



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

AGENDA

DATE: Tuesday, October 12, 2021

TIME: 5:00 p.m.

LOCATION: *In accordance with the Governor's Executive Order N-08-21 #42, 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: 871 5387 1625

Passcode: 195864

Participation protocol:

- *Please use the MUTE function when not speaking*
- *Please use the "RAISE HAND" feature when wishing to be acknowledged for participation. Raise Hand feature is located in the lower right portion of the screen via the "REACTIONS" icon.*
- *Please do not speak out of turn; wait for the Board President to call upon you to share.*

A. CALL TO ORDER AND ROLL CALL

B. CONSENT CALENDAR

1. Approval of October 12, 2021 Agenda
2. Approval of Minutes of the Regular Meeting of September 28, 2021

Pgs 1-2

Pgs 3-6

C. REPORTS

1. General Manager

a) GM Report

Pgs 7-8

2. Engineering

3. Superintendent

4. Finance Department

a) September 2021 Check Register

Pgs 9-16

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 a Zoom meeting. Please use the information set forth above to participate. The Board requests that speakers please state their name and where they are from, be clear, concise and limit their communications to 3 to 5 minutes. At the conclusion of all oral communications, the Board or staff may choose to briefly respond with information in response to comments; however, the Brown Act prohibits discussion of matters not on the published agenda. Matters requiring discussion, or action, will be placed on a future agenda.

E. NON-AGENDA

F. NEW BUSINESS

1. Consideration of Resolution 2021-12 Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, and Authorizing the Continued Use of Virtual Meetings *Pgs 17-18*
2. Consideration of Disclosure of Employee Reimbursements for Fiscal Year 2020-2021 *Pg 19*
3. Consideration of Draft Joint Rate Study Request for Proposal *Pgs 21-41*
4. Consideration of Cancelling the Regular Meeting of October 26, 2021 *Pg 42*

G. OLD BUSINESS

H. ADJOURNMENT

Next Res: 2021-12

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, September 28, 2021, via tele/video conference in accordance with the Governor’s Executive Orders N-08-21.

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), Superintendent Latham, Finance Manager Montag (FM), and Assistant Engineer Adams (AE).

B. CONSENT CALENDAR

- A. Approval of September 28, 2021 Agenda
- B. Approval of Minutes of the Regular Meeting of September 14, 2021

DIRECTOR GARDINER MOVED, DIRECTOR HANSEN SECONDED, TO ACCEPT AND APPROVE THE SEPTEMBER 28, 2021 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) GM Report

- California Water Professional Appreciation Week is October 3-11, 2021.
- Legal Counsel Conflict Waiver was countersigned by Eureka City Mayor Seamon on September 17, 2021 officially enabling Mitchell Law Firm to advise the District on matters regarding contract performance with the City.
- Ridgewood Water Tank is expected to be back on line by October 6. Inspection of the rehabilitated Walnut Drive Water Tank will commence thereafter around October 11.
- Annual Water Loss Audit is at the final validation process by HBMWD’s Chris Harris and will be submitted by the October 1, 2021 deadline.

2. Engineering

a) Project(s) Update

DRAFT – MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
HUMBOLDT COMMUNITY SERVICES DISTRICT
Continued; September 28, 2021

- Capital Improvement Projects (CIP) – crews are currently addressing the steel main replacement project for Christian Lane. Upon completion they will proceed with the Park Street steel main replacement project.
- Updating the District’s Standard Plans and Specifications – review/update is approximately 40% complete.
- Water Loss Audit – the 2021 report was completed in its entirety by District staff for the first time since required by the State and is in its final stage of third-party validation. Submission will occur by October 1.
- Water Model – staff is making significant progress in its efforts to learn the system characteristics and calibrate the District water model.

3. Superintendent

a) August 2021 Operations/Maintenance Department Report

Superintendent reviewed his September 22, 2021 Memorandum emphasizing the significant lengths of sewer main and lateral cleaning as well as filming in addition to normal maintenance activities of the system.

4. Finance Department

a) August 2021 Budget Statement

FM reviewed the report without question.

b) Freshwater Mitchell Road Assessment District Reconciliation

The Assessment District will sunset with a final payment on the Development Bond during Fiscal Year 2024. Total expenses including principal, interest and fees total \$5,422,327. Projected revenue will exceed the overall expenses by \$35,005 ensuring there is no need to impose additional special assessments. Discussion ensued concluding with consensus by the Board to earmark the excess funds solely for the Freshwater/Mitchell Road area if possible.

6. Director Reports

Director Benzonelli presented highlights of the September 27 RREDC meeting.

- HBMWD will hold a special meeting on October 4 at 3 p.m. with the Department of Toxic Substances Control Board to learn the current status of the cleanup of the contamination plume known as the McNamara and Peepe Lumber Mill near the HBMWD Essex plant.
- It was announced that the Samoa Peninsula Enhanced Infrastructure Financing District has been created to aid in the funding of projects on the peninsula for the benefit of district members. An ocean out-fall is included in the District and may be a

potential project and source of revenue for the District. This is not Redwood Marine Terminal 2, the outfall owned by the Harbor District. Three meetings have been established for public comment to bring forward potential projects. Thus, there may be an opportunity for the City of Eureka to propose and help fund a project to utilize this ocean outfall for the Wastewater Treatment Plant.

Director Bongio suggested the GM investigate with the City to learn if they are aware of this as an option.

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.

Jerry Martien inquired about the District's assistance to rate payers who are falling behind on payment of bills and how the District is tracking the effects of the economy and COVID. FM stated there are several California State programs in place for customers to apply for relief assistance for rent and past due utilities. The District has received payment for a few customers and are aware of several others who are in process. The State Water Board has a separate water and wastewater arrearages program that the District is participating in wherein public agencies may receive funds to fully or partially forgive residential and commercial delinquencies that occurred between March 4, 2020 and June 15, 2021.

F. NEW BUSINESS

1. Consideration of Changing the Name of the District Holiday that Falls on the Second Monday of October from Columbus Day to Indigenous Peoples' Day

GM reviewed the report adding the Board's concurrence is a technicality due to the specific identification within the Personnel Policies and Procedures Manual, etc. Brief discussion ensued.

Public Comment: Jerry Martien stated his agreement.

IT WAS THEN MOVED BY DIRECT HANSEN, SECONDED BY DIRECTOR BENZONELLI TO CHANGE THE NAME OF THE DISTRICT HOLIDAY THAT FALLS ON THE SECOND MONDAY IN OCTOBER FROM COLUMBUS DAY TO INDIGENOUS PEOPLES' DAY. MOTION CARRIED UPON THE FOLLOWING ROLL CALL VOTE:

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

DRAFT – MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
HUMBOLDT COMMUNITY SERVICES DISTRICT
Continued; September 28, 2021

ADJOURNMENT

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

AYES: BENZONELLI, BONGIO, GARDINER, HANSEN, MATTEOLI

NOES: NONE

ABSENT: NONE

THE BOARD ADJOURNED ITS REGULAR MEETING OF SEPTEMBER 14, 2021 AT 5:35
P.M.

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: October 8, 2021

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

Ridgewood Tank

The newly rehabilitated Ridgewood Tank was placed back into the system on October 6, 2021; ahead of schedule. There is still site cleanup, demobilization and final inspections that need to take place. Additionally, the temporary tank system has been taken offline and needs to be “mothballed” so that it is ready for use next October when the Ridgewood tank is scheduled for the one-year post construction inspection. Now that the Ridgewood Tank is back online, the Walnut Drive one-million-gallon tank will be taken offline for its one-year post construction inspection.

Personnel

A member of our construction crew has accepted a position with a local contractor and will be separating from the District. His last day is October 8, 2021. We have posted a solicitation to fill the position on our website, on Craigslist, in the Times Standard and on the Cal Rural Water Job Board. We are hoping to find a hardworking and skilled individual to fill the role of Construction Utility Worker. If you know anybody that might be a good fit, please direct them to our website or to call the District Office for more information.

The Cost of Water

Recently I have been asked to provide some “talking points” regarding the cost of water and wastewater services. With the approval of the Request for Proposals for the upcoming Rate Study on the agenda, I thought this would be a good opportunity to provide some information about how the District’s rate payer money is spent in order to continue to provide high quality services.

The District’s service area covers 15 square miles serving a population of about 20,000 people. We maintain a staff of 21 individuals including 13 highly trained and skilled field staff, four customer service/finance representatives, two engineering personnel, an Administrative Services Manager and me, the General Manager. Additional personnel costs include health insurance for current and retired employees, the Board of Directors and their families as well as retirement benefits for retired employees.

The District purchases treated drinking water from the Humboldt Bay Municipal Water District and from the City of Eureka through long standing water purchase contracts. Additionally,

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Physical Address: 5055 Walnut Drive, Eureka, CA 95503

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

the District participates in 32% of the costs associated with staffing, operating and maintaining the Elk River Regional Wastewater Treatment Facility that is owned and managed by the City of Eureka.

The costs associated with providing water and wastewater services to our community include personnel, water purchase, wastewater treatment and disposal as well as maintenance of our extensive drinking water distribution and wastewater collection systems. Like everything else, these systems require constant maintenance to keep them operating, repairs when they fail and replacement when they are at the end of their serviceable lives.

A significant portion of the cost of operating the distribution and collection systems goes to electricity for pumping. The District owns and operates 13 water booster stations (including three deep water wells) and 28 sewer lift stations. In a given year, the District pumps 600 to 800 million-gallons of drinking water and 400 to 600 million-gallons of wastewater through 80 miles of sewer mainline and 115 miles of drinking water distribution mains.

The District also maintains a fleet of trucks and equipment used in the construction, operation, maintenance and repair of the District's facilities. Just like the infrastructure, the District's fleet must be maintained, repaired and replaced over time.

For a more detailed look at the District's revenue and expenses, the District maintains a copy of the current operating budget, capital improvement plan and audit information on the District website.

Accounts Payable

Checks by Date - Detail by Check Date

User: FM
 Printed: 10/7/2021 11:32 AM

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

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
54745	UB*01922	MELINDA/JON CHAMBERS	09/10/2021	
		Refund Check		18.09
		Refund Check		2.69
		Refund Check		13.04
		Refund Check		4.00
		Refund Check		4.19
Total for Check Number 54745:				42.01
54746	UB*01921	ESTATE OF CONNIE HUSBANDS	09/10/2021	
		Refund Check		98.58
		Refund Check		31.11
		Refund Check		8.20
		Refund Check		8.65
		Refund Check		53.46
Total for Check Number 54746:				200.00
54747	UB*01923	JORDAN/LOUISA NGIRATULMAU/SER	09/10/2021	
		Refund Check		4.19
		Refund Check		1.55
		Refund Check		0.80
		Refund Check		1.53
		Refund Check		1.67
Total for Check Number 54747:				9.74
54748	A410 H21-2130	AGB Annual seismic testing of the Blue Spruce water	09/10/2021	
				1,522.00
Total for Check Number 54748:				1,522.00
54749	B100 123402	B and B Portable Toilets Service District owned portable toilet/August,	09/10/2021	
				95.00
Total for Check Number 54749:				95.00
54750	C170 2280-1010054	Campton Electric Supply Tracer wire/THHN10SOLBLU	09/10/2021	
				409.70
Total for Check Number 54750:				409.70
54751	C410 August 2021 August 2021	City of Eureka: SW General 79% Humboldt Hill 21%	09/10/2021	
				96,462.16
				25,641.84
Total for Check Number 54751:				122,104.00
54752	C450 INV01624	City of Eureka: Water Test Microbiological Testing - July	09/10/2021	
				561.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 54752:	561.00
54753	C475 0781814S	Coast Counties Peterbilt Truck Fleet/Opacity Test	09/10/2021	800.00
			Total for Check Number 54753:	800.00
54754	E485 08312021 103101/3 103871/3 104011/3 104408/3 104676/3 104702/3	Cooney Parris and Rieke Corp Discount Earned - August 2223 Harrison/Sewer lateral repair/FJ PHL MS 2 Shop/Trash can 32 Gal Vehicle Repair tools/Long nose pliers misc sizes Striping paint AF yellow 4579 Cummings/Fence repair/Lodge pole stakes Yard pipe cover/Tarp poly blue brn 10x12	09/10/2021	-14.58 135.70 39.86 65.70 8.18 43.06 21.54
			Total for Check Number 54754:	299.46
54755	E558 216453 218830 221262 222126	NAPA Auto Parts of Eureka 2.5 Blue Def Unit #16/Wheel bolt rear/NAPA OE solutions lu Alignment bar Bk Connector	09/10/2021	34.92 11.45 137.62 11.85
			Total for Check Number 54755:	195.84
54756	F010 81501674	Farmer Brothers Co Fr Rst DC 2.0/Creamer shaker	09/10/2021	122.85
			Total for Check Number 54756:	122.85
54757	H010 08312021 S011968504.002 S011985062.002 S012014752.001 S012024975.001 S012026614.001 S012043747.001 S012049875.001 S012061421.001 S012061436.001 S012068584.001	Keenan Supply Discount Earned - August Yard restock/4.215 Sewer saddle Yard Restock/Swivel brass angle mtr ball vlv/Mt Yard Restock/G05CT Water CI lid Yard Restock/3/4x100 and 1x100 and /IPS D-223 Yard Restock/PEP Swivel Brass angle mtr ball/B Yard Restock/4 Gskt SDR35 spg plug Yard Restock/Meter reading/Rubber meter gaske Yard restock/6 GXG sdr35 Elbow Yard restock/6 GXG sdr35 Elbow Yard restock/AYM 18-G2 Rubber meter gasket	09/10/2021	-60.14 223.35 152.01 402.89 288.58 1,915.62 80.99 37.52 54.44 54.44 75.03
			Total for Check Number 54757:	3,224.73
54758	H410 19952000	Humboldt Bay Municipal Water D Water Purchased - August	09/10/2021	92,478.57
			Total for Check Number 54758:	92,478.57
54759	I525 195586 196733 196733	Infosend UB/Process and Mail/Bills - July UB/Process and Mail/Bills - Paymentus - July UB/Process and Mail/Bills - Paymentus - Progra	09/10/2021	4,541.53 233.38 700.00
			Total for Check Number 54759:	5,474.91
54761	L200 60900626702 60900627703	Les Schwab Tire Center of Calif Inc. Unit #15/New tires Unit #2/New tires	09/10/2021	1,398.29 987.47

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 54761:	2,385.76
54762	M230 M215757	Mendes Supply Co CH Bacticide Gal	09/10/2021	300.63
			Total for Check Number 54762:	300.63
54763	M450 515255516 515299980 515343301 515389063	Mission Linen Uniforms/Mats Uniforms/Mats Uniforms/Mats Uniforms/Mats	09/10/2021	367.32 216.04 367.32 216.70
			Total for Check Number 54763:	1,167.38
54764	P130 09132021	Pacific Gas and Electric-St Street Lighting - August	09/10/2021	2,179.52
			Total for Check Number 54764:	2,179.52
54765	P190 168390 168394 168607 169480	Pacific Paper Co Side-apply correction tape/Tape dispenser/Swing Pentel .5 Mechanical pencils CP226X Toner AP/Pilot blue pens AM HP26X toner AP/SortKwik multi-pak/AVE6578	09/10/2021	27.92 26.42 247.71 341.02
			Total for Check Number 54765:	643.07
54766	P430 08312021 981708 981941 983081 983327 983473 983693 983697 983786 984901 985893 987475	Pierson Building Center Discount Earned - August Svac filter cart/Shop vac handle/Stanley cats paw Shop/Duro-cel cellulose sponge/Asst hardware 6060 Noe/2x4 to secure excavation overnight Tools/Milw recip 12" blade 6060 Noe/60# Premix concrete SCH PVC 45 deg and 90 deg elbows Tools/Truper 48" Stl post hole digger Pine Hill Rd/Air Vac/80# Premix concrete 6060 Noe St/Sewer repair/80# Premix Shop Vac/Craftsman wet filter Pik-stik pick-up tool 32"/Ettore cob web duster 1	09/10/2021	-7.84 40.06 7.30 74.09 17.47 39.26 10.40 54.61 33.61 50.41 20.75 38.22
			Total for Check Number 54766:	378.34
54767	P557 1U93762	Rexel USA Inc. Ridgewood WBS/SZ3 120V ACEA	09/10/2021	1,175.65
			Total for Check Number 54767:	1,175.65
54768	P785 14326 14363	Powell Landscape Materials Concrete for various repairs/Pine Hill Rd/David Concrete for various repairs/Primrose/Eich	09/10/2021	208.66 163.86
			Total for Check Number 54768:	372.52
54769	R750 12648	R. J. Ricciardi Inc. Progress billing through August	09/10/2021	2,321.00
			Total for Check Number 54769:	2,321.00
54770	S625	Specialty Traffic Systems	09/10/2021	

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	181404	Reflective tape		36.00
Total for Check Number 54770:				36.00
54771	S750 09012021	Standard Insurance Company Short&Long Term Empl Disabilit	09/10/2021	1,541.55
Total for Check Number 54771:				1,541.55
54772	T285 4274 4296	Thomas R. Bess Lissa Ct/Hot asphalt for trench paving Ridgewood area/Hot asphalt for water trench pav	09/10/2021	531.47 381.56
Total for Check Number 54772:				913.03
54773	U410	United Way of Humboldt PR Batch 00001.09.2021 UNITED WAY PR Batch 00001.09.2021 UNITED WAY PR Batch 00001.09.2021 UNITED WAY	09/10/2021 PR Batch 00001.09.2021 UNI PR Batch 00001.09.2021 UNI PR Batch 00001.09.2021 UNI	1.54 0.46 2.00
Total for Check Number 54773:				4.00
54774	V500 9886793113	Verizon Wireless Cellular Service - August	09/10/2021	391.71
Total for Check Number 54774:				391.71
54775	V700 INV 21-448884 INV 21-448921 INV 21-454948	Valley Pacific Petroleum Services Inc Fuel Ethanol free 92 octane Tack oil sprayer/Propane	09/10/2021	3,111.12 31.36 23.82
Total for Check Number 54775:				3,166.30
54776	W208 1029	Watt's Cleaning Services Cleaning services for August	09/10/2021	1,165.00
Total for Check Number 54776:				1,165.00
54777	W570 314008 314806	Western Chain Saw Blower 36 GBM Diamond abrasive chain	09/10/2021	218.46 546.24
Total for Check Number 54777:				764.70
54778	J950 R732098	J. W. Wood Co. Inc. Parts for the Christian Lane SMR Project per Qu	09/10/2021	3,672.87
Total for Check Number 54778:				3,672.87
Total for 9/10/2021:				250,118.84
54779	UB*01924	JASON MACIEL Refund Check Refund Check Refund Check	09/16/2021	3.11 3.88 3.57
Total for Check Number 54779:				10.56
54780	A072 3012	Accurate Drug Testing Services DOT Physical/JO	09/16/2021	90.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 54780:	90.00
54781	A160	ACWA-JPIA	09/16/2021	
	0673613	cVision Plan - Employees		328.23
	0673613	dLife/AD&D Plan - Employees		360.60
	0673613	bDental Plan - Employees		1,661.92
	0673613	fDental Plan - Board Members		448.76
	0673613	ICOBRA - Medical		1,170.14
	0673613	hLife/AD&D Plan -Board Members		28.49
	0673613	iMedical Plan -Retired Members		24,939.02
	0673613	jDental Plan - Retired Members		1,158.28
	0673613	kVision Plan - Retired Members		328.23
	0673613	mCOBRA - Dental		33.72
	0673613	nCOBRA - Vision		15.63
	0673613	gVision Plan - Board Members		78.15
	0673613	eMedical Plan - Board Members		12,754.75
	0673613	aMedical Plan - Employees		51,661.67
			Total for Check Number 54781:	94,967.59
54782	A205 16608	Advanced Industrial Services Inc. Ridgewood Tank Rehabilitation Project progress	09/16/2021	205,580.00
			Total for Check Number 54782:	205,580.00
54783	A360 985443	AFLAC Supplemental Health Premium - August	09/16/2021	213.74
			Total for Check Number 54783:	213.74
54784	C036	Corporate Payment Systems	09/16/2021	
	240095912453006	WP/McKinleyville Glass Co/Unit #12/Chip repa		50.00
	240728012452070	DT/Galco/Panel parts/Selector switch		133.90
	242316812374000	DT/Harbor Freight/HD Hand truck		65.09
	244273312367402	DT/NAPA/Alignment pry bar		5.56
	244273312367402	TL/Murphy's/Staff BBQ supplies		71.55
	244309912284008	TL/Microsoft		84.00
	244310512447008	DT/Murphys/Staff BBQ supplies		101.79
	246921612251008	DT/SupplyHouse/Double check valve parts		220.78
	246921612261000	DT/Allied Electronics & Automation/Relay sock		196.53
	247330912470916	TL/UpTruck/Unit #4 Crane		1,619.97
	247554212451224	DT/Grainger/Fuel gauge sewer stations		124.91
	248019712317622	MT/FleetPride/Wheel chocks		54.10
	249064112301282	TL/DRI Crash Plan		29.97
	249430012348980	TL/Costco/Staff BBQ supplies		155.40
	249430012368980	DT/Costco/Staff BBQ supplies		117.66
			Total for Check Number 54784:	3,031.21
54785	C180	Canon Solutions America Inc.	09/16/2021	
	4037272870	Use Tax Recovery Fee/OfficeCop		4.84
	4037272870	Office/Black Copies WXD03492-07.31.21-08.30		8.79
	4037272870	Office/Color Copies WXD03492-07.31.21-08.30		115.99
			Total for Check Number 54785:	129.62
54786	C430 08312021	City of Eureka: WA Water Purchased - August	09/16/2021	87,026.00
			Total for Check Number 54786:	87,026.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
54787	E330 527164/7	Englund Marine and Industrial Supply Meter reading tools/Drill pump/Ninja flexstuff gl	09/16/2021	15.36
Total for Check Number 54787:				15.36
54788	H810 20222-294470 20222-294493 20222-296027 20222-298418 20222-298454	Humboldt Waste Management Auth 6060 Noe/Greenwaste 6060 Noe/Greenwaste Solid Waste 6060 Noe/Sewer repair/Greenwaste 6060 Noe/Sewer repair/Greenwaste	09/16/2021	8.33 13.23 8.00 7.35 25.48
Total for Check Number 54788:				62.39
54789	J800 125023	Johnson's Mobile Rentals LLC Rental fencing for the Ridgewood Tank Off-line	09/16/2021	252.78
Total for Check Number 54789:				252.78
54790	M560 48574	The Mitchell Law Firm LLP Legal Services - August 2021	09/16/2021	1,046.50
Total for Check Number 54790:				1,046.50
54791	R250 27312941	Recology Humboldt County Garbage Service - August	09/16/2021	488.26
Total for Check Number 54791:				488.26
54792	T285 4308	Thomas R. Bess Hot asphalt for water trench paving	09/16/2021	295.00
Total for Check Number 54792:				295.00
54793	U330 196882755-001	United Rentals, Northwest Inc New pump for shoring/Pump hydraulic plastic P-	09/16/2021	963.59
Total for Check Number 54793:				963.59
54794	U730 695744 711740	USA Bluebook Sch 80 cpvs bushing/Rot Drum pump/Clear braic 224 Chemical meter viton seals 1' npt	09/16/2021	242.66 515.40
Total for Check Number 54794:				758.06
Total for 9/16/2021:				394,930.66
54795	UB*01925	JAMES BROWN Refund Check Refund Check Refund Check Refund Check	09/30/2021	79.54 67.98 36.64 15.84
Total for Check Number 54795:				200.00
54796	UB*01926	KLAUS MENDE Refund Check Refund Check Refund Check Refund Check Refund Check	09/30/2021	1.65 30.36 11.91 15.70 10.24

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 54796:	69.86
54797	UB*01927	MY LITTLE OAXACA BAKERY & CAFÉ	09/30/2021	
		Refund Check		39.29
		Refund Check		21.41
		Refund Check		2.33
		Refund Check		11.49
		Refund Check		2.21
			Total for Check Number 54797:	76.73
54798	B284 1457831	Badger Meter Inc #48 5/8" Meters	09/30/2021	7,544.78
			Total for Check Number 54798:	7,544.78
54799	F049 CAEUR117617 CAEUR117869 CAEUR117869 CAEUR117985	Fastenal Company WD-40 12 oz/Disposable earplug pair/Inverted n Ear plug 5 ct AA Alk Btry/XL Orng disp glv/Towel 55 ct/Sfty 12 oz WD-40/20 oz White marking paint	09/30/2021	66.53 3.88 533.46 53.69
			Total for Check Number 54799:	657.56
54800	F050 CAEUR117560 CAEUR117718 CAEUR117718 CAEUR117873	Fastenal Industrial HD Reciprocal Saw blade 5 ct/Bi-metal Redipro 48" Square point shovel Black Contr bag/Multi fold/Center pull roll/Perf Dark machine gray hp enamel spray paint	09/30/2021	47.28 29.60 199.73 42.21
			Total for Check Number 54800:	318.82
54801	H045 ENG-7458	Harper and Associates Engineering Inc. Engineering, inspection and project management	09/30/2021	19,353.00
			Total for Check Number 54801:	19,353.00
54802	H760 169622	Humboldt Towing Inc Unit #10Towing/Services	09/30/2021	315.00
			Total for Check Number 54802:	315.00
54803	I300 40504	Independent Business Forms Inc Water Quality Service Request books	09/30/2021	322.98
			Total for Check Number 54803:	322.98
54804	I525 197380 197380	Infosend UB/Process and Mail/Bills - August 1-29 UB/Process and Mail/Bills - August 30-31 New j	09/30/2021	3,432.20 1,189.47
			Total for Check Number 54804:	4,621.67
54805	I559 S1049271.001	Inland Water Works Supply Co #48 Itron AMRs for Badger meters.	09/30/2021	4,034.16
			Total for Check Number 54805:	4,034.16
54806	P010 10072021 10072021	Pacific Gas and Electric-GN aWA Pump & District/Cummings bHH Water System	09/30/2021	6,515.82 9,566.27

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	10072021	cFW/MR Water System		784.45
	10072021	dGeneral Sewer System		3,233.16
	10072021	gSpark energy Gas/LP Gas Chgs		49.73
	10072021	fOffice/Yard		5,127.31
	10072021	eKS/HH Sewer System		1,084.81
Total for Check Number 54806:				26,361.55
54807	P130 10142021	Pacific Gas and Electric-St Street Lighting - September	09/30/2021	2,184.13
Total for Check Number 54807:				2,184.13
54808	P370 SW030046288	Peterson Replacement of the DEF manifold sensor and up	09/30/2021	387.00
Total for Check Number 54808:				387.00
54809	P821 B939001469A	Brian S Thomas #1000 Door Hangers Green/#1000 Door Hanger:	09/30/2021	737.75
Total for Check Number 54809:				737.75
54810	S010 79281	S and H Auto Glass Unit #14/Windsheild repair	09/30/2021	35.00
Total for Check Number 54810:				35.00
54811	S850 10162021	Suddenlink Internet/Phone 09.24.21 - 10.23.21	09/30/2021	523.82
Total for Check Number 54811:				523.82
54812	T918 0225256	TT Technologies, Inc. Pulling eyes and quicklink for the underground b	09/30/2021	140.40
Total for Check Number 54812:				140.40
54813	U410	United Way of Humboldt PR Batch 00002.09.2021 UNITED WAY PR Batch 00002.09.2021 UNITED WAY PR Batch 00002.09.2021 UNITED WAY	09/30/2021 PR Batch 00002.09.2021 UNI PR Batch 00002.09.2021 UNI PR Batch 00002.09.2021 UNI	2.14 0.41 1.45
Total for Check Number 54813:				4.00
54814	V500 9888971283	Verizon Wireless Cellular Service - September	09/30/2021	391.17
Total for Check Number 54814:				391.17
Total for 9/30/2021:				68,279.38
Report Total (69 checks):				713,328.88

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: October 12, 2021

AGENDA ITEM: F.1

TITLE: Consideration of Resolution 2021-11 Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, and Authorizing the Continued Use of Virtual Meetings

PRESENTED BY: Terrence Williams, General Manager

Recommendation:

Motion to adopt Resolution 2021-11 by title only. Roll-call vote.

Summary:

The Governor's Executive Order N-08-21 provided modification to the Brown Act authorizing public teleconference meetings during the COVID-19 Emergency without the requirement of personal appearance. On September 16, 2021, Governor Newsom signed Assembly Bills (AB) 339 and 361 into law which was followed by Executive Order N-15-21 on September 20, 2021 stipulating the sunset of Executive Order N-08-21 as of September 30, 2021.

Provisions of AB 361 officially modify the Brown Act to enable public agencies to move immediately to relaxed teleconference meetings under a declared state of emergency. Please see Legal Counsel's summary attached detailing the conditions.

As the March 20, 2020 state of emergency remains in effect, the Board is required to pass a resolution every thirty (30) days, and every thirty (30) days until lifted, affirming the following:

1. The Board has considered the circumstances of the state of emergency
2. Any of the following circumstances exist:
 - a. The state of emergency continues to directly impact the ability of the members to meet safely in person.
 - b. State or local officials continue to impose or recommend measures to promote social distancing.

Resolution 2021-11 before you, affirms the foregoing conditions allowing the District to proceed with virtual meetings for the next thirty (30) days while the current state of emergency remains in effect and/or the County's recommendations for social distancing remain in effect.

Fiscal Impact: None

RESOLUTION NO. 2021-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HUMBOLDT COMMUNITY SERVICES DISTRICT MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361, AND AUTHORIZING THE CONTINUED USE OF VIRTUAL MEETINGS

WHEREAS, as a result of the COVID-19 pandemic, the Governor issued Executive Order Nos. N-08-21, N-25-20 and N-29-20, which suspended certain provisions of the Ralph M. Brown Act to allow legislative bodies to conduct public meetings without strict compliance with the teleconferencing provisions of the Brown Act;

WHEREAS, Assembly Bill 361, which was signed into law on September 20, 2021, amended Government Code section 54953, to provide relief from the teleconferencing provisions of the Brown Act under certain circumstances provided the legislative body makes certain findings;

WHEREAS, as a result of the COVID-19 pandemic, the Governor proclaimed a state of emergency on March 4, 2020, in accordance with the section 8625 of the California Emergency Services Act, and the state of emergency remains in effect;

WHEREAS, as a result of the COVID-19 pandemic, the Humboldt County Health Officer has imposed and has recommended measures to promote social distancing as more particularly set forth in his August 6, 2021, Order, among other prior orders and guidance;

NOW, THEREFORE, the Board of Directors does hereby find and resolve as follows:

1. That the Board has reconsidered the circumstances of the previously declared and existing state of emergency arising from the COVID-19 pandemic;
2. That the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person, and further that local officials continue to impose or recommend measures to promote social distancing;
3. That the Board may continue to conduct public meetings in accordance with Government Code section 54953(e);
4. That the Board will reconsider the above findings within 30-days of this Resolution.

PASSED AND ADOPTED on the 12th day of October 2021 by the following vote:

AYES:
NAYS:
ABSENT:
ABSTAIN:
ATTEST:

Alan Bongio, Board President

Attest: Brenda K. Franklin
Board Secretary

Humboldt Community Services District

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

AGENDA REPORT

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

AGENDA ITEM: F.2

TITLE: Disclosure of Employee Reimbursements for Fiscal Year 2020-2021

PRESENTED BY: Michael M. Montag, Finance Manager

Recommendation:

Motion to accept the 2020-2021 Employee Reimbursements Disclosure. Roll-call vote.

Summary:

State law (Government Code Section 53065.5) requires that special districts disclose, at least annually, reimbursements paid by the district to any employees or board members of at least \$100 for each individual charge for services or products received. "Individual charge" includes but is not limited to, one meal, one night's lodging, transportation, or a registration fee paid to any employee or board member.

Following is the disclosure for fiscal year 2020-2021.

Fiscal Impact:

None

HUMBOLDT COMMUNITY SERVICES DISTRICT REIMBURSEMENTS FISCAL YEAR 2020-2021

Board Member or Employee Name	Date	Amount	Type of Reimbursement
Tim Latham Superintendent	8/13/2020	\$171.24	Reimbursement for bottled water provided during WQ issues
Will Paddock Construction	7/30/2020	\$921.00	Reimbursement DMV Registration fees for Generator trailer
Darren Toland Maintenance	8/13/2020	\$206.48	Reimbursement for usage of personal vehicle

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Humboldt Community Services District

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AGENDA REPORT

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

AGENDA ITEM: F.3 (New Business)

TITLE: Consideration of Draft Joint RFP for Rate Study

PRESENTED BY: Terrence Williams, General Manager

Recommendation:

Discussion followed by motion to approve the HCSD/CoE joint RFP for Rate Study.
Roll call vote.

Summary:

Every five years, the District is required to participate in a rate study to ensure that the District's utility rates and capacity/development impact fees not only meet the costs of sustainably providing services but also to ensure that these rates and fees are appropriately distributed and are being used to cover the service sectors they are attributed to. The last rate study was completed in the spring of 2017 and so it is time to engage in a new rate study. The solicitation for the 2017 rate study was done in conjunction with the City of Eureka. This enabled the District to select the same consultant that the City selected and significantly eased the burden of scheduling and information sharing for the consultant. Using the same consultant as the City resulted in a significant cost savings to the District as well as a superior work product from the consultant because of the consultant's visibility to the real costs and rates that the District will be charged for water and wastewater services by the City.

Please find the draft joint Request for Proposals submitted for your approval included in this packet.

Fiscal Impact:

None

REQUEST FOR PROPOSAL (RFP)

Consulting Services for Water and Wastewater Rate Study



City of Eureka
Department of Public Works
531 K Street
Eureka, CA 95501

and

Humboldt Community Services District
5055 Walnut Drive, Eureka, CA 95503

Released Monday October 18, 2021

Proposal **Due Date: Friday, November 12, 2021, at 5 pm PDT**

STUDY OBJECTIVES

The City of Eureka (“City”) and Humboldt Community Service District (“District”) are requesting proposals from qualified consultants to conduct a comprehensive water and wastewater rate study for each agency (Study). The City and District propose to utilize the same consultant to analyze their respective rate structures. The City provides water to the District and treats wastewater from the District as well, so it is anticipated that much of the data and analysis will be common between the two entities. Timing of work tasks will take into account the need to arrive at final rate numbers for the City in order to determine final rates for the District.

The intent of the Study is to independently assess and evaluate existing water and wastewater rates and provide fair and reasonable rate structures that will adequately fund each utility’s operational, capital improvement, and debt service needs for a period of no less than five (5) years. The selected consultant will be responsible for ensuring compliance with Proposition 218 for both the City and District.

The Study will be based on a comprehensive review of water and wastewater enterprise funds’ historical statements of revenue and expense, current year budgets, customer counts and classes, historical usage data, Water and Wastewater Master Plans, Capital Improvement Plans, projected growth, and any other information deemed necessary.

BACKGROUND

City of Eureka

Eureka is a charter city incorporated in 1874. The City is located on Humboldt Bay in Humboldt County, California. The City encompasses roughly 14.5 square miles and has a population of approximately 27,000. The City provides water and wastewater service to approximately 10,000 residential, commercial, institutional, and light industrial accounts.

The City’s water and wastewater utilities are accounted for as self-supporting enterprise funds. Revenues are derived primarily from water and wastewater service charges and must be adequate to fund the City’s operating and capital programs. Long term financial plans and rate studies for water and wastewater enterprises were last developed in June 2017.

The City’s water supply is purchased wholesale from Humboldt Bay Municipal Water District (HBMWD). The City fully owns and operates its water distribution system which includes over 160 miles of piping, multiple storage reservoirs, as well as chlorination, fluoridation and pumping facilities. The City supplies water at a contracted bulk rate to the District.

The City owns and operates a wastewater collection system consisting of approximately 120 miles of pipe, over 40% of which was built prior to 1920 and consists of vitreous clay or other high maintenance materials.

The City conveys untreated sewage to a City-owned regional wastewater treatment plant – the Greater Eureka Area Wastewater Treatment Facility – for treatment and effluent disposal. The collection system and this facility also accept wastewater from the District.

Humboldt Community Service District

The District surrounds the southern and eastern boundaries of the City and was created in 1952 to provide sewer, water and street lighting services to unincorporated areas near the City including Freshwater, Pigeon Point, Rosewood, Ridgewood, Myrtle town, Pine Hill, Cutten, Humboldt Hill, King Salmon and Fields Landing. The District's service area consists of approximately 15 square miles and serves a population of approximately 20,000. The District is governed by the five-member District Board of Directors, and the Board members are each elected to four-year terms.

The District provides water distribution and storage with water purchased directly from the HBMWD, at a connection behind the Bayshore Mall at the Truesdale water booster pump station; and with water purchased from the City of Eureka through connection near Redwood Acres at the Harris and Hubbard water booster pump station. The District also produces approximately one-quarter of the District's 1.8 MGD average consumption from three (3) District-owned deep wells located at the base of Humboldt Hill at the Spruce Point, South Bay and Princeton locations. Throughout the District's 87 miles of water main, the District operates 10 water storage tanks with a combined capacity of 5 million gallons and 13 water booster stations servicing approximately 7,500 connections.

The District also provides wastewater collection for approximately 6,600 connections. Although the District does not provide wastewater treatment, wastewater treatment services are performed by the City of Eureka under an agreement between the two agencies. The City's Greater Eureka Area Wastewater Treatment Facility provides wastewater treatment services for approximately 48,000 residents from the City and District. The District has purchased approximately 32.1% of the current plant capacity, and it shares wastewater treatment expenses with the City for operation and maintenance, capital improvement projects, shared sewer system costs and emergency reserve fund expenses.

SUBMITTAL GUIDELINES

Firms interested in submitting Proposals for Rate Study Consulting Services shall submit the following on or before the Submittal Deadline in a sealed envelope marked "City of Eureka and the District Water and Sewer Rate Study Proposal".

- One (1) original unbound Proposal marked “Original”,
- One (1) electronic version in PDF format, and
- Six (6) bound copies marked “Copy”

One (1) copy of a separate Fee Proposal shall be submitted in a separate sealed envelope marked **“Fee Proposal for Water and Sewer Rate Study”**

Proposals may be submitted by U.S. Mail, or delivered in person to the City of Eureka Public Works Department by **5:00 pm on November 12, 2021** and addressed to:

**City of Eureka
Attn: Brian Issa
531 K Street
Eureka, CA 95501**

The City and the District reserve the right to waive non-substantial irregularities in any proposal, to reject any or all responses received as a result of this solicitation, to request additional information for the purposes of clarification, to extend the submission due date for; to modify, amend, reissue or rewrite this document; and to procure any or all services by other means. The City and the District may modify, clarify, or interpret the RFP by sending an addendum to each firm that originally received or requested an RFP. Any such addendum shall become part of the RFP and of any contract awarded. The Proposer may make modifications to a proposal already submitted to the City and District, but must submit a written request to withdraw its proposal in order to make the modifications. It is the responsibility of the Proposer to ensure that modified proposals are resubmitted in accordance with the RFP submittal deadline.

The City and the District will not be liable for any costs incurred by the consulting firms’ incidental to the preparation of proposals or for developing and carrying out interview presentations, if needed.

A Proposer may withdraw its proposal by submitting an email or written request to withdraw prior to **4:00 PM on November 12, 2021**, in which event the proposal will be returned to the proposer.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals (RFP) unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City/District and the firm selected.

Questions must be submitted in conformance with Section I of this RFP.

SCOPE OF SERVICES

The Study will require the selected consultant (Consultant) to perform all necessary analyses and documentation to perform the study of the City and District's utility rates and connection fees and recommend a five-year (5-year) rate schedule for both water and sewer for each entity. In general, the scope of work shall involve a comprehensive review of the City and District's water and wastewater enterprise funds' historical and projected revenues, usage, expenses, reserve policies, billing and collection procedures, rates and charges, current budgets, Sewer and Water Master Plans, Capital Improvement Plans, future growth potential, and any other information deemed pertinent.

Specifically, the Scope of Work will include, but shall not be limited to the following:

1. Study Objectives

The studies are to be performed in conformance with the following policy directions:

- a) Develop rate structures that will allow the City and the District to meet their financial obligations, specifically; ensuring long term financial stability and health of their water and sewer enterprise funds.
- b) Develop rate structures that include provisions for "pass through" of wholesale cost increases from HBMWD to the City and to the District, and from the City to the District, and consider existing and future service agreements between these three entities.
- c) Develop a rate structure where revenues adequately fund system maintenance to accepted industry standards by incorporating variables such as age and condition of infrastructure, future replacement costs, technological turnover, cost inflation and asset depreciation.
- d) Assess the current rate structure's performance as a baseline for comparing recommended changes. Evaluate both the cause and magnitude of any significant discrepancy between actual and projected revenues from the 2016 rate study.
- e) Develop rate structures that conform to existing and anticipated statutory regulations for the City and the District and public utilities in general.
- f) Develop rate structures which conform to mandatory cash flow, debt service and reserve requirements and generally accepted guidelines for responsible financial management of utility enterprise funds.

- g) Develop utility rates which are equitable across all account types and land uses.
- h) Align fixed operating costs with fixed revenues (base charge) and variable costs with variable revenues (volume charge) according to accepted guidelines and standards.
- i) Fully fund necessary capacity expansions through an equitable combination of rates and impact fees.
- j) Account for O&M, capital improvements, debt service and other necessary costs in the rates charged by the City to the District for bulk water and sewer service in accordance with existing agreements.
- k) Create a model that easily supplies meaningful information to the public, Elected Officials, and Staff, where the inputs are comprehensive and transparent.
- l) Include the development and implementation of public outreach tools or applications such as a web-based "Rate calculator" where a customer could enter their account information and they would get an idea of what to expect on their bill.
- m) Assess the potential implementation of drought influenced rate structures intended to curtail use such as tiered volumetric rate structures, and the degree to which such structures affect revenue stability. Discuss current case law related to tiered rate structures and their viability.
- n) Examine and discuss potential revenue impacts of current and future statewide water conservation requirements.
- o) Assess all rate recommendations in light of the City's and District's demographic base and income status.
- p) Conduct a rate update process that complies with Proposition 218 and other legal requirements for public process according to local, state, and federal regulations.

2. Study Requirements

- a) Develop an understanding of the existing rate structures, including contracted rates for water and sewer provided by the City to the District and the assumptions underlying cost distribution to the various rate categories.
- b) Develop an understanding of City and District current financial policies and practices related to cash flow, reserves, debt service etc. and compare those policies and practices with mandated requirements and generally accepted principles of utility enterprise fund management.
- c) Assess the current rate structure's performance as a baseline for comparing recommended changes. Evaluate both the magnitude of any significant discrepancy between actual and projected revenues from the 2016 rate study. When such discrepancies exist, examine causes and develop new rates accordingly.
- d) Develop an understanding of existing Facilities Master Plans, Capital Improvement Plans, annexation and expansion plans and other long range planning documents and the impacts of those plans on future rates and impact fees.
- e) Demonstrate that any proposed modifications to the rates and fees are in keeping with adopted policy documents.
- f) Evaluate the meter service (base) and volumetric fee structure and make recommendations regarding alignment of fixed operating costs with the fixed revenues and variable costs with the volume charge.
- g) Develop rate structures that conform to existing and anticipated statutory regulations for the City and the District and public utilities in general. Specifically, create rate scenarios that evaluate the potential financial impacts of the following:
 - a. Changes to the wastewater treatment plant required to reach compliance with recent Regional Water Quality Control Board directives.
 - b. Potential regulations related to drought conditions and statewide water conservation initiatives.
- h) Develop an understanding of the cost of service and the benefits derived by various water and sewer customer classifications and make recommendations as necessary to achieve equity between the various

- classifications and meter sizes including industrial discharge permit constraints, BOD limitations etc.
- i) Develop recommendations for changes in rates that meet the cash flow objectives of the City and of the District and conform to statutory requirements and generally accepted accounting principles for municipal enterprise funds and public utilities.
 - j) Assess existing customer service fee structure and identify other potential areas for service and system charges (shut-down activities, back-flow devices, plan reviews, water and sewer service shut-offs, etc.) and recommend changes, if appropriate. Assessment is to note any resulting increase in liability the City and/or District may incur as a result of assessing the fees.
 - k) Develop a proposed rate schedule that reflects City and District priorities and contains proposed rates for a 5-year period.
 - l) Develop a rate projection model that forecasts rates to 20 years based on expected cost increases over time including increases in the cost of imported water. Must have the ability to run CIP scenarios and quickly show impacts on rates.
 - m) Demonstrate that costs from any proposed modifications are equitably distributed in proportion to the benefit received by the various user classes.
 - n) Provide justifications for any special classes of customers under the recommended rate structure.
 - o) Demonstrate that any alternative rate structure is easy to understand and administer and can be accommodated within the existing billing systems.
 - p) Demonstrate that any proposed rate structure is in compliance with the rate covenants of any outstanding revenue bonds and Proposition 218.
 - q) Calculation of Connection Fees - The consultant shall review existing capital connection fees and recommend appropriate fees. At a minimum, the consultant is requested to explain the advantages and disadvantages of various methods of calculating system development charges.

- r) Deliver a web-based, interactive tool for residents to input their address and receive information on estimated utility bills under different rate structures.

3. Study Elements

In making its rate recommendations, the final reports shall explicitly include the following elements and analysis:

- a) **Current Rate Structures:** Assess the performance of the following as a baseline for comparing recommended changes:
 - i. City of Eureka Water and Sewer Rates
 - ii. Contractual Water and Sewer Rates charged by the City to the District
 - iii. District Water and Sewer Rates
- b) **Equity:** Assess the equity of recommended water and sewer rates for all types of property ownership and land use.
- c) **Conservation Impacts:** Assess the interaction between the water conservation elements of the recommended rates and their impacts on the ability to fund water and sewer operations.
- d) **Environmental Regulation:** The studies shall include an assessment of the revenue stream generated by the recommended rates and their ability to continue to fully fund utility system costs under the impacts of future water quality and statutory regulations and standards. Including:
 - a. Proposed regulatory changes to the discharge requirements of the Greater Eureka Area Wastewater Treatment Facility. Including
 - i. PFAS
 - ii. Ammonia
 - b. New or anticipated changes to water conservation requirements
 - c. New or anticipated water loss management requirements
- e) **Other Service Charges:** Assess existing customer service fee structure and identify other potential areas for service and system charges (shut-down activities, back-flow devices, plan reviews, fire service charges, water and sewer service shut-offs, etc.) and recommend changes, if appropriate. Assessment is to note any resulting increase in liability the City/District may incur as a result of assessing or not assessing the fees.

- f) **Depreciation:** Consideration shall be given to funding past and future depreciation.
- g) **System Maintenance:** Provide a comparison of current system expenditures and costs (operations, capital improvements, bonded debt) against appropriate industry benchmarks.
- h) **Stability:** The report shall assess the stability of the current and alternative rate structures. The recommended structure shall result in no decrease in revenue stability compared to the current structure.
- i) **Comparison:** Provide a comparison of recommended rates and projected monthly bills across customer classes with similarly sized and situated utilities in northern California.

4. Services to be Provided by the Consultant

- a) Provide a detailed schedule for the various stages of the project including developing and presenting preliminary and final reports to staff and elected officials for both the City and the District. Clearly delineate work tasks with respect to whether they are attributable to one or both agencies.
- b) Conduct a detailed review of the existing water and sewer rates and status of the water and sewer funds, and develop a general familiarity with the City's and District's billing system, procedures and policies.
- c) Conduct analyses as required to address the scope of work.
- d) Meet or confer with staff as needed and attend up to three meetings each with the City Council and District Board of Directors to present the draft recommendations and obtain their input. Attend up to two public hearings within each jurisdiction where the water and sewer rates are considered for adoption.
- e) Conduct and manage all tasks associated with the Proposition 218 process including preparation and distribution of required public notices.
- f) Preliminary Reports
 - i. Prepare a preliminary report for the City and a preliminary report for the District including tentative rates for review by the City and the District.

- ii. Submit ten (10) hard copies and one electronic copy of each report, plus one reproducible copy.
 - iii. Prepare and present preliminary reports and tentative rates to the City and District administration and the City and District public works staff.
- g) Draft Final Report
- i. Incorporate changes to the City's preliminary report and to the District's preliminary report pursuant to comments received from each respective agency's administration and staff.
 - i. Submit ten (10) hard copies and one electronic copy of each report, plus one reproducible copy.
 - ii. Prepare and present the City's Draft Final Report and the District's Draft Final Report to the City and District administration and public works staff.
 - iii. Incorporate changes to the Draft Final Reports pursuant to comments received from administration and staff.
 - iv. Present the Draft Final Report to District and City Elected Officials.
- h) Final Report
- i. For each agency, the Final Report shall summarize the completed action of the elected officials, providing the final rates as adopted, the final rate structure, an explanation of how those rates were calculated, a summary of the Prop 218 process, and projected revenue under the adopted rates and rate structure.
 - ii. Submit ten (10) hard copies and one electronic copies of each report, plus one reproducible copy.
 - iii. Provide an electronic copy of each report in MS Word format, with model spreadsheets in Excel format.
 - iv. Present the final reports and recommended rates to the City Council and District Board of Directors and members of the public at formal public hearings.
- i) Provide an easy-to-use web-based rate calculator that residents of the City/District can use to determine their rates under proposed rate structures.

5. Services to be Provided by the City and District

The services to be provided by the City and the District include, but are not necessarily limited to the following:

- a) Furnish all reasonably available records and information, including financial reports, budget, interagency service agreements, water purchase data, production data, consumption data, meter sizes, infrastructure by type and age, and customer classes.
- b) Provide information on Capital Improvement Plans, Master Plans and other pertinent long-range planning documents
- c) Provide staff support and assistance as required and agreed to in advance of the studies.

6. Division of Tasks and Timing

This project includes the development of updated water and sewer rate structures for both the City and District. The City supplies the District with bulk water and accepts wastewater from their system at multiple points. Although review of both agency's information may occur simultaneously, the development of rate structures, preliminary and final reports, and the 218 public process will occur in sequence to some degree, with final rates for the City being determined prior to development of preliminary rate structures for the District. The proposal and task schedule shall account for this.

Separate contracts will be issued for the City and the District. This project will result in two (2) distinct rate study reports. One for the City and one for the District. Although much of the work may overlap, the delivery of the reports and the accompanying public process will be consecutive with the City rate study completed first, and the District rate study second. The proposal shall provide a schedule which reflects this division of tasks.

PROPOSAL FORM AND CONTENT

1. Proposal Submittal

- a. All pages of the proposal must be numbered consecutively. The proposal must be organized in accordance with the list of proposal contents. The proposal must provide specific and succinct responses to all questions and requests for information.
- b. Proposers must address the Scope of Services in Section D. Proposals and the fee schedule must be valid and binding for 120 days following the proposal due date and may become part of the agreement with the City and District.

2. Letter of Transmittal

Include a cover letter signed by a duly authorized representative of the firm. The cover letter must include name, address, telephone number and the e-mail address of the person or persons who are authorized to represent the Proposer and to whom correspondence should be directed shall be included.

3. Table of Contents

Include a clear identification of the submitted material by section and by page number.

4. Summary

Summarize key provisions of the proposal. Provide a statement describing why the Proposer is qualified to perform this work, the names of individuals who would serve as the Project Manager and the City and District's primary Point of Contact with the proposing firm.

5. Statement of Understanding

Include a detailed statement of understanding of the professional services to be provided for the City and the District, and acknowledge the City and District priority of maintaining transparent communications between the City and the District and its residents and businesses. If there are services listed in the RFP that the Proposer will not be able to provide, they must be specifically listed in your responses.

6. Background and Experience

- a. Official name and address, and specify the type of entity (partnership, LLC, Corporation, etc).
- b. Describe your firm's background and history; include number of years in business. Describe the expertise your firm is able to provide the City and District. If your firm has a recognized area of expertise, please describe that expertise.
- c. Describe your firm's experience advising municipalities regarding bond covenants and complying with bond covenants.
- d. List the location of the office that would provide key personnel to complete the Scope of Work.
- e. Identify support staff services available (clerical support, engineers, municipal finance experts, Proposition 218 expertise, and other staff).

7. Approach to Utility Rate Study

- a. Describe your view of the role of Consultant in developing a water and sewer rate study and supporting elected officials and staff through the requisite Proposition 218 rate increase approval Process.
- b. Describe how you track and manage the contact and control costs.
- c. Describe how as Consultant you would work with elected officials and participate in public meetings, community information meetings, and meetings with City staff.
- d. Describe your firm's practices regarding professional development, training, and keeping current with the law and legal matters regarding development and adoption of new utility rates.
- e. Describe the basic methodology used to determine the water/utility rates for individual customers.
- f. List specialty services relative to a utility rate study which you do not provide. For any specialty services you do not directly provide, describe how you propose the City/ and District receive such services. If you propose to use a subcontractor, please name the firm if possible and the principal individual(s) from the firm who would provide services to the City and District. Subcontractors are subject to City and District approval prior to beginning work.
- g. Proposed Project Manager(s)
 - i. Name the person who will be designated as the Project Manager and Point of Contact. Provide the following for each designee:
 1. Certificates or licenses.
 2. Description of education, including names of educational institutions, degrees conferred, and year of each degree.
 3. Professional background and professional associations.
 4. Experience with and knowledge of the law relating to the development and adoption of municipal utility rates in the state of California.
- h. Specific areas of expertise and training.

- i. Provide names and qualifications, including years of experience, of other members in the firm who would be able to provide professional services in support of the Project Manager and Point of Contact.
- j. Provide contact information for at least 5 municipal clients and/or utility districts within the state of California for which services have been provided by the designated project team in the last three years, so reference checks can be conducted. Please include the contact person's name, agency, phone and e-mail address.
- k. List all public clients for whom your firm currently provides or has provided services for in the past five years. Indicate the services provided, compensation, and reimbursement.
- l. Describe how the firm intends to charge for additional services such as attendance at additional community meetings or preparation of additional rate scenarios.
- m. If an hourly rate basis is used for additional services, please state the hourly rates for each of the project team members. Provide this information in a table format.
- n. If a separate individual or firm is proposed as a subcontractor to Proposer, specify the hourly rates for each type of service to be provided as well as the rate for any items which would be billed separately. Also provide information regarding the principal attorney(s) and firms that would provide such service(s).
- o. Specify which items, if any, are billed separately and at what rate. Such items might include postage, duplicating/printing, travel, etc. Specify if any overhead or administrative charge is added to billings for these items.

8. Agreement

- a. The successful Proposer is expected to enter into separate "not to exceed" agreements with the City and District that will be acceptable to the City Attorney and District Legal Counsel. A copy of the proposed Professional Services Agreements are attached to this RFP. Please provide any proposed changes to these agreements along with your proposal.

- b. In addition to indemnification and hold harmless language, the agreements also include a requirement for professional errors and omissions insurance in an amount of not less than \$2,000,000 per occurrence.
- c. \$2,000,000 aggregate, general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, automobile liability insurance in an amount of not less than \$1,000,000 per accident, and worker's compensation insurance as required by State law. The firm chosen will name the City and District as Certificate Holders for all of the above-named insurance policies. The City and the District shall be named as Additional Insured for the general liability as well as the automobile liability (including Non-owned Auto) insurance coverage. All coverage must be provided by an insurance company authorized to do business in the State of California, with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

9. Additional Information

- a. In this section, provide any other information the Proposer believes is applicable to the evaluation of the proposal or your qualifications for providing the proposed services. You may use this section to address those aspects of your services that distinguish your firm from other firms.

SELECTION PROCESS

1. Process

The RFP process will establish a ranking based on how each proposal meets the qualifications of the Scope of Services and the requirements of the RFP. The proposal shall conform to the Proposal Requirements. It is important that all listed items be included in the proposal. Proposals, which do not comply with all the requirements per or the proposal deadline, will not be considered. The City and District reserve the right to reject any or all proposals without qualifications, and to negotiate specific requirements and costs using the selected proposal as a basis.

A review of all submitted proposals will be conducted by an initial review team comprised of staff from the City and District. The initial review will be comprised of a review of submitted proposals and may involve interviews with one or more firms.

The second portion of the proposal, statement of compensation, of the two highest ranked firms will be considered, only after the two highest ranked firms have been identified. The firm offering the lower cost quotation will be retained, unless:

- (a) The firm with the lower cost has a qualitative evaluation score that is less than 80% of the higher qualitative evaluation firm, or;
- (b) The lower cost quotation is unreasonably low and found to be non-responsive or;
- (c) It is found that the proposal of the firm quoting the higher cost includes elements that will result in an overall cost saving to the City and District upon implementation of the project.

In the event that the cost proposal of the firm offering the lower cost quotation of the two highest ranked firms is deemed unresponsive; i.e. is unreasonably high or unreasonably low, or if a successful negotiation of services and costs cannot be culminated; the City and District may terminate such negotiations and initiate a similar procedure of evaluating the statement of compensation and initiate negotiations with the second highest ranked firm.

2. Evaluation Criteria

The following information will be considered during the evaluation process. These are not listed in order of importance or priority:

- a. Experience and qualifications identified in the Proposal.
- b. Complete and clear response to requested matters in the Proposal.
- c. Adequate local availability, support to the Council, Board and staff, and range of services offered.
- d. Demonstration of workload capacity and level of experience of the designated Project Manager and Point of Contact.
- e. Professional reputation for providing high-quality services and ability to work cooperatively with the City and District.
- f. Service orientation and creativeness in finding solutions to difficult or complex issues.
- g. Demonstrated understanding of the City and the District.
- h. Communication skills.

- i. Depth and breadth of experience and expertise in the practice of developing municipal water and sewer rates in California.
 - j. Demonstrated sound judgment, integrity, and reliability as determined by the references provided.
 - k. Capability to perform professional services promptly and in a manner that permits the City Council/District Board and staff to meet established deadlines and to operate in an effective and efficient manner.
 - l. Demonstrated overall quality of work product as evidenced by quality of proposal.
 - m. Cost of providing services. Note that while cost is important, it is not necessarily the most critical factor in evaluating a Proposal.
1. Other qualifications/criteria as deemed appropriate by staff.

At the conclusion of the evaluation and interview (or if a best-qualified firm is selected without the need for an oral presentation), the City and District will enter into contract negotiations with the top-ranking firm. If negotiations with the top-ranking firm are unsuccessful, negotiations will terminate and the City and District will undertake negotiations with the second-ranked firm. City and District staff will make recommendations to their respective elected officials, which reserve the right to reject any or all proposals. The selection process will be completed when a contract is executed with the City and with the District.

The selected consultant shall be required to enter into the City and District's standard professional services agreements (**Attachments 1 and 1A**) and include in the Proposal a signed copy of the Standard Agreement Acknowledgement (**Attachment 2**). All Consultants that respond to the RFP shall assume that the execution of these agreements, **without changes**, will be a required condition.

Furthermore, the City and the District reserve the right to reject any or all proposals, and to waive any and all irregularities to choose the firm which, in their opinion, best serves their interests.

PROJECT TIME SCHEDULE

The utility rate study for the City and District is expected to take six (6) months to complete. A detailed schedule of tasks and milestones is required as part of the proposal.

CONSULTANT SELECTION SCHEDULE

A following schedule has been established for conducting this consultant selection process. The City and District reserves the right, however, to modify this schedule at any time.

Task	Approximate Dates
Issuance of Request for Proposal	October 18, 2021
Deadline for questions from bidders	October 22, 2021 by 5:00 PM
Responses to all questions posted by City	October 29, 2021
Proposals due	November 12, 2021 by 5:00 PM
City/District to review and rank proposals	November 13 to November 19
Interview Consulting Firms (if needed)	November 13 to November 19
Award Consultant Contract	December 3, 2021

QUESTIONS

Interested bidders shall provide a contact email to which correspondence regarding the RFP, addenda and answers to written questions may be addressed. Responses to written questions will be posted to the City of Eureka website. Emails will be sent to bidders on the email list when updates are posted to the site.

Telephone questions regarding the RFP will not be accepted. The City/District will accept only written, emailed pre-submittal questions from the Proposers. The Proposers are encouraged to cover all questions in one request so that staff can provide timely and effective responses. All pre-submittal questions about the RFP will only be accepted by email **until October 22, 2021 at 5:00 PM**. Any questions regarding the RFP should be directed by email to:

City of Eureka
 Public Works Department
 Attn: Brian Issa, Deputy Director of Public Works – Field Ops
 bissa@ci.eureka.ca.gov

It is each Proposer's responsibility to check the City website for RFP updates and answers to pre-submittal questions. If any changes or updates to the RFP are made, a copy of the current RFP, Q&A, and addenda will be posted on the City's website at the following address: **<http://www.ci.eureka.ca.gov/rfps/proposals.asp>**

Attachments:

1. City Standard Professional Services Agreement
2. District Standard Professional Services Agreement
3. Agreement Acknowledgement

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: October 12, 2021

AGENDA ITEM: F.4 (New Business)

TITLE: Consideration of Canceling the October 26, 2021 Meeting

PRESENTED BY: Terrence Williams, General Manager

Recommendation:

Discussion followed consideration of canceling the October 26, 2021 meeting due to GM absence.

Summary:

I will be out of town from October 20 through October 26, 2021 to attend my father's memorial service. This agenda item is intended to provide the option of canceling or rescheduling the October 26 meeting to accommodate my absence.

Fiscal Impact:

None