

Attachment A



CITY OF EUREKA ENGINEERING DEPARTMENT

MEMORANDUM

To: Sidnie Olson, Community Development Director

From: Kurt Gierlich, City Engineer *KG*

Subject: Ridgewood Village Draft EIR Comments

Date: August 26, 2010

The following is a summary of review comments on the Ridgewood Village Draft EIR by myself, Assistant City Manager Michael Knight, and Dan Moody from the City's Traffic Operations/Signals division.

10.0 TRAFFIC, CIRCULATION and PARKING

The City of Eureka has concerns regarding the adequacy of the Traffic Impact Study prepared for the proposed Ridgewood Village Development and the adequacy of the proposed mitigation measures.

On January 26, 2009 the City expressed concerns in its response to the Administrative Draft Traffic Impact Study for the Ridgewood Village Development dated December 22, 2008. The City continues to have many of the same concerns with the current Traffic Impact Study submitted as part of the DEIR, as many of the City's comments and suggested corrections on the December 22, 2008 Traffic Impact Study were not addressed. Furthermore, the City was not consulted during the preparation of the Traffic Impact Study and was therefore not able to participate in correcting the deficiencies in the model. The model will need to be rerun, with the City's participation and input to correct the deficiencies, before it can be considered adequate.

One of the City's key concerns stated in the January 26 response was the Greater Eureka Area Traffic Model (GEATM) is useful in broad applications but should not be used as the only method for determining trip distribution for the Ridgewood Village Development. The GEATM was used to analyze traffic impacts through estimation of the magnitude of new trips and routing of new trips due to the proposed project. Appendix "L" describes how the model was used for this project and describes the deficiencies that resulted from the use of the model. Deficiencies include trip generation, land use inconsistencies and internal project traffic capture rate percentages.

The City and Caltrans should have been consulted to help remedy these deficiencies prior to mitigation measures being drafted. The attached Memorandum Dated August 12, 2010 from Dan Moody of the City of Eureka Traffic Operations/Signals division discusses in detail many of the inconsistencies, errors, and problems with the Traffic, Circulation, and Parking section of the DEIR and associated Traffic Impact Study. When the required corrections are made to the traffic model to resolve its deficiencies, the traffic distribution numbers will change which will in turn affect the proposed mitigation measures.

The Project proposes a connection from Ridgewood Drive to Fairway Drive through Lundbar Hills. This connection is not consistent with the City of Eureka General Plan Circulation Element or the County General Plan Circulation Element.

The connection to Fairway Drive must be approved by the City of Eureka and be consistent with the City's Circulation element which contemplates an arterial connection from Ridgewood Drive to Fairway Drive north of Lundbar Hills. This connection is not fully considered in the DEIR (as stated in paragraph 2 on page 2-22) based on a prior City of Eureka determination that this route was infeasible as a 2nd exit/access for a 60 unit addition to Lundbar Hills (unit 6). The fact that the City determined this 2nd access to be both economically and environmentally infeasible for a 60 unit subdivision cannot be used to ignore the City's General Plan Circulation Element for a subdivision that includes 1,442 residential units and 327,000 sq. ft. of commercial space.

The City will require the developer to fully evaluate the connection from Ridgewood Drive to Fairway Drive as shown in the City's circulation element. Lundblade Drive is a local street and adding an additional 5,000± daily trips and changing this road classification from a local street to a major road (arterial) is not acceptable and cannot be mitigated by merely installing a traffic signal at the intersection of Lundblade and Fairway Drive. In addition, the City does not agree with the mitigation measure proposed, a traffic signal at Lundblade Drive and Fairway Drive, as it will result in an unsafe condition due to limited sight distance for traffic queuing in the westbound lanes and the narrow steep portion of Lundblade Drive is inadequate for carrying the proposed volumes of traffic or any truck traffic.

The City may consider a connection at Lundblade Drive that is consistent with the County General Plan Circulation Element which shows two connections from Ridgewood Drive to Fairway Drive, one through Lundbar Hills and one north of Lundblade Drive consistent with the City of Eureka Circulation Element provided the connection north of Lundblade Drive is configured to be the most direct route for the major roadway with only a local connection through Lundbar Hills.

The traffic analysis identifies seven roadway segments that will degrade to Level of Service (LOS) D, and proposes no mitigation. The DEIR fails to discuss the mitigation measure of decreasing the project density. The density of the project is being increased from the 940 EDU's zoned in the Eureka Community Plan to 1,442 EDU's plus 327,000 sq. ft. of commercial space. This constitutes a substantial increase in traffic over that contemplated in the Eureka Community Plan, with no mitigation.

Street segments on Hodgson, Harris and Henderson should have been included in the study, consistent with prior comments provided by the City. Harris Street is currently near capacity and any additional traffic will degrade the Level of Service.

In reviewing the discussion and calculation of the proposed Traffic Impact Fee, it is our understanding that at least two of the traffic analysis zones were not included in the modeling for the traffic study (TAZ 718 and 727). All cumulative impacts for the project area need to be included in the study to determine the extent of mitigation required and to properly determine a traffic impact fee necessary to pay for the mitigation measures proposed.

In addition, frontage improvements need to be incorporated into the project development cost and paid solely by the development, not spread to the entire community as proposed. The nexus for this is contained in *Nollan v. California Coastal Commission* 483 U.S. 825 (1987), and the rational proportionality is contained in *Dolan v. City of Tigard* 114 S. Ct. 2309 (1994). Project frontage improvements include the project entrances at Ridgewood Village Drive/Ridgewood Drive/Eggert Drive, Walnut Drive/Home Drive, and the connection to Fairway Drive if it is constructed. The total cost identified for these three intersections/connections in Table XXVII of the Traffic Impact Study is \$1.5M. Subtracting this cost from the \$8.5M cost identified in the Traffic Impact Study lowers the total mitigation costs attributable to the Eureka Community Plan area to \$7.0M. By the methodology used in the Traffic Impact Study for calculating the traffic impact fee, this shifting of traffic mitigation cost would result in lowering the proposed traffic impact fee. Dividing \$7.0M by the estimated 59,133 residential trips at 10.88 trips per EDU yields a cost of approximately \$1,288 per EDU, before inclusion of the two missing TAZ's which would further adjust the traffic impact fee amount.

The Martin Slough Interceptor (MSI) EIR contains a mitigation measure (copied below for reference) that requires the creation of a "*Cumulative Traffic Impact Assessment and Mitigation Program*" and payment of a traffic impact fee prior to any connections being made to the wastewater collection system affected by the Martin Slough Interceptor project. This mitigation measure is applicable not only to direct connections to the MSI, but also to indirect connections. Indirect connections are those where additional capacity is created in areas outside the Martin Slough project area by redirection of existing wastewater flows into the MSI system. For example, the Humboldt Community Services District (HCSD) is contemplating the redirection of flows from the Cutten area that currently flow to the Hill Street lift station into the new MSI system, which will create additional capacity at Hill Street for new connections in the Myrtle town area. As dictated by MSI Mitigation Measure 11-3.1, any additional capacity created as a result of redirecting wastewater flows into the MSI system would be considered to be indirectly benefiting from the MSI, and would thus be subject to the traffic impact fee requirement. Absent the required Program, those new connections could not occur.

Mitigation Measure 11-3.1 – Limit Connections to Martin Slough Interceptor Pending the Development of a Memorandum of Agreement to Identify Mitigation for Cumulative Traffic Impacts, and the Implementation of a Circulation Improvement Fund Program

Measure: *The City shall cooperate with local governments in the project area to enter into a Memorandum of Agreement (MOA) to develop and implement a suitable "Cumulative Traffic Impact Assessment and Mitigation Program" (Program). The aim of the MOA, and of the resulting Program, will be to formally identify indirect or cumulative traffic and circulation impacts, and the required improvements necessary to offset indirect or cumulative circulation impacts, within the areas of the City of Eureka and the County of Humboldt that will be served, whether directly or indirectly, by the Martin Slough Interceptor Project.*

The City shall prohibit connections to the Martin Slough Interceptor, or to any part of the City's wastewater collection system that will develop additional conveyance capacity as a result of the Martin Slough Interceptor Project, until the MOA and the Program are in place and appropriate funding has been secured for improvements identified in the Program. The methodology for creating the Circulation Improvement Fund Program shall be identified as part of the MOA and the Program. Payments to the circulation improvement fund shall be secured for each connection to the wastewater collection system prior to the authorization by the City of that connection.

Monitoring: This measure shall be made a condition of approval for the current project. The City of Eureka will identify programmatic elements required in a regional transportation planning approach that includes the City and other parts of the project service area. Upon the implementation of the MOA, and following the delivery of an appropriate payment to the circulation improvement fund for any affected parcel under the Program, the City shall authorize a connection to the Martin Slough Interceptor.

In April, 2006 the City of Eureka and the County of Humboldt executed a Memorandum of Understanding (MOU) as a precursor to developing a Memorandum of Agreement (MOA) for developing and implementing County Eureka Community Plan Circulation Element provisions contained in section 4220 which calls for coordination between agencies in developing and implementing a financing program for future circulation improvements. As stated in the above mitigation measure the fees need to be developed which are to be applied to all parcels within the development area, which includes the Ridgewood Village development. Without the implementation of the traffic impact fee program no connections to the Martin Slough Interceptor wastewater system can be allowed. The City of Eureka must be a party in the development/approval of the traffic impact fee program.

11.0 UTILITIES AND PUBLIC SERVICES

Section 2.3.3.1 Wastewater Utility Summary on Page 2-24, paragraph 1 states project development on the eastern ridge (e.g., Phase 5) would be served by extending a new pipeline to the existing manhole at the Home Drive/Walnut Drive intersection. The gravity sewer line in Walnut Drive ultimately flows into the City's 'O' Street lift station via HCSD's Campton lift station. Currently there is no remaining capacity at the 'O' Street lift station to accept flows from the 250 residential units proposed for Phase 5. Capacity in this system will be realized only after the construction of the Martin Slough Interceptor project, which will accept all flows from Ridgewood Drive and Campton Road, with subsequent abandonment of the City's 'O' Street lift station.

Section 11.1.1.2 on page 11-1 states HCSD has existing wastewater conveyance pipelines in Lundblade Drive. This is incorrect. HCSD does not have wastewater conveyance pipelines in Lundblade Drive.

Also in Section 11.1.1.2 on page 11-2, the last paragraph in the section states that the WWTP operates at approximately 70 percent of the permitted capacity in dry weather conditions. According to Charles Reed of the State of California Regional Water Quality Control Board (RWQCB) in an email to the City dated February 19, 2009 the RWQCB estimates dry weather flows to be at approximately 82 percent of permitted capacity.

The contingency alternative for sanitary wastewater service in the Wastewater Alternatives section (page 11-4) refers to the Herrick alternative. Implementation of this alternative would require significant modifications to the City of Eureka wastewater conveyance system, including significant wastewater facilities to be constructed in the Eureka Golf Course. At a minimum this would require additional CEQA analysis, and approval by the City of Eureka City Council preceded by supportive recommendations by City of Eureka Engineering and Public Works Departments. This would also require subsequent contractual amendment to the City/HCSD Wastewater Agreement defining the terms, flow limitations, maintenance and operational cost sharing, ownership conditions, and other considerations such as implementation of other mitigation measures required of the development (traffic, fire protection, drainage, etc.) before the Herrick alternative could be implemented.

Page 11-9 of the Utilities and Public Services section, top of the page, states: "There is an obligation under Government Code Section 6589-7 for the provision of priority access to water and wastewater services to the proposed project." "Meaning there will necessarily be a sewer connection provided by HCSD and/or COE owing to this Government Code section." This appears to be an incorrect interpretation. Granting a priority for water or wastewater services means a priority over any other service request applications that are processed at the same time. It does not infer that the service provider is required to reserve capacity, or to provide service connection to the proposed development where none exists.

The Wastewater Alternatives section beginning on page 11-13, first paragraph, states Phase 1 and subsequent phases on the western ridge and plateau would connect to the existing sanitary wastewater manhole in Lundblade Drive. It does not mention that it

would utilize the existing City of Eureka gravity sewer main in Lundblade Drive, with which it would need to share capacity with the Lundbar Hills development. While the City does not oppose this proposal in concept, several issues would need to be resolved to the satisfaction of the City before agreeing to this connection. First, the developer would need to demonstrate that the existing gravity sewer main has the adequate capacity to accept the additional wastewater flows from the full buildout of the Ridgewood Village Development, and that a sufficient conveyance system would exist downstream of that sewer to accept the wastewater flows. Second, the City would need to be satisfied that the mitigation measures directly affecting the City (adequate traffic impact fees, adequate fire protection, adequate drainage facilities, etc.) have been adequately implemented. Third, this would require a contractual amendment to the City/HCS D Wastewater Agreement defining the flow limitations, maintenance, and operational issues related with adding this new connection point to the City's wastewater system.

The first paragraph in this section also states the development proposes to utilize the existing Golf Course pump station. In numerous conversations with the Ridgewood developer the City has stated the existing Golf Course lift station wastewater conveyance system does not have the capacity to accept new connections, including those from Phase 1 of the Ridgewood Village Development. The City has no plans to increase the capacity of the existing Golf Course lift station wastewater system, due to the capacity limitations of the wastewater conveyance system downstream of the Golf Course lift station.

Also in the first paragraph of this section, the term 'Golf Course pump station' appears to describe both the future proposed Martin Slough Pump Station and the existing Golf Course lift station, the latter which will be demolished with the construction of the Martin Slough Interceptor project. The correct terminology would be to say the preferred alternative is to connect to the Martin Slough Pump Station, which is proposed to be constructed as part of Phase 2 of the Martin Slough Interceptor project.

Paragraph 2 of this section describes the Herrick alternative, which is discussed above. This alternative fails to mention that a new gravity sewer main through the golf course would be required to implement the Herrick alternative as described. The same comments apply as noted above regarding needing the required City approvals for this option to become a reality. This alternative would need to be designed to minimize impacts to the Eureka Golf Course, as well as other considerations previously mentioned.

In Section 11.3.4 Cumulative Impacts, the first paragraph at the top of page 11-26 states the "conditional intent to serve" letter from the HCS D Board of Directors dated August 28, 2007 "commits the City of Eureka to accepting wastewater from the proposed project..." The City takes exception to this characterization. In an August 6, 2007 letter to HCS D General Manager Mark Bryant responding to HCS D's request to the City for a Will-Serve letter for the Ridgewood Village project, City of Eureka Assistant City Manager Michael Knight affirmed the District has remaining dry weather capacity at the Elk River Wastewater Treatment Plant of 0.64 MGD. However, Mr. Knight's letter cites the lack of critical information needed in order to properly respond

to the District's request, including a lack of description of the commercial development, a lack of information on projected sewage flows, and a lack of detailed information on the connection to the City's collection system. The City's letter notes that we can provide a Will-Serve letter **conditioned** on the District's ability to transport the sewage to the treatment plant provided that all agreements are in place.

The HCSD "conditional intent to serve" letter lists many conditions that need to be satisfied to serve wastewater flows of the development, including design and construction of collection systems to transport sewage from the project to the regional wastewater plant, and includes the statement: "Applicant must obtain the approval and consent of the City of Eureka" for use of the City's infrastructure to serve the project. Neither the HCSD "conditional intent to serve" letter nor the City of Eureka's Conditional Will-Serve letter "commits the City of Eureka to accepting wastewater from the proposed project." While the City has stated HCSD has wastewater capacity at the treatment plant to potentially serve the entire project, there are too many conditions that are required to be met to support the EIRs claim that the City has committed to accepting wastewater from the Ridgewood Village project, or to support the assertion that the development holds an entitlement to wastewater services.



CITY OF EUREKA
TRAFFIC/SIGNALS DIVISION
Dan Moody, Traffic Operations Manager

531 K Street • Eureka, California 95501-1146
Ph (707) 441-4180 • Fx (707) 441-4202 • dmoody@ci.eureka.ca.gov

MEMORANDUM

To: Mike Knight, Director of Public Works
Thru: Kurt Gierlich, City Engineer
From: Dan Moody, Traffic Operations
Subject: Traffic Impact Study for the Administrative Draft of the Ridgewood Village Development, dated December 22, 2008
Date: January 26, 2009

I have reviewed the Administrative Draft Traffic Impact Study for the Ridgewood Village Development, dated December 22, 2008 and have the following comments:

General Comments

The Transportation Section of the Eureka Community Plan was completed in July 1990 and was considered to have a 20 year horizon. Most of the mitigation proposed in the Plan was not implemented. The Ridgewood Village Project should be analyzed in its entirety and not as an incremental addition to the Eureka Community Plan.

The Greater Eureka Area Traffic Model (GEATM) is a useful tool in broad applications but it should not be used as the only method for determining trip distribution for the Ridgewood Village Development.

Specific Comments

1. *Pg 3, para 2* “The major portion of Ridgewood Village is already entitled in the Eureka Community Plan, so this report assesses the traffic impacts of the larger-scale Ridgewood Village Project with additional homes, commercial and retail services. The early phases of Ridgewood Village are already included within the approved Eureka Community Plan. The additional dwelling units, commercial and retail uses constitute the “Project” considered in this traffic analysis.”

- Baseline for this project should be existing conditions and mitigation should be considered for project related traffic added to the baseline. There should be no entitlements for the Eureka Community Plan traffic as mitigation was never implemented.*
2. Pg 4, para 2 “There are no specific criteria for defining a significant change where the LOS is already unacceptable.”
The City a 5 second increase in delay as significant change .
 3. Pg 4, para 4 “Study intersections were identified in the City where the Greater Eureka Area Model (GEATM) indicated 50 or more peak hour trips from the proposed project.”
The GEATM should only be used in conjunction with Engineering oversight. We have found that the accuracy of the model diminishes as you get farther from the Broadway corridor. A good example would be that the model shows little traffic using “W” Street and Hodgson Street to access the Cutten area.
 4. Pg 4, #1 “One intersection, Harris and Dolbeer...should be signalized within the next several years.”
The GEATM shows much of the Cutten area traffic using the Dolbeer and Harris intersection which in fact is not the case. Steep grades on the east and west bound approaches to this intersection would make it difficult to install signals. Closing the southbound leg may be more appropriate.
 5. Pg 5, #3 “Overall intersection delay should at least be considered in any decision to require expensive improvements...”
Was this considered before recommending traffic signals at Harris and Dolbeer?.
 6. Pg 5, #4 “...it appears as if relatively minor improvements will suffice to accommodate growth...”
Is this for Ridgewood Village traffic above the Eureka Community Plan entitlements?
 7. Pg 5, #10 “...appear to be relatively minor as compared to the impacts of the development already approved within the Eureka Community Plan”
It is my understanding that the Eureka Community Plan was approved with over-riding consideration and little if any of the proposed mitigation was completed or funded.
 8. Pg 6, #11 “It is unlikely that the overall growth in the retail and commercial will be increased by the proposed commercial and retail in Ridgewood Village, but rather this growth will be located there and will not occur in other locations in the metropolitan area”
I would not foresee a reduction in commercial/retail within the commercial/retail centers due to neighborhood commercial being constructed in the outlying areas. There would be the normal deductions for passerby and capture trips.

9. Pg 8, para 2 “Based on the circulation map of the ECP, a future route is proposed... extending north through the proposed Ridgewood Village Project, connecting to Fairway Drive.”
Is this still feasible with the narrow, steep Lundblade Drive needing to be signalized at Fairway Drive?
10. Pg 10, para 4 “Walnut Drive...located in the southern half of the City of Eureka.”
This should be changed to “...located south of the City of Eureka.” Also Walnut Drive is 25mph north of Holly Street to Hemlock.
11. Pg 11, para 3 “The speed limit on Fairway Drive is not posted.”
The speed limit on Fairway Drive is posted as 30mph.
12. Pg 11, para 4 “Harris Street is a County road...”
Harris is a City Street from Broadway east to Harrison.
13. Pg 12, para 3 “The eastbound approach is an approximate 2%downgrade. The westbound approach has a slight downgrade of 1%.”
There are crosswalks and pedestrian push buttons at this intersection. The eastbound approach has a downgrade of 8% and the westbound approach is approximately 6%.
14. Pg 12, para6 “The vicinity is mostly residential...”
The vicinity around Buhne and Harrison is mostly medical/office.
15. Pg 12, para 9 *There are crosswalks and pedestrian pushbuttons at the intersections of Sixth and Seventh Streets at “H” and “I” Streets.*
16. Pg 13, para 3 *There is a flashing beacon over the Harris and Dolbeer intersection flashing yellow for Harris Street and red for Dolbeer Street. The beacon is activated during normal school crossing hours*
17. Pg 14, para 8 Harris Street/”G” Street...The area is mostly residential with some small commercial uses.”
The area is mostly office/commercial with some residential.
18. Pg 17, *The On-Street Parking and Pedestrian Network sections should be expanded.*
19. Figure 4 *The bike route maps needs to be updated. Use the 2008 bike route map from the regional bicycle plan.*
20. Figure 5 *Intersection #23 should be labeled “Buhne St./S St.” Intersection #36 should show an eastbound left turn lane and a through right lane.*
21. Table 1 *Include column for the expected collision rate.*
22. Pg 30, para 4 “The project is essentially an increment over what is already approved in the Eureka Community Plan, and the resulting impacts are described as derived from the increment over what is already entitled ...”
The Traffic Impact Study should study the impacts of the entire project or in this case the various project scenarios. There would be no entitlements for the ECP as no mitigation was implemented.
23. Pg 30, para 6 “The forecasts for trips beyond Existing Conditions were completed by using the model directly.”

The Greater Eureka Area Traffic Model traffic counts vary substantially from existing counts at many locations. The model is useful for land use issues but not as useful for traffic impact studies.

24. Pg 31, para 2 *Standard ITE "capture" and "passerby" trip reductions can be made. No other reductions should be made.*
25. Pg 32, para 4 *"All study intersections operate acceptably at LOS D or better..."
The City of Eureka uses LOS C or better as acceptable..*
26. Pg 34, para 1 *"...(Proposed Project plus already-approved residential)..."
The traffic impacts of the proposed project should be addressed.*
27. Pg 34, para 3 *"Internal capture of trips within the development has been accounted for by the Greater Eureka Area Transportation Model (GEATM)..."
Same comment as #24.*
28. Pg 35 *The GEATM is being used as the basis for many items within the Traffic Study and because the model has never been accurately calibrated in areas away from the Highway 101 corridor it throws the entire traffic study into question.*
29. Figure 9 *In comparing the projected project trips the stopped controlled intersection at Harris and Dolbeer will receive more traffic than Harrison at Harris and "S" at Harris. This highlights the deficiencies in the GEATM.*
30. *Comments regarding entitlements based on existing approval of the Eureka Community Plan, and use of the GEATM for generating traffic projections carry throughout this document.*
31. Pg 44, para 5 *"...into a one-way southbound section of C Street from 4th to 6th Street."
The City's Police and Fire stations are located at the corners of 6th and "C" Street. Northbound access on "C" Street must be maintained. Will this alternative only work with "C" Street being converted to one-way traffic?*
32. Pg 84, para 2 *Discussion of "fair and equitable share" should be part of a development agreement and not included within the traffic study..*



CITY OF EUREKA

531 K Street • Eureka, California 95501-1146

August 6, 2007

Mark Bryant
General Manager
PO Box 158
Cutten, CA 95534

Subject: Conditional Will-Serve Letter for the Proposed Dunn-Robinson-Forster-Gill Sub-division

Dear Mark:

This letter is in response to the letter from Mickey Hulstrom, District Planner, dated July 19, 2007, requesting a Will-Serve letter from the City of Eureka for the proposed Dunn-Robinson-Forster-Gill subdivision. Mr. Hulstrom's letter states that the project, as proposed, is for 1442 residential units and 327,000 square feet of commercial development. The letter asks about the availability of sewer capacity and what other issues there may be.

Unfortunately the letter lacks some critical information needed in order for the City to properly respond. Please provide: 1) a description of the commercial development and total projected sewage flow for the commercial development; 2) total projected sewage flow for the entire proposed development; and 3) proposed location of the main sewer line and connection points, if any, to the City's collection system.

Lacking the above information, I can only respond to capacity at the Elk River Wastewater Treatment Plant (ERWWTP) and point out issues that need to be resolved.

As you are aware, based on my letter dated May 11, 2007, I agreed with your analysis that as of August 2006, the District has a remaining dry weather reserve capacity right at the ERWWTP of 0.64 MGD.

Clearly the District has adequate reserve capacity rights at the ERWWTP to accommodate the projected flows from the proposed Dunn-Robinson-Forster-Gill subdivision. Therefore, the City of Eureka can provide a Will-Serve letter for the proposed subdivision **conditioned** on the District's ability to transport the sewage to the treatment plant and provided that all agreements are in place.

PUBLIC WORKS/BUILDING DEPARTMENT • (707) 441-4192 Public Works Fax: (707) 441-4202
(707) 441-4155 Building

*Building Regulations Code Enforcement Equipment Operations Facilities Operations Harbor Maintenance Park Operations
Recreation/Storm Water Street/Alley Maintenance Wastewater Collection Water Distribution Wastewater/Water Treatment Zoo*

Mark Bryant
August 6, 2007

Page 2

As you are aware, the subdivision is within the Martin Slough basin and the Martin Slough Interceptor is the preferred alternative to serve all the property in the basin. City staff has met with the developer and District staff several times in an effort to identify solutions to serve the subdivision. All of the problems and issues discussed in those meetings remain today. Enclosed for your information is a copy of City Manager David Tyson's letter dated January 11, 2007, to John W. Belsher, Belsher & Becker, explaining the City's position regarding serving the development.

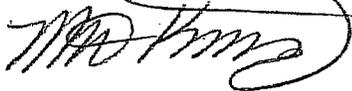
Several key hurdles that need to be addressed include:

1. If the District intends to serve a portion of the subdivision prior to completion of the Martin Slough Interceptor, you will need to submit that proposal to the City. The proposal must include location of the sewer main lines, connection points, total projected sewage flow and a hydraulic analysis of the components for the proposed alternative.
2. If the alternative requires additional connections to the City's collection system, the agreement between the City and District will need to be amended.
3. The City and District will need to execute an agreement for the Martin Slough Interceptor Project.
4. Developer will be required to participate in the Traffic Impact Fee Program being developed by the county prior to connection.

Mark, as you are aware, I have communicated to you a number of times the City is not concerned with capacity at the ERWWTP and our ability to meet our contract obligations to the District.

Please give me a call at 441-4207 if you have any questions.

Sincerely,



Michael Knight
Assistant City Manager-Operations

cc: City Manager
City Attorney
Utility Manager
Community Development Director

Enclosure



CITY OF EUREKA

531 K Street • Eureka, California 95501-1146

CITY MANAGER

• (707) 441-4144
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January 11, 2007

John W. Belsher
Belsher & Becker
Attorneys at Law
412 Marsh Street
San Luis Obispo, CA 93401

Re: Dunn-Robinson, Forster-Gill Development; APN 303-101-05

Dear Mr. Belsher:

This letter is in response to your letter dated December 19, 2006, to my attention. Your letter requests that the City work with the developer and Humboldt Community Services District (HCSD) to allow hook-up to the City's sewer system in the three phases set forth in your letter, and further requests the City allow connection to our facilities through HCSD under its existing agreement with the City.

First, as to your request to allow connection to City facilities through HCSD, you are aware that the existing agreement between the City and HCSD dates back to 1982. That agreement includes a number of limitations on quantity of sewage and connection points. In the City's view, the issues that arise with serving a development of this size and location cannot be adequately addressed under the current agreement with HCSD. Staff has articulated this to District staff and your client in several meetings. In order to facilitate updating the agreement in a timely manner, the City tasked our consultant, Brown and Caldwell, with assisting the City in this process. I anticipate meeting with HCSD in the near future to begin the process.

In response to your request to allow hook-up to the City's sewer system, the City cannot support the phasing plan described in your letter. We believe a better approach to serving a significant portion of this development is the one presented by your client at our last meeting. This approach is similar to the Phase III description in your letter and involves cooperative efforts by the developer, District and City to construct key components of the Martin Slough Interceptor and associated upgrades.

This approach is preferable for several reasons. First, the City does not have adequate capacity in the collection system to provide service for Phase I of your proposal. Phase I recommends the City allow the developer to connect 197 units, plus an additional 4.6 acres at 16 units per acre, to the existing Lundbar Hills sewer main. The City does not have adequate capacity downstream to support this proposal.

Further, City staff cannot support your Phase II request, because it requires approximately \$3 million of investment in the City's existing collection system. These costly improvements would be simply a temporary solution to accommodate a small portion of the development. The Phase II improvements will not be needed when the Martin Slough Interceptor is constructed. Moreover, it could take longer to analyze, design, and construct the Phase II improvements than to construct the key components of the Martin Slough Interceptor. The money spent on this temporary solution would also siphon funding away from the Martin Slough Interceptor project, which is a critical environmental solution for the region.

The conclusions stated above are based on the results of the Preliminary Wastewater Capacity Analysis developed by Deputy City Engineer, Kurt Gierlich. Kurt spent considerable time evaluating the Phase II improvements in response to a request from Mr. Mike Atkins and HCSD to analyze the feasibility of serving a portion of the Forster Gill development via the Golf Course Lift Station-California Lift Station-McCullens Ave Sewer-McCullens Pump Station.

We believe that analysis does not support pursuing parallel projects of the Martin Slough Interceptor and your Phase II approach. As indicated above, our staff believes the better approach to serve the initial phase of the Forster Gill development is the one suggested by your client at our last meeting.

Key steps preliminary to the construction of this alternative would include but are not limited to:

- Preparing a hydraulic analysis of the components of proposed alternative;
- Developing and executing an agreement between the City and HCSD, and perhaps the County, for the Martin Slough Interceptor; and
- Updating or rewriting the current agreement between the City and HCSD;

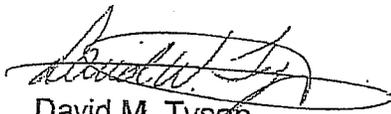
In summary, while the City has no obligation to extend sewer service to this particular project, we believe that working together to construct key components of the Martin Slough Interceptor project is in the best interest of your client, HCSD, the City and the environment. This approach appears to be the only economically viable and practical solution. The City has been committed to construction of the Interceptor for more than ten years and has been successful in obtaining Federal funding for the design. The Martin Slough project has been identified for funding as part of the regional Proposition 50 grant funds, and the City will receive funding for easement acquisition and

construction. Due to the City's aggressive fund raising efforts, we may be able to begin easement acquisition as early as June 2007.

Finally, as you are aware, the provision of sanitary sewer service to the general project area involves a number of local, State and Federal programs and reviews. The City, and all stakeholders, must carefully address such matters as land-use and zoning, permitting, CEQA compliance, and Federal grant, NEPA, and Clean Water Act issues. We believe construction of the Martin Slough Interceptor project is the best way to extend sewer service for future development consistent with the county and city general plans and our fiscal and legal obligations.

If you have any further questions, please contact me at (707) 441-4207.

Sincerely,



David M. Tyson
City Manager

Cc: Mayor and City Council
City Attorney
Mike Knight, Assistant City Manager-Operations
Kevin Hamblin, Director of Community Development
Humboldt Community Services District
Supervisor Smith County of Humboldt
Kirk Girard Director of Community Development, County of Humboldt