

# ATTACHMENT 1

## Financial Statements and Budget

GSD FY 2014-15 Board Adopted  
Water Budget

**Revenues**

4100 · Residential	267,476
4110 · Commercial	217,287
4150 · Bulk Water Sales	0
<b>Total Water Charges</b>	<b>484,763</b>
4300 - Connection Fee	
4650 · Late Charges	3,322
4700 · Other Operating Revenue	866
<b>Total Water Revenues</b>	<b>488,951</b>

**Expense**

Admin. & General	
5000 · Advertising	132
5005 · Bad Debts	780
5010 · Bank Charges	933
5012 - Merchant Account Fees	339
5020 · Directors Fees	974
5030 · Dues and memberships	974
5035 · Ed & Training	938
5036 · Ed & Training - B.O.D.	150
Insurance	
5040 · Liability	5,313
5050 · Workers' Comp	8,389
5055 · Health	
5037 - Employee Benefits	5,448
5055.1 · Empl. Portion	(2,724)
5055 · Health	13,620
Total 5055 · Health	16,344
<b>Total Insurance</b>	<b>30,046</b>
5060 · Licenses, permits & fees	3,359
5065 · Auto	1,666
5070 · Miscellaneous	0
5080 · Office expense	2,938
5085 · Outside Services	3,591
5090 · Payroll taxes	12,463
5100 · Postage	1,196
5110 · Professional Fees	11,416
5120 · Property taxes	12
5125 - Repair and Maint.	937
5128 - Tools & Equipment	2,000

GSD FY 2014-15 Board Adopted  
Water Budget

5130 · Rents	5,686
5135 · Retirement	3,813
5137 · Supplies	251
5140 · Telephone	3,019
5150 · Travel & Meetings	681
5155 · Utilities	875
5160 · Wages	82,422
5165 - OT Wages	0
5170 · Vacation accrual adjustment	2,790
<b>Total Admin. &amp; General</b>	<b>174,382</b>
<b>Water Trans &amp; Distr.</b>	
7090 · Repairs & Maint.	28,790
7100 · Supplies	7,860
7110 · Utilities	9,930
7120 · Wages	35,077
7125 - OT Wages	0
<b>Total Water Trans &amp; Distr</b>	<b>81,657</b>
<b>Water Treatment</b>	
7010 · Monitoring	2,350
7030 · Repairs & Maint.	12,090
7040 · Supplies	11,330
7050 · Utilities	33,810
7060 · Wages	25,361
7065 - OT Wages	0
<b>Total Water Treatment</b>	<b>84,941</b>
<b>Total All Expenses</b>	<b>340,980</b>
New Project O & M Expenses	
Subtotal New Project O & M	0
<b>Total Expenses</b>	<b>340,980</b>
<b>Net Operating Revenue</b>	<b>147,971</b>
Other Income/Expense	
Other Income	
Gain (Loss) on Asset Dispositio	
8053 - Water Capital Grant Income	453,493
8060 · Interest Income	158

GSD FY 2014-15 Board Adopted  
Water Budget

8070 · Other Non-Operating Revenue	849
<b>Total Other Income</b>	<b>454,500</b>
<b>9010 - Other expense</b>	<b>0</b>
Other Expense - depreciation	31,464
9050 · Interest Expense	3,164
<b>Total Other Expense</b>	<b>34,628</b>
<b>Net Other Income</b>	<b>419,872</b>
<b><i>Net Income</i></b>	<b><i>567,843</i></b>

**Garberville Sanitary District**  
**Profit & Loss**  
July 2013 through June 2014

	<u>Jul '13 - Jun 14</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Water Charges</b>	
4100 · Residential	288,503.53
4110 · Commercial	219,830.35
4150 · Bulk Water Sales	48.00
<b>Total Water Charges</b>	<u>508,381.88</u>
4300 · Connection Fees	1,350.00
4650 · Late Charges	3,054.93
4700 · Other Operating Revenue	666.00
<b>Total Income</b>	<u>513,452.81</u>
<b>Gross Profit</b>	513,452.81
<b>Expense</b>	
<b>Administrative &amp; General</b>	
<b>Insurance</b>	
5040 · Liability	5,149.46
5050 · Workers' Comp	2,319.15
5055 · Health	
5037 · Employee Benefits	4,941.61
5055.1 · Employee Portion	(3,892.59)
5055 · Health - Other	15,401.16
<b>Total 5055 · Health</b>	<u>16,450.18</u>
<b>Total Insurance</b>	23,918.79
5000 · Advertising	107.50
5010 · Bank Charges	
5012 · Merchant Account Fees	292.08
5010 · Bank Charges - Other	848.15
<b>Total 5010 · Bank Charges</b>	<u>1,140.23</u>
5020 · Directors Fees	787.50
5030 · Dues and memberships	825.47
5035 · Education & Training	758.91
5060 · Licenses, permits & fees	3,137.82
5065 · Auto	1,837.36
5080 · Office expense	1,802.80
5085 · Outside Services	3,505.48
5090 · Payroll taxes	10,423.62
5100 · Postage	1,205.57
5110 · Professional Fees	9,808.14
5120 · Property taxes	12.00
5125 · Repairs & Maintenance	174.22
5130 · Rents	5,410.00
5135 · Retirement	2,832.69
5137 · Supplies	447.88
5140 · Telephone	2,960.67
5145 · Tools	1,020.48
5150 · Travel & Meetings	560.64

Garberville Sanitary District  
**Profit & Loss**  
July 2013 through June 2014

	<u>Jul '13 - Jun 14</u>
5155 · Utilities	783.52
5160 · Wages	
5165 · Wages - Overtime	961.17
5160 · Wages - Other	48,566.06
Total 5160 · Wages	<u>49,527.23</u>
 Total Administrative & General	 122,988.52
 Water Trans & Distribution	
7090 · Repairs & Maintenance	45,605.28
7100 · Supplies	6,004.30
7110 · Utilities	8,373.10
7120 · Wages	
7125 · Wages - Overtime Water Trans &	2,559.02
7120 · Wages - Other	26,508.26
Total 7120 · Wages	<u>29,067.28</u>
 Total Water Trans & Distribution	 89,049.96
 Water Treatment	
7010 · Monitoring	2,337.95
7030 · Repairs & Maintenance	2,143.14
7040 · Supplies	11,546.36
7050 · Utilities	30,488.08
7060 · Wages	
7065 · Wages - Overtime Water Treatmen	3,100.58
7060 · Wages - Other	21,115.41
Total 7060 · Wages	<u>24,215.99</u>
 Total Water Treatment	 <u>70,731.52</u>
 Total Expense	 <u>282,770.00</u>
 Net Ordinary Income	 230,682.81
 Other Income/Expense	
Other Income	
8053 · Water Capital Grant Income	1,539,537.62
8060 · Interest Income	139.30
8070 · Other Non-Operating Revenue	707.52
Total Other Income	<u>1,540,384.44</u>
 Other Expense	
9010 · Other Expenses	2,022.61
9040 · Depreciation	31,464.00
9050 · Interest Expense	5,254.77
Total Other Expense	<u>38,741.38</u>
 Net Other Income	 <u>1,501,643.06</u>
 Net Income	 <u><u>1,732,325.87</u></u>

**Garberville Sanitary District**  
**Balance Sheet Prev Year Comparison**  
 As of June 30, 2014

	<b>Jun 30, 14</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1005 - Umpqua Checking- Operating	1,514,954.09
1006 - Umpqua System Reserve - Water	49,756.55
1007 - Umpqua System Reserve - Sewer	50,698.03
1011 - Water Enterprise Fund	20,176.90
1030 - County Treasury - Sewer Reserve	279,326.21
1031 - County Treasury - Water Reserve	5,214.99
1040 - Petty Cash	49.51
1050 - Cash Drawer	200.00
<b>Total Checking/Savings</b>	1,920,376.28
<b>Accounts Receivable</b>	
11000 - Accounts Receivable - Other	713.00
<b>Total Accounts Receivable</b>	713.00
<b>Other Current Assets</b>	
1100 - Accounts Receivables	80,453.39
1315 - Water Grant Receivable	281,105.41
1330 - Water Loan Claimed	113,094.41
1500 - Prepaid Insurance	3,838.48
1510 - Prepaid Licenses and Permits	1,317.92
<b>Total Other Current Assets</b>	479,809.61
<b>Total Current Assets</b>	2,400,898.89
<b>Fixed Assets</b>	
Accumulated Depreciation-Sewer	(1,141,638.31)
Accumulated Depreciation-Water	(327,557.26)
CIP - Alderpoint Tank (Water)	72,501.13
CIP - DWTP (Water)	
Tobin Well 2014	33,514.31
CIP - DWTP (Water) - Other	3,843,142.08
<b>Total CIP - DWTP (Water)</b>	3,876,656.39
<b>Collection Facilities</b>	
Cost - Coll Fac	44,170.59
Cost - IP 2000	2,029,949.22
Cost - Lines	2,080,180.29
<b>Total Collection Facilities</b>	4,154,300.10
Land - Sewer	129,810.68
Land - Water	88,698.62
MSR/SOI and Annexation Project	144,257.51
Office Equipment	17,764.97
Sewer Project - 2011	2,792,451.91
<b>Treatment Facilities</b>	
Cost - Equipment	3,381.24
Cost - Plant	488,193.00
<b>Total Treatment Facilities</b>	491,574.24

**Garberville Sanitary District**  
**Balance Sheet Prev Year Comparison**  
 As of June 30, 2014

	<b>Jun 30, 14</b>
Vehicles	48,023.52
Water Easements & Intangibles	177,397.11
Water System	120,924.22
<b>Total Fixed Assets</b>	<b>10,645,164.83</b>
<b>TOTAL ASSETS</b>	<b>13,046,063.72</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000 · Accounts Payable	559,635.02
<b>Total Accounts Payable</b>	<b>556,301.94</b>
<b>Other Current Liabilities</b>	
2205 · Accrued Simple	1,251.41
2225 · Accrued Workers Comp	0.00
2230 · Accrued Vacation	16,674.94
2235 · Customer Deposits	3,000.00
2250 · Loans Payable - Current Portion	82,321.95
<b>Total Other Current Liabilities</b>	<b>103,248.30</b>
<b>Total Current Liabilities</b>	<b>659,550.24</b>
<b>Long Term Liabilities</b>	
2500 · N/P - SWRCB	212,954.23
2605 · RCAC Loan #0789-GSD-01	925,268.67
2700 · SRF Loan - Water	852,341.58
2800 · Municipal Fin.Corp. WWTP CCOs	97,647.70
2900 · Less Current Portion	(82,321.95)
<b>Total Long Term Liabilities</b>	<b>2,005,890.23</b>
<b>Total Liabilities</b>	<b>2,665,440.47</b>
<b>Equity</b>	
3000 · Contributed Capital	4,390,210.72
3100 · Retained Earnings	4,258,086.66
Net Income	1,732,325.87
<b>Total Equity</b>	<b>10,380,623.25</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>13,046,063.72</b>



**GARBERVILLE SANITARY DISTRICT**

**FINANCIAL STATEMENTS**

**JUNE 30, 2013**

# GARBERVILLE SANITARY DISTRICT

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June 30, 2013

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Garberville Sanitary District

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Garberville Sanitary District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Board of Directors  
Garberville Sanitary District

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Garberville Sanitary District, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matters**

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2013 that affected the nomenclature of the financial statements:

Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*

The emphasis of these matters does not constitute a modification to our opinion.

**Other Matters**

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

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Garberville Sanitary District’s basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Board of Directors  
Garberville Sanitary District

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2013, on our consideration of the Garberville Sanitary District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Garberville Sanitary District's internal control over financial reporting and compliance.

***Anderson, Lucas, Somerville, & Borges***

November 13, 2013  
Fortuna, California

**BASIC FINANCIAL STATEMENTS**

**GARBERVILLE SANITARY DISTRICT**

**Statements of Net Position**

June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 347,648	\$ 345,901
Accounts Receivable	104,366	88,490
Due from KIMTU	-	1,306
Grants Receivable	579,027	34,762
Prepays and Deposits	5,166	11,385
Total Current Assets	<u>1,036,207</u>	<u>481,844</u>
<b>Restricted Assets</b>		
Cash in County Treasury	271,488	245,291
Total Restricted Assets	<u>271,488</u>	<u>245,291</u>
<b>Noncurrent Assets</b>		
Capital Assets, Net of Depreciation	6,723,886	5,074,162
Construction in Progress: Water Project	1,332,829	779,020
Annexation Project	80,864	46,784
Alderpoint Tank Project	28,959	-
Total Noncurrent Assets	<u>8,166,538</u>	<u>5,899,966</u>
<b>Total Assets</b>	<b><u>\$ 9,474,233</u></b>	<b><u>\$ 6,627,101</u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 367,165	\$ 35,889
Accounts Payable - Retention	24,192	-
Accrued Payroll Liabilities	449	5
Accrued Vacation	16,675	11,878
Customer Deposits	3,000	-
Current Portion of Long-Term Obligations	82,322	89,384
Total Current Liabilities	<u>493,803</u>	<u>137,155</u>
<b>Noncurrent Liabilities</b>		
Noncurrent Portion of Long-Term Obligations	<u>332,134</u>	<u>425,018</u>
<b>Total Liabilities</b>	<b>825,937</b>	<b>562,173</b>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	7,752,082	5,385,564
Unrestricted	896,214	679,363
<b>Total Net Position</b>	<b><u>\$ 8,648,296</u></b>	<b><u>\$6,064,927</u></b>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
For the Year Ended June 30, 2013

	<b>Water</b>	<b>Sewer</b>	<b>Total 2013</b>
<b>OPERATING REVENUES</b>			
Utility Sales	\$ 452,551	\$ 334,164	\$ 786,715
Bulk Water Sales	23,407	-	23,407
Connection Fees	100	-	100
Other Revenues	4,534	3,070	7,604
<u>Total Operating Revenues</u>	480,592	337,234	817,826
<b>OPERATING EXPENSES</b>			
Salaries and Wages	55,998	46,724	102,722
Payroll Taxes	9,660	7,105	16,766
Employee Benefits	72	-	72
Rent	5,400	4,800	10,200
Materials and Supplies	441	462	903
Transportation	749	754	1,503
Sewage Collection	-	24,271	24,271
Office Expense	2,659	2,606	5,265
Insurance	14,168	14,321	28,489
Professional Services	15,327	10,260	25,587
Sewage Treatment	-	55,666	55,666
Water Treatment	80,655	-	80,655
Water Distribution	41,969	-	41,969
Permits and Fees	3,152	12,700	15,852
Other Expenses	20,724	17,240	37,964
Depreciation and Amortization	66,456	151,185	217,641
<u>Total Operating Expenses</u>	317,428	348,095	665,523
<b>OPERATING GAIN</b>	<b>163,164</b>	<b>(10,860)</b>	<b>152,303</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital Grants	579,027	-	579,027
Property Taxes and Exemptions	(12)	24,595	24,583
Interest Income	183	1,728	1,912
Interest Expense	(373)	(9,385)	(9,758)
Gain (Loss) on Dispositions	(3,997)	-	(3,997)
<u>Total Non-operating Revenues (Expenses)</u>	574,828	16,939	591,767
<b>CHANGE IN NET POSITION</b>	<b>\$737,992</b>	<b>\$6,079</b>	<b>\$ 744,071</b>
<b>NET POSITION</b>			
<b>BEGINNING OF YEAR</b>			<b>\$ 6,064,927</b>
<b>KIMTU WATERLINE CONTRIBUTION</b>			<b>\$ 1,908,669</b>
<b>PRIOR PERIOD ADJUSTMENT</b>			<b>\$ (69,371)</b>
<b>END OF YEAR</b>			<b>\$ 8,648,296</b>

The accompanying notes are an integral part of these financial statements.



**GARBERVILLE SANITARY DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
For the Year Ended June 30, 2012

	Water	Sewer	Total 2012
<b>OPERATING REVENUES</b>			
Utility Sales	\$ 375,119	\$ 310,080	\$ 685,199
Bulk Water Sales	21,098	-	21,098
Connection Fees	1,200	-	1,200
Other Revenues	4,986	4,363	9,349
<u>Total Operating Revenues</u>	402,403	314,443	716,846
<b>OPERATING EXPENSES</b>			
Salaries and Wages	54,848	54,157	109,005
Payroll Taxes	9,193	8,566	17,759
Employee Benefits	3,614	3,689	7,303
Rent	5,400	4,800	10,200
Materials and Supplies	1,046	1,073	2,119
Transportation	1,154	285	1,439
S .	-	33,864	33,864
Office Expense	2,136	2,238	4,374
Insurance	7,464	8,583	16,047
Professional Services	14,203	14,099	28,303
Sewage Treatment	-	60,071	60,071
Water Treatment	65,500	-	65,500
Water Distribution	46,570	-	46,570
Permits and Fees	3,166	12,714	15,880
Other Expenses	16,147	15,733	31,881
Deprecation and Amortization	32,411	110,602	143,013
<u>Total Operating Expenses</u>	262,852	330,475	593,326
<b>OPERATING GAIN</b>	<b>139,551</b>	<b>(16,032)</b>	<b>123,520</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital Grants	225,368	-	225,368
Property Taxes and Exemptions	-	22,946	22,946
Interest Income	996	2,322	3,318
Interest Expense	(4,570)	(15,026)	(19,596)
<u>Total Non-operating Revenues (Expenses)</u>	221,794	10,242	232,036
<b>CHANGE IN NET POSITION</b>	<b>\$361,345</b>	<b>(\$5,790)</b>	<b>355,555</b>
<b>NET POSITION</b>			
<b>BEGINNING OF YEAR</b>			<b>5,709,372</b>
<b>END OF YEAR</b>			<b>\$ 6,064,927</b>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Cash Flows From Operating Activities</b>		
Cash Received from Customers	\$ 801,950	\$ 722,341
Cash Paid for Employees	(119,116)	(152,018)
Cash Paid for Goods and Services	<u>(321,786)</u>	<u>(717,534)</u>
<b>Net Cash (Used) Provided by Operating Activities</b>	<u><b>361,048</b></u>	<u><b>(147,211)</b></u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Property Tax Revenues	<u>24,583</u>	<u>22,946</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u><b>24,583</b></u>	<u><b>22,946</b></u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from Long-Term Debt	-	-
Principal Paid on Long-Term Debt	(99,947)	(96,242)
Interest Paid on Long-Term Debt	(9,758)	(19,596)
Acquisition of Capital Assets	(284,656)	(464,006)
Capital Grant	<u>34,762</u>	<u>482,104</u>
<b>Net Cash (Used) Provided by Capital and Related Financing Activities</b>	<u><b>(359,599)</b></u>	<u><b>(97,740)</b></u>
<b>Cash Flows From Investing Activities</b>		
Interest on Investments	<u>1,912</u>	<u>3,318</u>
<b>Net Cash Provided by Investing Activities</b>	<u><b>1,912</b></u>	<u><b>3,318</b></u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>27,944</b>	<b>(218,687)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u><b>591,192</b></u>	<u><b>809,879</b></u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u><b>\$ 619,136</b></u></u>	<u><u><b>\$ 591,192</b></u></u>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>Reconciliation of Operating Gain to Net Cash Provided by Operating Activities</b>		
Operating Gain	\$ 152,303	\$ 123,520
Adjustment to Reconcile Operating Gain to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	\$ 217,641	\$ 143,013
(Increase) Decrease in Accounts Receivable	(15,876)	(14,966)
(Increase) Decrease in Other Receivable	1,306	18,135
(Increase) Decrease in Prepaid Expenses	6,219	2,326
Increase (Decrease) in Accounts Payable	(8,787)	(401,287)
Increase (Decrease) in Accrued Liabilities	8,242	(17,952)
Total Adjustments	<u>208,745</u>	<u>(270,731)</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ 361,048</u></b>	<b><u>\$ (147,211)</u></b>
 <b>Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to Cash and Cash Equivalents per Balance Sheet</b>		
Cash and Cash Equivalents per Statement of Cash Flows	<b><u>\$ 619,136</u></b>	<b><u>\$ 591,192</u></b>
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 347,648	\$ 345,901
Cash in County Treasury	271,488	245,291
	<b><u>\$ 619,136</u></b>	<b><u>\$ 591,192</u></b>

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

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

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

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets and Budgetary Accounting** - The Business Manager presents proposed budgets to the Board of Directors for approval. The budget is approved by a motion to adopt by the Board of Directors.

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

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

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

**Capital Assets and Depreciation** - Capital assets are recorded at cost. Capital asset purchases with values exceeding \$250 and having a life expectancy of at least 3 years are capitalized.

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

**Compensated Absences** - Qualified employees of the District accrue vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time accumulated except sick leave. No compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The liability for compensated absences at June 30, 2013 was \$16,675, and at June 30, 2012 was \$11,878, and has been reflected thus on the Balance Sheet.

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

**Bad Debts** - The direct write-off method is used for recording bad debts relating to accounts receivable. Management believes use of this method, which is not in accordance with Generally Accepted Accounting Principles, does not result in amounts which would be materially different if the allowance method was used.

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

**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Policy for Applying FASB Pronouncements** - The District has adopted all applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued after November 30, 1989, except those that are limited to not-for-profit organizations.

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

<u>2013</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	249,682	97,718			347,340
Petty Cash				150	<u>150</u>
Subtotal					347,490
Pooled with County			271,488		271,488
Total	<u>249,682</u>	<u>97,718</u>	<u>271,488</u>	<u>150</u>	<u>618,978</u>

<u>2012</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	248,344	97,407			345,751
Petty Cash				150	<u>150</u>
Subtotal					345,901
Pooled with County			245,292		245,292
Total	<u>248,344</u>	<u>97,407</u>	<u>245,292</u>	<u>150</u>	<u>591,193</u>

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2013

**NOTE 3 - CAPITAL ASSETS AND DEPRECIATION**

Capital Assets for the District for the years ended June 30, 2013 and 2012 consisted of the following:

	Balance 6/30/12	Additions (Provisions)	Deletions and Transfers	Balance 6/30/13
Land-Sewer	129,811			129,811
Land-Water	88,699			88,699
Water System	114,912	11,342	(5,330)	120,924
Water Easements	177,397			177,397
Collection Facilities	2,250,491		(4,860)	2,245,631
Treatment Facilities	685,632		(194,594)	491,038
Annexation Project	46,783	34,081		80,864
Office Equipment	21,826		(4,061)	17,765
Vehicles	28,802	20,722	(1,500)	48,024
CIP Water	779,020	553,809		1,332,829
Sewer Project 2011	2,792,452			2,792,452
Kimtu Waterline	0	1,908,669		1,908,669
Less: Accumulated Depreciation	(1,215,859)	(217,641)	136,976	(1,296,523)
Total	<u>5,899,966</u>	<u>2,339,941</u>	<u>(73,369)</u>	<u>8,166,538</u>
	Balance 6/30/11	Additions (Provisions)	Deletions and Transfers	Balance 6/30/12
Land-Sewer	34,811		95,000	129,811
Land-Water	88,699			88,699
Water System	112,642	2,270		114,912
Water Easements	177,397			177,397
Collection Facilities	2,250,491			2,250,491
Treatment Facilities	685,632			685,632
Annexation Project	0	46,783		46,783
Office Equipment	18,339	3,487		21,826
Vehicles	28,802			28,802
CIP Sewer	2,876,373	24,923	(2,901,296)	0
CIP Water	378,634	386,542	13,844	779,020
Sewer Project 2011	0		2,792,452	2,792,452
Less: Accumulated Depreciation	(1,072,847)	(143,012)		(1,215,859)
Total	<u>5,578,973</u>	<u>320,923</u>	<u>0</u>	<u>5,899,966</u>



**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2013

**NOTE 4 - LONG-TERM DEBT**

Long-term debt of the District for the years ended June 30, 2013 and 2012 consisted of the following:

	Balance 6/30/12	Additions	Principal Payments	Balance 6/30/13
SWRCB	275,914		(20,572)	255,342
GWC	0			0
SRF	20,919		(20,919)	0
MFC	217,568		(58,454)	159,114
Total	514,401		(96,242)	414,456

	Balance 6/30/11	Additions	Principal Payments	Balance 6/30/12
SWRCB	296,082		(20,169)	275,914
GWC	0			0
SRF	41,369		(20,449)	20,919
MFC	273,192		(55,624)	217,568
Total	610,643		(96,242)	514,401

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

**STATE WATER RESOURCES CONTROL BOARD (SWRCB):**

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

- a. Principal Amount at 6/30/13 - \$255,342
- b. Interest rate – 2.0% per annum

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2013

**NOTE 4 - LONG-TERM DEBT** (Continued)

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

**SWRCB Loan**

Year(s) Ending June 30	Principal	Interest	Total
2014	20,984	5,106	26,090
2015	21,403	4,687	26,090
2016	21,831	4,259	26,090
2017	22,267	3,823	26,090
2018	22,712	3,378	26,090
2019-2022	95,486	8,874	104,360
2023-2024	50,659	1,525	52,184
Totals	<u>\$ 255,342</u>	<u>\$ 31,652</u>	<u>\$ 286,994</u>

**STATE REVOLVING FUND (SRF)**

The District was indebted to the California Department of Public Health Safe Drinking Water State Revolving Fund for one loan. Details of this loan are as follows:

- a. Principal Amount at 6/30/13 - \$0 (Loan was paid in full prior to 6/30/13)
- b. Interest rate - 2.32% per annum

**MUNICIPAL FINANCE CORPORATION (MFC)**

On August 24, 2010, the District borrowed \$300,000 for a Wastewater Construction Project. The loan is payable in semi-annual installments of \$34,233.36, including 4.95% interest. Details of this loan are as follows:

- a. Principal Amount at 6/30/13 - \$159,114
- b. Interest Rate – 4.95% per annum

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2013

**NOTE 4 - LONG-TERM DEBT (Continued)**

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

**MFC Loan**

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	61,338	7,129	68,467
2015	64,412	4,055	68,467
2016	33,364	827	34,191
Totals	<u>\$ 159,114</u>	<u>\$ 12,011</u>	<u>\$ 171,125</u>

Following are the details for the MFC Loan reflecting the respective loan portions used for each of the Water or Sewer Funds:

**MFC Loan – Water Project Portion**

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	46,018	5,349	51,367
2015	48,325	3,042	51,367
2016	25,021	620	25,641
Totals	<u>\$ 119,364</u>	<u>\$ 9,011</u>	<u>\$ 128,375</u>

**MFC Loan – Sewer Project Portion**

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	15,320	1,780	17,100
2015	16,087	1,013	17,100
2016	8,343	207	8,550
Totals	<u>\$ 39,750</u>	<u>\$ 3,000</u>	<u>\$ 42,750</u>

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2013

**NOTE 5 - INSURANCE**

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq., effective July 1, 2012 through June 30, 2013. During its membership, the following policies were in effect:

	Limits
General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence)	2,500,000
Employee Dishonesty Coverage (per loss)	400,000
Property Loss (per occurrence)	1,000,000,000
Boiler and Machinery (per occurrence)	100,000,000
Public Officials Personal Liability (per occurrence)	500,000

**NOTE 6 - PROPERTY TAXES/EXEMPTIONS**

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

	2013	2012
Current Secured Taxes	21,392	21,581
Current Unsecured Taxes	822	829
Taxes-Prior Years	1,914	24
Taxes-Current-Supplemental Rolls	95	126
State-Homeowners' Exemptions	333	346
Taxes-Prior Years-Supplemental	40	40
Total Taxes/Exemptions	24,596	22,946

## GARBERVILLE SANITARY DISTRICT

### Notes to Financial Statements

June 30, 2013

#### NOTE 7 – KIMTU MEADOWS CONSOLIDATION

The District consolidated with the Kimtu Mutual Water Company (KMWC). The California Department of Public Health (CDPH) determined the KMWC water quality did not meet drinking water standards. In studying the remediation issues and CDPH policies, the State agency determined the most cost effective corrective measure was a consolidation of KMWC with the Garberville Sanitary District (GSD). To effectively accomplish this, CDPH funded the construction of a new eight inch water main between the two water providers. The District acquired twenty additional water connections. The Kimtu project was done at no cost to the District. The infrastructure ownership was transferred to the District on July 13, 2012. The new infrastructure began serving these 20 new customers in August 2012. The value of the new infrastructure was based on expenses incurred in construction of the waterline extension project and totaled \$1,908,669. This amount has been added to the District's fixed assets as of August 1, 2012 and depreciation begun as of that date.

#### NOTE 8 – SURFACE WATER TREATMENT PLANT AND INFRASTRUCTURE CAPITAL IMPROVEMENT PROJECT

In November 2004, the District purchased the assets of the Garberville Water Company. This acquisition enabled the community with the responsibility of providing water for their District. Along with this acquisition came a lengthy letter from the California Department of Public Health (CDPH), the regulatory agency for water. This letter addresses the many deficiencies with the operations, primarily infrastructure associated issues. The District knew of these deficiencies prior to the acquisition and was in contact the CDPH to define the needed improvements and possible funding. The District did the minor improvements in-house, funded by loans from its wastewater reserve account. When new Surface Water Treatment Regulations were implemented, the scope of the needed improvements drastically expanded. To date, the project is expected to cost \$4.5 million dollars. The District has completed the planning phase and is currently constructing these improvements. Funding for this project is from CDPH, in Funding Agreement SRFCX103, executed on May 10, 2013 in the amount of \$4,060,478. The grant amount is \$3,000,000 and the loan amount is \$1,060,478 with 0% interest and a 30-year term. Construction is anticipated to be complete December 2014.

At June 30, 2013, a grant receivable in the amount of \$579,027 has been recorded by the District. This amount is based upon an allocation between the expected grant and loan funding for the project and based upon total expenditures incurred on the project from July 1, 2009 through August 31, 2013. Details are as follows:

Total Estimated Project Budget and Expenditure Amount	\$3,696,383
Grant portion	\$2,635,905 71.31%
Loan portion	\$1,060,478 28.69%
Total project expenditures from July 1, 2009 through August 31, 2013	\$1,130,240
Portion incurred through June 30, 2013	\$ 811,982
Amount accrued as grant revenue receivable at June 30, 2013	\$ 579,027 71.31%

**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2013

In connection with the project, the District obtained a short-term bridge loan from Rural Community Assistance Corporation (RCAC). This loan was entered into on June 20, 2013, and subsequently modified on August 5, 2013. The bridge loan is for a maximum amount of \$775,000. The interest rate is 5.5%, with interest payable on the last day of each month in arrears. The first loan payment date is September 1, 2013. All principal and all accrued and unpaid interest are due and payable not later than September 1, 2015, the maturity date.

**NOTE 9 – ANNEXATION (JURISDICTIONAL BOUNDARY, SOI EXPANSION, CHANGE IN PLACE OF USE, AND MSR) PROJECT**

Every five years, the Humboldt County Local Agency Formation Commission (LAFCo) is mandated to review the Spheres of Influence (SOI's) of all government entities within the District. A Municipal Service Review (MSR) is prepared by LAFCo as part of the SOI review. The District participates in the preparation of the document and provides the data necessary for the LAFCo to perform the review. As part of the MSR/SOI review, in 2011, the District identified numerous parcels that are being provided with water service which are outside of the existing District's Jurisdictional Boundary and SOI. The LAFCo process for remedy of this condition is to complete an annexation of these parcels into the boundaries by petitioning LAFCo for the proposed change. As part of this project the District also needs to modify the Place of Use for the Diversion License and Permit as regulated by the State Water Resources Control Board Division of Water Rights to be consistent with the areas served. Upon completion of the Annexation, the Change in Place of Use, the Municipal Services Review and Sphere of Influence Update, the District will not need to complete this planning process for five years or until a property asks to be annexed into the District Boundary or Sphere of Influence.

**NOTE 10 – PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment was required during the year ended June 30, 2013. This adjustment was needed to record the removal of the net book value of the old wastewater plant following the placing into service of the new system in August 2011.

	<u>2013</u>
Write-off balance of old sewer plant	<u>\$ 69,371</u>
Details of the adjustment are as follows:	
Cost basis of old sewer plant	194,594
Less: accumulated depreciation	<u>(125,223)</u>
	<u>\$ 69,371</u>

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 13, 2013, the date the financial statements were available to be issued, and no subsequent events exist.



# ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Garberville Sanitary District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Garberville Sanitary District as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Garberville Sanitary District's basic financial statements, and have issued our report thereon dated November 13, 2013.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Garberville Sanitary District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Garberville Sanitary District's internal control. Accordingly, we do not express an opinion on the effectiveness of Garberville Sanitary District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Garberville Sanitary District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Anderson, Lucas, Somerville, & Borges*

Fortuna, California  
November 13, 2013





# ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors  
Garberville Sanitary District

### Report on Compliance for Each Major Federal Program

We have audited Garberville Sanitary District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Garberville Sanitary District's major federal programs for the year ended June 30, 2013. Garberville Sanitary District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Garberville Sanitary District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Garberville Sanitary District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Garberville Sanitary District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Garberville Sanitary District's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control Over Compliance**

Management of Garberville Sanitary District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Garberville Sanitary District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Garberville Sanitary District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Directors  
Garberville Sanitary District  
Page 3

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Anderson, Lucas, Somerville, & Borges*

Fortuna, California  
November 13, 2013

**GARBERVILLE SANITARY DISTRICT**  
**Schedule of Findings and Questioned Costs**  
For the Year Ended June 30, 2013

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Major programs are as follows:	
66.468 U.S. Environmental Protection Agency Capitalization Grants For Clean Water State Revolving Funds Passed through State Of California Department of Public Health Safe Drinking Water State Revolving Fund	
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters reported

**SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters reported

**GARBERVILLE SANITARY DISTRICT**  
**Summary Schedule of Prior Audit Findings**  
For the Year Ended June 30, 2013

**SECTION I - SUMMARY OF PRIOR AUDIT FINDINGS**

**Financial Statements**

No Prior Audit Findings

**Federal Awards**

No Prior Audit Findings

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters reported

**SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters reported

**GARBERVILLE SANITARY DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Environmental Protection Agency Passed through State of California Department of Public Health: Capitalization Grants For Clean Water State Revolving Funds	66.468	08-758-550-1 1210008-006C	<u>\$ 540,070</u>
Total Expenditures of Federal Awards			<u>\$ 540,070</u>

The above schedule of expenditures of federal awards includes the federal grant activity of the Garberville Sanitary District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Government and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying notes.



# ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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Board of Directors and Management  
Garberville Sanitary District

We have previously issued reports dated November 13, 2013 to the Board of Directors and management of the Garberville Sanitary District. These items reported on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.

In order to keep the Board apprised of other issues we feel to be of importance, we offer the following management letter. It contains our comments and recommendations on the operating methods, accounting policies and procedures, and other related matters which came to our attention during the course of our annual audit, including the progress made on addressing items identified in previous letters.

## PRIOR YEAR ITEMS

### ACCOUNTS RECEIVABLE BALANCES

#### Comment

It was noted that certain accounts receivable balances, relating to what are identified as inactive accounts, remain part of the overall accounts receivable balances in the general ledger and financial statements for the District. Per our discussions with staff, it is unlikely that these amounts will be collected in the future. This creates a situation which results in the potential overstatement of accounts receivable and income.

#### Recommendations

We recommend that the District consider either adopting an allowance for bad debts, including any potential amounts related to the inactive receivable customers, or, alternatively, consider a direct write-off of inactive accounts which are clearly not collectible in the future. Either of these approaches will result in more accurate accounts receivable and revenue amounts.

#### Status

While the District continued to include the inactive accounts in the year-end receivable balances, the amount at June 30, 2013 was clearly not material.

## **YEAR-END BALANCE ADJUSTMENTS**

### Comment

Certain account balances of the District, particularly the accounts receivable, accrued interest expense and accrued vacation liability accounts, had either not been recorded or adjusted as of each particular year-end reporting period. Even though the amounts of the potential adjustments were not deemed material to the overall audit, and were therefore not proposed as audit adjusting entries, the District should consider the propriety of making these traditional year-end entries prior to the annual audits.

### Recommendations

As indicated above, we recommend that all traditional balance sheet accounts, if necessary, be adjusted to their calculated or estimated balances periodically. At a minimum, this would be as of the end of each reporting period, if not more frequently.

### Status

As part of the closing of the books for the year ended June 30, 2013, all of the above accounts were adjusted prior to the start of the annual audit.

## **CURRENT YEAR ITEMS**

### **CHECK SIGNING AND SEGREGATION OF DUTIES**

Following up on a communication made by the District's contract accountant, we would concur with the suggestion that the District consider establishing a lower threshold for when only one signature on a check is required. The current limit is \$5,000.

Based on the needs of the District, a smaller limit may be deemed more appropriate.

Additionally, it was noted that internal controls over the bank reconciliation process could be strengthened if the duties were shared between existing District personnel. Ideally, the same person would not be reconciling the bank each month as well as being one of the authorized check signers for the District's bank accounts.

Our understanding is that the bank reconciliation is now being prepared by another staff member, and is reviewed by one of the authorized check signers, as well as the District's contract accountant.



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

We realize that the District's small staff is limited by time constraints in regard to implementing recommendations that we make. We would like to commend the District's staff on continued progress over the past year and encourage them to continue their efforts.

We would like to take this opportunity to thank all of the Sanitary District staff for their courtesies and for the opportunity to be of service. We look forward to working with the District again next year.

Very truly yours,

*Anderson, Lucas, Somerville, & Borges*

**ANDERSON, LUCAS, SOMERVILLE & BORGES**

**GARBERVILLE SANITARY DISTRICT**

**FINANCIAL STATEMENTS**

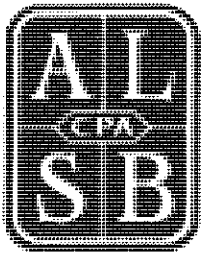
**JUNE 30, 2012**

**GARBERVILLE SANITARY DISTRICT**

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**June 30, 2012**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Garberville Sanitary District

We have audited the accompanying financial statements of the business-type activities and each major fund of the Garberville Sanitary District as of and for the years ended June 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Minimum Audit Requirements and Reporting Guidelines for California Special Districts* issued by the State Controller. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Garberville Sanitary District as of June 30, 2012 and 2011, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

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

*Anderson, Lucas, Somerville & Borges*

November 9, 2012  
Fortuna, California

## **BASIC FINANCIAL STATEMENTS**

**GARBERVILLE SANITARY DISTRICT****Statements of Net Assets**

June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 345,901	\$ 401,874
Accounts Receivable	88,490	73,524
Due from KIMTU	1,306	19,441
Grants Receivable	34,762	291,498
Prepays and Deposits	11,385	13,711
Total Current Assets	<u>481,844</u>	<u>800,048</u>
<b>Restricted Assets</b>		
Cash in County Treasury	245,291	408,005
Total Restricted Assets	<u>245,291</u>	<u>408,005</u>
<b>Noncurrent Assets</b>		
Capital Assets, Net of Depreciation	5,074,162	2,323,966
Construction in Progress: Water Project	779,020	3,255,007
Annexation Project	46,784	-
Total Noncurrent Assets	<u>5,899,966</u>	<u>5,578,973</u>
<b>Total Assets</b>	<b><u>\$ 6,627,101</u></b>	<b><u>\$ 6,787,026</u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 35,889	\$ 437,176
Accrued Payroll Liabilities	5	8,614
Accrued Vacation	11,878	21,221
Current Portion of Long-Term Obligations	89,384	85,959
Total Current Liabilities	<u>137,155</u>	<u>552,970</u>
<b>Noncurrent Liabilities</b>		
Noncurrent Portion of Long-Term Obligations	<u>425,018</u>	<u>524,684</u>
<b>Total Liabilities</b>	<b>562,173</b>	<b>1,077,654</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	5,385,564	4,968,330
Unrestricted	679,363	741,042
<b>Total Net Assets</b>	<b><u>\$ 6,064,927</u></b>	<b><u>\$5,709,372</u></b>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
For the Year Ended June 30, 2012

	<b>Water</b>	<b>Sewer</b>	<b>Total 2012</b>
<b>OPERATING REVENUES</b>			
Utility Sales	\$ 375,119	\$ 310,080	\$ 685,199
Bulk Water Sales	21,098	-	21,098
Connection Fees	1,200	-	1,200
Other Revenues	4,986	4,363	9,349
<u>Total Operating Revenues</u>	402,403	314,443	716,846
<b>OPERATING EXPENSES</b>			
Salaries and Wages	54,848	54,157	109,005
Payroll Taxes	9,193	8,566	17,759
Employee Benefits	3,614	3,689	7,303
Rent	5,400	4,800	10,200
Materials and Supplies	1,046	1,073	2,119
Transportation	1,154	285	1,439
Sewage Collection	-	33,864	33,864
Office Expense	2,136	2,238	4,374
Insurance	7,464	8,583	16,047
Professional Services	14,203	14,099	28,303
Sewage Treatment	-	60,071	60,071
Water Treatment	65,500	-	65,500
Water Distribution	46,570	-	46,570
Permits and Fees	3,166	12,714	15,880
Other Expenses	16,147	15,733	31,881
Deprecation and Amortization	32,411	110,602	143,013
<u>Total Operating Expenses</u>	262,852	330,475	593,326
<b>OPERATING GAIN</b>	<b>139,551</b>	<b>(16,032)</b>	<b>123,520</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital Grants	225,368	-	225,368
Property Taxes and Exemptions	-	22,946	22,946
Interest Income	996	2,322	3,318
Interest Expense	(4,570)	(15,026)	(19,596)
<u>Total Non-operating Revenues (Expenses)</u>	221,794	10,242	232,036
<b>CHANGE IN NET ASSETS</b>	<b>\$361,345</b>	<b>(\$5,790)</b>	<b>355,555</b>
<b>NET ASSETS</b>			
<b>BEGINNING OF YEAR</b>			<b>5,709,372</b>
<b>END OF YEAR</b>			<b>\$ 6,064,927</b>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
For the Year Ended June 30, 2011

	Water	Sewer	Total 2011
<b>OPERATING REVENUES</b>			
Utility Sales	\$ 364,639	\$ 321,368	\$ 686,007
Bulk Water Sales	10,756	-	10,756
Connection Fees	-	-	-
Other Revenues	5,915	1,947	7,862
<u>Total Operating Revenues</u>	381,310	323,315	704,625
<b>OPERATING EXPENSES</b>			
Salaries and Wages	47,612	48,212	95,824
Payroll Taxes	6,453	7,247	13,700
Employee Benefits	6,627	5,813	12,440
Rent	5,400	4,800	10,200
Materials and Supplies	1,248	1,477	2,725
Transportation	238	236	474
Sewage Collection	-	49,131	49,131
Office Expense	2,058	2,064	4,122
Insurance	12,935	14,066	27,001
Professional Services	14,950	11,041	25,991
Sewage Treatment	-	50,457	50,457
Water Treatment	66,618	-	66,618
Water Distribution	35,127	-	35,127
Permits and Fees	3,069	10,934	14,003
Other Expenses	9,020	8,008	17,028
Depreciation and Amortization	33,332	66,320	99,652
<u>Total Operating Expenses</u>	244,687	279,806	524,493
<b>OPERATING GAIN</b>	<b>136,623</b>	<b>43,509</b>	<b>180,132</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital Grants	174,636	1,834,294	2,008,930
Property Taxes and Exemptions	-	21,930	21,930
Interest Income	899	2,577	3,476
Interest Expense	(822)	(13,742)	(14,564)
<u>Total Non-operating Revenues (Expenses)</u>	174,713	1,845,059	2,019,772
<b>CHANGE IN NET ASSETS</b>	<b>\$311,336</b>	<b>\$1,888,568</b>	<b>\$ 2,199,904</b>
<b>NET ASSETS</b>			
<b>BEGINNING OF YEAR</b>			<b>\$ 3,499,968</b>
<b>PRIOR PERIOD ADJUSTMENT</b>			<b>\$ 9,500</b>
<b>END OF YEAR</b>			<b>\$ 5,709,372</b>

The accompanying notes are an integral part of these financial statements.



**GARBERVILLE SANITARY DISTRICT**  
**Statements of Cash Flows**  
For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Cash Flows From Operating Activities</b>		
Cash Received from Customers	\$ 722,341	\$ 693,221
Cash Paid for Employees	(152,018)	(123,729)
Cash Paid for Goods and Services	<u>(717,534)</u>	<u>(378,226)</u>
<b>Net Cash (Used) Provided by Operating Activities</b>	<u>(147,211)</u>	<u>191,266</u>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Property Tax Revenues	<u>22,946</u>	<u>21,930</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u>22,946</u>	<u>21,930</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from Long-Term Debt	-	300,000
Principal Paid on Long-Term Debt	(96,242)	(97,159)
Interest Paid on Long-Term Debt	(19,596)	(14,564)
Acquisition of Capital Assets	(464,006)	(1,931,050)
Capital Grant	<u>482,104</u>	<u>2,033,911</u>
<b>Net Cash (Used) Provided by Capital and Related Financing Activities</b>	<u>(97,740)</u>	<u>291,138</u>
<b>Cash Flows From Investing Activities</b>		
Interest on Investments	<u>3,318</u>	<u>3,476</u>
<b>Net Cash Provided by Investing Activities</b>	<u>3,318</u>	<u>3,476</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(218,687)</b>	<b>507,810</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>809,879</u>	<u>302,069</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 591,192</u></u>	<u><u>\$ 809,879</u></u>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**

**Statement of Cash Flows**

For the Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Reconciliation of Operating Gain to Net Cash Provided by Operating Activities</b>		
Operating Gain	\$ 123,520	\$ 73,097
Adjustment to Reconcile Operating Gain to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	143,013	96,410
(Increase) Decrease in Accounts Receivable	(14,966)	59
(Increase) Decrease in Other Receivable	18,135	-
(Increase) Decrease in Prepaid Expenses	2,326	(997)
Increase (Decrease) in Accounts Payable	(401,287)	2,451
Increase (Decrease) in Accrued Liabilities	<u>(17,952)</u>	<u>20,407</u>
Total Adjustments	<u>(270,731)</u>	<u>118,330</u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ (147,211)</u></b>	<b><u>\$ 191,427</u></b>
 <b>Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to Cash and Cash Equivalents per Balance Sheet</b>		
Cash and Cash Equivalents per Statement of Cash Flows	<b><u>\$ 591,192</u></b>	<b><u>\$ 302,069</u></b>
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 345,901	\$ 107,650
Cash in County Treasury	245,291	194,419
	<b><u>\$ 591,192</u></b>	<b><u>\$ 302,069</u></b>

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

1. To supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation;
2. The collection, treatment, and disposal of wastewater of the District and its inhabitants.

In November of 2004, following a community vote, the District purchased the assets of the Garberville Water Company.

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

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

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

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

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

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets and Budgetary Accounting** - The Business Manager presents proposed budgets to the Board of Directors for approval. The budget is approved by a motion to adopt by the Board of Directors.

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

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

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

**Capital Assets and Depreciation** - Capital assets are recorded at cost. Capital asset purchases with values exceeding \$250 and having a life expectancy of at least 3 years are capitalized.

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

**Compensated Absences** - Qualified employees of the District accrue vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time accumulated except sick leave. No compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The liability for compensated absences at June 30, 2012 was \$11,878, and at June 30, 2011 was \$21,221, and has been reflected thus on the Balance Sheet.

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

**Bad Debts** - The direct write-off method is used for recording bad debts relating to accounts receivable. Management believes use of this method, which is not in accordance with Generally Accepted Accounting Principles, does not result in amounts which would be materially different if the allowance method was used.

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

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2012

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Policy for Applying FASB Pronouncements* - The District has adopted all applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued after November 30, 1989, except those that are limited to not-for-profit organizations.

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

<u>2012</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	248,344	97,407			345,751
Petty Cash				150	<u>150</u>
Subtotal					345,901
Pooled with County			245,292		245,292
Total	<u>248,344</u>	<u>97,407</u>	<u>245,292</u>	<u>150</u>	<u>591,193</u>

<u>2011</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	326,981	74,699			401,680
Petty Cash				194	<u>194</u>
Subtotal					401,874
Pooled with County			408,005		408,005
Total	<u>326,981</u>	<u>74,699</u>	<u>408,005</u>	<u>194</u>	<u>809,879</u>

**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2012

**NOTE 3 - CAPITAL ASSETS AND DEPRECIATION**

Capital Assets for the District for the years ended June 30, 2012 and 2011 consisted of the following:

	Balance 6/30/11	Additions (Provisions)	Deletions and Transfers	Balance 6/30/12
Land-Sewer	34,811		95,000	129,811
Land-Water	88,699			88,699
Water System	112,642	2,270		114,912
Water Easements	177,397			177,397
Collection Facilities	2,250,491			2,250,491
Treatment Facilities	685,632			685,632
Annexation Project	0	46,783		46,783
Office Equipment	18,339	3,487		21,826
Vehicles	28,802			28,802
CIP Sewer	2,876,373	24,923	(2,901,296)	0
CIP Water	378,634	386,542	13,844	779,020
Sewer Project 2011	0		2,792,452	2,792,452
Less: Accumulated Depreciation	<u>(1,072,847)</u>	<u>(143,012)</u>		<u>(1,215,859)</u>
Total	<u>5,578,973</u>	<u>320,923</u>	<u>0</u>	<u>5,899,966</u>

	Balance 6/30/10	Additions (Provisions)	Deletions and Transfers	Balance 6/30/11
Land-Sewer	34,811			34,811
Land-Water	88,699			88,699
Water System	112,642			112,642
Water Easements	177,397			177,397
Collection Facilities	2,246,746	3745		2,250,491
Treatment Facilities	682,787	2845		685,632
Building	0			0
Office Equipment	18,079	260		18,339
Vehicles	28,802	0		28,802
CIP Sewer	1,006,634	1,869,739		2,876,373
CIP Water	314,672	63,962		378,634
Less: Accumulated Depreciation	<u>(973,195)</u>	<u>(99,652)</u>		<u>(1,072,847)</u>
Total	<u>3,738,074</u>	<u>1,840,899</u>	<u>0</u>	<u>5,578,973</u>

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2012

**NOTE 4 - LONG-TERM DEBT**

Long-term debt of the District for the years ended June 30, 2012 and 2011 consisted of the following:

	Balance 6/30/11	Additions	Principal Payments	Balance 6/30/12
SWRCB	296,082		(20,169)	275,914
GWC	0			0
SRF	41,369		(20,449)	20,919
MFC	273,192		(55,624)	217,568
Total	<u>610,643</u>		<u>(96,242)</u>	<u>514,401</u>

	Balance 6/30/10	Additions	Principal Payments	Balance 6/30/11
SWRCB	315,856		(19,774)	296,082
GWC	0		0	0
SRF	91,946		(50,577)	41,369
MFC	0	300,000	(26,808)	273,192
Total	<u>407,802</u>	<u>300,000</u>	<u>(97,159)</u>	<u>610,643</u>

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

**STATE WATER RESOURCES CONTROL BOARD (SWRCB):**

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

- a. Principal Amount at 6/30/12 - \$275,914
- b. Interest rate – 2.0% per annum

**GARBERVILLE WATER COMPANY (GWC)**

On December 1, 2004, the District issued a note for \$220,000, payable through November 1, 2009. The loan is payable in monthly installments of \$4,067.07. The note is secured by a first security interest in the assets, including all water rights, as well as the District's accounts receivable. Details of this loan are as follows:

- a. Principal Amount at 6/30/12 - \$0
- b. Interest rate – 4.0% per annum



**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2012

**NOTE 4 - LONG-TERM DEBT (Continued)**

**STATE REVOLVING FUND (SRF)**

The District is indebted to the California Department of Public Health Safe Drinking Water State Revolving Fund for one loan. Details of this loan are as follows:

- a. Principal Amount at 6/30/12 - \$20,919
- b. Interest rate - 2.32% per annum

**MUNICIPAL FINANCE CORPORATION (MFC)**

On August 24, 2010, the District borrowed \$300,000 for a Water and Wastewater Construction Project. The loan is payable in semi-annual installments of \$34,233.36, including 4.95% interest. Details of this loan are as follows:

- a. Principal Amount at 6/30/12 - \$217,568
  - Water Project Portion - \$167,051
  - Sewer Project Portion - \$ 50,517
- b. Interest Rate – 4.95% per annum

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

**SWRCB Loan**

Year(s) Ending June 30	Principal	Interest	Total
2013	20,572	5,518	26,090
2014	20,984	5,106	26,090
2015	21,403	4,687	26,090
2016	21,831	4,259	26,090
2017	22,267	3,823	26,090
2018-2022	118,198	12,252	130,450
2023-2024	50,659	1,525	52,184
Totals	<u>\$ 275,914</u>	<u>\$ 37,170</u>	<u>\$ 313,084</u>

**GWC Loan**

Year(s) Ending June 30	Principal	Interest	Total
2013	\$ 0	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2012

**NOTE 4 - LONG-TERM DEBT (Continued)**

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

**SRF Loan**

Year(s) Ending June 30	Principal	Interest	Total
2013	10,400	239	10,639
2014	10,519	120	10,639
Totals	<u>\$ 20,919</u>	<u>\$ 359</u>	<u>\$ 21,278</u>

**MFC Loan - (See Note 12 For Water Project and Sewer Project Allocation)**

Year(s) Ending June 30	Principal	Interest	Total
2013	58,411	10,056	68,467
2014	61,338	7,129	68,467
2015	64,412	4,055	68,467
2016	33,407	827	34,234
Totals	<u>\$ 217,568</u>	<u>\$ 22,067</u>	<u>\$ 239,635</u>

**NOTE 5 - INSURANCE**

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq., effective July 1, 2011 through June 30, 2012. During its membership, the following policies were in effect:

	<u>Limits</u>
General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence)	2,500,000
Employee Dishonesty Coverage (per loss)	400,000
Property Loss (per occurrence)	1,000,000,000
Boiler and Machinery (per occurrence)	100,000,000
Public Officials Personal Liability (per occurrence)	500,000

**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2012

**NOTE 6 - PROPERTY TAXES/EXEMPTIONS**

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

	2012	2011
Current Secured Taxes	21,581	20,549
Current Unsecured Taxes	829	860
Taxes-Prior Years	24	17
Taxes-Current-Supplemental Rolls	126	109
State-Homeowners' Exemptions	344	342
Taxes-Prior Years-Supplemental	42	54
Total Taxes/Exemptions	<u>22,946</u>	<u>21,931</u>

**NOTE 7 – KIMTU MEADOWS CONSOLIDATION**

The District is currently in the process of consolidation with the Kimtu Mutual Water Company (KMWC). The California Department of Public Health (CDPH) has determined the KMWC water quality did not meet drinking water standards. In studying the remediation issues and CDPH policies, the State agency determined the most cost effective corrective measure was a consolidation of KMWC with the Garberville Sanitary District (GSD). To effectively accomplish this, CDPH funded the construction of a new eight inch water main between the two water providers. As of end of the June 30, 2012 fiscal year, the construction for this pipe line was nearing completion, and was expected to be completed before the end of the 2012 calendar year. Upon GSD's acceptance of the project, the District will have acquired twenty additional water connections. The Kimtu project is being completed at no cost to the District. The amount shown in the financial statements as Receivable from Kimtu is for expenses incurred by the District for attorney and consultant fees related to the new system and which the majority of this amount will be reimbursed by Kimtu.

**NOTE 8 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 9, 2012, the date the financial statements were available to be issued, and no subsequent events exist.

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
 June 30, 2012

**NOTE 9 – SURFACE WATER TREATMENT PLANT AND INFRASTRUCTURE  
 CAPITAL IMPROVEMENT PROJECT**

In November 2004, the District purchased the assets of the Garberville Water Company. This acquisition enabled the community with the responsibility of providing water for their District. Along with this acquisition came a lengthy letter from the California Department of Public Health (CDPH), the regulatory agency for water. This letter addresses the many deficiencies with the operations, primarily infrastructure associated issues. The District knew of these deficiencies prior to the acquisition and was in contact the CDPH to define the needed improvements and possible funding. The District did the minor improvements in-house, When new Surface Water Treatment Regulations were implemented, the scope of the needed improvements drastically expanded. To date, the needed project is expected to cost \$5.5 million dollars. The District is nearing completion of the planning phase for these improvements. Funding for this project is expected to be from CDPH, in the form of a \$3 million dollar grant from the Safe Drinking Water State Revolving Fund (SDWSRF) and the balance funded by a 30-year 0% interest loan from SDWSRF.

**NOTE 10 – ANNEXATION (JURISDICTIONAL BOUNDARY, SOI EXPANSION, CHANGE  
 IN PLACE OF USE, AND MSR) PROJECT**

Every five years, the Humboldt County Local Agency Formation Commission (LAFCo) is mandated to review the Spheres of Influence (SOI's) of all government entities within the District. A Municipal Service Review (MSR) is prepared by LAFCo as part of the SOI review. The District participates in the preparation of the document and provides the data necessary for the LAFCo to perform the review. As part of the MSR/SOI review in 2011, the District identified numerous parcels that are being provided with water service which are outside of the existing District's Jurisdictional Boundary and SOI. The LAFCo process for remedy of this condition is to complete an annexation of these parcels into the boundaries by petitioning LAFCo for the proposed change. As part of this project the District also needs to modify the Place of Use for the Diversion License and Permit as regulated by the State Water Resources Control Board Division of Water Rights to be consistent with the areas served. Upon completion of the Annexation, the Change in Place of Use, the Municipal Services Review and Sphere of Influence Update, the District will not need to complete this planning process again for five years or until a property requests to be annexed into the District Boundary or Sphere of Influence.

**NOTE 11 – PRIOR PERIOD ADJUSTMENT**

Certain adjustments of the books were required for the year ended June 30, 2011. These adjustments were necessitated in order to bring into alignment the proper capitalization of amounts related to the Construction in Progress – Water account. Details of the required adjustment are as follows:

	<u>2012</u>	<u>2011</u>
Adjust Construction in Progress – Water	<u>\$ 0</u>	<u>\$9,500</u>

**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2012

**NOTE 12 – MFC LONG-TERM DEBT SERVICE DETAILS**

**MFC Loan - Water Project Portion**

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	47,644	7,544	55,188
2014	46,019	5,349	51,368
2015	48,325	3,042	51,367
2016	25,063	620	25,683
Totals	<u>\$ 167,051</u>	<u>\$ 16,555</u>	<u>\$ 183,606</u>

**MFC Loan - Sewer Project Portion**

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	10,767	2,512	13,279
2014	15,320	1,780	17,100
2015	16,087	1,013	17,100
2016	8,343	207	8,550
Totals	<u>\$ 50,517</u>	<u>\$ 5,512</u>	<u>\$ 56,029</u>

**GARBERVILLE SANITARY DISTRICT**

**FINANCIAL STATEMENTS**

**June 30, 2011**

# GARBERVILLE SANITARY DISTRICT

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June 30, 2011

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Garberville Sanitary District

We have audited the accompanying financial statements of the business-type activities of the Garberville Sanitary District as of and for the years ended June 30, 2011 and 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Garberville Sanitary District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Garberville Sanitary District as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2011, on our consideration of the Garberville Sanitary District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Garberville Sanitary District's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The District has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Anderson, Lucas, Pomerville & Borges*

**BASIC FINANCIAL STATEMENTS**

**GARBERVILLE SANITARY DISTRICT**

**Statement of Net Assets**

June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 401,874	\$ 107,650
Accounts Receivable	73,524	62,120
Due from KIMTU	19,441	0
Grants Receivable	291,498	316,479
Prepays and Deposits	13,711	2,653
Total Current Assets	<u>800,048</u>	<u>488,902</u>
<b>Restricted Assets</b>		
Cash in County Treasury	<u>408,005</u>	<u>194,419</u>
Total Restricted Assets	408,005	194,419
<b>Noncurrent Assets</b>		
Capital Assets, Net of Depreciation	2,323,966	2,416,769
Construction in Progress	3,255,007	1,321,307
Total Noncurrent Assets	<u>5,578,973</u>	<u>3,738,076</u>
<b>Total Assets</b>	<u><b>\$ 6,787,026</b></u>	<u><b>\$ 4,421,397</b></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 437,176	\$ 484,542
Accrued Payroll Liabilities	8,614	10,379
Accrued Vacation	21,221	18,706
Current Portion of Long-Term Obligations	85,959	23,942
Other Accrued Liabilities	0	0
Total Current Liabilities	<u>552,970</u>	<u>537,569</u>
<b>Noncurrent Liabilities</b>		
Noncurrent Portion of Long-Term Obligations	<u>524,684</u>	<u>383,860</u>
<b>Total Liabilities</b>	1,077,654	921,429
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	4,968,330	3,330,274
Unrestricted	741,042	169,694
<b>Total Net Assets</b>	<u><b>\$5,709,372</b></u>	<u><b>\$3,499,968</b></u>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
For the Year Ended June 30, 2011

	Water	Sewer	Total 2011
<b>OPERATING REVENUES</b>			
Utility Sales	\$ 364,639	\$ 321,368	\$ 686,007
Bulk Water Sales	10,756		10,756
Connection Fees	0	-	0
Other Revenues	5,915	1,947	7,862
<u>Total Operating Revenues</u>	381,310	323,315	704,625
<b>OPERATING EXPENSES</b>			
Salaries and Wages	47,612	48,212	95,824
Payroll Taxes	6,453	7,247	13,700
Employee Benefits	6,627	5,813	12,440
Rent	5,400	4,800	10,200
Materials and Supplies	1,248	1,477	2,725
Transportation	238	236	474
Sewage Collection	-	49,131	49,131
Office Expense	2,058	2,064	4,122
Insurance	12,935	14,066	27,001
Professional Services	14,950	11,041	25,991
Sewage Treatment	-	50,457	50,457
Water Treatment	66,618	-	66,618
Water Distribution	35,127	-	35,127
Permits and Fees	3,069	10,934	14,003
Other Expenses	9,020	8,008	17,028
Depreciation and Amortization	33,332	66,320	99,652
<u>Total Operating Expenses</u>	244,687	279,806	524,493
<b>OPERATING GAIN</b>	<b>136,623</b>	<b>43,509</b>	<b>180,132</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital Grant	174,636	1,834,294	2,008,930
Property Taxes and Exemptions	-	21,930	21,930
Interest Income	899	2,577	3,476
Interest Expense	(822)	(13,742)	(14,564)
<u>Total Non-operating Revenues (Expenses)</u>	174,713	1,845,059	2,019,772
<b>CHANGE IN NET ASSETS</b>	<b>\$311,336</b>	<b>\$1,888,568</b>	<b>2,199,904</b>
<b>NET ASSETS</b>			
<b>BEGINNING OF YEAR</b>			<b>3,499,968</b>
<b>PRIOR PERIOD ADJUSTMENT</b>			<b>9,500</b>
<b>END OF YEAR</b>			<b>\$ 5,709,372</b>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
For the Year Ended June 30, 2010

	Water	Sewer	Total 2010
<b>OPERATING REVENUES</b>			
Utility Sales	\$ 274,117	\$ 283,207	\$ 557,324
System Reserve Fees	5,678	5,755	11,433
Connection Fees	0	-	0
Other Revenues	6,719	8,165	14,884
<u>Total Operating Revenues</u>	286,514	297,127	583,641
<b>OPERATING EXPENSES</b>			
Salaries and Wages	55,317	49,587	104,904
Payroll Taxes	7,055	6,247	13,302
Employee Benefits	10,954	10,013	20,967
Rent	5,400	4,800	10,200
Materials and Supplies	237	237	474
Transportation	485	663	1,148
Sewage Collection	-	25,675	25,675
Office Expense	2,049	2,049	4,098
Insurance	9,492	9,154	18,646
Professional Services	15,234	15,769	31,003
Sewage Treatment	-	43,087	43,087
Water Treatment	69,194	-	69,194
Water Distribution	42,647	-	42,647
Permits and Fees	3,015	10,899	13,914
Other Expenses	7,436	7,439	14,875
Depreciation and Amortization	31,448	64,962	96,410
<u>Total Operating Expenses</u>	259,963	250,581	510,544
<b>OPERATING GAIN</b>	<b>26,551</b>	<b>46,546</b>	<b>73,097</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Capital Grant	-	501,489	501,489
Property Taxes and Exemptions	-	20,416	20,416
Gain on Property Exchange	-	95,000	95,000
Other Revenue	75	-	75
Interest Income	155	2,451	2,606
Interest Expense	(2,417)	(6,704)	(9,121)
<u>Total Non-operating Revenues (Expenses)</u>	(2,187)	612,652	610,465
<b>CHANGE IN NET ASSETS</b>	<b>\$24,364</b>	<b>\$659,198</b>	<b>683,562</b>
<b>NET ASSETS</b>			
<b>BEGINNING OF YEAR</b>			<b>2,816,406</b>
<b>END OF YEAR</b>			<b>\$ 3,499,968</b>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statement of Cash Flows**  
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Cash Flows From Operating Activities</b>		
Cash Received from Customers	\$ 693,221	\$ 583,700
Cash Paid for Employees	(123,729)	(137,472)
Cash Paid for Goods and Services	(378,226)	(254,801)
	<u>191,266</u>	<u>191,427</u>
<b>Net Cash Provided by Operating Activities</b>		
<b>Cash Flows From Non-Capital Financing Activities</b>		
Other Revenue	-	75
Property Tax Revenues	21,930	20,416
	<u>21,930</u>	<u>20,491</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>		
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from Long-Term Debt	300,000	-
Principal Paid on Long-Term Debt	(97,159)	(44,733)
Interest Paid on Long-Term Debt	(14,564)	(9,121)
Acquisition of Capital Assets	(1,931,050)	(289,983)
Capital Grant	2,033,911	185,010
	<u>291,138</u>	<u>(158,827)</u>
<b>Net Cash Used by Capital and Related Financing Activities</b>		
<b>Cash Flows From Investing Activities</b>		
Interest on Investments	3,476	2,606
	<u>3,476</u>	<u>2,606</u>
<b>Net Cash Provided by Investing Activities</b>		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>507,810</b>	<b>55,697</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>302,069</u>	<u>246,372</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 809,879</u></u>	<u><u>\$ 302,069</u></u>

The accompanying notes are an integral part of these financial statements.

**GARBERVILLE SANITARY DISTRICT**  
**Statement of Cash Flows**  
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Reconciliation of Operating Gain to Net Cash Provided by Operating Activities</b>		
Operating Gain	\$ 180,132	\$ 73,097
Adjustment to Reconcile Operating Gain to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	99,652	96,410
(Increase) Decrease in Accounts Receivable	(11,404)	59
(Increase) Decrease in Other Receivable	(19,440)	
(Increase) Decrease in Prepaid Expenses	(11,058)	(997)
Increase (Decrease) in Accounts Payable	(47,366)	2,451
Increase (Decrease) in Accrued Liabilities	750	20,407
	11,134	118,330
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 191,266</b>	<b>\$ 191,427</b>
 <b>Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to Cash and Cash Equivalents per Balance Sheet</b>		
Cash and Cash Equivalents per Statement of Cash Flows	<b>\$ 809,879</b>	<b>\$ 302,069</b>
Cash and Cash Equivalents per Balance Sheet:		
Cash and Cash Equivalents	\$ 401,874	\$ 107,650
Cash in County Treasury	408,005	194,419
	<b>\$ 809,879</b>	<b>\$ 302,069</b>

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**



**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

1. To supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection and recreation;
2. The collection, treatment, or disposal of sewage, waste and storm water of the District and its inhabitants.

In December of 2005, the community voted to purchase the assets of the Garberville Water Company.

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

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

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

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

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

**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgets and Budgetary Accounting*** - The General Manager presents proposed budgets to the Board of Directors for approval. The budget is approved by a motion to adopt by the Board of Directors.

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

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

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

***Capital Assets and Depreciation*** - Capital assets are recorded at cost. Capital asset purchases with values exceeding \$250 and having a life expectancy of at least 3 years are capitalized.

Depreciation is computed under the straight-line method using lives ranging from 3 to 50 years. Complete details of the capital asset balances and of the annual depreciation calculations are not available. Depreciation expense is calculated by using annual allowance rates varying from 2% to 33% of the various year-end account balances.

***Compensated Absences*** - Qualified employees of the District accrue vacation, sick, compensatory and other leave time. Upon retirement, resignation, or dismissal, employees are paid in cash for all leave time accumulated except sick leave. No compensation for accrued sick leave upon retirement or termination is made. Accordingly, sick pay is charged to expenditures when taken. No provision has been made in the financial statements for unused sick leave. The liability for compensated absences at June 30, 2011 was \$21,221, and at June 30, 2010 was \$18,706, and has been reflected thus on the Balance Sheet.

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

***Bad Debts*** - The direct write-off method is used for recording bad debts relating to accounts receivable. Management believes use of this method, which is not in accordance with Generally Accepted Accounting Principles, does not result in amounts which would be materially different if the allowance method was used.

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

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Policy for Applying FASB Pronouncements* - The District has adopted all applicable FASB Statements and Interpretations, APB Opinions, and ARBs issued after November 30, 1989, except those that are limited to not-for-profit organizations.

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

<u>2011</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	326,981	74,699			401,680
Petty Cash				194	<u>194</u>
Subtotal					401,874
Pooled with County			408,005		408,005
Total	<u>326,981</u>	<u>74,699</u>	<u>408,005</u>	<u>194</u>	<u>809,879</u>

<u>2010</u>	<u>Cash in Checking</u>	<u>Cash in Savings</u>	<u>Cash in County</u>	<u>Petty Cash</u>	<u>Total</u>
Insured by FDIC	56,926	50,493			107,419
Petty Cash				232	<u>232</u>
Subtotal					107,651
Pooled with County			194,419		194,419
Total	<u>56,926</u>	<u>50,493</u>	<u>194,419</u>	<u>232</u>	<u>302,070</u>

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2011

**NOTE 3 - CAPITAL ASSETS AND DEPRECIATION**

Capital Assets for the District for the years ended June 30, 2011 and 2010 consisted of the following:

	Balance 6/30/10	Additions (Provisions)	Deletions and Transfers	Balance 6/30/11
Land-Sewer	34,811			34,811
Land-Water	88,699			88,699
Water System	112,642			112,642
Water Easements	177,397			177,397
Collection Facilities	2,246,746	3,745		2,250,491
Treatment Facilities	682,787	2,845		685,632
Building	0			0
Office Equipment	18,079	260		18,339
Vehicles	28,802			28,802
CIP Sewer	1,006,636	1,869,739		2,876,375
CIP Water	314,672	63,962		378,634
Less: Accumulated Depreciation	(973,195)	(99,652)		(1,072,847)
Total	<u>3,738,076</u>	<u>1,840,899</u>	<u>0</u>	<u>5,578,975</u>

	Balance 6/30/09	Additions (Provisions)	Deletions and Transfers	Balance 6/30/10
Land-Sewer	34,811			34,811
Land-Water	88,699			88,699
Water System	90,150	22,492		112,642
Water Easements	177,397			177,397
Collection Facilities	2,246,746			2,246,746
Treatment Facilities	682,787			682,787
Building	29,742		(29,742)	0
Office Equipment	14,563	3,516		18,079
Vehicles	19,061	9,741		28,802
CIP Sewer	364,193	642,443		1,006,636
CIP Water	241,296	73,376		314,672
Less: Accumulated Depreciation	(906,527)	(96,410)	29,742	(973,195)
Total	<u>3,082,918</u>	<u>655,158</u>	<u>0</u>	<u>3,738,076</u>

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2011

**NOTE 4 - LONG-TERM DEBT**

Long-term debt of the District for the years ended June 30, 2011 and 2010 consisted of the following:

	Balance 6/30/10	Additions	Principal Payments	Balance 6/30/11
SWRCB	315,856		(19,774)	296,082
GWC	0			0
SRF	91,946		(50,577)	41,369
MFC	0	300,000	(26,808)	273,192
Total	<u>407,802</u>	<u>300,000</u>	<u>(97,159)</u>	<u>610,643</u>

	Balance 6/30/09	Additions	Principal Payments	Balance 6/30/10
SWRCB	335,242		(19,386)	315,856
GWC	21,274		(21,274)	0
SRF	96,019		(4,073)	91,946
Total	<u>452,535</u>	<u></u>	<u>(44,733)</u>	<u>407,802</u>

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

**STATE WATER RESOURCES CONTROL BOARD (SWRCB):**

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

- a. Principal Amount at 6/30/11 - \$296,082
- b. Interest rate – 2.0% per annum

**GARBERVILLE WATER COMPANY (GWC)**

On December 1, 2004, the District issued a note for \$220,000, payable through November 1, 2009. The loan is payable in monthly installments of \$4,067.07. The note is secured by a first security interest in the assets, including all water rights, as well as the District's accounts receivable. Details of this loan are as follows:

- a. Principal Amount at 6/30/11 - \$0
- b. Interest rate – 4.0% per annum

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2011

**NOTE 4 - LONG-TERM DEBT (Continued)**

**STATE REVOLVING FUND (SRF)**

The District is indebted to the California Department of Public Health Safe Drinking Water State Revolving Fund for one loan. Details of this loan are as follows:

- a. Principal Amount at 6/30/11 - \$41,369
- b. Interest rate - 2.32% per annum

**MUNICIPAL FINANCE CORPORATION (MFC)**

On August 24, 2010, the District borrowed \$300,000 for a Wastewater Construction Project. The loan is payable in semi-annual installments of \$34,233.36, including 4.95% interest. Details of this loan are as follows:

- a. Principal Amount at 6/30/11 - \$273,192
- b. Interest Rate – 4.95% per annum

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

**SWRCB Loan**

Year(s) Ending June 30	Principal	Interest	Total
2012	20,169	5,921	26,090
2013	20,572	5,518	26,090
2014	20,984	5,106	26,090
2015	21,403	4,687	26,090
2016	21,831	4,259	26,090
2017-2021	115,881	14,570	130,451
2022-2024	75,242	3,030	78,272
Totals	<u>\$ 296,082</u>	<u>\$ 43,091</u>	<u>\$ 339,173</u>

**GWC Loan**

Year(s) Ending June 30	Principal	Interest	Total
2012	\$ 0	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2011

**NOTE 4 - LONG-TERM DEBT (Continued)**

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

**SRF Loan**

Year(s) Ending June 30	Principal	Interest	Total
2012	10,166	829	10,995
2013	20,683	359	21,042
2014	10,520		10,520
Totals	<u>\$ 41,369</u>	<u>\$ 1,188</u>	<u>\$ 42,557</u>

**MFC Loan**

Year(s) Ending June 30	Principal	Interest	Total
2012	55,624	12,843	68,467
2013	58,411	10,056	68,467
2014	61,338	7,129	68,467
2015	64,412	4,055	68,467
2016	33,407	827	34,234
Totals	<u>\$ 273,192</u>	<u>\$ 34,910</u>	<u>\$ 308,102</u>

**NOTE 5 - INSURANCE**

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Sections 6500, et. seq., effective July 1, 2010 through June 30, 2011. During its membership, the following policies were in effect:

	<u>Limits</u>
General and Auto Liability, Public Officials' and Employees' Errors and Omissions and Employment Practices Liability (per occurrence)	2,500,000
Employee Dishonesty Coverage (per loss)	400,000
Property Loss (per occurrence)	1,000,000,000
Boiler and Machinery (per occurrence)	100,000,000
Public Officials Personal Liability (per occurrence)	500,000

**GARBERVILLE SANITARY DISTRICT**  
**Notes to Financial Statements**  
June 30, 2011

**NOTE 6 - PROPERTY TAXES/EXEMPTIONS**

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

	2011	2010
Current Secured Taxes	20,549	18,870
Current Unsecured Taxes	860	876
Taxes-Prior Years	17	17
Taxes-Current-Supplemental Rolls	109	245
State-Homeowners' Exemptions	342	339
Taxes-Prior Years-Supplemental	54	69
Total Taxes/Exemptions	21,931	20,416

**NOTE 7 – KIMTU MEADOWS CONSOLIDATION**

The District is currently in the process of consolidation with the Kimtu Mutual Water Company (KMWC). The California Department of Public Health (CDPH) has determined the KMWC water quality did not meet drinking water standards. In studying the remediation issues and CDPH policies, the State agency determined the most cost effective corrective measure was a consolidation of KMWC with the Garberville Sanitary District (GSD). To effectively accomplish this, CDPH funded the construction of a new eight inch water main between the two water providers. As of end of the June 30, 2011 fiscal year, the construction for this pipe line had begun. The construction is expected to be completed before the end of the 2012 calendar year. Upon GSD's acceptance of the project, the District will have acquired twenty additional water connections. The Kimtu project is being done at no cost to the District. The amount shown in the financial statements as Receivable from Kimtu is for expenses incurred by the District for attorney and consultant fees related to the new system and which will be reimbursed by Kimtu.



**GARBERVILLE SANITARY DISTRICT**

**Notes to Financial Statements**

June 30, 2011

**NOTE 8 – SURFACE WATER TREATMENT PLANT AND INFRASTRUCTURE  
CAPITAL IMPROVEMENT PROJECT**

In November 2004, the District purchased the assets of the Garberville Water Company. This acquisition enabled the community with the responsibility of providing water for their District. Along with this acquisition came a lengthy letter from the California Department of Public Health (CDPH), the regulatory agency for water. This letter addresses the many deficiencies with the operations, primarily infrastructure associated issues. The District knew of these deficiencies prior to the acquisition and was in contact the CDPH to define the needed improvements and possible funding. The District did the minor improvements in-house, funded by loans from its wastewater reserve account. When new Surface Water Treatment Regulations were implemented, the scope of the needed improvements drastically expanded. To date, the needed project is expected to cost \$5.5 million dollars. The District is nearing completion of the planning phase for these improvements. Funding for this project is expected to be from CDPH, in the form of a \$3 million dollar Prop 184 Grant, and the balance funded by a loan from the State Revolving Fund (SRF). It is anticipated the SRF loan will be 0% interest and a 30-year term.

**NOTE 9 – PRIOR PERIOD ADJUSTMENTS**

Certain adjustments of the books were required for the year ended June 30, 2011. These adjustments were necessitated in order to bring into alignment the proper capitalization of amounts related to the Construction in Progress – Water account. Details of the required adjustments are as follows:

	<u>2011</u>	<u>2010</u>
Adjust Construction in Progress - Water	\$ 9,500	\$ 0

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 18, 2011, the date the financial statements were available to be issued, and no subsequent events exist.



# ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

C E R T I F I E D P U B L I C A C C O U N T A N T S

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RICHARD RODRIGUE (1950-1985)  
DAVID J. SOMERVILLE (1971-1982)  
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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Garberville Sanitary District

We have audited the financial statements of the business-type activities of the Garberville Sanitary District, as of and for the year ended June 30, 2011, which collectively comprise the Garberville Sanitary District's basic financial statements and have issued our report thereon dated November 18, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Garberville Sanitary District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Garberville Sanitary District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Garberville Sanitary District's internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Garberville Sanitary District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Garberville Sanitary District, in a separate letter dated November 18, 2011.

This report is intended solely for the information and use of management, the Board of Directors others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Lucas, Pomerville & Borges*

Fortuna, California  
November 18, 2011



# ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Garberville Sanitary District

### Compliance

We have audited the Garberville Sanitary District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Garberville Sanitary District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Garberville Sanitary District's management. Our responsibility is to express an opinion on the Garberville Sanitary District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Garberville Sanitary District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Garberville Sanitary District's compliance with those requirements.

In our opinion, the Garberville Sanitary District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Garberville Sanitary District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Garberville Sanitary District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Garberville Sanitary District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Anderson, Green, Smeeth & Stojke*

November 18, 2011

**GARBERVILLE SANITARY DISTRICT**  
**Schedule of Findings and Questioned Costs**  
Year Ended June 30, 2011

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Major programs are as follows:	
66.458 U.S. Environmental Protection Agency	
ARRA-Capitalization Grants For Clean Water State Revolving Funds	
Passed through State Of California State Water Resources Control Board	
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters reported

**SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters reported

**GARBERVILLE SANITARY DISTRICT**  
**Summary Schedule of Prior Audit Findings**  
Year Ended June 30, 2011

**SECTION I - SUMMARY OF PRIOR AUDIT FINDINGS**

**Financial Statements**

No Prior Audit Findings

**Federal Awards**

No Prior Audit Findings

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters reported

**SECTION III- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters reported

**GARBERVILLE SANITARY DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Environmental Protection Agency Passed-through State of California Department of State Water Resources Control Board: ARRA - Capitalization Grants For Clean Water State Revolving Funds	66.458	08-758-550-1 C-06-4926-110	\$ 1,834,294
Total Expenditures of Federal Awards			<u>\$ 1,834,294</u>

The above schedule of expenditures of federal awards includes the federal grant activity of the Garberville Sanitary District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying notes.





# ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

ART STEWART (1945-1964)  
RICHARD RODRIGUE (1950-1985)  
DAVID J. SOMERVILLE (1971-1982)  
DONALD J. HARRIS (1962-1994)

1338 MAIN STREET  
FORTUNA, CALIFORNIA 95540  
(707)725-4483 & (707) 725-4442  
Toll Free: 800-794-1643  
FAX: (707) 725-6340  
E-mail: team@alsb.com  
www.alsb.com

DAVID A. SOMERVILLE, II  
KEITH D. BORGES

KEVIN COLLIER

JAMES M. ANDERSON, *Inactive*  
EUGENE B. LUCAS, *Inactive*

Board of Directors and Management  
Garberville Sanitary District

We have previously issued reports dated November 18, 2011 to the Board of Directors and management of the Garberville Sanitary District. These items reported on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.

In order to keep the Board apprised of other issues we feel to be of importance, we offer the following management letter. It contains our comments and recommendations on the operating methods, accounting policies and procedures, and other related matters which came to our attention during the course of our annual audit, including the progress made on addressing items identified in previous letters.

### PRIOR YEAR ITEMS

#### ACCOUNTS RECEIVABLE BALANCES

##### Comment

It was noted that certain accounts receivable balances, relating to what are identified as inactive accounts, remain part of the overall accounts receivable balances in the general ledger and financial statements for the District. Per our discussions with staff, it is unlikely that these amounts will be collected in the future. This creates a situation which results in the potential overstatement of accounts receivable and income.

##### Recommendations

We recommend that the District consider either adopting an allowance for bad debts, including any potential amounts related to the inactive receivable customers, or, alternatively, consider a direct write-off of inactive accounts which are clearly not collectible in the future. Either of these approaches will result in more accurate accounts receivable and revenue amounts.

##### Status

While the District continued to include the inactive accounts in the year-end receivable balances, the amount at June 30, 2011 was clearly not material.

## **YEAR-END BALANCE ADJUSTMENTS**

### Comment

Certain account balances of the District, particularly the accounts receivable, accrued interest expense and accrued vacation liability accounts, had either not been recorded or adjusted as of each particular year-end reporting period. Even though the amounts of the potential adjustments were not deemed material to the overall audit, and were therefore not proposed as audit adjusting entries, the District should consider the propriety of making these traditional year-end entries prior to the annual audits.

### Recommendations

As indicated above, we recommend that all traditional balance sheet accounts, if necessary, be adjusted to their calculated or estimated balances periodically. At a minimum, this would be as of the end of each reporting period, if not more frequently.

### Status

As part of the closing of the books for the year ended June 30, 2011, all of the above accounts were adjusted prior to the start of the annual audit.

## **CURRENT YEAR ITEMS**

None

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

We realize that the District's small staff is limited by time constraints in regard to implementing recommendations that we make. We would like to commend the District's staff on continued progress over the past year and encourage them to continue their efforts.

We would like to take this opportunity to thank all of the Sanitary District staff for their courtesies and for the opportunity to be of service. We look forward to working with the District again next year.

Very truly yours,

*Anderson, Lucas, Somerville & Borges*

**ANDERSON, LUCAS, SOMERVILLE & BORGES**

# ATTACHMENT 2

## Rate Structure



# GARBERVILLE SANITARY DISTRICT

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

## Approved Rate Structure from November 11, 2011 Bartle Wells Rate Study

Meter Size	Recommended Monthly Water Rates			
	7/2010	7/2011	7/2012	7/2013
BWA's recommended percentage increase to reach final dollar amounts approved on Proposition 218 notice				
Fixed (meter charge)		11%	11%	11%
Volume (consumption charge)	Current Rates	10%	3%	3%
5/8" & 3/4"	\$43.80	\$48.62	\$53.97	\$60.22
1"	87.60	97.24	107.93	120.43
1.5"	175.20	194.47	215.86	240.87
2"	262.80	291.71	323.80	361.30
Upper Zone Fixed Surcharge	\$6.00	\$6.60	\$6.80	\$7.00
Tier 1 0-500 cu ft (\$/hcf)	\$0.60	\$0.66	\$0.68	\$0.70
Tier 2 Over 500 cu ft (\$/hcf)	\$3.30	\$3.63	\$3.74	\$3.85
Non-Single Family Residential/Commercial (\$/hcf)	\$2.28	\$2.51	\$2.59	\$2.67
Upper Zone Variable Surcharge (\$/hcf)	\$0.48	\$0.53	\$0.54	\$0.56

# ATTACHMENT 3

## State and Local Clearinghouse Notice of Intent

## **NOTICE OF INTENT TO FILE APPLICATION FOR FUNDING**

NOTICE IS HEREBY GIVEN that the GARBERVILLE SANITARY DISTRICT is applying for loan funding from the United States Department of Agriculture's Rural Development program. The loan funding will support replacement of the Alderpoint Road Water Storage Tank. The Garberville Sanitary District funding request includes an \$875,000 low-interest loan.

The Alderpoint Road Tank replacement consists of replacing a leaking 30,000-gallon redwood tank with a 200,000-gallon steel tank at the same site. Temporary water storage will be provided on site during the construction project. GSD held a public hearing on 7/23/13 for the Initial Study/Mitigated Negative Declaration. The GSD Board has previously discussed this project during open public session on 1/22/13, 3/28/13, 7/23/13, 9/24/13, 2/25/14, 3/25/14, and 6/24/14. Discussion and potential action regarding the USDA RD loan application will be contemplated during the July 29, 2014 Board of Director's Meeting starting at 5:00 pm at the GSD Office.

Related documents including the engineering and environmental reports for the proposed project are available for review at the GSD office at 919 Redwood Drive, Garberville, CA.

Questions regarding this matter should be directed to:

Jennie Short, Capital Projects Manager  
Garberville Sanitary District  
P.O. Box 211  
Garberville, CA 95542  
(707)223-4567  
jshort@garbervillesd.org

Dated: July 15, 2014



## GARBERVILLE SANITARY DISTRICT

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

July 14, 2014

Humboldt County Association of Governments  
611 I Street, Suite B  
Eureka, CA 95501

To Whom It May Concern:

Pursuant to State Executive Order 12372, we are enclosing a copy of the first page of the preapplication form SF 424 that has been filed with USDA Rural Development by the Garberville Sanitary District.

Sincerely,

Jennie Short  
Capital Projects Manager

Enclosure



## GARBERVILLE SANITARY DISTRICT

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

July 14, 2014

California State Clearinghouse  
Governor's Office of Planning and Research  
P.O. Box 3044  
Sacramento, CA 95812

To Whom It May Concern:

Pursuant to State Executive Order 12372, we are enclosing a copy of the first page of the preapplication form SF 424 that has been filed with USDA Rural Development by the Garberville Sanitary District.

Sincerely,

Jennie Short  
Capital Projects Manager

Enclosure

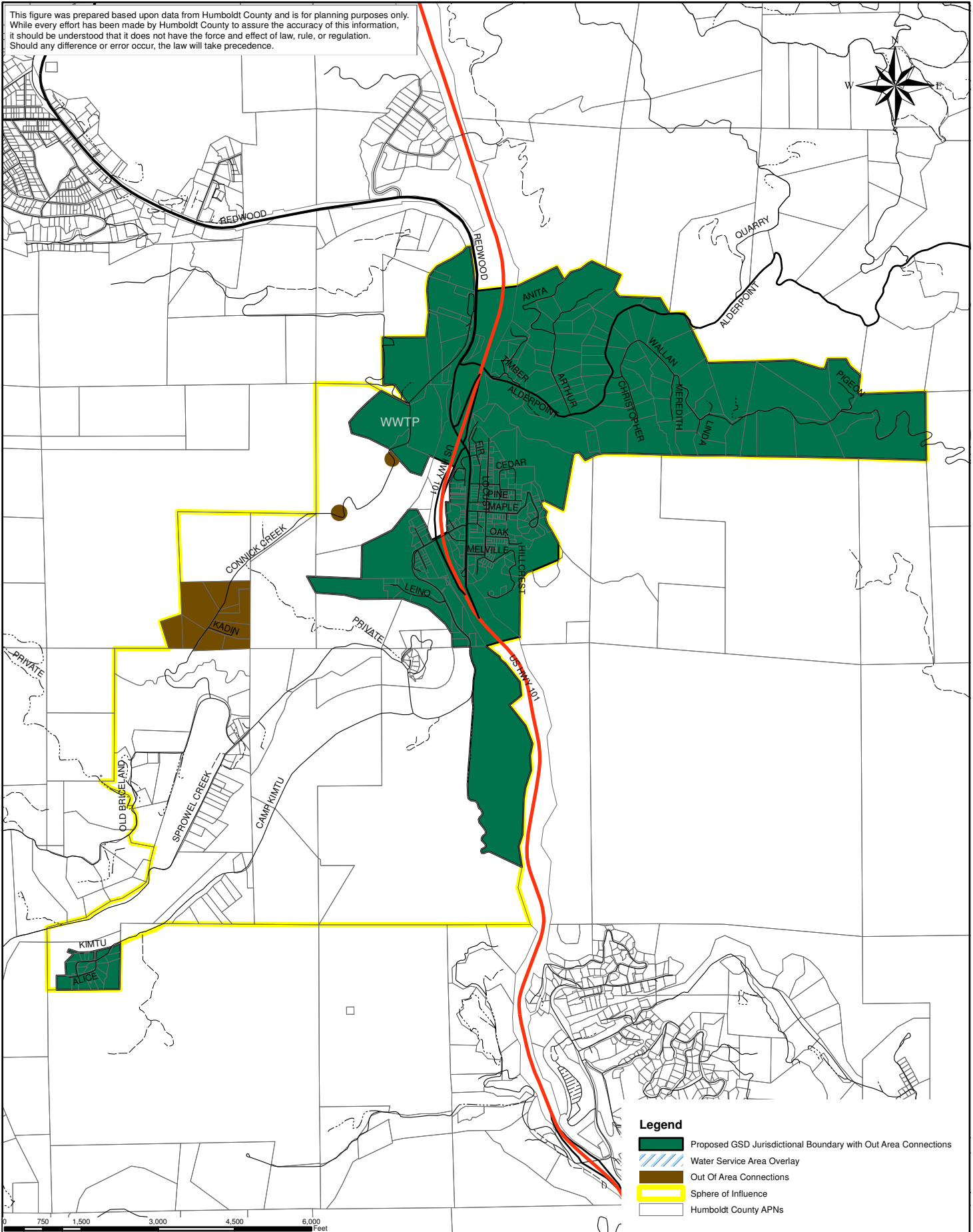


Application for Federal Assistance SF-424		
<b>* 1. Type of Submission:</b> <input checked="" type="checkbox"/> Preapplication <input type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	<b>* If Revision, select appropriate letter(s):</b> <input type="text"/> <b>* Other (Specify)</b> <input type="text"/>
<b>* 3. Date Received:</b> <input type="text" value="Completed by Grants.gov upon submission."/>	<b>4. Applicant Identifier:</b> <input type="text"/>	
<b>5a. Federal Entity Identifier:</b> <input type="text"/>	<b>* 5b. Federal Award Identifier:</b> <input type="text"/>	
<b>State Use Only:</b>		
<b>6. Date Received by State:</b> <input type="text"/>	<b>7. State Application Identifier:</b> <input type="text"/>	
<b>8. APPLICANT INFORMATION:</b>		
<b>* a. Legal Name:</b> <input type="text" value="Garberville Sanitary District"/>		
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> <input type="text" value="68-0296323"/>	<b>* c. Organizational DUNS:</b> <input type="text" value="827063041"/>	
<b>d. Address:</b>		
<b>* Street 1:</b> <input type="text" value="919 Redwood Drive"/>	<b>Street 2:</b> <input type="text" value="P.O. Box 211"/>	
<b>* City:</b> <input type="text" value="Garberville"/>	<b>County/Parish:</b> <input type="text" value="Humboldt"/>	
<b>* State:</b> <input type="text" value="Ca"/>	<b>Province:</b> <input type="text"/>	
<b>* Country:</b> <input type="text" value="USA: UNITED STATES"/>	<b>* Zip / Postal Code:</b> <input type="text" value="95542"/>	
<b>e. Organizational Unit:</b>		
<b>Department Name:</b> <input type="text" value="Water Operations"/>	<b>Division Name:</b> <input type="text"/>	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<b>Prefix:</b> <input type="text"/>	<b>* First Name:</b> <input type="text" value="Jennie"/>	
<b>Middle Name:</b> <input type="text"/>	<b>* Last Name:</b> <input type="text" value="Short"/>	
<b>Suffix:</b> <input type="text"/>	<b>Title:</b> <input type="text" value="Capital Projects Manager"/>	
<b>Organizational Affiliation:</b> <input type="text" value="Garberville Sanitary District"/>		
<b>* Telephone Number:</b> <input type="text" value="(707) 223-4567"/>	<b>Fax Number:</b> <input type="text"/>	
<b>* Email:</b> <input type="text" value="jshort@garbervillesd.org"/>		

# ATTACHMENT 4

Map

This figure was prepared based upon data from Humboldt County and is for planning purposes only. While every effort has been made by Humboldt County to assure the accuracy of this information, it should be understood that it does not have the force and effect of law, rule, or regulation. Should any difference or error occur, the law will take precedence.



- Legend**
- Proposed GSD Jurisdictional Boundary with Out Area Connections
  - Water Service Area Overlay
  - Out Of Area Connections
  - Sphere of Influence
  - Humboldt County APNs

0 750 1,500 3,000 4,500 6,000 Feet



**Annexation Project  
Application to LAFCo**  
Garberville Sanitary District (707) 923-9566

**Proposed Boundary with Out of Area  
Connections & Water Only Service Area**  
SCALE: 1:30,000 DRAWN BY: J. SHORT DATE: 07/07/2014

**Figure  
12 a**

# ATTACHMENT 5

## Feasibility Report (SHN)



Reference: 012222

February 14, 2013

Ms. Jennie Short, CIP Coordinator  
Garberville Sanitary District  
PO Box 211  
Garberville, CA 95542

**Subject: Alderpoint Road Tank Supplemental Project Report, Garberville Sanitary District, Garberville, California**

Dear Ms. Short:

The Garberville Sanitary District (GSD) requested that SHN investigate the potential of replacing the existing Alderpoint Road storage tank with a new storage reservoir, to increase the storage in the existing water system.

## **Background**

The GSD owns and operates the existing domestic water system, including a raw water intake structure and pump station, an existing surface water treatment plant (SWTP), a shallow groundwater well, four storage reservoirs, and pump stations. The District is currently in the design phase for the construction of a water system improvement project, which will provide system upgrades to the raw water pump station, a new raw water transmission line, an extension to the existing 8-inch distribution piping, and the construction of a new SWTP. The current design project does not provide for additional storage.

As stated above, the existing water distribution system includes four storage reservoirs. The Hurlbutt tank (located adjacent to the existing SWTP) provides approximately 160,000 gallons of water storage—the main water storage reservoir for the GSD water system. In addition to the Hurlbutt tank, the Robertson tank is reported to provide an additional 50,000 gallons of storage. The two smaller tanks, Alderpoint Road tank and the Wallan Road tank provide 30,000 gallons and 20,000 gallons, respectively for a total system storage capacity of approximately 260,000 gallons.

The three small tanks (Alderpoint, Robertson, and Wallan Road) all receive water through a 6-inch aerial transmission line that crosses Bear Canyon. The aerial transmission line is subject to slide hazards at the crossing. Repairs to the transmission line from past slides have replaced a portion of the 6-inch pipeline with a 3-inch section restricting the flow capacity of the pipeline. There are 65 customers that are served from these three small tanks. This accounts for approximately 16% of the total customers.

During the late 1990s through 2004, the recorded water usage exceeded 400,000 gallons per day on several occasions. Historical data indicates a maximum day dry weather (MDDW) demand of 427,780 gallons recorded in August 1999. In recent years, an MDDW demand of 338,000 gallons

was recorded in July 2006 and an MDDW of 321,000 gallons was recorded in August 2010. In 2012, GSD connected an additional 20 residential services in the Kimtu area. The MDDW demand recorded during August 2012 was 319,000.

California Department of Public Health (CDPH) Drinking Water Regulations require public water systems to have the capacity to meet the system's maximum day demand (MDD). For systems with less than 1,000 service connections, the system shall have storage capacity equal to or greater than the MDD, unless the system can demonstrate that it has an additional source of supply or has an emergency source connection that can meet the MDD requirement.

To meet the minimum storage requirements of 427,780 gallons, GSD will need to provide an additional 167,780 gallons of storage, assuming the community does not experience any additional increase in demand.

## **Field Investigation**

On November 2, 2012, SHN staff visited the Alderpoint Road tank site located on a 2.07 acre parcel (APN 223-181-09) on the north side of Alderpoint Road (See Figure 1). The purpose of the visit was to assess the feasibility of replacing the tank with a tank of larger diameter. The existing tank sits on top of a small knoll which slopes down away from the existing tank foundation. The tank is relatively well hidden from view from Alderpoint Road and adjoining parcels. The site has an unimproved access road from Alderpoint Road to a small parking area adjacent to the existing tank.

The existing tank is an 18-foot-diameter redwood tank with a sidewater depth of 17 feet, providing a total capacity approximately 30,000 gallons. The tank sits on an 18-foot-square concrete pad and is sloped away from the tank for efficient drainage. On the day of the site visit, the tank had a significant leak around its base. The signs of erosion in the drainage away from the tank indicate the tank has been leaking over time and accounts for a considerable loss of water from the system.

During the site visit, an SHN geologist conducted a reconnaissance inspection of the slopes surrounding the tank, and reviewed soils exposed in the road cut along Alderpoint Road. The tank site is situated on the crest of a sinuous ridgeline. Geologic mapping indicates the slopes are underlain by Pleistocene to Miocene aged sediments of the Wildcat Formation. The undifferentiated Wildcat sediments are described as "primarily of fine-grained, massive sandstone with minor amounts of siltstone, mudstone, and pebbly conglomerate." In subsurface investigations in and around the Garberville area, the Wildcat formation is characterized as a very dense soil-like material or soft bedrock (moderately lithified). There is no fault mapped at the tank site itself; however, the tank site is within the Garberville fault zone, a series of northwest trending strike-slip faults. The relative age and activity of these faults are not well known; however, none of the fault strands within the Garberville fault has been zoned as active. From a geologic standpoint, the greatest concern is the stability of the slopes to the north. Although no slope-stability feature is mapped within the tank site, springs and "disrupted ground" have been mapped on the slopes north of the site. Our quick field overview of the slopes revealed that the slopes are indeed hummocky and appear to have been disrupted; however, we attribute this disruption to logging operations (skid road grading) and did not see evidence of any active slope failures. The proposed

MATCH SHEET 9

### PROPOSED LOCATION OF NEW 200,000 GALLON STORAGE TANK "THE MEADOWS" / UNIT 2

#### NOTE

Parcels "A" thru "M" (Right-of-way along Alderpoint Road No. F68 165) are dedicated to the County of Humboldt for public road purposes and all purposes incidental thereto. Width of right-of-way of all roads is 50 ft., 25 ft. on each side of road center line. A maintenance easement to extend 10 ft. beyond catch points of all cuts and fills.

#### LEGEND

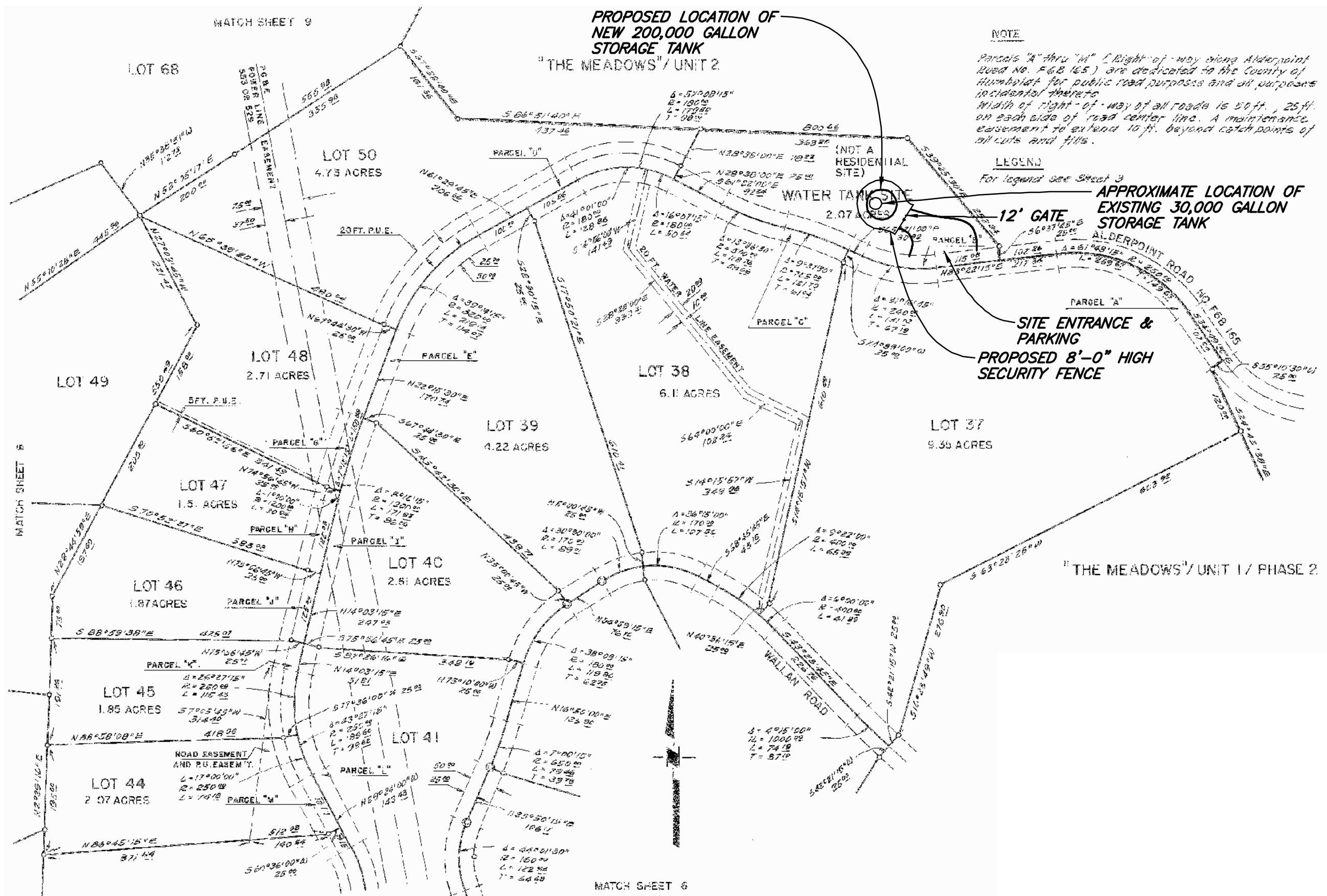
For legend see Sheet 3

APPROXIMATE LOCATION OF  
EXISTING 30,000 GALLON  
STORAGE TANK

12' GATE

SITE ENTRANCE &  
PARKING  
PROPOSED 8'-0" HIGH  
SECURITY FENCE

"THE MEADOWS" / UNIT 1 / PHASE 2



MATCH SHEET 6

\\az\eng\Projects\2012\012222-GSD-Scoping\Drawings...SAVED: 2/11/2013 10:55 AM...C:NEWELL...PLOTTED: 2/14/2013 8:49 AM...CHRIS D. NEWELL



Garberville Sanitary District  
Alderpoint Road Tank Evaluation  
Garberville, California  
February 2013

Existing Alderpoint Road  
Tank Site  
SHN 012222  
Figure 1

tank location, as described during the site visit, was approximately 15 feet from the slope break, which appears adequate. In general, SHN did not observe any significant geologic issue that would affect the proposed project.

Based upon the existing layout and topography, the existing tank site could accommodate a tank of approximately 40 feet in diameter. Assuming a 20-foot-sidewater depth, the site would easily accept a new tank in the 190,000- to 200,000-gallon range, increasing the total storage capacity to approximately 460,000 gallons. Increasing the total storage capacity on the north side of Bear Canyon will more evenly distribute the storage within the geographical boundaries of the system and supply the 30% of the customers with adequate water storage. Eventually the District should consider constructing additional storage on the south side of Bear Canyon.

The placement of a 40-foot-diameter tank at the existing site would require the removal of the existing tank and excavation of 3 to 5 feet of material to provide a suitable flat surface area large enough to place the proposed tank. Decreasing the tank invert elevation by 3 feet would allow for the 20-foot-sidewater depth without increasing the maximum water surface elevation from that of the existing tank. Maintaining the water surface elevation will maintain the existing pressure zone downstream of the tank. The proposed tank would require additional freeboard to allow for the standing wave during seismic events, which will require the overall height of the tank to be increased.

The proposed tank location will require the removal of a limited number of existing trees, but screening of the new tank from Alderpoint Road and adjacent properties will remain. SHN has contacted Pacific Tank Solutions to request a proposal for the installation of a 200,000-gallon glass-fused-to-steel tank (See Attachment 1).

## **Options and Recommendations**

Based on our field investigation, SHN recommends the District replace the existing 30,000-gallon Alderpoint reservoir with a 190,000- to 200,000-gallon steel reservoir. The addition of the new tank will provide the District with the additional storage capacity to meet the CDPH storage requirement as well as removing the existing failing tank. See Figure 1 for the proposed site plan.

There are three options for the construction of the steel reservoir: 1) a conventional bolted steel tank, 2) a welded steel tank, and 3) a glass-fused-to-steel bolted tank. Although the conventional bolted steel tank would be the least cost of construction, it also has the shortest life expectancy and a higher operation and maintenance cost based on the need for frequent painting of the tank. A welded steel tank has a longer life expectancy, but also comes with the high cost of repainting every 10 to 15 years. The glass-fused-to-steel tank has a slightly higher initial capital cost, but has a much lower cost of maintenance, as the coated steel tank does not require repainting. See Attachment 1 for additional detail.

Due to the increased size and height of the proposed tank, additional screening elements should be considered to minimize the visual impacts of the larger tank. These measures could include the color selection of the tank and additional vegetation or fence to screen the site. Any of the tank options can be constructed with a variety of colors to provide additional screening and aesthetics.



The site development should include the improvement of the site entrance and parking area, and the installation of a security fence around the tank location. The proposed site does provide for a limited area for construction laydown and equipment staging. Additional adjacent property may be required during construction. The construction methods associated with the glass-fused-to-steel tank requires a smaller staging area, as large cranes are not required.

Increasing the volume of the Alderpoint Road tank will place a significant portion of the District's storage on the north side of Bear Canyon. This redistribution of storage will rely on the existing aerial crossing to both feed the Alderpoint Road area and backfeed the downtown area during periods of high use. Locating a large portion of the District's storage to the north of Bear Canyon will require the relocation or replacement of the aerial crossing in order to increase the reliability of the water supply to and from the downtown area.

In December 2010, David Lindberg, CEG performed a field investigation of the water line route adjacent to the landslide in Bear Canyon. In a letter to the District, dated December 30, 2010, Mr. Lindberg noted that the area around the existing aerial crossing continued to be unstable and recommended the existing aerial crossing be relocated to provide long-term reliability of the water supply to the north side of Bear Canyon. Mr. Lindberg recommended the aerial be located to more stable area east of the existing crossing.

A proposed alternate route for the relocation of the water supply line would be to route the supply line from the existing distribution system along Redwood Drive to Alderpoint Road, over Highway 101, along Alderpoint Road to the Alderpoint Road Pump Station. The placement of the water supply line within the road rights-of-way would provide for a reliable and easily accessible route eliminating the more difficult aerial crossing.

The projected project costs itemized below do not include the costs associated with the relocation of the existing aerial.

## **Environmental Compliance and Permitting**

Based on the above project understanding, California Environmental Quality Act (CEQA) compliance is anticipated to consist of an initial study and a mitigated negative declaration. Particular attention should be given to the potential impacts associated with aesthetics, biological resources, cultural resources, and growth inducement.

A biological report will need to be conducted to evaluate the biological resources and habitat types present in the project vicinity. The biological report should include a review of the California Natural Diversity Database for special status species that may be impacted by the project. The biological report should identify potential project impacts to biological resources and should recommend suitable mitigation measures to minimize the project's effects. Seasonally appropriate rare plant surveys are recommended, particularly for disturbance-tolerant species. Nesting bird surveys may be necessary, depending on the timing of construction.

To evaluate the project's effect on aesthetics, a photo simulation of the new tank could be useful, although that decision should be made during the CEQA process. This would involve

identification of key viewpoints from which the project site can be observed, documentation of existing views from these points, and preparation of simulations that depict the view from these points with the proposed tank in place.

The North Coastal Information Center, local tribes, and the State Office of Historic Preservation should be contacted in order to evaluate the potential for the project to impact cultural resources.

Construction of the water tank and grading associated with construction of the tank is exempt from Humboldt County building permit and grading permit requirements (California Government Code section 53091). However, grading permit requirements would apply to work associated with improvements to the access road and parking area.

Likewise, project activities associated with water tank construction, storage, treatment, or transmission are exempt from Humboldt County Planning Division permit requirements (California Government Code section 53091). However a permit from the Planning Division would be required if sensitive habitats were affected, such as if the access road required a stream crossing or work in wetlands.

An encroachment permit will need to be acquired from Humboldt County Department of Public Works, Land Use Division for work within the County’s right-of-way.

These recommendations are preliminary, based upon the current project understanding. Permitting agencies should be contacted once a detailed project description and preliminary design have been developed, to ensure that all applicable permit requirements are met.

### Projected Project Costs

Planning and Environmental: .....	\$ 25,000
Property Acquisition & Permitting .....	\$ 5,000
Surveying .....	\$ 5,000
Geotechnical Investigation .....	\$ 10,000
Pre engineering .....	\$ 7,500
Engineering.....	\$ 45,000
Construction .....	\$310,000*
Construction Management .....	\$ 20,000
GSD Administration.....	\$ 8,500
<hr/>	
Subtotal.....	\$436,000
Contingency (15%).....	\$ 65,500
<hr/>	
Total .....	\$501,500

\* Based on cost proposal provided by Pacific Tank Solutions. See Attachment 1.

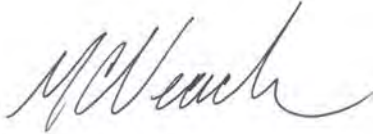
The project projected costs are based on 2013 dollars and should be escalated by 3.5 percent per year to the date of construction to account for the projected rate of inflation. The projected rate would increase the overall cost of the project by approximately \$17,000 per year beyond 2013.

Jennie Short  
Alderpoint Road Tank Supplemental Project Report, GSD, Garberville, CA  
February 14, 2013  
Page 6

Please call me if you have any questions or if I can be of further assistance.

Sincerely,

**SHN Consulting Engineers & Geologists, Inc.**



Michael C. Veach  
Project Engineer  
707-269-1047

MCV:lms

Attachment 1: Pacific Tank Solutions Cost Proposal

**Attachment 1**

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**Pacific Tank Solutions Cost Proposal**



## Budgetary Proposal

November 30, 2012

### Garberville Sanitary District

Attn: Mike Veach and Jenny Short

**Subject: Proposal #1211048– Alderpoint Tank**  
CST Storage 128,000 gallons Steel Bolted Tanks of Various Coatings and Floor Types.

Dear Mike & Jenny;

Pacific States Environmental Contractors Inc. and Pacific Tank Solutions (jointly referred to as Pacific) are pleased to respectfully submit this Budgetary Proposal for the installation of Steel Bolted Tank Options for the Alderpoint Tank Project. Options have been provided for Glass Fused to Steel and Epoxy Coated Tanks with Short Starter embedded concrete foundation (concrete floor) and steel floors. Additionally tank color options are provided for standard Cobalt Blue and optional Forrest Green for Glass Tanks, and standard Tan and optional Forrest Green on Epoxy Tanks.

These tanks have been designed based on the verbal preliminary design information provided by Garberville Sanitary District. Final tank design and price impacts will be completed based on final system design, detailed chemical and physical data on the tank contents, and a site specific geotechnical report.

It should be noted that these tanks will require significant freeboard because of the possibility of significant seismic activity in the proposed area. The freeboard recommended exceeds the calculated sloshing wave height.

### Scope of Work

- Provide Standard Engineered Drawings from the Tank Manufacturer CST, stamped by a California Registered Professional Civil Engineer for the foundation and tank designs.
- Furnish (US Manufactured) and install steel bolted storage tanks (see specifications at the end of this proposal); tank structures and appurtenances as listed.
- The price includes all required labor, materials, taxes and equipment.
- Demolition of existing Redwood Tank – tank materials to be removed by others (foundation not included).
- Options have been provided for ring wall (steel floor) and concrete slab (concrete floor) foundations. If foundations provided by others tank price can be installed for price as listed.
- Minor Site grading to accommodate foundation included.

### Tank #1 – Cobalt Blue Glass Fused to Steel with Steel Floor

*Pacific Tank Solutions*  
11555 Dublin Boulevard, Dublin CA 94568  
Phone (925) 803-4333, Fax (925) 803-4334  
Pacific States Environmental Contractors, Inc. License Number: #723241A-HAZ, C-21, ASB

1. **Installation of One (1) Tank of approximately 128,700 gallons with a diameter of 41.96 ft and height of 19.94 ft. with 90" of Freeboard.** This freeboard meets or exceeds the calculated seismic sloshing wave height.
2. Steel Floor with ½" asphalt impregnated fiberboard.
3. Exterior & Interior Coating: Glass Fused to Steel
4. Exterior Tank Color: Cobalt Blue
5. Temcor Dome Roof
6. Full Height Mechanical Level Indicator
7. Tank Penetrations:
  - a. 1 -- 6" x 6" Inlet Nozzle, exterior, FxF, CS Epoxy
  - b. 1 -- 8" x 6" Outlet Nozzle, exterior, FxF, CS Epoxy
  - c. 1 -- 8" x 6" Overflow Nozzle, exterior FxF, CS Epoxy with 10 ft of 8" downcomer pipe including one 90 degree fitting and one 45 degree fitting all CS Epoxy.
  - d. 1 – 4" Drain in sump.

#### **Tank #2 – Forrest Green Glass Fused to Steel with Steel Floor**

1. **Installation of One (1) Tank of approximately 128,700 gallons with a diameter of 41.96 ft and height of 19.94 ft. with 90" of Freeboard.** This freeboard meets or exceeds the calculated seismic sloshing wave height.
2. All other items from Tank #1 remain the same.

#### **Tank #3 – Cobalt Blue Glass Fused to Steel with Concrete Floor**

1. **Installation of One (1) Tank of approximately 121,700 gallons with a diameter of 41.96 ft and height of 19.94 ft. with 90" of Freeboard.** This freeboard meets or exceeds the calculated seismic sloshing wave height.
2. Short Starter foundation ring embedded in concrete foundation.
3. All other items from Tank #1 remain the same.

#### **Tank #4 – Forrest Green Glass Fused to Steel with Concrete Floor**

1. **Installation of One (1) Tank of approximately 121,700 gallons with a diameter of 41.96 ft and height of 19.94 ft. with 90" of Freeboard.** This freeboard meets or exceeds the calculated seismic sloshing wave height.
2. Short Starter foundation ring embedded in concrete foundation.
3. All other items from Tank #1 remain the same.

#### **Tank #5– Tan or Forrest Green Epoxy Steel with Steel Floor**

1. **Installation of One (1) Tank of approximately 128,700 gallons with a diameter of 41.96 ft and height of 19.94 ft. with 90" of Freeboard.** This freeboard meets or exceeds the calculated seismic sloshing wave height.
2. Exterior & Interior Coating: Epoxy
3. Exterior Tank Color: Tan or Forrest Green
4. All other items from Tank #1 remain the same.

#### **Tank #6– Tan or Forrest Green Epoxy Steel with Concrete Floor**



1. **Installation of One (1) Tank of approximately 121,700 gallons with a diameter of 41.96 ft and height of 19.94 ft. with 90" of Freeboard.** This freeboard meets or exceeds the calculated seismic sloshing wave height.
2. Short Starter foundation ring embedded in concrete foundation.
3. Exterior & Interior Coating: Epoxy
4. Exterior Tank Color: Tan or Forrest Green
5. All other items from Tank #1 remain the same.

### **Budgetary Tank Proposal**

The proposed budgetary installed cost for the design, procurement and installation of the above tanks is:

<b><u>Tank #1 - One (1) Cobalt Blue Glass with Steel Floor -</u></b>	<b><u>\$ 262,000.00</u></b>
<b><u>Ring Foundation for Steel Floor -</u></b>	<b><u>\$ 35,700.00</u></b>
<b><u>Total One (1) Cobalt Blue Glass with Steel Floor -</u></b>	<b><u>\$ 297,700.00</u></b>
<b><u>Tank #2 - One (1) Forrest Green Glass with Steel Floor -</u></b>	<b><u>\$264,500.00</u></b>
<b><u>Ring Foundation for Steel Floor -</u></b>	<b><u>\$ 35,700.00</u></b>
<b><u>Total One (1) Forrest Green Glass with Steel Floor -</u></b>	<b><u>\$ 300,200.00</u></b>
<b><u>Tank #3 - One (1) Cobalt Blue Glass with Concrete Floor -</u></b>	<b><u>\$219,300.00</u></b>
<b><u>Concrete Slab Foundation for Concrete Floor -</u></b>	<b><u>\$ 69,500.00</u></b>
<b><u>Total One (1) Cobalt Blue Glass with Concrete Floor -</u></b>	<b><u>\$ 288,800.00</u></b>
<b><u>Tank #4 - One (1) Forrest Green Glass with Concrete Floor -</u></b>	<b><u>\$221,800.00</u></b>
<b><u>Concrete Slab Foundation for Concrete Floor -</u></b>	<b><u>\$ 69,500.00</u></b>
<b><u>Total One (1) Forrest Green Glass with Concrete Floor -</u></b>	<b><u>\$ 291,300.00</u></b>
<b><u>Tank #5 - One (1) Epoxy with Steel Floor -</u></b>	<b><u>\$238,300.00</u></b>
<b><u>Ring Foundation for Steel Floor -</u></b>	<b><u>\$ 35,700.00</u></b>
<b><u>Total One (1) Epoxy with Steel Floor -</u></b>	<b><u>\$ 274,000.00</u></b>
<b><u>Tank #6 - One (1) Epoxy with Concrete Floor -</u></b>	<b><u>\$ 204,600.00</u></b>
<b><u>Concrete Slab Foundation for Concrete Floor -</u></b>	<b><u>\$ 69,500.00</u></b>
<b><u>Total One (1) Epoxy with Concrete Floor -</u></b>	<b><u>\$ 274,100.00</u></b>

Pacific will furnish all labor, materials, equipment and incidentals required to design, fabricate and erect the above referenced factory coated bolted steel storage tank(s), and tank appurtenances as shown in this scope of



work. The steel tank would be erected on the concrete foundations designed by the steel tank manufacturer. The design, materials, fabrication and methods of construction shall conform to the requirements of the AWWA- D103-09 for Factory Coated Bolted Steel Tanks.

### Qualifications & Conditions

- CST provides a PDF submittal package that includes State of California PE stamped drawing for the tank and foundations including associated engineering calculations and appurtenances details. Pacific can provide non-engineer and unstamped CAD informational drawings that show a plan view, sectional views, and flat panel views that show proposed locations of connections and tank vertical and horizontal seams for the tank. Any additional drawings or stamps may be provided at an additional cost.
- This proposal is based on standard CST tank sizes and appurtenances as listed and is intended to comply with all project requirements. Any items or specifications not specifically mentioned are not part of this Proposal and the customer is responsible for verifying all tank specification & plan compliance.
- GC or Owner to provide unloading, site sanitary facilities, accessible job site access, staging area (50' from tank site sufficient in size for tank staging), and dumpster.
- Site is assumed to be reasonably flat and level without obstructions with unrestricted access.
- Freight is included FOB to Site.
- All materials included in this proposal to be shipped to site on same freight delivery.
- All tanks on this proposal to be built together in one construction and mobilization sequence.
- Safety – price is based on using standard tank jacks. We have not included a full time safety person and the Pacific Foreman will act as our on-site safety representative. It is Pacific's understanding that our tanks are a non-permit confined space as long as the wall panels allow access to the work area. Site specific safety training or Fire watch is not included.
- Pricing includes;
  - One (1) mobilization to the site for foundation support.
  - One (1) mobilization for tank erections.
  - One (1) mobilization for testing.
  - Any additional mobilizations to be billed at \$2,500.
- Schedule – Pacific will provide submittals within 2 – 3 weeks of receipt of executed tank order. Estimated Fabrication Schedule is;
  - 8 - 10 Weeks – Delivery of tank material to site following approval of submittals.
  - Tank Erections; Approximately 5 weeks - allow approximately 2 weeks for curing after foundation has been poured before tank erection.
  - 1 Week Testing/Service – Tank to be filled by others.
  - Schedule is based on a single crew working a standard M – F 40 hour work week.
  - Every effort will be made to meet schedule requirements. Pacific is not responsible for delays due to; adverse weather conditions, factory or shipping issues, building permits, or any other delay out of the control of Pacific.
- All nozzles #150 lb flange face with Grade 5 bolts and zero degree Hillside angle.
- Zinc bolts, nuts, washers and gaskets are standard. Interior plastic encapsulated head bolts for interior vertical and deck seams (steel floors) are included.
- Any and all appurtenances that are to be attached to the tank must be done by Pacific personnel or extra charges could possibly be incurred.
- Installation is by Pacific utilizes factory certified personnel. Erection will be performed in a workman like manner in accordance with the contract documents.
- All tank penetrations are field cut unless specifically noted as a factory cut.



- Ladders and manways are per CAL/OSHA Requirements, but do not include any local conditions that may apply.
- Governing Codes: CST Storage Company utilizes those standards, specifications and/or interpretations and recommendations of professionally recognized agencies and groups such as AWWA, API, ACI, AISI, AWS ASTM, Factory Mutual, U.S. Government, etc. as the basis in establishing its own design, fabrication and quality criteria, standards, practices, methods and tolerances.
- Project is priced with non-prevailing, non-union rates.
- Hydrostatic Testing is included with 72 hour notice. Owner is responsible to; blind and close all flanges and valves, fill the tank to level required for a continuous 24 hour period, and provide water sampling and testing. Once testing is complete owner is responsible for emptying and disposal of water (if required).
- Payment Terms:
  - 30% upon commencement of Engineering Submittals.
  - 30% upon shipment of materials.
  - 30% upon tank erection.
  - 10% retention due within 30 days following completion of tank and testing.
- Warranty is standard 10 year on materials and installation for Glass tanks with CST standard Cathodic Protection for storage of only municipal water or wastewater. Annual Cathodic Protection inspections and tank inspections at 1, 3, 6 & 9 years are required (inspections cost are not included). Copy of warranty can be provided on request.
- Warranty is standard 1 year on materials and workmanship for Epoxy tanks for storage of only municipal water or wastewater (a copy can be provided on request).
- The prices quoted in this document are valid for 30 days from the date of this document for Carbon Steel Tanks and associated fittings. After these expiration dates, tank and associated fitting prices must be re-quoted. Delivery must be accepted within 120 days, unless delayed by CST Storage.
- Indemnification in contract documents to be based on proportionate fault.
- Insurance rates based on PSEC standard insurance (a copy can be provided upon request) with no OCIP, Builders Risk or other unusual insurance requirements.
- Verification of Funds and Pre-Lien information will be required prior to mobilization.
- This proposal is based on the stated parameters as listed only. If any changes are made to these parameters, the proposal is subject to change.
- This proposal (or its entire specifications, terms, and conditions) will be made part of any subsequent contract.

#### **Foundation Information: Optional Foundation Pricing Included**

Steel Floor - Ring foundation - In the absence of a soils report, Pacific as assumed the foundation to be the following;

- 18" wide by 2' deep perimeter ring.
- #4 Rebar hoops at 12" O.C. with six #4 longitudinal bars in perimeter rings.
- 6" of Class II Aggregate Base inside of rings.
- All concrete to be 3,000 psi at 28 days.

Concrete Slab Floor foundation - In the absence of a soils report, Pacific as assumed the foundation to be the following;

- 18" wide by 2' deep perimeter ring.



- #4 Rebar hoops at 12" O.C. with six #4 longitudinal bars in perimeter rings.
- 6" of Class II Aggregate Base inside of rings.
- 6" thick slab with single mat of #4 bars at 12" on center each direction.
- Two #8 Rebar hoops around short starter rings.
- All concrete to be 3,000 psi at 28 days.

### Exclusions

- Bonding but can be provided for 1% Extra.
- Permits & Fees.
- Exterior Piping, Valves and Fittings – Nozzle installation is to the first outer flange connection from tank with the exception of the listed overflow downcomer pipe.
- Interior Piping and Fittings.
- Level Control Instrumentation or Transmitters.
- Cathodic Protection on Epoxy tanks.
- Obstruction Lighting or Beacon Equipment.
- Mechanical or electrical systems.
- Survey & Geotechnical Testing.
- Sub grade drains or piping.
- SWPP and erosion control plans, installation, monitoring or maintenance.
- Tank Insulation.
- Interior Ladders, Perimeter Railings on Roof, or Platforms except as listed.
- Mixers and accessories.
- Traffic Control other than for our own work.
- Any items not specifically listed in this quote.

Should you have any questions or would like to meet to discuss this proposal, please contact me at (925) 719-4958.

Sincerely,

**PACIFIC TANKS SOLUTIONS and  
PACIFIC STATES ENVIRONMENTAL CONTRACTORS, INC.**

**Bryant Grissette**  
Northern California Sales Manager  
[bgrissette@pacifictanksolutions.com](mailto:bgrissette@pacifictanksolutions.com)



## Tank #1 Specifications

**Quote No.** 7125120 **Revision:** 1 **Release:** 0  
**Date:** 11/30/2012 2:29:00 PM

### Project Information

Name: 200,000 Gal Alderpoint Tank  
Address: Garberville, California 95542 USA  
Owner Name: Garberville Sanitation District  
Phone:  
Tank Type: Storage Tank  
Project Type: Municipal Water Supply  
Product Stored: Potable designed for range: 6 to 8pH for ambient temperature  
Type of Business: Water Supply

### Project Specifications

Qty of Tanks in Bid: 1  
Tank Diameter: 41.96 ft / 12790.03 mm  
Tank Height: 19.94 ft / 6079 mm  
Expandable Height: N/A  
Material/Coating: Glass Fused to Steel  
Roof Type: Temcor Dome  
Foundation Type: Steel Floor  
Elevated Height: N/A  
**Tank Design Code:** **AWWA D-103**  
Seismic Design: AWWA D-103 09  
    Seismic Site Class: D  
    Seismic Use Group: III  
    Ss: 1.970  
    S1: .917  
    TL: 12

Wind Design: AWWA D-103 09  
Wind Importance Factor: 1.15  
Exposure Category: C  
Wind Speed: 100 mph (44.7 m/s)  
Roof Snow Load: 25 psf (122 kg/m sq)  
Freeboard: 90 in (2286 mm)  
Specific Gravity: 1  
Internal Tank Design  
    Pressure - water column: 0 in (0mm)  
    Vacuum - water column: 0 in

### Project Accessories

- 1 - Standard Pipe connection 4in (102mm) Pipe Connection
- 1 - Link Seal 4in (102mm)
- 1 - 36 in (914 mm) Manway Thick
- 1 - Standard Center Sump



Sealer - Manus (std) Black-115%

Glass Cathodic Protection based on: Water 5000 ohm-cm, Waste Water 1500 ohm-cm resistivity - Designed and supplied by ESPC # of Anodes - 3

Ladder Component Material - Standard

1 - Aluminum Ladder with Cage and Bracket Assembly  
Extension To Grade

1 - Ladder Lockable Device

1 - Ladder Platform

Shell Sheet Hardware - Standard

Tank Exterior Color - Cobalt Blue

Tank Interior Coating - Vitrium

Construction Method - Jack Built

This structure includes 3 rings of web trusses

Web Trusses/Angles - Standard

1 - 1 in. Anchor Chairs - Standard

### **Dome Accessories**

1 Dome Walkway

1 30 Inch Square Access Hatch

1 24 Inch Gravity Vent

1 2-7 Foot Guard Rails at Hatch

25 ft Non-Skid added to Vent Panels

Silicone Gasket

### **Special Requirements**

**Weight:** 25,484 lbs 11,559 kg

**Capacity:** 128,674 U.S. gal. 487 cu-m (includes 90" freeboard)

**Temcor Dome Weight:** 3,062 lbs 1,389 kg

**NOTE:** Tank design and pricing are based on CST dome/knuckle roof loads.  
Design and price are subject to revision if actual loads are different.

## Tank #2 Specifications

**Quote No.** 7125120 **Revision:** 2 **Release:** 0  
**Date:** 11/30/2012 2:31:00 PM

### Project Information

**Name:** 200,000 Gal Alderpoint Tank  
**Address:** Garberville, California 95542 USA  
**Owner Name:** Garberville Sanitation District  
**Tank Type:** Storage Tank  
**Project Type:** Municipal Water Supply  
**Product Stored:** Potable designed for range: 6 to 8pH for ambient temperature  
**Type of Business:** Water Supply

### Project Specifications

**Qty of Tanks in Bid:** 1  
**Tank Diameter:** 41.96 ft / 12790.03 mm  
**Tank Height:** 19.94 ft / 6079 mm  
**Expandable Height:** N/A  
**Material/Coating:** Glass Fused to Steel  
**Roof Type:** Temcor Dome  
**Foundation Type:** Steel Floor  
**Elevated Height:** N/A  
**Tank Design Code:** **AWWA D-103**  
**Seismic Design:** AWWA D-103 09  
    **Seismic Site Class:** D  
    **Seismic Use Group:** III  
    **Ss:** 1.970  
    **S1:** .917  
    **TL:** 12  
**Wind Design:** AWWA D-103 09  
**Wind Importance Factor:** 1.15  
**Exposure Category:** C  
**Wind Speed:** 100 mph (44.7 m/s)  
**Roof Snow Load:** 25 psf (122 kg/m sq)  
**Freeboard:** 90 in (2286 mm)  
**Specific Gravity:** 1  
**Internal Tank Design**  
    **Pressure - water column:** 0 in (0mm)  
    **Vacuum - water column:** 0 in

### Project Accessories

- 1 - Standard Pipe connection 4in (102mm) Pipe Connection
- 1 - Link Seal 4in (102mm)
- 1 - 36 in (914 mm) Manway Thick
- 1 - Standard Center Sump



Sealer - Manus (std) Black-115%

Glass Cathodic Protection based on: Water 5000 ohm-cm, Waste Water 1500 ohm-cm resistivity - Designed and supplied by ESPC # of Anodes - 3

Ladder Component Material - Standard

1 - Aluminum Ladder with Cage and Bracket Assembly

Extension To Grade

1 - Ladder Lockable Device

1 - Ladder Platform

Shell Sheet Hardware - Standard

Tank Exterior Color - Forest Green

Tank Interior Coating - Vitrium

Construction Method - Jack Built

This structure includes 3 rings of web trusses

Web Trusses/Angles - Standard

1 - 1 in. Anchor Chairs - Standard

### **Dome Accessories**

1 Dome Walkway

1 30 Inch Square Access Hatch

1 24 Inch Gravity Vent

1 2-7 Foot Guard Rails at Hatch

25 ft Non-Skid added to Vent Panels

Silicone Gasket

### **Special Requirements**

<b>Weight:</b>	<b>25,484 lbs</b>	<b>11,559 kg</b>
<b>Capacity:</b>	<b>128,674 U.S. gal.</b>	<b>487 cu-m (includes 90" freeboard)</b>
<b>Temcor Dome Weight:</b>	<b>3,062 lbs</b>	<b>1,389 kg</b>

**NOTE: Tank design and pricing are based on CST dome/knuckle roof loads.  
Design and price are subject to revision if actual loads are different.**

## Tank #3 Specifications

**Quote No.** 7125120 **Revision:** 3 **Release:** 0  
**Date:** 11/30/2012 2:33:00 PM

### Project Information

**Name:** 200,000 Gal Alderpoint Tank  
**Address:** Garberville, California 95542 USA  
**Owner Name:** Garberville Sanitation District  
**Tank Type:** Storage Tank  
**Project Type:** Municipal Water Supply  
**Product Stored:** Potable designed for range: 6 to 8pH for ambient temperature  
**Type of Business:** Water Supply

### Project Specifications

**Qty of Tanks in Bid:** 1  
**Tank Diameter:** 41.96 ft / 12790.03 mm  
**Tank Height:** 19.26 ft / 5872 mm  
**Expandable Height:** N/A  
**Material/Coating:** Glass Fused to Steel  
**Roof Type:** Temcor Dome  
**Foundation Type:** Short Starter  
**Elevated Height:** N/A  
**Tank Design Code:** **AWWA D-103**  
**Seismic Design:** AWWA D-103 09  
    **Seismic Site Class:** D  
    **Seismic Use Group:** III  
    **Ss:** 1.970  
    **S1:** .917  
    **TL:** 12  
**Wind Design:** AWWA D-103 09  
**Wind Importance Factor:** 1.15  
**Exposure Category:** C  
**Wind Speed:** 100 mph (44.7 m/s)  
**Roof Snow Load:** 25 psf (122 kg/m sq)  
**Freeboard:** 90 in (2286 mm)  
**Specific Gravity:** 1  
**Internal Tank Design**  
    **Pressure - water column:** 0 in (0mm)  
    **Vacuum - water column:** 0 in

### Project Accessories

- 1 - Standard Pipe connection 4in (102mm) Pipe Connection
- 1 - Link Seal 4in (102mm)
- 1 - 36 in (914 mm) Manway Thick
- 1 - Standard Center Sump



Sealer - Manus (std) Black-115%

Glass Cathodic Protection based on: Water 5000 ohm-cm, Waste Water 1500 ohm-cm resistivity - Designed and supplied by ESPC # of Anodes - 8

Ladder Component Material - Standard

1 - Aluminum Ladder with Cage and Bracket Assembly  
Extension To Grade

1 - Ladder Lockable Device

1 - Ladder Platform

Shell Sheet Hardware - Standard

Tank Exterior Color - Cobalt Blue

Tank Interior Coating - Vitrium

Construction Method - Jack Built

This structure includes 3 rings of web trusses

Web Trusses/Angles - Standard

### Dome Accessories

1 Dome Walkway

1 30 Inch Square Access Hatch

1 24 Inch Gravity Vent

1 2-7 Foot Guard Rails at Hatch

25 ft Non-Skid added to Vent Panels

Silicone Gasket

### Special Requirements

Weight:	18,745 lbs	8,503 kg
Capacity:	121,658 U.S. gal.	461 cu-m (includes 90" freeboard)
Temcor Dome Weight:	3,062 lbs	1,389 kg

**NOTE:** Tank design and pricing are based on CST dome/knuckle roof loads.  
Design and price are subject to revision if actual loads are different.



## Tank #4 Specifications

**Quote No.** 7125120 **Revision:** 4 **Release:** 0  
**Date:** 11/30/2012 2:34:00 PM

### Project Information

**Name:** 200,000 Gal Alderpoint Tank  
**Address:** Garberville, California 95542 USA  
**Owner Name:** Garberville Sanitation District  
**Tank Type:** Storage Tank  
**Project Type:** Municipal Water Supply  
**Product Stored:** Potable designed for range: 6 to 8pH for ambient temperature  
**Type of Business:** Water Supply

### Project Specifications

**Qty of Tanks in Bid:** 1  
**Tank Diameter:** 41.96 ft / 12790.03 mm  
**Tank Height:** 19.26 ft / 5872 mm  
**Expandable Height:** N/A  
**Material/Coating:** Glass Fused to Steel  
**Roof Type:** Temcor Dome  
**Foundation Type:** Short Starter  
**Elevated Height:** N/A  
**Tank Design Code:** AWWA D-103  
**Seismic Design:** AWWA D-103 09  
    **Seismic Site Class:** D  
    **Seismic Use Group:** III  
    **Ss:** 1.970  
    **S1:** .917  
    **TL:** 12  
**Wind Design:** AWWA D-103 09  
**Wind Importance Factor:** 1.15  
**Exposure Category:** C  
**Wind Speed:** 100 mph (44.7 m/s)  
**Roof Snow Load:** 25 psf (122 kg/m sq)  
**Freeboard:** 90 in (2286 mm)  
**Specific Gravity:** 1  
**Internal Tank Design**  
    **Pressure - water column:** 0 in (0mm)  
    **Vacuum - water column:** 0 in

### Project Accessories

1 - Standard Pipe connection 4in (102mm) Pipe Connection  
1 - Link Seal 4in (102mm)  
1 - 36 in (914 mm) Manway Thick  
1 - Standard Center Sump



Sealer - Manus (std) Black-115%

Glass Cathodic Protection based on: Water 5000 ohm-cm, Waste Water 1500 ohm-cm resistivity - Designed and supplied by ESPC # of Anodes - 8

Ladder Component Material - Standard

1 - Aluminum Ladder with Cage and Bracket Assembly  
Extension To Grade

1 - Ladder Lockable Device

1 - Ladder Platform

Shell Sheet Hardware - Standard

Tank Exterior Color - Forest Green

Tank Interior Coating - Vitrium

Construction Method - Jack Built

This structure includes 3 rings of web trusses

Web Trusses/Angles - Standard

### Dome Accessories

1 Dome Walkway

1 30 Inch Square Access Hatch

1 24 Inch Gravity Vent

1 2-7 Foot Guard Rails at Hatch

25 ft Non-Skid added to Vent Panels

Silicone Gasket

### Special Requirements

Weight:	18,745 lbs	8,503 kg
Capacity:	121,658 U.S. gal.	461 cu-m (includes 90" freeboard)
Temcor Dome Weight:	3,062 lbs	1,389 kg

**NOTE:** Tank design and pricing are based on CST dome/knuckle roof loads.  
Design and price are subject to revision if actual loads are different.

## Tank #5 Specifications

**Quote No.** 7125120 **Revision:** 5 **Release:** 0  
**Date:** 11/30/2012 3:03:00 PM

### Project Information

**Name:** 200,000 Gal Alderpoint Tank  
**Address:** Garberville, California 95542 USA  
**Owner Name:** Garberville Sanitation District  
**Tank Type:** Storage Tank  
**Project Type:** Municipal Water Supply  
**Product Stored:** Potable designed for range: 6 to 8pH for ambient temperature  
**Type of Business:** Water Supply

### Project Specifications

**Qty of Tanks in Bid:** 1  
**Tank Diameter:** 41.96 ft / 12790.03 mm  
**Tank Height:** 19.94 ft / 6079 mm  
**Expandable Height:** N/A  
**Material/Coating:** Epoxy Steel  
**Roof Type:** Temcor Dome  
**Foundation Type:** Steel Floor  
**Elevated Height:** N/A  
**Tank Design Code:** **AWWA D-103**  
**Seismic Design:** AWWA D-103 09  
    **Seismic Site Class:** D  
    **Seismic Use Group:** III  
    **Ss:** 1.970  
    **S1:** .917  
    **TL:** 12  
**Wind Design:** AWWA D-103 09  
**Wind Importance Factor:** 1.15  
**Exposure Category:** C  
**Wind Speed:** 100 mph (44.7 m/s)  
**Roof Snow Load:** 25 psf (122 kg/m sqr)  
**Freeboard:** 90 in (2286 mm)  
**Specific Gravity:** 1  
**Internal Tank Design**  
    **Pressure - water column:** 0 in (0mm)  
    **Vacuum - water column:** 0 in

### Project Accessories

- 1 - Standard Pipe connection 4in (102mm) Pipe Connection
- 1 - Link Seal 4in (102mm)
- 1 - 36 in (914 mm) Manway Thick
- 1 - Standard Center Sump



Sealer - Manus Capital Tan-115%  
Ladder Component Material - Standard  
1 - Aluminum Ladder with Cage and Bracket Assembly  
Extension To Grade  
1 - Ladder Lockable Device  
1 - Ladder Platform  
Shell Sheet Hardware - Standard  
Tank Exterior Color – Tan or Forrest Green  
Tank Interior Coating - Kuo-Ion™ 5 mils  
Tank Exterior Coating - Kuo-Ion™ w/urethane topcoat  
Construction Method - Jack Built  
This structure includes 3 rings of web trusses  
Web Trusses/Angles - Standard  
1 - 1 in. Anchor Chairs - Standard

#### Dome Accessories

1 Dome Walkway  
1 30 Inch Square Access Hatch  
1 24 Inch Gravity Vent  
1 2-7 Foot Guard Rails at Hatch  
25 ft Non-Skid added to Vent Panels  
Silicone Gasket

#### Special Requirements

Weight:	25,424 lbs	11,532 kg
Capacity:	128,674 U.S. gal.	487 cu-m (includes 90" freeboard)
Temcor Dome Weight:	3,062 lbs	1,389kg

**NOTE: Tank design and pricing are based on CST dome/knuckle roof loads.  
Design and price are subject to revision if actual loads are different.**

## Tank #6 Specifications

**Quote No.** 7125120 **Revision:** 7 **Release:** 0  
**Date:** 11/30/2012 3:06:00 PM

### Project Information

**Name:** 200,000 Gal Alderpoint Tank  
**Address:** Garberville, California 95542 USA  
**Owner Name:** Garberville Sanitation District  
**Tank Type:** Storage Tank  
**Project Type:** Municipal Water Supply  
**Product Stored:** Potable designed for range: 6 to 8pH for ambient temperature  
**Type of Business:** Water Supply

### Project Specifications

**Qty of Tanks in Bid:** 1  
**Tank Diameter:** 41.96 ft / 12790.03 mm  
**Tank Height:** 19.26 ft / 5872 mm  
**Expandable Height:** N/A  
**Material/Coating:** Epoxy Steel  
**Roof Type:** Temcor Dome  
**Foundation Type:** Short Starter  
**Elevated Height:** N/A  
**Tank Design Code:** AWWA D-103  
**Seismic Design:** AWWA D-103 09  
    **Seismic Site Class:** D  
    **Seismic Use Group:** III  
    **Ss:** 1.970  
    **S1:** .917  
    **TL:** 12  
**Wind Design:** AWWA D-103 09  
**Wind Importance Factor:** 1.15  
**Exposure Category:** C  
**Wind Speed:** 100 mph (44.7 m/s)  
**Roof Snow Load:** 25 psf (122 kg/m sq)  
**Freeboard:** 90 in (2286 mm)  
**Specific Gravity:** 1  
**Internal Tank Design**  
    **Pressure - water column:** 0 in (0mm)  
    **Vacuum - water column:** 0 in

### Project Accessories

- 1 - Standard Pipe connection 4in (102mm) Pipe Connection
- 1 - Link Seal 4in (102mm)
- 1 - 36 in (914 mm) Manway Thick
- 1 - Standard Center Sump



Sealer - Manus Capital Tan-115%  
Ladder Component Material - Standard  
1 - Aluminum Ladder with Cage and Bracket Assembly  
Extension To Grade  
1 - Ladder Lockable Device  
1 - Ladder Platform  
Shell Sheet Hardware - Standard  
Tank Exterior Color - Tan or Forrest Green  
Tank Interior Coating - Kuo-lon™ 5 mils  
Tank Exterior Coating - Kuo-lon™ w/urethane topcoat  
Construction Method - Jack Built  
This structure includes 3 rings of web trusses  
Web Trusses/Angles - Standard

#### **Dome Accessories**

1 Dome Walkway  
1 30 Inch Square Access Hatch  
1 24 Inch Gravity Vent  
1 2-7 Foot Guard Rails at Hatch  
25 ft Non-Skid added to Vent Panels  
Silicone Gasket

#### **Special Requirements**

Weight:                               18,585 lbs    8,430 kg  
Capacity:                           121,658 U.S. gal.   461 cu-m (includes 90" freeboard)  
Temcor Dome Weight:   3,062 lbs    1,389 kg

**NOTE: Tank design and pricing are based on CST dome/knuckle roof loads.  
Design and price are subject to revision if actual loads are different.**

# ATTACHMENT 6

30% Design Submittal  
with alternatives  
(LACO)

April 30, 2014

7714.02

Garberville Sanitary District  
Post Office Box 211  
Garberville, California 95542-0211

Attention: Jennie Short, Capital Projects Manager

Subject: Alderpoint Road Tank Replacement Project  
30% Submittal

Dear Jennie:

We are pleased to submit the following documents in accordance with our Service Agreement for the subject project.

- Four hard copies of the preliminary topographic survey, and preliminary site plan, access road profile, and tank site cross section. Due to the absence of some of the record property corners for the tank parcel, we were unable to complete the survey in one visit. Our surveyor has scheduled a second site visit for next week to collect more boundary information, which will then allow him to show the site parcel lines and easements on the survey. We will deliver the final survey to you as soon as it is available.
- Four hard copies of a Critical Issues Technical Memorandum. This memo presents the results of the temporary storage tank analysis, and the tank and foundation alternatives life-cycle cost analysis.
- One hard copy of the preliminary construction cost estimate.
- One hard copy of the Geotechnical Design Memorandum.

We are also submitting one copy of the preliminary plans to Humboldt County Public Works for review with regard to the turnout improvements.

We would like to discuss this submittal with you at your earliest convenience. In accordance with our agreement, a meeting will take place in our office. Please contact the project Engineer-of-Record, David Nicoletti, at (707) 443-5054 to arrange a meeting time.

As always, please contact me or David if you have any questions or need additional information.

Sincerely,  
LACO Associates



T. Scott Kelly, PE  
Project Manager

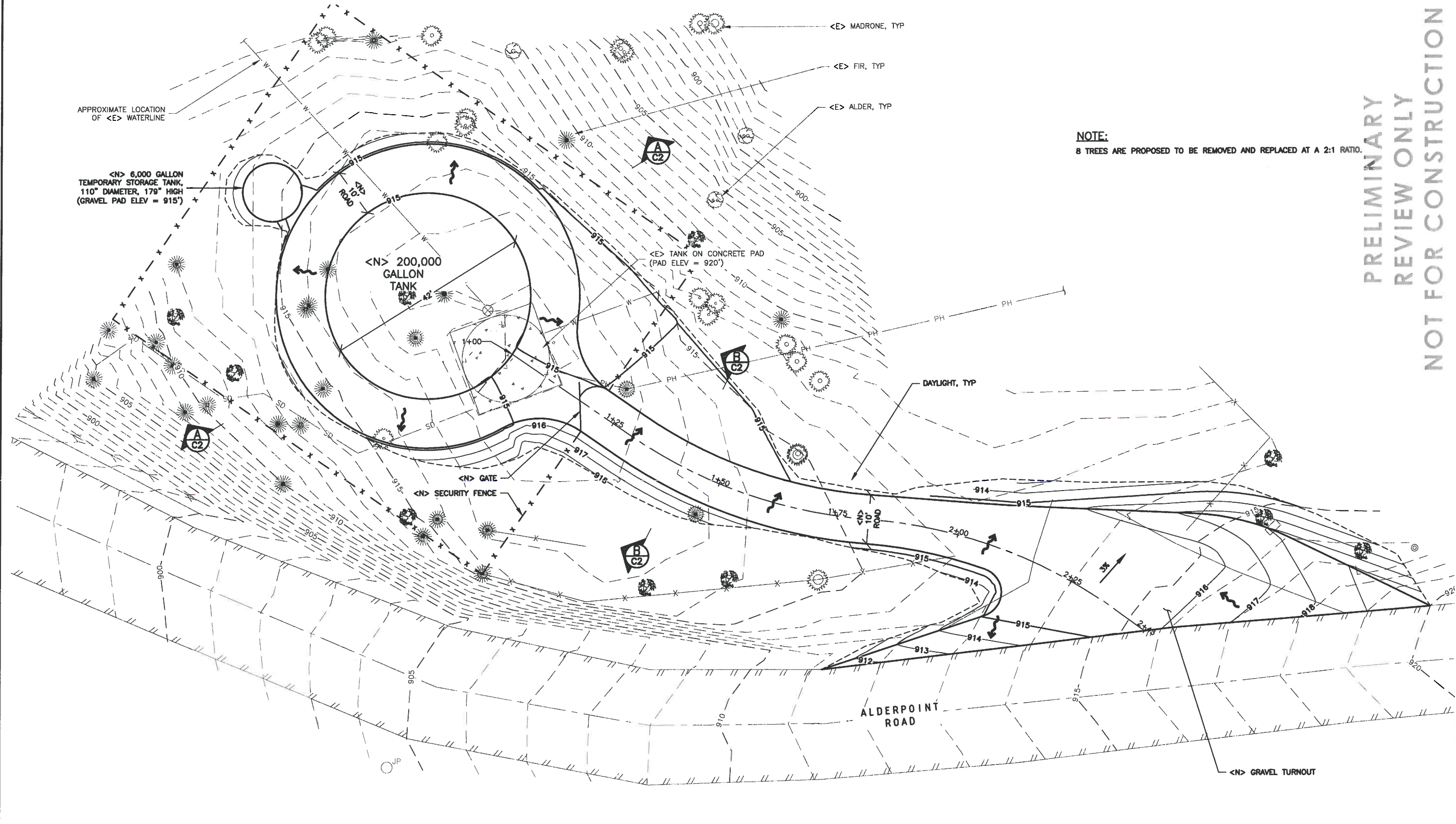
Enclosures

cc: Ralph Emerson, GSD

p:\7700\7714 garberville sanitary district\7714.02 alderpoint road tank engineering services\04 correspondence\client\_owner\7714.02.20140430.doc

21 W. 4th Street, Eureka, California 95501 707 443-5054 Fax 707 443-0553  
311 S. Main Street, Ukiah, California 95482 707 462-0222 Fax 707 462-0223  
3450 Regional Parkway, Suite B2, Santa Rosa, California 95403 707 525-1222





APPROXIMATE LOCATION OF <E> WATERLINE

<N> 6,000 GALLON TEMPORARY STORAGE TANK, 110" DIAMETER, 179" HIGH (GRAVEL PAD ELEV = 915')

<N> 200,000 GALLON TANK

<E> TANK ON CONCRETE PAD (PAD ELEV = 920')

<E> MADRONE, TYP

<E> FIR, TYP

<E> ALDER, TYP

**NOTE:**

8 TREES ARE PROPOSED TO BE REMOVED AND REPLACED AT A 2:1 RATIO.

DAYLIGHT, TYP

ALDERPOINT ROAD

<N> GRAVEL TURNOUT

**PLAN SCALE: 1" = 10'**

1"  
GRAPHIC SCALE MEASURES 1 INCH ON FULL-SIZE PLANS.

**PRELIMINARY REVIEW ONLY NOT FOR CONSTRUCTION**

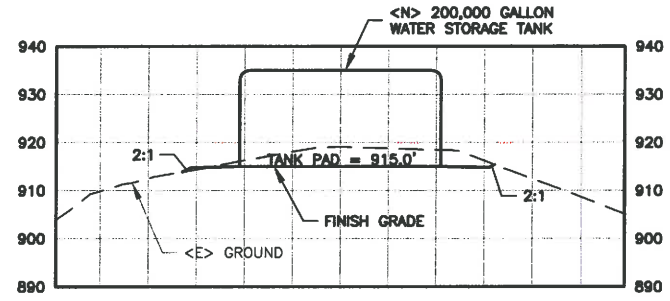


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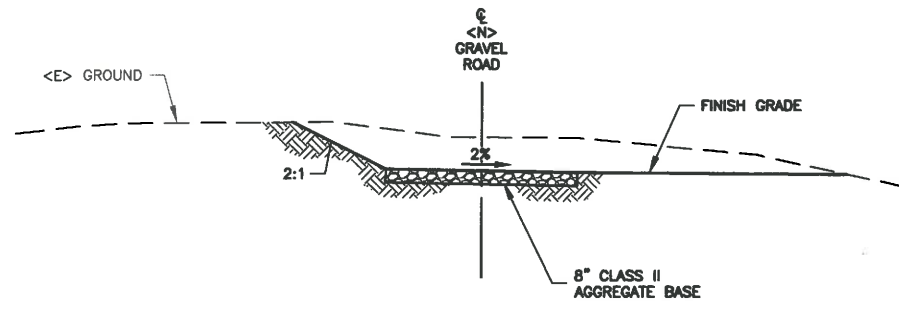
NO.	HISTORY / REVISION	BY	CHK.	DATE

GARBVILLE SANITARY DISTRICT  
ALDERPOINT ROAD TANK REPLACEMENT  
GRADING PLAN  
GARBVILLE SANITARY DISTRICT  
GARBVILLE, CA

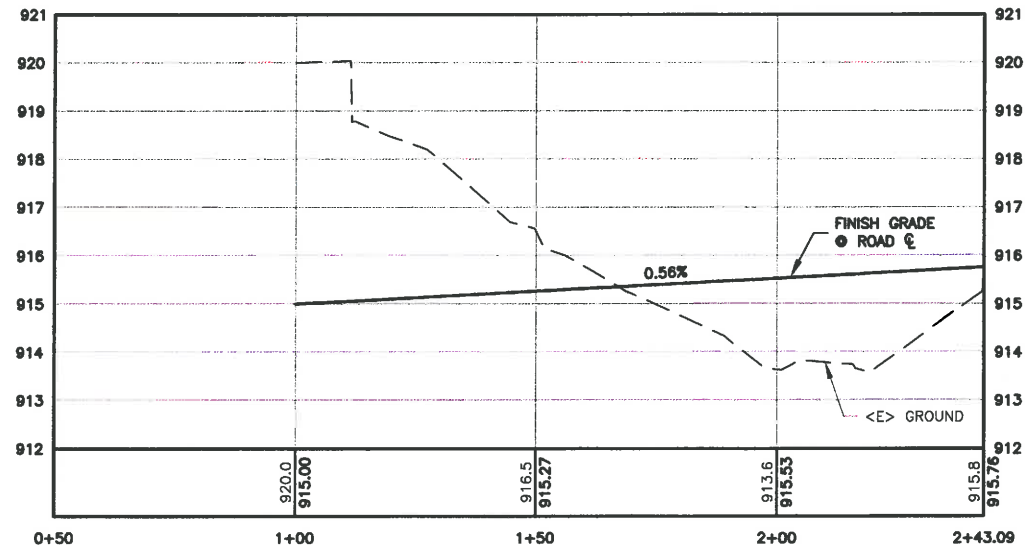
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APPROVED	DTN
DATE	4/22/14
JOB NUMBER	7714.02
SHEET	C1.0



**A SECTION**  
SCALE: 1" = 20' HORIZ. AND VERT.



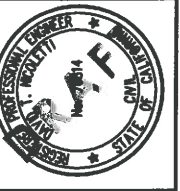
**B SECTION**  
SCALE: 1" = 5' HORIZ. AND VERT.



**PROFILE**  
SCALE: 1" = 20' HORIZ. AND 1" = 2' VERT.

1"  
GRAPHIC SCALE MEASURES 1 INCH ON FULL-SIZE PLANS.

**PRELIMINARY  
REVIEW ONLY  
NOT FOR CONSTRUCTION**



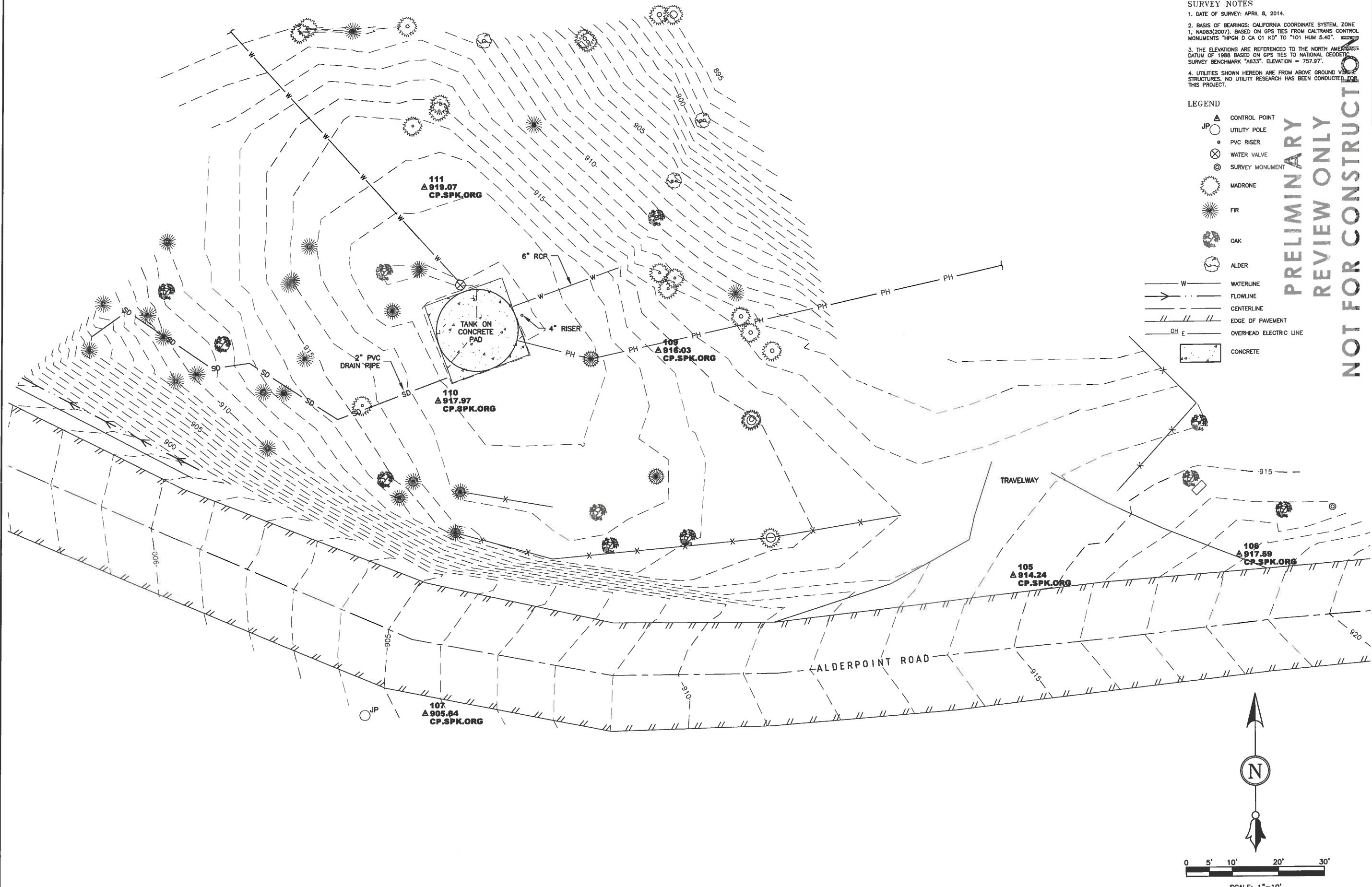
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NO.	HISTORY / REVISION	BY	CHK.	DATE

GARBERVILLE SANITARY DISTRICT  
ALDERPOINT ROAD TANK REPLACEMENT  
PROFILE AND SECTION  
GARBERVILLE SANITARY DISTRICT  
GARBERVILLE, CA

DRAWN	JDB
CHECK	ACS
APPROVED	DTN
DATE	4/22/14
JOB NUMBER	7714.02
SHEET	

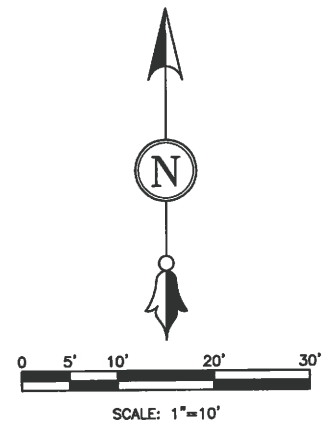
C1.1



**SURVEY NOTES**  
 1. DATE OF SURVEY: APRIL 8, 2014.  
 2. BASIS OF BEARINGS: CALIFORNIA COORDINATE SYSTEM, ZONE 1, NAD83(2007), BASED ON GPS TIES FROM CALTRANS CONTROL MONUMENTS "HPGN D CA 01 KD" TO "101 HUM 5.40".  
 3. THE ELEVATIONS ARE REFERENCED TO THE NORTH AMERICAN DATUM OF 1988 BASED ON GPS TIES TO NATIONAL GEODETIC SURVEY BENCHMARK "A633". ELEVATION = 757.97'.  
 4. UTILITIES SHOWN HEREON ARE FROM ABOVE GROUND VISUAL STRUCTURES. NO UTILITY RESEARCH HAS BEEN CONDUCTED FOR THIS PROJECT.

- LEGEND**
- ▲ CONTROL POINT
  - JP UTILITY POLE
  - PVC RISER
  - ⊗ WATER VALVE
  - ⊙ SURVEY MONUMENT
  - ☼ MADRONE
  - ☼ FIR
  - ☼ OAK
  - ☼ ALDER
  - W — WATERLINE
  - >— FLOWLINE
  - CENTERLINE
  - //— EDGE OF PAVEMENT
  - OH E— OVERHEAD ELECTRIC LINE
  - CONCRETE

**PRELIMINARY  
 REVIEW ONLY  
 NOT FOR CONSTRUCTION**



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 1-800-515-5054 www.lacoassociates.com

NO.	HISTORY / REVISION	BY / CHK.	DATE

GARBERVILLE SANITARY DISTRICT  
 ALDERPOINT ROAD TANK REPLACEMENT  
 TOPOGRAPHIC MAP  
 GARBERVILLE SANITARY DISTRICT  
 GARBERVILLE, CA

DRAWN	JDB
CHECK	ACS
APPROVED	DTN
DATE	4/22/14
JOB NUMBER	7714.02
SHEET	

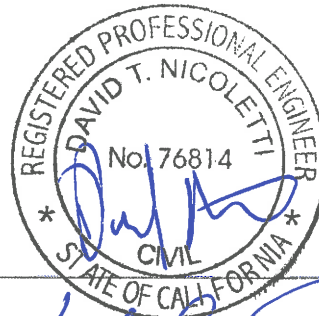
## CRITICAL ISSUES TECHNICAL MEMORANDUM

Alderpoint Road Tank Replacement Project  
Garberville Sanitary District

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Date: April 30, 2014  
Project No.: 7714.02  
Prepared For: Garberville Sanitary District  
Prepared By: David T. Nicoletti, P.E.  
Reviewed By: Nathan K. Toews, P.E.

---



A handwritten signature in blue ink, likely of Nathan K. Toews, P.E., written over a horizontal line.

### 1.0 INTRODUCTION AND BACKGROUND

The Garberville Services District (GSD) intends to replace the existing 30,000-gallon Alderpoint Road tank with a 200,000-gallon tank to supplement existing water storage capacity. The Alderpoint Road tank is supplied with water from the treatment plant and the Arthur Road pump station. This tank, in conjunction with the Arthur Road pump station, Robinson Tank, Wallan Road pump station, and 20,000-gallon Wallan Road tank provides water supply for 63 parcels.

The replacement of this tank will need to consider costs, geologic and geotechnical conditions, topographic and site constraints, temporary water storage, environmental issues as identified in the previously performed California Environmental Quality Act (CEQA) document, and construction concerns. This technical memorandum evaluates and presents recommendations on those engineering, design, and construction challenges for GSD approval prior to beginning the development of 90% draft final plans, specifications, and cost estimates as outlined below.



## 2.0 TEMPORARY WATER STORAGE PLAN

Due to site constraints, the proposed work will require demolition of the existing 30,000-gallon Alderpoint Road Tank prior to construction of the new 200,000-gallon tank. The existing tank is a critical component of the GSD water system in that it provides supply and sufficient pressure head to the Wallan Road pump station and storage tank, as well as meeting storage needs during peak season, allowing the Arthur Road pump station to cycle in an acceptable manner. Therefore, a temporary water storage plan is required during the construction phase of this project.

Our analysis included water system information provided by GSD which was incorporated into a 24-hour extended period simulation (EPS) hydraulic model utilizing EPANet V. 2.0. The assumptions for the demand input for the model is 63 services at 450 gallons per day average use. Since construction activities will likely occur during August and September, a peaking demand pattern was developed based off of past experience using a peak-hour demand of 3.5, a peak day demand of 2, and a minimum hour demand of 0.5. We considered the following temporary water supply alternatives in our analysis: a temporary 30,000-gallon replacement tank, a temporary hydro-pneumatic tank, and a smaller storage tank at the Alderpoint Road tank site. These alternatives are described in more detail below.

### Temporary 30,000-Gallon Storage Tank

The site constraints consist of both significant grade relief and tree coverage. The area required for a large temporary storage tank would require a significant impact and cost to cut down many mature and young trees. In addition, significant site grading would be required to accommodate the large temporary storage tank resulting in a substantial cost of construction.

The benefits of utilizing the large tank would be non-interruption of the existing system operation with equivalent supply and pressure head.

### Temporary Hydro-Pneumatic Tank

A temporary hydro-pneumatic tank was evaluated, which would provide the required hydraulic head to the system as a whole. Based upon the model runs performed, the elevation at the Alderpoint Road tank is too high for a temporary hydro-pneumatic tank. At the existing tank site, a temporary hydro-pneumatic tank would need to operate between 40 PSI (92.4 feet) and 60 PSI (138.6 feet). The Arthur Road pump station that feeds the Alderpoint Road tank would not be able to pump to the head required for a temporary hydro-pneumatic tank at that location.

An alternative hydro-pneumatic tank location approximately 1,500 feet toward the east, down Alderpoint Road was also evaluated. The elevations at this location were such that the Arthur Road pump station could pump to the required head. The benefits of having a temporary hydro-pneumatic tank would be the availability of full construction access at the Alderpoint Road tank site while maintaining sufficient head at the Wallan Road pump station. The temporary hydro-pneumatic tank would need to have a usable volume of at least 1,500 gallons, and an air compressor with a power source would be required. Since an equivalent storage capacity for the existing Alderpoint Road tank would not be provided, a backup generator to power the 330-foot, 70 GPM pump at the Arthur Road pump station would be necessary to provide continued operation in case of a power outage. The backup generator could be purchased by the GSD and become a component to its capital assets.

Installation of a temporary hydro-pneumatic tank at the alternative location would necessitate a pad on which to place the tank, a hot tap into the adjacent water main including pavement cuts, and trenching, and backfilling within Humboldt County right-of-way with possible pavement cuts.

#### Smaller Storage Tank at the Alderpoint Road Tank Site

A smaller storage tank at the Alderpoint Road tank site was evaluated and the results of that analysis indicate a 6,000-gallon polyethylene storage tank with dimensions of 110 inches in diameter and 179 inches in height would provide sufficient pressure head and storage for the Wallan Road pump station. The Arthur Road pump station would be able to pump to the temporary tank located adjacent to, but on the existing Alderpoint Road tank site. The temporary tank would have sufficient storage capacity to allow the Arthur Road pump station to operate as it currently does during peak season running on a full-time basis either supplementing supply or filling tanks during the 24-hour period. Although the Alderpoint Road Tank Site is highly constrained, the small size of this temporary tank will allow it to be placed on the site in a manner that will not significantly interfere with construction activities. The temporary tank would need to be secured to a stable foundation, and since the entire storage capacity of the existing tank would not be met, we recommend a backup generator for the Arthur Road pump station either be purchased or rented for the duration of the new tank construction to reduce the risk of an impact to operations in case of a power outage.

#### Summary and Recommendations

The above analysis resulted in the following findings:

1. The 30,000-gallon replacement tank will provide sufficient pressure and storage capacity, but the site impacts are so great that it would be cost prohibitive to implement.
2. The temporary hydro-pneumatic tank will provide sufficient pressure at the Wallan Road pump station, but has a significant implementation cost, and the operating noise may impact the quality of life for the neighborhood residents. Also, the temporary hydro-pneumatic tank does not provide sufficient storage capacity.
3. The smaller storage tank at the Alderpoint Road tank site will provide sufficient pressure at the Wallan Road pump station. The main advantages are that it can fit on the existing site without significantly impacting construction activities, and it will provide storage equivalent to approximately 2 hours of the peak day flow. In the model runs of the system on the theoretical peak day the tank fluctuates between full and maintaining 4.5 feet of water in the tank with normal operation at the Arthur Road pump station. Since this tank has a much smaller storage capacity than the existing tank, we recommend GSD include installation of a temporary backup generator at the Arthur Road pump station in the construction contract.

It is our recommendation GSD utilize the smaller, roughly 6,000-gallon storage tank at the Alderpoint Road tank site as the temporary water storage plan, along with the purchase or rental of a backup generator for the Arthur Road pump station during construction.

### 3.0 TANK LIFE-CYCLE COST ANALYSIS

We have performed a life-cycle cost analysis to compare the present-value costs of constructing, maintaining, and replacing five different tank and foundation alternatives for an 80-year period, which is the expected useful life of a welded steel tank. Each of the tanks included in this life-cycle cost analysis provide at least 200,000 gallons of usable storage capacity and include a preliminary assumed value for additional freeboard to account for seismic sloshing. The purpose of this analysis is to provide the District with information to be used in their selection of a tank and foundation type for the new Alderpoint Road tank. For calculating the present-value of future costs, a discount rate of 3.5 percent was applied. This rate is within the industry-standard range of 3.0 to 4.0 percent.

We considered the following types of tanks and foundation in this life-cycle cost analysis:

- Bolted steel tank with epoxy finish constructed on a concrete ring foundation
- Bolted steel tank with epoxy finish constructed on concrete slab foundation
- Bolted steel tank with fused-glass finish constructed on concrete ring foundation
- Bolted steel tank with fused-glass finish constructed on concrete slab foundation
- Welded steel tank with epoxy finish constructed on concrete ring foundation

It should be noted all of the quoted tanks on concrete slab foundations do not have a concrete floor; rather, these tanks have a steel bottom that would be placed directly on the concrete slab foundation.

The following suppliers provided budgetary proposals for the above-mentioned tanks:

- Pacific Tank Solutions in Dublin, CA
- Superior Tank Company Inc. in Rancho Cucamonga, CA
- Resource Development Company in Sparks, NV
- Paso Robles Tank Inc. in Laguna Hills, CA

When we received multiple costs for a particular type of tank, we used the average cost in our analysis.

We included the following costs in our analysis: capital costs for initial construction; tank inspection every five years, as recommended by the American Water Works Association (AWWA); and tank interior re-coating for the tanks with an epoxy finish. The fused-glass finish tanks do not typically require re-coating, and as such, re-coating costs were not included for the fused-glass finish tanks. While additional operating and equipment replacement costs will be associated with operating a water tank, these costs will be consistent regardless of the type of tank selected, and as such, have not been included in this analysis. Thus, these values are intended solely as a basis for comparing the specific tanks considered in this analysis, and should not be used as a basis for any other budgeting or comparison without due consideration of these exclusions.

Based on a conversation with Doug Allen of Resource Development Company (RDC), it is anticipated that a concrete slab foundation underneath a steel tank may actually shorten the tank lifespan when compared to a tank placed on a concrete ring foundation which is in-filled with free-draining material, such as drain rock. RDC not only installs new tanks, but also routinely dismantles and removes old tanks at the end of their service life. It has been the experience of RDC tank dismantlers that tanks placed on concrete slab foundations experience moisture problems between the tanks' steel bottom and the top of the slab, where condensation accumulates and is unable to effectively drain away. Mr. Allen indicated that significantly more corrosion is noted on the bottom on steel tanks placed on concrete slabs as opposed to steel tanks placed on drain rock. As such, RDC no longer continues to construct steel tanks atop concrete slab foundations. While the average tank costs do not necessarily reflect this, it is anticipated construction of a concrete slab may be more expensive and time-consuming than ring foundation construction.

In light of the findings from RDC, and while considering industry-standard life span ranges for bolted and welded tanks, the following life span expectancy ranges have been applied in the analysis:

- Bolted steel tank/epoxy/ ring foundation: 40 years, re-coating needed after 15 to 20 years
- Bolted steel tank/epoxy/slab foundation: 30 years, re-coated needed after 15 to 20 years
- Bolted steel tank/fused-glass/ring foundation: 40 years, no re-coating needed
- Bolted steel tank/fused-glass/slab foundation: 30 years, no re-coating needed
- Welded steel tank/epoxy/ ring foundation: 80 years, re-coating needed every 15 to 20 years

A summary of the present-value costs associated with each of the analyzed types of tanks is presented in Table 1.



Table 1: Present-Value Life-Cycle Costs per Tank Type

	Bolted Steel Tank with Epoxy Finish on Ring Foundation		Bolted Steel Tank with Epoxy Finish on Concrete Slab Foundation		Bolted Steel Tank with Fused-Glass Finish on Ring Foundation		Bolted Steel Tank with Fused-Glass Finish on Concrete Slab Foundation		Welded Steel Tank with Epoxy Finish on Ring Foundation	
	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost
<b>Capital Costs</b>	New Tank	\$208,574	New Tank	\$228,100	New Tank	\$315,700	New Tank	\$260,900	New Tank	\$225,200
<b>Year 5</b>	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345
<b>Year 10</b>	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236
<b>Year 15</b>	Inspection	\$9,461	Re-Coating	\$48,885	Inspection	\$9,461	Inspection	\$9,461	Inspection	\$9,461
<b>Year 20</b>	Re-Coating	\$41,160	Inspection	\$7,966	Inspection	\$7,966	Inspection	\$7,966	Re-Coating	\$41,160
<b>Year 25</b>	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707
<b>Year 30</b>	Inspection	\$5,647	New Tank	\$81,267	Inspection	\$5,647	New Tank	\$92,953	Inspection	\$5,647
<b>Year 35</b>	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755
<b>Year 40</b>	New Tank	\$52,680	Inspection	\$4,003	New Tank	\$79,737	Inspection	\$4,003	Re-Coating	\$20,686
<b>Year 45</b>	Inspection	\$3,371	Re-Coating	\$17,417	Inspection	\$3,371	Inspection	\$3,371	Inspection	\$3,371
<b>Year 50</b>	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838
<b>Year 55</b>	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390
<b>Year 60</b>	Re-Coating	\$10,396	New Tank	\$28,954	Inspection	\$2,012	New Tank	\$33,117	Re-Coating	\$10,396
<b>Year 65</b>	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694
<b>Year 70</b>	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426
<b>Year 75</b>	Inspection	\$1,201	Re-Coating	\$6,205	Inspection	\$1,201	Inspection	\$1,201	Inspection	\$1,201
<b>Remaining Service Life Credit</b>		\$0		-\$4,850		\$0		-\$5,548		\$0
<b>80 Year Total</b>		<b>\$376,880</b>		<b>\$462,338</b>		<b>\$469,485</b>		<b>\$451,814</b>		<b>\$361,512</b>

As can be seen in Table 1, a welded steel tank has the lowest overall life-cycle cost of all the analyzed tanks. While the capital cost of a welded tank may be slightly higher than a similarly-finished bolted steel tank, the longer life span of a welded tank drives down the anticipated cost over the next 80 years. The fused-glass-finish bolted tanks are among the most expensive tanks during the 80-year time frame analyzed. Nonetheless, the fused-glass tanks do not typically require re-coating, and represent a low-maintenance option. Both of the bolted steel tanks on concrete slab foundations are not at the end of their usable lifespan after the 80 analysis period is over. The remaining lifespan of 10 years for these tanks has been credited in the 80-year total.

Another factor to consider is the additional time required and climate constraints for coating a welded tank. Bolted tanks are delivered with a finished factory coating, and typically require, at most, light touch-up after erection. Welded tanks arrive with a factory prime coat, but the welded joints must be blasted and primed after construction, and then a finish coat is applied to the entire tank on site. Coating is weather-sensitive, and unacceptable weather (rain, high humidity, or cold temperatures) could delay completion. The anticipated construction of the Alderpoint Road Tank in the late summer and fall of 2014 could result in the coating being applied in October or November, which brings a significant risk of unacceptable weather conditions. Any delays in construction at that time of year could cause completion of the tank to be delayed until the following spring or summer. This risk can be mitigated, to some extent, by the requirement for the contractor to provide de-humidification equipment to allow completion of the interior coating. Unfortunately, unless fully tented, at a significant cost, the exterior coating must wait for favorable conditions. It is possible the interior could be finished with the aid of de-humidification equipment, but final coating of the exterior would have to be delayed until the following spring/summer. This would likely result in some additional cost for the contractor to re-mobilize.

Other than the lower life-cycle costs, the other main advantage of welded tanks is their resistance to leaks. Bolted tanks, because of the many bolt holes, are at much greater risk of leaks over time. These leaks can typically be reduced by tightening bolts or replacing gaskets, but welded tanks very rarely leak over their usable lives.

P:\7700\7714 Garberville Sanitary District\7714.02 Alderpoint Road Tank Engineering Services\10 Civil\Critical Issues Review and Recommendations Memo.docx



**Construction Cost Estimate Based on 30% Design of the  
Alderpoint Tank Construction Project**

<i>Item Description</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Cost</i>	<i>Amount</i>
Mobilization/Demobilization	LS	1	\$ 15,000	\$ 15,000
Erosion Control	LS	1	\$ 2,500	\$ 2,500
Traffic Control	LS	1	\$ 2,500	\$ 2,500
			<b>Subtotal</b>	<b>\$ 20,000</b>
<b>Demolition</b>				
Tree Removal & Clear and Grub	LS	1	\$ 8,500	\$ 8,500
			<b>Subtotal</b>	<b>\$ 8,500</b>
<b>Site Improvements</b>				
Site Excavation & Disposal	CY	625	\$ 25	\$ 15,625
8" of Aggregate Base & Grading	Ton	275	\$ 35	\$ 9,625
8-Foot Security Fence & Gate	LF	300	\$ 50	\$ 15,000
Rock Lined Drainage Swale	LF	75	\$ 45	\$ 3,375
Tree Planting	EA	16	\$ 500	\$ 8,000
			<b>Subtotal</b>	<b>\$ 51,625</b>
<b>Tank Construction</b>				
200,000 Gallon Water Tank	LS	1	\$ 275,000	\$ 275,000
Site Piping and Seismic Connections	LS	1	\$ 35,000	\$ 35,000
Temporary Water Storage	LS	1	\$ 13,000	\$ 13,000
25KW Portable Standby Generator	LS	1	\$ 25,000	\$ 25,000
			<b>Subtotal</b>	<b>\$ 348,000</b>
			<i>Construction Subtotal</i>	<i>\$ 428,100</i>
			<i>Construction Staking</i>	<i>\$ 2,500</i>
			<i>30% Contingency</i>	<i>\$ 128,400</i>
			<b>Construction Total</b>	<b>\$ 559,000</b>

## GEOTECHNICAL DESIGN MEMORANDUM

Alderpoint Road Water Tank  
Humboldt County, California  
Garberville Sanitary District

Date: April 30, 2014

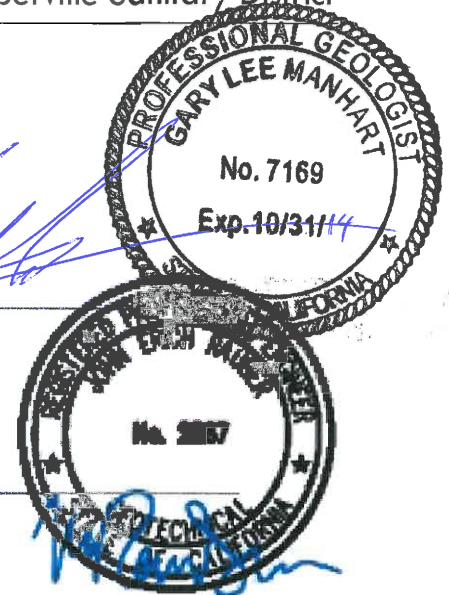
Project No.: 7714.02

Prepared For: Garberville Sanitary District

Prepared By: Gary L. Manhart  
PG No. 7169, EXP. 10/31/15

Reviewed By: Erich Rauber  
GE No. 2887, EXP. 9/30/15

Enclosures: Figure 1: Location/Geologic Map  
Figure 2: Geologic Map Legend  
Figure 3: Site Plan  
Appendix 1: Boring Logs  
Appendix 2: Laboratory Test Results



### INTRODUCTION

This memorandum has been prepared by LACO Associates (LACO) to present the results of our geotechnical exploration in connection with Garberville Sanitary District's (GSD's) Alderpoint Road Water Tank project in Garberville, California. The project site is on the north side of Alderpoint Road, approximately 1.1 miles east of the Redwood Drive/Alderpoint Road intersection. GSD plans to replace the existing 30,000-gallon, wooden water storage tank with a 200,000-gallon, steel tank. In general, we anticipate the upper 4 to 5 feet of soil will be removed to accommodate the new tank.

Our scope of services was authorized by Ralph Emerson, GSD General Manager, and was limited to the following services.

- Review existing published geologic maps and readily available unpublished soils and geologic reports pertinent to the site.
- Conduct a field exploration program limited to geologic/geomorphic mapping and subsoil exploration with a backhoe.

Our scope of services was authorized by Ralph Emerson, GSD General Manager, and was limited to the following services.

- Review existing published geologic maps and readily available unpublished soils and geologic reports pertinent to the site.
- Conduct a field exploration program limited to geologic/geomorphic mapping and subsoil exploration with a backhoe.
- Conduct a laboratory testing program of selected soil/rock samples to characterize relevant soil/rock properties.
- Prepare this technical memorandum documenting existing subsurface conditions and providing foundation and earthwork recommendations for the proposed tower and related structures.

## FIELD EXPLORATION AND LABORATORY TESTING

On April 14, 2014, LACO explored subsurface conditions by drilling three test borings, extending 26.5 to 38.4 feet below ground surface (bgs), utilizing a Deep Rock DR8K Drill rig. The approximate test boring locations are shown on Figure 1. Our geologist logged the materials encountered in the test borings and collected soil samples using a 1.5-inch inside diameter Standard Penetration Test sampler, and a 2.5-inch inside diameter modified California sampler. Soils were logged in accordance with ASTM D 2488 (Visual-Manual Procedure); the boring logs are presented in Appendix 1. Upon completion, the soil borings were backfilled with grout slurry and soil cuttings to approximately match adjacent existing grades.

Select soil samples were submitted to LACO's materials testing laboratory for analysis. Laboratory analysis was performed to estimate pertinent soil parameters and included the following:

- Direct Shear Test (ASTM D3080)
- In-Place Density and Moisture Content (ASTM D2216 and D2937)
- Fraction finer than #200 Sieve (ASTM C117)
- Atterberg Limits Test (ASTM D4943)

Laboratory test results are included as Appendix 2 and are summarized in Table 1.

*Table 1: Laboratory Test Results*

Boring	Depth (feet bgs)	ASTM C117	ASTM D3080		ASTM 2216	ASTM D2937	ASTM D4943 Atterberg Limits Test	
		Finer than #200 Sieve	Friction Angle (degrees)	Cohesion (psf)	Dry Density (pcf)	Moisture Content (percent H <sub>2</sub> O)	LL	PI
B-1	5.0 – 6.5	28%	---	---	---	---	25	5
	15 – 16.5	32%	---	---	---	---	---	---
B-2	5.0 – 5.5	17%	---	---	---	---	---	---
	10.0 – 10.5	46%	40	104	113	14	---	---
B-3	5.0 – 5.5	25%	---	---	---	---	---	---

*Note: bgs = below the ground surface; psf = pounds per square foot; pcf = pounds per cubic foot, --- = not tested*

LACO will archive the soil samples collected for this project for 30 days following the issuance of this memorandum. Unless directed otherwise by the Client, all samples will be discarded after the 30-day archive period.

## GEOLOGIC AND GEOMORPHIC SETTING

The site is located within a seismically active region which is subject to frequent moderate to large earthquakes. North of the Mendocino Triple Junction, the regional tectonic framework is controlled by the Cascadia Subduction Zone (CSZ), wherein the oceanic crust of the Juan de Fuca/Gorda plate is being actively subducted beneath the leading edge of the North American plate. The CSZ in its entirety extends from the Mendocino Triple Junction to British Columbia. Plate convergence along the Gorda segment of the CSZ is occurring at a rate of approximately 30 to 40 millimeters per year (mm/yr) (Heaton & Kanamori 1984). Rupture along the entire CSZ boundary has the potential to produce an earthquake with a moment magnitude ( $M_w$ ) of 9.0 or greater (Satake 2003).

Based on a review of natural exposures in the vicinity of the site and published geologic mapping (Figures 2 and 3), the site is underlain by undifferentiated sedimentary soils of the Pleistocene to Miocene Wildcat Group. These sediments are typically composed of fine-grained, massive sandstone with minor amounts of siltstone, mudstone, and conglomerate (CDMG 1983). Structurally, the Wildcat Group in the vicinity of the site has a northwest-southeast strike with a shallow (20 degrees) dip to the northeast.

Several inactive fault splays associated with the northwest-trending Garberville-Briceland fault zone is mapped approximately 1.25 miles to the southwest of the site (Figure 1 and 2; CDMG 1983).

The Garberville-Briceland fault zone is reportedly the northern extension of the active Maacama and Hayward-Rogers Creek fault zones to the south (Petersen *et al* 1996). In the vicinity of the town of Garberville, the Garberville-Briceland fault zone is approximately 2 miles wide and comprises multiple, sub-parallel fault traces oriented in a northwesterly direction (CDMG1983).

The slip rates on the Maacama and Garberville-Briceland fault zones are not well constrained, but are assumed to be equal to that of the Hayward-Rogers Creek fault zone, reported to be 9 millimeters per year (mm/yr). GPS studies in the region suggest approximately 14 mm/year of slip occurs on the Maacama fault (Frey Mueller *et al* 1999), while the Garberville-Briceland segment accommodates  $5.3 \pm 3.5$  mm/year.

The site is surrounded by mapped slope instability. A small debris slide is mapped to the east of the site (CDMG1983). Site Slope instability was observed in the vicinity of the project during field reconnaissance. Areas of "inactive" slope instability were noted to the northeast and a small "inactive" debris slide to the east. An "inactive" rotational slide is located approximately 50 feet to the west-northwest of the proposed tank footing (Figure 3).

Table 2 presents a summary of geologic and seismic hazards as required by section 1803.5.11 of the 2013 CBC.

Table 2: Summary of Geologic and Seismic Hazards

Hazard	Risk	Note/Reference
Slope Instability	Low to moderate	<ul style="list-style-type: none"> <li>• Site is located on a ridge</li> <li>• &lt;10 feet setback from slopes 2:1 or steeper</li> <li>• Not within a mapped area of instability (CDMG 1983); however, there is a small debris flow mapped just north-northeast of the tank site, down slope of the access road.</li> <li>• Evidence of recent or incipient slope instability was observed approximately 50 feet from the proposed tank footprint.</li> </ul>
Liquefaction	Negligible	<ul style="list-style-type: none"> <li>• Pleistocene age soil</li> </ul>
Settlement	Low <sup>1</sup>	<ul style="list-style-type: none"> <li>• Primarily granular soil</li> </ul>
Surface Displacement	Negligible	<ul style="list-style-type: none"> <li>• Not located within an Alquist-Priolo earthquake fault hazard zone (CGS 2007)</li> <li>• Negligible liquefaction hazard (see above)</li> </ul>

<sup>1</sup>Design loads for the proposed structures have not been provided to LACO. LACO assumes lightly-loaded structures.

## SURFACE AND SUBSURFACE CONDITIONS

### Surface

The proposed tank site is generally flat lying with slopes falling to the north and a cutbank to the south. The site has several large trees within the proposed development area. Surface soils are generally less than 1 foot in depth. The existing tank site is surrounded by brush to the south, west, and north. It is accessed from the east off Alderpoint Road (Figure 3).

### Subsurface

Site soils generally consist of medium-dense to dense silty sands with 7 to 40 percent fine gravel. These materials are underlain by hard to very hard fine sandy silt to maximum depth explored. Expansive soils generally consisting of cohesive, fine-grained clay soils represent a significant structural hazard to buildings founded on them, especially where seasonal fluctuations in soil moisture occur at the foundation-bearing depth. The soils encountered during our field exploration consist primarily of granular soils (sands). Atterberg limit testing performed on sample B-1 at 5.0 to 6.5 feet, recorded Liquid Limit (LL) of 25 and a plasticity index (PI) of 5. The LL and PI value are associated with soil having a low expansion potential (Day 1999). Based on the above, we conclude the risk of expansive soils detrimentally affecting the proposed development at the site is negligible. Groundwater was not encountered at depths of 26.5 to 38.4 feet bgs. Therefore, the risk of encountering groundwater in relatively shallow utility trenches or other required earthwork excavations for the proposed development is considered low.

## CONCLUSIONS AND RECOMMENDATIONS

### General

The results of our exploration indicate the project is feasible from a geotechnical standpoint. The tank can be supported on shallow ring wall footing or directly on grade. If designed and constructed consistent with the following recommendations, we estimate the tank will experience total settlement of approximately 1 inch with differential settlement across the tank of approximately ½ inch.

### Foundations

The foundation system should bear on native medium-dense to dense gravelly silty sand approximately 1 foot bgs. For design, use a maximum allowable bearing pressure of 2,000 pounds per square foot (psf) for dead loads. This value may be increased by one-third when considering the effects of wind or seismic loads. The ring wall footing should be at least 12 inches wide and extend at least 18 inches below the lowest adjacent finish grade. Setbacks of the face of foundation elements to breaks in slope 2:1 or steeper should be a minimum of 10 feet.

Resistance to lateral forces can be generated by friction between the foundations and underlying soil and passive pressure against the vertical faces of foundations. Use an allowable passive pressure of 150 pounds per cubic foot, and an allowable coefficient of friction of 0.3 between the footing bottoms and underlying soil. If friction and passive pressures are combined, the lesser value should be reduced by 50 percent.

Footing concrete should generally be placed neat against a firm soil surface that is relatively free of loose debris material. If backfill against formed footings is required, it should be a structural fill material that is placed and compacted as recommended in the earthwork section of this memorandum.

### SLOPE STABILITY

To qualitatively evaluate the stability of slopes, we utilized software based on assumed conservative soil strength parameters and observed soil conditions. Although numerical results are presented below, our analysis should be considered preliminary.

We evaluated the potential for rotational failure of the existing slopes under several idealized configurations. The analysis was performed using Slide (version 5.0) software. The Slide software assesses the stability of the slope using both Bishop' Modified and Janbu methods to compare the forces resisting failure to the forces driving failure. The ratio of the two forces is defined as a "factor of safety" (F). In a stable slope, the forces resisting failure exceed the driving forces and the resultant F is greater than 1.0. The greater the F, the greater the stability of the slope. Our analysis assumed a simplified one-layer model to represent the slope with homogenous materials.

Based on laboratory test results of the site soils and our experience with similar soils, our analysis assumed the following soil strength and weight values:

- Cohesion 1000 pounds per square foot
- Friction Angle 30 degrees
- Unit Weight (moist) 130 pounds per cubic foot
- Unit Weight (saturated) 145 pounds per cubic foot



Two different surface water conditions were modeled for the slope to simulate saturated and unsaturated conditions.

Our analysis included a uniform slope configuration of 2:1 (Horizontal: Vertical). With the exception of the vertical face scenario, slope configurations were modeled with 300 feet of vertical relief (the height between the top and bottom of the modeled slope). The vertical slope configuration was modeled under a variety of static, pseudostatic, loaded and unloaded scenarios.

The static factor of safety of the modeled slopes and groundwater conditions are summarized in Table 3. A graphical representation of the results is presented in Attachment 2.

Table 3: Summary of Static Factor of Safety Results

Slope Gradient (Horizontal : Vertical)	Drained	undrained
2:1	1.7	0.7

Based on the result of the slope stability analysis, existing slopes with or without the water tank load are stable. The factor of safety in the drained condition is what can be expected for the site. Typical practice is to consider a static factor of safety of 1.5 or greater as acceptable for most developments. Three other conditions were modeled to evaluate the stability of the slopes with or without the water tank. Groundwater conditions were modeled where the groundwater was at the surface of the site and the undrained conditions are under a simplified seismic load. While the factor of safety is below 1, indicating the slopes have already failed, none of the conditions modeled are representative of actual site conditions and were only produced to evaluate whether the loading of the slopes from the water tank would increase the likelihood of slope failure. The results are presented in Attachment 2. The map and observed "inactive" slope instabilities in our opinion should not impact development at the site, provided our recommendations are adhered to. Drainage of surface water at the site should be directed away from areas of slope instability. Drainage should be controlled such that concentrated flows do not occur.

## Earthwork

The following sections provide earthwork recommendations to suitably prepare the site for construction of the new structures. Recommendations for site and subgrade preparation; excavation criteria; fill and backfill quality and compaction; and surface drainage control are presented.

### Site Preparation and Grading

We recommend proposed new structure foundation locations be stripped of surface debris and topsoils to expose the underlying undisturbed subsoils. Actual removal depths required should be evaluated at the time of construction by a LACO engineer/geologist. The stripped and removed materials should be used as fill in landscape area or disposed of offsite.

Areas to receive fill should be scarified, moisture conditioned as necessary and compacted as described in the Fill Quality and Compaction section of this memorandum. If placed on slopes steeper than 4:1 (horizontal : vertical), a keyway should be constructed, The keyway bottom should be relatively flat and level, at least 8 feet wide, extend at least 2 feet into stiff/dense natural soil, and should be observed by a

LACO engineer/geologist prior to fill placement. Cut and fill slopes should be no steeper than 2:1. Our investigation indicates on-site soils are suitable for use as fill. Where new fill is needed to provide the desired subgrade for planned foundation elements or site access requirements, it should meet the quality and compaction standards presented below.

Earthwork including, but not limited to, site clearing, stripping, grubbing, and excavation should be conducted during dry-weather conditions, if feasible. If wet-weather site preparation is to be conducted, dewatering of excavations may be required.

**Fill Quality and Compaction Standard**

Fill materials used in building/tank areas should be composed of soil material having a low expansion potential, and be free of organic content, debris, and/or other deleterious matter. It should be placed on an approved excavation bottom as described above. The fill material should not generally contain rocks larger than 3 inches in greatest dimension, or more than 15 percent larger than 2 inches and conform to the following specifications:

Plasticity Index:	less than 15%
Liquid Limit:	less than 40%
Percent passing No. 200 sieve:	50 maximum, 5 minimum

Fill materials placed within structure areas having perimeter foundations and slabs should be moisture conditioned to near optimum and compacted by mechanical means to a minimum of 90 percent of the maximum dry density as determined by the ASTM D1557 test procedure. Structural fill materials should generally be placed in lifts not to exceed 8 inches in loose thickness.

**Seismic Design Parameters**

The site is not located within an Alquist-Priolo Earthquake Fault Zone. The closest active fault, as zoned by the State, is the San Andreas Fault, located about 17 miles southwest of the site. Our exploration indicates the site and proximity can be assigned a Site Class D based on average soil properties in the top 100 feet and Section 1613.3.2 of the 2013 CBC. Site Class D is defined as a "Stiff soil" with average standard penetration test (SPT) blow count of 15 to 50 and a shear wave velocity of 600 to 1,200 feet per second.

The design spectral response accelerations  $S_s$ ,  $S_1$ ,  $F_a$ ,  $F_v$ ,  $S_{MS}$ ,  $S_{M1}$ ,  $S_{DS}$ , and  $S_{D1}$  were determined using the USGS U.S. Seismic Design Map application (Last Modified, March 10, 2013), and based on the American Society of Civil Engineers (ASCE) Standard 7-10, Minimum Design Loads for Buildings and Other Structures analysis option. Calculated values are presented in Table 5.

*Table 5: Summary of Seismic Design Factors*

Site Class	$F_a$	$F_v$	$S_s$	$S_1$	$S_{MS}$	$S_{M1}$	$S_{DS}$	$S_{D1}$
D	1.000	1.500	1.900	0.766	1.900	1.148	1.267	0.766

*\*Latitude and longitude are 39.727078° North and -121.790329° West, respectively, based on coordinates provided by Google Earth.*

These design spectral response accelerations are further defined as follows:

- Fa Short period coefficient to modify 0.2-second period of mapped spectral response accelerations for Site Class E.
- Fv Long period coefficient to modify 1.0-second period of mapped spectral response accelerations for Site Class E.
- Ss Mapped spectral response acceleration, 5 percent damped, at 0.2-second period for Site Class B (%g).
- S<sub>1</sub> Mapped spectral response acceleration, 5 percent damped, at 1.0-second period for Site Class B (%g).
- S<sub>MS</sub> Maximum considered earthquake spectral response acceleration, 5 percent damped, at 0.2-second for Site Class effects (%g).
- S<sub>M1</sub> Maximum considered earthquake spectral response acceleration, 5 percent damped, at 1.0-second period for Site Class effects (%g).
- S<sub>DS</sub> Design spectral response acceleration, 5 percent damped, at 0.2-second period (%g).
- S<sub>D1</sub> Design spectral response acceleration, 5 percent damped, at 1.0-second period (%g).

## Construction Considerations

Based on the subsurface conditions encountered at the boring locations, required excavations will be made in residual soils. These materials should be easily dug with an excavator or backhoe.

Temporary excavations and construction slopes should be designed, planned, constructed, and maintained by the Contractor and should conform to applicable local, state, and federal regulations including the current Occupational Safety and Health Administration (OSHA) Excavation and Trench Safety Standards. To help minimize the risk of ground movement and/or settlement, construction equipment, building materials, excavated soil, vehicular traffic, and other similar loads should not be allowed near the top of any unshored excavation. Where the stability of adjoining buildings, walls, pavements, or other similar improvements may be endangered by excavation operations, and to protect personnel working in the excavation, support systems such as shoring, bracing, or underpinning may be required to provide structure and trench wall stability.

Excavation operations are dependent on construction methods and schedules and, as such, the Contractor shall be solely responsible for the design, installation, maintenance, and performance of all shoring, bracing, underpinning, and other similar excavation-related systems. Under no circumstances should anything written herein be inferred to mean that LACO assumes any responsibility for temporary excavations or the safety thereof. Nor does LACO assume any responsibility for the design, installation, maintenance, and performance of any shoring, bracing, underpinning, or other similar excavation-related systems.

The site is in a relative remote area; however, there are several buried utility lines in the vicinity of the planned tank site that need to be protected or otherwise avoided during construction.

## CONSULTATION, OBSERVATION, AND TESTING

Prior to construction, LACO should review the design drawings to check that they conform to the intent of the recommendations contained in this memorandum. During construction, to check that the geotechnical aspects of the work are performed in accordance with the drawings and specifications, and that the conditions exposed are consistent with those assumed in the preparation of this memorandum are valid, LACO should be retained for the following:

- Observe site grading and exposed grades prior to placement of engineered (structural) fills;
- Observe foundation excavations prior to placement of any forms or reinforcing steel;
- Observe the placement of engineered fill, and perform in-place field density tests; and
- Test fill to check that the required relative compaction is achieved.

The fee for these services is not included in LACO's current investigation scope of services. LACO would be pleased to provide a scope and fee estimate for these services at the time the project plans are near completion, and when project construction schedules are known.

## LIMITATIONS

This Geotechnical Design Memorandum has been prepared for the exclusive use of Garberville Sanitary District, their contractors and sub-consultants, and appropriate public authorities for specific application to development of the site as described in this report. LACO has endeavored to comply with the generally accepted geotechnical engineering standard of care common to the local area. LACO makes no other warranty, express or implied.

The findings, analyses, and recommendations contained in this memorandum are based on data obtained from subsurface explorations and laboratory tests. The exploration methods used indicate subsurface conditions only at specific locations where samples were obtained, only at the time they were obtained, and only to the depths penetrated. Samples cannot always be relied upon to accurately reflect stratigraphic variations that commonly exist between sampling locations, nor do they necessarily represent conditions at any other time.

The recommendations included in this memorandum are based in part on assumptions about subsurface conditions that may only be confirmed during earthwork. Accordingly, the validity of these recommendations is contingent upon LACO being retained to provide additional professional services during project design and construction. LACO cannot assume responsibility or liability for the adequacy of the report recommendations when they are applied in the field unless LACO is retained to observe and test during project construction. Please contact us to further discuss the extent of such observations and tests required to check the validity of our recommendations.

This reports findings, conclusions, and/or recommendations should not be used if the nature, design, or location of the proposed development is changed. If changes are contemplated, LACO should be consulted to review the impact on the applicability of the findings, conclusions, and/or recommendations contained in this report. Also, LACO will not be responsible for any claims, damages, or liability associated with any other party's interpretation of the subsurface data or reuse of this memo for other projects, or at other locations, without our express written authorization.

## REFERENCES

- CBC (California Building Code), 2013 edition.
- California Division of Mines and Geology (CDMG), 1983, Geology and Geomorphic Features Related to Landsliding, Garberville 7.5' Quadrangle, Humboldt County, California, Scale 1:24,000, DMG OFR 83-26.
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## FIGURES

- |                 |  |
|-----------------|--|
| <b>Figure 1</b> | <b>Garberville 7.5 Minute Quad Landslide Map</b> |
| <b>Figure 2</b> | <b>Landslide Map Legend</b>                      |
| <b>Figure 3</b> | <b>Site Map with Boring Locations</b>            |

# LACO

EUREKA • UKIAH • SANTA ROSA

1-800-515-5054 www.lacoassociates.com

PROJECT	GEOTECHNICAL DESIGN REPORT	BY	JB	FIGURE	1
CLIENT	GARBERVILLE SANITARY DISTRICT	DATE	4/29/14		
LOCATION	GARBERVILLE, CA.	CHECK	GLM	JOB NO.	7714.02
GARBERVILLE 7.5 MINUTE QUAD LANDSLIDE MAP					

REUSE OF DOCUMENTS: This document and the ideas and design incorporated herein, as an instrument of professional service, is the property of LACO Associates and shall not be reused in whole or part for any other project without LACO Associates express written authorization.



Apr 29, 2014 8:22am  
T:\Cadfiles\7700\7714.02 GSD ALDERPOINT ROAD TANK SITE\DWG\ 7714.02 R2 REPORT FIGURE 1.dwg



## GARBERVILLE 7.5 MINUTE QUADRANGLE LANDSLIDE MAP

0 1000' 2000'



SCALE: 1"=2000'


Compiled by  
Thomas E. Spittler, Geologist  
California Department of Conservation  
Division of Mines and Geology  
1983





PROJECT	GEOTECHNICAL DESIGN REPORT	BY	JB	FIGURE <b>2</b>
CLIENT	GARBerville SANITARY DISTRICT	DATE	4/29/14	
LOCATION	GARBerville, CA.	CHECK	GLM	JOB NO. <b>7714.02</b>
	LANDSLIDE MAP LEGEND	SCALE	N.T.S.	


REUSE OF DOCUMENTS: This document and the ideas and design incorporated herein, as an instrument of professional service, is the property of LACO Associates and shall not be reused in whole or part for any other project without LACO Associates express written authorization.


## EXPLANATION


 **TRANSLATIONAL/ROTATIONAL SLIDE:**  $\blacktriangleleft$  indicates scarp,  $\checkmark$  indicates direction of movement; solid where active, dashed where dormant, queried where uncertain.

 **EARTHFLOW:**  $\curvearrowright$  indicates scarp,  $\leftarrow$  indicates general direction of movement; solid where active, dashed where dormant.


 **DEBRIS SLIDE:** includes scarp and slide deposits; solid where active, dashed where dormant.

 **DEBRIS FLOW/TORRENT TRACK:** solid where active, dashed where dormant.

 **DEBRIS SLIDE AMPHITHEATER/SLOPE**

 **INNER GORGE:** +++ where too narrow to delineate at this scale.

- **ACTIVE SLIDE:** too small to delineate at this scale.

 **DISRUPTED GROUND:** irregular ground surface caused by complex landsliding processes resulting in features that are indistinguishable or too small to delineate individually at this scale; also may include areas affected by downslope creep, expansive soils, and/or erosion; boundaries usually are indistinct.

**Qsc STREAM/RIVER CHANNEL DEPOSITS (Holocene):** dominantly sand and gravel with minor amounts of silt and clay in active stream channel along major streams and rivers; characteristically unvegetated.

**Q ALLUVIUM (Holocene):** dominantly sand and gravel with minor amounts of silt and clay deposited by streams above active channel; characteristically vegetated.

**Qf ALLUVIAL FAN DEPOSITS (Holocene):** alluvial sand and gravel deposited in characteristic fan-cone shape at the mouths of eroding stream canyons.

**Qrt RIVER TERRACE DEPOSITS (Holocene-Pleistocene):** dominantly sand and gravel with minor amounts of silt and clay deposited during higher stands of major streams and rivers.

**Qort OLDER RIVER TERRACES (Pleistocene?):** flat-lying elevated surfaces along major streams and rivers, generally capped by sand and gravel.

**QTW WILDCAT GROUP UNDIFFERENTIATED (Pleistocene-Miocene):** fine-grained, massive sandstone with minor amounts of siltstone, mudstone, and pebbly conglomerate.


**TKfs FRANCISCAN COASTAL BELT SEDIMENTARY ROCKS (Tertiary-Cretaceous):** siltstone, shale, sandstone, and mudstone; highly sheared in places; generally more deformed than Yager Formation.


**TKy YAGER FORMATION (Tertiary-Cretaceous):** well-consolidated silty shale, siltstone, sandstone, mudstone, and conglomerate; highly sheared in places; silty shale and mudstone often disaggregate by slaking when wetted.


**KJfs FRANCISCAN CENTRAL BELT SANDSTONE (Cretaceous-Jurassic):** sandstone with interbedded siltstone, shale, and conglomerate; sandstone generally consolidated and gray-green; sheared in places.


**fm FRANCISCAN MELANGE (Cretaceous-Jurassic):** pervasively sheared argillaceous matrix containing pebble-sized to individually mappable blocks of graywacke sandstone, greenstone, chert, blue schist, serpentine, metagraywacke, gabbro, and diorite.


**gb GABBRO (Cretaceous-Jurassic):** medium-grained, crystalline, dark gray intrusive rock observed as large mappable blocks in Franciscan melange.


 **LITHOLOGIC CONTACT:** dashed where approximately located.


 **FAULT:** dashed where approximately located, dotted where projected.


 **LINEAMENT:** linear features of unknown origin observed on aerial photographs.


 **STRIKE AND DIP OF BEDDING:** symbol in Q or Qsc refers to underlying bedrock unit.


 **STRIKE AND DIP OF FOLIATION, FRACTURE OR SHEAR**


 **ANTICLINAL AXIS:** small-scale fold away from which beds dip.

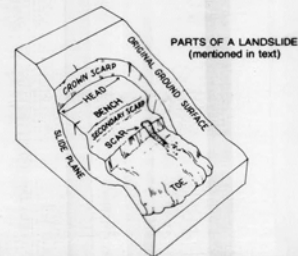
 **SYNCLINAL AXIS:** small-scale fold into which beds dip.

 **QUARRY OR BORROW PIT**

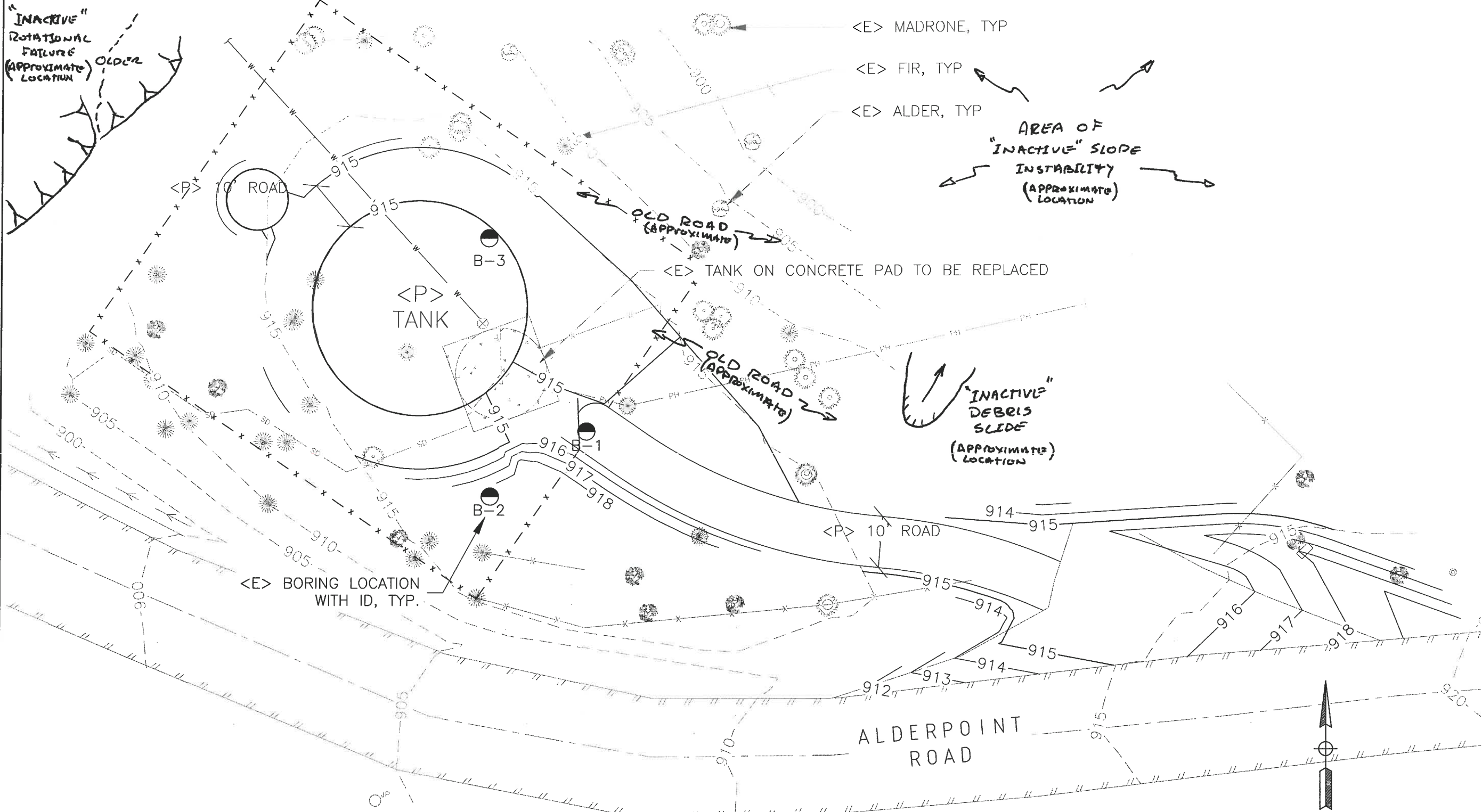
 **SPRING**

 **MARSH**

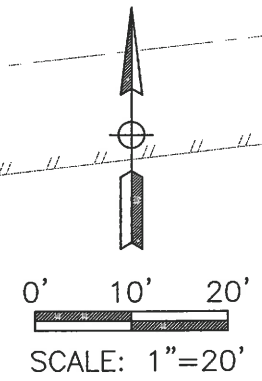
 **SLOPES > 70 PERCENT:** determined from map contours, aerial photo interpretation, and field reconnaissance.







**NOTE:**  
 BORING LOCATIONS ARE APPROXIMATE.  
 LOCATIONS ARE BASED OFF SWING TIE  
 INFORMATION FROM FIELD VISIT, 4/2014.



NO.	HISTORY / REVISION	BY	CHK	DATE

R1/R2 GEOLOGIC REPORT  
 SITE MAP WITH BORING LOCATIONS  
 GARBERVILLE SANITARY DISTRICT  
 GARBERVILLE, CA.

DRAWN	JB
CHECK	GLM
APPROVED	
DATE	4/25/14
JOB NUMBER	7714.02
FIGURE	3

Apr 28, 2014 4:41 pm T:\Caddfiles\7700\7714.02 GSD ALDERPOINT ROAD TANK SITE.DWG 7714.02 R2 REPORT FIGURE 3.dwg

## APPENDIX 1

### **Boring Logs**

CLIENT Garberville Sanitary District  
 PROJECT NUMBER 7714.02  
 DATE STARTED 4/14/14 COMPLETED 4/14/14  
 DRILLING CONTRACTOR Clear Heart Drilling  
 DRILLING METHOD DR7KTrack Mounted  
 LOGGED BY GLM CHECKED BY \_\_\_\_\_

PROJECT NAME Alderpoint Road Water Tank  
 PROJECT LOCATION Alderpoint Road, Garberville  
 GROUND ELEVATION 918.5 feet HOLE SIZE 6 inches  
 GROUND WATER LEVELS:  
 AT TIME OF DRILLING ---  
 AT END OF DRILLING ---

NOTES \_\_\_\_\_

GEOTECH LOG - COLUMNS - GINT STD US LAB GDT - 4/29/14 15:44 - P:\GINT FILES\PROJECTS\7714.02 GSD WATER TANK ALDERPOINT ROAD.GPJ

DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (RQD)	BLOW COUNTS (N VALUE)	WET UNIT WT. (pcf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS					
									LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	FINES CONTENT (%)		
0		Leaf litter and duff (SM) yellow brown, moist, medium dense to dense, ~10% to 15% fine gravel												
5			▲ SPT	100	14-14-14 (28)				25	20	5	28		
10			▲ SPT	100	11-11-15 (26)									
15			▲ SPT	100	10-9-14 (23)								32	
20			▲ SPT	100	16-23-21 (44)									
25		(ML) dark gray, moist, hard	▲ SPT	100	12-20-24 (44)									
30			▲ MC	89	18-26-35 (61)									
35			▲ MC	61	36-50									
			▲ SPT	92	20-34-50 (84)									
Refusal at 38.4 feet. Bottom of borehole at 38.4 feet.														

**CLIENT** Garberville Sanitary District      **PROJECT NAME** Alderpoint Road Water Tank  
**PROJECT NUMBER** 7714.02      **PROJECT LOCATION** Alderpoint Road, Garberville  
**DATE STARTED** 4/14/14      **COMPLETED** 4/14/14      **GROUND ELEVATION** 917.75 feet      **HOLE SIZE** 6 inches  
**DRILLING CONTRACTOR** Clear Heart Drilling      **GROUND WATER LEVELS:**  
**DRILLING METHOD** DR7KTrack Mounted      **AT TIME OF DRILLING** ---  
**LOGGED BY** GLM      **CHECKED BY** ---      **AT END OF DRILLING** ---

**NOTES**

GEOTECH LOG - COLUMNS - GINT STD US LAB.GDT - 4/29/14 15:44 - P:\GINT FILES\PROJECTS\1714.02 GSD WATER TANK ALDERPOINT ROAD.GPJ

DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (RQD)	BLOW COUNTS (N VALUE)	WET UNIT WT. (pcf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS			FINES CONTENT (%)
									LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	
0		Leaf litter and duff (SM) yellow brown, moist, medium dense to dense, ~10% fine gravel										
5			MC	100	8-11-12 (23)							17
10		(SM) yellow brown, moist, medium dense to dense	MC	89	7-8-10 (18)	129	113	14				46
15		wellow brown to gray, moist, hard	MC	100	11-24-35 (59)							
20			MC	56	33-50							
25			SPT	100	20-31-30 (61)							

Bottom of borehole at 26.5 feet.

**CLIENT** Garberville Sanitary District      **PROJECT NAME** Alderpoint Road Water Tank  
**PROJECT NUMBER** 7714.02      **PROJECT LOCATION** Alderpoint Road, Garberville  
**DATE STARTED** 4/14/14      **COMPLETED** 4/14/14      **GROUND ELEVATION** 918 feet      **HOLE SIZE** 6 inches  
**DRILLING CONTRACTOR** Clear Heart Drilling      **GROUND WATER LEVELS:**  
**DRILLING METHOD** DR7KTrack Mounted      **AT TIME OF DRILLING** ---  
**LOGGED BY** GLM      **CHECKED BY** ---      **AT END OF DRILLING** ---

**NOTES**

GEOTECH LOG - COLUMNS - GINT STD US LAB.GDT - 4/29/14 15:44 - P:\GINT FILES\PROJECTS\7714.02 GSD WATER TANK ALDERPOINT ROAD.GPJ

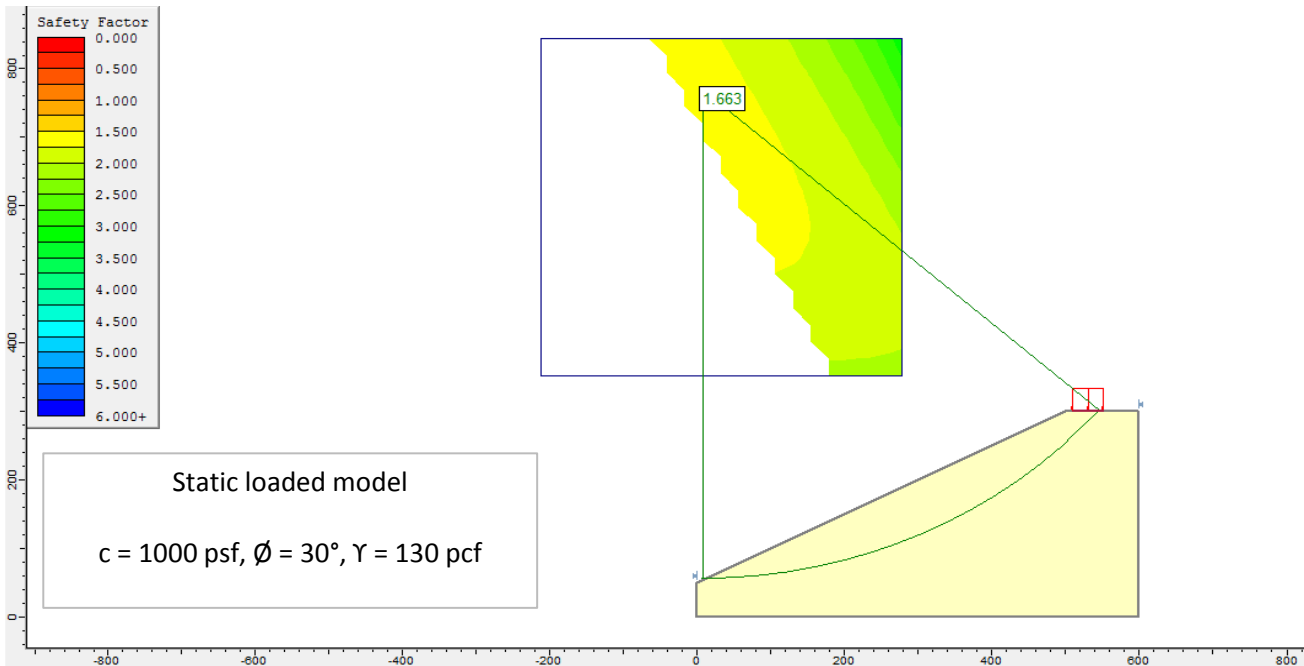
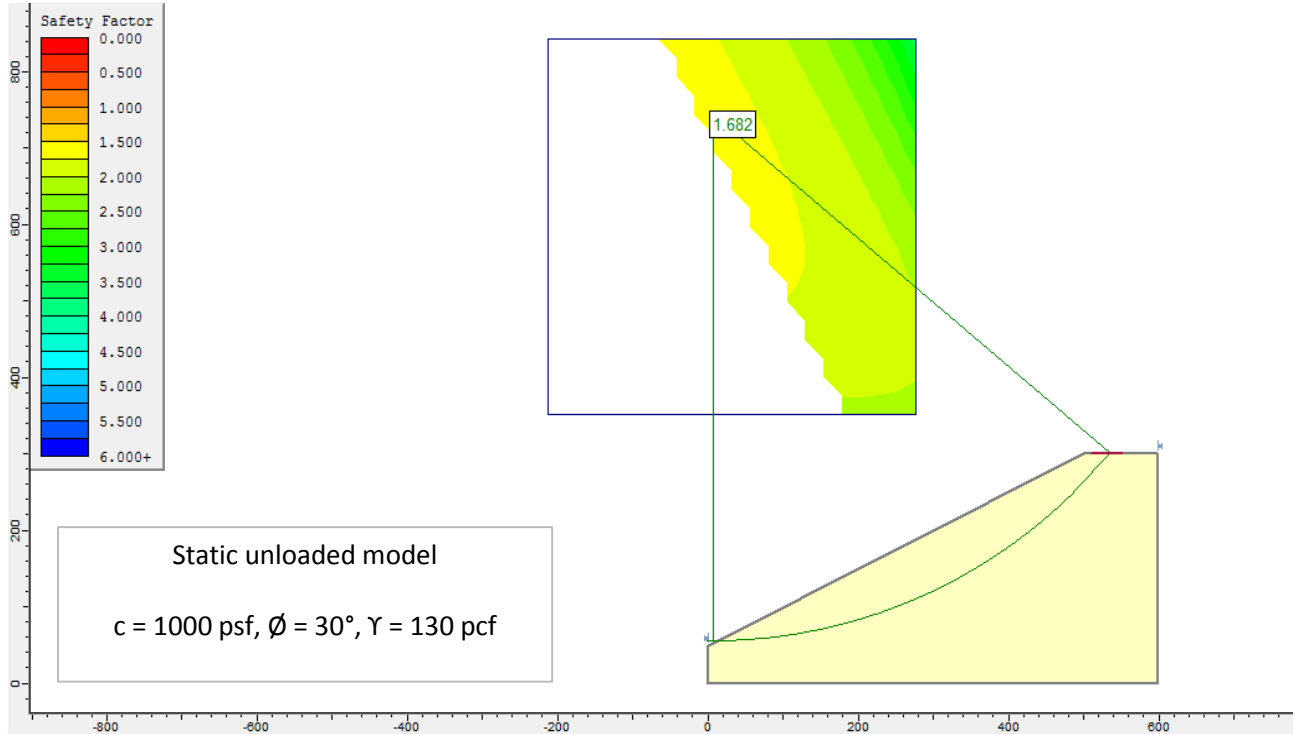
DEPTH (ft)	GRAPHIC LOG	MATERIAL DESCRIPTION	SAMPLE TYPE NUMBER	RECOVERY % (RQD)	BLOW COUNTS (N VALUE)	WET UNIT WT. (pcf)	DRY UNIT WT. (pcf)	MOISTURE CONTENT (%)	ATTERBERG LIMITS			FINES CONTENT (%)
									LIQUID LIMIT	PLASTIC LIMIT	PLASTICITY INDEX	
0		Leaf litter and duff (SM) yellow brown, moist, medium dense to dense, ~10% to 15% fine gravel										
5			MC	89	21-30-37 (67)							25
10			MC	28	50							
15			SPT	100	31-39-50 (89)							
20		(ML) yellow brown to light brown, moist, hard	SPT	56	20-18-24 (42)							
25			SPT	100	12-16-21 (37)							

Bottom of borehole at 26.5 feet.

## APPENDIX 2

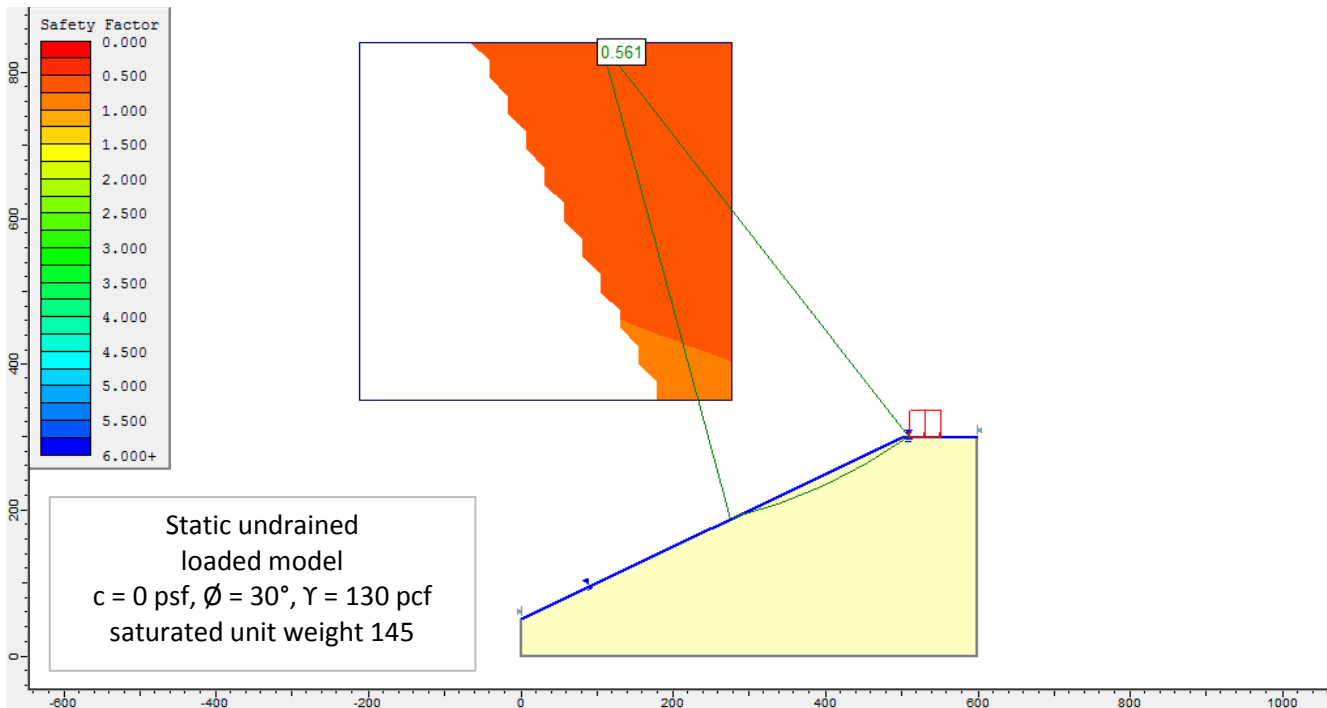
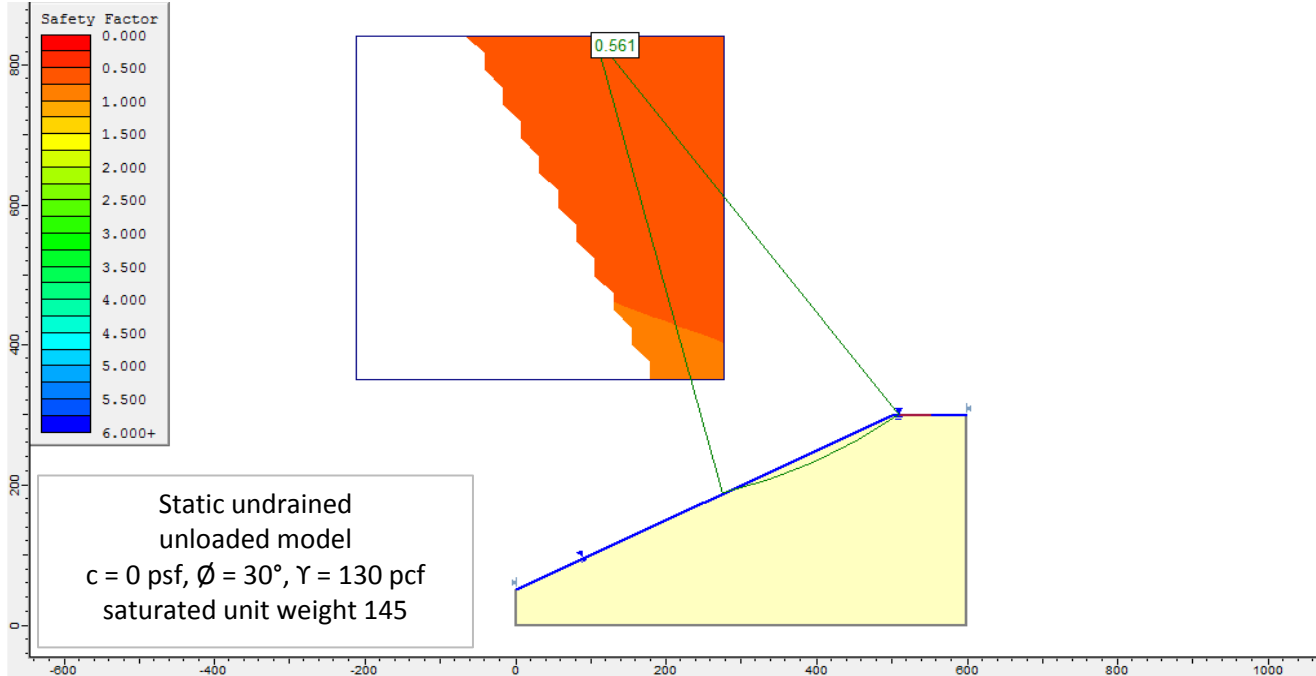
### **Graphic Slope Stability Analysis**

## Slope Stability Analysis (2:1 Slope)



\*All axes in units of feet

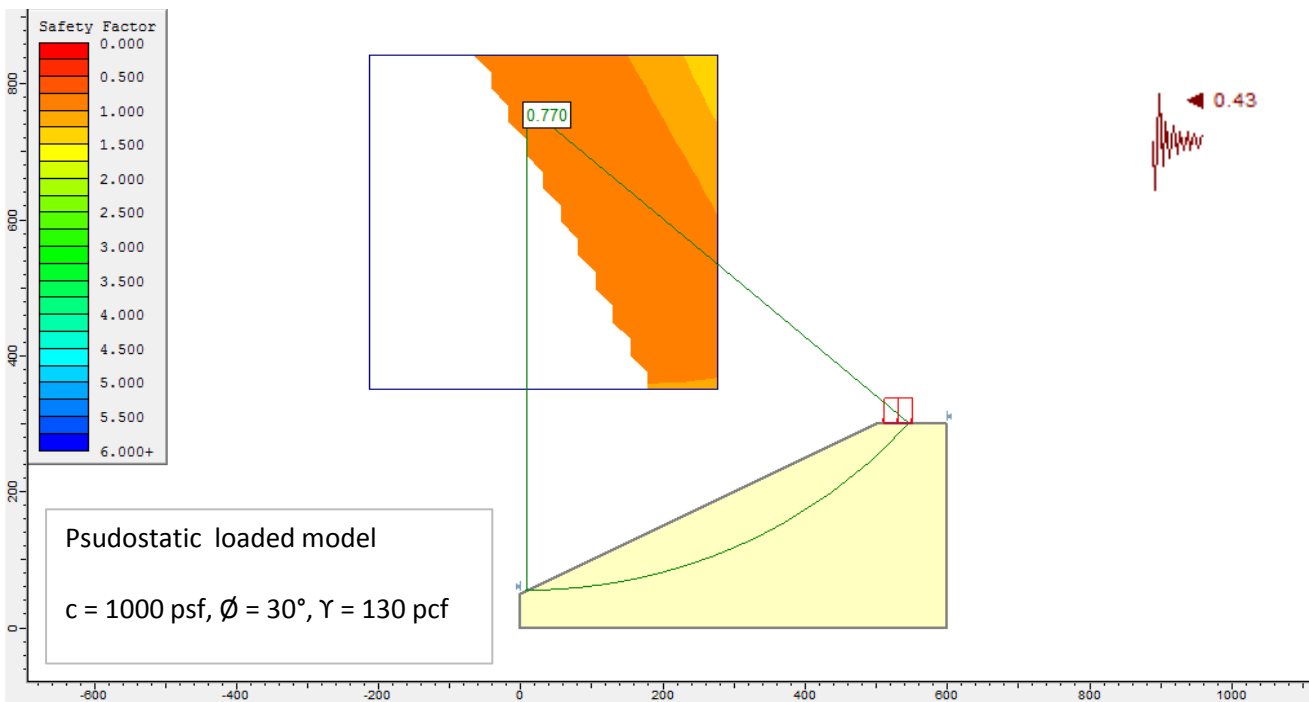
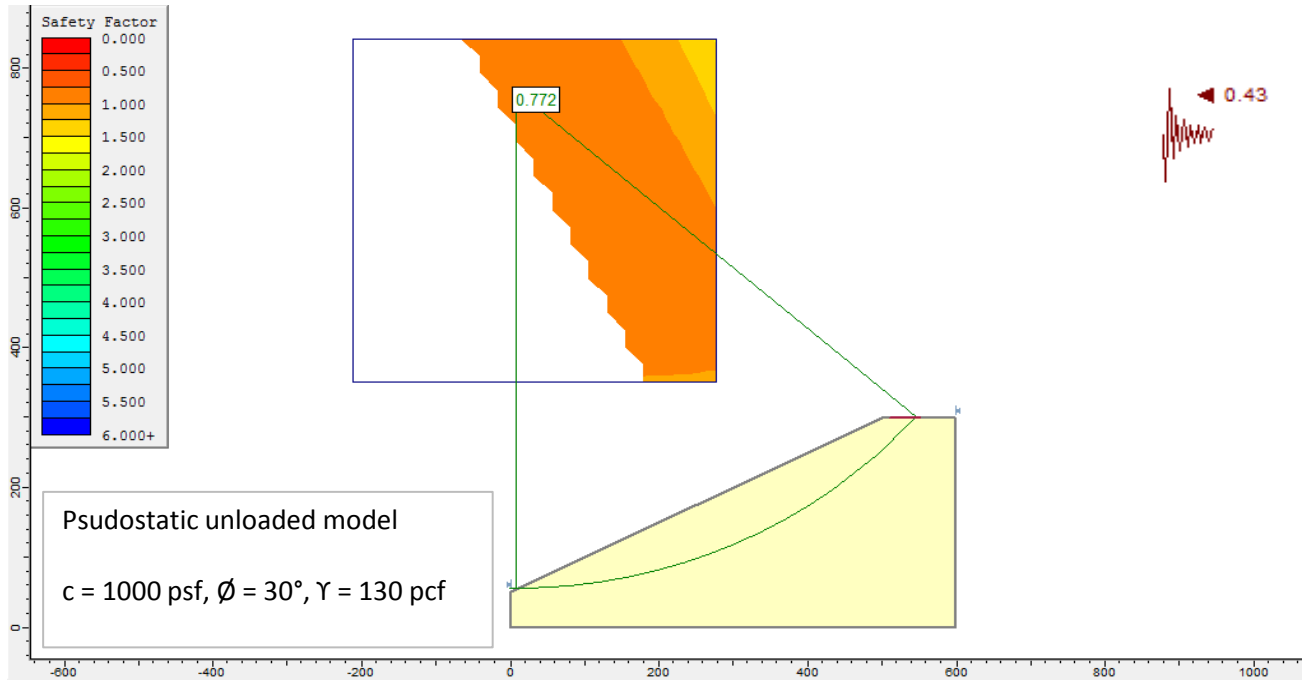
## Slope Stability Analysis (2:1 Slope)



\*All axes in units of feet

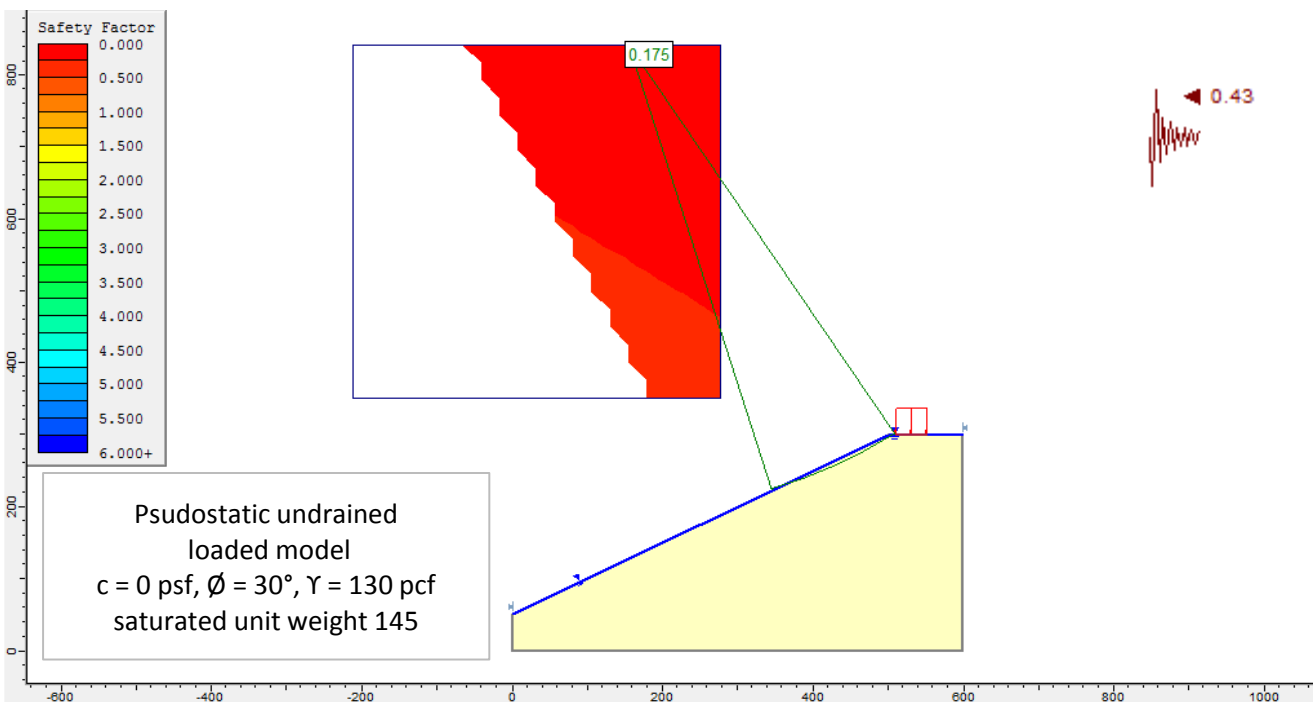
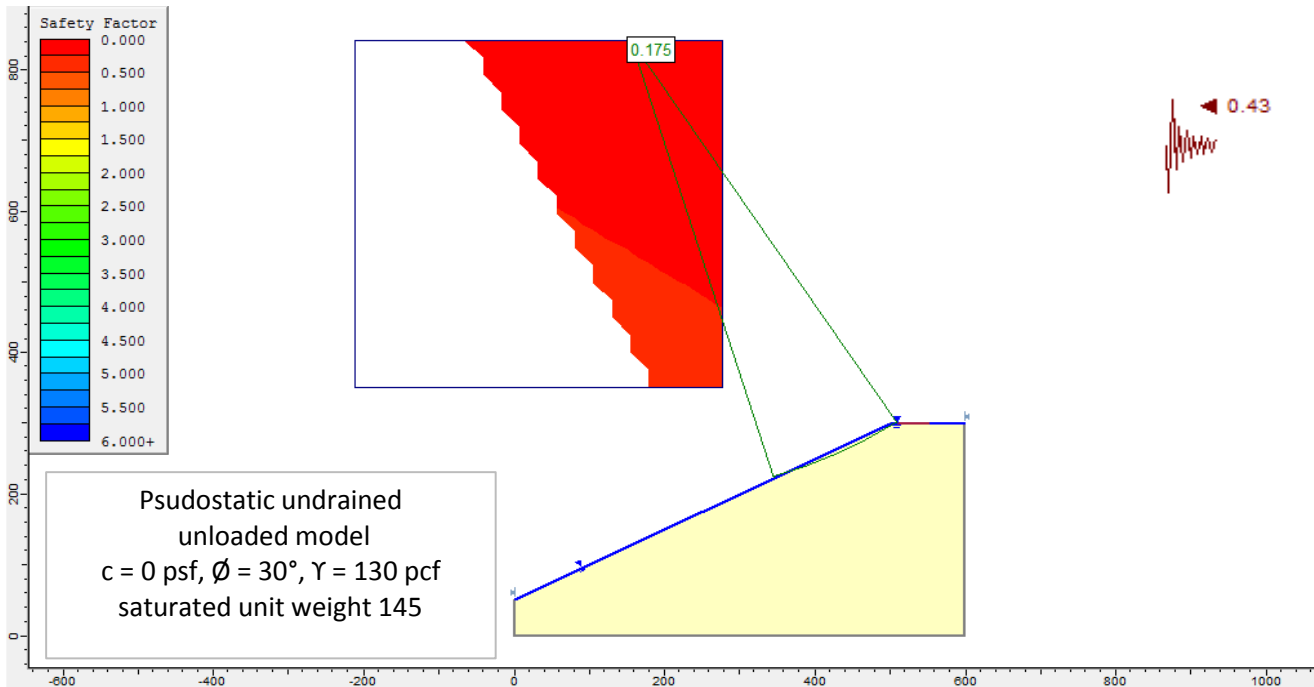


## Slope Stability Analysis (2:1 Slope)



\*All axes in units of feet

## Slope Stability Analysis (2:1 Slope)



\*All axes in units of feet



June 6, 2014

7714.02

Garberville Sanitary District  
Post Office Box 211  
Garberville, California 95542-0211

Attention: Ralph Emerson, District Manager

Subject: Alderpoint Road Tank Replacement Project  
Two-Tank Alternative Analysis

Dear Ralph:

We are pleased to submit the results of our analysis of the alternative to replace the existing 30,000-gallon Alderpoint Road Tank with two 100,000-gallon tanks. The scope of our analysis is described in Service Agreement Amendment No. 2, and basically considered the construction of two 100,000-gallon tanks on the site rather than the construction of one 200,000-gallon tank. The results of the analysis are described below.

**Preliminary Site Layout and Grading Plan**

Attached is a preliminary site plan showing the conceptual placement of two 100,000-gallon tanks on the site. Both tanks will be roughly 30 feet in diameter and 20 feet tall, with pad elevations at 915 feet. This plan would require the removal of approximately 14 trees (versus roughly 10 trees for the 200,000-gallon tank plan), but the excavation would not be significantly greater than the one-tank plan. There would be a slightly larger gravel perimeter for the two tanks, and additional piping and valves. Our plan includes a conceptual piping layout for discussion purposes only; the intent would be to provide piping and valving to allow one tank to be isolated and taken out of service for inspection or maintenance.

**Preliminary Construction Cost Estimate**

The preliminary construction cost estimates for three alternatives are presented in the table below. All of the estimates include erosion and traffic control, a concrete ring foundation, yard piping and valves, sitework and demolition, fencing, and tree replacement planting at a 2:1 ratio. The two-tank alternatives include two mobilizations, our assumption being that one tank would be completed before the existing tank is demolished and the second tank is constructed. Also, as we described in our memo dated April 30, 2014, the one-tank alternative includes a budget for temporary water storage and a standby generator during construction.

Tank Alternative	Preliminary Construction Cost Estimate
Two 100,000-gallon Bolted Steel Tanks, Epoxy Coated	\$620,300
Two 100,000-gallon Welded Steel Tanks, Epoxy Coated	\$776,300
One 200,000-gallon Welded Steel Tank, Epoxy Coated	\$604,500

Detailed estimates of each alternative are provided as attachments to this letter.

### Life Cycle Cost Analysis

We have revised our earlier life cycle cost analysis to include both the bolted and welded two-tank alternatives. Below is a summary of the life-cycle cost for the three primary alternatives being considered.

Tank Alternative	80-Year Life-Cycle Cost (Tank Only)
Two 100,000-gallon Bolted Steel Tanks, Epoxy Coated	\$440,926
Two 100,000-gallon Welded Steel Tanks, Epoxy Coated	\$499,512
One 200,000-gallon Welded Steel Tank, Epoxy Coated	\$361,512

All of the tank alternatives listed above include a concrete ring foundation. A detailed table of the life-cycle cost analysis is included as an attachment to this letter.

### Topographic Survey Map

We are also sending attached the final topographic survey map. This version includes the Alderpoint Road right-of-way and the property lines. Please note that none of the easements described on the title report provided to us impact the tank site.

### Other Considerations, Conclusions, and Recommendations

Our analysis indicates the site can accommodate the placement of two 100,000-gallon tanks. This concept would provide the District with the ability to take one tank out of service in the future for inspection or maintenance while using the other tank. The two-tank alternative also eliminates the need to provide temporary storage and an emergency generator during construction.

The cost of constructing two 100,000-gallon welded steel tanks is approximately 28% greater than constructing one 200,000-gallon welded steel tank. The cost of constructing two 100,000-gallon bolted steel tanks is approximately 3% greater than constructing one 200,000-gallon welded steel tank.

The issues we raised in our memorandum dated April 30, 2014, regarding the potential problems of coating a welded steel tank in late fall are still relevant. There is at least a two-month lead time for a welded steel tank after the award of construction before the tank submittals are prepared and approved, and the tank is delivered and erected. Even without any further delays, the tank would likely not be ready for coating until at least late November. As noted in our April 30 memo, since bolted tanks are factory-coated and only require some touch-up after erection, they don't have the same coating constraints as welded steel tanks.

We believe the construction and operational advantages of the two-tank alternative outweigh the disadvantages, and we recommend the Garberville Sanitary District construct two 100,000-gallon tanks on the existing site. We recognize the superior performance of welded steel tanks over their life. However, for smaller tanks (100,000 gallons), the life-cycle cost of epoxy-coated bolted tanks is significantly lower. The ability to construct a bolted steel tank in less favorable climatic conditions is also an advantage. For these reasons we recommend the District select epoxy-coated bolted steel tanks for this project. If the District has sufficient funds for the better-quality welded tanks, and if completion of the tanks can be postponed until next year, welded tanks may be the better option.

If the District elects to proceed with the two-tank alternative, the CEQA and geotechnical analyses will have to be evaluated and updated in accordance with the draft scopes of work and fee estimates we sent to you via email on May 21, 2014. Upon your direction we will prepare a service agreement amendment for these tasks.

We would like to discuss these issues with you at your earliest convenience. Please contact me to set up a meeting, or if you have any questions or need additional information.

Sincerely,  
LACO Associates



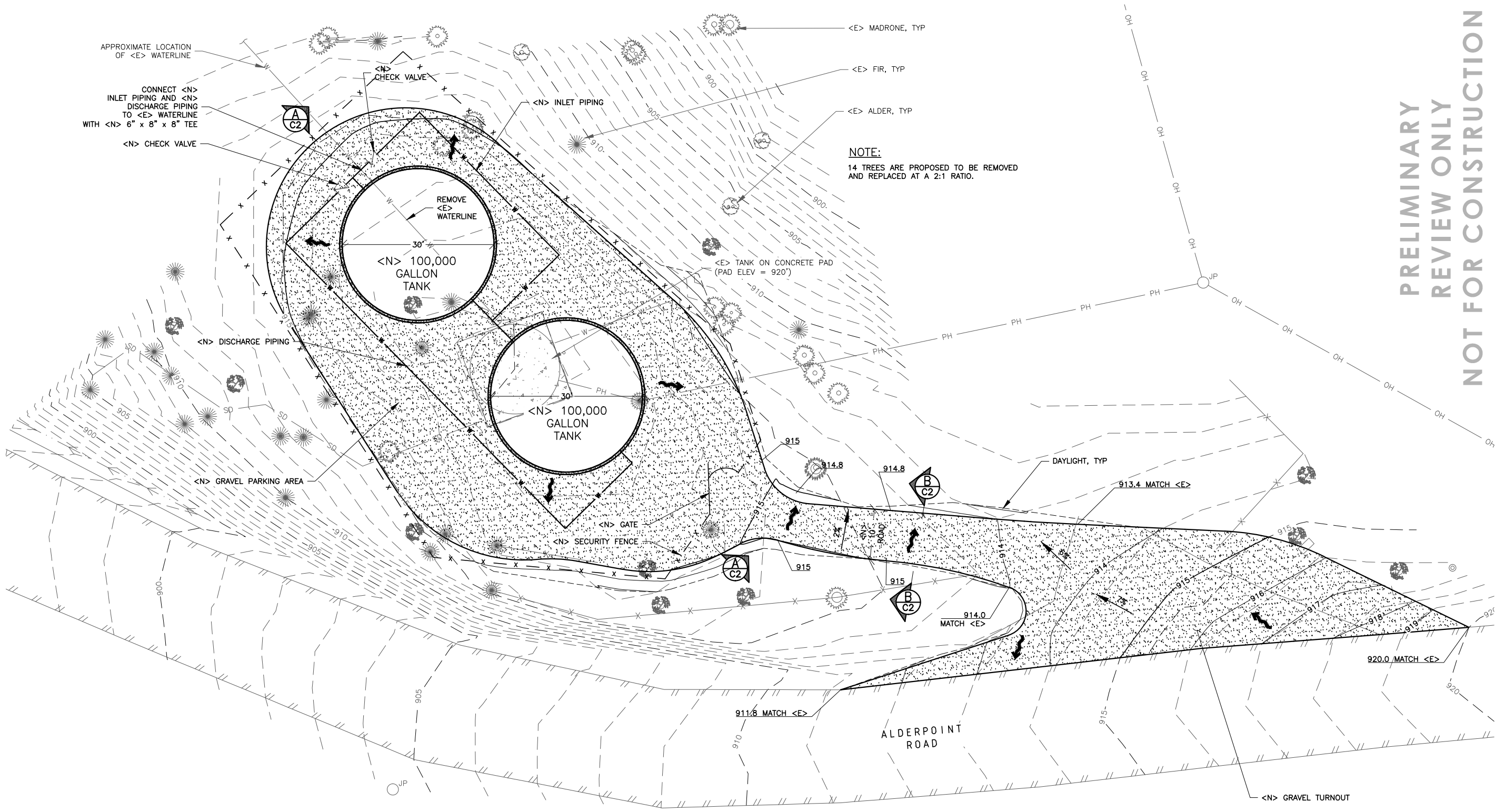
T. Scott Kelly, PE  
Project Manager

Attachments:

1. Preliminary Grading Plan (1 page)
2. Preliminary Construction Cost Estimates (3 pages)
3. Revised Life-Cycle Cost Analysis (1 page)
4. Topographic Survey Map (1 page)

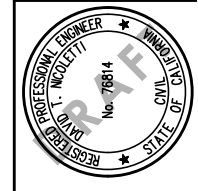
cc: Jennie Short, GSD, with attachments, via email  
Ron Copenhafer, GSD, with attachments, via email

APPROXIMATE LOCATION OF <E> WATERLINE  
 CONNECT <N> INLET PIPING AND <N> DISCHARGE PIPING TO <E> WATERLINE WITH <N> 6" x 8" x 8" TEE  
 <N> CHECK VALVE



**NOTE:**  
 14 TREES ARE PROPOSED TO BE REMOVED AND REPLACED AT A 2:1 RATIO.

**PRELIMINARY  
 REVIEW ONLY  
 NOT FOR CONSTRUCTION**



**LACO**  
 EUREKA • UKIAH • SANTA ROSA  
 1-800-515-5054 www.lacoassociates.com

NO.	HISTORY / REVISION	BY / CHK.	DATE

GARBERVILLE SANITARY DISTRICT  
 ALDERPOINT ROAD TANK REPLACEMENT  
 GRADING PLAN

GARBERVILLE SANITARY DISTRICT  
 GARBERVILLE, CA

DRAWN	JDB
CHECK	ACS
APPROVED	DTN
DATE	4/22/14
JOB NUMBER	7714.02
SHEET	

**PLAN  
 SCALE: 1" = 10'**

1"  
 GRAPHIC SCALE MEASURES 1 INCH ON FULL-SIZE PLANS.



**Construction Cost Estimate Based on 30% Design of the  
Bolted Steel Alderpoint Tank Construction Project**

<i>Item Description</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Cost</i>	<i>Amount</i>
Mobilization/Demobilization	EA	2	\$ 15,000	\$ 30,000
Erosion Control	LS	1	\$ 2,500	\$ 2,500
Traffic Control	LS	1	\$ 2,500	\$ 2,500
			<b>Subtotal</b>	<b>\$ 35,000</b>
<b>Demolition</b>				
Tree Removal & Clear and Grub	LS	1	\$ 8,500	\$ 8,500
			<b>Subtotal</b>	<b>\$ 8,500</b>
<b>Site Improvements</b>				
Site Excavation & Disposal	CY	500	\$ 25	\$ 12,500
8" of Aggregate Base & Grading	Ton	325	\$ 35	\$ 11,375
8-Foot Security Fence & Gate	LF	315	\$ 65	\$ 20,475
Rock Lined Drainage Swale	LF	75	\$ 45	\$ 3,375
Tree Planting	EA	28	\$ 500	\$ 14,000
			<b>Subtotal</b>	<b>\$ 61,725</b>
<b>Tank Construction</b>				
100,000 Gallon Bolted Steel Water Tank	EA	2	\$ 120,000	\$ 240,000
Concrete Ring Foundation	EA	2	\$ 35,000	\$ 70,000
Site Piping and Seismic Connections	LS	1	\$ 60,000	\$ 60,000
			<b>Subtotal</b>	<b>\$ 370,000</b>
			<i>Construction Subtotal</i>	<i>\$ 475,200</i>
			<i>Construction Staking</i>	<i>\$ 2,500</i>
			<i>30% Contingency</i>	<i>\$ 142,600</i>
			<b>Construction Total</b>	<b>\$ 620,300</b>



**Construction Cost Estimate Based on 30% Design of the  
Welded Steel Alderpoint Tank Construction Project**

<i>Item Description</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Cost</i>	<i>Amount</i>
Mobilization/Demobilization	EA	2	\$ 15,000	\$ 30,000
Erosion Control	LS	1	\$ 2,500	\$ 2,500
Traffic Control	LS	1	\$ 2,500	\$ 2,500
			<b>Subtotal</b>	<b>\$ 35,000</b>
<b>Demolition</b>				
Tree Removal & Clear and Grub	LS	1	\$ 8,500	\$ 8,500
			<b>Subtotal</b>	<b>\$ 8,500</b>
<b>Site Improvements</b>				
Site Excavation & Disposal	CY	500	\$ 25	\$ 12,500
8" of Aggregate Base & Grading	Ton	325	\$ 35	\$ 11,375
8-Foot Security Fence & Gate	LF	315	\$ 65	\$ 20,475
Rock Lined Drainage Swale	LF	75	\$ 45	\$ 3,375
Tree Planting	EA	28	\$ 500	\$ 14,000
			<b>Subtotal</b>	<b>\$ 61,725</b>
<b>Tank Construction</b>				
100,000 Gallon Welded Steel Water Tank	EA	2	\$ 180,000	\$ 360,000
Concrete Ring Foundation	EA	2	\$ 35,000	\$ 70,000
Site Piping and Seismic Connections	LS	1	\$ 60,000	\$ 60,000
			<b>Subtotal</b>	<b>\$ 490,000</b>
			<i>Construction Subtotal</i>	<i>\$ 595,200</i>
			<i>Construction Staking</i>	<i>\$ 2,500</i>
			<i>30% Contingency</i>	<i>\$ 178,600</i>
			<b>Construction Total</b>	<b>\$ 776,300</b>





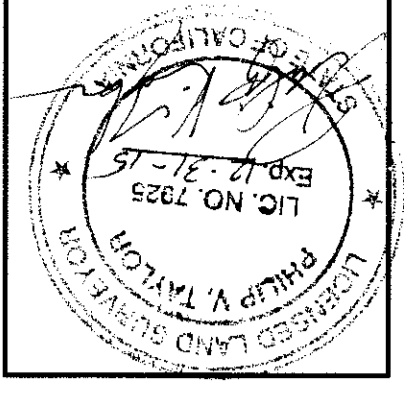
**Construction Cost Estimate Based on 30% Design of the  
Welded Steel Alderpoint Tank Construction Project**

<i>Item Description</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Cost</i>	<i>Amount</i>
Mobilization/Demobilization	LS	1	\$ 15,000	\$ 15,000
Erosion Control	LS	1	\$ 2,500	\$ 2,500
Traffic Control	LS	1	\$ 2,500	\$ 2,500
			<b>Subtotal</b>	<b>\$ 20,000</b>
<b>Demolition</b>				
Tree Removal & Clear and Grub	LS	1	\$ 8,500	\$ 8,500
			<b>Subtotal</b>	<b>\$ 8,500</b>
<b>Site Improvements</b>				
Site Excavation & Disposal	CY	625	\$ 25	\$ 15,625
8" of Aggregate Base & Grading	Ton	275	\$ 35	\$ 9,625
8-Foot Security Fence & Gate	LF	300	\$ 50	\$ 15,000
Rock Lined Drainage Swale	LF	75	\$ 45	\$ 3,375
Tree Planting	EA	16	\$ 500	\$ 8,000
			<b>Subtotal</b>	<b>\$ 51,625</b>
<b>Tank Construction</b>				
200,000 Gallon Welded Steel Water Tank	LS	1	\$ 275,000	\$ 275,000
Concrete Ring Foundation	LS	1	\$ 35,000	\$ 35,000
Site Piping and Seismic Connections	LS	1	\$ 35,000	\$ 35,000
Temporary Water Storage	LS	1	\$ 13,000	\$ 13,000
25KW Portable Standby Generator	LS	1	\$ 25,000	\$ 25,000
			<b>Subtotal</b>	<b>\$ 383,000</b>
			<i>Construction Subtotal</i>	<i>\$ 463,100</i>
			<i>Construction Staking</i>	<i>\$ 2,500</i>
			<i>30% Contingency</i>	<i>\$ 138,900</i>
			<b>Construction Total</b>	<b>\$ 604,500</b>

Garberville Tank Replacement  
Life-Cycle Cost Analysis

	200,000 Gal. Bolted Steel Tank with Epoxy Finish on Ring Foundation		200,000 Gal. Bolted Steel Tank with Epoxy Finish on Concrete Slab Foundation		200,000 Gal. Bolted Steel Tank with Fused-Glass Finish on Ring Foundation		200,000 Gal. Bolted Steel Tank with Fused-Glass Finish on Concrete Slab Foundation		200,000 Gal. Welded Steel Tank with Epoxy Finish on Ring Foundation		2 x 100,000 Gal. Bolted Steel Tank with Epoxy Finish on Ring Foundation		2 x 100,000 Gal. Bolted Steel Tank with Epoxy Finish on Concrete Slab Foundation		2 x 100,000 Gal. Welded Steel Tank with Epoxy Finish on Ring Foundation	
	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost	Item	Present Value Cost
<b>Capital Costs</b>	New Tank	\$208,574	New Tank	\$228,100	New Tank	\$315,700	New Tank	\$260,900	New Tank	\$225,200	New Tanks	\$259,705	New Tanks	\$311,900	New Tanks	\$363,200
<b>Year 5</b>	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345	Inspection	\$13,345
<b>Year 10</b>	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236	Inspection	\$11,236
<b>Year 15</b>	Inspection	\$9,461	Re-Coating	\$48,885	Inspection	\$9,461	Inspection	\$9,461	Inspection	\$9,461	Inspection	\$9,461	Re-Coating	\$48,885	Inspection	\$9,461
<b>Year 20</b>	Re-Coating	\$41,160	Inspection	\$7,966	Inspection	\$7,966	Inspection	\$7,966	Re-Coating	\$41,160	Re-Coating	\$41,160	Inspection	\$7,966	Re-Coating	\$41,160
<b>Year 25</b>	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707	Inspection	\$6,707
<b>Year 30</b>	Inspection	\$5,647	New Tank	\$81,267	Inspection	\$5,647	New Tank	\$92,953	Inspection	\$5,647	Inspection	\$5,647	New Tanks	\$111,123	Inspection	\$5,647
<b>Year 35</b>	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755	Inspection	\$4,755
<b>Year 40</b>	New Tank	\$52,680	Inspection	\$4,003	New Tank	\$79,737	Inspection	\$4,003	Re-Coating	\$20,686	New Tanks	\$65,594	Inspection	\$4,003	Re-Coating	\$20,686
<b>Year 45</b>	Inspection	\$3,371	Re-Coating	\$17,417	Inspection	\$3,371	Inspection	\$3,371	Inspection	\$3,371	Inspection	\$3,371	Re-Coating	\$17,417	Inspection	\$3,371
<b>Year 50</b>	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838	Inspection	\$2,838
<b>Year 55</b>	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390	Inspection	\$2,390
<b>Year 60</b>	Re-Coating	\$10,396	New Tank	\$28,954	Inspection	\$2,012	New Tank	\$33,117	Re-Coating	\$10,396	Re-Coating	\$10,396	New Tanks	\$39,591	Re-Coating	\$10,396
<b>Year 65</b>	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694	Inspection	\$1,694
<b>Year 70</b>	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426	Inspection	\$1,426
<b>Year 75</b>	Inspection	\$1,201	Re-Coating	\$6,205	Inspection	\$1,201	Inspection	\$1,201	Inspection	\$1,201	Inspection	\$1,201	Re-Coating	\$6,205	Inspection	\$1,201
<b>Remaining Service Life Credit</b>		\$0		-\$4,850		\$0		-\$5,548		\$0		\$0		-\$6,632		\$0
<b>80 Year Total</b>		<b>\$376,880</b>		<b>\$462,338</b>		<b>\$469,485</b>		<b>\$451,814</b>		<b>\$361,512</b>		<b>\$440,926</b>		<b>\$584,849</b>		<b>\$499,512</b>

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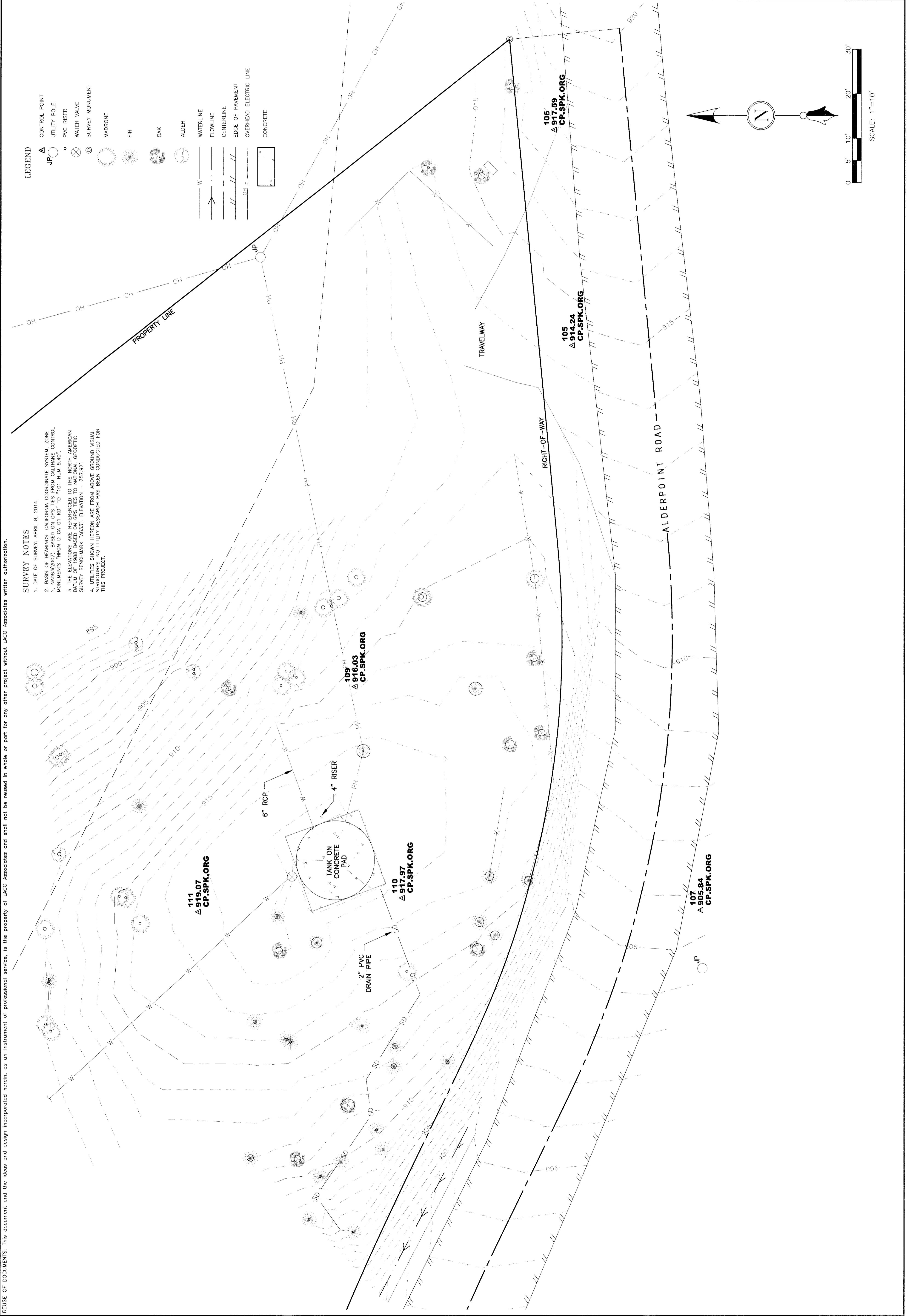


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NO.	HISTORY / REVISION	BY	CHK.	DATE

GARBERVILLE SANITARY DISTRICT  
 ALDERPOINT ROAD TANK REPLACEMENT  
 TOPOGRAPHIC MAP  
 GARBERVILLE SANITARY DISTRICT  
 GARBERVILLE, CA

DRAWN	JDB
CHECK	PT
APPROVED	PT
DATE	4/14/14
JOB NUMBER	7714.02
SHEET	1 OF 1



# ATTACHMENT 7

CEQA Initial Study/Mitigated Negative  
Declaration with Notice of  
Determinations

**Available on GSD Web Site & CD:  
Complete IS/MND  
Comment Responses**

# INITIAL STUDY and ENVIRONMENTAL CHECKLIST

FOR

## ALDERPOINT ROAD TANK REPLACEMENT PROJECT GARBERVILLE SANITARY DISTRICT



**Lead Agency:**  
**Garberville Sanitary District**  
**919 Redwood Drive**  
**Post Office Box 211**  
**Garberville, California 95542**

**May 2013**

**Prepared by:**

**LACO**

**LACO Associates**  
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**LACO Project No. 7714.00**

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**MITIGATION MEASURES, MONITORING and REPORTING PROGRAM**  
**Garberville Sanitary District – Lead Agency**  
**Alderpoint Road Tank Replacement Project**  
**May, 2013**

This Mitigation Monitoring/Reporting Program (MMRP) has been prepared for the project described below in conformance with California Environmental Quality Act (CEQA) Section 21081.6 and CEQA Guidelines Section 15097.

**SCH #:** 2013062003

**PROJECT TITLE:** Garberville Sanitary District - Alderpoint Road Tank Replacement Project

**PROJECT APPLICANT:** Garberville Sanitary District

**PROJECT LOCATION:** Garberville, Humboldt County, California

**ZONING:** AE-B-6 (Agriculture Exclusive and Special Building Site Combining Zone).

**GENERAL PLAN DESIGNATION:** AR (GRBAP) (Agricultural Rural-1987 Garberville-Benbow-Redway-Alderpoint Community Plan).

**PROJECT DESCRIPTION:**

Garberville Sanitary District is located in the community of Garberville, a census-designated place in unincorporated Humboldt County, California. Garberville is approximately 65 miles south of Eureka, California and approximately 200 miles north of San Francisco. The project site is approximately 1.7 miles northeast of the center of Garberville, on the north side of Alderpoint Road. The project consists of the replacement of an existing water tank with a new water tank in the same location (on the footprint of the existing tank). The existing, 30,000 gallon-capacity tank leaks at the rate of approximately 6 gallons per minute. The District proposes to construct a new 200,000-gallon tank made of coated, painted steel.

The existing tank sits on an 18 foot by 18 foot concrete pad, which will be removed. The site is currently unfenced. After the existing tank and the concrete pad are removed, the site will be excavated approximately 4 feet and graded to create a flat base. A new, 40 foot by 40 foot concrete pad will be poured on-site and the new tank will be installed. A new, 8-foot high, green or black, cyclone security fence and gate will be installed around the tank. The wider footprint of the new tank, as well as the need for access during construction, will necessitate removal of several trees. Improvements to a roadside pull-out and unpaved access drive will be completed to facilitate better access during construction and long-term operations.

The replacement of the tank will prevent the continued loss of water resources caused by the leak, as well as increase reliability and redundancy for the water supplied to customers. The project is not motivated by anticipated population growth. The primary upper constraint to the District's water system capacity is the limited water diversion permit from the State Water Resources Control Board for appropriation of water from the South Fork Eel River. The permit will remain in place and appropriation rights will not increase.

**LEAD AGENCY:** Garberville Sanitary District

**CONTACT PERSON:** Jennie Short, Capital Projects Manager

**INTRODUCTION:** On July 23, 2013 the subject Mitigated Negative Declaration was approved by the Board of Directors of the Garberville Sanitary District (GSD). The purpose of this MMRP is to ensure that the mitigation measures adopted in connection with the Negative Declaration are effectively implemented.

This MMRP establishes the framework that GSD and others will use to implement the adopted mitigation measures and the monitoring and/or reporting of such implementation.

CEQA provides that Garberville Sanitary District may choose whether the MMRP will monitor mitigation, report on mitigation, or both. "Reporting" generally consists of a written compliance review that is presented to the decision making body or authorized staff person. A report may be required at various stages during project implementation or upon completion of the mitigation measure. "Monitoring" is generally an ongoing or periodic process of project oversight. There is often no clear distinction between monitoring and reporting and the program best suited to ensuring compliance in any given instance will usually involve elements of both. The choice of program may be guided by the following:

- (1) Reporting is suited to projects which have readily measurable or quantitative mitigation measures or which already involve regular review. For example, a report may be required upon issuance of final occupancy to a project whose mitigation measures were confirmed by building inspection.
- (2) Monitoring is suited to projects with complex mitigation measures, such as wetlands restoration or archeological protection, which may exceed the ability of the Garberville Sanitary District to oversee; are expected to be implemented over a period of time; or, require careful implementation to assure compliance.
- (3) Reporting and monitoring are suited to all but the simplest projects. Monitoring ensures that project compliance is checked on a regular basis during and, if necessary after, implementation. Reporting ensures that Garberville Sanitary District is informed of compliance with mitigation requirements.

**ENFORCEMENT:** In accordance with CEQA, the primary responsibility for making a determination with respect to potential environmental effects rests with Garberville Sanitary District rather than the monitor or preparer of the CEQA documents. As such, Garberville Sanitary District is identified as the primary enforcement agency for this MMRP.

**PROGRAM MODIFICATION:** After adoption of this MMRP, minor changes to this MMRP are permitted but can only be made by Garberville Sanitary District. The Board of Directors, after consultation with affected Agencies, may make minor modifications to this MMRP. If, for any reason, any mitigation measure specified in this MMRP cannot be implemented due to factors beyond the control of the Garberville Sanitary District, substitution of another mitigation measure may be approved, but only at a noticed public hearing before the Board of Directors. Deviations from this MMRP are allowed only if they continue to satisfy the CEQA Section 21081.6 requirements as determined by Garberville Sanitary District.

Note: The Project Contractor will be responsible for hiring and directing Project Construction Staff, including the Cultural/Archaeological Support Staff or other required Staff and for consultations with Public Agency Staff as required in this Mitigation Monitoring and Reporting Program.

**SUMMARY OF POTENTIAL PROJECT IMPACTS:** Below is a table that summarizes the impact potential for each category of impact as identified and analyzed in the Initial Study.



Environmental Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
I. Aesthetics		✓		
II. Agricultural and Forestry Resources				✓
III. Air Quality		✓		
IV. Biological		✓		
V. Cultural		✓		
VI. Geology and Soils		✓		
VII. Greenhouse Gas Emissions			✓	
VIII. Hazards and Hazardous Materials				✓
IX. Hydrology and Water Quality		✓		
X. Land Use and Planning				✓
XI. Mineral Resources			✓	
XII. Noise		✓		
XII. Population and Housing			✓	
XIII. Public Services				✓
XIV. Recreation				✓
XV. Transportation and Traffic		✓		
XVI. Utilities & Service Systems		✓		
XVII. Mandatory Findings of Significance			✓	

**MMRP IMPLEMENTATION TABLE:** To assure that this MMRP is effectively implemented, the table on the following pages establishes a framework that GSD and others will use to implement the adopted mitigation measures and the monitoring and/or reporting of such implementation. The following abbreviations will be used in the MMRP table:

- BMP..... Best Management Practice(s)
- CCR..... California Code of Regulations
- CDFW..... California Department of Fish & Wildlife
- CEQA ..... California Environmental Quality Act
- GSD ..... Garberville Sanitary District
- HCPWD..... Humboldt County Public Works Department
- NAHC ..... Native American Heritage Commission
- QSD ..... Qualified Stormwater Developer
- QSP ..... Qualified Stormwater Practitioner
- SWPPP ..... Storm Water Pollution Prevention Plan

Mitigation Measure	Responsible Agency and/or Party	Action Required	Monitoring Phase/ Reporting Requirements	Enforcement	Compliance Verification	Notes/ Comments
<p><b>AESTH-1:</b> The new tank will be painted in earth tone or forest green color to blend visually with the background.</p>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ Project Engineer</li> </ul>	<p>The Project Engineer shall include the appropriate paint color in the tank specifications and submission of the tank specifications to GSD for approval.</p>	<p>The tank specifications shall be approved by GSD prior to construction of the water tank.</p>	<p>During tank installation, GSD and the Project Engineer shall conduct field observations to assure compliance, and shall be empowered to direct the contractor to temporarily suspend construction activities for noncompliance.</p>		
<p><b>AESTH-2:</b> Trees that are removed will be replaced on-site at a 2-to-1 ratio. The replaced trees will be planted adjacent to the new fence to enhance visual screening.</p>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ Project Engineer</li> </ul>	<p>Preparation of tree replacement plan by the Project Engineer showing planting detail, and submission of the plan to GSD for approval.</p>	<p>The tree replacement plan shall be approved by GSD prior to construction of the water tank.</p>	<p>During the plantings installation, GSD and the Project Engineer shall conduct field observations to assure compliance, and shall be empowered to direct the contractor to temporarily suspend construction activities for noncompliance.</p>		
<p><b>AIR-1:</b> At all times, the project shall be constructed in compliance with Air Quality Regulation 1– Air Quality Control Rules, Rule 104, Section 4.0 – Fugitive Dust Emissions. The project contractor will be required to do the following:</p> <ol style="list-style-type: none"> <li>1. Cover open-bodied trucks when used for transporting materials likely to give rise to airborne dust.</li> <li>2. Conduct trench digging, backfill, and paving of water pipe trenches in such a manner as to minimize the creation of airborne dust. Use water for control of dust during construction operations.</li> <li>3. Apply asphalt, water, or suitable chemicals on exposed earth surfaces, materials stockpiles, and other surfaces which can give rise to airborne dust.</li> <li>4. Pave the backfilled trenches as soon as practicable after backfill of the trenches.</li> <li>5. Promptly remove earth or other track-out material from paved streets onto which earth or other material has been transported by trucking or earth moving equipment.</li> <li>6. Maintain construction equipment in good condition to minimize excessive exhaust emissions.</li> </ol>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ Contractor</li> <li>▶ Project Engineer</li> </ul>	<p>Implementation of the required control measures by GSD and its contractors during construction.</p>	<p>Throughout the duration of project construction.</p>	<p>The Project Engineer shall, on the basis of their observations or reports to GSD regarding excessive construction-related dust, fumes, exhaust, or other particulate matter, be empowered to direct the contractor to modify the implementation of the required control measures, as required, to maximize their effectiveness.</p>		

Mitigation Measure	Responsible Agency and/or Party	Action Required	Monitoring Phase/ Reporting Requirements	Enforcement	Compliance Verification	Notes/ Comments
<p><b>BIO-1:</b> For any project-related tree removal or construction activities proposed during the raptor nesting season (March 1 to August 15), a pre-construction survey of the project site for nesting raptors and other migratory birds shall be conducted by a qualified biologist and provided to the DFW and The District for review and approval. The active bird nest survey shall be conducted no more than 15 days prior to construction and/or tree removal. If nesting raptors or other migratory birds are found during the survey, either: (1) the proposed tree removal and construction activities shall be delayed until after the nesting season; or (2) a 500-foot buffer shall be established between the nest and any proposed tree removal and construction activities. Such a buffer shall be maintained until August 15 or until a subsequent study verifies that the nest is no longer in use.</p>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ CDFW</li> <li>▶ Project Biologist</li> </ul>	<p>A pre-construction active bird nest survey shall be completed by a qualified biologist (funded by GSD).</p> <p>If active bird nests are found to be present, implementation by GSD the protective measures set forth in the mitigation.</p>	<p>The pre-construction survey for active bird nests shall be completed and approved by the Project Biologist prior to any construction activities.</p> <p>If active bird nests are found to be present, implementation of the protective measures set forth in the mitigation shall be followed by GSD.</p>	<p>If active bird nests, nesting raptors or other migratory birds are found during the survey, either: (1) the proposed tree removal and construction activities shall be delayed until after the nesting season; or (2) a 500-foot buffer shall be established between the nest and any proposed tree removal and construction activities. Such a buffer shall be maintained until August 15 or until a subsequent study verifies that the nest is no longer in use.</p>		
<p><b>CULT-1:</b> If potential archaeological or paleontological resources are encountered during project subsurface construction activities, all work within 50 feet per the requirements of CEQA (January 1999 Revised Guidelines, Title 14 CCR 15064.5 (f)) and 36 CFR § 800.13 (a-b), shall stop. Work near the archaeological finds shall not resume until a qualified archaeologist, funded by the applicant and who meets the Secretary of the Interior's Standards and Guidelines, has evaluated the materials and offered recommendations for further action. The applicant shall be responsible for implementing the mitigation prior to construction activities being re-started at the discovery site.</p>	<ul style="list-style-type: none"> <li>▶ GSD Contractor</li> </ul>	<p>Monitoring of subsurface construction activities by the applicant's contractors, and stopping of subsurface construction activities if resources are discovered.</p> <p>If archaeological or paleontological resources are discovered: (1) hiring of a qualified archaeologist by GSD and/or Project Engineer; and (2) implementation of any mitigation identified by the archaeologist prior to resumption of construction activities at the location.</p>	<p>Throughout the duration of project construction.</p>	<p>The Project Contractor shall observe all ground disturbing activities, and shall suspend construction activities as described within the subject mitigation measure.</p>		
<p><b>CULT-2:</b> In accordance with California Health and Safety Code Section 7050.5 and California Public Resources Code Sections 5097.94 and 5097.98, if human remains are uncovered during project construction work will stop at the discovery location, within 20 meters (66 feet), and any nearby area reasonably suspected to overlie human remains. The Humboldt County Coroner shall be immediately notified. If the remains are determined by the Coroner to be Native American in origin, the Native American Heritage Commission (NAHC) shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains.</p>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ Contractor</li> </ul>	<p>Monitoring of subsurface construction activities by the applicant's construction contractors.</p> <p>Adherence by the applicant to NAHC guidelines with respect to the treatment and disposition of any remains.</p>	<p>Throughout the duration of project construction.</p> <p>Notification by the GSD to the County Coroner, relevant Native American representative, and NAHC if human remains are found.</p>	<p>The Project Contractor and/or Engineer shall observe all ground disturbing activities, and shall suspend construction activities as described within the subject mitigation measure.</p>		

Mitigation Measure	Responsible Agency and/or Party	Action Required	Monitoring Phase/ Reporting Requirements	Enforcement	Compliance Verification	Notes/ Comments
<p><b>GEO-1:</b> Erosion and Sediment Control Plan Prior to earth moving activities, an Erosion and Sediment Control Plan (ESCP) will be prepared by a Qualified Stormwater Developer (QSD) or a Qualified Stormwater Practitioner (QSP). The ESCP will include BMPs (Best Management Practices) that shall be implemented by the Project Contractor during any ground disturbance that may occur as a part of project construction. BMPs will be implemented to ensure no erosion or sediment transport impacts existing drainage channels or the South Fork Eel River.</p> <p>The BMPs shall include, but not be limited to, the following measures described below.</p> <ol style="list-style-type: none"> <li>1. Silt fencing shall be installed in areas where work occurs near waterways. The utilization of erosion control techniques, such as sterile straw bales, matting, and/or brush mats, will decrease water runoff velocities and retard surface soil erosion.</li> <li>2. Additional BMP strategies may be identified for work conducted near sensitive habitat areas. These alternate BMP strategies shall include the use of fiber rolls, silt fencing, and/or other methodologies as applicable to specific sensitive areas identified in the Biological Study.</li> <li>3. BMPs for construction staging and materials stockpiling areas shall be determined by the QSD or QSP and implemented by the project engineer. These measures may include the use of silt fencing, fiber rolls, sterile straw bales, matting, brush mats, or other site-specific methods for prevention of sediment and contaminants from entering sensitive habitats.</li> <li>4. Disturbed areas will be fully re-vegetated before BMPs are removed ensuring no erosion or sedimentation after project completion.</li> <li>5. Disturbed areas outside the limits of placed gravel will be fully re-vegetated before BMPs are removed ensuring no erosion or sedimentation after project completion</li> </ol>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ Contractor</li> <li>▶ Project Engineer</li> <li>▶ Qualified Stormwater Developer (QSD) or a Qualified Stormwater Practitioner (QSP)</li> </ul>	<p>Preparation of an ESCP to be approved by the GSD.</p> <p>Implementation of the approved ESCP and included BMPs.</p>	<p>Preparation and approval required prior to project activities OR prior to issuance of grading permit</p> <p>Project Engineer to monitor implementation throughout the duration of construction.</p>	<p>GSD shall postpone construction until ESCP has been approved and implemented.</p> <p>GSD and the Project Engineer to monitor implementation of the ESCP during construction.</p>		
<p><b>HYDRO-1</b> See GEO-1</p>						

Mitigation Measure	Responsible Agency and/or Party	Action Required	Monitoring Phase/ Reporting Requirements	Enforcement	Compliance Verification	Notes/ Comments
<p><b>NOISE-1</b> To minimize noise disturbance, construction activities will be limited to the hours of 7:00 AM to 7:00 PM. To minimize impacts related to noise, the contractor will be required to utilize equipment that is in good working condition and that is properly muffled to reduce noise generated by equipment.</p>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ Contractor</li> </ul>	<p>Limit construction activities to the hours of 7:00 AM to 7:00 PM</p> <p>Contractor shall keep equipment in good working condition.</p>	<p>GSD to monitor implementation throughout the duration of construction.</p>	<p>GSD and the Project Engineer may stop construction begun before 7:00 AM or continued after 7:00 PM.</p>		
<p><b>TRAFFIC-1:</b> TRAFFIC-1: The Project Contractor must prepare a Traffic Management Plan to the satisfaction of the Humboldt County Department of Public Works prior to issuance of encroachment permits. The plan will include strategies for signage, traffic control, flagging, and maintenance of access through construction areas.</p>	<ul style="list-style-type: none"> <li>▶ GSD</li> <li>▶ HCPWD</li> </ul>	<p>Prepare Traffic Management Plan</p>	<p>Required prior to issuance of encroachment permits.</p>	<p>GSD and HCPWD has the right to suspend/hold issuance of encroachment permit.</p>		
<p><b>UTILITIES-1:</b> Temporary water provision for approximately seven houses. The District will implement measures for the temporary provision of water for houses that ordinarily receive their water directly from the line that provides water to the existing tank. Measures will be implemented prior to any disruption of existing services. Such measures may include temporary water tanks, delivery of bottled water, or similar means to ensure the continued provision of domestic water service.</p>	<ul style="list-style-type: none"> <li>▶ GSD</li> </ul>	<p>Temporary water provision for approximately seven houses.</p>	<p>The District will implement measures for the temporary provision of water for houses that ordinarily receive their water directly from the line that provides water to the existing tank. Measures will be implemented prior to any disruption of existing services.</p>	<p>GSD shall postpone construction until temporary water provision has been approved and implemented.</p> <p>GSD and the Project Engineer to monitor implementation of the temporary water provision during construction.</p>		

# TECHNICAL MEMORANDUM

## Response to Initial Study Comments Alderpoint Road Tank Replacement Project Garberville Sanitary District

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Date: July 18, 2013  
Project No.: 7714.00

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LACO Associates (LACO) reviewed the public comment responses that were received in response to circulating the Alderpoint Road Tank Replacement Project Initial Study. The comments are summarized below in italics and LACO's recommended responses are included.

### **Comment Summary**

**Donald Courtemanche:** *An EIR/PEIR should be prepared to assess all of the environmental and cumulative effects the project will have on South Fork Eel River and surrounding environment. This is part of a bigger capital improvement project. There was an IS/MND for the annexation project in 2013 which would constitute a 64% expansion. Increasing storage capacity as described in this project will make more water available for future housing demand. The 80 million gallon per year limit of water withdrawal is not permanently fixed. If Garberville Sanitary District (GSD) needs more water, licenses can be increased.*

**Response:** The project presented in the Initial Study is limited to a tank replacement with independent utility from any other project. There are two reasons to replace the tank: (1) the existing 30,000-gallon water storage tank is continuously leaking at a rate of 6 to 12 gallons per minute and there is no feasible way to repair the existing tank (Alderpoint Road Tank Supplemental Project Report, SHN, 2013); and (2) the current 30,000-gallon water storage tank does not provide sufficient storage capacity to meet California Department of Public Health standards as described in the Initial Study. The new water tank will address both of these issues. Garberville Sanitary District operates at a water storage deficit of between 74,000 and 182,780 gallons, based on the current number of connections. The new tank will provide an additional 170,000 gallons of storage. The decision to replace the tank does not relate to GSD serving additional connections or a request to change licensing for water withdrawal through the California Department of Water Resources. The project is limited to replacing the existing leaking tank with a tank that will make a substantial contribution toward GSD's goal of providing adequate storage capacity in an effort to comply with California Code of Regulations Title 22 Section 64554 regarding storage capacity for existing users.

**Action:** No EIR or PEIR is recommended for this project. Comment noted and added to the record.

## Comment Summary

**Kristin Vogel:** *The new tank is so much larger than the previous tank it is difficult to understand how it will make no difference to the river and not increase development in the Garberville area. Meadows Subdivision is nearby and may be expanded because of the greater availability of water from the new tank. The tank seems to be an integral part of new surface water treatment plant and GSD annexation project. Garberville Sanitary District chose an expanded water and wastewater treatment plant to encourage growth in the Garberville area. Water storage is an ongoing issue and expanding water storage will enable GSD to take more water out of the river at any one time. Environmental impacts should be evaluated in a PEIR and coordinated with other evaluations related to the new water and wastewater treatment plants, the Kimtu Waterline Project, and the Annexation project, to give a full picture of new development that could occur in the Garberville area over the next 20 years.*

**Response:** The new tank, with 170,000 gallons of additional storage capacity, is considerably larger than the previous tank. Installation of the new tank will address an ongoing compliance issue related to California Code of Regulations Title 22 Section 64554, which requires storage capacity equal to or greater than the Maximum Day Demand (MDD). The current tank lacks sufficient storage, which increases service vulnerability and the potential for service interruptions. This project has independent utility from the surface water treatment plant and annexation projects. There is no known development proposed as part of subsequent phases of the Meadows Subdivision. The Initial Study does not include speculative future projects that are not currently proposed and that are not reasonably foreseeable consequences of the project in the analysis. The larger tank is not intended to support future growth in the Garberville area. Additional development would be expected to increase MDD, generating additional need for storage capacity beyond what is proposed with this project. Additional water withdrawal from the South Fork of the Eel River would require compliance with the applicable process set by State law and regulation, including a complete environmental analysis. No such additional withdrawal is proposed nor supported by the current project. The diversion rate from the river at any given time is based on water consumption and not storage capacity.

**Action:** No PEIR is recommended for this project. Comment noted and added to the record.

## Comment Summary

**Sandy Feretto:** *This project will enable the expansion of the Meadow Subdivision. An EIR should be prepared to address other expansion projects that GSD has planned. Environmental effects and growth inducement have not been properly addressed.*

**Response:** There is no known development proposed as part of subsequent phases of the Meadows Subdivision (personal communication with John Miller, County of Humboldt Senior Planner 7/10/13). The Initial Study does not include speculative future projects that are not currently proposed and that are not reasonably foreseeable consequences of the project in the analysis. The larger tank does not induce or support future growth in the Garberville area. Additional development would be expected to increase MDD, generating additional need for storage capacity beyond what is proposed with this project. Environmental effects are limited to site preparation and installation of the new tank. Mitigation measures are in place to address impacts to the following resources: aesthetics, air quality, biology, cultural, geology, hydrology, noise, traffic, and utilities. The mitigation measures will bring the impacts caused by the project to a less than significant level.

**Action:** No EIR is recommended. Comment noted and added to the record.

## Comment Summary

**Ed Voice and Voice Family:** *South Fork Eel River is critical habitat for salmonid species, and includes some of the most ecologically diverse areas on the Pacific coast. National Marine Fisheries Service works closely with other entities to implement recovery strategies for the watershed. The IS/MND does not address health aspects of the South Fork Eel River watershed or how the project could adversely affect current habitat. According to the lake and streambed alteration agreement, the GSD municipal intake must not divert more than .75 cubic feet per second or 10% of the stream flow, whichever is less. Garberville Sanitary District is required to maintain logs of their diversion. A General Plan Conformance review is required. The project description should describe the existing maximum capacity and planned maximum capacity of the tank and identify any remaining capacity of the larger tank and current service district boundaries. Project description should disclose how many additional dwelling units the General Plan Update would allow and disclose the development of the Meadows Subdivision Phases 3 and 4. Other developments in combination with the larger tank will induce growth and should be disclosed. The project should be discussed in relation to the wastewater and drinking water plant improvement projects and the Kimtu waterline extension. If the project is designed to fix a leaky tank why would it need to be replaced with a much larger tank? The project would not induce growth if the tank was replaced like for like. Public comment letter to GSD for the Annexation IS/MND is incorporated by reference as it relates to population growth.*

**Response:** South Fork Eel River's habitat value is not disputed; however, the tank replacement project does not impact the biological resources present in the South Fork Eel River. The volume of water that GSD is permitted to withdraw from the river does not change with this project. The existing requirements from the Lake and Streambed Alteration agreement will continue to be applicable. A General Plan Conformance review is required for this project and will be prepared prior to project implementation. The Initial Study discusses the existing system capacity.

The immediate need for the project is to correct an ongoing leak from the existing tank which cannot feasibly be repaired. With the existing tank, GSD faces a deficit of between 74,000 and 182,780 gallons of storage capacity. The project is limited to replacing the existing leaking tank with a tank that will make a substantial contribution toward GSD's goal of providing adequate storage capacity in an effort to comply with California Code of Regulations Title 22 Section 64554 regarding storage capacity for existing users. The proposed replacement tank is not sufficient to provide storage capacity in excess of the current need to meet regulations

The Meadows Subdivision was not discussed because there is no development currently approved or proposed. As there are no current applications, it is not clear what land is being described as "Meadows Subdivision Phases 3 and 4." County staff has indicated that conceptual development plans may have been discussed concurrently with prior approvals of Phase 1 or Phase 2, but have not been approved or vested through a subdivision process (Personal communication with John Miller, County of Humboldt Senior Planner 7/10/13). There are no approved but undeveloped units of the Meadows Subdivision within GSD's recently adopted Sphere of Influence. The Initial Study does not include speculative future projects that are not currently proposed and projects that are not reasonably foreseeable consequences of the project in the analysis.



The letter incorporated by reference was prepared by Saxon & Associates (July 8, 2013) and was submitted as public comment on the Garberville Sanitary District Boundary Change (Annexation) (SCH #2012032025). The letter requests a PEIR be prepared based on environmental factors that were not properly disclosed, including growth-inducing effects. As mentioned previously, the tank replacement project does not induce growth or increase capacity for growth. The California Code of Regulations Title 22 Section 64554 storage requirements are based on the current number of connections. The replacement tank's storage capacity will contribute substantially to GSD's goal of complying with California Code of Regulations Title 22 Section 64554 regarding storage capacity for existing users. The project does not result in surplus storage capacity.

**Action:** No EIR is recommended. Comments are noted and added to the record.

## Comment Summary

**Humboldt County Department of Environmental Health, Solid Waste Program:** *All materials resulting from demolition must be handled in compliance with state and local regulations. Mixed demolition wastes must be transported to an approved disposal or transfer processing facility and materials that can be re-used or recycled must be separated onsite and taken to a legitimate recycler or construction and demolition debris processor.*

**Response:** The project will be conducted in compliance with applicable local and state standards for waste disposal. This is part of the plan of operations for the project and will be included in the contractor instructions.

**Action:** No change to the IS/MND is needed.

# Notice of Determination

# Appendix D

**To:**

Office of Planning and Research  
 U.S. Mail: Street Address:  
 P.O. Box 3044 1400 Tenth St., Rm 113  
 Sacramento, CA 95812-3044 Sacramento, CA 95814

County Clerk  
 County of: Humboldt  
 Address: 825 Fifth Street  
 Eureka, CA 95501

**From:**

Public Agency: Garberville Sanitary District  
 Address: P.O. Box 211  
Garberville, CA 95541  
 Contact: Jennie Short  
 Phone: 707-923-9566

Lead Agency (if different from above):  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

**SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.**

State Clearinghouse Number (if submitted to State Clearinghouse): 2013062003

Project Title: Alderpoint Road Tank Replacement Project

Project Applicant: Garberville Sanitary District

Project Location (include county): Humboldt County, 1.7 miles north of the center of Garberville on Alderpoint Rd.

**Project Description:**

Replacement of an existing 30,000 gallon water tank with a new 200,000 gallon water tank in the same location. The new tank will require the excavated in the existing concrete pad and replacing it with a new 40 foot by 40 foot concrete pad. The tank will be made of coated, painted steel.

This is to advise that the Garberville Sanitary District has approved the above  
 Lead Agency or  Responsible Agency)

described project on July 23, 2013 and has made the following determinations regarding the above  
(date)  
described project.

1. The project [ will  will not] have a significant effect on the environment.
2.  An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [ were  were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [ was  was not] adopted for this project.
5. A statement of Overriding Considerations [ was  was not] adopted for this project.
6. Findings [ were  were not] made pursuant to the provisions of CEQA.

931643  
 CAROLYN CRNICH  
 Humboldt County Clerk  
 JUL 25 2013  
 BY [Signature]

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

Garberville Sanitary District

Signature (Public Agency): [Signature] Title: Chair of the Board of Directors

Date: July 23, 2013 Date Received for filing at OPR: \_\_\_\_\_

[California Home](#)

Friday, October 18, 2013

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## Alderpoint Road Tank Replacement Project - Garberville Sanitary District

**SCH Number:** 2013062003**Document Type:** NOD - Notice of Determination**Project Lead Agency:** Garberville Sanitary District

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### Project Description

Replacement of an existing 30,000 gallon water tank with a new 200,000 gallon water tank in the same location. The new tank will require the excavated in the existing concrete pad and replacing it with a new 40 foot by 40 foot concrete pad. The tank will be made of coated, painted street.

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### Contact Information

**Primary Contact:**

Jennie Short  
Garberville Sanitary District  
707 923 9566  
P.O. Box 211  
Garberville, CA 95542

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### Project Location

County: Humboldt  
City:  
Region:  
Cross Streets: Alderpoint Road and Quarry Road  
Latitude/Longitude: 40° 6' 39.2" / 123° 46' 54.0" [Map](#)  
Parcel No: 223-181-009  
Township: 4S  
Range:  
Section: 18  
Base: HB&M  
Other Location Info: Garberville

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### Determinations

This is to advise that the  Lead Agency  Responsible Agency Garberville Sanitary District has approved the project described above on 7/23/2013 and has made the following determinations regarding the project described above.

1. The project  will  will not have a significant effect on the environment.
2.  An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.  
 A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures  were  were not made a condition of the approval of the project.
4. A Statement of Overriding Considerations  was  was not adopted for this project.
5. Findings  were  were not made pursuant to the provisions of CEQA.

**Final EIR Available at:** Garberville Sanitary District P.O. Box 211, Garberville CA 95541

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**Date Received:** 7/29/2013

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