.

Likewise, the Police Department needs 6 sworn officers to provide the City with 24/7 coverage. Two Officers were laid-off in 2010-11; we now have the Chief of Police and 4 sworn Officers. There is no back-up when there is a court appearance, sickness, injury or vacation.

The City Manager is asking for a session with the City Council to discuss a local revenue measure for the November 4, 2014; either a utility user's tax or a local sales tax for a limited period.

The date of the special meeting is suggested for June 10, 2014 at 6:30PM.

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532

For Meeting of: June 3, 2014

To: City Council

From: Kevin Caldwell, Community Development Director

Through: Jim Stretch, City Manager

Date: May 27, 2014

Subject: Text Amendment Establishing Density Bonus Regulations, Sections 17.30.073 of the Rio Dell Municipal Code (RDMC).

Recommendation:

That the City Council:

1. Receive staff's report regarding the proposed text amendment;

2. Re-Open the public hearing, receive public input, and deliberate; and

3. Adopt Ordinance No. 318-2014 establishing Density Bonus Regulations, Section 17.30.073 of the Rio Dell Municipal Code (RDMC).

4. Direct the City Clerk, within 15 days after adoption of the Ordinance, to post an adoption summary of the Ordinance with the names of those City Council members voting for or against, or otherwise voting in at least three (3) public places and to post in the office of the City Clerk a certified copy of the full text of the adopted Ordinance pursuant to Section 36933(a) of the California Government Code.

Background/Summary

At your meeting of June 20, 2014 staff presented (introduction and first reading) the recommended Density Bonus Ordinance. As indicated at the meeting of June 20th, the City is obligated to adopt a local Density Bonus Ordinance as part of the Housing Element approval criteria. The proposed Ordinance would formalize the process for implementing the review of density bonuses and related parking standards, incentives and waivers. Staff has crafted the ordinance to rely, as much as possible, on the standards and requirements contained in State law, so that if provisions in State law are amended in the future, the City's regulations will not necessarily need to be amended.

Essentially, State density bonus law establishes that a residential project of five or more units that provides affordable or senior housing at specific affordability levels may be eligible for:

- a "density bonus" to allow more dwelling units than otherwise allowed on the site by the applicable General Plan Land Use Map and Zoning;
- use of density bonus parking standards;
- incentives reducing site development standards or a modification of zoning code or architectural requirements that result in financially sufficient and actual cost reductions;
- waiver of development standards that would otherwise make the increased density physically impossible to construct;
- an additional density bonus if a childcare facility is provided.

The density bonus may be approved only in conjunction with a development permit (i.e., tentative map, parcel map, use permit or design review). Under State law, a jurisdiction must provide a density bonus, and incentives will be granted at the applicant's request based on specific criteria. The criteria was presented and discussed at the June 20th meeting.

Zone Reclassification Required Findings:

1. The proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected.

The proposed establishment of Density Bonus regulations is consistent with the Goals and Polices of the General Plan. Goal A of the Housing Element calls for "A variety of housing types to meet the needs of all economic segments of the community including those with special housing requirements." Policy A-5 of the Housing Element encourages density bonuses for developments providing housing for low to moderate income households and for qualifying senior housing projects. In addition, the Action Plan of the Housing Element calls for the development of a Density Bonus Ordinance consistent with State law.

2. The proposed amendments have been processed in accordance with the California Environmental Quality Act (CEQA).

The primary purpose of the California Environmental Quality Act (CEQA) is to inform the decision makers and the public of potential environmental effects of a proposed project.

Based on the nature of the project, staff has determined that the proposed Density Bonus Ordinance is exempt from the California Environmental Quality Act (CEQA) because: (1) the Ordinance is not a discretionary project pursuant to Public Resources Code Section 21080(a); and (2) the Ordinance is a ministerial project pursuant to Public Resources Code Section 21080(b) and CEQA Guideline Section 15268(a) since the Ordinance simply adopts the density bonus standards otherwise required by Government Code Section 65915. Therefore, the Density Bonus Ordinance is exempt from CEQA pursuant to CEQA Guidelines 15061(b)(1), 15061(b)(2) and 15061(b)(3).

Financial Impact

The City is responsible for the costs associated with the proposed amendment. The cost is insignificant and will not result in additional budget expenditures or revisions.

Attachments:

1. Ordinance No. 318-2014 establishing Density Bonus Regulations, Section 17.30.073 of the Rio Dell Municipal Code (RDMC).

2. Post Adoption Summary.

ORDINANCE NO. 318 – 2014

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL
ESTABLISHING DENSITY BONUS REGULATIONS,
SECTION 17.30.073 OF THE RIO DELL MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF RIO DELL ORDAINS AS FOLLOWS:

WHEREAS State Density Bonus Law, Government Code Section 65915, was first enacted in 1979; and

WHEREAS in 2005 significant changes were made to the State's Density Bonus Law, including a requirement that Cities and Counties adopt local regulations implementing Government Code Section 65915; and

WHEREAS the law requires local governments to provide density bonuses and other incentives to developers of affordable housing who commit to providing a certain percentage of dwelling units to persons whose income do not exceed specific thresholds; and

WHEREAS cities also must provide bonuses to certain developers of senior housing developments, and in response to certain donations of land and the inclusion of childcare centers in some developments; and

WHEREAS the density bonus may be approved only in conjunction with a development permit (i.e., tentative map, parcel map, use permit or design review); and

WHEREAS under State law, a jurisdiction must provide a density bonus, and incentives will be granted at the applicant's request based on specific criteria; and

WHEREAS State Density Bonus law provides that if certain criteria is met then the jurisdiction essentially has no grounds for denying density bonuses or use of the density bonus parking standards; and

WHEREAS a jurisdiction has limited grounds for denying incentives and waivers. A jurisdiction can deny incentives and waivers if, for example, (1) it violates state or federal laws, (2) it is not needed economically (for incentives only), (3) there are adverse health

and safety effects, (4) there is an impact on an historic structure, and, for waivers only, (5) it does not physically preclude development; and

WHEREAS the proposed establishment of Density Bonus regulations is consistent with the Goals and Polices of the General Plan. Goal A of the Housing Element calls for "A variety of housing types to meet the needs of all economic segments of the community including those with special housing requirements."; and

WHEREAS Policy A-5 of the Housing Element encourages density bonuses for developments providing housing for low to moderate income households and for qualifying senior housing projects. In addition, the Action Plan of the Housing Element calls for the development of a Density Bonus Ordinance consistent with State law; and

WHEREAS the City has reviewed and processed the proposed amendment in conformance with Sections 65350 – 65362 of the California Government Code; and

WHEREAS the City has reviewed and processed the proposed amendment in conformance with Section 17.35.010 of the City of Rio Dell Municipal Code; and

WHEREAS the City finds that based on evidence on file and presented in the staff report that the proposed amendment is consistent and compatible with the General Plan and any implementation programs that may be affected; and

WHEREAS the proposed amendment has been processed in accordance with the applicable provisions of the California Government Code and the California Environmental Quality Act (CEQA); and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Rio Dell does hereby ordain as follows:

Section 1.

17.30.073 Density Bonus

Section 17.30.073(1) Purpose.

The purpose of this Chapter is to adopt an ordinance that specifies how compliance with Government Code Section 65915 ("State Density Bonus Law") will be implemented in an effort to encourage the production of affordable housing units in developments proposed within the City.

Section 17.30.073(2) Definitions.

Unless otherwise specified in this Chapter, the definitions found in State Density Bonus

Law shall apply to the terms contained herein.

Section 17.30.073(3) Applicability.

These regulations shall apply to all zoning districts where residential developments of five or more dwelling units are proposed and where the applicant seeks and agrees to provide low, very-low or moderate income or senior housing units in the threshold amounts specified in State Density Bonus Law such that the resulting density is beyond that which is permitted by the applicable zoning. These regulations and State Density Bonus Law shall apply only to the residential component of a mixed use project and shall not operate to increase the allowable density of the nonresidential component of any proposed project.

Section 17.30.073(4) Application Requirements.

(a) Any applicant requesting a density bonus, incentive(s), waiver(s) and/or use of density bonus parking standards. The proposal shall be submitted prior to or concurrently with the filing of the planning application for the housing development and shall be processed in conjunction with the underlying application.

(b) The proposal for a density bonus, incentive(s) and/or waiver(s) pursuant to State Density Bonus Law shall include the following information:

1. Requested density bonus. The specific requested density bonus proposal shall include evidence that the project meets the thresholds for State Density Bonus Law. The proposal shall also include calculations showing the maximum base density, the number/percentage of affordable units and identification of the income level at which such units will be restricted, additional market rate units resulting from the density bonus allowable under State Density Bonus Law and the resulting unit per acre density. The density bonus units shall not be included in determining the percentage of base units that qualify a project for a density bonus pursuant to State Density Bonus Law.

2. Requested incentive(s). The request for particular incentive(s) shall include a pro forma or other report evidencing that the requested incentive(s) results in identifiable, financially sufficient and actual cost reductions that are necessary to make the housing units economically feasible. The report shall be sufficiently detailed to allow the City to verify its conclusions. If the City requires the services of specialized financial consultants to review and corroborate the analysis, the applicant will be responsible for all costs incurred in reviewing the documentation.

3. Requested Waiver(s). The written proposal shall include an explanation of the waiver(s) of development standards requested and why they are necessary to make the construction of the project physically possible. Any requested waiver(s) shall not exceed the limitations provided by Section 17.30.073(8) and to the extent such limitations are

exceeded will be considered as a request for an incentive pursuant to Section 17.30.073(6).

4. Fee. Payment of the fee/deposit in an amount set by resolution of the City Council to reimburse the City for staff time spent reviewing and processing the State Density Bonus Law application submitted pursuant to these regulations.

Section 17.30.073(5) Density Bonus.

(a) A density bonus for a housing development means a density increase over the otherwise maximum allowable residential density under the applicable zoning and land use designation on the date the application is deemed complete. The amount of the allowable density bonus shall be calculated as provided in State Density Bonus Law. The applicant may select from only one of the income categories identified in State Density Bonus Law and may not combine density bonuses from different income categories to achieve a larger density bonus.

(b) The body with approval authority for the planning approval sought will approve, deny or modify the request for a density bonus, incentive, waiver or use of density bonus parking standards in accordance with State Density Bonus Law and these regulations. Additionally, nothing herein prevents the City from granting a greater density bonus and additional incentives or waivers than that provided for herein, or from providing a lesser density bonus and fewer incentives and waivers than that provided for herein, when the housing development does not meet the minimum thresholds.

Section 17.30.073(6) Incentives

(a) The number of incentives granted shall be based upon the number the applicant is entitled to pursuant to State Density Bonus Law.

(b) An incentive includes a reduction in site development standards or a modification of zoning code requirements or architectural requirements that result in identifiable, financially sufficient and actual cost reductions. An incentive may be the approval of mixed use zoning (e.g. commercial) in conjunction with a housing project if the mixed use will reduce the cost of the housing development and is compatible with the housing project. An incentive may, but need not be, the provision of a direct financial incentive, such as the waiver of fees.

(c) A requested incentive may be denied only for those reasons provided in State Density Bonus Law. Denial of an incentive is a separate and distinct act from a decision to deny or approve the entirety of the project.

Section 17.30.073(7) Discretionary Approval Authority Retained.

The granting of a density bonus or incentive(s) shall not be interpreted in and of itself to require a general plan amendment, zoning change or other discretionary approval. If an incentive would otherwise trigger one of these approvals, when it is granted as an incentive, no general plan amendment, zoning change or other discretionary approval is required. However, if the base project without the incentive requires a general plan amendment, zoning change or other discretionary approval, the City retains discretion to make or not make the required findings for approval of the base project.

Section 17.30.073(8) Waivers.

A waiver is a modification to a development standard such that construction at the increased density would be physically possible. Development standards, include, but are not limited to, a height limitation, a setback requirement, minimum floor areas, an onsite open space requirement, or a parking ratio that applies to a residential development. An applicant may request a waiver of any development standard to make the project physically possible to construct at the increased density. To be entitled to the requested waiver, the applicant must show that without the waiver, the project would be physically impossible to construct. There is no limit on the number of waivers.

Section 17.30.073(9) Affordable Housing Agreement

Prior to issuance of a building permit, the applicant shall enter into an Affordable Housing Agreement with the City to the satisfaction of the City Attorney guaranteeing the affordability of the rental or ownership units for a minimum of thirty (30) years, identifying the type, size and location of each affordable unit and containing requirements for administration, reporting and monitoring. Such Affordable Housing Agreement shall be recorded in the Humboldt County Recorder's Office.

Section 17.30.073(10) Design and Quality.

(a) Affordable units must be constructed concurrently with market-rate units and shall be integrated into the project. Affordable units shall be of equal design and quality as the market rate unit. Exteriors and interiors, including architecture, elevations, floor plans, interior finishes and amenities of the affordable units shall be similar to the market rate units. The number of bedrooms in the affordable units shall be consistent with the mix of market rate units. This section may be waived or modified on a case by case basis for affordable housing units developed for special groups, including housing for special needs or seniors.

(b) Parking standards may be modified as allowable under the State Density Bonus Law and anything beyond those standards shall be considered a request for an incentive.

Section 2. Severability

If any provision of the ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect.

Section 3. Limitation of Actions

Any action to challenge the validity or legality of any provision of this ordinance on any grounds shall be brought by court action commenced within ninety (90) days of the date of adoption of this ordinance.

Section 4. Effective Date

This ordinance becomes effective thirty (30) days after the date of its approval and adoption.

I HEREBY CERTIFY that the forgoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Rio Dell on May 20, 2014 and furthermore the forgoing Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the June 3, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jack Thompson, Mayor

ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify the above and foregoing to be a full, true and correct copy of Ordinance No. 318-2014 which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the June 3, 2014.

_____
Karen Dunham, City Clerk, City of Rio Dell

675 Wildwood Avenue
Rio Dell, CA 95562
(707) 764-3532

Public Notice
City of Rio Dell City Council
SUMMARY FOR POSTING AFTER ADOPTION OF ORDINANCE

(The summary shall be published or posted within 15 calendar days after the adoption of the ordinance)

Summary

On **Tuesday, June 3, 2014 at 6:30 p.m.**, the Rio Dell City Council held a public hearing in the City Council Chamber at City Hall and approved and adopted **Ordinance No. 318-2014** establishing Density Bonus Regulations, Section 17.30.073 of the Rio Dell Municipal Code (RDMC).

Section 36933(a) of the California Government Code requires that the City Clerk, to post a summary of the Ordinance within 15 days of adoption with the names of those City Council members voting for or against, or otherwise voting in at least three (3) public places and to post in the office of the City Clerk a certified copy of the full text of the adopted Ordinance. Said Ordinance was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on the June 3, 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

A certified copy of the full text of the Ordinance is posted in the office of the City Clerk at 675 Wildwood Avenue in Rio Dell. General questions regarding the Ordinance and the process should be directed to Kevin Caldwell, Community Development Director, (707) 764-3532.