



**HUMBOLDT COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR SCHEDULED MEETING**

**AGENDA**

**DATE:** Tuesday, January 12, 2021

**TIME:** 5:00 p.m.

**LOCATION:** *In accordance with the Governor's Executive Orders N-25-20 and N-29-20 HCSD Board of Directors shall conduct the District's business via teleconference.*

*The open session segment(s) of the meeting, including Public Participation, may be joined through the Zoom Website (<https://zoom.us>) by clicking on "Join A Meeting" and entering the following Meeting ID then follow the prompts for Passcode and audio. Access may also be achieved by telephone only by dialing 1-669-900-9128 followed by the Meeting ID and Passcode below:*

*Meeting ID: 832 2434 9234  
Passcode: 968480*

**A. CALL TO ORDER AND ROLL CALL**

**B. CONSENT CALENDAR**

1. Approval of January 12, 2021 Agenda
2. Approval of Minutes of the Regular Meeting of December 22, 2020

**C. REPORTS**

1. General Manager
  - a) Status Report
2. Community Services
3. Superintendent
  - a) December 2020 Construction Operations Report
4. Finance Department
  - a) December 2020 Check Register
5. Legal Counsel
6. Director Reports

7. Other

**D. PUBLIC PARTICIPATION \*\***

\*\*Members of the public will be given the opportunity to comment on items not on the agenda by way of the teleconference call-in line. Please use the information set forth above to attend telephonically.

**E. NON-AGENDA**

**F. NEW BUSINESS**

1. Consideration of Mitigation Measure for McKay Ranch Water Supply Construction Timing
2. Consideration of Adopting Resolution 2021-01; Proposed Two Lot Annexation into HCSD Boundaries in the Mitchell Road Area of the District.
3. Consideration of Entering into an Agreement with Paymentus for an Online Payment System
4. Consideration of Financing Options for a New Sewer VacCon Purchase
5. Consideration of Declaring Unit 19 2011 Ford Ranger as Surplus and Disposal by Bidding Process

**G. OLD BUSINESS**

**H. ADJOURNMENT**

Next Res: 2021-02  
Next Ord: 2021-01

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Brenda Franklin at (707) 443-4558, ext. 210. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102 – 35.104 ADA Title II).

Pursuant to §54957.5(a) of the California Government Code, any public record writings relating to an agenda item for an open session of a regular meeting of the Board of Directors, not otherwise exempt from public disclosure, are available for public inspection upon request at the District offices located at 5055 Walnut Drive, Monday through Friday (holidays excepted) during regular business hours.

DRAFT – MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
HUMBOLDT COMMUNITY SERVICES DISTRICT

The Board of Directors of the Humboldt Community Services District met in Regular Session at 5:00 p.m. on Tuesday, December 22, 2020, via tele/video conference in accordance with the Governor's Executive Orders N-25-20 and N-29-20.

**A. CALL TO ORDER AND ROLL CALL**

Present upon roll call were Directors Benzonelli, Bongio, Gardiner, Hansen, and Matteoli, Staff in attendance: General Manager Williams (GM), Finance Manager Montag (FM), Superintendent Latham, and Community Services Manager Hulstrom (CSM).

**B. CONSENT CALENDAR**

1. Approval of December 22, 2020 Agenda
2. Approval of Minutes of the Meeting of December 8, 2020

DIRECTOR GARDINER MOVED, AND DIRECTOR HANSEN SECONDED, TO ACCEPT AND APPROVE THE DECEMBER 22, 2020 CONSENT CALENDAR. MOTION CARRIED UPON THE FOLLOWING ROLL CALL VOTE:

AYES: BENZONELLI, BONGIO, GARDINER, HANSEN, MATTEOLI  
NOES: NONE  
ABSENT: NONE

**C. REPORTS**

1. General Manager
  - a) Status Report

GM summarized his December 18, 2020 Memorandum:

- Capital Improvement Planning: Detailed the evaluation process to develop a CIP, the purpose and strategy he is applying as well as identification that the 2017 Rate Study failed to include provisions for its portion of imminent improvements to the Elk River Regional Wastewater Treatment Facility that is projected to impact the District's Sewer Fund by approximately \$10 Million around 2030.
- Covid and Vaccines: Reviewed the letter submitted to the County Health Officer, Deputy Health Officer and the Board of Supervisors requesting prioritizing of the vaccine to HCSD staff as essential workers.
- Mad River as Critical Water Supply: Summarized Humboldt Bay Municipal Water District's application to the County to declare the Mad River Watershed as a Critical Municipal Water Supply.

DRAFT – MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
HUMBOLDT COMMUNITY SERVICES DISTRICT  
Continued; December 22, 2020

- COE HCAOG and Caltrans: Advised of the draft plan and request for comments by January 13, 2021 for certain safety and multimodal transportation issues along Hwy. 101 between Herrick Avenue and 4<sup>th</sup> Streets in Eureka.
- McKay Community Forest: The County has released the final McKay Community Forest Trail Plan. The GM wanted everybody to be aware that the plan was finalized and that work on trails and access will be beginning soon, in and around the District.

4. Finance Department

a) November 2020 Budgetary Statement

FM reviewed the statement without comment.

6. Director Reports

Health Insurance Issues AdHoc - Director Gardiner reported that he and Director Bongio met to review investigation efforts previously taken and anticipates providing the full Board a written status report with recommendations to be considered in the near future.

**E. PUBLIC PARTICIPATION**

President Bongio invited the public to address the Board on any item not listed on the agenda or issues generally affecting District operations, which are within the jurisdiction of the Board. None.

**G. NEW BUSINESS**

1. Board of Directors Governance Training

Public Comment: None

GM reviewed the current available Governance Training web-based trainings consisting of Board Member Boot Camp, Chair Board Meetings with Confidence, Understanding the Brown Act, Understanding and Complying with the Public Records Act, Robert's Rules of Order, Board Member Roles. Lengthy discussion followed resulting in the GM affirming he will forward a link for each Board Member to access the pre-recorded ACWA/JPIA governance webinars.

DRAFT – MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
HUMBOLDT COMMUNITY SERVICES DISTRICT  
Continued; December 22, 2020

**I. ADJOURNMENT**

There being no further business, IT WAS MOVED BY DIRECTOR BENZONELLI, SECONDED BY DIRECTOR MATTEOLI, TO ADJOURN. MOTION CARRIED BY THE FOLLOWING ROLL CALL VOTE:

AYES: BENZONELLI, BONGIO, GARDINER, HANSEN, MATTEOLI

NOES: NONE

ABSENT: NONE

THE BOARD ADJOURNED ITS REGULAR MEETING OF DECEMBER 22, 2020 AT 5:41 P.M.

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Submitted, Board Secretary

# Humboldt Community Services District

*Dedicated to providing high quality, cost effective water and sewer service for our customers*

## MEMORANDUM

TO: Board of Directors

FROM: Terrence Williams, General Manager

DATE: January 8, 2021

SUBJECT: General Manager Report for January 12, 2021 Board Meeting

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Happy New Year! – The new year is upon us and with it comes new challenges and new opportunities.

COVID-19 – Despite all of the precautions and safe practices, one member of the District staff has tested positive for the virus. The individual was exposed by a family member as a result of a holiday gathering. The individual is quarantined until January 11. No other District staff were exposed as a result of this incident.

A second District employee indicated that a family member may have been exposed. As a result, this employee and another member of the team that works closely with this individual have quarantined pending a negative test result. If the test result comes back positive, the District will take additional steps to ensure the health and safety of our staff and the general public.

Pine Hill HDD – The Pine Hill Bridge HDD project is moving forward on schedule. The project was awarded to Downing Diversified; the contract documents have been executed and insurance documents are on file and in order. The Pre-Construction meeting is scheduled for Wednesday January 13 at 4:00 pm at the project site. This meeting will be attended by members of Downing Diversified, SHN, and HCSD.

Ridgewood Temporary Tank – The Ridgewood tank is scheduled for rehabilitation beginning in May 2021. In preparation, staff is installing a temporary tank system that will supply pressure to the Cutten area for the duration of the rehabilitation project. A simulation of tank level and pumping schedules to the temporary storage tank was developed using historic data collected from the SCADA (Supervisory Control and Data Acquisition) system. The simulation allows staff to develop level setpoints, determine pumping schedules and ensure that demand can be met with the temporary tank throughout the duration of the project. Installation of the temporary tank system will continue through this month and testing will begin in February.

General Manager's Report to the Board of Directors for  
January 12, 2021 Board Meeting

Princeton Well – The Humboldt Hill area is primarily served by three District owned wells. These wells are Princeton, South Bay and Spruce Point. The Princeton well is the oldest, shallowest and lowest producing well of the three. Developed in 1978 to a depth of 348 feet, this steel cased well consistently produced 140 gallons per minute over the past 42 years. Recently, staff discovered that this well is producing sand. After a thorough inspection and analysis staff has determined that the well casing has failed and the well will need to be abandoned.

In recent years, the Princeton well has served as a backup well because the Spruce Point and South Bay wells, developed in 1988, significantly out produce the Princeton well. The South Bay well was rehabilitated in 2018 and produces 1000 gallons per minute.

The property that the Princeton well is located on is District owned. The sole purpose of this property is the Princeton well. A water security and cost benefit analysis will be performed to determine what to do with this property once the well has been abandoned. Please expect more information about this situation in the coming months.

# Humboldt Community Services District

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Post Office Box 158    Cutten, CA 95534    (707) 443-4558    Fax (707) 443-1490

To:        H.C.S.D. Board of Directors

Date:      January 5, 2021

From:     Tim Latham, District Superintendent 

Subject:   December 2020 Construction Operations Report

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General business for the month of December included a sewer main line repair on Santa Clara Avenue, repairs to the sewer pressure main line emergency bypass connection at the South Broadway sewer lift station and the installation of a new 4" sewer service on Linton Street.

Other business included replacing the 2" pressure reducing valve (PRV) and sealing the access vault (due to groundwater intrusion) on Old Forest Lane in Freshwater, working on traffic control signage for the Pine Hill Bridge Water Main Line Replacement Project, continued construction of the temporary storage tank portion of the Ridgewood Tank Off-line Project in preparation of the complete rehabilitation of the Ridgewood water storage tank beginning May 2021 and assisting the Customer Service Department with service orders as necessary.



# Accounts Payable

## Checks by Date - Detail by Check Date

User: FM  
 Printed: 1/6/2021 4:43 PM

Humboldt Community Services District  
 5055 Walnut Drive – Eureka CA 95503  
 PO Box 158 – Cullen CA 95534 (707) 443-4558

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
54113	ZW002 UB*01851	Jon Williamson Replacement for UB Refund to Mark Williamson	12/07/2020	13.95
Total for Check Number 54113:				13.95
Total for 12/7/2020:				13.95
ACH	P610 12022020 12022020	Postage By Phone Postage Machine Refill Postage Machine Refill	12/10/2020	375.00 2,125.00
Total for this ACH Check for Vendor P610:				2,500.00
54074	UB*01852	STEVE DANIELSON Refund Check Refund Check Refund Check Refund Check	12/10/2020	11.55 61.75 9.55 33.65
Total for Check Number 54074:				116.50
54075	A360 355771	AFLAC Supplemental Health Premium - November	12/10/2020	289.84
Total for Check Number 54075:				289.84
54076	A780 1500-00644839	Asbury Environmental Services Waste oil/Pick up	12/10/2020	160.00
Total for Check Number 54076:				160.00
54077	B284 1403122 1403122	Badger Meter Inc (18) 5/8" Meters (36) 3/4" Meters	12/10/2020	2,834.22 6,789.08
Total for Check Number 54077:				9,623.30
54078	C450 INV00197	City of Eureka: Water Test Microbiological Testing - October	12/10/2020	425.00
Total for Check Number 54078:				425.00
54079	C475 07142553P	Coast Counties Peterbilt Unit #18/Mirror convex	12/10/2020	20.72
Total for Check Number 54079:				20.72
54080	D730 2101D50049 2101D50049	Dept of Water Resources Interest Davis-Grunsky Principal Davis-Grunsky	12/10/2020	413.79 5,154.19

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	2101D50049DI	Deferred Interest DavisGrunsky		139.11
Total for Check Number 54080:				5,707.09
54081	E485	Cooney Parris and Rieke Corp	12/10/2020	
	088808/3	Unit #1/Tools/Chainproof 3/8" zn 45'		24.09
	089446/3	Hubbard Pump Parts/Pipe Tee 1/4" FPT BRS		27.44
	089474/3	Stn Bubbler/Comp nut/Insert brass/Sleeve comp/		33.27
	089773/3	Tack Oil Sprayer/ClickNFlame lighters		7.31
	089967/3	Tools/Rake sprngbrac22tines54"		38.77
	11302020	Discount Earned - November		-6.07
Total for Check Number 54081:				124.81
54082	E558	NAPA Auto Parts of Eureka	12/10/2020	
	151295	Unit #2/PR Blue str 5W40 Gal/Purple Power Car		113.32
	151778	Unit #12/Oil/Syn0W20		38.93
	153631	Unit #4/Oil/Premblue 15W40		56.38
	153857	Unit #11/Lamp		1.79
	154154	Camera Van/Air filter/5W20 Synthetic motor		59.40
	155581	Shop/Simple Green cleaner		17.89
	155702	Unit #18/2.5 Blue Def		46.31
Total for Check Number 54082:				334.02
54083	E650	Eureka Ready Mix	12/10/2020	
	66204	Base		2,120.25
	66237	Base		2,610.24
	66280	Base		2,610.24
	66317	Base		2,175.20
	66386	Crushed Rock PU		560.55
	66422	Base		1,740.16
	66519	Base		2,986.66
	66624	3/4 Washed Crushed P/U		305.41
Total for Check Number 54083:				15,108.71
54084	F010	Farmer Brothers Co	12/10/2020	
	81500220	Med Rst 2.0/Fr Rst DC 2.0		145.59
Total for Check Number 54084:				145.59
54085	H010	Keenan Supply	12/10/2020	
	11302020	Discount Earned - November		-117.46
	S011584886.001	Yard Replacement/Std Brass nipples		274.53
	S011593482.001	Customer Service/Meter swivelxmale meter bras		816.31
	S011597984.001	Yard Replacement/250 PSI Polyethene Pipe		116.03
	S011602696.001	Installed 2010 Eich Rd/Christy B36G Water Con		69.59
	S011602701.001	Eich Rd/Cust Service/Water steel checker plate		234.58
	S011605536.001	Golf Course Sewer/6 DI C110 Flng wye/45 Elbo		1,266.10
	S011605536.002	6"X6" DI FlgxFlg spool cement lined bit coated		234.53
	S011607198.001	Yard Stock/Sewer Saddles/Fernco inlet wye tap s		119.21
	S011609159.001	Yard Restock/Swivelxmip brass meter cplg l hol		119.15
	S011616098.001	Yard/MacPak Brass 3 part cplg		329.34
	S011617505.001	Yard Replacement/3/4x100 IPS 250 PSI poly pip		90.86
	S011618240.001	Yard Replacement/AYM 4130-765 IPS ss insert		105.20
	S011618611.001	3/4x100 IPS 250 PSI poly pipe		45.42
	S011620301.001	316 SS T Bolts		356.13
	S011620301.002	Bell Joint Restraint SS Rods Nuts Bolts		491.93
	S011620946.001	Golf Course Sewer/F 6x4'-0" Flg x Flg DI spool		760.72
	S011627500.001	AYM 3/4 to I Brass mtr adpt		288.74

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	S011631748.001	6 DI C153 Mjxfng45 Elbow		102.60
	S011633002.001	Yard Replacement/6DI C153 Mjxfng adpt/45 El		646.83
	S011639490.001	Credit/Return/6x4 Grv x pe di spool		-95.43
			Total for Check Number 54085:	6,254.91
54086	H060 5257966	Harvey M. Harper Co. Unit #4/Filters/FL 2016 kit element and gasket	12/10/2020	200.60
			Total for Check Number 54086:	200.60
54087	H410 23720000	Humboldt Bay Municipal Water D Water Purchased - November	12/10/2020	90,193.64
			Total for Check Number 54087:	90,193.64
54088	I525 180516	Infosend UB/Process and Mail/Bills - October	12/10/2020	4,194.86
			Total for Check Number 54088:	4,194.86
54089	I700 5087332 5087428	IBS Interstate Battery System Old Unit #11/Battery/MTP-24F Scada Panel/Batteries	12/10/2020	112.89 93.71
			Total for Check Number 54089:	206.60
54090	J800 108249	Johnson's Mobile Rentals LLC Rental fencing for the Ridgewood Tank Off-line	12/10/2020	249.37
			Total for Check Number 54090:	249.37
54091	L200 60900584947 60900585289	Les Schwab Tire Center of Calif Inc. Unit #8/Repair/Slow leak right front Unit #11/Thrust Angle Alignment	12/10/2020	56.82 89.99
			Total for Check Number 54091:	146.81
54092	M101 123223	MapleService Inc. 6560 2nd St/Install supplied filter	12/10/2020	440.13
			Total for Check Number 54092:	440.13
54093	M350 6224190/1	Mid-City Motor World Unit #12/Speedometer checked	12/10/2020	145.00
			Total for Check Number 54093:	145.00
54094	M450 513565499 513611032 513646607 513692508 513738795	Mission Linen Uniforms/Linens Uniforms/Linens Uniforms/Linens Uniforms/Linens Uniforms/Linens	12/10/2020	205.57 364.47 208.88 351.01 208.88
			Total for Check Number 54094:	1,338.81
54095	N465 0018193	Brad's Nor-Cal Automotive Unit #19/Blower motor	12/10/2020	264.27
			Total for Check Number 54095:	264.27
54096	O400	O and M Industries	12/10/2020	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	0019573	Golf Course Sewer Slough Xing/Fab 6x6x1/2x10		3,130.04
			Total for Check Number 54096:	3,130.04
54097	P190	Pacific Paper Co	12/10/2020	
	153478	Avery File Folder labels/MH		29.71
	153839	3" BusSce Rring View Binders		25.95
	154247	Insertable Tab Indexcs/Copy paper/Uniball .7 rec		146.48
	154286	RR chair cylinder/UB desk		236.90
			Total for Check Number 54097:	439.04
54098	P430	Pierson Building Center	12/10/2020	
	11302020	Discount Earned - November		-14.92
	925137	2X4X8 DF		26.25
	926760	Permatex 4oz Anti-seize 80071		5.41
	927654	1/2x20' Rebard grd 40		26.02
	927663	Milw recip 9" diamond/Formey tire inflater/Simp		219.06
	928634	Golf Course Sewer Slough Xing/2x4x12 Std Btr.		107.74
	928639	Golf Course Sewer Slough Xing/Power-pro ext 5		24.28
	928675	Golf Course Sewer Slough Xing/2x12 Btr S4S		19.19
			Total for Check Number 54098:	413.03
54099	P785	Powell Landscape Materials	12/10/2020	
	12146	Golf Course Sewer Slough Xing/6 Sack/Acceler:		265.54
			Total for Check Number 54099:	265.54
54100	R415	Mattew Rizkowsky	12/10/2020	
	363	FY 20/21 Monthly IT Support - November		800.00
			Total for Check Number 54100:	800.00
54101	S490	SHN Consulting Engineers	12/10/2020	
	107217	Water Model Calibration		1,348.75
	107217	Golf Course Sewer Slough Crossing		3,728.20
	107217	Croan Sewer/Sea Ave FM Reversal		2,167.50
	107217	Ridgewood Tank Rehab Preparation		864.70
	107217	P.H.B. WL Rpc Dir Drl, Vlvs/Hyd		3,355.00
			Total for Check Number 54101:	11,464.15
54102	S495	Shred Aware	12/10/2020	
	32076	PickUp/Shredding/64GalBin/27"Shredinator		114.00
			Total for Check Number 54102:	114.00
54103	S808	Statewide Traffic Safety and Signs	12/10/2020	
	09006254	Golf Course Sewer/Signs and crossbrace		120.36
	09006255	Golf Course Sewer/Signs and crossbrace		20.03
			Total for Check Number 54103:	140.39
54104	S860	Sunbelt Rentals	12/10/2020	
	107316360-0001	Ridgwd Tank/Track mini-skidsteer rental for the		577.46
	107607077-0001	Ridgwd Tank/Track mini-skidsteer rental for the		394.71
	107840206-0001	Ridgwd Tank/Track mini-skidsteer rental for the		394.71
			Total for Check Number 54104:	1,366.88
54105	S906	SWRCB-DOWQ	12/10/2020	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	WD-0181064	Annual Permit Fee - NPDES		682.00
			Total for Check Number 54105:	682.00
54106	S910 WD-0177955	SWRCB Annual Permit Fee - WDR	12/10/2020	2,848.00
			Total for Check Number 54106:	2,848.00
54107	T918 0218066	TT Technologies, Inc. (1) 2.5" diameter 65P Grundomat pneumatic bor	12/10/2020	5,902.07
			Total for Check Number 54107:	5,902.07
54108	T920 390208	Tina Tunzi Holiday Window Painting	12/10/2020	25.00
			Total for Check Number 54108:	25.00
54109	U410	United Way of Humboldt PR Batch 00001.12.2020 UNITED WAY PR Batch 00001.12.2020 UNITED WAY PR Batch 00001.12.2020 UNITED WAY	12/10/2020 PR Batch 00001.12.2020 UNI PR Batch 00001.12.2020 UNI PR Batch 00001.12.2020 UNI	1.68 0.64 6.68
			Total for Check Number 54109:	9.00
54110	V500 9867539543	Verizon Wireless Cellular Service - November	12/10/2020	397.30
			Total for Check Number 54110:	397.30
54111	W208 1020	Watt's Cleaning Services District office, breakroom and lower shop cleani	12/10/2020	1,165.00
			Total for Check Number 54111:	1,165.00
54112	W730 94679	Wienhoff Drug Testing Inc 2021 Consortium Membership (12EE)	12/10/2020	960.00
			Total for Check Number 54112:	960.00
			Total for 12/10/2020:	168,312.02
54114	UB*01853	JESSICA LONG Refund Check Refund Check Refund Check Refund Check Refund Check Refund Check	12/17/2020	2.12 0.10 0.38 1.08 0.73 3.87
			Total for Check Number 54114:	8.28
54115	A160 658771 658771 658771 658771 658771 658771 658771	ACWA-JPIA bDental Plan - Employees aMedical Plan - Employees Overpay Credit dLife/AD&D Plan - Employees eMedical Plan - Board Members kVision Plan - Retired Members jDental Plan - Retired Members	12/17/2020	1,637.64 52,422.26 -0.33 362.39 16,840.60 312.60 1,052.16

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	658771	iMedical Plan -Retired Members		22,879.39
	658771	eVision Plan - Employees		312.60
	658771	hLife/AD&D Plan -Board Members		48.30
	658771	gVision Plan - Board Members		125.04
	658771	fDental Plan - Board Members		726.20
Total for Check Number 54115:				96,718.85
54116	C036	Corporate Payment Systems	12/17/2020	
	242042903210001	TL/FY 20/21 Microsoft Online Email Exchange		80.00
	244273303367402	TK/Murphys/Gift Cards (in lieu 2020 EA Dinner		997.50
	244310503248380	WP/O'Reilly Auto Parts/Camera Van/Gen filter		24.22
	244921503188526	DT/Columbine Assoc/So Bay Well/Valves		85.72
	244921503300274	WP/PAPE'/Small excavator/Cool-Gard		35.99
	244921503360274	WP/PAPE'/Generators/Filters		126.69
	244921503396371	TL/ZOOM Video Conferencing - monthly @ \$1.		14.99
	244939803250264	DT/RoscoeMoss/So Bay Well/Rossum Sand Test		719.03
	246392303209000	TK/CWEA/WEF PWO Annual Membership		267.00
	246921603201006	TK/Amazon/N95 Certified Face Masks		109.90
	246921603241003	WP/Airgas/Shop torch tips		100.76
	246921603271009	TK/Amazon/TP-Link USB Bluetooth Adaptor		10.57
	246921603271009	TK/Amazon/Wireless Headset w/Mic		43.28
	246921603301000	NM/Amazon/Headset batteries		27.97
	247554203141531	TL/Carrier X LC/Monthly Board Meeting Telecc		8.00
	249064103231074	TL/CrashPlan/Code 42 Back-Up System 3 Serve		29.97
Total for Check Number 54116:				2,681.59
54117	C180	Canon Solutions America Inc.	12/17/2020	
	4034695175	Office/Color Copies WXD03492-10.31.20-11.29		106.14
	4034695175	Use Tax Recovery Fee/OfficeCop		5.17
	4034695175	Office/Black Copies WXD03492-10.31.20-11.25		27.18
Total for Check Number 54117:				138.49
54118	C410	City of Eureka: SW	12/17/2020	
	December 2020	General 79%		94,424.75
	December 2020	Humboldt Hill 21%		25,100.25
Total for Check Number 54118:				119,525.00
54119	C430	City of Eureka: WA	12/17/2020	
	11302020	Water Purchased - November		62,102.00
Total for Check Number 54119:				62,102.00
54120	F352	Fisch Drilling	12/17/2020	
	P1250-3	Sct Princeton well		400.00
Total for Check Number 54120:				400.00
54121	H210	Hensell Materials	12/17/2020	
	603191	Burlap Wattles		162.76
Total for Check Number 54121:				162.76
54122	H810	Humboldt Waste Management Auth	12/17/2020	
	190795	Golf Course Sewer Slough Xing/Greenwaste		8.82
	193147	Solid Waste		8.00
Total for Check Number 54122:				16.82

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
54123	I525 182150	Infosend UB/Process and Mail/Bills - November	12/17/2020	4,302.65
Total for Check Number 54123:				4,302.65
54124	I559 S1040499.001	Inland Water Works Supply Co 54 Itron 100 W, 2 port ERT's for new Badger me	12/17/2020	4,363.88
Total for Check Number 54124:				4,363.88
54125	M230 M201936 M202932	Mendes Supply Co CH Bacticide Gal CH Bacticide Gal	12/17/2020	487.82 439.03
Total for Check Number 54125:				926.85
54126	M340 102654	Mercer Fraser Co Ridgewood WBS/Road/3/4" Crushed rock	12/17/2020	378.90
Total for Check Number 54126:				378.90
54127	M560 46754	The Mitchell Law Firm LLP Legal Services - November 2020	12/17/2020	973.00
Total for Check Number 54127:				973.00
54128	N430 27745/1	Nilsen Feed and Grain Co. Golf Course Sewer Slough Xing/Rice Straw	12/17/2020	10.25
Total for Check Number 54128:				10.25
54129	N570 155967	North Coast Labs Ltd Special water sampling for 6560 2nd Street, #B,	12/17/2020	165.00
Total for Check Number 54129:				165.00
54130	P010 12282020 12282020 12282020 12282020 12282020 12282020 12282020	Pacific Gas and Electric-GN bHH Water System cFW/MR Water System dGeneral Sewer System eKS/HH Sewer System fOffice/Yard aWA Pump & District/Cummings gSpark energy Gas/LP Gas Chgs	12/17/2020	4,564.98 642.73 2,969.17 1,073.44 3,606.97 4,986.56 310.01
Total for Check Number 54130:				18,153.86
54131	R250 060111203	Recology Humboldt County Garbage Service - November	12/17/2020	477.88
Total for Check Number 54131:				477.88
54132	S675 3237	Springbrook National User Group Membership Dues - 12.31.2020-2021	12/17/2020	100.00
Total for Check Number 54132:				100.00
54133	S908 27945 42719	SWRCB-DWOCF D4 Water Distribution Cert Renewal/DT D4 Water Distribution Cert Renewal/WP	12/17/2020	140.00 140.00
Total for Check Number 54133:				280.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
54134	U730 412426 424502	USA Bluebook Replacement glass sample tubes Ridgewood Pump parts/Metrasphere 3"	12/17/2020	
				276.35
				302.02
			Total for Check Number 54134:	578.37
54135	V700 63315	Valley Pacific Petroleum Services Inc INV 20-349762	12/17/2020	
				2,580.09
			Total for Check Number 54135:	2,580.09
			Total for 12/17/2020:	315,044.52
54136	UB*01855	R. SCOTT GALLANT Refund Check Refund Check Refund Check Refund Check Refund Check Refund Check	12/31/2020	
				49.00
				7.27
				5.68
				1.54
				35.31
				16.25
			Total for Check Number 54136:	115.05
54137	UB*01854	MARY SEELY Refund Check Refund Check Refund Check Refund Check	12/31/2020	
				26.16
				7.42
				24.63
				1.79
			Total for Check Number 54137:	60.00
54138	A072 1157	Accurate Drug Testing Services DOT DMV Exam/WR	12/31/2020	
				90.00
			Total for Check Number 54138:	90.00
54139	C450 INV00395	City of Eureka: Water Test Microbiological Testing - November	12/31/2020	
				408.00
			Total for Check Number 54139:	408.00
54140	F049 CAEUR109727 CAEUR109727 CAEUR109843 CAEUR110214 CAEUR110214 CAEUR110345 CAEUR110345	Fastenal Company 40-Grit HD Zirconia/Alumina Flap Disc EcoGrade Vinyl Electrical tape AA Alk Btry/12oz WD-40 Sfty Glasses/FlexGd Gloves/BlkChiselMrkr/Tap AA Btry/C Btry/9V Btry Blue Marking Paint AA Btry/8 mil XL Orange Disp Gloves	12/31/2020	
				16.98
				5.48
				26.30
				61.11
				10.11
				19.04
				130.58
			Total for Check Number 54140:	269.60
54141	F050 CAEUR109718 CAEUR109834 CAEUR110075 CAEUR110343 CAEUR110344	Fastenal Industrial 20 oz Aerosol Clean Choice Air Freshener Unit #1/Sling/6' Vertical cap endless round sling New Bore/Machine hose fittings/P-Series Thor I Center Pull PT Roll CCBth Tissue/Multi-Fold PT/Toilet Seat cover	12/31/2020	
				77.10
				54.23
				72.46
				48.02
				73.63



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 54141:	325.44
54142	M350 5158461	Mid-City Motor World Unit #19/Floor mats	12/31/2020	89.00
			Total for Check Number 54142:	89.00
54143	N430 027745/1	Nilsen Feed and Grain Co., Rice Straw	12/31/2020	10.25
			Total for Check Number 54143:	10.25
54144	P130 01042021	Pacific Gas and Electric-St Street Lighting - December	12/31/2020	5,437.62
			Total for Check Number 54144:	5,437.62
54145	P490 1017005786	Pitney Bowes Inc. AnnMaint/FolderInserter/STDSLA	12/31/2020	492.96
			Total for Check Number 54145:	492.96
54146	S490 107578 107578 107578 107578	SHN Consulting Engineers Golf Course Sewer Slough Crossing Ridgewood Tank Rehab Preparation P.H.B. WL Rpc Dir Drl, Vlvs/Hyd Croan Sewer/Sea Ave FM Reversal	12/31/2020	250.00 100.70 4,705.00 31.25
			Total for Check Number 54146:	5,086.95
54147	S750 01012021	Standard Insurance Company Short&Long Term Empl Disability	12/31/2020	1,486.08
			Total for Check Number 54147:	1,486.08
54148	S850 01152021+10	Suddenlink Internet/Phone 12.24.20 - 01.23.21	12/31/2020	502.49
			Total for Check Number 54148:	502.49
54149	S908 7746	SWRCB-DWOCF D2 Water Distribution Cert Renewal/WB	12/31/2020	80.00
			Total for Check Number 54149:	80.00
54150	U410	United Way of Humboldt PR Batch 00003.12.2020 UNITED WAY PR Batch 00003.12.2020 UNITED WAY PR Batch 00003.12.2020 UNITED WAY	12/31/2020 PR Batch 00003.12.2020 UNI PR Batch 00003.12.2020 UNI PR Batch 00003.12.2020 UNI	5.96 0.59 2.45
			Total for Check Number 54150:	9.00
54151	UB*01856	KATY CORTOPASSI Refund Check Refund Check	12/31/2020	581.12 811.02
			Total for Check Number 54151:	1,392.14
			Total for 12/31/2020:	15,854.58

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Report Total (79 checks):	499,225.07

# Humboldt Community Services District

*Dedicated to providing high quality, cost effective water and sewer service for our customers*

## AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: **January 12, 2021**

**AGENDA ITEM:** F.1 (New Business)

**TITLE:** Consideration of Mitigation Measure for McKay Ranch Water Supply Construction Timing

**PRESENTED BY:** Terrence Williams, General Manager

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### **Recommendation:**

Approve the mitigation measure presented by the County of Humboldt regarding the timing of construction of a water supply tank for the proposed McKay Ranch Subdivision.

### **Summary:**

As a result of the proposed McKay Ranch Subdivision, the District engaged in a water supply study to inform the County of Humboldt's Environmental Impact Report for the subdivision. The cost of the water supply study was borne by the Project Proponent. The water supply study identified two areas of significant impact to the District's water supply. Specifically, the water supply storage volume at the Ridgewood Tank Site needs to be increased by 250,000 gallons and a section of water main on Walnut Drive between Holly Street and Cypress Avenue needs to be increased to 12 inches.

The Project Proponent has requested some leeway with respect to the construction timing of the additional water storage because this represents a significant expense and could delay the construction process within the subdivision. The County has proposed a mitigation measure that allows construction within the subdivision to begin concurrently with the construction of the additional storage capacity. The mitigation measure also requires that the additional water storage be online and fully functional before occupancy is allowed within the subdivision. Please find the County's mitigation measure proposal attached.

Staff has analyzed the water supply study and the proposed mitigation measure. Because the impacts to the water system result from the increased consumption associated with occupancy within the subdivision; staff finds this mitigation measure acceptable with respect to the impacts to the District's ability to supply drinking water and fire-flow.

### **Fiscal Impact:**

None



**COUNTY OF HUMBOLDT**  
**PLANNING AND BUILDING DEPARTMENT**  
**CURRENT PLANNING DIVISION**

**MEMO**

DATE: December 23, 2020  
TO: TK Williams, General Manager, HCSD  
FROM: Trevor Estlow, Senior Planner  
RE: North McKay Ranch Subdivision Water Study

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A recent Water Supply Assessment Study, prepared by SHN Consulting Engineers determined that an additional 250,000 gallons of storage volume is required at the Ridgewood tank site to serve the proposed North McKay Ranch Subdivision. The study did not include a phasing study to determine the timing of when the tank would be required. Based on the simulated fire flow event, it is likely that the Cutten pressure zone is very near capacity. In lieu of performing a phasing study, the County would offer as a condition of approval:

"Prior to the issuance of a building permit for any residential or commercial structures, the Building Permit for the installation of the new water tank shall be issued. Furthermore, prior to the final inspection sign-off and/or final approval of an occupancy permit of any residential or commercial structures, the water tank shall be installed and operational. This condition does not apply to Phase 1 development along the extension of Manzanita Street."

This would assure that the 250,000 gallons of additional storage volume are in place and functional before any demand is placed on the system.

# Humboldt Community Services District

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## AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: January 12, 2021

**AGENDA ITEM:** F.2 (New Business)

**TITLE:** Consideration of Adopting Resolution 2021-01; Proposed Two Lot Annexation into HCSD Boundaries in the Mitchell Road Area of the District.

**PRESENTED BY:** Mickey Hulstrom, Community Services Manager

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### Recommendation:

Motion to adopt Resolution 2021-01 Annexing APNs 303-161-012 and 303-161-013 (westerly terminus of Mitchell Road) into HCSD boundaries. Roll-call vote.

### Summary:

The Humboldt Community Services District (District) has been approached by a property owner at the end of Mitchell Road requesting public water service. The property is 5180 Mitchell Rd (APN 303-161-012). There is an existing living unit on the property. This property is within the District's Sphere of Influence but not within District boundaries (please refer to the attached maps). An existing water main ends roughly at the property so there is no need for a water main extension to provide public water service.

The Humboldt Local Agency Formulation Commission (Humboldt LAFCo) requires the annexation process to be initiated before water service can be provided to the property. Upon annexation, the property owner will be required to pay for the construction of the desired water service as well as pay an applicable water connection fee as all new water service customers are required to do. The property owner is aware of this and has requested to move ahead with the annexation process.

Upon review of the property owner's request, District staff has found that there is an adjacent property outside of the District boundary, that is currently receiving water service (5262 Mitchell Road, APN 303-161-013). This second property is also within the District's sphere of influence. This property received an out of boundary agricultural water service in 2012 under different LAFCo rules. District staff proposes annexing both properties into the District's boundaries at the same time. The District has approached the second property owner and discussed the proposal to annex his

property at the same time as his neighbor into the District. The second property owner has no objections to the annexation. Humboldt LAFCo annexation cost is the same for one or two properties (no additional annexation costs). Approximate LAFCo annexation costs are \$5,000.00 which will be paid by the requesting property owner.

Both of these properties are at the very end of Mitchell Road. The water main ends at the property line. There are no plans, or need, for the water main to be extended beyond these properties. There is no further land within the District's Sphere of Influence or available to be annexed in this area.

**Fiscal Impact:**

None

**RESOLUTION 2021-01**

**A RESOLUTION OF APPLICATION  
BY THE HUMBOLDT COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS  
REQUESTING THE HUMBOLDT LOCAL AGENCY FORMATION COMMISSION  
TAKE PROCEEDINGS FOR THE ANNEXATION OF TWO PARCELS IN THE  
MITCHELL ROAD AREA**

**WHEREAS**, the Humboldt Community Services District (District) desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3, commencing with Section 56000 of the California Government Code, for a change of organization consisting of annexation of the two parcels in the Mitchell Road area to the District; and

**WHEREAS**, the annexation area consists of two parcels (APNs 303-161-012, and -013), which are located within the District's adopted sphere of influence; and

**WHEREAS**, the principal reasons for the proposed annexation are as follows:

1. District currently provides water service (out of District connection) to one of the two parcels within the annexation area.
2. The property owner of APN 303-161-012 has requested water service to serve an existing single-family residence at the subject parcel.
3. LAFCo desires annexation before any additional water services are allowed.
4. Annexation of these parcels would establish District boundaries that align with property boundaries and service areas.
5. The District is the appropriate entity to make application to LAFCo.

**WHEREAS**, the territory subject to the proposed annexation is uninhabited (less than 12 registered voters), and a map of the exterior boundary of the territory is set forth in Exhibit "A" attached hereto and by this reference incorporated herein; and

**WHEREAS**, the proposed annexation would not be subject to a tax exchange agreement between the County and District; and

**WHEREAS**, the proposed annexation is categorically exempt from further review under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1), 15303 (Class 3), 15304 (Class 4) and 15319 (Class 19), which exempts existing facilities as well as the construction and location of water mains and other utility extensions of reasonable length to serve such construction.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of the Humboldt Community Services District adopts Resolution 2021-01 thereby resolving as follows:

**Section 1:** The Board of Directors hereby approves this Resolution of Application and requests that Humboldt LAFCo take proceedings for the proposed annexation in the manner provided by the Cortese-Knox-Hertzberg Government Reorganization Act of 2000.

**Section 2:** Staff is directed to prepare and submit to Humboldt LAFCo an application for annexation that includes the territory as shown in Exhibit "A".

**PASSED, APPROVED, and ADOPTED** by the Board of Directors of the Humboldt Community Services District on January 12, 2021 upon the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Alan Bongio, Board President

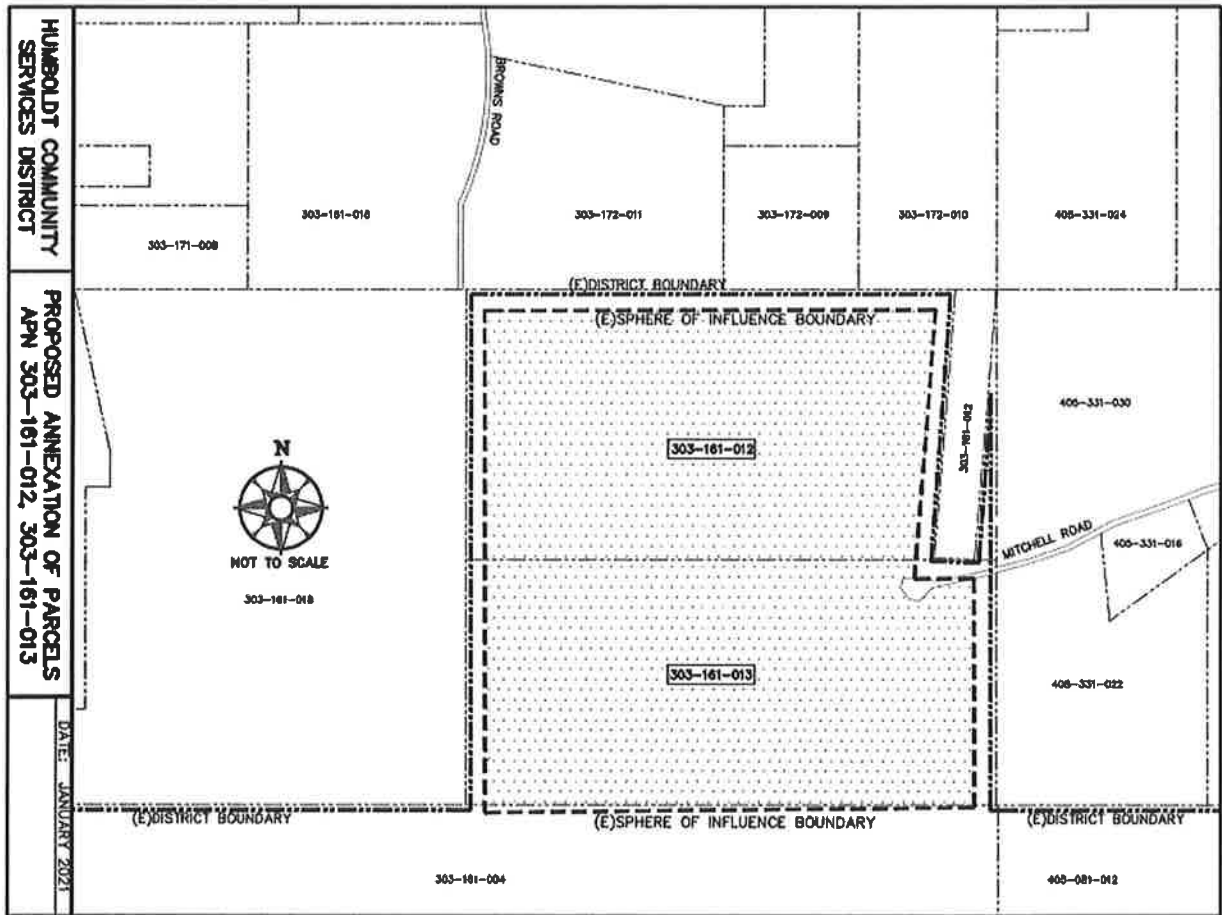
ATTEST:

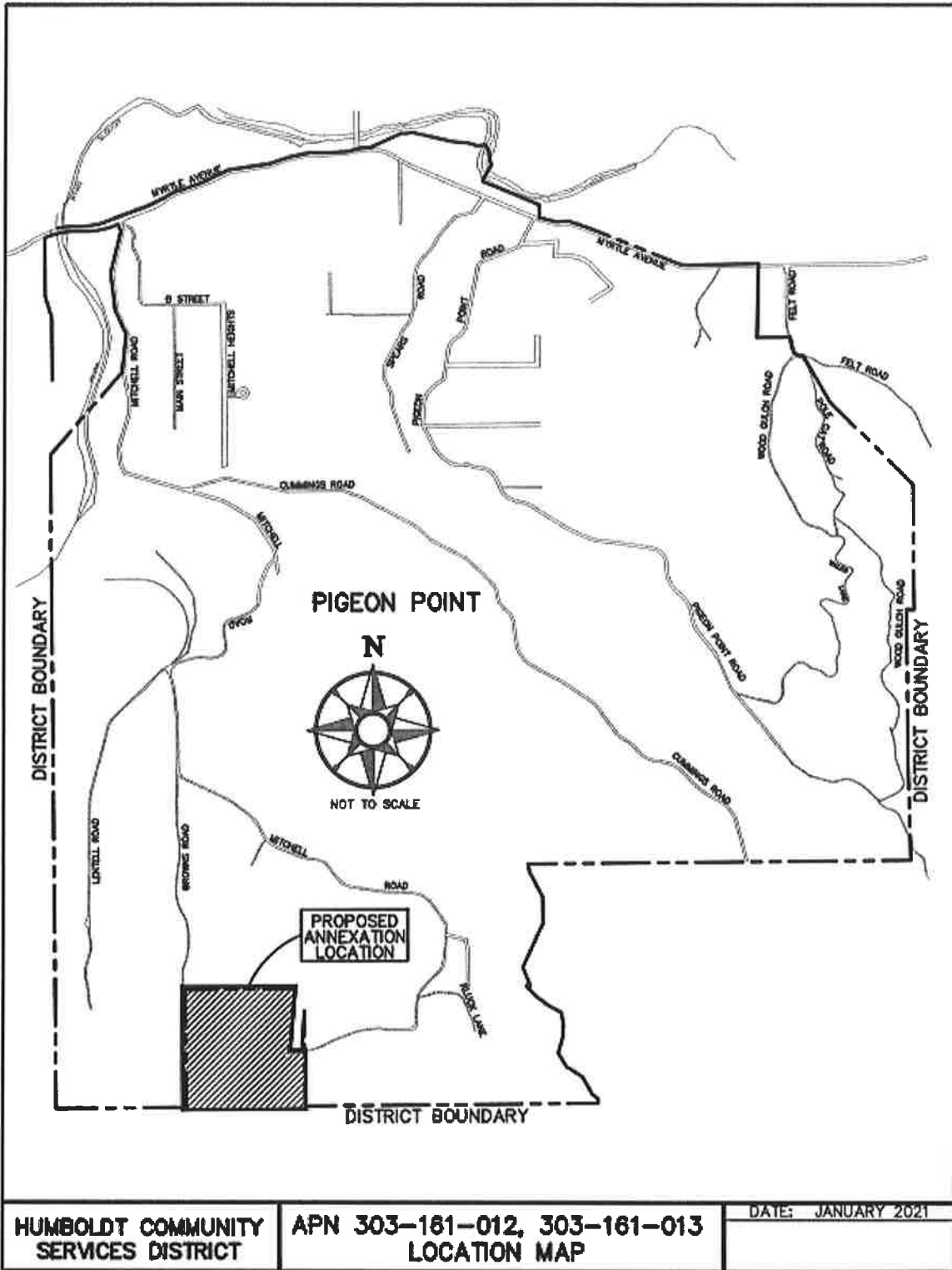
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Brenda K. Franklin, Board Secretary



# EXHIBIT "A"





# Humboldt Community Services District

*Dedicated to providing high quality, cost effective water and sewer service for our customers*

## AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: **January 12, 2021**

**AGENDA ITEM:** F.3 (New Business)

**TITLE:** Consideration of Entering into an Agreement with Paymentus for an Online Payment System

**PRESENTED BY:** Michael Montag, Finance Manager/District Treasurer

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### **Recommendation:**

Motion to authorize the General Manager to execute an agreement on behalf of the District with Paymentus as the online payment processing provider to the District. Roll-call vote.

### **Summary:**

The District currently uses an online payment service provider called USA ePay. The current system is problematic and in need of replacement with a more robust system. Staff has assessed the current system and multiple alternative options.

The current system has several shortcomings that District staff have identified which is the impetus for this change. Those shortcomings are listed below:

- Lack of integration with the District's billing software
- Lack of automated phone payment
- Lack of ability to pass through processing fees
- Lack of additional payment options

Some of the shortcomings listed are items that the District is legally obligated to comply with. One example is that the California Public Utilities Code (CPUC) requires credit card processing fees to be paid by the customer. The District is not in compliance under the current (USA ePay) solution. In May of 2014, when the District started accepting online payments, the Board agreed by consensus that all credit card processing fees would be borne by the credit card payer. Former management did not implement this practice. Since credit card processing fees are currently paid by the District, credit card payers will experience an increase in fees paid when using a credit card but this practice is mandated by the CPUC.

Additionally, the Payment Card Industry Data Security Standards (PCI DSS or PCI for short) indicate that credit card payments made over the phone need to be made by an automated system and not by reading the credit card number to a customer service representative over the phone. The current solution is out of compliance with the PCI standard. If a credit card fraud case were brought against the District, the District could be liable if such fraud were the result of our phone payment process being out of compliance with PCI. Migrating to a PCI compliant solution will protect the District from such liability.

District staff has evaluated several different options for online payment processing including Paymentus, InfoSend, and CivicPay as well as USA ePay. Each of the solutions listed meet or exceed the District's requirements for online payment processing for CPUC and PCI compliance and offer a robust alternative to the current solution (USA ePay). Paymentus stands out as offering the most options, benefits and features while also being the least expensive to the credit card payer as well as to the District.

**Fiscal Impact:**

Moving to Paymentus represents a 70% reduction in the cost to the District for providing an online payment processing service to our customers. Based on FY 2019-2020 expenses, this represents an estimated annual savings of \$27,500 when compared to the current solution.

Attachment: Paymentus Master Services Agreement

# Paymentus

## MASTER SERVICES AGREEMENT

<b>Client:</b>	Humboldt Community Services District
<b>Client Address:</b>	5055 Walnut Dr., Eureka CA, 95503
<b>Contact for Notices to Client:</b>	Michael Montag
<b>Estimated Yearly Bills / Invoices:</b>	91,200

This Master Services Agreement (“Agreement”) is entered into as of the date of the last of the signatures set forth below (“Effective Date”), by and between the Client identified above and Paymentus Corporation, a Delaware Corporation with a principal place of business at 13024 Ballantyne Corporate Parkway, Suite 400, Charlotte, North Carolina 28277.

### STATEMENT OF PURPOSE

Paymentus desires to provide and Client desires to receive electronic bill payment services as more particularly described in this Agreement under the terms and conditions set forth herein.

### AGREEMENT

In consideration of the mutual covenants hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows. This Agreement consists of the following documents:

- (i) this signature page
- (ii) the General Terms and Conditions; and
- (iii) the following Schedules:
  - Schedule A:** Paymentus Service Fee Schedule.
  - Schedule B:** Paymentus Additional Services Fee Schedule.

This Agreement represents the entire agreement between the parties with respect to its subject matter, supersedes all prior written or oral agreements or understandings related to the subject matter hereof, and may be changed only by agreements in writing signed by the authorized representatives of each of the parties.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

#### CLIENT:

By: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

#### PAYMENTUS CORPORATION

By: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

## GENERAL TERMS AND CONDITIONS

### 1 **Definitions:**

For the purposes of the Agreement, the following terms and words have the meaning ascribed to them, unless the context clearly indicates otherwise.

1.1 "Agreement" or "Master Agreement" means the Master Services Agreement between the parties, as amended from time to time.

1.2 "Average Bill Amount" means the total amount of Payments processed through Paymentus in a given month divided by the number of the Payments for the same month.

1.3 "Effective Date" means the date the last party to execute the Agreement does so, or if the Agreement is submitted to Client for acceptance in a manner that does not call for Paymentus to execute it, the date Client agrees to the Agreement.

1.4 "Excess Payment Amount" means the amount by which the total of all Payment Amounts from Non-Qualified Transactions processed in a calendar month exceeds 5% of the total of the Payment Amounts of all card Payments processed that month.

1.5 "Fee Assumptions" means information used to calculate the Paymentus Fee (as defined in Section 3.2), including (i) the projected Average Bill Amount, (ii) the projected payment method mix (credit vs debit vs e-check) and (iii) an assumption by Paymentus that the total Payment Amount processed each month resulting from Non-Qualified Transactions shall not exceed five percent (5%) of the total Payment Amount of all card Payments processed that month.

1.6 "Initial Setup" means the first personalization and activation of the standard service with respect to each channel described on Schedule A as specified during the implementation process.

1.7 "IPN" or "Instant Payment Network™" means the network developed by Paymentus to enable customer engagement, bill presentment and receipt of payments by businesses through multiple channels as enabled from time to time by Paymentus.

1.8 "Launch Date" means the date on which Client completes the introduction to Users of all Services selected by Client as of the Effective Date.

1.9 "Non-Qualified Transaction" means (i) a Payment made with a card or payment method generally issued for

business use that results in interchange fees or other processing charges assessed by a Paymentus Authorized Processor or card payment association that are higher than those charged for transactions with cards payment methods issued for consumer use; or (ii) a Payment that does not qualify for reduced interchange fees under programs in which is then currently participating. These high-cost cards payment methods may include, among others, corporate cards, virtual cards, purchase cards, business cards, and travel and entertainment cards.

1.10 "Payment" means payment by a User through the Platform for Client's services, Client's bills, or other amounts owed to Client.

1.11 "Payment Amount" means the amount of a Payment.

1.12 "Paymentus Authorized Processor" means a Paymentus authorized merchant account provider or payment processing intermediary or gateway.

1.13 "Paymentus Fee" is defined in Section 3.2.

1.14 "Platform" is defined in Section 2.1.

1.15 "Reversed or Chargeback Transactions" means cancelled transactions due to (i) User error, (ii) a User's challenge to Payment authenticity, or (iii) an action by a financial institution or a Paymentus Authorized Processor (commonly referred to as ACH or eCheck returns or credit/debit card chargebacks).

1.16 "Services" means the performance by Paymentus of the payment and related services selected by Client as set forth in Schedule A and as provided in Section 2.3.

1.17 "User" means a user of Client's services.

### 2 **Description of Services to be Performed**

#### 2.1 **Scope of Services**

When selected on Schedule A, Paymentus will provide Users the opportunity to view and receive bills, make Payments using the payment methods provided under Schedule A and other payment methods and wallets as offered by Paymentus from time to time. The payment methods and other services provided may be used within the channels described on Schedule A or on other websites or mobile/web apps or chatbots or voice assistants that are part of the Instant Payment Network™,

(collectively referred to as the "Platform"). Paymentus will provide a mechanism by which Client may select channels and payment methods it wishes to offer Users. Paymentus will be the exclusive provider to Client of services included in the Services.

## 2.2 Professionalism

Paymentus will perform in a professional manner all Services required to be performed under the Agreement.

## 2.3 New or Enhanced Services

From time to time Paymentus may offer Client new or enhanced services, such as new functionality within the IPN, the ability to accept other payment methods, methods of bill presentment, the ability to access alternative payment processors or other service providers or Paymentus Authorized Processors or otherwise modify the terms and conditions under which the Services are provided ("Service Enhancements"). Paymentus will provide Client with notice by email to the person designated as provided in Section 9.1 disclosing the terms, including any contracts or contract amendments, under which the Service Enhancements will be made available. If the Service Enhancements will result in additional fees to or impose additional obligations on Client or Users, Client will have at least thirty (30) days after the date of the notice to opt-out of the Service Enhancements in the manner provided in the notice. If Client does not opt-out, then when the Service Enhancements are introduced they will form part of the Services and Client will be bound by the additional terms as disclosed in the notice, and Schedule A will be deemed amended to reflect changes in the Services and fees.

## 3 Compensation

### 3.1 No Fee Installation

Paymentus will charge no fees related to the Initial Setup of standard service.

### 3.2 Paymentus Fee

Client will be billed the fees as provided in Schedule A ("Paymentus Fee"), unless a fee is User paid, in which case Paymentus will charge each User the Paymentus Fee as provided in Schedule A to be collected in addition to the corresponding Payment as part of the transaction. Paymentus will pay the corresponding processing and related fees ("Transaction Fees") except for fees related to Reversed or Chargeback Transactions.

The Paymentus Fee is based on the Fee Assumptions. Client will be billed additional Paymentus Fees equal to 3.5% of the Excess Payment Amount for each month during which there is an Excess Payment Amount. Paymentus may amend Schedule A upon prior written

notice to Client if there are changes in the card or payment system rules or changes in payment processing fees or other events that increase the cost of processing transactions, such as changes in the average Payment Amount, the mix of payment methods or of interchange rates applied to transactions. The amended Paymentus Fee will take effect 30 days after written notice to Client.

## 4 Payment Processing

### 4.1 Integration with Client's Billing System

At no charge from Paymentus to Client, Paymentus will develop one (1) file format interface with Client's billing system using Client's existing text file format currently used to post payments to Client's billing system. Client will be responsible to provide Paymentus with the one file format specification and will fully cooperate with Paymentus during the development of the said interface. If Client chooses to create an automated file integration process to download the posting file, due to Paymentus security requirements, Client will use Paymentus specified integration process. As such, the Paymentus platform does and can function independent of any billing system integration. A payment posting file can be emailed or downloaded from the Paymentus Agent Dashboard. If Client chooses to have the Paymentus platform integrated with its billing system, Paymentus offers two options:

(i) Paymentus standard integration specification that Client can use to integrate its billing systems with Paymentus platform ("Standard Integration"); or

(ii) Paymentus to either customize or configure its platform to integrate with Client using file specification or APIs supported by Client's billing system ("Client Specific Integration").

If Client chooses Standard Integration, Paymentus agrees to fully cooperate with Client and provide its specification to Client. Paymentus also agrees to participate in meetings with Client's software vendor to provide any information or clarifications needed to understand Standard Integration. Paymentus agrees to provide all integration/interface specifications within 30 days from the Effective Date. Client will take commercially reasonable steps to develop the integration within 60 days from the date on which Client has received all integration specifications from Paymentus.

If Client chooses Client Specific Integration, Paymentus agrees to develop that integration at no charge from Paymentus to Client, provided however, Client agrees to fully cooperate with Paymentus and cause its software vendors and other service providers to fully cooperate with Paymentus. Client agrees to provide all specifications required for Client Specific Integration. Client further agrees to participate in testing with

Paymentus and if needed, cause its billing software vendors and other service providers to participate in testing. Client agrees to provide or make available all integration/interface specifications within 30 days from the Effective Date. Paymentus will take commercially reasonable steps to develop the integration within 60 days from the date on which Paymentus has received all the integration specifications from Client or its vendors.

Parties agree that if the parties do not cooperate fully, it can lead to each party being unable to perform its duties to deliver the integration in time.

Based on Client's use of the Platform and its respective modules selected under the Agreement, Paymentus will require the following integration points:

MODULE	INTEGRATION POINT
One-time payment Module	Customer Information: Text File or Real Time Payment Posting: Text File or Real Time
Recurring Payment Module	Text File
E-billing Module for Billing Data	Text File or Real-time link to billing data
Out-bound Notification-Audience File	Text File for customer engagement messages

Each of these can be based on Standard Integration or Client Specific Integration.

The Initial Setup for the Web or IVR interface will be considered complete when the first Standard Integration or Client Specific Integration, as applicable, is completed such that Paymentus and Client are able to exchange files relevant to that interface, as contemplated in this Section 4.1. In the event the Services are implemented without integration, the Initial Setup will be considered complete when a User is able to access the Platform to process a payment.

#### 4.2 Enhancements

The parties agree that the Services are provided on a "platform as a service" basis, and not as a result of custom software development. Paymentus' standard Platform will be personalized to achieve certain additional functional requirements of Client, as clarified and agreed during implementation ("Enhancements"). Enhancements may include some or all of the features included in any technical requirements or similar document provided to Paymentus. The parties will fully co-operate with one another to: a) ensure that requirements with respect to Enhancements are clarified as needed; b) accept Paymentus proposed reasonable alternatives to achieve

Client's functional objectives within the limits of the Paymentus platform; and c) accept Paymentus' reasonable estimates of time for completion, designs and plans with respect to agreed Enhancements. There will be no fee charged by Paymentus to Client for Enhancements, provided Paymentus designs and plans are accepted by Client. If the Services are to be offered at multiple locations, or if the Services include multiple Enhancements, the parties will agree to a phased implementation.

#### 4.3 PCI Compliance

To the extent that either party receives payment card information subject to the Payment Card Industry Data Security Standards ("PCI-DSS") in connection with providing the Services, it will comply with all requirements of the PCI-DSS with respect to storage, transmission and disclosure of payment card information.

#### 4.4 Explicit User Confirmation

Paymentus will confirm the dollar amount of all Payments, and when paid by the User, the corresponding Paymentus Fee to be charged and electronically obtain the User's approval of the charges prior to initiating payment authorizations transaction. Paymentus will provide User with electronic confirmation of all transactions.

#### 4.5 Merchant Account

Paymentus will arrange for Client to have a merchant account with the Paymentus Authorized Processor for processing and settlement of transactions.

#### 4.6 Payment Authorization.

For authorization purposes, Paymentus will electronically transmit all card or other payment transactions to the appropriate processing center, in real time as the transactions occur or as provided in applicable rules. In its discretion, Paymentus may refuse to process any transaction that is submitted in violation of its terms of use or to protect Client, Users, itself or others from potentially illegal, fraudulent or harmful transactions.

#### 4.7 Settlement

Paymentus together with a Paymentus Authorized Processor will forward the payment transactions, and when paid by User, the corresponding Paymentus Fee to the appropriate organizations for settlement (other than the Paymentus Fee) directly to Client's depository bank account previously designated by Client ("Client Bank Account"). When Client pays the Paymentus Fee, Paymentus will invoice Client and debit the fees from the Client Bank Account on a monthly basis.



Paymentus together with the Paymentus Authorized Processor will continuously review its settlement and direct debit processes for its simplicity and efficiencies. Client and Paymentus agree to fully co-operate with each other if Paymentus were to change its settlement and invoicing processes.

#### **4.8 Reversed or Chargeback Transactions**

With respect to all Reversed or Chargeback Transactions Client authorizes Paymentus and Paymentus Authorized Processor (and/or the respective payment organizations) to debit the Client Bank Account for the Payment Amount and Paymentus will refund to the payment organization for credit back to the User the corresponding Paymentus Fee, if any.

Paymentus together with Paymentus Authorized Processor will continuously review its processes for Reversed or Chargeback Transactions for simplicity and efficiencies. Client and Paymentus agree to reasonably co-operate with each other if Paymentus requires any change to its settlement and invoicing processes for these transactions.

### **5 General Conditions of Services**

#### **5.1 Service Reports**

Paymentus will provide Client with reports summarizing use of the Services by Users for a given reporting period.

#### **5.2 User Adoption Communication by Client**

Client will communicate the Services as a payment option to its customers wherever Client usually communicates its other payment options.

Client will make the Services known or available to its customers by different means of customer communication including a) through bills, invoices and other notices; b) if direct payments have been activated, by providing IVR and Web payment details on Client's website including a "Pay Now" or similar link on a mutually agreed prominent place on the web site; c) if IVR payments have been activated, through Client's general IVR/Phone system; and d) other channels deemed appropriate by Client.

Paymentus will provide Client with logos, graphics and other marketing materials for Client's use in its communications with its customers regarding the Services and/or Paymentus.

#### **5.3 Independent Contractor**

Paymentus is an independent contractor.

#### **5.4 Client's Responsibilities**

In order for Paymentus to provide the Services outlined in the Agreement, Client will co-operate with Paymentus by:

(i) Entering into (and authorizing Paymentus to do so on its behalf) all applicable merchant processing, cash management, ACH origination, or kiosk agreements, provided that Client is given notice of and approves any additional fees associated with those agreements, and providing information and consents reasonably requested in connection with the agreements.

(ii) Keeping throughout the duration of the Agreement during which direct payments via the web is activated, a bill payment link connecting to the Paymentus Platform at a prominent and mutually agreed location on Client's website. If the IVR channel is activated, the phone number for IVR payments will also be added to the web site and as an option as part of Client's general phone system.

(iii) Sharing User Adoption marketing as described in Section 5.2.

(iv) Launching the Service within 30 days of Paymentus making the system available.

(v) Dedicating sufficient and properly trained personnel to support the implementation process and its use of the Services in compliance with all laws applicable to its use of the Services.

(vi) Providing Paymentus with the file format specification currently used to post payments to the billing system to allow Paymentus to provide Client with a posting file for posting to Client's billing system.

(vii) Fully cooperating with Paymentus and securing the cooperation of its software and service providers and providing the information required to integrate with Client's billing system.

(viii) Fully cooperating with Paymentus to integrate its systems with the Paymentus Platform through the use of Paymentus' APIs to enable Client's access to the IPN, if selected.

### **6 Indemnification and Limitation of Liability**

#### **6.1 Paymentus Indemnification and Hold Harmless**

Paymentus agrees to defend and indemnify Client and its directors, officers or governing officials, or employees (collectively, the "Client Indemnitees") from and against all liabilities, demands, losses, damages, costs or expenses (including reasonable attorney's fees and costs), incurred by any Client Indemnitee arising from a claim or demand brought by a third party to the extent the claim or demand alleges that the Services provided under

this Agreement infringe the intellectual property rights of the third-party.

## 6.2 Client Indemnification and Hold Harmless

Client agrees to defend and indemnify Paymentus and its directors, officers, or employees (collectively, the "Paymentus Indemnitees") from and against all liabilities, demands, losses, damages, costs or expenses (including reasonable attorney's fees and costs), incurred by any Paymentus Indemnitee arising from a claim or demand brought by a third party to the extent the claim or demand relates to the underlying relationship or obligations of Client and its Users.

## 6.3 Indemnification Procedure

The indemnified party will give the indemnifying party prompt written notice of any claim for which indemnification is sought. The indemnifying party will have the right to control the defense and settlement of any claim, provided that any settlement that adversely affects the indemnified party requires the indemnified party's consent, which will not be unreasonably delayed or withheld. The indemnified party will not settle any claim without the consent of the indemnifying party, which will not be unreasonably delayed or withheld.

## 6.4 Warranty Disclaimer

Except as expressly set forth in the Agreement, Paymentus disclaims all other representations or warranties, express or implied, made to Client or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness, for a particular purpose or otherwise of any services or any good provided incidental to the Services provided under the Agreement.

## 6.5 Limitation of Liability

Notwithstanding the foregoing, Paymentus will not be liable for any lost profits, lost savings or other special, indirect or consequential damages, even if it has been advised of or could have foreseen the possibility of these damages. In no event will Paymentus be liable for any losses or damages resulting from the acts, omissions or errors of third parties or of Client or for providing agreements, instructions or information to Users as instructed by Client. Paymentus' total liability for damages for any and all actions associated with the Agreement or the Services will in no event exceed (i) for an error or other action affecting the processing of one or more Payments, the amount of the Paymentus Fee associated with each Payment, (ii) for other claims, the amount of the Paymentus Fee (net of direct processing and other fees paid by Paymentus) paid to Paymentus ("Net Fees") in the six (6) months before the events given rise to the claim or

claims arising from the same circumstances; and (iii) in no event more than the lesser of \$1,000,000.00 or the Net Fees under the Agreement.

## 7 Term and Termination

### 7.1 Term

The term of the Agreement will commence on the Effective Date and continue for a period of 5 (five) years ("Initial Term") from the Launch Date.

At the end of the Initial Term, the Agreement will automatically renew for successive three (3) year periods unless either Client or Paymentus provide the other party with not less than 6 (six) months prior written notice before the automatic renewal date that it elects not to automatically renew the term of the Agreement.

### 7.2 Material Breach

A material breach of the Agreement will be cured within 90 business days ("Cure Period") after a party notifies the other of the breach. In the event the material breach has not been cured within the Cure Period, the non-breaching party can terminate the Agreement by providing the other party with a 30 business days' notice.

### 7.3 Upon Termination

Upon termination of the Agreement, the parties agree to cooperate with one another to ensure that all Payments are accounted for and all refundable transactions have been completed. Upon termination, Paymentus will cease all Services being provided hereunder unless otherwise directed agreed in writing.

## 8. Use by Other Localities.

8.1 The parties agree that this Master Services Agreement may be extended, with the authorization of Client, to other public entities or public agencies or institutions of the United States ("Other Public Customers") to permit their use of the Master Services Agreement at the same prices and/or discounts and terms and conditions of this Master Services Agreement. If any other public entity decides to use the Master Services Agreement, Paymentus must deal directly with that public entity concerning the placement of orders, issuance of the purchase orders, contractual disputes, invoicing and payment. Client acts only as the "Contracting Agent" for these public entities. It is Paymentus' responsibility to notify the public entities of the availability of this Master Services Agreement. Other public entities desiring to use this Master Agreement must make their own legal determination as to whether the use of this Master Services Agreement is consistent with their laws, regulations, and other policies. Each public entity has the option of executing a separate contract with Paymentus.

Public entities may add terms and conditions required by statute, ordinances, and regulations, to the extent that they do not conflict with the Master Services Agreement's General Terms and Conditions. If, when preparing such a contract, the general terms and conditions of the public entity are unacceptable to Paymentus, Paymentus may withdraw its extension of the award to that public entity. Client shall not be held liable for any costs or damages incurred by an Other Public Customer as a result of any award extended to that Other Public Customer by Paymentus.

## **9 Miscellaneous**

### **9.1 Authorized Representative**

Each party will designate an individual to act as its representative, with the authority to transmit instructions and receive information. The parties may from time to time designate other individuals or change the individuals.

### **9.2 Notices**

All notices of any type hereunder will be in writing and sent to the addresses indicated on the signature page, and except as otherwise provided in these Terms and Conditions will be given by certified mail or a national courier or by hand delivery.

Notices will be considered to have been given or received on the date the notice is physically received. Any party by giving notice in the manner set forth herein may unilaterally change the name of the person to whom notice is to be given or the address at which the notice is to be received.

### **9.3 Interpretation**

It is the intent of the parties that no portion of the Agreement will be interpreted more harshly against either of the parties as the drafter.

### **9.4 Governing Law**

The Agreement will be governed by the laws of the state of Delaware, without giving effect to any principles of conflicts of law.

### **9.5 Severability**

If a word, sentence or paragraph herein is declared illegal, unenforceable, or unconstitutional, that word, sentence or paragraph will be severed from the Agreement, and the Agreement will be read as if that word, sentence or paragraph did not exist.

**9.6 Attorney's Fees.** Should any litigation arise concerning the Agreement between the parties hereto, the parties agree to bear their own costs and attorney's fees.

## **9.7 Confidentiality**

Client will not for any purpose inconsistent with the Agreement disclose to any third party or use any confidential or proprietary non-public information it has obtained during the procurement process or during the term of the Agreement about Paymentus' business, including the terms of the Agreement, operations, financial condition, technology, systems, know-how, products, services, suppliers, clients, marketing data, plans, and models, and personnel. Paymentus will not for any purpose inconsistent with the Agreement or its privacy policy in effect from time to time disclose to any third party or use any confidential User information it receives in connection with its performance of the services.

## **9.8 Intellectual Property**

In order that Client may promote the Services and Paymentus' role in providing the Services, Paymentus grants to Client a revocable, non-exclusive, royalty-free, license to use Paymentus' logo and other service marks (the "Paymentus Marks") for this purpose only. Client does not have any right, title, license or interest, express or implied in and to any object code, software, hardware, trademarks, service mark, trade name, formula, system, know-how, telephone number, telephone line, domain name, URL, copyright image, text, script (including, without limitation, any script used by Paymentus on the IVR or the Website) or other intellectual property right of Paymentus ("Paymentus Intellectual Property"). All Paymentus Marks, Paymentus Intellectual Property, and the Platform and all rights therein (other than rights expressly granted herein) and goodwill pertain thereto belong exclusively to Paymentus.

## **9.9 Force Majeure**

Paymentus will be excused from performing the Services to the extent its performance is delayed, impaired or rendered impossible by acts of God or other events that are beyond Paymentus' reasonable control and without its fault or judgment, including without limitation, natural disasters, war, terrorist acts, riots, acts of a governmental entity (in a sovereign or contractual capacity), fire, storms, quarantine restrictions, floods, explosions, labor strikes, labor walk-outs, extra-ordinary losses utilities (including telecommunications services), external computer "hacker" attacks, and/or delays of common carrier.

## **9.10 Entire Agreement**

The Agreement represents the entire agreement between the parties with respect to its subject matter and supersedes all prior written or oral agreements or understandings related to its subject matter and except as provided in the Agreement may be changed only by

agreements in writing signed by the authorized representatives of the parties.

#### **9.11 Counterparts**

The Agreement and any amendment or other document related to the Agreement may be executed in counterparts, each of which will constitute an original, and

all of which will constitute one agreement. The Agreement and any amendment or other document related to the Agreement may be signed electronically. A photographic or facsimile copy of the signature evidencing a party's execution of the Agreement will be effective as an original signature.

# Paymentus

**SCHEDULE A – PAYMENTUS FEE SCHEDULE**  
**TO THE MASTER SERVICES AGREEMENT**  
**BETWEEN HUMBOLDT COMMUNITY SERVICES DISTRICT AND PAYMENTUS**

The Services will initially consist of those indicated by a check box on the following table. The Paymentus Fee will be as specified below, and will be paid by the Client, unless designated as a User paid fee.

Check to Select the Channel	Channels	Advanced Services	Payment Methods & Channels	Paymentus Fee	Check if User Paid Fee
<input checked="" type="checkbox"/>	Instant Payment Network™	E-bill Presentment and Customer Engagement	All payment channels and methods offered under IPN such as PayPal, Venmo, PayPal Credit, Secure PDF Push, Chatbot, Advanced Notification Service (ECM), Text 2 Pay, Voice Assistants, Mobile Apps and others as offered by Payments from time to time	Utility Payments: \$3.50 per payment	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	Direct Payments (Customer Web Portal, IVR, Recurring, Agent Assisted)	E--bill Presentment and Customer Engagement	Credit, Debit cards (Visa, MasterCard, Discover, AMEX authorization; Debit transaction)	Utility Payments: \$3.50 per payment	<input checked="" type="checkbox"/>

**Note:** Average Bill Amount: \$146.00. Maximum Amount per Payment is \$500.00. Multiple payments may be made.

Chargebacks and returned checks will be billed at \$9.95 per item.

The Services will initially consist of those indicated by a check box on the following table. The Paymentus Fee will be as specified below, and will be paid by the Client, unless designated as a User paid fee.

Check to Select the Channel	Channels	Advanced Services	Payment Methods & Channels	Paymentus Fee	Check if User Paid Fee
<input checked="" type="checkbox"/>	Direct Payments (One-Time Web Portal)	Customer Engagement	e-Check / ACH	Utility payments: \$0.40 per e-Check/ACH transaction	<input type="checkbox"/>

**Note:** Average Bill Amount: \$146.00. Maximum Amount per Payment is \$500.00. Multiple payments may be made.

Chargebacks and returned checks will be billed at \$9.95 per item.

**SCHEDULE B – ADDITIONAL SERVICES: PAYMENTUS FEE SCHEDULE  
TO THE MASTER SERVICES AGREEMENT  
BETWEEN HUMBOLDT COMMUNITY SERVICES DISTRICT AND PAYMENTUS**

<b>Check to Select the Channel</b>	<b>Channels</b>	<b>Paymentus Fee</b>
<input checked="" type="checkbox"/>	Outbound Notifications (Enterprise Communication Manager- ECM) 1,000 messages monthly.	Fee waived (1,000 monthly messages)  Additional messages are \$0.05 per email message, \$0.15 per IVR/SMS Text message billed to Humboldt CSD.

# Humboldt Community Services District

*Dedicated to providing high quality, cost effective water and sewer service for our customers*

## AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: January 12, 2021

AGENDA ITEM: F.4 (New Business)

TITLE: Consideration of Financing Options for a New VacCon Purchase

PRESENTED BY: Terrence Williams, General Manager

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### Recommendation:

Motion to authorize the General Manager to enter into a five-year financing agreement on behalf of the District with Santander/Leasing2 for the purchase of a 2021 Sewer VacCon in an amount not to exceed \$569,145.82. Roll-call vote.

### Summary:

During the December 8, 2020 regularly scheduled business meeting, the HCSD Board of Directors approved the purchase of a new sewer cleaning VacCon. The agenda report presented at that time indicated that staff would research financing options available for the purchase and present those at a future meeting.

Several financing companies were contacted to request quotations for the VacCon purchase. The three most competitive quotes are summarized below (Table 1).

Table 1: Financing options for new VacCon purchase with pricing breakdown for three most competitive options.

	NCL	Santander/Leasing2	Fawell/Hilltop
Amount financed	\$532,303.32	\$532,303.32	\$532,303.32
Base interest rate	3.28%	2.74%	2.00%
Interest charges	\$44,200.38	\$36,842.50	\$27,550.00
Additional Fees	\$251.00	\$0.00	\$17,000.00
Total Fees + Interest	<b>\$44,451.38</b>	<b>\$36,842.50</b>	<b>\$44,550.00</b>
Effective Annual Interest rate including fees	<b>3.28%</b>	<b>2.74%</b>	<b>3.30%</b>
<b>Total paid over 5 years</b>	<b>\$576,754.70</b>	<b>\$569,145.82</b>	<b>\$576,853.32</b>



As is evident from the information presented in the table, financing rates to utility districts for large equipment purchases is quite favorable at this time. The most competitive option with the lowest overall cost to the District is the proposal from Santander/Leasing2. With this option, the District will pay an effective interest rate of 2.74% over five years. The rate translates to a total cost of financing with fees and interest of \$36,842.50 or \$7,368.50 per year. This allows the District to make this much needed purchase and maintain reserves in the Sewer Fund for use in an emergency.

**Fiscal Impact:**

\$569,145.82

# LEASE FINANCING PROPOSAL



Lessee  
**Humboldt Community Services District, CA**  
 Michael Montag

Vendor  
**Municipal Maintenance Equipment**

<b>Proposal Date:</b>	December 28, 2020		
<b>Equipment Description:</b>	(1) Vac-Con Vacuum Truck		
<b>Commencement Date:</b>	January 15, 2021		
	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>
<b>Equipment Cost:</b>	\$532,300	\$532,300	\$532,300
<b>Lessee Down Payment:</b>			
<b>Amount Financed:</b>	\$532,300	\$532,300	\$532,300
<b>Lease Term:</b>	5 Years	7 Years	9 Years
<b>First Payment Date:</b>	7/15/2021	7/15/2021	7/15/2021
<b>Payment Frequency:</b>	Annual	Annual	Annual
<b>Lease Rate:</b>	2.74%	2.78%	2.92%
<b>Payment Amount:</b>	\$113,828.50	\$83,602.82	\$67,153.22
<b>Payment Factor:</b>	0.21384	0.15706	0.12616

**Qualifications:**

1. **Pricing:** This is a lease proposal for the payment stream(s) indicated above. If any of the information identified above are not correct, please advise us so that we can determine if a new proposal is required. Other Important elements of this proposal are:

a) **Rate Expiration:** Signing this proposal does not in itself lock in your rate. This lease must be credit approved, contracts properly signed, and the lease funded by Leasing 2 within thirty days from the date of this proposal to protect the rates quoted.

b) **Closing Costs:** There will be no up-front costs of any kind charged by Lessor including closing costs, points, administrative costs, etc. Your attorney may charge you to review the lease documents and complete the opinion letter required with our lease documentation.

c) **Fixed Rates:** Rates for ten (10) years and under are fixed for the entire term. Terms over ten years have a one time rate adjustment after ten (10) years to the then current interest rates for the remaining term.

2. **Type of Lease:** This is a lease-purchase type of financing. After all the lease payments are made, Lessee will own the equipment without further cost.

3. **Financial Reporting:** All city, county and tax districts (including fire districts) will be expected to provide GAAP audited financial reports. All non-profit corporations (vfd's) will be expected to provide IRS 990 federal tax returns. If you do not maintain these types of financial reports, please contact us to discuss.

4. **Vendor Payable / Escrow Account (where applicable):** In the event that the truck(s) and/or equipment are not ready to be delivered, proceeds of this lease will be held in a vendor payable account until delivery/acceptance. This is a non-Interest bearing account to Lessee.

5. **Credit Approval and Documentation:** This is a proposal only, and does not represent a commitment to lease. This financing is subject to credit review and approval and execution of mutually acceptable documentation, including the opinion of lessee's counsel opining that the agreement is legal, valid and binding, obligation of Lessee.

**Financing by:** Leasing 2, Inc.  
**Contact:** Rick Carney  
**Phone:** 813-258-9888 x16  
**Email:** rcarney@leasing2.com  
**Web:** www.leasing2.com



**REQUEST TO PROCEED:**

When you are ready to proceed with Leasing 2 towards finalizing this lease financing arrangement, please indicate so by signing below and completing the requested information. We will immediately email you our application. Thank you for your confidence and consideration.

Proposal date: December 28, 2020

Option Chosen: \_\_\_\_\_ (where applicable)

Upcoming Governing Body meeting date for lease approval: \_\_\_\_\_

**Humboldt Community Services District, CA**

Name of Lessee

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name Of Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Contact Name (If Different Than  
Authorized Signature)

\_\_\_\_\_  
Contact Phone

\_\_\_\_\_  
Contact E-Mail Address

\_\_\_\_\_  
Last month of your budget year?

*Please complete the above information and **fax or email** all pages of the proposal to  
**813-258-9333 / rcarney@leasing2.com***



**\*\* Important: A Resolution will be required with the lease contract \*\***  
**In the event that you require board action to sign this proposal,  
please call us so that we may forward the preferred form for the meeting.**

# Humboldt Community Services District

*Dedicated to providing high quality, cost effective water and sewer service for our customers*

## AGENDA REPORT

For HCSD Board of Directors Regular Meeting of: **January 12, 2021**

**AGENDA ITEM:** F.5 (New Business)

**TITLE:** Consideration of Declaring Unit 19 2011 Ford Ranger as Surplus and Disposal by Bidding Process

**PRESENTED BY:** Terrence Williams, General Manager

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### **Recommendation:**

By motion, reinstate the 2013 Toyota Tacoma (VIN 5TFTX4CN3DX024457) to the District's fleet, declare the 2011 Ford Ranger (VIN 1FTLR1EE9BPA22649) as surplus District property, and authorize the General Manager to sell the surplus property. Roll-call vote.

### **Summary:**

During Fiscal Year 2019-2020, several pieces of District equipment were replaced including a 2013 Toyota Tacoma (VIN 5TFTX4CN3DX024457) that had been part of the meter reading fleet. The Toyota Tacoma was declared surplus. Typically, the District auctions surplus vehicles at a fair market value using a publicly transparent process. Because of several unrelated factors, the Toyota Tacoma was not immediately sold when it was replaced. The Toyota has been stored in the District yard since that time, unused.

During the process of evaluating the current fleet for the Capital Improvement Plan, staff discovered that the Tacoma is a newer, more reliable vehicle than one of the vehicles in the current fleet, the 2011 Ford Ranger (VIN 1FTLR1EE9BPA22649). Staff is requesting that the Board consider reinstating the Toyota Tacoma to the District fleet and declaring the 2011 Ford Ranger as surplus for sale through the standard bidding process.

### **Fiscal Impact:**

Minimum bid for the 2011 Ford Ranger will be set at \$5,000