



**RIO DELL CITY COUNCIL AGENDA**  
**REGULAR MEETING - 6:00 P.M.**  
**TUESDAY, MAY 06, 2025**  
City Council Chambers  
675 Wildwood Avenue, Rio Dell

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**Welcome** - Copies of this agenda, staff reports and other material available to the City Council are available at the City Clerk's office in City Hall, 675 Wildwood Avenue and available on the City's website at [cityofriodell.ca.gov](http://cityofriodell.ca.gov). Your City Government welcomes your interest and hopes you will attend and participate in Rio Dell City Council meetings often.

City Council meetings are held in City Hall Council Chambers for in-person public attendance. The public may also attend these meeting virtually through Zoom.

**Public Comment by Email:**

In balancing the health risks associated with COVID-19 and need to conduct government in an open and transparent manner, public comment on agenda items can be submitted via email at [publiccomment@cityofriodell.ca.gov](mailto:publiccomment@cityofriodell.ca.gov). Please note the agenda item the comment is directed to (example: Public Comments for items not on the agenda) and email no later than one-hour prior to the start of the Council meeting. Your comments will be read out loud, for up to three minutes.

Meeting can be viewed on Access Humboldt's website at <https://www.accesshumboldt.net/>. Suddenlink Channels 10, 11 & 12 or Access Humboldt's YouTube Channel at <https://www.youtube.com/user/accesshumboldt>.

**Zoom Public Comment:**

When the Mayor announces the agenda item that you wish to comment on, call the conference line and turn off your TV or live stream. Please call the toll-free number **1-888-475-4499**, enter meeting **ID 987 154 0944** and press star (\*) 9 on your phone – this will raise your hand. You will continue to hear the meeting on the call. When it is time for public comment on the item you wish to speak on, the Clerk will unmute your phone. You will hear a prompt that will indicate your phone is unmuted. Please state your name and begin your comment. You will have 3 minutes to comment.

**A. CALL TO ORDER**

**B. ROLL CALL**

**C. PLEDGE OF ALLEGIANCE**

**D. CEREMONIAL MATTERS**

**E. PUBLIC PRESENTATIONS**

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

**F. CONSENT CALENDAR**

The Consent Calendar adopting the printed recommended Council action will be enacted with one vote. The Mayor will first ask the staff, the public, and the Councilmembers if there is anyone who wishes to address any matter on the Consent Calendar. The matters removed from the Consent Calendar will be considered individually following action on the remaining consent calendar items.

1. 2025/0506.01 - Approve Minutes of the April 15, 2025 Regular Meeting **(ACTION)** – Pg. #4
2. 2025/0506.02 - Authorize the City Manager to Execute the Engagement Letter with Harshwal & Company, LLP to Provide Financial Audit Services for FY Ending June 30, 2025 **(ACTION)** – Pg. #11
3. 2025/0506.03 - Approve the Appointment of Kelsey Machado to the Beautification, Walkability, and Pride Committee **(ACTION)** – Pg. #23
4. 2025/0506.04 - Authorize City Manager to Execute an Agreement with Bell & Associates, Inc. in an Amount not to Exceed \$18,000 for SB 1383 and Franchise Agreement Analysis **(ACTION)** - Pg. #26
5. 2025/0506.05 - Authorize the City Manager to Execute an Agreement With the State Water Resources Control Board in Coordination with the City Attorney, for the Painter Street Sewer Line Replacement Project in the Amount of \$1,490,550 **(ACTION)** - Pg. #29

**G. ITEMS REMOVED FROM THE CONSENT CALENDAR**

**H. REPORTS/STAFF COMMUNICATIONS**

1. 2025/0506.06 - City Manager/Staff Update **(RECEIVE & FILE)** – Pg. #72

**I. SPECIAL PRESENTATIONS/STUDY SESSIONS**



**J. SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS**

**K. ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS**

1. 2025/0506.07 - Second Reading (by title only) and Adoption of Ordinance No. 414-2025 Amending §12.30 of the Rio Dell Municipal Code (RDMC) Pertaining to Trails and Further Establishing Fines (**DISCUSSION/POSSIBLE ACTION**) – Pg. #78

**L. COUNCIL REPORTS/COMMUNICATIONS**

**M. ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

1. 2025/0506.08 - **Conference with Labor Negotiator** – Agency Negotiator: City Manager – Employee Organizations: Rio Dell Employees Association, Rio Dell Police Officers Association and all Contract Employees – Under Gov't Code §54957.6

**N. PUBLIC COMMENT REGARDING CLOSED SESSION**

**O. RECESS INTO CLOSED SESSION**

**P. RECONVENE INTO OPEN SESSION**

**Q. ORAL ANNOUNCEMENTS**

**R. ADJOURNMENT**

*The next regular City Council meeting is scheduled for  
Tuesday, **May 20, 2025 at 6:00 p.m.***

**RIO DELL CITY COUNCIL  
REGULAR MEETING MINUTES  
APRIL 15, 2025**

Mayor Garnes called the regular meeting of the Rio Dell City Council to order at 5:00 p.m.

**ROLL CALL**

Present - (Closed Session): Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Wilson, Woodall, and City Manager Knopp. Absent was Councilmember Orr (arrived at 5:42 p.m.).

Present – (Regular Meeting): Mayor Garnes, Mayor Pro Tem Carter, Councilmembers Orr, Wilson, and Woodall.

Others Present: City Manager Knopp, Police Chief Phinney, Community Development Director Caldwell, Water/Roadways Superintendent Jensen, Senior Fiscal Assistant Maciel, Senior Fiscal Assistant Townsend, and City Clerk Dunham

Absent: Finance Director Sanborn, and Wastewater Superintendent Kelly (excused)

**ANNOUNCEMENT OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

Conference with Labor Negotiator – Agency Negotiator: City Manager – Employee Organizations: Rio Dell Employees Association, Rio Dell Police Officers Association, and all Contract Employees Pursuant to §54957

**PUBLIC COMMENT REGARDING CLOSED SESSION**

No members of the public were present to comment.

**RECESS INTO CLOSED SESSION**

The Council recessed into a closed session at 5:00 p.m. with City Manager Knopp to discuss the above-listed matter.

The Council reconvened into open session at 6:00 p.m.

Mayor Garnes announced that there was nothing to report out of closed session.

**PUBLIC PRESENTATIONS**

Mayor Garnes invited public comment on non-agenda matters. No public comment was received.

**CEREMONIAL MATTERS**

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Proclamation Declaring April 2025 as Sexual Assault Awareness Month

Mayor Garnes read the proclamation declaring April as Sexual Assault Awareness Month. Maria Sepulveda from the North Coast Rape Crisis Team was present to accept the proclamation.

She thanked the City Council for presenting the proclamation and provided a brief overview of what the North Coast Rape Crisis Team does. She said that North Coast Rape Crisis Team provides direct support to victims through direct crisis lines and offers peer counseling and educational services as well as financial support to victims and their families. She said that the organization is at risk of losing funding due to state and federal budget cuts and invited everyone to visit their website at [ncrct.org](http://ncrct.org) for more information.

**CONSENT CALENDAR**

Mayor Garnes asked if any council member, staff, or member of the public would like to remove any item from the consent calendar for a separate discussion. No items were removed.

A motion was made by Carter/Woodall to approve the consent calendar, including the following items:

- 1) Minutes of the April 1, 2025 Regular Meeting;
- 2) Authorize the City Manager to execute a Contract with Harshwal & Company, LLP to provide auditing services for fiscal years ending June 30, 2025, through June 30, 2030, with a total not to exceed \$129,235;
- 3) Authorize the Finance Director to sign and submit the City's Annual Transportation Development Act (TDA) Claim for FY 2025-26;
- 4) Authorize the City Manager to execute agreements for on-call construction contract agreements with Wendt Construction and RH Construction in coordination with the City Attorney; and
- 5) Receive and file the Check Register for March.

The motion carried 5-0.

**REPORTS/STAFF COMMUNICATIONS**

City Manager/Staff Update

City Manager Knopp highlighted the staff update and announced that the Nuisance Advisory Committee meeting scheduled for tomorrow was canceled. He then thanked Community Development Director Caldwell for the submission of the grant application to the Wildlife Conservation Board (provided the Council approves the Resolution tonight), for Phase II of the Eel River Trail for the concrete ADA ramp.

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Mayor Pro Tem Carter referred to the Animal Control report, noting that 2 dogs and 0 cats were transported to Miranda's Rescue.

Councilmember Woodall thanked Public Works for mowing the Gateway and other areas around town and said it looks great.

**SPECIAL CALL ITEMS/COMMUNITY AFFAIRS/PUBLIC HEARINGS**

Provide Direction to Staff Related to a Donation to the Chamber of Commerce for the Cinco de Mayo Celebration at the Scotia Lodge

City Manager Knopp provided a staff report and said that it was requested that the Council agendaize a discussion and action item related to the request of a donation to the Chamber of Commerce for the upcoming Cinco de Mayo celebration. He commented that due to the timing of Cinco de Mayo, this would be the Council's last regularly scheduled meeting before the event, and that staff have no additional information on the proposal or details about the event other than the attached event announcement.

Jim Brickley, Rio Dell-Scotia Chamber of Commerce Vice-President, was present to address the Council. He provided details of the event at the Scotia Lodge on Sunday, May 4<sup>th</sup>, from 1:00 – 4:00 p.m. He noted that it would be a family event with a kids zone, games, and a bounce house. The event would be catered by Taco Loco in Fortuna with a Mariachi Band. Admission to the event is \$10 for adults, with kids 12 and under free.

He said that donations were received from the Community Resource Center, the Kiwanis, the Rio Dell Volunteer Fire Department, and others, and asked the City for a donation of \$2,000.

Albert Houghton then asked if the City could provide orange cones to block off reserved parking for the Mariachi Band.

Councilmember Orr asked how the event would directly benefit Rio Dell and Scotia since the catering was coming from Fortuna.

Jim Brickley said that the caterer would be providing meals for 150 guests at \$6/person. The Patron in Rio Dell was contacted however, they quoted a price of \$20/person.

Councilmember Woodall asked if kids unaccompanied by their parents would eat free. She said that she liked the idea of a Cinco de Mayo celebration and appreciated the Chamber of Commerce's effort in organizing the event, but pointed out that the funding for this event was not in the City's current budget.

Mayor Garnes asked how much the Chamber of Commerce was funding toward the event.

Jim Brickley indicated that the Chamber would be contributing \$500 toward the event. He explained that the event is not intended to be a fundraiser but rather a community event to

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honor the Hispanic community. He said that if the event makes a profit, one idea would be to reimburse the City for a portion of the donation.

Mayor Garnes asked if some of the funds could come out of the Christmas decoration budget that the City contributes to the Chamber each year.

Mayor Pro Tem Carter agreed that it might be easier to give up a portion of the Christmas decoration contribution on a reimbursement basis.

City Manager Knopp referred to the draft Grant Agreement prepared by the City Attorney and said that the contribution would need to be as an upfront grant award, but the Chamber would need to comply with all the insurance requirements outlined in the agreement.

Mayor Pro Tem Carter asked if language could be added to the agreement regarding the contribution coming from the next Christmas decoration budget.

City Manager Knopp noted that the City needs to establish policy guidelines for future contributions and said that there may be other organizations willing to donate without all the legalities associated with the City providing funding. He explained that the event must be in the public's best interest and the City Council would need to make certain findings as recited in the agreement.

Mayor Garnes pointed out that the current fiscal year ends on 6/30/25, so the funds budgeted for Christmas decorations are likely expended.

Councilmember Woodall asked what the profit or loss was on the previous St. Patrick's Day Event and the 64 Flood Event.

Jim Brickley reported that the Chamber lost approximately \$110 on the St. Patrick's Day event and had a profit of \$320 on the 64 Flood event.

A motion was made by Carter/Wilson authorizing a \$1,000 donation to the Rio Dell Scotia Chamber of Commerce for the Cinco de Mayo Celebration at the Scotia Lodge as set forth in the terms of the agreement with the Chamber of Commerce and the City of Rio Dell, and to reduce the donation to the Chamber of Commerce for Christmas decorations by \$1,000 in the FY 2025-26 budget.

The motion carried 3-2 with Councilmembers Orr and Woodall dissenting.

**ORDINANCES/SPECIAL RESOLUTIONS/PUBLIC HEARINGS**

Second Reading (by title only) and adoption of Ordinance No. 413-2025 Establishing Chapter 8.45 of Title 8 of the Rio Dell Municipal Code (RDMC) Fire Hazard Severity Zone Map of the City of Rio Dell

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City Manager Knopp provided a staff report recommending the second reading (by title only) and adoption of Ordinance No. 413-2025, establishing Chapter 8.45 of Title 8 of the Rio Dell Municipal Code (RDMC) Fire Hazard Severity Zone map for the City of Rio Dell.

He said as discussed at the last meeting, jurisdictions have very little discretion on the fire hazard severity designations as presented and cannot contest high-risk designations for a lower risk, only designations to a higher risk.

Mayor Garnes opened a public hearing to receive public comment on the proposed ordinance. There being no public comment, the public hearing was closed.

A motion was made by Woodall/Carter to approve the second reading (by title only) and adoption of Ordinance No. 413-2025 Establishing Chapter 8.45 of Title 8 of the Rio Dell Municipal Code (RDMC) Fire Hazard Severity Zone Map of the City of Rio Dell. The motion carried 5-0.

Approve Resolution No. 1631-2025 Authorizing a Grant Application to the Wildlife Conservation Board for Phase II of the Eel River Trail, a Concrete Accessible Ramp

Community Development Director Caldwell provided a staff report recommending approval of Resolution No. 1631-2025 authorizing the submittal of a grant application to the Wildlife Conservation Board for Phase II of the Eel River Trail for a concrete ADA ramp. He reported that the staff person at the Wildlife Conservation Board has been very supportive of the grant application, so hopefully the grant will be awarded.

Councilmember Woodall asked where the ramp would be located.

Community Development Director Caldwell explained the ramp would be installed at the top of Davis Street to the end of the asphalt, approximately 130 ft. in total length, with two switchbacks.

Mayor Garnes opened a public hearing to receive public comment on the proposed resolution. There being no public comment, the public hearing was closed.

A motion was made by Carter/Woodall to approve Resolution No. 1631-2025 Authorizing a Grant Application to the Wildlife Conservation Board for Phase II of the Eel River Trail, a Concrete Accessible Ramp. The motion carried 5-0.

Introduction and First Reading (by title only) of Ordinance No. 414-2025 Amending Section 12.30 of the Rio Dell Municipal Code (RDMC) Pertaining to Trails and Further Establishing Fines

City Manager Knopp provided a staff report recommending approval of the introduction and first reading (by title only) of Ordinance No. 414-2025 amending Section 12.30 of the Rio Dell Municipal Code (RDMC) pertaining to Trails and further establishing fines for misuse of the trail.

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He explained that the City Council approved an ordinance related to regulations for trails at their meeting of February 18, 2025, but since then, there has been some illegal use of motorized vehicles on the trail. As such, the Mayor requested that fines for misuse of the trail be agendized for the Council's consideration. He commented that there would be signage at the trail to make everyone well aware of the regulations.

City Manager Knopp commented that Chief Phinney would be working with the City Attorney on potential changes to the draft ordinance before its final adoption, related to violations being a misdemeanor rather than an infraction.

Councilmember Orr mentioned a complaint he received related to non-licensed vehicles driving on city streets and asked how the police department planned on enforcing that issue, as well as motorized vehicles on the trail.

Chief Phinney explained that the current language in the proposed ordinance identifies a violation as an infraction which means that an officer would have to witness it and write a citation. Changing it to a misdemeanor means they could use investigative leads to determine who the people are violating the regulations. As far as non-licensed vehicles on public streets, it is a traffic infraction and can be enforced.

Mayor Pro Tem Carter said that there is a problem with dirt bikes in town, but signage should help to take care of some of the problems.

Mayor Garnes commented that it might be wise to budget for a dirt bike so the police department could patrol the river bar and catch violators.

Mayor Garnes opened a public hearing to receive public comment on the proposed ordinance. There being no public comment, the public hearing was closed.

A motion was made by Orr/Carter to approve the introduction and first reading (by title only) of Ordinance No. 414-2025 Amending Section 12.30 of the Rio Dell Municipal Code (RDMC) pertaining to Trails and Further Establishing Fines and to continue the item to the May 6, 2025 regularly scheduled City Council meeting for its second reading and adoption.

The motion carried 5-0.

## **COUNCIL REPORTS/COMMUNICATIONS**

Mayor Pro Tem Carter reported on recent meetings and events and said that she attended a Rio Dell School Board meeting where Breanna Taylor was appointed to serve on the Board replacing Faith Hansen. She said that she would be attending the next RREDC meeting on April 28<sup>th</sup> and announced that the Humboldt Community Organizations Active in Disasters (COAD) meetings would be resuming as of May 12<sup>th</sup> for anyone interested in attending via Zoom.



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Councilmember Orr reported that he would be attending an HCAOG meeting on Thursday.

Councilmember Wilson reported that Redwood Coast Energy Authority (RCEA) is moving from the lower floor of the Wharfinger Building to the upper floor, so the next meeting scheduled for next Thursday, would be held at the Jefferson School.

He also reported that Humboldt Waste Management Authority (HWMA) is going through the process for establishing tipping fees and noted that garbage rates will be increasing slightly.

Councilmember Woodall reported that she has a Community Emergency Response Team (CERT) meeting tomorrow, followed by a CERT disaster preparedness training at the Fire Hall on Saturday at 11:00 a.m. She said that related to the Beautification, Walkability, and Pride Committee, she spent most of the weekend planting the Petunia’s and placing more flower pots down the median.

Mayor Garnes reported that she testified at a hearing before the State Assembly regarding AB 262 and was allowed to tell her story about Rio Dell and the earthquake disaster recovery efforts. She said that the bill passed the committee and would be moving forward. She said that the impetus of the bill is on the 2022 Rio Dell Earthquake and the City not reaching the threshold for federal assistance.

ADJOURNMENT

A motion was made by Carter/Orr to adjourn the meeting at 6:56 p.m. to the May 6, 2025, regular meeting. The motion carried 5-0.

Attest:

Debra Garnes, Mayor

Karen Dunham, City Clerk

**Rio Dell City Hall**  
**675 Wildwood Avenue**  
**Rio Dell, CA 95562**  
**(707) 764-3532**  
**[cityofriodell.ca.gov](http://cityofriodell.ca.gov)**



DATE: May 6, 2025

TO: Rio Dell City Council

FROM: Travis Sanborn, Finance Director

THROUGH: Kyle Knopp, City Manager

SUBJECT: Acceptance Of Engagement Letter For Financial Audit Services From Harshwal & Company, LLP

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute the engagement letter with Harshwal & Company, LLP to provide financial audit services for the fiscal year ending June 30, 2025.

BACKGROUND

On February 5, 2025, the Finance Department issued a Request for Proposals (RFP) for professional auditing services following the expiration of the City's contract with JJA CPA. The RFP was distributed to ensure a broad reach to qualified audit firms in compliance with the City's procurement policies.

The audit services sought include:

- Annual financial audit in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards
- Preparation of the City's basic financial statements
- Single Audit services if federal expenditure thresholds are met
- Required reports on internal control and compliance
- Management letter with recommendations for improvements

Following the RFP process, Harshwal & Company, LLP emerged as the recommended firm based on their competitive pricing, extensive governmental audit experience, and highly qualified audit team.

## DISCUSSION

### **Scope of Services**

The engagement letter outlines comprehensive services that fully satisfy the City's requirements:

1. Audit of the financial statements of governmental activities, business-type activities, each major fund, and aggregate remaining fund information
2. Limited procedures on required supplementary information (RSI)
3. Audit of supplementary information in relation to the financial statements
4. Reporting on internal control and compliance in accordance with Government Auditing Standards
5. Single Audit services if required (\$4,500 for first major program, \$3,000 for each additional program)
6. Preparation of financial statements and related notes

### **Timeline and Deliverables**

The engagement letter establishes clear expectations for both parties:

1. The City will provide necessary documentation, including trial balances, schedules, and reconciliations.
2. Harshwal & Company, LLP will perform the audit according to professional standards.
3. Final reports will be addressed to the Mayor and City Council.
4. The engagement includes reporting deadlines aligned with state filing requirements.

### **Fiscal Impact:**

The cost for audit services for fiscal year 2024-25 is \$19,000, with a potential additional \$4,500 if a Single Audit is required. The total maximum cost for FY 2024-25 would be \$23,500. Funds are available in the adopted budget in account 03-5110 (Finance-Accounting), which includes an allocation of \$23,500 for audit services. Funding for subsequent fiscal years would be included in future budget requests.

## ATTACHMENTS

1. Engagement Letter from Harshwal & Company, LLP dated April 17, 2025



April 17, 2025

To the Honorable Mayor and City Council  
City of Rio Dell  
675 Wildwood Avenue  
Rio Dell, CA 95562

We are pleased to confirm our understanding of the services we are to provide for City of Rio Dell (the "City") for the year ended June 30, 2025.

### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the City as of and for the year ended June 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules.

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

- 1) Combining Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances.
- 2) Supplementary Schedule as necessary.



The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and will include tests of accounting records of the City and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures - Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and Government Auditing Standards.

#### **Audit Procedures - Compliance**

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

#### **Other Services**

We will also assist in preparing the financial statements, proposed adjusting journal entries, and related notes of the City in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating for the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

**Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and Government Auditing Standards.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.



Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

As per Federal and State Laws, we don't require, nor do we request, demand, collect, or desire any Personal Identifying Information ("PII"). PII includes but is not limited to individual's first name (or first initial) and last name combined with other types of personal information, such as Social Security Number; home addresses; online identifiers; passport numbers; bank or credit card numbers; clearances; biometrics; date of birth; birth place; age; mother's maiden name; medical, criminal, and financial records; educational transcripts; email addresses, phone numbers; birth marks, professional designation; employment history, social media account information; driver's license numbers, any other similar and unique personal identifiers, etc. As such, do not provide our firm, staff, employees, consultants, contractors, managers, admin staff, third-party service providers with any of the aforementioned PII as we will not be perusing the records provided to us to identify and purge such records.

By your signature below, you acknowledge and agree that Harshwal & Company, LLP is not responsible for "sanitizing" or "scrubbing" its workpapers in an attempt to identify and delete PII, and as such is not liable were such information to be retained by us or inadvertently accessed by third parties.

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

#### **Limitation on Liability**

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

#### **Subpoena and Other Release of Documents**

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party pursuant to a subpoena, court order or other administrative or legal process in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding, in which we are not a party. You agree that our efforts in complying with such requests or demands will be deemed a part of this engagement and Harshwal & Company, LLP shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

**Engagement Administration, Fees, and Other**

We have our technical resources and audit software in the cloud. We may, from time to time, and depending on the circumstances, use third-party service providers within and outside of the United States in serving your account. As required by Section 54.1(b) of the California Code of Regulations, Title 16, confidential information provided by you to our firm, may be disclosed to persons, outside of the United States in connection with the services provided. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information.

In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Honorable Mayor and City Council of the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection. Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

The audit documentation for this engagement is the property of Harshwal & Company, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Harshwal & Company, LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Your records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Harshwal & Company, LLP may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

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

Mr. Sanwar Harshwal is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Fieldwork for audit will be determined with the City's management based on the availability of accounting records and supporting documentation. Our scheduling depends on your completion of the year end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff's unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services. Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Our fee for the services described in this letter including applicable gross receipts taxes and out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) will be as follows:

Audit Area - Description	FY 2025
Basic Financial Statements	\$ 19,000
Single Audit (if applicable)	4,500
Total All-Inclusive Fees	<u>\$ 23,500</u>

The single audit fee is calculated based on the number of major programs. The audit fee for the first major program will be \$4,500 and the audit for each additional major program will cost \$3,000.

We have estimated our fees, assuming that accounting records will be in balance and supported by appropriate documentation. Also, our cost assumes that the Department personnel will provide supporting schedules for all asset and liability accounts, and provide general assistance, such as locating documents, typing confirmation requests, and coordinating meetings. If there were significant changes to the City's operations or the scope of work related to the financial statements, we will discuss with you additional time and fees that may be incurred.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness and accuracy of the City's records, and, for example, the number of general ledger adjustments required as a result of our work. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance will result in an increase of our fees.

To keep fees at a minimum and provide the reports to you on a timely basis, we are planning on significant assistance from your personnel. In this regard, we will furnish you with a list of schedules and data to facilitate our work. We understand that all records, documentation, and information we request in connection with our audit will be made available to us. Your preparation of schedules and providing supporting evidence requested timely is imperative for us to perform our audit procedures in the most efficient manner possible. If audit related accounting assistance is required to reconcile accounts, these fees will be billed separately at our standard hourly rates.

We will obtain your concurrence before we begin such services significantly beyond the scope of the audit. In the future, you may decide that you need the services of one or more full-time employee. At that time, we could assist you in identifying individuals, our fees for which would then be agreed upon in a separate engagement letter. However, because of the knowledge that our staff have or will obtain of your organization, you may wish to hire one or more of them. If this should occur, please notify us immediately so that we may avoid any potential independence issues. Also if this should occur, we will charge you a recurring fee of one hundred percent (100%) of the annual gross salary or wages (on an annualized basis) offered to our employee to compensate us for the loss of our valued and extensively trained employee(s). Such amount shall be paid within thirty (30) days following the date of such notification.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

The City acknowledges that the following unexpected circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates; Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

Unexpected circumstances are also defined as fire, destruction or disappearance of records, discovery of fraud, or similar situations beyond our control or knowledge. We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. Any invoices left unpaid beyond 30 days will be charged a 1.5% late fee per month, added to the then outstanding balance. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.



This engagement letter may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination, (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this engagement, and (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained.

While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this engagement letter as we deem appropriate.

The proposed fee estimate is contingent upon the City having performed the following functions and sending us copies to review at least two weeks prior to us performing the audit fieldwork:


1. Submitting trial balances and general ledger to us in an electronic format.
2. Completing all steps and sending us copies of the requested information on the audit preparation guide, which we will provide.
3. Preparing the schedule of expenditures of federal awards.
4. All material balance sheet accounts need to be reconciled and scheduled. Prepare reconciliations of all checking (payroll and accounts payable, etc.) accounts, savings accounts and investment accounts on a monthly basis and send us copies of the year end reconciliations.
5. Copies of all major federal grants and contracts effect during the audit period need to be made for us along with any modifications, budgets, financial and narrative reports and drawdown requests.
6. Providing us electronic copies of your payroll and accounts payable check registers for the fiscal year under audit.

### **Reporting**

We will issue written reports upon completion of our Audit of City of Rio Dell's financial statements. Our reports will be addressed to Honorable Mayor and City Council of City of Rio Dell. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

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

Very truly yours,  
**Harshwal & Company, LLP**  
  
Sanwar Harshwal  
(Managing Partner)

RESPONSE:  
This letter correctly sets forth the understanding of City of Rio Dell.  
  
Management signature: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



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*675 Wildwood Avenue  
Rio Dell, CA 95562*

TO: Mayor and Members of the City Council

FROM: Karen Dunham, City Clerk

THROUGH: Kyle Knopp, City Manager

DATE: May 6, 2025

SUBJECT: Appointment of Public Member to the Beautification,  
Walkability and Pride Committee

### **RECOMMENDATION**

Approve the appointment of one public member to the Beautification, Walkability, and Pride Committee.

### **BACKGROUND AND DISCUSSION**

At the regular meeting of June 15, 2021, the Council adopted Ordinance No. 389-2021 amending Chapter 2.55 of the Rio Dell Municipal Code to create the Beautification, Walkability, and Pride Committee.

The Committee is comprised of two (2) members of the City Council and three (3) members of the public.

At the meeting of July 20, 2021, Mayor Garnes and Councilmember Carter were appointed to fill the two (2) Council positions, followed by the appointment of three public members, Ania Laniewski, Elizabeth Warren, and Rey De La Cruz. With the resignation of Rey De La Cruz, a Notice of Vacancy was posted to solicit applications to fill that position.

The following application was received from a member of the public expressing interest in serving:

- Kelsey Machado

Staff's recommendation is to appoint the applicant to fill the vacancy for the third public member.

**ATTACHMENTS:** (1) application



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



### APPLICATION FOR COMMITTEE/BOARD

NAME Kelsey Machado DATE 4-22-2025  
ADDRESS 103 Atlanta St HOME PHONE 515-979-4460  
Rio Dell BUSINESS PHONE \_\_\_\_\_

I AM INTERESTED IN SERVING ON THE FOLLOWING COMMITTEE/BOARD:

Beautification, Walkability + Pride Committee

OCCUPATION Stay at home mother

HOW LONG HAVE YOU LIVED IN RIO DELL? 8 months

PROFESSIONAL AND/OR COMMUNITY ACTIVITIES Staunch attendee of  
local First Five Humboldt Playgroups, Library

Storytime, Rio Dell Resource Center + walks on Wildwood  
and the Riverfront trail.

ADDITIONAL PERTINENT INFORMATION/REFERENCES \_\_\_\_\_

Martha Dexter (707) 764-3333 (librarian)

Sarah + Andrea of Rio Dell Resource Center  
(707) 764-5239

EDUCATION Associates of Arts + Associates of Science  
from Southwestern Oregon Comm. College

Bachelors of Arts in Psychology from Humboldt  
State

Please answer the following two questions:

Why are you interested in serving on this committee/board? I am in awe of  
the beautiful landscape of Rio Dell, the walkability  
+ the rejuvenation of Wildwood.

What special talents, experience or education do you possess that will be useful in this position?

I have professional experience in community outreach, organizing + community health work which pertains to ensuring a sense of pride + belonging to ones community.

*Note: A Resume may be attached*

*If you have any questions or need additional information, please contact the City Clerk at (707) 764-3532*

**Return form to the City Clerk  
City of Rio Dell at 675 Wildwood Ave., Rio Dell, CA 95562**

*Forms/Application for Committee*



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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

May 6, 2025

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Discussion and Possible Action Authorizing the City Manager to Execute an Agreement with Bell & Associates, Inc. in an amount not to exceed \$18,000 for SB 1383 Analysis and Franchise Agreement Analysis.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an agreement with Bell & Associates, Inc. in coordination with the City Attorney.

BACKGROUND AND DISCUSSION

The City of Rio Dell is beginning franchise agreement negotiations with Recology Eel River. The current Franchise Agreement, negotiated under Eel River Disposal expires at the end of 2026. This agreement will provide valuable information on the past performance of our current franchise agreement which will help the City become better informed of the approach to a new franchise agreement.

The City continues to work with our municipal and county partners on this overall effort to combine efforts in franchise negotiations and create a more standardized approach to the franchise agreements while also exploring our options related to the implementation of SB 1383, the new mandates related to organic waste. While staff was not originally intending on participating in this work, preliminary information from the other jurisdiction's data shows that the data from a Rio Dell analysis may be useful.

The costs are expected to be covered under a \$75,000 CalRecycle grant the City has been awarded.

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## **Bell & Associates, Inc.**

1628 NW 33<sup>rd</sup> Way, Camas, WA 98607

Phone 360-210-4344

Kyle Knopp  
City Manager  
675 Wildwood Ave  
Rio Dell, CA 95562

April 25, 2025

Mr. Knopp,

The following scope and budget are to provide Rio Dell staff with solid waste and recycling cost of service consulting to assist with the regulatory requirement to ensure that the information submitted by Recology represents the financial and operational cost of providing services within its franchised territory.

This project involves the following Tasks for the City on an on-call basis:

1. Assist with the financial analysis of topics related to the new franchise agreement proposed for the County and cities within Humboldt County.
2. Assist with the financial analysis of Recology's 2025-26 rate application to assess data accuracy, analysis of operations, review assumptions, and calculation of costs, and provide a report of findings and recommendations for City staff.
3. Complete a financial analysis of Recology's cost proposal for providing SB 1383 services to assess data accuracy, analysis of operations, review assumptions, and calculation of costs, and provide a report of findings and recommendations for jurisdiction staff.

### **Project Scope**

Task 1. Review, edit, and comment on Exhibits C, D, and Article 11 of the draft franchise agreement between Recology and the City to highlight areas of concern regarding cost and operational reporting requirements.

Task 2. Review Recology's cost proposal for accuracy, reasonableness, and comparability with the new agreement and the specific services and dates of implementation in the franchise agreement appendix.

Task 3. Complete a cost and operational analysis to understand Recology's methods for calculating the proposed rates and underlying costs for accuracy, reasonableness, and fairness. Compare to Recology's current costs and operations for these services. Items to compare include staffing, labor rates, collected tons, and customer counts.

Task 4. Follow up with managers from Recology with any questions regarding the City service/cost proposal and provide a report of findings and recommendations to improve the accuracy and fairness of the Recology proposal

and reduce rate impact. Identify and correct any report inconsistencies with the franchise agreement methodology, and application.

Task 5. Participate in meetings with Recology, city, and county staff, and CSG staff to review and discuss Recology's proposed costs/rates methodology.

Task 6. After Recology has answered any questions on the proposal submission, adjustments will be finalized and approved by City staff. Project results will be presented to the City Council in a virtual meeting for questions and discussion on the process and rates, if requested.

The following table summarizes the estimated hours by task.

**Project Summary Table**

Task	Procedure(s) and Description	Estimated Hours
1	Financial Analysis of the New Franchise Agreement (Note)	20
2	Review Recology's 2025-26 Collection Rate Application	20
3	Complete a cost and operational analysis of Recology's SB 1383 proposal	20
4	On-Call consulting	20
	<b>Total Project Hours</b>	<b>80</b>

The consulting fees are based on the estimated time to complete the tasks. If the tasks can be completed in less than our estimates, then Bell & Associates will bill accordingly. If we find it will take considerably more time due to a change in scope, we will discuss any changes with City staff and not proceed without prior written authorization. Fees for the project are estimated at \$18,000 (80 hours x \$225 per hour) for the rate review. Chris Bell, CPA, will be the project manager and the primary point of contact.

The Humboldt County jurisdictions are sharing the cost of Task 1. The Rio Dell portion of the shared costs would be 15%, the same as Fortuna and Arcata. Eureka and Humboldt County would pay 27.5% of the cost.

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*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*



May 6, 2025

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Authorize the City Manager in Coordination with the City Attorney to Execute a Grant Agreement with the State Water Resources Control Board in the amount of \$1,490,550 for the Painter Street Sewer Line Replacement Project

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to Execute in coordination with the City Attorney.

BACKGROUND AND DISCUSSION

As the Council is aware, during the rainy season the City periodically experiences Sanitary Sewer Overflows (SSO's) at the end of painter street. Testing conducted by the City that compares the SSO outflow to the river water upstream of the SSO's has shown that the river water is higher in contaminant levels than the actual SSO. This is due to the sheer volume of water (Inflow and Infiltration) entering the collection system during rain events – a significant amount of it being groundwater. Despite this, any flow that leaves the Sanitary Sewer Collection System is considered by the State to be raw sewage.

The attached agreement will allow the process of mitigating these events to continue, through the upsizing of the final pipe into the wastewater treatment plant. Preliminary estimates for the total cost of the project are in the \$3,000,000 range and staff will continue to work with the Water Board to increase the grant to complete the project.

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## CLEAN WATER CONSTRUCTION GRANT

AGREEMENT NO. D2404000

by and between

CITY OF RIO DELL ("Recipient")

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD ("State Water Board")

for the purpose of the

PROJECT NO. C-06-8403-210

Painter Street Sewer Line Replacement Project ("Project")

- 
- Section 13477.6 of the Water Code, and Resolution Nos. 2024-0026 and 2019-0064.

PROJECT FUNDING AMOUNT: \$1,490,550

GRANT COMPONENT: \$1,490,550

ESTIMATED REASONABLE PROJECT COST: \$1,490,550

ELIGIBLE WORK START DATE: MAY 25, 2022

ELIGIBLE CONSTRUCTION START DATE: JULY 15, 2025

COMPLETION OF CONSTRUCTION DATE: DECEMBER 31, 2026

FINAL REIMBURSEMENT REQUEST DATE: MARCH 1, 2027

RECORDS RETENTION END DATE: DECEMBER 31, 2062

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City of Rio Dell  
 Project No. C-06-8403-210  
 Agreement No.: D2404000  
 Page 1 of 35

1. The State Water Board and the Recipient mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement, including the following Exhibits, which are attached hereto or are incorporated by reference:
  - EXHIBIT A – SCOPE OF WORK AND SCHEDULE
  - EXHIBIT B – FUNDING PROVISIONS
  - EXHIBIT C – GENERAL TERMS AND CONDITIONS 2019-NOV
  - EXHIBIT D – SPECIAL CONDITIONS
2. The following documents are also incorporated by reference, as well as any documents incorporated by reference in Exhibit D:
  - the Final Plans & Specifications, which are the basis for the construction contract to be awarded by the Recipient;
  - the Waste Discharge Requirement Order No. R1-2017-0007, and National Pollutant Discharge Elimination System Permit No. CA0022748, and any amendments thereto;
  - the federal Davis-Bacon requirements. By accepting this Agreement, the Recipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients | US EPA](https://www.epa.gov/grants/dbra-requirements-epa-subrecipients) (<https://www.epa.gov/grants/dbra-requirements-epa-subrecipients>). The Recipient shall ensure that the following language is included in all contracts and subcontracts funded under this Agreement:

By accepting this contract, the contractor acknowledges and agrees to the terms and conditions provided in the [Contract Provisions for Davis-Bacon and Related Acts | US EPA](https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts) (<https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>).

(For reference, see also  
[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/davisbacon.html](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.html).)

3. Party Contacts during the term of this Agreement are:

State Water Board		City of Rio Dell	
Section:	Division of Financial Assistance		
Name:	Gurleen Bhatia-Takhar, Project Manager	Name:	Kyle Knopp, City Manager
Address:	1001 I Street, 16 <sup>th</sup> Floor	Address:	675 Wildwood Avenue
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Rio Dell, CA 95562
Phone:	(916) 341-5641	Phone:	(707) 764-5480
Fax:		Fax:	
Email:	Gurleen.Bhatia@waterboards.ca.gov	Email:	knoppk@cityofriodell.ca.gov

Each party may change its contact upon written notice to the other party. While Party Contacts are contacts for day-to-day communications regarding Project work, the Recipient must provide official communications and notices to the Division's Deputy Director in addition to the Party Contacts.

4. Conditions precedent to this Agreement are set forth as follows:
  - (a) The Recipient must deliver to the Division a resolution authorizing this Agreement and identifying its authorized representative by title.
  - (b) The Recipient must deliver an opinion of general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.

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5. The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement, which shall be at least until the Records Retention End Date:
  - (a) The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.
  - (b) The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.
  - (c) None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.
  - (d) The Recipient is in compliance with all State Water Board funding agreements to which it is a party.
6. This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

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IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CITY OF RIO DELL:

STATE WATER RESOURCES CONTROL BOARD:

By: \_\_\_\_\_  
Name: Kyle Knopp  
Title: City Manager

By: \_\_\_\_\_  
Name: Joe Karkoski  
Title: Deputy Director  
Division of Financial Assistance

Date: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A – SCOPE OF WORK AND SCHEDULE

A.1 PROJECT PURPOSE AND DESCRIPTION.

The Project is for the benefit of the Recipient and has a Useful Life of at least 50 years. The funding under this Agreement shall be used to address sanitary sewer overflow issues by upsizing the Painter Street sewer manhole line.

A.2 SCOPE OF WORK.

The Recipient agrees to do the following:

- Replace 2,300 feet of existing 12-inch diameter sewer pipe with 18-inch diameter pipe between Painter Street and City of Rio Dell Wastewater Facility.
- Replace 7 12-inch manholes with 60-inch manholes.

Upon Completion of Construction, the Recipient must expeditiously initiate Project operations.

A.3 SIGNAGE.

The Recipient must place a professionally prepared sign at least four feet tall by eight feet wide made of 3/4 inch thick exterior grade plywood or other approved material in a prominent location on the Project site and must maintain the sign in good condition for the duration of Project implementation. The sign may include another agency's required information and must include, prominently displayed, the following disclosure statement and color logos (available from the Division):



"Funding for this project has been provided in full or in part under California's Clean Water State Revolving Fund which is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds through an agreement with the State Water Resources Control Board."

A.4 SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. The Project Manager may adjust the dates in the "Estimated Due Date" column of this table, but Critical Due Date adjustments will require an amendment to this Agreement. The Recipient must complete and submit all work in time to be approved by the Division prior to Project Completion. As applicable for specific submittals, the Recipient must plan adequate time to solicit, receive, and address comments prior to submitting the final submittal. The Recipient must submit the final Reimbursement Request prior to the Final Reimbursement Request Date set forth on the Cover Page.

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ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
<b>EXHIBIT A – SCOPE OF WORK</b>			
A.	ADDITIONAL SUBMITTAL(S) TO DIVISION		
1.	Final Plans and Specifications	N/A	April 15, 2025
2.	Final Budget Approval Package	N/A	May 30, 2025
B.	REPORTS		
1.	Progress Reports	N/A	Quarterly
2.	Final Inspection and Certification	N/A	September 30, 2026
3.	Project Completion Report	N/A	December 31, 2026
4.	As Needed Reports	N/A	TBD
<b>EXHIBIT B – REIMBURSEMENTS, BUDGET DETAIL, AND REPORTING PROVISIONS</b>			
A.	REIMBURSEMENTS		
1.	Reimbursement Requests	N/A	Quarterly
2.	Final Reimbursement Request	March 1, 2027	N/A

The Recipient must award the prime construction contract and begin construction timely. The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.

The Division may require corrective work to be performed prior to Project Completion. The State Water Board is not obligated to reimburse corrective work under this Agreement.

#### A.5 PROGRESS REPORTS.

The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement. The Recipient must provide a progress report with each Reimbursement Request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibits B and C. A progress report must contain the following information:

- 1) A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;
- 2) A description of compliance with environmental requirements;
- 3) A listing of change orders including amount, description of work, and change in contract amount and schedule; and
- 4) Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

#### A.6 PROJECT COMPLETION REPORT.

(a) The Recipient must submit a Project Completion Report to the Division with a copy to the appropriate Regional Water Board on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:

- i. Description of the Project,



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- ii. Description of the water quality problem the Project sought to address,
  - iii. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, and
  - iv. Summary of compliance with applicable environmental conditions.
- (b) If the Recipient fails to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold reimbursements under this Agreement or other agreements, and begin administrative proceedings.

#### A.7 DISADVANTAGED BUSINESS ENTERPRISE REPORTS.

The Recipient shall comply with the Disadvantaged Business Enterprises (DBE) requirements in 40 CFR § 33.301 for the Project and require its contractors and subcontractors on the Project to comply. 40 CFR § 33.301 requires the use of good faith efforts to utilize DBE's whenever procuring construction, equipment, services, and supplies. The Recipient must report DBE utilization to the Division on the DBE Utilization Report, State Water Board Form DBE UR334. The Recipient must submit such reports to the Division annually within ten (10) calendar days following October 1 until such time as the "Notice of Completion" is issued.

#### A.8 FINAL PROJECT INSPECTION AND CERTIFICATION.

Upon completion of the Project, the Recipient must provide for a final inspection and must certify that the Project has been completed in accordance with this Agreement, any final plans and specifications submitted to the State Water Board, and any amendments or modifications thereto. If the Project involves the planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, or other professionals, the final inspection and certification must be conducted by a California Registered Civil Engineer or other appropriate California registered professional. The results of the final inspection and certification must be submitted to the Project Manager.

EXHIBIT B – FUNDING PROVISIONS

B.1 ESTIMATED REASONABLE COST AND PROJECT FUNDS.

The estimated reasonable cost of the total Project is set forth on the Cover Page of this Agreement, and is greater than or equal to the funding anticipated to be provided by the State Water Board under this Agreement. Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

B.2 RECIPIENT CONTRIBUTIONS.

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefore from the State Water Board.

B.3 VERIFIABLE DATA.

Upon request by the Division, the Recipient must submit verifiable data to support deliverables specified in the Scope of Work. The Recipient's failure to comply with this requirement may be construed as a material breach of this Agreement.

B.4 BUDGET COSTS

Estimated budget costs are contained in the Summary Project Cost Table below:

LINE ITEM	TOTAL ESTIMATED COST	PROJECT FUNDING AMOUNT
Construction	\$865,440	\$865,440
Pre-Purchased Material/Equipment	\$0	\$0
Real Property/Easement Acquisition	\$0	\$0
Change Order Contingency	\$298,110	\$298,110
Force Account	\$0	\$0
Allowances (Soft Costs)	\$327,000	\$327,000
TOTAL	\$1,490,550	\$1,490,550

The Division's Final Budget Approval and related Form 259 and Form 260 will document a more detailed budget of eligible Project Costs and Project funding amounts. Construction of the Project may be completed in phases with written approval of the Division. If construction proceeds under separate phases, the Recipient must submit a Final Budget Approval package and receive Final Budget Approval from the Division for each phase.

The Recipient is prohibited from requesting disbursement amounts that represent Recipient's mark-ups to costs invoiced or otherwise requested by consultants or contractors.

Project Costs incurred prior to the Eligible Work Start Date on the cover page of this Agreement are not eligible for reimbursement.

Reasonable indirect costs may be allowable upon approval by the Division.

B.5 LINE ITEM ADJUSTMENTS.

Upon written request by the Recipient, the Division may adjust the line items of the budget at the time of Division's Final Budget Approval(s). Upon written request by the Recipient, the Division may also adjust the line items of

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the budget at the time of Recipient's submittal of its final claim. Any line item adjustments to the budget that are due to a change in scope of work will require an Agreement amendment. The sum of adjusted line items in the budget must not exceed the Project Funding Amount. The Division may also propose budget adjustments.

Under no circumstances may the sum of line items in the budget approved through the Final Budget Approval process exceed the Project Funding Amount. Any increase in the Project Funding Amount will require an Agreement amendment.

## B.6 REIMBURSEMENT PROCEDURE.

Except as may be otherwise provided in this Agreement, reimbursements will be made as follows:

1. Upon execution and delivery of this Agreement by both parties, the Recipient may request immediate reimbursement of any eligible incurred planning and design allowance costs through submission to the State Water Board of the Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed. To be eligible for reimbursement, Project Costs, including planning and design allowance costs, must have been incurred in compliance with all applicable requirements, including the cross-cutting requirements listed in Exhibits C and D.
2. The Recipient must submit a Reimbursement Request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late Reimbursement Requests may not be honored.
3. Additional Project Funds will be promptly disbursed to the Recipient upon receipt of Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under this Agreement.
4. The Recipient must not request reimbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of Reimbursement Request. Supporting documentation (e.g., receipts) must be submitted with each Reimbursement Request. The amount requested for Recipient's administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Reimbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed Reimbursement Request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Reimbursement Requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.
5. The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future reimbursements.
6. The Recipient must not request a reimbursement unless that Project Cost is allowable, reasonable, and allocable.
7. Notwithstanding any other provision of this Agreement, no reimbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.

Notwithstanding any other provision of this Agreement, the Recipient agrees that the State Water Board may retain an amount equal to ten percent (10%) of the Project Funding Amount until Project Completion. Any retained amounts due to the Recipient will be promptly disbursed to the Recipient, without interest, upon Project Completion.

Except as follows, construction costs and disbursements are not available until after the Division has issued a Final Budget Approval for the corresponding costs. The Deputy Director of the Division may authorize the disbursement of up to ten percent (10%) of Project Funds for the reimbursement of eligible construction costs and pre-purchased materials prior to Division approval of the final budget form submitted by the Recipient. All other construction costs are not eligible for reimbursement until after the Division has approved the corresponding final budget form submitted by the Recipient. Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

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#### B.7 REVERTING FUNDS AND DISENCUMBRANCE.

In the event the Recipient does not submit Reimbursement Requests for all funds encumbered under this Agreement timely, any remaining funds revert to the State. The State Water Board may notify the Recipient that the project file is closed, and any remaining balance will be disencumbered and unavailable for further use under the Agreement.

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## EXHIBIT C – GENERAL TERMS AND CONDITIONS 2019-NOV

GENERAL TERMS AND CONDITIONS 2019-NOV is posted at  
[https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/general\\_terms.html](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/general_terms.html) and replicated below:

1. DEFINITIONS. Unless otherwise specified in this Agreement, each capitalized term used in this Agreement has the following meaning:
  - “Agreement” means this agreement, including all exhibits and attachments hereto.
  - “Cover Page” means the front page of this Agreement.
  - “Days” means calendar days unless otherwise expressly indicated.
  - “Deputy Director” means the Deputy Director of the Division.
  - “Division” means the Division of Financial Assistance of the State Water Board or any other division or unit of the State Water Board authorized to administer this Agreement.
  - “Event of Default” means the occurrence of any of the following events:
    - a) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
    - b) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;
    - c) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient’s property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient’s entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient’s existence, or any action in furtherance of any of the foregoing;
    - d) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or
    - e) Loss of the Recipient’s rights, licenses, permits, or privileges necessary for the Project, or the occurrence of any material restraint on the Recipient’s enterprise by a government agency or court order.
  - “Final Reimbursement Request Date” means the date set forth as such on the Cover Page of this Agreement, after which date, no further reimbursements or disbursements may be requested.
  - “Fiscal Year” means the period of twelve (12) months terminating on June 30 of any year.



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- “GAAP” means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.
- “Material Obligation” means an obligation of the Recipient that is material to this transaction.
- “Party Contact” means, for the Recipient, the Authorized Representative of the Recipient or any designee of the Authorized Representative, and, for the State Water Board, the Division staff set forth in Section 2 of this Agreement.
- “Project” means the Project funded by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.
- “Project Completion” means, as determined by the Division, that the Project is complete to the reasonable satisfaction of the Division.
- “Project Costs” means the incurred costs of the Recipient which are eligible for funding under this Agreement, pursuant to applicable statutes, policy, regulations, or guidelines.
- “Project Funding Amount” means the maximum amount payable under this Agreement, as set forth on the Cover Page.
- “Project Funds” means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.
- “Project Manager” means the person designated by the State Water Board to manage performance of this Agreement. The Project Manager is set forth on the Cover Page.
- “Records Retention End Date” means the last date that the Recipient is obligated to maintain records related to this Agreement and is set forth on the Cover Page of this Agreement.
- “Regional Water Quality Control Board” or “Regional Water Board” means the appropriate Regional Water Quality Control Board.
- “Reimbursement Period” means the period during which Project Funds may be disbursed.
- “Reimbursement Request” means the Recipient’s request for Project Funds from the State Water Board as set forth in Exhibit B.
- “State” means State of California.
- “State Water Board” means the State Water Resources Control Board.
- “Work Completion” means the Recipient’s submittal of all work set forth under Exhibit A for review and approval by the Division.
- “Work Completion Date” means the date set forth on the Cover Page of this Agreement and is the last date on which Project Costs may be incurred under this Agreement.

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- "Year" means calendar year unless otherwise expressly indicated.
2. **ACCESS, INSPECTION, AND PUBLIC RECORDS.** The Recipient must ensure that the State Water Board, the State Auditor, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times through the Records Retention End Date or useful life of the Project, whichever is longer. The Recipient acknowledges that, except for a subset of information regarding archaeological records and personally identifiable information, the Project records and locations may be public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, Reimbursement Requests, and supporting documentation submitted hereunder.
  3. **ACCOUNTING AND AUDITING STANDARDS; FINANCIAL MANAGEMENT SYSTEMS.** The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets. Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:
    - (a) Establish an official file for the Project which adequately documents all significant actions relative to the Project;
    - (b) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all Project Funds received under this Agreement;
    - (c) Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to Project Funds disbursed under this Agreement;
    - (d) Establish an accounting system which will accurately depict final total costs of the Project if authorized under this Agreement;
    - (e) Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
    - (f) If the Recipient uses its own employees, equipment, or resources for any phase of the Project, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee.
  4. **AMENDMENT.** No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by both the Recipient and the Deputy Director or designee and approved as required.
  5. **ASSIGNABILITY.** This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board. Amendment of the Agreement may be required.
  6. **AUDIT.** The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of State or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by the Division. The Recipient must return, or ensure the return of, any audit disallowances within 30 days.

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7. **BONDING.** Where construction contractors are used, the Recipient must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00.
8. **COMPETITIVE BIDDING.** Recipient must adhere to any applicable State law or local ordinance for competitive bidding and applicable labor laws. If Recipient is a private entity, any construction contracts related in any way to the Project must be let by competitive bid procedures which assure award of such contracts to the lowest responsive and responsible bidders. Recipient must not award a construction contract until a summary of bids and identification of the selected lowest responsible bidder is submitted to and approved in writing by the Division. Recipient must provide a full explanation if Recipient is proposing to award a construction contract to anyone other than the lowest responsible bidder.
9. **COMPLIANCE WITH APPLICABLE LAWS, RULES, AND REQUIREMENTS.** The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements and with provisions of the adopted environmental mitigation plan, if any, for the useful life of the Project.
10. **COMPUTER SOFTWARE.** The Recipient certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
11. **CONFLICT OF INTEREST.** The Recipient certifies that it, its owners, officers, directors, agents, representatives, and employees are in compliance with applicable State and federal conflict of interest laws and will remain in compliance for the useful life of the Project. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances. Public entities are required to have adopted conflict of interest codes and may be required to provide documentation of those codes to the Division.
12. **DATA MANAGEMENT.** The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.
13. **DEBARRED, DISQUALIFIED, OR EXCLUDED CONTRACTORS.** The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at [http://www.waterboards.ca.gov/water\\_issues/programs/enforcement/fwa/dbp.shtml](http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml)
14. **DRUG-FREE WORKPLACE.** The Recipient certifies that it will provide a drug-free workplace in compliance with the Drug-Free Workplace Act (Gov. Code. §§ 8350-8357). The Recipient shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions to be taken against employees for violations of the prohibition. The Recipient shall establish a drug-free awareness program to inform employees about the dangers

of drug abuse in the workplace, the Recipient's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations. The Recipient shall provide that every employee who works on the Project receives a copy of the Recipient's drug-free workplace policy statement and agrees to abide by the terms of the statement as a condition of employment on the Project.

15. **ENVIRONMENTAL CLEARANCE.** No work that is subject to California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA) may proceed under this Agreement until the State Water Board has provided approval to proceed. Upon receipt and review of the Recipient's environmental documents, the State Water Board shall make the appropriate environmental findings before determining whether to approve construction or implementation funding for the Project under this Agreement. Providing approval for such construction or implementation funding is fully discretionary. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement. If this Project includes modification of a river or stream channel, the Recipient must fully mitigate environmental impacts resulting from the modification. The Recipient must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.
16. **FINAL REIMBURSEMENT REQUEST.** The Recipient agrees to ensure that its final Reimbursement Request is received by the Division no later than the Final Reimbursement Request Date, unless prior approval has been granted by the Division. If the final Reimbursement Request is not received timely, the undisbursed balance of this Agreement may be deobligated.
17. **FRAUD AND MISUSE OF PUBLIC FUNDS.** All requests for disbursement must be accurate and signed by the Recipient or its Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability.
18. **FUNDING CONTINGENCY.** The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement. The State Water Board's obligation to disburse funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of funds, the State Water Board shall not be obligated to make any



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disbursements to the Recipient under this Agreement. If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

19. **GOVERNING LAW.** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
20. **RECIPIENT'S SHARE.** The Recipient agrees that it will provide for the payment of its full share, if any share is required, of Project Costs and that all costs connected with the Project will be timely paid by the Recipient.
21. **INDEMNIFICATION AND STATE REVIEWS.** The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons. The Recipient must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.



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22. **INDEPENDENT ACTOR.** The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.
23. **INSPECTION.** Throughout the useful life of the Project, the State Water Board shall have the right to inspect the Project area to ascertain compliance with this Agreement.
24. **INTEGRATION.** This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.
25. **LIENS.** The Recipient must not make any pledge of or place any lien on the Project or Project assets except upon consent of the Division.
26. **NO DISCRIMINATION.** The Recipient must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 11140 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project. If Project Funds are used to acquire or improve real property, the Recipient must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property. The Recipient must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b). The Recipient's obligations under this section shall survive the term of this Agreement. During the performance of this Agreement, Recipient and its contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status. The Recipient, its contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Recipient, its contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.; Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full. The Recipient, its contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.
27. **NO THIRD-PARTY RIGHTS.** This Agreement creates no rights in and grants no remedies to any third party as a beneficiary of this Agreement.
28. **NO OBLIGATION OF THE STATE.** Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.
29. **NON-WAIVER.** Nothing in this Agreement shall affect or impair the Recipient's obligation to undertake work under this Agreement or shall affect or impair the right of the State Water Board to bring suit to enforce such work. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a

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waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement. Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

30. **OTHER FUNDING SOURCES; INCOME RESTRICTIONS.** If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's contribution to Project costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board. The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient as related to this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.
  
31. **PERMITS AND AUTHORIZATIONS.** Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction or implementation begins.  
  
 Any contractors, outside associates, or consultants required by the Recipient in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, or as are specifically authorized by the State Water Board's Project Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Project Manager.
  
32. **PREVAILING WAGES.** If applicable, the Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. If applicable, the Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the applicable prevailing wage provisions of the State Labor Code are being met. Division of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>.
  
33. **PRIOR COSTS.** No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.
  
34. **PROFESSIONALS.** The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.
  
35. **RECORDS, INSPECTION, AUDITS, AND INTERVIEWS; RECORDS RETENTION.** The Recipient must maintain separate books, records and other material relative to the Project and retain such books, records, subcontracts, and other material until at least the Records Retention End Date set forth on the Cover Page of this Agreement. The Recipient must require that such

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books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the Department of Finance, the California State Auditor, the Bureau of State Audits, or any authorized representatives of the aforementioned, including federal funding agencies and their auditors, if any. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

36. **RELATED LITIGATION.** Under no circumstances may the Recipient use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to complete the Project funded by this Agreement or to repay all of the disbursed funds plus interest.
37. **REMEDIES.** The State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy. Any dispute of the Recipient is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the procedures provided to the Recipient under this Agreement.
38. **REPORTS - AS NEEDED.** The Recipient must provide expeditiously any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the State or federal government.
39. **RESPONSIBILITY FOR WORK.** The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project, including, but not limited to, payment disputes with contractors and subcontractors. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.
40. **RIGHTS IN DATA.** The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request. The Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.



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41. **STATE WATER BOARD ACTION; COSTS AND ATTORNEY FEES.** In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.
42. **STATUS QUO.** If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights, and remedies as if no such action had been brought.
43. **TERMINATION, IMMEDIATE REPAYMENT, AND INTEREST:** This Agreement may be terminated by written notice at any time, at the option of the State Water Board, if:
- a. the Recipient has received funds as a result of a material misrepresentation in the funding application or other submitted document; or
  - b. upon violation by the Recipient of any material provision of this Agreement after such violation has been called to the attention of the Recipient and after failure of the Recipient to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board.

In the event of such termination, the Recipient agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of Project Funds disbursed to the Recipient prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Recipient to the date of full repayment by the Recipient.

44. **TIMING.** Time is of the essence. The Recipient must expeditiously proceed with and complete the Project. Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.
45. **TRAVEL AND PER DIEM.** No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. No work or travel outside the United States of America is authorized. Failure to comply with this restriction may constitute an Event of Default and result in termination of this Agreement. Any reimbursement for necessary travel and per diem shall be set pursuant to and at rates not to exceed those set by the California Department of Human Resources at <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>, as of the date costs are incurred by the Recipient.
46. **UNDISBURSED FUNDS.** The Recipient is not entitled to interest earned on undisbursed funds.
47. **UNENFORCEABLE PROVISION; SEVERABILITY.** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
48. **UNION ACTIVITIES:** The Recipient hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Agreement. The Recipient certifies that none of the Project Funds will be used to assist, promote, or deter union organizing. If the Recipient incurs costs or makes expenditures to assist, promote, or deter union organizing, the Recipient will maintain records sufficient to show that no reimbursement from Project Funds has been sought for these costs and the Recipient shall provide those records to the Attorney General upon request.
49. **VENUE.** Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

50. **WAIVER AND RIGHTS OF THE STATE WATER BOARD.** Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.
51. **WATER CONSERVATION AND EFFICIENCY PROGRAMS:** The Recipient acknowledges that it has appropriate water conservation and efficiency programs in place, and that this provision constitutes a condition of this Agreement. A web link with examples of water conservation and efficiency programs is available at:  
[http://www.waterboards.ca.gov/waterrights/water\\_issues/programs/drought/conservation.shtml](http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/conservation.shtml).
52. **WATER DIVERSION AND USE:** To the extent applicable, the Recipient has complied with, and shall continue to comply with, the requirements of Water Code, division 2, part 5.1, section 5100 et seq. for filing statements of water diversion and use.
53. **WITHHOLDING OF DISBURSEMENTS AND REIMBURSEMENTS.** Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:
- a) Failure of the Recipient to maintain reasonable progress on the Project as determined by the Division;
  - b) Commencement of litigation or a judicial or administrative proceeding related to the Project, or Recipient that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
  - c) Any investigation by State, local, or federal investigators or auditors, or a grand jury, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
  - d) A material adverse change in the condition of the Recipient, or the Project, that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
  - e) The Recipient's material violation of, or threat to materially violate, any provision of this Agreement;
  - f) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents directly or indirectly regarding the Project;
  - g) An event requiring notice under this Agreement; or
  - h) An Event of Default or an event that the Division determines may become an Event of Default.



## EXHIBIT D – SPECIAL CONDITIONS

### D.1 DEFINITIONS.

(a) Notwithstanding Exhibit C, the following terms have no meaning for the purposes of this Agreement:

- Work Completion
- Work Completion Date

(b) Each capitalized term used in this Agreement has the following meaning:

- "Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.
- "Authorized Representative" means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient's authorizing resolution that designates the authorized representative by title.
- "Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete, and is established on the Cover Page of this Agreement.
- "Eligible Construction Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.
- "Eligible Work Start Date" means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.
- "Enterprise Fund" means the enterprise fund of the Recipient in which Revenues are deposited.
- "Event of Default" means, in addition to the meanings set forth in Exhibit C, the occurrence of any of the following events:
  - a) A material adverse change in the condition of the Recipient, the Revenues, or the System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
  - b) Failure to operate the System or the Project, unless the Division has given its approval for such non-operation.
  - c) The occurrence of a material breach or event of default under any Recipient obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption, or that the Division determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
- "Final Budget Approval (FBA)" means the Division-approved final budget for the Project, as set forth in Exhibit B.
- "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Recipient; non-project-specific accounting and personnel services performed within the Recipient organization; depreciation or use allowances

on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; generic overhead or markup; and taxes.

- "Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.
- "Net Revenues" means, for any Fiscal Year, all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.
- "Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the System and insurance premiums; but excluding, in all cases depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles.
- "Policy" means the State Water Board's "Policy for Implementing the Clean Water State Revolving Fund," as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.
- "Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the System, determined in accordance with GAAP, including all rates, fees, and charges (including connection fees and charges) as received by the Recipient for the services of the System, and all other income and revenue howsoever derived by the Recipient from the ownership or operation of the System or arising from the System, including all income from the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund of the Recipient or held on the Recipient's behalf, and any refundable deposits made to establish credit, and advances or contributions in aid of construction.
- "System" means all wastewater collection, pumping, transport, treatment, storage, and disposal facilities, including land and easements thereof, owned by the Recipient, including the Project, and all other properties, structures, or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.
- "Useful Life" means the economically useful life of the Project beginning at Project Completion and is set forth in Exhibit A.

D.2 ADDITIONAL REPRESENTATIONS AND WARRANTIES.

The Recipient represents, warrants, and covenants each of the following:

- a) The Recipient has not made any untrue statement of a material fact in its application for this financial assistance or omitted to state in its application a material fact that makes the statements in its application not misleading.
- b) The Recipient agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

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- c) The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date of execution of this Agreement by the Recipient, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date of execution of this Agreement by the Recipient.
- d) There are, as of the date of execution of this Agreement by the Recipient, no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency that materially affect or, if resolved unfavorably to the Recipient, would materially affect, the financial condition or operations of the Recipient, the Revenues, and/or the Project.
- e) There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain any of the real or personal property related to or necessary for the Project.
- f) The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.
- g) Any financial statements or other financial documentation of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements or other financial documentation: (a) are materially complete and correct; (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements or other financial documentation, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements or other financial documentation been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.
- h) The Recipient is current in its continuing disclosure obligations associated with its material debt, if any.
- i) The Recipient has no conflicting or Material Obligations.
- j) The Recipient has sufficient real or personal property rights necessary for the purposes of this Agreement, not subject to third party revocation, which rights extend at least to the Records Retention End Date of this Agreement, except as disclosed to the State Water Board. The Recipient has disclosed to the State Water Board all proceedings, actions, or offers of which the Recipient has knowledge or belief that may in any way affect the Recipient's ability to access or legally possess all of the property necessary for the purpose of this Agreement, including any proceedings, actions, or offers to lease, purchase, or acquire by eminent domain any of the real or personal property related to or necessary for the Project.
- k) The Recipient and its principals, contractors, and subcontractors, to the best of the Recipient's knowledge and belief, are not presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized; nor have they engaged or permitted the performance of services covered by this Agreement from parties that are debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized.

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### D.3 ACKNOWLEDGEMENTS.

The Recipient must include the following acknowledgement in any document, written report, or brochure to be shared with the general public prepared in whole or in part pursuant to this Agreement:

“Funding for this project has been provided in full or in part under the Clean Water State Revolving Fund, which may include capitalization funding from the United States Environmental Protection Agency through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.”

### D.4 RATES, FEES, AND CHARGES.

The Recipient must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for the System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate Revenues in the amounts necessary to cover Operations and Maintenance Costs, and must ensure that Net Revenues are in an amount necessary to meet its obligations under this Agreement. The Recipient may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

### D.5 RESERVED.

### D.6 RESERVED.

### D.7 ENVIRONMENTAL, TECHNICAL, AND FINANCIAL SPECIAL CONDITIONS.

Environmental Special Conditions:

1. The Recipient shall make no changes to the Project, construction area, or special conditions, without obtaining the appropriate and necessary prior approval from the State Water Board.

2. The Recipient shall provide notice to the Division’s Senior Cultural Resources Officer, [Lisa.Machado@waterboards.ca.gov](mailto:Lisa.Machado@waterboards.ca.gov) or (916) 323-0626 within 24 hours of the discovery of any potential tribal cultural resource and/or archaeological or historical resource, and shall notify the Division promptly upon the discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. For additional requirements, please refer to Exhibit C of this Agreement.

Technical Special Conditions:

The Recipient must develop and implement a fiscal sustainability plan by the following date: 6/30/2025

### D.8 RETURN OF FUNDS.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, to immediately return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement and pay interest at the highest legal rate on all of the foregoing.

### D.9 RESERVED.



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#### D.10 OPERATION AND MAINTENANCE.

The Recipient shall sufficiently and properly staff, operate, and maintain the facility and structures constructed or improved as part of the Project throughout the term of this Agreement, consistent with the purposes of this Agreement. The Recipient assumes all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation.

#### D.11 INSURANCE.

The Recipient will procure and maintain or cause to be maintained insurance on the System/Project with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System/Project) as are usually covered in connection with systems similar to the System/Project. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the System/Project caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System/Project. The Recipient must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the System/Project must be free and clear of all claims and liens.

Recipient agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

#### D.12 CONTINUOUS USE OF PROJECT; NO LEASE, SALE, TRANSFER OF OWNERSHIP, OR DISPOSAL OF PROJECT.

The Recipient agrees that, except as provided in this Agreement, it will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

#### D.13 NOTICE.

Upon the occurrence of any of the following events, the Recipient must notify the Division's Deputy Director and Party Contacts by phone and email within the time specified below:

- (a) Within 24 hours, the Recipient must notify (1) the Project Manager by phone and by email, (2) the Division's Senior Cultural Resources Officer, [Lisa.Machado@waterboards.ca.gov](mailto:Lisa.Machado@waterboards.ca.gov) or (916) 323-0626, and (3) the Division by phone at (916) 327-9978 and by email to [CleanWaterSRF@waterboards.ca.gov](mailto:CleanWaterSRF@waterboards.ca.gov), of any discovery of any potential tribal cultural resource, archaeological or historical resource, or human remains in the Project area. Should a potential tribal cultural resource or archaeological or historical resource be discovered during construction or Project



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implementation, the Recipient must ensure that all work in the area of the find will cease until a qualified archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Recipient must implement appropriate actions as directed by the Division. If there are any applicable provisions of a mitigation, monitoring and reporting program adopted for the Project, the Recipient shall comply with such provisions. In the event of the discovery of human remains during construction of the Project, the Recipient shall cease construction and take other action required by any applicable laws, which may include but are not limited to Health and Safety Code, section 7050.5 and Public Resources Code, section 5097.98.

(b) RESERVED.

(c) The Recipient must notify the Division and Party Contacts promptly of the occurrence of any of the following events:

- i. Bankruptcy, insolvency, receivership or similar event of the Recipient, or actions taken in anticipation of any of the foregoing;
- ii. Change of ownership of the Project (no change of ownership may occur without written consent of the Division);
- iii. Loss, theft, damage, or impairment to Project;
- iv. Events of Default, except as otherwise set forth in this section;
- v. A proceeding or action by a public entity to acquire the Project by power of eminent domain.
- vi. Any litigation pending or threatened with respect to the Project or the Recipient's technical, managerial or financial capacity or the Recipient's continued existence, or any judgment or court order relating to such litigation that has a material effect on the Project or the System;
- vii. Consideration of dissolution, or disincorporation;
- viii. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board.
- ix. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this funding, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
- x. Any substantial change in scope of the Project. The Recipient must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
- xi. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
- xii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;

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- xiii. The Recipient must promptly notify the Division and Party Contacts of the discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during implementation of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;
- xiv. Any Project monitoring, demonstration, or other implementation activities required in this Agreement;
- xv. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state representatives with at least ten (10) working days' notice to the Division;
- xvi. Any event requiring notice to the Division pursuant to any other provision of this Agreement;
- xvii. The award of the prime construction contract for the Project; and the initiation of construction of the Project; and
- xviii. Completion of Construction, and Project Completion.

#### D.14 FRAUD, WASTE, AND ABUSE.

The Recipient shall prevent fraud, waste, and the abuse of Project Funds, and shall cooperate in any investigation of such activities that are suspected in connection with this Agreement. The Recipient understands that discovery of any evidence of misrepresentation or fraud related to Reimbursement Requests, invoices, proof of payment of invoices, or other supporting information, including but not limited to double or multiple billing for time, services, or any other eligible cost, may result in an administrative action by the State Water Board and/or referral to the Attorney General's Office or the applicable District Attorney's Office for appropriate action. The Recipient further understands that any suspected occurrences of false claims, misrepresentation, fraud, forgery, theft or any other misuse of Project Funds may result in withholding of reimbursements and/or the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder. A person who knowingly makes or causes to be made any false statement, material misrepresentation, or false certification in any submittal may be subject to a civil penalty, criminal fine, or imprisonment. (Wat. Code, § 13490 et seq.)

#### D.15 DISPUTES.

The Recipient must continue with the responsibilities under this Agreement during any dispute. The Recipient may, in writing, appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute. This provision does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law. This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

#### D.16 EXECUTIVE ORDER N-6-22 — RUSSIAN SANCTIONS.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient is not a target of economic sanctions imposed in response to Russia's actions in Ukraine imposed by the United States government or the State of California. The Recipient is required to comply with the economic sanctions imposed in response to Russia's actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf> and the sanctions identified on the United States Department of the Treasury website (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>). The Recipient is required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars (\$5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For Recipients with an aggregated agreement value of Five Million Dollars (\$5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;
2. Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and
3. Direct support to the government and people of Ukraine.

#### D.17 STATE CROSS-CUTTERS.

Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following with respect to all Project Costs for the term of this Agreement:

- The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.
- Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.
- Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.

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- Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.
- Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.
- Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).
- Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.
- Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.
- Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.
- Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.
- The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.
- Regulations in Division 4 of Title 22 of the California Code of Regulations, including but not limited to California Waterworks Standards in Chapter 16, and Lead and Copper regulations in Chapter 17.5.

#### D.18 DAMAGES FOR BREACH OF FEDERAL CONDITIONS.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

#### D.19 ACCESS AND INSPECTION.

In addition to the obligations set forth in section 2 of the General Terms and Conditions incorporated in Exhibit C of this Agreement, the Recipient must ensure that the United States Environmental Protection Agency, the Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during the term of the Agreement.

#### D.20 FINANCIAL MANAGEMENT SYSTEMS.

The Recipient must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement. To the extent applicable, the Recipient is bound by, and must comply



with, the provisions and requirements of the federal Single Audit Act (SAA) of 1984, 2 CFR part 200, subpart F, and 2 CFR section 200.302, and updates or revisions, thereto, including but not limited to:

- Maintain an annual (Fiscal Year) accounting system and identify all expenditures of federal financial assistance;
- Conduct a SAA audit using an independent auditor in those Fiscal Years when expenditures of total federal financial assistance equal or exceed the applicable threshold in 2 CFR section 200.501, and submit the SAA audit to the Federal Audit Clearinghouse within the earlier of thirty (30) calendar days after receipt of the auditor's report(s) or nine (9) months of the end of the audit period;
- Notify the Division when a SAA audit has been conducted and submitted to the Federal Audit Clearinghouse;
- Notify and provide the Division with a copy of the SAA audit within thirty (30) days of completion of the audit;
- Inform the Division of findings and recommendations pertaining to federal financial assistance provided through the State Water Board contained in SAA audits conducted by the Recipient;
- Initiate corrective actions for audit reports with findings and recommendations that impact federal financial assistance provided through the State Water Board and notify the Division when corrective actions are complete.

#### D.21 FEDERAL CROSS-CUTTERS.

The Recipient acknowledges, warrants compliance with, and covenants to continuing compliance with the following federal terms and conditions with respect to all Project Costs for the term of this Agreement and for the Useful Life of the Project:

- i. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient shall not purchase "iron and steel products" produced outside of the United States on this Project. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient hereby certifies that all "iron and steel products" used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- ii. RESERVED.
- iii. The Recipient agrees to comply with the Davis-Bacon provisions incorporated by reference in this Agreement. The Recipient must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in all construction contracts and subcontracts.
- iv. The Recipient shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days' notice.



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- v. The Recipient shall comply with applicable USEPA general terms and conditions found at <https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2023-or-later>.
- vi. No Recipient may receive funding under this Agreement unless it has provided its Unique Entity Identifier, assigned by the System for Award management, to the State Water Board.
- vii. The Recipient represents and warrants that it and its principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of the Code of Federal Regulations (2 CFR). If the Recipient is excluded after execution of this Agreement, the Recipient shall notify the Division within ten (10) days and shall inform the Division of the Recipient's exclusion in any request for amendment of this Agreement. The Recipient shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.
- viii. To the extent applicable, the Recipient shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at <https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy>. A conflict of interest may result in disallowance of costs.
- ix. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement.
- x. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient. The Recipient must utilize the Interagency Edison extramural invention reporting system at <http://Edison.gov> and shall notify the Division when an invention report, patent report, or utilization report is filed.
- xi. The Recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Acknowledgment statement set forth in Exhibit D.
- xii. The Recipient acknowledges that it is encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.
- xiii. The Recipient, its employees, contractors and subcontractors and their employees warrants that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient agrees to compensate the State Water Board for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing.
- xiv. The Recipient certifies to the best of its knowledge and belief that:

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- a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and notify the State Water Board.

The Recipient shall require this certification from all parties to any contract or agreement that the Recipient enters into and under which the Recipient incurs costs for which it seeks reimbursement under this Agreement.

- xv. The Recipient must comply with the following federal non-discrimination requirements:
  - a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
  - b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
  - c. The Age Discrimination Act of 1975, which prohibits age discrimination.
  - d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
  - e. 40 CFR Part 7, as it relates to the foregoing.
  - f. Executive Order 13798, including, to the greatest extent practicable and to the extent permitted by law, the requirement to respect and protect the freedom of persons and organizations to engage in political and religious speech.
  - g. All applicable federal civil rights regulations, including statutory and national policy requirements (2 CFR section 200.300).
- xvi. If the Project relates to construction of a publicly owned treatment works, where the Recipient contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services, the Recipient shall ensure that any such contract is negotiated in the same manner as a contract for architectural and engineering services is negotiated under chapter 11 of title 40, United States Code, or an equivalent State qualifications-based requirement as determined by the State Water Board.
- xvii. If the Project relates to construction of a publicly owned treatment works, the Recipient certifies that it has developed and is implementing a fiscal sustainability plan for the Project, except as set forth in Exhibit D, that includes an inventory of critical assets that are a part of the Project, an evaluation of the condition and performance of inventoried assets or asset groupings, a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan, and a plan for maintaining, repairing, and, as necessary, replacing the Project and a plan for funding such activities.
- xviii. Executive Order No. 11246. The Recipient shall include in its contracts and subcontracts related to the Project the following provisions:

*"During the performance of this contract, the contractor agrees as follows: "(a) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color,*

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*or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.*

*"(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.*

*"(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*

*"(d) The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.*

*"(e) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.*

*"(f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.*

*"(g) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States."*

- xix. The Recipient agrees to comply with the requirements of USEPA's Program for Utilization of Small, Minority and Women's Business Enterprises.



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- xx. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: [sam.gov](http://sam.gov)
- xxi. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.
- xxii. The Recipient agrees that if its network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure.
- xxiii. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at [www.fgdc.gov](http://www.fgdc.gov).
- xxiv. If the Recipient is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.
- xxv. The Recipient represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.
- xxvi. The Recipient agrees to immediately notify the Project Manager in writing about any allegation of research misconduct involving research activities that are supported in whole or in part with USEPA funds under this Project, including fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, or ordering, advising, or suggesting that subordinates engage in research misconduct.
- xxvii. The Recipient agrees to comply with, and require all contractors and subcontractors to comply with, USEPA's Scientific Integrity Policy, available at <https://www.epa.gov/osa/policy-epa-scientific-integrity>, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.

The Recipient shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the USEPA's Scientific Integrity Policy. The Recipient must refrain from acts of research misconduct, including publication or reporting, as described in USEPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.

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- xxviii. The Recipient agrees to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient also agrees to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at <http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples>.
- xxix. The Recipient certifies that no Project Funds will be used on:
- a. Video surveillance or telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
  - b. Telecommunications or video surveillance services produced by such entities;
  - c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country; or
  - d. Other telecommunications or video surveillance services or equipment in violation of [2 CFR 200.216](#).



[DATE]

**[FORM OF OPINION OF GENERAL COUNSEL – insert your letterhead]**

State Water Resources Control Board  
 Division of Financial Assistance  
 Attn: Maria Nanca  
 1001 I Street  
 Sacramento, CA 95814

Re: City of Rio Dell (“Recipient”) – Painter Street Sewer Line Replacement Project – Project No. C-06-8403-210 (“Project”) – Agreement No. D2404000 (“Agreement”)

Ladies and Gentlemen:

I am/This firm acts as General Counsel to the Recipient in connection with the Project. This opinion is delivered to the State Water Resources Control Board (“State Water Board”) at the request of the Recipient. In connection therewith, I have examined the laws pertaining to the Recipient, originals of the Agreement between the Recipient and the State Water Board, the Recipient’s authorized representative resolution [number] adopted on [DATE], the Recipient’s rate-setting resolution [number] adopted on [DATE], (collectively, “the Resolutions”), and such other documents, legal opinions, instruments and records, and have made such investigation of law, as I have considered necessary or appropriate for the purpose of this opinion.

Based on the foregoing, it is my opinion that:

- a. The Recipient, a general law city/charter city/county/special district of the State of California duly organized, validly existing under the laws of the State of California pursuant to [INSERT SPECIFIC CODE SECTIONS], has the requisite legal right, power, and authority to execute and deliver the Agreement and carry out and consummate all transactions contemplated therein.
- b. The Resolutions have been duly adopted at meetings of the Recipient which were called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolutions were adopted. The Resolutions are in full force and effect and have not been amended, modified, supplemented, or rescinded, nor has the rate-setting resolution been challenged or the rates become subject of a referendum or initiative or other similar process.

- c. To the best of my knowledge and based upon a reasonable investigation, all proceedings required by law or under the ordinances or bylaws of the Recipient to be taken by the Recipient in connection with the authorization of the Agreement and the transactions contemplated by and related thereto, and all such approvals, authorizations, consents or other orders of or filings or registrations with such public boards or bodies, if any, as may be legally required to be obtained by the Recipient prior to the date hereof with respect to all or any of such matters have been taken or obtained and are in full force and effect, except that no opinion is expressed as to any approvals, obligations or proceedings which may be required under any federal securities laws or state blue sky or securities laws.
- d. To the best of my knowledge and based upon a reasonable investigation, the execution and delivery of the Agreement and the consummation of the transactions therein will not conflict with or constitute a breach of or default (with due notice or the passage of time or both) under (i) the statutes creating the Recipient or any amendments thereto, (ii) the ordinances or by laws of the Recipient, (iii) any bond, debenture, note or other evidence of indebtedness, or any material contract, agreement or lease to which the Recipient is a party or by which it or its properties are otherwise subject or bound or (iv) any applicable law or administrative regulation or any applicable court or administrative decree or order. All material contracts, agreements, or leases are listed in Exhibit D of the Agreement.
- e. [paragraph required for construction projects; delete if solely planning and no access to property will occur during planning]: To the best of my knowledge and based upon a reasonable investigation, the Recipient has sufficient property rights in the Project property for the purposes contemplated in the Agreement and has complied with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.) with respect to any property acquired for the purposes of the Project. These property rights extend for at least 50 years from today's date, as follows: [in perpetuity][date certain].
- f. To the best of my knowledge and based upon a reasonable investigation, there is no action, suit, proceeding, inquiry or investigation before any court, or by any federal, state, municipal or other governmental authority pending or threatened against or affecting the Project or the system of which the Project is a part (the System), or the assets, properties, or operations of the Recipient relating to the Project or System, which, if determined adversely to the Recipient or its interests would result in any material change in the assets or financial condition of the Recipient, the Project, or the

System; and the Recipient is not in default with respect to any order or decree of any court or any order, regulation, or demand of any federal, state, municipal, or other governmental agency which default might have consequences that would materially and adversely affect the financial condition of the Recipient, the Project, or the System.

- g. No facts have come to my attention which lead me to believe that the Recipient's authorized representative has made any untrue statement of a material fact or omitted or omits to state a material fact or has made misleading statements in the Agreement.
- h. The Agreement has been duly authorized, executed, and delivered, and assuming due authorization, execution and delivery of the Agreement by the State Water Board, constitutes legal, valid, and binding obligation of the Recipient enforceable against the Recipient in accordance with its terms, subject to the laws relating to bankruptcy, insolvency, reorganization, or creditors' rights generally and to the application of equitable principles, if equitable remedies are sought.

Sincerely,

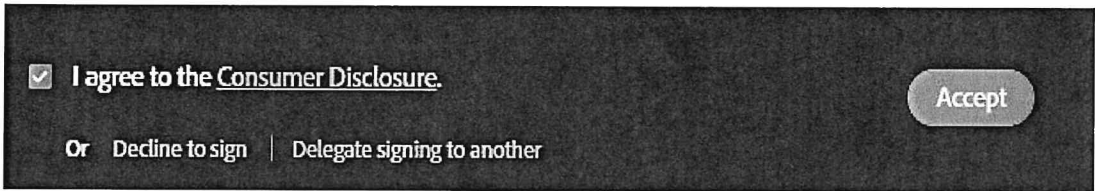
General Counsel  
[Recipient Name]



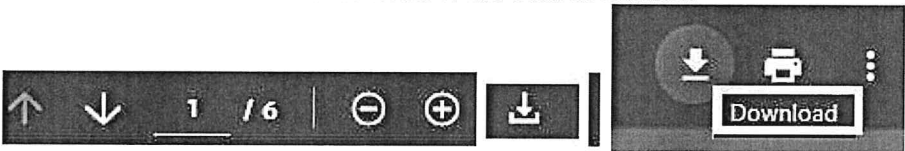
Documents Transmitted back to Adobe by the Recipient:

Steps:

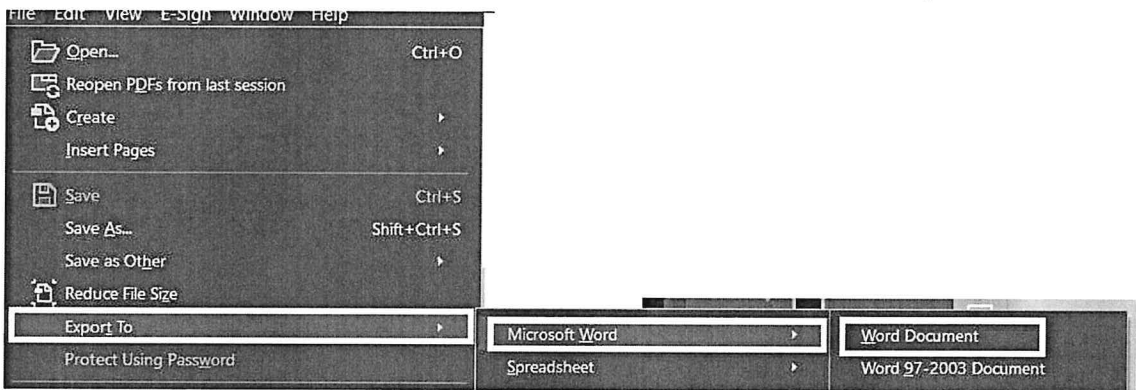
1. Once the Adobe notification has been received, the Recipient will open Adobe. The Recipient must checkmark the box to agree to the Consumer Disclosure. Click on **[Accept]**



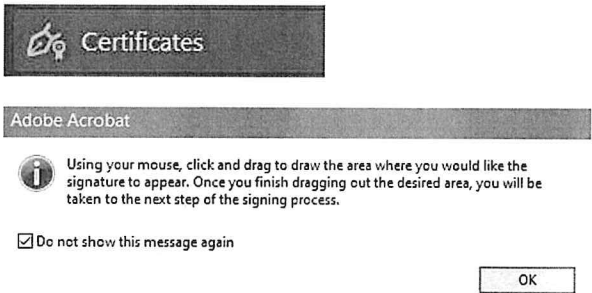
2. The Recipient will need to download the (PDF) documents by selecting the corresponding radio button. Ensure to save the documents to the desired location.



3. Once you have saved the documents to the desired location, the Recipient will proceed with generating the required closing documents. For the documents to be edited, you must save your file in Word format. Click on **[File-Export To-Microsoft Word – Word Document]**



4. Once the Recipient has completed the closing documents, the file must be saved as "Adobe PDF" for their respective digital signatures to be entered.
5. The Recipient will select **[Certificates]** from the tools field and using your mouse, click and drag to draw the area where you would like the signature to appear. A dialogue message box will display your Digital ID press **[Continue]** and click on **[Sign]**. **[Save]**





6. The Recipient will attach the signed documents to Adobe by clicking the **[Click to Attachment]** and downloading the signed document(s).

Click to Attach ...

7. Once the closing document(s) have been attached, the Recipient will click on the **[Click to Sign]** button.

By signing, I agree to the terms of this agreement and to do business electronically with  
CALEPA - State Water Resources Control Board.

Click to Sign

## California Environmental Quality Act (CEQA) Determination

City of Rio Dell (Applicant)  
 Painter St. Sewer Line Replacement Project (Project)  
 Project Number: 8403-210

As the Deputy Director for the State Water Resources Control Board (State Water Board), Division of Financial Assistance, I have been delegated the authority to approve and execute financing agreements for projects that are routine and non-controversial. The execution of a financing agreement is an action that is subject to CEQA. The authority to make this CEQA determination necessarily accompanies the delegation to approve and execute the financing agreement for this Project. I hereby find the following:

1. The Applicant is the CEQA Lead Agency and has prepared a Notice of Exemption (NOE) titled Painter Street Sewer Line Replacement Project, for the Project. The State Water Board is a Responsible Agency under CEQA. The Applicant approved the NOE for the Project on May 2, 2022 and filed a copy with the Humboldt County Clerk on May 2, 2022, and the Governor's Office of Planning and Research, State Clearinghouse (No. 2023080193) on August 8, 2023.
2. This Project is categorically exempt under the CEQA Guidelines, California Code of Regulations, title 14, division 6, chapter 3, article 19, sections 15301 and 15302. The Project involves repair, maintenance, minor alteration, replacement or reconstruction of existing sewer pipeline on the same location involving negligible or no expansion of existing capacity.
3. The Project will not result in any significant adverse water quality impacts.

A final copy of the NOE and records of the financing approval for the Project are available to the general public at the State Water Board, Division of Financial Assistance at 1001 I Street, 16th Floor, Sacramento, CA 95814.

Digitally signed by Joe Karkoski  
 Date: 2025.04.14 13:44:47 -07'00'

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Joe Karkoski, Deputy Director  
 Division of Financial Assistance



## Staff Highlights – 2025-05-06

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### City Council

### City Manager

Work on potential loan with SWRCB for the Water CIP project.

Recruitment for Wastewater Superintendent.

Paving projects set to begin this week.

Attended Solid Waste Local Task Force meeting in Eureka.

### City Clerk

Processed Nine (9) Building Permit Applications:

111 A. Creek St. – Fire Damage Repair  
 30 Wildwood Ave./47 E. Bridge St. – New Pitched Roof and Metal Roofing  
 484 Davis St. – Siding, Windows, and Doors  
 100 Painter St. – Carport on Manufactured Home  
 474 Walker Lane – Relocation of Service Panel  
 194 Birch St. – 15' of New Sewer Line and 2 Cleanouts  
 103 Atlanta St. – Re-Roof Residence  
 1110 Rio Vista Lane – PV Solar  
 645 Gunnerson Lane – Re-Roof Residence  
 Processed Three (3) Business License Applications:  
 Mike's Brake and Front End, LLC - 609 Wildwood Ave.  
 Isabella Haahs – Freelance Writer and Artist (Home Occupation)  
 Lost Coast Lock & Key – Mobile Locksmith  
 Processed One (1) Encroachment Permit:  
 E. Bridge & Wildwood Ave. – New Gas Main

Misc:

Submitted April Employment Data Report to the U.S. Census Bureau

Submitted Quarterly Building Permit Report to County Assessor

Attended Keenan Zoom Meeting on 4/24/25 Re: Health Insurance Coverage

Submitted the CHF/CIRB Monthly Building Permit Report for April

Coordinated with Code Publishing on corrections related to the update of the RDMC



Submitted the Annual Copy Paper Order through the Humboldt County Office of Education

Attended Planning Commission meeting on 4/29/25

### **City Attorney**

### **Human Resources, Risk & Training**

### **Finance Department**

#### **Regulatory Compliance & Financial Oversight**

- Created staff report and worked with Harshwal & Company LLP to obtain and prepare engagement letter for the upcoming audit cycle, ensuring continuity of financial oversight.
- Initiated communication with cannabis businesses regarding submission requirements for cannabis license and activity annual fees for FY 25/26, supporting municipal revenue streams.
- Contacted cannabis cultivators regarding the 2025 cannabis cultivation declaration form, maintaining compliance with municipal regulations.
- Sent reminders to cannabis businesses regarding upcoming Q3 taxes due at the end of the month, facilitating timely revenue collection.
- Processed information related to City of Rio Dell's 1st Quarter 2025 AB 939 allocation, fulfilling regulatory reporting requirements.

#### **Financial Management & Budget Development**

- Continued to refine the FY 2025-26 budget development process by developing a recommended budget for city manager approval, advancing the annual budget planning cycle.
- Submitted the City of Rio Dell's FY 2025-26 TDA Claim Forms to HCAOG (Humboldt County Association of Governments), securing transportation funding for the upcoming fiscal year.

#### **Grant Management & Disaster Recovery**





- Submitted detailed documentation for ER-15J8(020) to Caltrans for emergency work completed following the December 2022 earthquake event, specifically for qualified roadways that were crack sealed, supporting recovery funding reimbursement.
- Worked with contract engineers to finalize D1904003 Claim #13 for the Sanitary Sewer Evaluation Study, completing another milestone in this infrastructure improvement project.
- Completed FY 24-25 Quarter 3 Project Outcomes Table and Reimbursement documentation for the Eel River Trail Clean CA Project, maintaining grant compliance and funding eligibility.
- Processed Eel River Trail Progress Pay Application 04, maintaining financial oversight of construction work on this community enhancement project.
- Submitted Invoice #7 and quarterly reporting for the Rio Dell Water Distribution System Capital Project, advancing this essential infrastructure initiative.
- Collaborated with the County of Humboldt on the CDBG program implementation under the existing MOU, continuing support for qualified residents affected by the December 2022 earthquake.

### **Infrastructure Project Management**

- Worked with GHD contract engineers preparing closing reports and documentation for the Safe Routes to School ATP Project Closeout Forms, bringing this important safety initiative to completion.
- Coordinated with GHD contract engineers to confirm PA&ED work for STIP Neighborhood Connectivity project is proceeding on schedule, maintaining project timelines for this transportation improvement initiative.

### **Public Works Water**

Repairs on Water treatment Filter building plumbing leaks

Calibrations on Water treatment plant analyzers

Monthly reports

Drought reports



Water CIP project is on the way – Work is being done currently on Bellevue, Webster and Creek St.

Meter reading

Replace nonfunctioning water meters.

Startup and maintenance on Gateway Irrigation system

### **Public Works Wastewater**

Chloramine Project Final Report Sent.

BCR and O&M installed new Kadant Rotary Joints on the Sludge Dryer. New joints leak approximately one gallon per day.

BCR was successful in installing an alarm that connects the Fulton and Sludge Dryer, to shut off the Sludge Dryer when the Fulton shuts off.

Irrigation Fields are prepped for dry season discharge.

Wastewater OIT Scheduled to take the Wastewater One State Exam early May.

Wastewater Operator One, scheduled to take the Wastewater Two State Exam in late May.

### **Public Works Streets, Buildings and Grounds**

Roadside mowing around town and out on Northwestern Ave.

Installation of Private Property Signs along Eel River Trail

Cleanup at Edwards Dr – Trailhead. Gravel parking area and remove debris.

Mow Gateway and parks

### **Public Works City Engineer**

### **Public Works Capital Projects**

### **Police Department**

#### **Patrol Statistics:**

During April 11<sup>th</sup> – May 1<sup>st</sup> 2025, the Rio Dell Police Department handled 196 incidents. This includes 74 calls for service, and 122 Officer Initiated Contacts. 9 arrests were made. A total of 5



citations were issued for traffic offenses or other miscellaneous criminal violations. 19 total cases requiring investigation were taken.

**Staffing:**

The Police Department is currently down two (2) sworn officer positions.

- Job position being flown in multiple areas online. No one in hiring process yet.
- Several qualified Applicants for the new Measure Z funded CSO position. Testing to be held when position closes at end of May.

**Community Events / Notable Cases:**

- Multiple meetings and news interviews on new "Blue Envelope" program being rolled out by RDPD and the Community Center. Focus of program is providing easy identification swag to people with disabilities to help first responders quickly identify special needs/accommodations and provide a higher level of service tailored to individual needs during contacts. Free to city (courtesy of RCRC). Anticipated Launch Date on June 5<sup>th</sup>.
- 4/26/25 Two juveniles vandalized the sinks at the Rio Dell Firemen's Park restroom. Using large rocks, they shattered both sinks causing thousands of dollars in damage. The department identified the juveniles and worked with the Rio Dell Fire Department and the families of the Juvenile to come together to work out restitution. Criminal case pending if that isn't successful.

**Abatement Projects:****Residential Abatement:**

- Total Active Cases 30
- 10 New open cases, 9 closed cases.
- 11 of the cases are for City Owned Property, 19 for ongoing violations.

**Vehicular Abatement:**

- Total Active Cases 12
- 19 New open cases, 7 closed cases



- 5 vehicles towed

**Animal Control:**

- 22 Calls for animal related issues.
- 3 Dogs transported to Miranda's
- 0 Cats transported to Miranda's

**Community Development Department**

**Intergovernmental**

**Humboldt-Rio Dell Business Park**





*Rio Dell City Hall  
675 Wildwood Avenue  
Rio Dell, CA 95562  
(707) 764-3532  
cityofriodell.ca.gov*

May 6, 2025

TO: Rio Dell City Council

FROM: Kyle Knopp, City Manager

SUBJECT: Second Reading (by title only) and Adoption of Ordinance 414-2025 Amending Section §12.30 of the Rio Dell Municipal Code (RDMC) Pertaining to Trails and Further Establishing Fines.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

- 1.) Allow staff to re-introduce the Ordinance; and,
- 2.) Open and receive public comment; and,
- 3.) Close public comment; and,
- 4.) Direct staff to make any changes to the draft ordinance if necessary; and,
- 5.) Adopt Ordinance 414-2025 amending section §12.30 of the Rio Dell Municipal Code (RDMC) pertaining to trails and further establishing fines.

BACKGROUND AND DISCUSSION

With the Eel River trail nearing completion the site has received some level of use by motorized vehicles, in violation of Section §12.30 of the Rio Dell Municipal Code (RDMC). The Council heard the first reading of the Ordinance on April 15, 2025 and continued the Ordinance for approval for tonight's meeting. The proposed change also includes minor non substantive edits to the Section.

Changes to the proposed Ordinance from the first reading include changing the status of a violation from an infraction to a misdemeanor. This will allow the Police Department greater authority to conduct investigations when a violation is not directly witnessed by an officer.

///

**ORDINANCE NO. ~~412~~ -2025**



**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIO DELL  
AMENDING ORDINANCE NO. 412-2025 AND ESTABLISHING SECTION  
12.30, ET SEQ., "TRAILS" OF THE RIO DELL MUNICIPAL CODE  
PERTAINING TO REGULATIONS FOR TRAIL  
USE OF THE EEL RIVER  
TRAIL**

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

**WHEREAS** the Eel River Trail is nearing completion; and

**WHEREAS** the Eel River Trail is funded through the Clean California ~~program-initiative~~ and intended and funded as a non-motorized trail; and

**WHEREAS** the trail could attract users of All Terrain Vehicles (ATV), motorcycles or other devices to operate on the trail; and

**WHEREAS** the motorized use of the trail ~~is not safe and is in conflicts~~ with the intended use ~~of the trail~~.

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

**Section 1. Trails**

*Ord. No. 412-2025 Adding Section 12.30 "Trails"*

The following provisions shall be inserted in Chapter 12 of the Rio Dell Municipal Code as Sections 12.30.010 through 12.30.030 and shall govern use of the Eel River Trail, as defined herein:

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## **Chapter 12.30 TRAILS**

### **12.30.010 Definitions.**

For the purposes of this ~~chapter~~Chapter 12.30, the following terms, phrases, words, and their derivations shall have the meaning given in this section:

- A. "Caretaker" means the person or persons who are responsible for the care and maintenance of the trail.
- B. "Eel River Trail" means that paved area from the northern terminus of Edwards Street to the East Terminus of Davis Street and areas within five (5) feet of edge of the pavement.
- C. "Vehicle" means any wheeled conveyance, whether motor-powered, animal-drawn, or self-propelled. The term shall include any trailer in tow of any size or kind.
- D. "Motor-Driven" means any motor or moped powered by fuel, electricity or compressed gas. An electric bicycle shall not be considered motor-driven when the motor is not powered or otherwise engaged.
- E. "Personal Mobility Device for the Disabled" means an electric powered wheelchair or mobility scooter that is speed limited and in service of a physically impaired individual.

### **12.2430.040-020 Operation of Vehicles~~Prohibition of Motorized Use of Eel River Trail.~~**

No person ~~in a park~~while utilizing the Eel River Trail shall do any of the following:

- A. Drive or ride any motor-driven vehicle on the Eel River Trail, except for personal mobility devices for the disabled, electric powered baby carriages, or vehicles in service of the City performing City functions.~~Fail to comply with all applicable provisions of the Vehicle Code of the state of California in regard to equipment and operation of vehicles together with such regulations as are contained in this code regulating traffic;~~

B. Fail to obey all police officers and caretakers who are authorized and instructed to direct traffic whenever and wherever needed ~~in-on the park-Eel River Trail~~ in accordance with the provisions of ~~these regulations the Rio Dell Municipal Code~~ and such supplementary regulations as may be issued subsequently by the ~~cityCity; or~~

C. Fail to observe carefully all traffic signs, parking, motorized use prohibition signs and all other signs posted for the proper control and to safeguard life and property;

~~E. Drive or ride any motor-driven vehicle on the Eel River Trail. Exceptions are for personal mobility devices for the disabled, electric-powered baby carriage or vehicles in service of the City.~~

#### **Section 12.30.030. Penalties and Fines.**

A. Any person who violates any of the provisions of Section 12.30.020 of this Chapter shall be guilty of misdemeanor, punishable by a fine up to \$1,000.00 and/or up to six (6) months in jail, or by both, in accord with California Penal Code Section 19.

B. Any vehicle found in violation of Section 12.30.020 may be towed at owner's expense by City personnel or any City peace officer.

C. The City of Rio Dell may, in its discretion, post signs on the Eel River Trail notifying users of the motorized use prohibitions created by Section 12.30.020 and the penalties attendant to violation(s). Failure to establish signage shall not preclude the City from enforcing the terms and conditions of Section 12.20.020 or imposing the fines and penalties recited in this Section 12.30.030. Nothing in this Chapter shall limit the ability of the City to enforce applicable provisions of the California Vehicle Code or any other state, federal or local law or regulation.

#### **Section 2. Severability**

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

#### **Section 3. Limitation of Actions**



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

**Section 45. Effective Date**

This ~~ordinance~~Ordinance shall becomes effective thirty (30) days after its approval and  
adoption by the City Council.

**I HEREBY CERTIFY** that the forgoing Ordinance was duly introduced at a regular  
meeting of the City Council of the City of Rio Dell on ~~February 18~~\_\_\_\_\_, 2025,  
and furthermore the forgoing Ordinance was passed, approved and adopted at a  
regular meeting of the City Council of the City of Rio Dell, held on ~~March 4~~\_\_\_\_\_,  
2025, by the following vote:

AYES:       None  
NOES:       None  
ABSENT:   None  
ABSTAIN:   None

\_\_\_\_\_  
Debra Garnes, Mayor

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ATTEST:

I, Karen Dunham, City Clerk for the City of Rio Dell, State of California, hereby certify  
the above and foregoing to be a full, true and correct copy of Ordinance No. 412-2025

which was passed, approved and adopted at a regular meeting of the City Council of the City of Rio Dell, held on ~~March 4~~ \_\_\_\_\_, 2025.

\_\_\_\_\_  
Karen Dunham, City Clerk, City of Rio Dell