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HUMBOLDT

Local Agency Formation Commission

DOCUMENT TRANSMITTAL

October 29, 2010

Town of Scotia Company, LLC
Frank S. Bacik
P. O. Box 245
113 Main Street, Suite A
Scotia, CA 95565

RE: Formation of Scotia Community Services District (SCSD)

Dear Mr. Bacik,

The Humboldt Local Agency Formation Commission (LAFCo) adopted the following resolutions on October 13, 2010 for formation of the Scotia Community Services District (SCSD):

- Resolution No. 10-08, Resolution of the Humboldt LAFCo Making Findings for Certifying Compliance with the California Environmental Quality Act for Formation of the Scotia Community Services District; and
- Resolution No. 10-09, Resolution of the Humboldt LAFCo Making Determinations and Approving Formation of the Scotia Community Services District.

We have included a copy of each resolution for your record. The Municipal Services Review (dated October 13, 2010) adopted with Resolution No. 10-09 is not included. The document can be found at the Humboldt LAFCo website at: <http://humboldtlafo.org>.

Sincerely,

A handwritten signature in black ink, appearing to read 'Merle Anderson'.

Merle Anderson
LAFCo Executive Officer

Enclosures: Resolution No. 10-08 and Resolution No. 10-09



RESOLUTION NO. 10-08

**RESOLUTION OF THE
HUMBOLDT LOCAL AGENCY FORMATION COMMISSION
MAKING FINDINGS FOR CERTIFYING COMPLIANCE WITH
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
FOR FORMATION OF
THE SCOTIA COMMUNITY SERVICES DISTRICT**

WHEREAS, the fundamental role of the Humboldt LAFCo is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances; and

WHEREAS, on November 27, 2007, the County of Humboldt Community Development Services – Planning Division received an application from Pacific Lumber Company (PALCO) for the proposed Town of Scotia LLC development project (Proposal), which included a General Plan Amendment, Zone Reclassification, Subdivision and the formation of a Scotia Community Services District (SCSD); and

WHEREAS, in July 2008, PALCO's real and personal assets for Scotia were transferred to the Town of Scotia Company, LLC (TOS), TOS now being the applicant proceeding with the original application for said project; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the County of Humboldt assumed the role of lead agency and Humboldt LAFCo assumed the role of a responsible agency in consideration of the proposed formation of the CSD; and

WHEREAS, the County of Humboldt caused the preparation of a Draft Environmental Impact Report (State Clearinghouse Number 2007052042) for the Town of Scotia development proposal consisting of General Plan Amendment, Zone Reclassification, Subdivision Map, Planned Development Permit, and formation of a CSD; and

WHEREAS, the project description in the EIR included formation of a CSD, and annexation to the City of Rio Dell was also considered in the EIR as a project alternative; and

WHEREAS, LAFCo staff (Daniel Hamilton, Executive Officer) reviewed the Draft PEIR and, with a letter dated February 25, 2008, submitted comments concerning formation of the SCSD, noting that "Humboldt Local Agency Formation Commission (LAFCo) has reviewed the Draft EIR and has several comments on the Draft EIR"; and

WHEREAS, LAFCo staff (Daniel Hamilton, Executive Officer) reviewed the Administrative Final PEIR and, with a letter dated December 12, 2008, submitted comments on behalf of LAFCo and, in another letter dated February 13, 2009, submitted additional comments concerning the Final EIR; and

WHEREAS, responses to LAFCo comments were incorporated into the Final EIR; and



WHEREAS, Humboldt County certified the EIR on November 10, 2009, and filed a Notice of Determination for their action on December 9, 2009; and

WHEREAS, the application for formation of the SCSD was formally accepted as complete by LAFCo on March 17, 2010, and scheduled for public hearing; and

WHEREAS, the CEQA Guidelines contain provisions for actions that a responsible agency (as LAFCo is in this case) needs to take in consideration of an EIR prepared by another agency. These actions, per Section 15096(f), include the requirement that, prior to reaching a decision on the project, the responsible agency must consider the environmental effects of the project as shown in the EIR and, per Section 15096(h), the responsible agency shall make the findings required by Section 15091; and

WHEREAS, Humboldt LAFCo held a meeting on July 21, 2010 and a Public Hearing on September 15, 2010 in consideration of the proposed formation of the SCSD, and opportunity was given to all interested persons, organizations, and agencies to present oral or written protests, objections, and other information concerning the EIR and the proposed CSD; and

WHEREAS, the Commission has reviewed the information contained in the staff reports pertaining to the EIR and the proposed CSD that were prepared for the July 21, 2010 and September 15, 2010 meetings; and

WHEREAS, the Environmental Impact Report was considered in conjunction with the project proposal; and

WHEREAS, LAFCo determined that the EIR prepared by the County of Humboldt for the Town of Scotia General Plan Amendment, Zone Reclassification, and Final Map Subdivision, which was certified as complete by the Humboldt County Board of Supervisors on November 10, 2009 by Resolution No. 09-77, is the appropriate environmental document for the Proposal, including formation of the CSD; and

WHEREAS, the Commission found that the Final EIR considers relevant environmental effects of the proposed Project as it relates to formation of a community services district under the jurisdiction of LAFCo.

NOW, THEREFORE, be it resolved, determined and ordered that Humboldt LAFCo adopts the following findings pertaining to the CEQA analysis for the formation of the Scotia Community Services District:

1. Humboldt LAFCo, as a responsible agency for the Final Program Environmental Impact Report (EIR) for the Scotia project that was prepared and certified by Humboldt County, has considered said EIR and the environmental effects of said action prior to reaching a final decision on formation of the SCSD.



2. LAFCo concurs with the lead agency that said Final EIR is complete and adequate and fully complies with all requirements of CEQA and the CEQA Guidelines.
3. LAFCo recognizes and concurs with the findings made by Humboldt County for certification of said EIR, including findings required by CEQA Guidelines Section 15091, incorporated into this LAFCo resolution by reference, in addition to LAFCo's own findings contained below, noting that LAFCo's consideration of environmental impacts evaluated in said EIR is limited on the proposed formation of the CSD.
4. LAFCo recognizes and concurs with the mitigation measures adopted by Humboldt County for said EIR, and the Commission finds that these mitigation measures reduce the identified potentially significant impacts to less than significant.
5. LAFCo further recognizes, concurs with, and adopts by reference the associated Mitigation Monitoring and Reporting Program as adopted by Humboldt County.

BE IT FURTHER RESOLVED by Humboldt LAFCo that:

Humboldt LAFCo makes the following findings:

1. IMPACTS AVOIDED OR MITIGATED TO A LEVEL OF INSIGNIFICANCE:

The Commission makes the findings listed below regarding the Town of Scotia project identified in the Environmental Impact Report (EIR) for the project. The Commission finds that all mitigation measures described in the EIR will be implemented pursuant to the conditions of approval and the mitigation monitoring program adopted by the County of Humboldt as part of the project. These mitigation measures were identified and discussed, or are derived directly from, measures which were identified and discussed in the EIR. The Commission hereby recognizes and affirms the mitigation measures set forth in the EIR and incorporated into the Mitigation Monitoring and Reporting Plan.

Impacts mitigated to a level of insignificance and the mitigation required to result in a less than significant impact are identified in Chapter 3 of the Draft EIR (pages 3-1 to 3-41), which is incorporated herein by reference, noting that, as they apply to LAFCo's limited jurisdiction over elements of the project, such changes or alterations are within the responsibility and jurisdiction of other public agencies and not the agency making the finding (i.e., LAFCo), and such findings have been adopted by such other agency or can and should be adopted by such other agency. The Commission finds, as such, that these mitigation measures reduce the identified potentially significant impacts to less than significant.

2. OTHER IMPACTS ARE NOT SIGNIFICANT:

Other potential impact subject areas are addressed in the EIR, including the potential for significant irreversible environmental changes and growth-inducing impacts. The Commission



finds that other potential impacts, as discussed in the EIR, would not have significant effects on the environment. No mitigation measures are required for those potential impacts.

3. ALTERNATIVES:

The Final EIR evaluates the potential environmental consequences of a range of alternatives, including the No Project Alternative, Annexation to the City of Rio Dell, and Formation of a Home Owners Association and Private Utilities. Analysis did not determine that annexation to the City of Rio Dell, or formation of any other type of entity to provide the proposed community services, would avoid or reduce environmental impacts that would otherwise occur as a result of formation of a CSD.

Under the “No Project” alternative, the Town of Scotia would continue to be operated by a private entity, and would continue to be subject to the existing land use and zoning regulations of Humboldt County. Scotia would not be subdivided and existing housing would continue to be rented out and maintained by a private entity. Because the No Project alternative assumes that no change would occur, this alternative is the least environmentally damaging. However, the No Project alternative would not allow the project to achieve any of its objectives, including improvement and long-term management of infrastructure. Furthermore, the alternatives identified in the EIR would not result in significantly less environmental impacts than the proposed project. Therefore, the proposed project is considered in the EIR to be the environmentally superior alternative.

4. STATEMENT OF OVERRIDING CONSIDERATIONS NOT NEEDED

The Commission finds the project proposed and analyzed in the Final EIR does not result in project impacts that cannot be avoided completely or mitigated to a level that is demonstrably less-than-significant, and that a Statement of Overriding Considerations, pursuant to Section 15093 of the CEQA Guidelines, is not required for this project.

BE IT FURTHER RESOLVED by Humboldt LAFCo that staff is directed to file a Notice of Determination pursuant to CEQA Guidelines Section 15094.

The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of the County of Humboldt, State of California.



PASSED AND ADOPTED at a special meeting of the Local Agency Formation Commission of the County of Humboldt, State of California, on the 13th of October, 2010, by the following vote:

AYES: Commissioners: Zanzi, Duffy, McClelland, Pauli, Farley
NOES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:

Martin McClelland
LAFCo Chair
Humboldt LAFCo

Attest:

Merle Anderson, LAFCo Executive Officer
Humboldt LAFCo



RESOLUTION NO. 10-09

**RESOLUTION OF
THE HUMBOLDT LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND APPROVING FORMATION OF
THE SCOTIA COMMUNITY SERVICES DISTRICT**

WHEREAS, a proposal to form the Scotia Community Services District (SCSD) was initiated in November 2007 with the Executive Officer of the Humboldt Local Agency Formation Commission (LAFCo) through an application and petition submitted by James Shanks of Pacific Lumber Company (PALCO); and

WHEREAS, the fundamental role of the Humboldt Local Agency Formation Commission (Humboldt LAFCo) is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances in Humboldt County; and

WHEREAS, the proposed CSD proposes to provide the following services to the community of Scotia: wastewater collection and treatment; water (both domestic and raw water for fire protection services); fire protection (by absorbing the Scotia Volunteer Fire Department); storm drainage; street lighting; road maintenance; parks, recreation and open space; and landscape maintenance within public right-of-way; and

WHEREAS, the proposed CSD will have the same boundaries as the established community of Scotia, comprising approximately 420 acres, located in the Eel River Valley along Highway 101, south of and separated from the City of Rio Dell by the Eel River; and

WHEREAS, the Proposal is made pursuant to Part 1, Division 3, Title 6 of the California Government Code (commencing with Section 61000, Community Services District Law) and Part 3, Division 3, Title 3 of the California Government Code (commencing with Section 56000, Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000); and

WHEREAS, the Town of Scotia, at the time of application, had 273 registered voters, and the petition to form the CSD was signed by 85 registered voters; and

WHEREAS, three persons are designated as chief petitioners: 1) Rick Walsh-504 B Street, 2) Gail McKnight-408 Church Street, 3) John Broadstock-601 1st Street; and

WHEREAS, the petitioners requested that Humboldt LAFCo conduct the proceedings proposed in the petition pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, to form a CSD for which the Board of Directors will be chosen by an at-large election; and



WHEREAS, in July 2008, PALCO's real and personal assets for Scotia were transferred to the Town of Scotia Company, LLC (TOS), and TOS became the applicant proceeding with the application; and

WHEREAS, the Town of Scotia is not within any Sphere of Influence of any city or service district; and

WHEREAS, there is not an "affected city" or "affected district", as defined by Government Code section §56011 or §56013; and

WHEREAS, the Commission has considered the Draft Municipal Service Review (MSR) for the proposed CSD, dated May 2009, containing the draft plan for services, and the proposed Sphere of Influence (SOI) for the CSD; and

WHEREAS, the Municipal Service Review document analyzes and affirms the CSD's ability to serve existing and future development in the community of Scotia; and

WHEREAS, as set forth in §56076 of The Act, a Sphere of Influence (SOI) is defined as a plan for the probable physical boundaries and service area of a local agency or district, as determined by the Commission; and

WHEREAS, the Sphere of Influence of the CSD is proposed to be coterminous with the boundaries of the proposed CSD; and

WHEREAS, the Commission has reviewed the LAFCo staff reports of July 21, 2010 and September 15, 2010, and has heard and fully considered the testimony presented at a meeting held on July 21, 2010, and the public hearing held on September 15, 2010, and related correspondence; and

WHEREAS, the Commission has reviewed the Final Environmental Impact Report, certified as complete by the County of Humboldt and for which the County served as lead agency, and the Commission has adopted a resolution making findings pursuant to the California Environmental Quality Act; and

WHEREAS, the Commission finds that it has reviewed the Proposal relative to the LAFCo Policies and Procedures Manual pertaining to Proposal Evaluation Policies, and further that it has reviewed the Proposal relative to evaluation criteria pursuant to Government Code, as analyzed in the MSR and the LAFCo staff report, and

WHEREAS, pursuant to Government Code Section 57001, the Commission has considered whether existing agencies can feasibly provide the needed services in a more efficient and accountable manner than a new CSD, and the Commission concurs with the analysis and recommendation in the staff report that there is no existing agency, including the City of Rio Dell, that has demonstrated that it can feasibly provide the services proposed in a more efficient manner; and



WHEREAS, the Municipal Service Review has been updated by LAFCo staff, now dated October 2010, for adoption by the Commission; and

WHEREAS, the Commission has considered all the factors required by law under Government Code Section 56425 pertaining to the proposed Sphere of Influence, and concurs with the determinations made in Chapter 9 of the Municipal Service Review; and

WHEREAS, in accordance with Government Code Section 61014, the Commission determines the proposed community services district, to be financed by bonds, special taxes, benefit assessment, and user fees, will have sufficient revenues to carry out its purposes; and

WHEREAS, it has been determined that, under the unique circumstances of the community of Scotia, the formation of a CSD is a feasible, cost-effective and acceptable approach to providing and maintaining community services for the community of Scotia; and will establish a public entity to assume control of and maintain the public service needs of the residents and businesses of Scotia.

NOW, THEREFORE, BE IT RESOLVED as follows that:

1. The Municipal Service Review (MSR) for the proposed community service district, as revised by LAFCo staff, dated October 13, 2010 (Attachment A), is adopted.
2. The Commission concurs with the recommended determinations made in the MSR and the LAFCo staff reports concerning the acceptability of the Proposal relative to the Proposal Evaluation Policies contained in the LAFCo Policies and Procedures Manual, and relative to evaluation criteria pursuant to the Cortese-Knox-Hertzberg Act, and the Commission hereby adopts those determinations by reference.
3. Formation of a community services district, to be known as the Scotia Community Services District, is approved, with boundaries as indicated in Attachment B, subject to the conditions of approval outlined below, and said CSD shall have the authority to provide the following services: water; wastewater; storm drainage; street lighting; parks and open space management; recreation; road maintenance; landscape maintenance within public rights-of-way; and fire protection.
4. The financing plan provided in the MSR for the formation of the CSD is determined to be adequate to establish the initial operating budget of the CSD.
5. The sphere of influence boundary for the Scotia Community Services District, to be coterminous with the boundary of the CSD, is hereby adopted with the determinations outlined in Chapter 9 of the MSR, pursuant to Government Code Section 56425.
6. The provisional tax appropriations limit, pursuant to "Gann limits" (California Constitution Article XIII B), submitted for voter approval shall be \$250,000. The permanent tax appropriations limit shall be set at the first election which shall be held following the full fiscal year of operation and shall not be considered a change in the appropriations of the CSD.
7. LAFCo staff is directed to initiate protest proceedings pursuant to the California Government Code (commencing with Section 57000) in compliance with this resolution.



RESOLUTION NO. 10-09

SCOTIA CSD CONDITIONS OF APPROVAL

The Conditions of Approval for formation of the Scotia Community Services District shall be as follows:

1. The Scotia Community Services District (SCSD) shall be formed pursuant to the Community Services District Law, commencing with California Government Code 61000.
2. The effective date of formation of the CSD shall be the date of recordation of a certified copy of the certificate of completion filed by the LAFCo Executive Officer with the county recorder of the County of Humboldt.
3. All assets and resources described in Attachment C to this resolution shall be offered with an irrevocable dedication by Town of Scotia LLC to the SCSD, and the LAFCo Executive Officer, with legal counsel as warranted, shall verify prior to issuing a Certificate of Completion that a legal mechanism has been adequately established to ensure such transfer of assets and resources either at initiation of the community service district, or as particular infrastructure components are subsequently confirmed to be improved and acceptable for transfer to the SCSD as proposed in the MSR Detailed Engineering Analysis.
4. Until such time as the CSD Board of Directors is seated, and thereafter if directed by said board, all infrastructure to be accepted by the SCSD shall be subject to confirmation by either the County of Humboldt or an engineer not affiliated with Town of Scotia LLC, as applicable, that the condition of such infrastructure has been improved as outlined in the MSR Detailed Engineering Analysis, and that said improvements and the condition of the infrastructure in general have been verified as conforming to applicable engineering standards.
5. The initial total of monthly user fees for the SCSD, including any and all debt service, shall not exceed \$188 per equivalent dwelling unit.
6. The Scotia Community Services District shall have the authority to incur indebtedness; however, the total amount of such indebtedness shall not exceed \$5 million within the first 5 years of operation unless necessitated by emergency.



The foregoing resolution was duly and regularly adopted by the Local Agency Formation Commission of the County of Humboldt, State of California.

PASSED AND ADOPTED at a special meeting of the Local Agency Formation Commission of the County of Humboldt, State of California, on the 13th of October, 2010, by the following vote:

AYES:	Commissioners: Zanzi, Duffy, McClelland, Pauli, Farley
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

A handwritten signature in cursive script that reads "Martin McClelland".

LAFCo Chair
Humboldt LAFCo

Attest:

A handwritten signature in cursive script that reads "Merle Anderson".

Merle Anderson, LAFCo Executive Officer
Humboldt LAFCo



RESOLUTION NO. 10-09

ATTACHMENT A

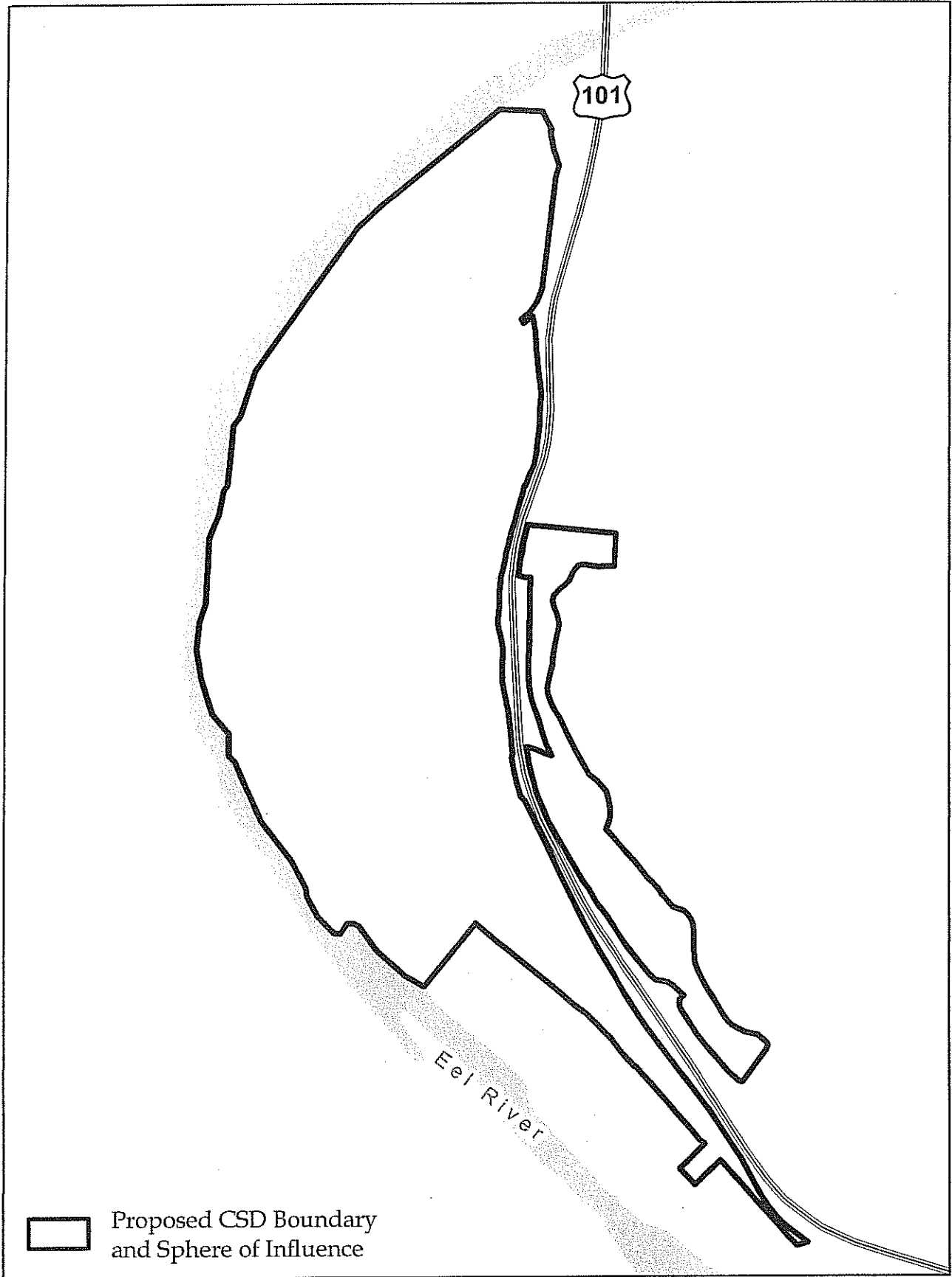
**MUNICIPAL SERVICE REVIEW
OCTOBER 13, 2010
(Incorporated by Reference)**



RESOLUTION NO. 10-09

ATTACHMENT B

**MAP AND LEGAL DESCRIPTION OF
THE SCOTIA COMMUNITY SERVICE DISTRICT**



*Note: All features are approximately located and to be used for illustration purposes only.
 Information provided by Pacific Lumber Company, Humboldt County, and Kelly-O'Hern Associates.*

NO SCALE

Legal Description for the Community Services District (CSD) Formation

All that real property in Sections 5, 7, 8, 17, and 18, Township 1 North, Range 1 East, Humboldt Meridian, in the unincorporated area of Humboldt County, California, described as follows:

Parcel One

BEGINNING at a point that bears North 19 degrees 11 minutes 51 seconds East, 2260.59 feet from the Northeast Corner of the Southeast Quarter of said Section 7, as said corner is shown on the Record of Survey filed in Book 63 Surveys, Page 71, Humboldt County Records, said being on the West line of that parcel of land conveyed to the State of California by deed recorded December 13, 1940 in Book 248 Deeds, Page 86;

thence along said West line the following courses:

North 21 degrees 32 minutes 22 seconds West (record bearing North 21 degrees 32 minutes 15 seconds West), 140.34 feet to the beginning of a non-tangent curve, concave to the West, having a radius of 900.00 feet, to which point a radial line bears North 76 degrees 28 minutes 25 seconds East;

Northerly along said curve, through an angle of 7 degrees 49 minutes 17 seconds, 122.86 feet to the Southerly right of way line of the Northwestern Pacific Railroad;

North 47 degrees 10 minutes 53 seconds East (record bearing North 47 degrees 11 minutes East), 53.51 feet along said right of way line, to the beginning of a non-tangent curve, concave to the West, having a radius of 950.00 feet, to which point a radial line bears North 67 degrees 28 minutes 15 seconds East;

Northerly along said curve, through an angle of 3 degrees 42 minutes 22 seconds, 61.45 feet;

North 26 degrees 14 minutes 07 seconds West (record bearing North 26 degrees 14 minutes West), 600 feet, more or less to the Mean Low Water Line of the Eel River;

thence Southerly along said Mean Low Water Line, 9950 feet, more or less, to a point that bears South 39 degrees 45 minutes 25 seconds West from a point that bears South 01 degrees 16 minutes 30 seconds East, 4800.76 feet from said Northeast Corner of the Southeast Quarter of Section 7;

thence North 39 degrees 45 minutes 25 seconds East, 900 feet, more or less, to said point;

thence South 51 degrees 16 minutes 07 seconds East, 1090.02 feet;

thence South 46 degrees 22 minutes 22 seconds East, 931.04 feet;

thence South 42 degrees 51 minutes 57 seconds East, 871.66 feet;

thence South 47 degrees 17 minutes 52 seconds West, 258.90 feet;

thence South 42 degrees 42 minutes 08 seconds East, 192.03 feet;

thence North 47 degrees 17 minutes 52 seconds East, 355.85 feet, more or less, to a point on the East line of that parcel of land conveyed to the San Francisco and Northwestern Railway Company by deed recorded May 16, 1903 in Book 82 Deeds, Page 410;

thence Southerly along said East line, 1117 feet, more or less, to a point that bears South 22 degrees 34 minutes 36 seconds East, 8293.55 feet from said Northeast Corner of the Southeast Quarter of Section 7;

thence North 59 degrees 35 minutes 57 seconds East, 189.80 feet, more or less, to the Westerly right of way line of State Highway 101, as conveyed to the State of California by various deeds of recorded;

thence Northerly along said Westerly right of way line of State Highway 101, 11,044 feet, more or less, to the point of beginning.

Parcel Two

BEGINNING at a point that bears South 54 degrees 36 minutes 38 seconds East, 1781.38 feet from the Northwest Corner of the Southwest Quarter of said Section 8, as said corner is shown on the Record of Survey filed in Book 63 Surveys, Page 71, Humboldt County Records;

thence South 01 degrees 19 minutes 15 seconds East, 496.56 feet;

thence West, 393.65 feet;

thence South 09 degrees 58 minutes 40 seconds West, 531.57 feet;

thence South 06 degrees 59 minutes 47 seconds West, 488.01 feet;

thence South 28 degrees 15 minutes 52 seconds East, 1122.99 feet;

thence South 03 degrees 21 minutes 46 seconds East, 520.65 feet;

thence South 40 degrees 21 minutes 03 seconds East, 322.03 feet;

thence South 38 degrees 50 minutes 02 seconds East, 180.02 feet;

thence South 32 degrees 13 minutes 32 seconds East, 142.01 feet;

thence North 79 degrees 39 minutes 07 seconds East, 214.02 feet;

thence South 08 degrees 25 minutes 37 seconds East, 339.03 feet;

thence South 01 degrees 53 minutes 57 seconds East, 166.01 feet;

thence South 16 degrees 03 minutes 57 seconds East, 89.01 feet;

thence South 24 degrees 39 minutes 58 seconds East, 287.03 feet;

thence South 34 degrees 48 minutes 46 seconds East, 298.03 feet;

thence South 53 degrees 40 minutes 25 seconds East, 126.01 feet;

thence South 78 degrees 36 minutes 20 seconds East, 157.02 feet;

thence South 58 degrees 22 minutes 16 seconds East, 92.01 feet;

thence South 07 degrees 07 minutes 15 seconds West, 54.46 feet;

thence South 31 degrees 33 minutes 30 seconds West, 409.92 feet, more or less, to the East line of that parcel of land conveyed to the State of California by deed recorded June 5, 1972 in Book 1140 Official Records, Page 228 (parcel 1 therein);

thence along said East line the following courses:

North 38 degrees 50 minutes 27 seconds West, 651.00 feet (record North 37 degrees 31 minutes 12 seconds West, 650.94 feet);

North 43 degrees 38 minutes 29 seconds West, 400.22 feet (record North 42 degrees 19 minutes 14 seconds West, 400.18 feet);

North 41 degrees 52 minutes 19 seconds West, 30.00 feet (record North 40 degrees 33 minutes 07 seconds West, 30.00 feet);

North 08 degrees 21 minutes 52 seconds East, 98.82 feet (record North 09 degrees 41 minutes 07 seconds East, 98.81 feet);

North 44 degrees 02 minutes 45 seconds West, 670.14 feet (record North 42 degrees 43 minutes 30 seconds West, 670.08 feet);
North 28 degrees 22 minutes 35 seconds West, 1234.50 feet (record North 27 degrees 03 minutes 20 seconds West, 1234.39 feet);
North 20 degrees 10 minutes 43 seconds West, 94.22 feet (record North 18 degrees 51 minutes 28 seconds West, 94.21 feet);
North 21 degrees 05 minutes 31 seconds West, 30.00 feet (record North 19 degrees 46 minutes 18 seconds West, 30.00 feet);
North 19 degrees 41 minutes 55 seconds West, 408.54 feet (record North 18 degrees 22 minutes 40 seconds West, 408.50 feet) to the East line of that parcel of land conveyed to the State of California by deed recorded July 5, 1951 in Book 175 Official Records, Page 322 (parcel 1 therein);
thence along said East line the following courses:
North 02 degrees 07 minutes 06 seconds West (record bearing North 02 degrees 06 minutes 21 seconds West), 169.89 feet;
North 03 degrees 59 minutes 45 seconds West, 774.61 feet (record North 03 degrees 59 minutes West, 774.61 feet);
North 24 degrees 04 minutes 37 seconds East, 340.01 feet (record North 24 degrees 05 minutes 22 seconds East, 340.01 feet);
North 27 degrees 10 minutes 28 seconds West, 419.36 feet (record North 27 degrees 09 minutes 43 seconds West, 419.36 feet);
North 03 degrees 42 minutes 53 seconds West, 129.78 feet (record North 03 degrees 42 minutes 08 seconds West, 129.78 feet);
South 82 degrees 55 minutes 08 seconds East, 40.00 feet (record South 82 degrees 54 minutes 23 seconds East, 40.00 feet);
North 37 degrees 02 minutes 58 seconds East, 476.33 feet (record North 37 degrees 03 minutes 43 seconds East, 476.33 feet) to a point that bears South 88 degrees 41 minutes 41 seconds West from the point of beginning;
thence leaving said East line North 88 degrees 41 minutes 41 seconds East, 600.24 feet, more or less, to the point of beginning.

The bearings in this description are based on Book 63 Surveys, Page 71, Humboldt County Records.

END OF DESCRIPTION

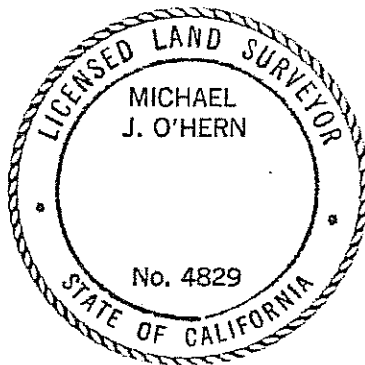
Prepared by:

Michael J. O'Hern

Michael J. O'Hern

LS 4829

Dated: OCTOBER 12, 2010





RESOLUTION NO. 10-09

ATTACHMENT C

The real property assets to be transferred from TOS to the Scotia CSD, at no cost to the CSD, shall include:

- the water intake structure along the Eel River and associated appurtenances and piping;
- the raw water supply for fire-fighting located on the east side of Highway 101, including the fire-fighting water storage and associated appurtenances and piping;
- the water treatment plant located on the east side of Highway 101, including the buildings and furnishings, water storage, operational equipment, and associated appurtenances and piping;
- the wastewater treatment plant located along Railroad Avenue, including the buildings and furnishings, wetland treatment ponds, log pond, log pond clarifier, and operational equipment;
- the former Carpenter Shop, including the portions of the building known as the Paint Shop, the parking and yard areas, and associated tools and equipment, to be used as a corporation yard;
- the linear underground infrastructure including water transmission and distribution system, wastewater collection system, and storm water drainage system, after improvements and relocation to right-of-way, and associated appurtenances and piping;
- the street lighting system including the period replica lampposts;
- the Scotia Volunteer Fire District building located at the intersection of Main Street and First Street, including office equipment, furniture, and fire-fighting equipment, and the Pipe Shop located in the basement with its contents;
- the Scotia Museum located between Main Street, B Street, and Eddy Street, including the museum building, its contents, and the landscaped grounds, picnic area, and various railroad and logging artifacts surrounding the building;
- the historic Winema Theatre located at the intersection of Main Street and Bridge Street, including the building, its contents, state-of-the-art audio-visual systems and cable television, and the landscaped grounds surrounding the building;
- the Baseball Park (a regulation irrigated and lighted baseball field with electric scoreboard, permanent bleachers, and a fully equipped snack bar) located between Williams Street and Railroad Avenue, including installations, bleachers, and parking area;
- the Community Soccer Park (a regulation irrigated soccer field with goals and a 60-seat bleacher system) located between Railroad Avenue and the Eel River, south of the wastewater treatment facility and northwest of the baseball field, including installations, bleachers, and parking area;



- the Firemen's Park picnic area located in the vicinity of the Community Soccer Park, including pit barbecue, permanent tables, and restrooms;
- pocket parks located along Main Street associated with the Winema Theater and the Scotia Museum; and
- the Scotia Community Forest, a wooded buffer area along the Eel River.

In addition to the real property listed above, the following will be transferred from TOS to the SCSD:

- a start-up fund of \$20,000 for initial office set-up and initial costs
- an initial CSD contingency fund of \$135,000
- easements/dedications for the new linear infrastructure
- one of the most valuable privately held water rights and licenses in California, which will be conveyed without reservation or reversion to the SCSD to put to any beneficial use allowed by law (This water right allows a diversion of up to 7.1 cubic feet per second from the Eel River 24/7 year-round for domestic and industrial uses.)
- all rights to access, employ, and use the infrastructure and collect service fees as soon as the CSD is formed, even as TOS continues to assume responsibility for the infrastructure improvements
- the rolling stock and operational equipment associated with the water and wastewater treatment facilities (see list below)
- the rolling stock and operational equipment associated with the Fire District (see list below)
- all other rolling stock operational equipment attached to road maintenance, park, and street lighting services and general CSD operations and maintenance including backhoe, pickup trucks, generators, and hand tools from the Carpenter Shop, Paint Shop, and Pipe Shop to be conveyed to the SCSD, plus equipment located in the Garden Shop which will be relocated to the Carpenter Shop (see list below) (Note that the Garden Shop building itself is not planned to be conveyed to the SCSD.)

List of Additional Equipment and Property to be Conveyed to the CSD

Note: It is recognized that some minor pieces of equipment listed in the following inventory may be retired from service, or possibly replaced with comparable equipment, prior to the time that TOS LLC would be able to convey said equipment to the Scotia CSD. Therefore, the failure to convey particular pieces of equipment from this list, if documented as being retired from service, will not invalidate the overall intent to convey equipment to the CSD as it relates to completing the conditions of approval for formation of the CSD.



Fire Department

1 Lifepack 500 Automated External Defibrillator
1956 Ford Service Truck-Out of service, future restoration project
1978 International Pumper: 1,000-GPM, 750-Gal Tank
1985 Pierce Lance Pumper: 1,500 GPM, 1,000-Gal Tank
1990 GMC Suburban Medical Response Vehicle
1997 Ford F-350 Quick Attack Mini Pumper: 500-GPM, 200-Gal Tank
2004, ¾-Ton Chevy Pick Up—Chief's Command vehicle
Two Rescue Trailers:
• 2003 Tandem Axle; Response with jaws of life & high/low angle rope rescue equipment
• 2005 Single Axle; Response with confined space rescue equipment
5 portable generators 2,000-watt to 6,500-watt
Misc. supplies of extra fire hose and extinguishers
Wildland Firefighting Clothing for 10
Structural Firefighting Clothing for approx 20 (will want to increase to 30 in future)
Computer
18 Radios (vehicle mounted and portables)
Fire Alarm Panel for Building
Two Antique Hose Carts
Jaws of Life Equipment
List of replacement equipment is listed in the Proposed CSD Document.

Water Treatment Plant

Portable diesel pump: 1,500-GPM
4-Cyl Portable gas pump: 500-GMP
6-Cyl Portable gas pump: 1,000 GPM
Spare 125-HP river well pump and motor
Spare 150-HP fire booster pump

Wastewater Treatment Plant

Spare 10-HP Gould Shallow Well Pump & Motor
Spare 15-HP Gould Deep Well Pump & Motor
Spare Chlorine Contact Chamber Marlow Pump
2007 Back-up generator; 4.5-liter John Deere; 116.4-kw

Pipe Shop

Pipe Fitting shop Threaders
Tools
Fittings
Spare Valves: ½-inch to 12 inches
Repair couplings: ½ inch to 20 inches
3 portable generators
4 portable water pumps
2008 Chevy ¾-ton 4WD truck
2008 Chevy ½-ton 2WD truck
Ford F450 Dump truck
1985 Ford ½-ton truck



60-Foot Boom Truck
416C Cat Backhoe 4WD
2 portable power snakes for sewer lines

Garden Shop

Husqvarna Riding Lawn Mower
3 Husqvarna String Trimmer
2 Push Lawn Mowers
2 Homelite chain saws
2005 F-150 Ford ½-ton Pickup truck
48-in. Commercial Walker riding lawn mower
52-in. Mulching Commercial
2 Power trim edgers
24-inch Stihl power hedge trimmer
Assorted shovels, rakes, hoes, etc.
½-HP heavy duty power grinder
20-Gal power sprayer
John Deere self-propelled walk-behind lawn mower
Honda self-propelled walk-behind lawn mower
John Deere Tractor-Mower

Paint Shop

24-foot Extension ladder
20-foot Extension ladder
32-foot Extension ladder
7-foot, 5-Way Combination ladder
8-foot Step ladder
6-foot Step ladder
5-foot Step ladder
4-foot Step ladder
6-foot to 9-foot Extension Plank
16-foot Aluminum plank
Folding Aluminum Scaffold
Pressure Washer
850I Titan Airless paint sprayer
4.5-HP Black & Decker 3/8-inch Drill
Vinyl Plodder
Computer
Scanner/Printer
98 Chevy Truck

Carpenter Shop

2008 ½-Ton Ford
2008 1-Ton Ford flat bed
1998 ¾ Ton Chevy 4WD
6,000-lb Hyster forklift (propane)
2 Table Saws: 12-inch and 14-inch
2, 14-inch Band Saws



15-inch Planer
2, 10-inch Radial Arm Saws
Panel saw
Multi Steep Ladders: 6-foot to 8-foot
Multi Extension Ladders: 10-foot to 48-foot
Honda 5,000-watt generator
Husky chainsaw
Echo pole saw
Concrete tools, floats, trowels, and mixer
Multi- drills, skill saws, portable compressors, rakes, shovels, bars
Rammer
Plate compactor
Gas huger
Multi-hand tools
Walk behind concrete saw
Gas 14-inch cut-off saw (hand-held)
2 Shop vacs
Shop cyclone dust collection system
2 drill press
Belt and Disk sander