



NOTICE TO SCOTIA WATER USERS

July 16, 2015

Dear Friends and Neighbors:

As you are all aware we have been experiencing a disruption to the Town of Scotia (TOS) water supply and treatment system over the last week or so. We are finally extracting clean, clear water again at our river intakes, but we are still going through the process of cleaning storage and settling tanks, lines, filters and other distribution or treatment components to prevent redistributing sediment and settled materials which cause the discoloration or taste and odor impacts which we have all experienced.

Our Understanding of Circumstances Giving Rise to the Problem.

Based on input from our engineers, consultants, staff and our own consideration of facts and circumstances, our working theory and understanding is as follows:

- The Scotia Volunteer Fire Department and Rio Dell Fire Prevention companies responded to an alert at around 9:30 pm on Saturday June 27 to address a wood waste pile fire at the Scotia Humboldt Redwood Company (HRC) Sawmill. The threat of open-flame spreading was brought under control by the fire departments by about 2:30 am Sunday June 28, and the scene was turned over to HRC staff.
- HRC staff continued to pour water on the pile with high volume "deck guns" throughout the following day, depositing what has been estimated to be over 2 Million Gallons of water on the wood waste piles.
- We believe that over a period of days, run-off from this event leached out of the wetted material and found its way to a nearby storm drain, discharged on the Eel River gravel bar, and impounded in an area over the Town of Scotia (TOS) Drinking Water Infiltration Galleries or collector pipes.
- On or about July 4, TOS staff began to notice discoloration in its river intake water and the need to add additional chlorine to maintain an appropriate residual chlorine level in the finished water.

What we've done to help resolve the issue and its cause as we understand it:

- We immediately informed and promptly met with HRC management and legal counsel, to request that the storm drain discharge we understand to be impacting our drinking water cease, and that the impounded storm drain effluent perched on the gravel bar over our intakes should be cleaned up.
- We promptly communicated with the CA Department of Fish and Wildlife and arranged to file an Emergency Notice to authorize immediate stream bank alteration work on the gravel bar to interrupt and remove the effluent.
- HRC activated an excavator and several dump-trucks and re-directed the storm drain discharge to the south, removed pond perched over the gravel infiltration galleries and hauled off perhaps as much as hundreds of yards of the aggregate.
- We have stepped up bacteriological sampling and chlorine residual monitoring throughout the far reaches of the distribution network, and test results now show a lessened need for additional chlorine.

- Throughout this process, we increased chlorine dosing so as to maintain an appropriate chlorine residual in the distribution system. The level has remained below the maximum regulatory limit; however, this may have contributed to some taste and odor issues noticed by residents and businesses.
- Please note: it is not necessary to add any additional chlorine to the water. In fact, we have received reports that adding extra chlorine will cause or exacerbate discoloration and precipitation of lignin, tannins, iron and manganese, even in clear water. Therefore, use of any bleach-based laundry detergent, chlorinated dishwasher soap, or household cleanser may cause this discoloration effect.

Communication with Regulatory Agencies:

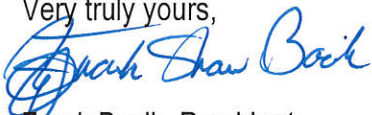
- We have been in contact with the State Water Resources Control Board, Division of Drinking Water, which regulate public drinking water systems. That agency staff are fully aware of the situation and are keeping track of the proceedings.
- We are also in contact with the Humboldt County Department of Environmental Health, Consumer Protection Division, which has also reviewed this communication.
- We are advised that the water is safe from a bacteriological standpoint, and it is not necessary to boil water or add additional chlorine at this time. The Water Board staff's only recommendation is that if the water is aesthetically displeasing (taste, odor, color) water users may wish to drink bottled water for a few days.

Projected system function and water quality improvement:

- TOS has plumbed, installed and tested an emergency alternate pumping and supply system which will allow it to pump clean river water hundreds of yards to our treatment facilities if it becomes necessary.
- We are exploring the possibility of flushing the area on the gravel bar which was impacted by the initial effluent discharge. While there is a natural flushing effect every year with the return of rains and high river flow regimes, that effect is not expected until October.
- We are currently emptying our 1 million gallon river water storage and settlement tank, and have scheduled a thorough cleaning Thursday, July 16, 2015, including personnel entry into the tank, vacuum truck extraction of any settled sediment and fire hose wash down.
- We are also flushing hydrants, running sprinkler systems on the farthest and lowest reaches of the distribution system to move out old supply and eliminate precipitated sediment.
- With continuing improvement of water clarity from the river intake, lessening chlorine demand, clean storage and settlement tanks, etc., we anticipate the residents and businesses should see marked improvement in the quality and character of their water within a matter of days.

If you have any questions or concerns about the information in this Notice or any other matter related to the water system or drinking water, please contact me directly.

Very truly yours,



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