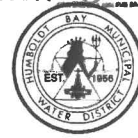


MINUTES



Minutes for Meeting of Board of Directors
May 14, 2020

1. **ROLL CALL**

The Board meeting was conducted via Zoom due to COVID-19 Shelter In Place Orders. President Woo called the meeting to order at 9:04. Director Rupp conducted the roll call. Directors Fuller, Latt, Lindberg, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, Tech Manager Dee Dee Simpson-Glenn, and Board Secretary Sherrie Sobol were present. Nathan Stevens of GHD, District Legal Counsel Ryan Plotz and Anne Baptiste of Thomas Law Group were present for a portion of the meeting.

2. **FLAG SALUTE**

The flag salute was conducted.

3. **ACCEPT AGENDA**

On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to accept the agenda.

4. **PUBLIC COMMENT**

No public comment was received prior to the 8:45 am deadline.

A public comment was received on May 17, 2020 regarding Agenda Item 2.0: Flag Salute. A. Saulsbury submitted an email regarding the video pledge recited by John Wayne. The comment states: "For many, I am sure John Wayne is a symbol of Americanism. However, as a Tribal member and someone engaged in anti-racism work, onscreen John Wayne is a symbol of harmful stereotypes and pervasive beliefs about Native community members; offscreen John Wayne was unfortunately even more problematic." ... "My intent is calling attention to this is not to serve as the racial bias police. Instead, I hope this helps you make sure your meeting substance and process is careful to avoid implicit bias that serves as a deterrent to participation for community members who do not fit John Wayne's vision of America."

5. **MINUTES**

On motion by Director Rupp, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the minutes of April 09, 2020.

6. **CONSENT AGENDA**

Director Fuller pulled Item 6.6 Newspaper articles. On motion by Director Fuller, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to approve the Consent Agenda, less Item 6.6.

Director Fuller pulled the article from Circle of Blue: Protective Gear in Low Supply for U.S. Water Utilities. She inquired how staff is doing with the personal protective gear. Director Rupp asked if operations are being impacted. Mr. Friedenbach stated this will be discussed under Operations.

Director Fuller discussed the article regarding Buildings Shut Down for Weeks May Have Contaminated Water in Their Pipes. Mr. Friedenbach stated he sent a letter to Sheriff Honsal and Public Health Officer Teresa Frankovich regarding this issue. Mr. Friedenbach stated he checked with the District engineer regarding the sequencing for flushing and also checked with the CDC prior to crafting the letter. He has not heard back from either Sheriff Honsal or Dr. Frankovich. Director Rupp stated this is important information to get out. Director Latt suggested a "My Word" piece or other such press release.

Director Fuller also pulled the article from the Marin Independent Journal: MMWD Considers "very aggressive" water. The Marin Municipal Water District engineer and operations director Paul Sellier was quoted as saying "That's part of our plan moving forward is a very aggressive take of water from

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Sonoma.” Director Fuller stated she thought this was an interesting choice of words and brought it up in terms of the District water transport option. Director Rupp stated he participated in numerous discussions with Sonoma County Water Agency and they have lots of storage capacity. The real issue is will Sonoma provide the extra water to Marin. He doesn’t really see an increase in demand for the future. Mr. Friedenbach noted that Marin Municipal Water District is a wholesale customer of Sonoma County Water District. On motion by Director Fuller, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve Consent Item 6.6.

7. CORRESPONDENCE

7.1 District letter of support to Mad River Alliance

Mr. Friedenbach shared the District letter of support for the Rose Foundation Grant application that Mad River Alliance is applying for. He noted the District submitted a similar support letter two years ago.

7.2 District letter of support for Annie& Mary Trail Connectivity

Mr. Friedenbach discussed the letter of support for the Caltrans District 1 Arcata Annie & Mary Connectivity Project. The end point of the trail is at the District’s Park 1. He noted that there is money included in the project for picnic tables at Park 1 and paving/curbing the parking lot. Director Latt recalled that the County agreed to help with the costs of restrooms at the Park 1. Mr. Friedenbach concurred and stated if the grant application is funded, he will have a formal discussion with the County. Director Fuller stated it would be good to have signage at the park regarding our water system. Funds could be used from the education and outreach budget.

7.3 District letter to GHD and their response re: billing rates

The Board requested staff inquire about reduced billing rates from GHD. Staff did so and GHD responded with an adjusted rate matrix. The District will see some savings going forward.

7.4 District’s Public Comment at Ruth Lake CSD meeting

Ruth Lake CSD closed the lake in response to the pandemic and Trinity County Shelter In Place orders. Many locals were upset they were not able to launch their boats. The District’s public comment letter offered a way for owners of resident watercraft (yellow sticker, category 1) to access the lake with little or no direct contact with RLCSO staff.

7.5 District letter to Trinity County re: Curb on Mad River Road

Mr. Friedenbach shared the letter he wrote to Richard Tippett, Director of Transportation for Trinity County. A registered geologist suggested the District install a curb on the west side of Mad River Road above the spillway of R.W. Matthews Dam. This is a safety measure to direct surface water from the road away from our spillway. The District is willing to install the curb at our expense and is planning on having it installed this summer by Mercer Fraser since they are doing work in the area with the necessary equipment. Mr. Friedenbach stated he has made numerous attempts to reach Mr. Tippett with no success, as stated in the letter. The Board inquired what next steps were in the event the District does not receive a response to the letter. Mr. Friedenbach stated if a response is not received, he will reach out to the Trinity County CAO, Dr. Richard Kuhns, with whom he has previously met.

8. CONTINUING BUSINESS

8.1 Water Resource Planning

a) Local Sales

A report from the Samoa Peninsula Stakeholder Group is expected soon and will be brought to the Board when it is received.

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ESS of Laguna Hills continues to prepare our grant application to the US Economic Development Agency for \$3.5 million in funding for the rehabilitation of Station 6. Staff received a draft of the application and are in the process of providing additional information to complete the application.

b) Transport
No update.

c) Instream Flow
Staff was hoping to provide a draft of the project description however, were not able to finalize one component. The draft will be brought to the Special Board Meeting on May 29th for review and possible approval. President Woo stated the Instream Flow Committee met on May 12. Next steps include reaching out to regulatory agencies and receiving their initial comments on the draft project description. Given the COVID-19 pandemic, it will take longer to schedule a meeting with the State Water Resources Control Board (SWRCB). She provided an overview of the narrative summary for Petition for Change to the SWRCB. Director Fuller stated getting the project narrative approved by the Board is the next big step.

8.2 Cannabis affecting Mad River Watershed

Mr. Friedenbach shared the article “Judge Holds Landowner Liable for Cultivation-Related Environmental Crimes Despite Claim He Was Not Directly Involved”. Director Latt noted the findings of the court showed that the landowner did know what was going on with his property. This decision will be a valuable tool going forward to hold people accountable for the environmental damage.

8.3 The Board entered into closed session at 2:30 pm and returned to open session at 4:30 pm
Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (Brosgart)

Due to a perceived conflict, President Woo recused herself from the meeting. Mr. Friedenbach reported out that the Board unanimously (4-0 by roll call vote) moved in closed session to approve the withdrawal of its appeal of the Planning Commission decision to approve four applications submitted by Michael and Ariel Brosgart for Humboldt APN 516-111-064 as stated in the letter from the Thomas Law Group on behalf of the District.

Conference with Legal Counsel – Anticipated Litigation Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (Axel)

President Woo stated there was no reportable action.

Public Employee Performance Evaluation for General Manager (pursuant to Section 54957(b)(1))

President Woo stated there was no reportable action.

8.4 Vivid Green

Mr. Friedenbach stated Vivid Green, LLC requested a letter of support from the District for a new Variance they would like to file with the Trinity County Planning Department. District legal counsel Ryan Plotz previously recommended the Board request an environmental indemnity agreement in exchange for District support of the variance. Mr. Plotz stated the indemnity agreement is a standard one and reviewed sections two and ten with the Board. Director Latt stated the document looked good to him.



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Mr. Plotz stated legal counsel for Vivid Green has reviewed the document as well as the support letter and found them acceptable. On motion by Director Lindberg, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve the Environmental Indemnity Agreement and the District letter of support to Trinity County for variance.

9. NEW BUSINESS

9.1 Resolution 2020-05 Quagga/Zebra Mussel Infestation Prevention Grant Program Application and Funding Agreement 2019/20

Director Rupp read Resolution 2020-05. This resolution is required for participation in the grant funding program to assist with the Quagga/Zebra Mussel prevention plan. The resolution authorizes the District to apply for the grant and for the general manager as the designated representative to handle all aspects of the grant if approved. On motion by Director Latt, seconded by Director Rupp, the Board voted 5-0 by roll call vote to approve Resolution 2020-05.

9.2 Policy for Eligibility for Health Care Coverage-Temporary Revision

Ms. Harris stated the Board approved this policy last month, however, ACWA/JPIA extended the deadline from May 31 to July 31st. Staff proposes to change the deadline verbiage to “until rescinded by ACWA/JPIA” rather than coming back to the Board each time ACWA/JPIA extends the deadline. The Board concurred. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 by roll call vote to approve the temporary revision to the Policy for Eligibility for Health Care Coverage.

10. REPORTS (from Staff)

10.1 Engineering

a) 12kV Switchgear Replacement (\$441,750 District Match)

Mr. Stevens stated the contractor is in the process of revising their submittal. He should have the final in the next few weeks and will share it with PG&E. PG&E indicated they will only need one week to review it. The District still has not heard back regarding the additional funding requested for this project.

b) Appeal of FEMA Funding Denial for Collector 4 Emergency Restoration Work

As previously reported, FEMA denied funding of \$365,000 and the District filed an appeal. There is no news on the appeal yet.

c) Collector Mainline Redundancy Hazard Mitigation Grant (\$790,570 District Match)

Mr. Stevens said it looks like the project will be funded, most likely late summer or early fall.

d) Reservoir Structural Retrofit Hazard Mitigation Grant (\$914,250 District Match)

Nothing to report. Hoping that NEPA will be finished soon.

e) TRF Generator Hazard Mitigation Grant (\$460,431 District Match)

Mr. Stevens was happy to report that the project was removed from the waitlist and CalOES recommended it to FEMA for funding. We will likely know more in late fall.

10.2 Financial

a) Financial Report

Ms. Harris provided the April financial report. She noted the US Bank General Account balance is higher than usual. This is because money has not yet been shifted to investment accounts given the uncertain financial market fluctuations now with the pandemic. She also noted in the expenditure report that PG&E rates were much higher than anticipated and will



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likely be about twenty percent overbudget. Director Rupp inquired if notification was received from PG&E regarding rate increases. Ms. Harris stated no notices were received. The Board suggested RCEA Executive Director Matthew Marshall speak to the Board regarding power. Director Rupp suggested we also have someone from the ACWA Energy Committee speak to the Board as well.

Director Lindberg reviewed the bills and stated all appeared in order. He was impressed with the detail level and the number of checks. On motion by Director Rupp, seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the April financial statement and vendor detail in the amount of \$311,630.12.

b) FY 2020/2021 Budget Presentation: SS and SEB budget

Ms. Harris provided an overview of the scheduled budget meetings through July 9, 2020 when the FY 2020/21 budget will be considered and approved by the Board. The discussion for this meeting includes the Service & Supply (SS) budget and the Salaries & Employee Benefits (SEB) budget.

The SS budget includes: operations expenses, maintenance expenses, administration expenses and general expenses. She noted there has been an unprecedented increase in power costs. The average increase for FY20 through March 2020 is 12.29%. Pumping and the TRF accounts for 97% of the power bill. Additionally, PG&E requested a rate increase of 12.4% for 2020, 4.7% for 2021 and 4.8% for 2022. This is a major component of the SS budget. The total proposed change to the SS budget is an increase of \$85,700 or 5.5%.

Ms. Harris reviewed the salary schedule. She stated the District currently uses a 5-step salary schedule for all full-time employees. Once at step five, the employee is at their maximum pay level. The challenge to any government agency is to ensure their salary step schedule remains competitive with other agencies. A "Wage and Time-Study Analysis" review is suggested. Without the review on a regular basis the agency risks becoming outdated regarding pay and job descriptions. The last time the District completed an analysis was in 2008. At that time, the analysis resulted in an increase in employee pay rates beginning at five percent and up to 25%. Staff proposes to complete an in-depth Wage and Time Study as compared to other agencies over the next six months and will bring the findings back to the Board for review and discussion. The Board suggested staff review costs for consultants to do this.

The SEB budget includes: all salary and wage expenses, longevity, step, COLA and benefit costs. The total proposed changes will result in an increase of \$212,900 or 3.7%. Proposed changes include adding permanent, part-time staff to the Maintenance Worker 5-step wage schedule and a request for COLA of 3%. Ms. Harris provided the range of financial impact of COLA from 2.5-3.3%. The COLA request is based on the CPI Index and what other local agencies/municipalities are doing. The West Region CPI is 2.9%. The proposed total increase to the salary and wages budget is \$63,800 which is a 2.6% increase. Director Latt requested to see the financial impact of a 1%, 1.5% and 2% COLA.

The employee benefits budget is proposed to increase by \$63,400 which is a 3.8% increase. This includes a new request from employees to keep the HSA Incentive on-going (\$1,000) rather than sunsetting after four years, an increase in CalPERS pension cost (\$27,400), Worker's Compensation insurance (\$15,000), payroll tax expenses (\$2,300) and medical insurance premiums (\$17,700). Feedback from the Board was to continue the HSA incentive



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as long as the total premium keeps saving the District money compared to the other PPO plans.

A new request from employees is that the Board increase the contribution for retiree health insurance premium and further discuss making the retirees premium a percentage of the Family Classic PPO premium annually. Ms. Harris shared some ideas regards this but noted that staff is not anticipating a decision regarding changing the retiree health contribution during this budget process. The only way to get a complete picture of the impact of any changes is to engage the services of an actuarial consultant.

c) Special Board Meeting on May 29, 2020 to discuss Project Budget

The Special Board Meeting at 9 am on May 29th will be conducted via Zoom due to the COVID-19 pandemic. Typically, an employee barbeque follows the meeting but it will be delayed until the Shelter In Place Order allows group activities. Director Rupp stated he has a conflict at 9 am and inquired if the time could be changed to the afternoon. After a brief discussion, the Board agreed to start the meeting at 1:00 pm.

d) CalPERS article re: Retirement Security

Ms. Harris stated she had no comments on the article. She included it for informational purposes.

10.3 Operations

Mr. Davidsen provided the monthly operations report. As part of the Water Infrastructure System Efficiency (WISE) a new meter was installed at Collector 4 however; it was not working properly and they are up against a deadline. Staff switched out the meter and were able to get it to read properly. There is one week of testing left with the WISE program. A rebate from PG&E should be arriving as result of participation in the WISE program. Topics for safety meetings held include: confined space; heat and illness prevention; lockout/tagout; and Arc Flash.

He is still running a split crew which is not the most efficient however; it is necessary at this time due to Covid-19.

May maintenance went well and they will go back later to finish work on the hydroplant. Josiah the new electrician is doing very well. This was his first time at Ruth and Mr. Davidsen stated he has a great deal of confidence in him.

In regards to COVID-19, the operations staff has been diligent about wearing masks, especially during shift change. They are sanitizing the work space regularly and it is going well overall despite the inconvenience.

Mr. Friedenbach added the Eureka office staff is social distancing, does not have direct contact with the public and are also sanitizing the work area on a regular basis.

11. MANAGEMENT

11.1 CSDA

Mr. Friedenbach shared the letter sent to California legislators from numerous industries regarding Workers' Compensation and COVID-19. The letter opposes Governor Newsom's Executive Order stating if an employee is working and gets COVID-19, it will be presumed that it is work related.

Mr. Friedenbach stated this will be an issue across the state.



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11.2 AWWA Drinking Water Week May 3-9, 2020

May 3-9, 2020 was Drinking Water Week. Mr. Friedenbach shared a screenshot from the District's website that explained what Drinking Water Week is and thanked the team at the District for delivering high-quality drinking water to our communities.

12. DIRECTOR REPORTS & DISCUSSION

12.1 General -comments or reports from Directors

Mr. Friedenbach shared a video of Director Lindberg receiving his District jacket. Director Lindberg was appreciative of the jacket and thanked the Board.

Director Rupp stated he will now be able to attend the June Board meeting, but will not be present for the July meeting.

President Woo was asked to speak on a KEET-TV special regarding Asian Americans in Humboldt County. She brought this up since she speaks about her participation on the District Board. Directors requested information regarding the time and date of the program.

12.2 ACWA

a) Spring Conference (now Summer) July 28-31, 2020

Due to the COVID-19 pandemic, the ACWA Conference is now virtual.

b) State Water board adopts Policy for Safe & Affordable Drinking Water Fund

The State Water Resources Control Board adopted the "Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund." This policy serves as the overall guidance for how the Board will identify water systems and administer funding over the next decade to support communities that do not have safe drinking water.

12.3 ACWA – JPIA

a) Employee Benefits-COVID-19 treatment costs

Staff shared the letter from ACWA-JPIA stating that their medical plans have been modified to cover 100% of the cost of COVID-19 testing, and associated costs (including treatment) from April 1,2020-May 31,2020. The dates may be extended.

b) Status update from CEO Andy Sells

Mr. Friedenbach included the update from JPIA re: work status for informational purposes.

12.4 Organizations on which HBMWD Serves: RCEA, RREDC

a) RCEA

President Woo stated they are conducting meetings via zoom and it's going well so far.

b) RREDC

Director Latt stated RREDC did not meet last month. A special meeting is scheduled for the upcoming Monday, May 18, 2020.

ADJOURNMENT

The meeting adjourned at 5:40 pm

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

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828 7th Street, Eureka



Minutes for the Special Meeting of Board of Directors
May 29, 2020

1. ROLL CALL

The Board meeting was conducted via Zoom due to COVID-19 Shelter In Place Orders. President Woo called the meeting to order at 8:32 am. Director Rupp conducted the roll call. Directors Fuller, Latt, Lindberg, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, Tech Manager Dee Simpson-Glenn, and Board Secretary Sherrie Sobol were present. Legal Counsel David Aladjem was present for a portion of the meeting.

2. FLAG SALUTE

The flag salute was conducted.

3. ACCEPT AGENDA

On motion by Director Latt, seconded by Director Lindberg, the Board voted 5-0 by roll call vote to accept the agenda.

4. PUBLIC COMMENT

No public comment was received.

5. CONTINUING BUSINESS

1. FY 2020/21 Project Budget

Staff presented and the Board discussed the proposed Project Budget in line-item detail. Given the numerous line items to discuss, the Board suggested only reviewing projects budgeted for \$10,000 and up, unless any smaller projects are specifically called out for discussion.

The Directors asked several questions about various proposed projects which staff responded to. During discussion regarding industrial system costs, Mr. Friedenbach stated staff will negotiate with an industrial customer to reimburse the District or use ReMAT funds to cover the cost for industrial system projects. Director Latt stated these are two very different paths and he is opposed to using ratepayer funds for industrial items, i.e. subsidizing Nordic Aquafarms. Mr. Friedenbach explained that ReMAT funds are not ratepayer funds. These funds are intended for projects with no revenue source. Each of the Municipal Customers are aware of and agreed to this through a specific contract amendment. Additionally, the District does not have any industrial customers under contract at this point. When an industrial customer is ready to sign a contract with the District this can be part of the negotiations. Staff finished the project budget presentation and no additional concerns were expressed. The Board thanked everyone for the work that went into the project budget process.

2. Water Resource Planning-Instream Flow Draft Petition for Change Narrative Summary

President Woo stated the Instream Flow Draft Petition for Change Narrative Summary is before the Board for possible approval. Once approved, the committee will take the document to regulatory agencies such as Dept. of Fish and Wildlife and National Marine Fisheries Service for their input.

Legal Counsel David Aladjem participated in the discussion. He provided a synopsis of the summary and how it might be viewed by the State Water Resources Control Board (SWRCB). The purpose of the document is to make it as easy as possible for the SWRCB to approve the District's petition for change to allow water releases for instream flow for environmental benefit. Without this change, the District would be required to cease releasing the additional water over and above its municipal and industrial demands, which would be detrimental to aquatic organisms and habitat. He drew the Board's attention to Table 1 of the report. This table summarizes the different parameters of water rights.

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These are the criteria the SWRCB will use in their decision-making process. There are no proposed changes except for the “authorized purposes and place of use” section. This is the easiest section to change. The District is demonstrating they are being as environmentally responsible as possible and not impeding on the rights of any legal water rights user. This looks very promising for approval. Mr. Aladjem answered several questions from the Board and Director Rupp thanked the President Woo, Director Fuller, Mr. Aladjem and the consultants for all their hard work on the document. Director Latt requested confirmation that this dedication does not preclude intake at Station 6. Mr. Aladjem confirmed this in that the dedication is from the release point of Matthews Dam to the point of diversion at Essex. He noted that 20 mgd for Municipal customers is locked in and separate from the 20 mgd for instream flow. On motion by Director Rupp seconded by Director Latt, the Board voted 5-0 by roll call vote to approve the document, with any refinement needed by staff and submit it to the SWRCB.

President Woo stated next steps are to discuss the draft petition with the Dept. of Fish and Wildlife, NMFS, Water Task Force and Water Resource Planning Advisory Committee as well as the Municipal Customers. Director Rupp stated he and Director Latt would speak with Humboldt CSD. Mr. Aladjem suggested the meetings be scheduled in the next few weeks to month. The Board thanked Mr. Aladjem and he in turn stated he appreciates the time and detail put into the report.

ADJOURNMENT

President Woo adjourned the meeting at 11:52 am.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

CONSENT

RECORD AT THE REQUEST OF:

Ryan T. Plotz, Esq.

WHEN RECORDED MAIL TO:

The Mitchell Law Firm, LLP
PO Drawer 1008
Eureka, CA 95502

(Space Above This Line For Recorder's Office)

ENVIRONMENTAL INDEMNITY AGREEMENT

ENVIRONMENTAL INDEMNITY AGREEMENT

This Environmental Indemnity Agreement ("Agreement") is made and entered into on _____, 2020 by and between Vivid Green, LLC a California Limited Liability Company (referred to in this Agreement as "Indemnitor") and the Humboldt Bay Municipal Water District ("Water District").

RECITALS

WHEREAS, Indemnitor is the present owner of the real property commonly known as Trinity County Assessor's Parcel Number 020-490-04-00 ("Indemnitor's Property"); and,

WHEREAS, the Water District is the present owner of the real property commonly known as Trinity County Assessor's Parcel Number 020-100-35-00 ("Water District's Property"), which is directly adjacent to the Indemnitor's Property; and,

WHEREAS, Indemnitor has requested that the Water District consent on an ongoing basis to a reduced, 150' setback for commercial cannabis growing operations including, but not limited to, cultivation on the Indemnitor's Property; and,

WHEREAS, the Water District has agreed to consent to said variance, conditioned upon receipt of a comprehensive environmental indemnity agreement executed by the Indemnitor.

NOW, THEREFORE, in order to induce Water District to consent to the variance described hereinabove and in consideration of the promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE I. DEFINITIONS

Section 1.1. Definitions. As used in this Agreement, the following terms or phrases have the following meanings:

(a) "Environmental Conditions" means all conditions relating to Hazardous Materials (as defined below) present at or emanating from the Indemnitor's Property, including without limitation, the past, present, or future Release of Hazardous Materials and their presence in the environment. This term also includes the residual contamination of equipment or Facilities and offsite treatment, recycling, reclamation, transportation, storage, handling, or disposal of Hazardous Materials from the Indemnitor's Property.

(b) "Environmental Requirements" means, with respect to the Indemnitor's Property and its operations, all federal, state, and local laws, ordinances, regulations, rules, orders, and standards that are applicable to the Indemnitor's Property or any Facility, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") (42 U.S.C.A. §§ 9601 et seq.); the Resource Conservation and Recovery Act ("RCRA") (42 U.S.C.A. §§ 6901 et seq.); the Clean Water Act (33 U.S.C.A. §§ 1251 et seq.); the Clean Air Act (42 U.S.C.A. §§ 7401 et seq.); the Toxic Substances Control Act ("TSCA") (15 U.S.C.A. §§ 2601 et seq.); the Safe Drinking Water Act (42 U.S.C.A. § 300f to 300j); the Emergency Planning and Community Right to Know Act (42 U.S.C.A. §§ 11001 et seq.); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C.A. § 5101 et seq.); and the Occupational Safety and Health Act (29 U.S.C.A. §§ 651 et seq.), as each of them have and may be amended in the future, and all regulations adopted pursuant to those statutes. This list of statutes is not intended to be exclusive, and the parties intend this definition to be comprehensive. "Environmental Requirements" also means any court order or judgment applicable to the Indemnitor or the Indemnitor's Property or any order issued by a federal, state, or local agency responsible for enforcing any Environmental Requirement.

(c) "Facility" means "facility" as defined in CERCLA § 101(9) (42 U.S.C.A. § 9601(9)).

(d) "Hazardous Material" means any substance subject to any Environmental Requirement, including, but not limited to, petroleum and petroleum products (excluding a small quantity of gasoline used in maintenance equipment on the Indemnitor's Property), flammable explosives, radioactive materials (excluding radioactive materials in smoke detectors), polychlorinated biphenyls, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical element, compound, solution, mixture, or substance defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "hazardous materials," "toxic substances," "toxic chemicals," "air pollutants," "toxic pollutants," "solid wastes," "hazardous wastes," "extremely hazardous waste," or "restricted hazardous waste" by any Environmental Requirement.

(e) "Notices" means citizen or governmental notices of intent to sue under an Environmental Requirement or common-law cause of action; requests for information under the authority of an Environmental Requirement; notices of administrative actions or orders seeking penalties, fines, or remedial activity under any Environmental Requirement; any "potentially responsible party" letters under CERCLA; judicial complaints; notices of administrative or judicial enforcement actions related to any Environmental Requirement; or notices of violation related to any Environmental Requirement received by the Indemnitor.

(f) "Release" means "release" as defined in CERCLA § 101(22) (42 U.S.C.A. § 9601(22)).

ARTICLE II. REPRESENTATIONS AND WARRANTIES OF INDEMNITOR

Section 2.1. Representations and Warranties. Indemnitor makes the following representations and warranties to the Water District.

(a) *Environmental Compliance.* The Indemnitor's Property are in compliance with all applicable Environmental Requirements to the best of Indemnitor's knowledge, information, and belief.

(b) *Environmental Permits.* Indemnitor shall, prior to commencement of any cannabis activities and, at all times during the ongoing operation of any such activities, obtain and maintain in good standing all permits and licenses that are necessary under the Environmental Requirements to conduct such activities.

(c) *Pending or Threatened Environmental Litigation.* With respect to the Indemnitor's Property, Indemnitor has not received any Notices with respect to any Environmental Condition, is not a defendant in any suit or proceeding concerning any Environmental Condition, and is presently aware of no Environmental Condition existing that would give rise to any such suit, proceeding, or claim for: (i) cleanup or other response costs arising from an Environmental Condition; (ii) personal injury or property damage from exposure to a Hazardous Material or any Environmental Condition; or (iii) civil or criminal penalties arising from violation of an Environmental Requirement.

(d) *Environmental Conditions.* There are no Environmental Conditions at the Indemnitor's Property known by the Indemnitor that presently, or with the passage of time may, result in a violation of an Environmental Requirement. Disclosure of an Environmental Condition will not be an admission that the condition is a violation of any Environmental Requirement. Indemnitor and Indemnitors must, promptly after discovery, notify Water District in writing of any other Environmental Conditions.

ARTICLE III. COVENANTS OF INDEMNITOR AND INDEMNITORS

Section 3.1. Covenants. Indemnitor and Indemnitors covenant the following to Water District:

(a) Each of Indemnitor and Indemnitors covenants and agrees that, except where an activity is in full compliance with all Environmental Requirements, they will not: (i) cause or permit the presence, use, release, storage (including aboveground and underground storage tanks for petroleum or petroleum products but excluding small containers of gasoline used for maintenance equipment or similar purposes), or disposal of any Hazardous Materials on, under, in, flowing off, or entering

onto the Indemnitor's Property, or in any way affecting the Indemnitor's Property; or (ii) cause or exacerbate any occurrence or condition on the Indemnitor's Property that is or may be in violation of any Environmental Requirement. Indemnitor and Indemnitors must provide to Water District, upon Water District's request and at Indemnitor's and Indemnitors' sole expense, any additional information, tests, certifications, or documents as the Water District reasonably deems necessary or advisable to investigate Indemnitor's and Indemnitors' compliance with the foregoing. Water District shall have the right, upon giving of two days' prior notice, to inspect the Indemnitor's Property to determine compliance with the foregoing.

(b) Indemnitor must promptly notify Water District in writing of any violation of either an Environmental Requirement or the terms of this Agreement in relation to the Indemnitor's Property or its tenants or any condition that, with the passage of time, may result in a violation of an Environmental Requirement or the terms of this Agreement. Indemnitor and Indemnitors agree that if any Hazardous Materials are ever found at the Indemnitor's Property at any time, in any form or for any use on the Indemnitor's Property, except when the presence is in full compliance with all Environmental Requirements, or if any violation of an Environmental Requirement occurs with respect to the Indemnitor's Property, Indemnitor will, within fifteen (15) calendar days, or a lesser period as the Water District may determine is allowed by Environmental Requirements or is necessary to protect the safety or security of the Indemnitor's Property, at Indemnitor's sole expense, remove or take other action to remove the Hazardous Materials to comply with Environmental Requirements. Should Indemnitor fail to take necessary action within the required time, Water District may make advances or payments toward its performance or satisfaction, but is under no obligation to do so; all sums so advanced or paid will be at once repayable by Indemnitor and will bear interest at the legal rate. The Water District will not accept or bear any responsibility for any Hazardous Materials in, on, under, flowing off, or entering onto the Indemnitor's Property, for the actual or threatened release of any Hazardous Materials from the Indemnitor's Property, or for the repair, replacement, removal, upgrade, or retrofit of any equipment or structures, including underground or aboveground storage tanks, located on the Indemnitor's Property.

ARTICLE IV. NOTICES TO WATER DISTRICT CONCERNING ENVIRONMENTAL MATTERS

Section 4.1. Notices. Indemnitor must promptly notify Water District in writing of:

(a) any enforcement, cleanup, removal, or other governmental or regulatory action, investigation, or any other proceeding instituted, completed, or threatened in connection with any Hazardous Materials in, on, under, flowing off, or entering onto the Indemnitor's Property;

(b) any suit, cause of action, or any other claim made or threatened by any third party against the Indemnitor or the Indemnitors or the Indemnitor's Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Materials in, on, under, flowing off, or entering onto the Indemnitor's Property; and

(c) Indemnitor's or Indemnitors' discovery of any occurrence or Environmental Condition on any real property adjoining or in the vicinity of the Indemnitor's Property that could cause all or any portion of the Indemnitor's Property to be subject to any restrictions on the ownership, occupancy, transferability, or use of the Indemnitor's Property under any Environmental Requirement. The provisions of the preceding sentence are in addition to any and all other obligations and liabilities that Indemnitor and Indemnitors may have to Water District under applicable law.

ARTICLE V. ENVIRONMENTAL REVIEW

Section 5.1. Environmental Audit. The Water District will in its sole discretion have the right to require that Indemnitor conduct an environmental review, no more than once per year, to assess whether the Indemnitor's Property is in compliance with all Environmental Requirements (the "Environmental Review"):

(a) The Indemnitor shall, following receipt of written notice as specified hereinbelow, provide Water District with any and all documents and information reasonably requested by the Water District to perform an assessment of the Environmental Condition of the Indemnitor's Property.

(b) Upon receiving from Water District notice of the demand to conduct an Environmental Review, Indemnitor must, at

Indemnitor's sole expense, gather and deliver to the Water District all documents evidencing or describing Environmental Conditions of Indemnitor's Property, Indemnitor's compliance with Environmental Requirements, any Hazardous Materials being stored at or released from Indemnitor's Property, if any, and all Notices received by Indemnitor. Said documents must be provided to Water District within thirty (30) days of the date Indemnitor receives written notice from Water District of the demand for an Environmental Review.

ARTICLE VI. RESPONSIBILITY FOR ENVIRONMENTAL LIABILITIES

Section 6.1. Responsibility for Environmental Liabilities. Indemnitor agrees to comply with all Environmental Requirements applicable to the Indemnitor's Property as well as any activities conducted at the Indemnitor's Property, and further agree that they will be solely responsible for compliance with all Environmental Requirements:

(a) *Environmental Liability.* Indemnitor agrees that they will be jointly and severally liable for any injuries, damages, or cleanup costs arising from any Release of a Hazardous Material originating at, or coming from, the Indemnitor's Property, whether or not the Release occurs on the Indemnitor's Property.

(b) *Agreement Not To Sue.* Indemnitor agrees not to sue or otherwise bring any action against Water District, whether for contribution or otherwise, concerning any matter included in the paragraphs above.

ARTICLE VII. INDEMNITY FOR ENVIRONMENTAL LIABILITIES

Section 7.1. Indemnity. Indemnitor will indemnify, defend (with counsel approved by Water District), protect, and hold harmless Water District, and its respective subsidiaries, affiliates, directors, assigns, and shareholders, employees, tenants, and contractors from any claims, fees, and other triggering events set forth in paragraph (a) below, which are sought from or asserted against Water District, as follows:

(a) Subject to paragraph (b) below, this indemnification will apply to any claims (including, without limitation, third-party claims for personal injury or real or personal property damage), actions in court, administrative proceedings (whether formal or informal), judgments, damages (including, without limitation, incidental, consequential, or punitive damages), penalties, fines, liability (including sums paid in settlement of claims), costs of remediation activities, expenses (including, without limitation, expenses of investigating and defending against assertion of such liabilities), interest, or costs, including attorney's fees (including any fees and expenses incurred in enforcing this indemnity), consultant's fees, and expert's fees.

(b) Indemnitor and Indemnitors shall provide the indemnification specified above as a result of a triggering event identified in paragraph (a) in connection with, based on, or related to:

(i) a breach by Indemnitor of their representations and warranties or covenants or agreements set forth in this Agreement;

(ii) any Environmental Condition or violation of an Environmental Requirement, connected in any way with the Indemnitor's Property;

(iii) any liability caused by Indemnitor's on or off-site transportation, storage, or disposal of Hazardous Materials; or

(iv) any Hazardous Material that may migrate, flow, leach, percolate, diffuse, or in any way move off, onto, or under the Indemnitor's Property.

(c) If any action, suit, or proceeding is commenced, or any claim or demand is asserted, in respect of which Water District proposes to demand indemnification under this Agreement, Indemnitor must be notified in writing to that effect with

reasonable promptness and they will have the right to assume the entire control of the defense (including the selection of counsel), subject to the right of Water District to participate (with counsel of its choice) in the defense, compromise, or settlement of the action, suit, proceeding, claim, or demand. If Indemnitor assumes control of the defense, Water District may not compromise or settle the claim without waiving indemnification unless Water District obtains the prior written consent of Indemnitor or Indemnitors. Water District must cooperate fully in all respects with Indemnitor in any defense, compromise, or settlement, including, without limitation, by making available all pertinent information and personnel under its control to Indemnitor or Indemnitors. Indemnitor may not compromise or settle any action, suit, proceeding, claim, or demand (other than, after consultation with Water District, an action, suit, proceeding, claim, or demand to be settled by the payment of money damages or the granting of releases, provided that no such settlement or release may acknowledge liability for future acts) without the prior written consent of Water District, which consent may not be unreasonably withheld.

ARTICLE VIII. RELEASES AND IMPAIRMENT

Section 8.1. Releases and Impairment. Each of Indemnitors agrees that its obligation to make payment in accordance with the terms of this Agreement will not be impaired, modified, changed, released, or limited, in any manner whatsoever, by any impairment, modification, change, release, or limitation of the liability of Indemnitor or its estate resulting from the operation of any present or future provision of any federal, state, or local bankruptcy or insolvency laws, or from the decision of any court, and will not be impaired, modified, changed, released, or limited by the release from this Agreement of any other Indemnitor. This Agreement will continue to be effective or be reinstated, as the case may be, if at any time payment of any sum under this Agreement, or any portion of it, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by Water District, whether as a “preferential transfer,” “voidable preference,” “fraudulent conveyance,” or otherwise, all as though the reduction, payment, or restoration by the Water District had not been made.

ARTICLE IX. NOTICE OF CLAIMS AGAINST WATER DISTRICT

Section 9.1. Notice of Claims Against Water District. Water District must give written notice to Indemnitors of any action against Water District that might give rise to a claim by Water District against Indemnitors under this Agreement. If any action is brought against Water District, Indemnitors, at Water District’s sole option and Indemnitors’ expense, may be required to defend against the action with counsel satisfactory to Water District and, with Water District’s sole consent and approval, to settle and compromise any such action. However, Water District may elect to be represented by separate counsel, at Water District’s expense, and if Water District so elects, any settlement or compromise will be affected only with the consent of Water District. Water District may elect to join and participate in any settlements, remedial actions, legal proceedings, or other actions included in connection with any claims under this Agreement.

ARTICLE X. CONSENT TO VARIANCE; TERMINATION; EFFECTIVE DATE OF ENVIRONMENTAL INDEMNITY OBLIGATIONS

Section 10.1. Consent to Variance

Promptly following the execution of this Agreement, the Water District shall execute a letter consenting to the Indemnitor’s variance in the form of Exhibit A hereto and deliver the original of the same to the Indemnitor;

Section 10.2. Termination of Consent to Variance

The Water District shall not, revoke its consent to the variance described herein except in the following circumstances:

- (a) The Water District sells, transfers, or assigns the Water District’s Property and is no longer the owner thereof; or,
- (b) The Indemnitor defaults in its obligations this agreement in any fashion, fails to comply with any and all applicable Environmental Requirements, causes a release of Hazardous Materials, or fails to comply with any Notices and fails to remedy its default, failure of compliance, release, or compliance issues within sixty days of receiving written Notice thereof from the Water District.

Section 10.3. Effective Date of Environmental Indemnity Obligations

The effectiveness of Indemnitor's environmental indemnity obligations and all other obligations of Indemnitor, under Articles III through IX of this Agreement, is expressly conditioned upon (a) Indemnitor's receiving the requested Variance from the County of Trinity, and (b) Indemnitor's receipt of a commercial cannabis cultivation permit from the County of Trinity for which the set-back Variance is required.

ARTICLE XI. NO WAIVER

Section 11.1. No Waiver. Indemnitor's and Indemnitors' obligations under this Agreement will in no way be impaired, reduced, or released by reason of:

(a) Water District's omission or delay to exercise any right described in this Agreement; or

(b) any act or omission of Water District in connection with any notice, demand, warning, or claim regarding violations of codes, laws, or ordinances governing the Indemnitor's Property.

ARTICLE XII. MISCELLANEOUS PROVISIONS

Section 12.1. Survival. The obligations of Indemnitor under this Agreement, including their representations and warranties, will survive the termination of the Indemnitor's variance and will be continuing for so long as Water District has any actual, potential, or threatened liability with respect to the Indemnitor's Property under any Hazardous Material Law. The rights of Water District under this Agreement are in addition to any other rights and remedies of Water District against any Indemnitor under any other document or instrument executed now or at any later time by such Indemnitor, or at law or in equity (including, without limitation, any right of reimbursement or contribution pursuant to an Environmental Requirement), and will not in any way be deemed a waiver of any of those rights.

Section 12.2. Binding Effect. Indemnitor agrees that this Agreement will be continuing, irrevocable, and binding on and enforceable against the Indemnitor and Indemnitors and their respective legal representatives, administrators, and heirs. The death or dissolution of any one or more of Indemnitor will not affect this Agreement or any of the parties' obligations under it. It is agreed by Indemnitor and Indemnitors that their respective liabilities under this Agreement are not contingent on the signature of any other party.

Section 12.3. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters set forth in it and supersedes all prior agreements between the parties with regard to those matters.

Section 12.4. Modification. No amendment or other modification, rescission, release, or annulment of any part of this Agreement will be effective except pursuant to a written agreement subscribed by the duly authorized representatives of Indemnitor and Water District.

Section 12.5. Delegation. Indemnitor's obligations under this Agreement may not be assigned or delegated without the express written consent of the Water District.

Section 12.6. Waiver. Water District may waive rights, powers, or privileges under this Agreement; provided, that any waiver must be in writing; and further provided, that no failure or delay on the part of Indemnitees to exercise any right, power, or privilege under this Agreement will operate as a waiver of that right, power, or privilege, nor will any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise of that right, power, or privilege or the exercise of any other right, power, or privilege by Water District under the terms of this Agreement, nor will any waiver operate or be construed as a future waiver of a right, power, or privilege under this Agreement.

Section 12.7. Severability. If any provision or portion of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way; provided, however, that there will be deemed to be made in any invalid or unenforceable provision or portion of any invalid or unenforceable provision minor changes, and only those minor changes, as are necessary to make it valid and enforceable.

Section 12.8. Captions. Any captions to the sections or subsections of this Agreement are solely for the convenience of the parties, are not a part of this Agreement, and will not be used for the interpretation or determination of validity of this Agreement, or any provisions of it.

Section 12.9. Further Assurances. In addition to the instruments and documents to be made, executed, and delivered pursuant to this Agreement, the parties agree to make, execute, and deliver, or cause to be made, executed, and delivered, to the requesting party any other instruments and to take any other actions as the requesting party may reasonably require to carry out the terms of this Agreement and the transactions contemplated by it.

Section 12.10. Notice of Bankruptcy or Insolvency. If any of Indemnitor becomes bankrupt or insolvent, or any application is made to have any of such parties declared bankrupt or insolvent, or a receiver or trustee is appointed for any of such parties or for all or a substantial part of the property of any of such parties, or any of such parties makes an assignment for the benefit of Water District, notice of the occurrence or event must be promptly furnished to Water District by any such party.

Section 12.11. Notices. Any notice that a party is required or may desire to give the other must be in writing and may be sent by personal delivery or by mail by United States registered or certified mail, return receipt requested, postage prepaid addressed as follows (subject to the right of a party to designate a different address for itself by notice similarly given):

To Indemnitors:

Vivid Green, LLC
1647 Willow Pass Rd., #182
Concord, CA 94520

With Copy to:

Dustin E. Owens, Esq.
Owens & Ross
310 Third Street, Suite D
Eureka, CA 95501

To Water District:

Humboldt Bay Municipal Water District
PO Box 95
Eureka, CA 95502-0095

With Copy to:

Ryan T. Plotz, Esq.
The Mitchell Law Firm, LLP
426 1st St.
Eureka, CA 95501

Any notice so given by mail will be deemed to have been given as of the date of delivery (whether accepted or refused) established by United States Post Office return receipt or by the overnight carrier's proof of delivery, as the case may be. Any notice not so given will be deemed given on its receipt by the party to whom it is to be given.

Section 12.12. Attorney Fees. In the event of any litigation or arbitration to enforce the terms of this Agreement, the prevailing party in the litigation or arbitration will be entitled to recover from the other party the prevailing party's costs of litigation or arbitration, including without limitation reasonable attorney's fees.

Section 12.13. Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the laws of the State of California.

Section 12.14. Consents. The persons signing this Agreement represent and warrant that they have the necessary power, consent, and authority to execute and deliver this Agreement on behalf of each of the parties.

Section 12.15. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by each party on separate counterparts, each of which when so executed and delivered will be deemed an original and all of which taken together will constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives on the date written above.

Water District:

*HUMBOLDT BAY MUNICIPAL
WATER DISTRICT*

By: 

Name: John Friedenbach

Its: General Manager

Indemnitor:

VIVID GREEN LLC

By: 

Name: Ivan Nanev

Its: Authorized Member

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Humboldt

On before me, JulieAnne M. Shull-Pruyn, Notary Public

DATE

NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Ivan Nanev

NAME(S) OF SIGNER(S)

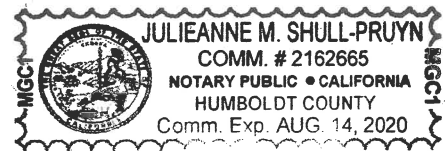
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Handwritten Signature]
SIGNATURE OF NOTARY PUBLIC

(NOTARY SEAL)



OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

- PARTNER(S) LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE



SECTION 6.2 PAGE NO. 1
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO BOX 95 • EUREKA, CALIFORNIA 95502-0095

OFFICE 707-443-5018 ESSEX 707-822-2918

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

Website: www.hbmwd.com

BOARD OF DIRECTORS

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

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GENERAL MANAGER

JOHN FRIEDENBACH

June 4, 2020

Kim Hunter, Director
Trinity County Planning Department
PO Box 2819
Weaverville, CA 96093-2819

Dear Ms. Hunter,

The Humboldt Bay Municipal Water District is the owner of Trinity County APN 020-100-35-00. I, John Friedenbach, am the Water District's general manager.

On behalf of the Water District, please accept this letter as the Water District's consent and permission, for its neighbor Vivid Green, LLC who owns adjoining Trinity County APN 020-490-04-00 to allow a reduced 150' setback for commercial cannabis growing operations on that property. It is my understanding that they intend to apply for a variance that would allow them to conduct cannabis operations including, but not limited to, cultivation, with a reduced set back of 150 feet (compared to the normal 500' setback) from the Water District's property line.

On behalf of the Water District, I consent to such a variance. Kindly include our office on correspondence regarding the variance application hearing.

Respectfully,

A handwritten signature in cursive script that reads "John Friedenbach".

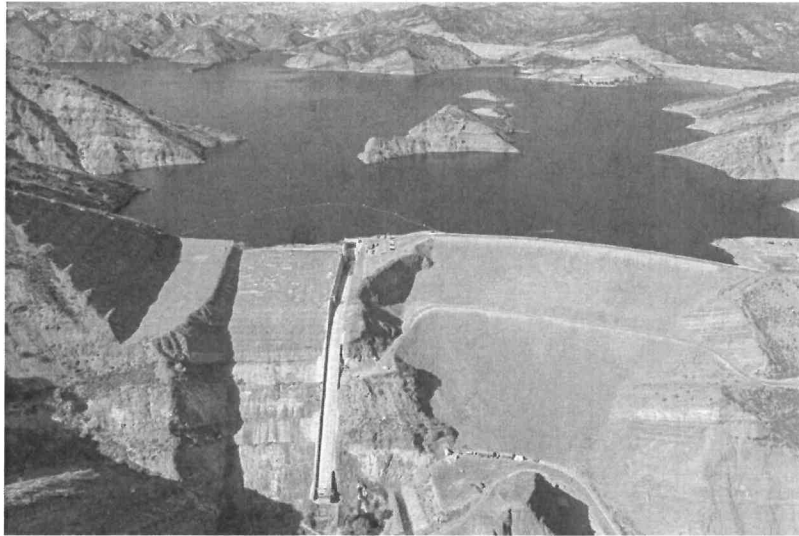
John Friedenbach
General Manager

Cc: Dustin Owens
Ryan Plotz

California Dept. of Water Resources

Dam Safety and the Importance of the Division of Safety of Dams with Andy Mangney

Published: June 01, 2020



Aerial view of Pyramid Dam in Los Angeles County.
DWR/2019

The California Department of Water Resources, Division of Safety of Dams (DSOD) oversees the California Dam Safety Program that regulates approximately 1,250 dams in California. At the forefront of DSOD's oversight is public safety. DSOD inspects dams on an annual basis to ensure they are safe and are performing as intended. DSOD also conducts independent reviews of applications for dam construction, removal, alteration or repair, has inspection oversight over dam construction projects, and periodically reviews the stability of dams and their critical related structures in light of improved design approaches and requirements. DSOD works closely with dam owners to identify and correct issues on an ongoing basis.

In recognition of National Dam Safety Awareness Day, Andy Mangney who serves as the Field Engineering Branch Chief overseeing DSOD's dam inspection and monitoring program, took some time to answer questions about what DSOD is doing to protect Californians.

What is your background and experience?

I received a Bachelor of Science degree in Civil Engineering from Cal Poly, San Luis Obispo in 1993 and a Master of Science Degree in Civil Engineering from Sacramento State University in 2002.

I started working for DWR in late-1993 as a Junior Civil Engineer on the construction of the Coastal Branch of the California Aqueduct. This was a dream job for me out of college; I loved working outside and inspecting construction and troubleshooting issues on civil structures as they were being built. This job was pivotal in my chosen career path to work more in civil

engineering jobs geared toward field work rather than the office. I started working for DSOD in 1997 where I have progressed through various positions in the Field Engineering Branch, making my way up to the Field Engineering Branch Chief.

How are dams built and how do they work?

Dams are constructed of soil/rock or concrete and every structure is unique. Some major factors that are considered in the determination of the type of dam are cost, location, availability of materials to build the dam, and site geology. A dam serves as an impermeable water barrier, and it must be robust enough to withstand the pressure of water against it and extreme pressures that can occur from earthquakes and floods.

Besides the dam structure, critical structures are also required, such as outlets that move water out of the reservoir and spillways that bypass flood flows to prevent dam overtopping.

Who owns the dams in California?

Dams are owned by the State of California, water agencies and districts, counties, cities, homeowner's associations, private companies, or private citizens. Roughly half of the dams under DSOD's jurisdiction are privately owned. Dams are also owned by the federal government, but these dams are not under DSOD jurisdiction.

Andy Mangney, Chief of Division of Safety of Dams Field Engineering Branch, Department of Water Resources. DWR Photo.

What are common causes leading to dam failures and incidents?

In California, we are fortunate that dam failures and incidents are extremely rare, in part due the robustness of California's Dam Safety Program, which is the largest state dam safety program in the United States. Failures or incidents can be caused by deterioration due to age, poor construction techniques and materials, unfavorable geologic conditions, and lack of maintenance. Dam overtopping, or water flowing uncontrolled over the top of the dam, can also occur due to factors including poor reservoir operations, extreme weather, or an inadequate or no spillway. Earthquakes pose the largest risk to dams in California because the State is situated in a high seismic area that has more frequent and larger earthquakes compared to the rest of the country.

What are the issues facing dam safety in California?

Aging infrastructure and lack of money to fund necessary studies and retrofits of dams. About 75 percent of the approximate 1,250 regulated dams are more than 50 years old and some dams have outlived their design life or do not meet current dam safety standards. Today in California, few new dams are being constructed, and much of the emphasis is spent on retrofitting and rebuilding existing dams so they meet current dam safety standards.

How does DSOD conduct dam inspections?

Every dam is unique and has different features that we inspect. DSOD has rigorous inspection processes for each dam. DSOD typically walks the entire facility, including the top of the dam, the downstream slopes, the area below the dam, and any critical related structures looking for

changes in the dam's condition or performance -- such as signs of new instability or leakage. We also inspect the outlet works to ensure that the reservoir can be drained in a dam emergency and the spillway remains clear and unimpeded to pass flood flows. Upon returning to the office, the DSOD engineer writes a comprehensive inspection report documenting their findings, recommendations, and conclusions on the safety of the dam, which is provided to the dam owner.

What happens when DSOD finds an issue? What kind of action is required by a dam owner?

If the DSOD engineer identifies a dam safety concern, corrective action is required of the dam owner at the owner's expense. Minor maintenance issues such as vegetation removal generally need to be completed in about six months, but a significant issue such as a stability issue or a problem with the outlet works may require immediate attention.

DSOD may require interim risk reduction measures such as lowering the reservoir level or temporary repairs, if necessary. For the more complex issues beyond routine maintenance, the dam owner is required to employ an engineer to work with DSOD to address the issue. In rare cases where a safety issue is not addressed in a timely manner, reservoir restrictions are imposed and/or enforcement is pursued.

What are the most recent advancements in dam safety?

The greatest advancements are probably in the understanding of how dams perform under normal and extreme loading conditions such as earthquakes and floods.

Some of these advancements are from modern computer tools that allow for much more sophisticated engineering evaluations. Others are due to advancements and research in the field of engineering, and from real world case histories from dam incidents and failures. This research helps us better understand the engineering properties of materials used to build the dam and its critical structures, but also helps us understand the materials below these structures.

Science News

from research organizations

Estuaries are warming at twice the rate of oceans and atmosphere

Study of 166 rivers, lakes and lagoons in Australia shows fisheries face big challenges

April 14, 2020

Source: University of Sydney

Summary:

A 12-year study of 166 estuaries in south-east Australia shows that the waters of lakes, creeks, rivers and lagoons increased 2.16 degrees in temperature and increased acidity. Researchers say this could impact economic activity and biodiversity worldwide.

Estuaries on the south-east coast of Australia are warming at twice the rate of oceans and the atmosphere, a new study has found.

Researchers say the apparent accelerated impact from climate change on estuaries could adversely affect economic activity and ecological biodiversity in rivers and lakes worldwide.

Dr Elliot Scanes from the University of Sydney said: "Our research shows that estuaries are particularly vulnerable to a warming environment. This is a concern not only for the marine and bird life that rely on them but the millions of people who depend on rivers, lakes and lagoons for their livelihoods around the world."

The researchers say that changes in estuarine temperature, acidity and salinity are likely to reduce the global profitability of aquaculture and wild fisheries. Global aquaculture is worth \$US243.5 billion a year and wild fisheries, much of which occurs in estuaries, is worth \$US152 billion. More than 55 million people globally rely on these industries for income.

Professor Pauline Ross, who leads the research group in the School of Life and Environmental Sciences, said: "Estuaries provide services of immense ecological and economic value. The rates of change observed in this study may also jeopardise the viability of coastal vegetation such as mangroves and saltmarsh in the coming decades and reduce their capacity to mitigate storm damage and sea-level rise."

The results are based on 12 years of recording temperatures in 166 estuaries along the entire 1100-kilometre stretch of the New South Wales coast in south-eastern Australia. In that time more than 6200 temperature observations were taken.

The data, which are publicly available, were taken by field officers of the NSW Department of Planning, Industry and the Environment and used in a marine research collaboration with the University of Sydney.

On average, the estuary systems experienced a 2.16-degree temperature increase, about 0.2 degrees each year.

Dr Elliot Scanes said: "This is evidence that climate change has arrived in Australia; it is not a projection based on modelling, but empirical data from more than a decade of investigation."

Studies on specific lake and river systems have found evidence of warming, such as along the North Sea, in Germany, in the Hudson River in New York and Chesapeake Bay, Maryland. This is the world's first long-term study that has considered a diverse range of estuary types on such a large scale.

It is published today in *Nature Communications*.

"This increase in temperature is an order of magnitude faster than predicted by global ocean and atmospheric models," Dr Elliot Scanes said.

According to the Australian Bureau of Meteorology, air and sea temperatures in Australia have increased by about 1 degree since 1910. And over the past decade, air temperatures have increase 1.5 degrees as compared to the 1961 to 1990 average.

"Our results highlight that air or ocean temperatures alone cannot be relied upon to estimate climate change in estuaries; rather, individual traits of any estuary need to be considered in the context of regional climate trends," Dr Elliot Scanes said.

"New models will need to be developed to help predict estuarine changes."

The study also found that acidification of estuaries was increasing by 0.09 pH units a year. There was also changes to the salinity of estuary systems: creeks and lagoons became less saline while river salinity increased.

Temperature increases in estuaries were also dependent on the type, or morphology of the system, the study found.

Professor Ross said: "Lagoons and rivers increased in temperature faster than creeks and lakes because they are shallower with more limited ocean exchange."

She said that this suggests industries and communities that rely on shallow estuaries for culture, income and food could be particularly vulnerable during global warming.

"This is of concern in other dry temperate zones like the Mediterranean and South Africa where many of the estuaries are similar to those studied here," she said.

The study suggests that estuaries that remain open may also soon begin to "tropicalise," and estuarine ecosystems could become colonised by tropical marine species and reflect a warmer environment.

Professor Ross said: "This research will help local fisheries and aquaculture to develop mitigation strategies as the climate changes."

Story Source:

Materials provided by **University of Sydney**. Note: Content may be edited for style and length.

Journal Reference:

1. Elliot Scanes, Peter R. Scanes, Pauline M. Ross. **Climate change rapidly warms and acidifies Australian estuaries**. *Nature Communications*, 2020; 11 (1) DOI: [10.1038/s41467-020-15550-z](https://doi.org/10.1038/s41467-020-15550-z)

LETTER: State Water Board rejects Reclamation's Sacramento River Temperature Management Plan

Maven

June 2, 2020

Yesterday, the Executive Director of the State Water Resources Control Board sent a letter to Ernest Conant at the Bureau of Reclamation informing them that the State Water Board is rejecting Reclamation's submitted Sacramento River Temperature Management Plan, citing insufficient information to make a well-informed decision.

The letter states, "Order 90-5 requires Reclamation to take actions reasonably within its control to protect winter-run Chinook salmon and other native species from elevated temperatures and other adverse conditions created by Reclamation's operations on the Sacramento River. State Water Board staff repeatedly requested that Reclamation provide information on operational scenarios other than those proposed in Reclamation's TMP that could allow for better temperature control. Unfortunately, Reclamation has failed to provide the requested information. This information is needed to inform adequate temperature management. Since Reclamation has declined to provide the information, the State Water Board does not have sufficient information to make a well-informed decision on Reclamation's final TMP. We are therefore unable to approve the TMP, and object to the plan."

The 13-page letter reminds Reclamation that in 2014 and 2015, temperatures were not maintained at protective levels below Shasta and Keswick Reservoirs, resulting in near total mortality of winter-run in those years and the near extinction of the species and this year's hydrology is very similar to the hydrology the region faced in 2013, the year before temperature control was lost, and the operations proposed by Reclamation in its TMP are very similar to Reclamation's 2013 operations, the letter states. Furthermore, Reclamation's own submitted estimates of temperature dependent mortality indicates these operations would result in a temperature dependent mortality of 28 percent, which is 'concerning; to State Water Board staff considering the poor condition of winter-run Chinook salmon.

"In the spirit of cooperative federalism, we expect that Reclamation will provide the information we requested. In order to be in a position to potentially improve temperature conditions this year, the State Water Board needs the requested analyses within 20 days from the date of this letter. If this information is provided timely, we will reevaluate the TMP and consider approval at that time."

GAVIN NEWSOM
GOVERNORJARED BLUMENFELD
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

June 1, 2020

Ernest A. Conant
Mid-Pacific Regional Director
U.S. Bureau of Reclamation
econant@usbr.gov

ORDER 90-5 SACRAMENTO RIVER TEMPERATURE MANAGEMENT

Dear Mr. Conant:

This letter responds to the U.S. Bureau of Reclamation's (Reclamation) May 20, 2020 submittal of a final 2020 Sacramento River Temperature Management Plan (TMP) pursuant to State Water Resources Control Board (State Water Board or Board) Water Right Order 90-5. Additionally, the attached appendix addresses certain issues raised in Reclamation's May 11, 2020 comment letter to the State Water Board related to the draft TMP.

Order 90-5 requires Reclamation to take actions reasonably within its control to protect winter-run Chinook salmon and other native species from elevated temperatures and other adverse conditions created by Reclamation's operations on the Sacramento River. State Water Board staff repeatedly requested that Reclamation provide information on operational scenarios other than those proposed in Reclamation's TMP that could allow for better temperature control. Unfortunately, Reclamation has failed to provide the requested information. This information is needed to inform adequate temperature management. Since Reclamation has declined to provide the information, the State Water Board does not have sufficient information to make a well-informed decision on Reclamation's final TMP. We are therefore unable to approve the TMP, and object to the plan.¹

In the spirit of cooperative federalism, we expect that Reclamation will provide the information we requested. In order to be in a position to potentially improve temperature conditions this year, the State Water Board needs the requested analyses within 20 days from the date of this letter. If this information is provided timely, we will reevaluate the TMP and consider approval at that time.

¹ The decision on Reclamation's TMP is made pursuant to authority delegated to the Executive Director of the State Water Board, and does not necessarily reflect the views of all of the State Water Board Members.

E. JOAQUIN ESQUIVEL, CHAIR | EILEEN SOBECK, EXECUTIVE DIRECTOR

Background

Operations of Shasta Reservoir and associated facilities are not only critically important to California's water supply but also to the protection of winter-run Chinook salmon, which is one of the state's most endangered salmon species. Prior to construction of Shasta Dam, winter-run Chinook salmon spawning and early rearing habitat encompassed approximately 200 miles of snow-fed cold water streams in the upper reaches of the Sacramento River and its tributaries. These stream systems remained cold throughout the year, which protected salmon eggs and emergent fry from heat-induced mortality. With the construction and operation of Shasta and Keswick Dams, winter-run Chinook salmon no longer have access to this historic cold water habitat and are instead limited to a small stretch of the Sacramento River below Keswick Dam, where cooler temperatures are dependent on reservoir releases.

A number of controllable and uncontrollable factors contribute to temperatures below Keswick Dam, including the volumes of cold water that are affected by runoff and the timing and volume of releases from Shasta Reservoir, imports of water from the Trinity River system, temperature control device and side gate operations, power supply operations, air temperatures, and tributary inflow volumes and temperature in downstream reaches.

For the last several decades, winter-run Chinook salmon have teetered on the verge of extinction, due in large part to elevated temperature conditions in their sole remaining habitat, which is below Keswick Dam. The winter-run Chinook salmon population declined from over 100,000 fish in the late 1960s to fewer than 200 in the early 1990s (Yoshiyama et al. 1998).² These dramatic population declines led to the State Water Board's adoption of Order 90-5 that requires Reclamation to take actions reasonably within its control to protect winter-run and other native species from elevated temperatures and other adverse conditions created by Reclamation's operations on the Sacramento River.

In 2014 and 2015, temperatures were not maintained at protective levels below Shasta and Keswick Reservoirs, resulting in near total mortality of winter-run in those years and the near extinction of the species. Extinction of the winter-run was likely only avoided by maintaining high levels of hatchery production. In those years, adequate reservoir storage and cold water pool levels in Shasta Reservoir needed for temperature control were not maintained. Reclamation's modeling and monitoring was also inadequate to inform regulatory agency decision making and adjustments to operations that could have allowed for adequate temperature management.

This year's hydrology is very similar to the hydrology the region faced in 2013, the year before temperature control was lost. Over the last 21 years, every year with similar

² Yoshiyama, R. M., Fisher, F. W., & Moyle, P. B. (1998). Historical abundance and decline of chinook salmon in the Central Valley region of California. *North American Journal of Fisheries Management*, 18(3), 487-521.

hydrology to this year was followed by another dry year. This observed pattern supports the importance of planning for and maintaining carryover storage levels this year. The operations proposed by Reclamation in its TMP are very similar to Reclamation's 2013 operations. And in fact, Reclamation's cold water pool estimates are already diverging from Reclamation's modeling. The volumes of coldest water in Shasta Reservoir are more than 10 percent lower than what was modeled less than two weeks ago. In addition, the current volumes of coldest water less than 48 degrees F in Shasta Reservoir are similar to the low levels experienced in 2014. This raises concerns that temperature conditions could already be deteriorating relative to Reclamation's TMP and could continue to do so. Recent science from the National Marine Fisheries Service (NMFS) (Daniels and Danner, 2020)³ shows that dam discharge temperature from Shasta Reservoir has a greater effect on Sacramento River temperature than discharge volume, which suggests that reduced releases may be an effective tool in extending cold water pool resources, particularly if accurate information regarding cold water pool volumes and supporting modeling are available to inform regulatory decisions.

Given the conditions this year, the State Water Board asked Reclamation to evaluate scenarios that may improve temperature control and carryover storage going into next year, including reduced water deliveries under Reclamation's water rights, allowing Reclamation to retain more water in storage for the protection of cold water pool. Modifications to the volume and timing of imports from the Trinity River, and adjustments to power operations could also be considered.

Since this information is needed to inform adequate temperature management, and Reclamation failed to provide it, the State Water Board cannot approve the TMP. In the interim, although the State Water Board objects to the current plan, we do not expect, recommend, or require that Reclamation meet 56 degrees Fahrenheit (F) at the Red Bluff Diversion Dam (RBDD), as that would not be the best use of the limited Shasta Reservoir cold water pool. Instead, Reclamation should take every action in its reasonable control to protect native fish in the Sacramento River with an emphasis on actions that optimize protection of the winter-run Chinook salmon fishery downstream of Keswick Dam and provide for improved storage conditions going into next year. We also encourage Reclamation to work with the Sacramento River Settlement Contractors and other watershed stakeholders to implement voluntary measures that could improve fishery conditions, such as adjusting the timing of fall diversions.

Regulatory Background

Order WR 90-5 requires Reclamation to operate Keswick Dam, Shasta Dam, and the Spring Creek Power Plant to meet a daily average water temperature of 56 degrees F on the Sacramento River at RBDD during periods when higher temperatures will be detrimental to fish. If there are factors beyond Reclamation's reasonable control that

³ Daniels, M. E., & Danner, E. M. (2020). The Drivers of River Temperatures Below a Large Dam. *Water Resources Research*, 56(5), e2019WR026751.

prevent Reclamation from meeting 56 degrees F at RBDD, Reclamation, in consultation with staff from the State Water Board, fisheries agencies, and the Western Area Power Administration, may develop a plan and propose that the compliance point be moved upstream. The State Water Board has 10 days to consider the TMP (which is June 1 this year due to the 10 day period ending on the weekend).

Under the 2019 Reclamation Biological Assessment and associated 2019 NMFS Biological Opinion, Reclamation proposes to operate to meet a temperature between 53.5 degrees F and 56 degrees F or higher at a compliance point 41 miles upstream of RBDD at Clear Creek (CCR). In the TMP, Reclamation is identifying a compliance location in addition to CCR for meeting 56 degrees F at times that 56 degrees F is not proposed at CCR as the compliance location for Order 90-5. Water temperatures generally increase incrementally downstream of Keswick Dam until an equilibrium temperature is reached. Accordingly, providing a temperature of 56 degrees F at a downstream location like RBDD provides cooler temperatures upstream. Meeting a temperature of 56 degrees F at RBDD would generally provide cooler temperatures than 53.5 at CCR.

Reclamation's 2020 TMP

This year, Reclamation is proposing to meet the following temperature compliance points:

- End of May through end of June, 2020: 53.5 degrees F at CCR and 56 degrees F at Balls Ferry
- End of June through middle of September, 2020: 54 degrees F at CCR and 56 degrees F at Balls Ferry
- Middle of September to the end of October, 2020: 56 degrees F at CCR

Reclamation submitted estimates of temperature dependent mortality indicating that these operations would be expected to result in stage independent temperature dependent mortality of 28 percent (with stage dependent temperature dependent mortality of 15 to 16 percent).⁴ Estimates of temperature dependent mortality provided

⁴ While State Water Board staff recognizes the efforts of Anderson (2018) in adapting the temperature dependent model from Martin et al. (2017) to develop stage dependent mortality estimates for optimizing use of cold water during the temperature management season, this model may underestimate temperature dependent mortality. Martin et al. (2017) shows that temperature related mortality of eggs can occur earlier than the critical age used in Anderson (2018), and that lower temperatures for only a portion of the incubation period may not be sufficiently protective. Together with a historical reduction in the length of the temperature management reach and a lack of protection for fish that emerge after October 31 through mid-November, underestimating temperature mortality during the early stages of egg development could lead to management actions that further impact wild winter-run Chinook salmon stock and its genetic diversity. (Martin, B. T., Pike, A., John, S. N., Hamda, N., Roberts, J., Lindley, S. T., & Danner, E. M. (2017). Phenomenological vs. biophysical models of thermal stress in aquatic eggs. *Ecology letters*, 20(1), 50-59; Anderson, J. J. (2018). Using river temperature to optimize fish incubation metabolism and survival: a case for mechanistic models. *bioRxiv*, 257154).

by Reclamation on May 27, 2020 (Table 1), show similar results for mean/median stage independent mortality with a possible lower and upper range of less than 1 percent to nearly 70 percent.

Table 1: Estimated temperature-dependent egg mortality under different scenarios assuming a 2012-2019 spatial and temporal redd distribution using output from RAFT and interpolated HEC-5Q water temperature models.

Scenario	MODEL	Mean (%)	Median (%)	Lower (%)	Upper (%)
MAY_26_2020_INPUT_90_OUTPUT_90_25L3MTO	RAFT	30.63	27.57	0.08	69.6
MAY_26_2020_INPUT_90_OUTPUT_90_25L3MTO	HEC-5Q	26.46	22.16	0.11	67.22

While the mortality levels expected from the TMP are generally consistent with that expected for a Tier 3 year described in the 2019 Biological Opinion (median mortality of 24 percent)⁵, the projected temperature dependent mortality rate of approximately 28 percent is concerning to State Water Board staff considering the poor condition of winter-run Chinook salmon and other natural and anthropogenic causes of mortality that will affect these fish. Uncertainties concerning mortality rates and operations could also result in higher levels of mortality. Accordingly, approaches that could lower mortality and improve carryover storage conditions for next year merit consideration.

Evaluation of Alternative Operational Scenarios

Reclamation evaluated many scenarios in developing the initial draft TMP; however, Reclamation only evaluated possible modifications to temperature shutter operations that all included similar levels of mortality, or scenarios that would not be recommended due to uncertainties with the ability to provide temperature control throughout the temperature control season. Reclamation did not evaluate any other actions that could improve temperature conditions, including possible changes to the timing or volume of releases, modifications to Trinity River imports, or power production operations to evaluate the possibility for more protective temperature conditions.

In response to an earlier draft of the TMP, State Water Board staff requested that Reclamation evaluate scenarios in which volumes of water equivalent to reductions in deliveries to exchange contractors and refuges that occur under the current Shasta Critical year conditions are backed up in to storage in Shasta Reservoir. The purpose of Board staff's request was multi-fold: to evaluate whether conservation of water in Shasta Reservoir would improve temperature management this year; to avoid the higher end of possible temperature dependent mortality estimates; to evaluate whether the additional stored water would benefit carryover storage conditions going into next year; and to better understand the supply side and system management tradeoffs that would result from additional Shasta storage. Recognizing the interconnected nature of

⁵ The 2017 NMFS proposed Biological Opinion amendments, although never finalized, recommended that temperature dependent mortality not exceed 8 percent in this type of year.

the water supply system and the potential for unintended consequences of modifying project operations, State Water Board staff also asked Reclamation to include information regarding the tradeoffs associated with lower releases and information regarding why Reclamation does not recommend such operations.

Reclamation has declined to evaluate additional operational scenarios. Reclamation's position is that scenarios with different operational assumptions would be inconsistent with its contractual obligations, and are therefore beyond Reclamation's reasonable control. The State Water Board disagrees. To the extent that Reclamation delivers water under its own water rights, Reclamation's obligation to deliver water to its contractors does not take precedence over its permit obligations. Order WR 90-5 requires Reclamation to reduce releases to the extent reasonable and necessary to control water temperature. This permit condition is not and cannot be nullified by a contractual obligation. Reclamation's water supply contractors are not entitled to more water under their contracts than Reclamation is authorized to deliver consistent with the terms and conditions of its water right permits and licenses. (See *United States v. State Water Resources Control Bd.* (1986) 182 Cal.App.3d 82, 145-148; *State Water Resources Control Board Cases* (2006) 136 Cal.App.4th 674, 806, fn. 54; see also Order WR 92-02, p. 9, fn. 3 [compliance with Order WR 90-5 may require adjustments to water deliveries, which are controllable factors, and water should not be considered available for delivery if it is needed as carryover to maintain an adequate cold water pool].)

Reclamation's May 11 letter also suggested that the Board intends "to evaluate or take action on water rights held by parties other than Reclamation, in particular the Sacramento River Settlement Contractors, the San Joaquin River Exchange Contractors, and wildlife refuges . . ." That is not the case. The Board's April 29, 2020 letter was intended to clarify that none of the operational scenarios the Board seeks to evaluate would impact the natural or abandoned flows to which senior riparian or appropriative water right holders may be entitled, including the settlement and exchange contractors.

The Board appreciates the willingness of Reclamation and the Sacramento River Settlement Contractors to continue to discuss this and other legal issues pertaining to compliance with Order WR 90-5. For purposes of compliance this year, however, it may not be necessary to resolve this issue because, due to the improvements in hydrology that occurred in early April, the Board is not seeking to evaluate any operational scenarios that may be inconsistent with Reclamation's contractual obligations to settlement or exchange contractors. Specifically, the Board's April 29, 2020 letter asked Reclamation to evaluate a scenario that stores water that is not delivered to settlement and exchange contractors due to the Shasta Critical year determination. There is reason to believe that this action may improve both temperature conditions in the fall and carryover storage. If the Shasta Critical year determination changes, evaluation of a scenario that reduces exports for service contractor deliveries is also requested.

These operations would be consistent with the settlement and exchange contracts, which provide for 75 percent allocations in a Shasta Critical year. These operational scenarios are also consistent with the shortage provisions contained in Central Valley Project (CVP) service contracts, which generally provide for reduced annual deliveries to service contractors when CVP water is unavailable due to hydrology or other legal requirements, which would include obligations under Order WR 90-5. (See *State Water Resources Control Board Cases, supra*, 136 Cal.App.4th at pp. 805-806 [discussing shortage provision in CVP service contract].) The State Water Board recognizes that such a scenario would have significant tradeoffs, however, and would therefore also like information on those tradeoffs.

Drought and Carryover Storage

Storage conditions this year are very similar to conditions in 2013. That year was the beginning of California's most recent drought, when low storage at the end of water year 2013 contributed to reduced storage in 2014 and 2015. The low storage levels in 2014 and 2015 led to the loss of temperature control and near extinction of winter-run Chinook salmon. Given the parallels this year to hydrologic conditions in 2013, the State Water Board continues to be concerned with preventing temperature dependent mortality and providing for carryover storage in the event that this is the first year in a series of drought years. One of the significant lessons learned from the recent drought was the need to plan for such contingencies. As such, Reclamation's proposal to operate this year similar to 2013 needs to be carefully considered. Recent information from Reclamation provided on May 27 indicates that the volume of coldest water in Shasta Reservoir (water less than 48 degrees F) is tracking very close to cold water volumes observed in 2014, and that the volumes of water less than 49 degrees F is more than 10 percent lower than what was modeled less than 2 weeks prior. The fact that cold water pool estimates are already diverging from Reclamation's model raises concerns that temperature conditions could already be deteriorating relative to the May 20th TMP. Further, it is possible that this year's Shasta Critical year determination (in which water supply allocations are reduced to various contractors) could change resulting in changes in operations that could affect temperatures. Reclamation, however, has not provided information regarding how such a change would affect operations this year.

State Water Board Renewed Request for Information

As stated above, the State Water Board currently does not have sufficient information to make a well-informed decision on Reclamation's final TMP. If the following information is provided within 20 days of the date of this letter, we will consider approval of the TMP at that time:

- Evaluation of operational scenarios that improve temperature protection this year, including extending temperature protection beyond October 31 if eggs are still in the redds at that time, and carryover storage going into next year. Assuming this remains a Shasta Critical year, this should include evaluation of

improving temperature management and carryover storage with water not allocated to settlement and exchange contractors and refuges under the contractual shortage provisions of the associated contracts. In the event it is not a Shasta Critical year following the recent storm event, a scenario in which exports for service contractors are reduced to provide 100 thousand acre-feet (TAF) of additional storage in Shasta Reservoir and up to 250 TAF if feasible should be evaluated.

- An evaluation of other possible adjustments to other operations to improve temperature conditions, including adjustments to power operations and Trinity River imports.
- The State Water Board recognizes that at this point in the water year, such scenarios could have significant water supply and economic impacts so also requests an evaluation of the tradeoffs associated with the above scenarios.

In addition to providing this information, Reclamation should notify the State Water Board immediately if any conditions (monitoring, modeling, operations, etc.) or projections indicate that conditions will be any less protective than identified in the May 20th TMP. This includes, but is not limited to, lower than projected reservoir storage levels or cold water pool volumes, higher than projected reservoir releases, higher than projected water temperatures at CCR or Balls Ferry, increases to estimated winter-run Chinook salmon mortality levels, or other indications that conditions for protection of winter-run and other native species are degrading this year.

Transparency and Collaboration Moving Forward

The State Water Board wants to work cooperatively with Reclamation and watershed stakeholders on collaborative science and planning to further improve our shared understanding of temperature management actions that can best achieve water supply and fish protection goals. Climate change, increased population growth, increased water demand will continue to put additional stressors on an already overburdened system, and could lead to endangered species going extinct when coupled with other stressors on these fish. At the same time, the State Water Board recognizes that curtailments in water supply and deliveries may cause real economic effects. Decisions that deplete the cold water pool too early, or that require releases at the wrong time, could have disastrous effects for water users and species alike. The State Water Board is tasked with balancing competing demands, and relies on the best available science and data when making related decisions and recommendations. The Board relies on the expertise of our federal partners to help us make the best decisions. We cannot do this alone.

While Reclamation evaluated over 300 management scenarios in developing the TMP for this year, each scenario relied on the same basic set of assumptions related to releases and supplies. The result was each scenario forecasted similar mortality levels

of salmon. The alternative operational scenarios the Board has requested are needed to make the most informed temperature management decisions – not only for the Board, but for the numerous stakeholders who are directly involved in management and stewardship of California’s water resources. Most critically, voluntary efforts to develop a long-lasting and meaningful balance between water supply and ecosystem needs will ultimately rely on timely and accurate information. The information developed from the requested scenario evaluations, combined with a better understanding of how water supply changes propagate throughout the water supply system, is a necessary part of an ongoing collaborative process.

One of the most difficult elements in temperature management planning is the short decision-making window inherent to the current process. With a highly fluid hydrology, changes in temperature and supply can occur on a near weekly basis, particularly during the winter and spring. In 2018, State Water Board staff requested that Reclamation develop a temperature management and planning protocol, in part to help address the ongoing challenges associated with the short timelines of the existing process. Reclamation worked towards this effort in 2018, but ultimately requested to pause the development of the protocol as a new biological opinion was being developed. A revised biological opinion was adopted in 2019.

Given that the 2019 biological opinion is now complete, Board staff requested in our April 3, 2020 letter that Reclamation develop a draft protocol for submittal to the State Water Board and fisheries agencies for comment by September 15, 2020. In public comments on the TMP, the State Water Board received helpful recommendations from Reclamation’s contractors, fisheries agencies, and non-governmental organizations (NGOs) on possible improvements to the temperature management process that should be considered related to early planning, voluntary measures, and collaboration. The protocol should consider these recommendations, as the recommended improvements could help all stakeholders involved. The State Water Board also recognizes that Reclamation plans to develop a drought tool kit of actions that can be taken during drought conditions to improve temperature management. The State Water Board is very supportive of those efforts and encourages Reclamation to include information regarding the drought tool kit in the draft protocol. Prior to development of the protocol, State Water Board staff will be sending a letter outlining additional issues it believes are important to consider, and we would like to meet with Reclamation to share ideas that would meet our collective needs and objectives.

The draft protocol requested above will be a good first step in establishing an earlier and ongoing collaborative process. Looking forward, efforts already underway may provide additional opportunities for temperature management collaboration. A science partnership with agencies, water users, and NGOs like that being proposed by the Northern California Water Association, could be a promising opportunity for identifying key temperature management questions and solutions in a collaborative forum. We look forward to seeing additional information and outcomes from that process, and are available for discussions as helpful.

If you have any questions regarding this letter, please contact Diane Riddle at diane.riddle@waterboards.ca.gov. Please be aware that due to the public health concerns regarding the COVID-19 virus and the resulting pandemic, many State Water Board staff are telecommuting; therefore, the best avenue of communication at this time is via email.

Sincerely,

ORIGINAL SIGNED BY

Eileen Sobeck
Executive Director
State Water Resources Control Board

Appendix: Clarifications and Corrections to Issues Raised in Reclamation's May 11, 2020 Letter to the State Water Resources Control Board.

1. Prior Drought

Reclamation raises a number of comments in their May 11, 2020 letter to the State Water Board regarding conditions during the prior drought and technical issues related to temperature management that require clarification. The description provided in the May 11th letter offers an incomplete analysis of the complicated temperature management issues that developed during the drought. We wish to provide additional context to statements made in the May 11th letter related to loss of temperature control and modeling efforts.

Reclamation attributes the loss of temperature control during the drought years of 2014 and 2015 entirely to decisions by the regulatory agencies, including the State Water Board. As Reclamation has acknowledged, depleted storage conditions in 2013 contributed to low storage in 2014 and associated temperature concerns. Regulatory agencies relied on temperature modeling provided by Reclamation in 2014 as part of the temperature planning process, and based regulatory decisions on that modeling information. Unfortunately, as described in the *Sacramento River Temperature Task Group Annual Report and Activities*, water temperatures from October 1, 2013 through September 30, 2014 were about 4 degrees F higher than modeled. These high temperature levels resulted in the loss of nearly all of the 2014 cohort of winter-run Chinook salmon due to temperature dependent mortality.

In 2015, delayed reporting by Reclamation on limited cold water storage conditions left limited options for improving temperature conditions, particularly without significant loss of already dedicated economic resources, and little time to analyze what options remained. By the time state and federal regulatory agencies were aware of the limited cold water volumes there were few actions that could be taken.

Reclamation seems to attribute 2014-2015 winter-run Chinook salmon mortality to the actions of regulatory actions, but clearly there are numerous factors that affected poor outcomes in those years. A collaborative multi-agency and stakeholder approach will help future temperature planning efforts – although without timely and accurate information such collaborative efforts will be constrained. The experience of the 2014-2015 drought years, and the resulting loss of nearly all the 2014 and 2015 cohorts of winter-run Chinook salmon, have informed the Board's subsequent temperature management planning efforts. Likewise, Reclamation has also taken the lessons learned during the most recent drought as an opportunity to evaluate drought responses and improve its temperature planning and management processes. Continuing (and potentially expanding) this working relationship will provide for better outcomes during dry conditions in the future.

2. Releases from Shasta, Allocations, and Decision Making

Reclamation's May 11th comment letter states that there is little difference in March through April releases from Shasta Reservoir between a zero allocation to water service contractors and a 100 percent allocation to water service contractors in a dry year. Reclamation further indicates that requirements for early water supply planning would only impact planting decisions without benefiting the available cold water pool, since the majority of deliveries to water service contractors begin in May when the hydrology and stratification of the available cold water-pool is better known. The Board acknowledges that changes in hydrology can be rapid and have significant effects on temperature management planning, as evidenced by this water year in particular. But the challenges associated with hydrologic uncertainty make early planning efforts more critical, not less. Reclamation may begin the majority of its deliveries to water service contractors in May; however, water supply allocation and associated planting decisions related to deliveries are made earlier in the season making it important to start planning processes early when conditions are dry. Early discussions on hydrology could facilitate voluntary efforts to identify reasonable options for improving cold water pool volumes and related temperature induced mortality.

3. Temperature Relationship to Shasta Releases and Fall Carryover

Reclamation indicates that lower releases from Shasta Reservoir during the spring through fall would not benefit temperature operations. Reclamation cites Daniels and Danner (2020), who evaluated the relationship of river temperatures to discharge over a wide range of flows and geographic scales. Daniels and Danner (2020) found that "discharge temperature often had a larger effect compared to discharge volume," particularly in the upper reach of the Sacramento River near CCR where Reclamation intends to manage temperatures. According to Daniels and Danner (2020), the river temperature in the upper Sacramento River (between Keswick Dam and upstream of Bend Bridge) responded primarily to changes in discharge temperature, with the exception of flows below 5,300 cfs. (Reclamation's forecasted releases during June and July are about 12,000 cfs.) Thus, when releases are above 5,300 cfs, greater discharge volumes may not be necessary to control river temperatures in the locations where temperature management currently occurs, and higher releases may deplete stored cold water resources.

Reclamation's May 11 comment letter also indicates that there is not a significant correlation between end of September storage levels and the next year's cold-water pool. Yet at the same time, Reclamation's analysis of historical prior storage, inflow, and releases for May 1 cold water capabilities states that "lower release in the fall of 2013 could have improved conditions for 2014." As discussed above, this year is very similar to 2013. Accordingly, improvements to carryover storage levels this year merit further consideration to address the types of challenges encountered during 2014 and 2015.

4. Releases to Maintain Delta Water Quality

Reclamation indicates that State Water Board Decision 1641 (D-1641) required high releases from Shasta storage this winter to meet Delta outflow requirements, despite low precipitation. The D-1641 Delta outflow requirements are based on the prior month's hydrologic conditions to provide more operational certainty. The outflow requirements include significant flexibility to reduce water supply impacts, including three different methods of compliance and the ability to carry over excess compliance days from one month to the next. Although daily outflow from Shasta Reservoir exceeded inflow intermittently during the period from December through mid-March, approximately twenty percent of inflow to the reservoir was stored on a net basis during February and March. Although it is more typical to store upwards of fifty percent of inflow during these months, outflow from Shasta is well within the range observed during the prior twenty years of implementation of D-1641, on the basis of both absolute volume and fraction of inflow to the reservoir.

SF's shuttered office buildings could face new health threat: unsafe water

By San Francisco Chronicle, 5/27/20

Before San Francisco office workers start streaming back to downtown high-rises again, property owners and managers need to make sure those buildings are safe. Not just from the threat of coronavirus circulating among cubicles, but from medical problems that can be caused when water in buildings sits stagnant for months. Plumbing systems — the vast network of pipes that connect the city's water system to cooling towers, showers, sinks, toilets and urinals — require a consistent water flow in order for water to stay safe. When there are no workers around to flush toilets or wash their hands, water stagnates in pipes.

Flushing brings in disinfectant from the municipal systems that can help control biological growth. Since 2004, the San Francisco Public Utilities Commission has treated San Francisco's water with chloramine. The loss of that residual disinfectant can allow the growth of mold or bacteria like the one that causes Legionnaires' disease, a serious type of pneumonia that can be fatal. In addition, the leaching of metals from the pipes can cause health hazards ranging from delays in physical or mental development in children to kidney problems or high blood pressure with adults.

CORRESPONDENCE



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June 4, 2020

Caitlin Canale, General Manager
Ruth Lake Community Services District
PO Box 6
Mad River, CA 95552-0006

Re: California Special District Association (CSDA) training opportunities

Dear Caitlin,

As you are aware, our District has been assisting yours with obtaining California State Parks Division of Boating and Waterways funds under their Quagga and Zebra Mussel Infestation Prevention Grant Program. As the owner of Ruth Lake, our district is required to be the applicant for these grants. Your District incurs the actual expenses, which we in turn submit for grant reimbursement. The first three applications were successful in obtaining \$ 80,130 for your District.

15/16 Grant	\$ 9,150	(operating expenses of \$5,600)	
16/17 Grant	\$63,500	(operating expenses of \$3,900)	
17/18 Grant	\$ 7,480	(operating expenses of \$7,480)	
19/20 Grant	\$ 24,000	(operating expenses of \$3,700)	IN PROCESS, not yet approved

The operating expenses consist of: gate access key cards, boat to trailer bands, inspection stickers, and telephone monthly charges. The total of \$16,980 of operating costs is being reimbursed through the grant program. Last month your district received the final grant reimbursement check from 17/18 grant for \$4,807.85 (see enclosed copy). In this current grant cycle, phone charges are not allowed and thus the reduced amount in operating costs.

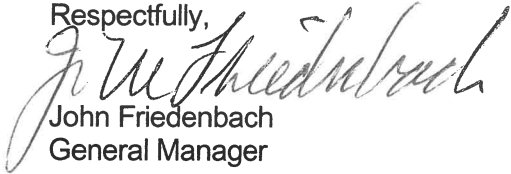
I bring these figures to your attention with a suggestion for your consideration. You are a new General Manager and your Board Secretary/Business Manager is relatively new to your District. Respectfully, it occurs to me that you could both benefit from some of the trainings offered by the CSDA since your District is a member of CSDA. The specific trainings that our District utilizes are the General Manager's Summit and the Board Secretary Conference. I have attended the GM Summit and found it very informative as well as a positive networking opportunity for peers in other special districts. Additionally, we send our Board Secretary to the annual Board Secretary's Conference nearly every year. She has become well versed in the procedures and policies necessary for an effective and compliant administrative operation of a Special District. I myself have attended this conference as well and found it to be beneficial as general manager. Unfortunately, due to COVID-19 this year's GM Summit was cancelled. The Board Secretary conferences alternate locations between Southern California (Anaheim) and Northern California (Monterey) The current year 2020 conferences are located on the CSDA website: www.cstda.net. The details will be available as the conference dates get closer.

I understand that budgets are typically tight, but given the operating costs savings that your District has realized through the Quagga grants, an opportunity may exist to re-invest a portion of those RLCSD savings/funds into you and your staff's education that will benefit the RLCSD for years to come.

I thought sharing this information might be useful for your organization.

If you have any questions, please do not hesitate to contact me. Or you can contact the CSDA or view their website.

Respectfully,



John Friedenbach
General Manager

CONTINUING BUSINESS

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: John Friedenbach
Date: June 5, 2020
Subject: Water Resource Planning (WRP) – Status Report

.....

The purpose of this memo is to summarize recent activities and introduce next steps for discussion.

1) Top-Tier Water Use Options

a) Local Sales

Nordic Aquafarms – See article attached.

ESS of Laguna Hills continues to prepare our grant application to the US Economic Development Agency seeking funding for rehabilitating Station 6. We have received a draft and are in the process of providing additional information to complete the application.

A report from Samoa Peninsula Stakeholder Group working group is expected by June 15th. Staff will distribute to the Board when it is received.

b) Transport

No update.

c) Instream Flow Dedication

At the May Special Board meeting the draft project description was approved. The next steps are to share the project description with the Water Task Force, Water Resource Planning Advisory Committee, NMFS and CDFW prior to taking it to the Water Board staff.



Press release – for immediate release (5/21/20)

Nordic Aquafarms Inc
Portland, Maine
Media contact: Marianne Naess / +1 207 323 6733

Nordic Aquafarms reaches a major milestone in Maine

The BEP (Board of the DEP) held deliberations on Nordic Aquafarms' state permit applications on Wednesday May 20th. Nordic Aquafarms is very pleased with the BEP deliberations. DEP staff presented the different issues well, and Nordic commends the board for having valuable discussions while finishing the session in just one day.

"It has been a long journey and I want to thank our employees, the DEP staff and our advisors for their efforts in the permitting process" says Erik Heim, president of Nordic Aquafarms Inc. "We also want to thank the BEP for its thorough processing of the applications based on facts and science.

Nordic Aquafarms is satisfied with the permit conditions discussed during the deliberations. Nordic is also pleased to announce that it has improved the discharge technology further since submitting the MEPDES application in the fall of 2018 and is comfortable with the potential permit conditions that will be proposed by the DEP. Nordic has developed the highest ocean protection standards in the industry with higher nutrient removal and biosecurity measures than any other farm in operation today.

The majority of the residents of Belfast, as well as all the elected officials, have supported the project all along. Local supporters have formed support groups and gone to great lengths to provide accurate information based on science and facts to the community. Nordic Aquafarms wants to thank its supporters and the group "The Fish Are Okay" in particular for their support.

A few local opponent groups have tried to derail the process with claims of the applications being incomplete, by arguing the need for additional studies well beyond the required regulations and by frivolous lawsuits claiming that Nordic doesn't have a lawful access to the bay for its intake and discharge pipes. Their attempts to derail the BEP process have been unsuccessful.

The current situation with COVID-19 and disruptions in international supply chains shows the importance of producing high quality food close to the consumers and underscores the importance of this project both to Maine and the US, Heim says.

Nordic is now looking forward to the draft permits being issued and for other permits to come to a conclusion in the near future.

Permits that were deliberated:

MEPDES – discharge permit

SLODA – site law permit

NRPA – natural resources permit

Air Emissions - minor air emissions permit

Harbor district to review Nordic's plan to relocate tenants

Cost estimates range up to \$147,000



A visualization of Nordic Aquafarms' finished aquaculture facility at the Samoa Peninsula. (Nordic Aquafarms contributed)

By [SHOMIK MUKHERJEE](#) | smukherjee@times-standard.com | Times-Standard
May 26, 2020 at 3:15 p.m.

Humboldt Bay commissioners on Thursday will look to approve a relocation plan for several businesses that will likely be displaced from their leased Samoa Peninsula properties by an expansion of Nordic Aquafarms' forthcoming \$400 million aquaculture facility.

The company has agreed to cover the bulk of relocation costs for the tenants. State law would require that the Humboldt Bay Harbor, Recreation and Conservation District find a way to pick up the tab, but the district's executive director said Tuesday that Nordic will do the heavy lifting on the costs.

The total costs of relocation are estimated to range between \$36,000 and \$147,000, depending on where, and how quickly, the tenants are able to find new spaces. The high-end estimates are the sum of fixed payments mandated by California relocation laws.

There are several businesses that will need to find new places, including locally-owned Restif Cleaning Services. The harbor district will pay for two of the tenants — Coastal Business Systems and CPR, Inc. owner Suk-Choo Kim — to relocate, while Nordic will cover the rest.

“Those two tenants are month-to-month in their lease,” Larry Oetker, the harbor district's executive director, said Tuesday. “They use the property for storage. Spaces to rent are fairly readily available for those uses.”

Some of the businesses might end up finding space in other properties on the peninsula, Oetker added, but others will need to look elsewhere. The district's relocation plan outlines a list of possible local properties that could lease space, including in Eureka, Arcata and Fortuna.

"We're not too concerned about it," Coastal Business Systems principal Mike Dominick said Tuesday. "Since we're a service that helps businesses, we're pretty positive about the aquafarm, or whatever it is, coming in to provide jobs around the bay."

None of the businesses being displaced are coastal-dependent, which means they don't rely on being close to the ocean to operate. Until the harbor district got on the right side of the law in late 2018, the businesses were there illegally.

But, as part of their newfound compliance, the leases included a clause that future coastal-dependent businesses could take their spot.

Nordic Aquafarms commercial director Marianne Naess said Tuesday the company is happy to pay the costs.

"It's something we've been aware of and was always part of our consideration," Naess said. "And it's fair, and that's what California mandates. Of course we'll follow the laws and regulations."

The harbor district is set to review the plan at a meeting on Thursday.

Shomik Mukherjee can be reached at 707-441-0504.



Cher-Ae Heights Indian Community of the Trinidad Rancheria



June 4, 2020

John Friedenbach, General Manager
Humboldt Bay Municipal Water District
PO Box 95
Eureka, CA 95502-0095

Dear John:

On behalf of the Cher-Ae Heights Indian Community of the Trinidad Rancheria, please accept this letter as our formal request to enter into Government to Government Consultation with the Humboldt Bay Municipal Water District (HBMWD). As per earlier conversations, the Tribe would like to work with HBMWD to develop the infrastructure to receive water at the Trinidad Rancheria Main Trust Parcel. We are interested in direct service from HBMWD to the Rancheria.

I have attached some historical documents from 2015 when the Rancheria began discussion with HBMWD. Carol Rische, General Manager at that time sent us a letter dated May 12, 2015, (attached), regarding the possibility of a broader effort to address connecting outlying communities to the regional water system. A Reconnaissance Level Assessment for Water Distribution Pipeline North to the Trinidad Area was completed by GHD for HBWMD. Subsequently, the City of Trinidad decided not to pursue the water infrastructure project at that time and the planning effort came to a standstill.

Trinidad Rancheria embarked upon a master planning effort in 2009 – 2011. We were successful in creating a “Comprehensive Community-Based Plan.” This plan includes Goals and Policies for Land Use, Transportation, Housing, Economic Development, Cultural Resources, including Marine Planning, and the Trinidad Harbor Development.¹

The Tribe must have the ability to develop its lands and resources for the overall well-being of the Trinidad Rancheria Tribal Membership. Water is an integral and basic necessity for all peoples and in order to reach our goals and objectives we must find alternative water sources.

¹ Comprehensive Community Based-Plan, December 2011, Prepared by Local Government Commission, Michael Sweeney, AICP, Opticos Design, Inc., Sherwood Engineers

Please present this request to your Board of Directors at their upcoming Board meeting on June 11, 2020. We are happy to meet via a zoom meeting or conference call to discuss next steps. Please contact our Chief Executive Officer, Jacque Hostler-Carmesin at (707) 677-0211 or jhostler@trinidadrancheria.com , to confirm a meeting with the Tribal Council.

Respectfully,



Garth Sundberg
Tribal Chairman
Trinidad Rancheria



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO BOX 95 • EUREKA, CALIFORNIA 95502-0095

OFFICE 707-443-5018 ESSEX 707-822-2918

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

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CAROL RISCHÉ

Trinidad Rancheria
RECEIVED ON:

MAY 12 2015

Received By:
Administration/Reception

May 7, 2015

Jacque Hostler-Carmesin
Chief Executive Officer
Trinidad Rancheria
PO Box 630
Trinidad, CA 95570

Dan Berman
City Manager
City of Trinidad
PO Box 390
Trinidad, CA 95570

RE: Reconnaissance Level Assessment- Water Distribution Pipeline North to Trinidad

Dear Ms. Hostler-Carmesin and Mr. Berman,

We appreciate your potential interest in exploring the feasibility of Trinidad Rancheria, the City, and possibly neighboring communities connecting to Humboldt Bay Municipal Water District's regional water system. Following our discussion earlier this year, we requested a proposal from GHD for a reconnaissance-level study exploring routes, design considerations and developing a preliminary cost estimate.

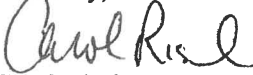
Attached for your review and consideration is their proposal. In addition to the reconnaissance-level pipeline study, an optional activity is included which would provide additional detail to support the design.

We understand that costs are a consideration, and that you may not have the means to fund a study such as this.

There is a possibility of a broader effort to address how outlying communities can connect to the regional water system. Last year, we received a similar inquiry from parties south of our District and prepared a proposal to explore routes and costs to serve them. We discussed the possible interest of outlying communities connecting to the regional system with Tony Weidemann, CA Division of Drinking Water. He informed us that a possible funding mechanism is the Safe Drinking Water State Revolving Fund program. We checked and they offer planning grants which may fund reconnaissance studies such as these, especially given the drought.

We are available to answer any questions, and would be happy to bring all parties together to discuss the level of interest and next steps to try to secure funding.

Sincerely,



Carol Rische
General Manager

Enclosure:

Scope and Budget for Reconnaissance Level Assessment - Water Distribution Pipeline North to Trinidad area

cc: David Hull, General Manager, Humboldt CSD
Greg Orsini, General Manager, McKinleyville CSD
Kyle Knopp, City Manager, Rio Dell
Merritt Perry, Engineer, Fortuna
Pat Kaspari, District Engineer, GHD
Tony Weidemann, CA Division of Drinking Water



Ref: 8411312

April 23, 2015

Ms. Carol Rische
Humboldt Bay Municipal Water District
828 Seventh Street
Eureka, CA 95501

**Re: Scope and Budget for Reconnaissance Level Assessment
Water Distribution Pipeline North to the Trinidad area**

Dear Carol,

The following is a scope and cost estimate to provide a reconnaissance-level assessment as part of the Water Resource Planning effort for feasible pipeline routes to transfer HBMWD water north to Westhaven, City of Trinidad and Trinidad Rancheria area. In general, the scope will consist of updating the alternative pipeline alignments presented in previous studies, and updating the cost estimated for construction to current dollars. An additional alignment utilizing Green Diamond lands will also be assessed. The scopes for this task as well as additional alternative tasks are detailed below:

Task 1 – Reconnaissance Level Pipeline Study

This task will include a review of the previous studies of potential pipeline routes from HBMWD to the Trinidad area. Studies to be reviewed include:

1. *HBMWD, Report Concerning McKinleyville-Trinidad Area Water Service*, HBMWD, April 21, 1967
2. *City of Trinidad, Water Supply Feasibility Study, Technical Memorandum No. 9, HBMWD Technical Feasibility*, Winzler & Kelly, November 2001
3. *City of Trinidad, Water Supply Feasibility Study, Technical Memorandum No. 12, Cost Comparison*, Winzler & Kelly, April 2002
4. *City of Trinidad, Preliminary Engineering Report*, Winzler & Kelly, June 2008

All of these reports assess a 12-inch diameter pipeline from the McKinleyville CSD water system near Dows Prairie running to the north on one of three potential routes including:

1. North from the MCSD system at Dows Prairie along County roads to Little River, west under Hwy 101 at the Little River Bridge, then North along Scenic Drive and Westhaven Drive to the City of Trinidad's water treatment plant.
2. Route 2 would begin the same as Route 1, but stay on the east side of Hwy 101 at Little River to Westhaven Drive, and follow Westhaven Drive to the Treatment Plant.
3. Route 3 follows County roads. It begins the same as the previous routes at Dows Prairie, but heads east on Crannell Road to Hammond Truck Road where it would cross Little River on the existing bridge and continue to work north and west to Westhaven Drive and the treatment plant.

Recent discussions with Green Diamond Company suggest that they may be willing to allow use of their lands and roads for a pipe installation and a route through their lands will also be evaluated.

Each of these alignments will be assessed for feasibility, including a desk top analysis and consideration of the following factors:

- Assessment of pipeline and booster pumps stations sized to convey appropriate quantities of water
- Constriction points of the existing HBMWD/MCSD systems that would limit water delivery and potential remedies to any identified constrictions

GHD Inc.

718 Third Street Eureka CA 95501 USA
T 1 707 443 8326 F 1 707 444 8330 E eureka@ghd.com W www.ghd.com



Ms. Carol Rische
 April 23, 2015
 Page 2

- Topographic relief
- Public or utility right-of-way availability
- Constructability impacts
- Environmental impacts (qualitative assessment only, e.g. this alignment crosses 20 salmonid bearing streams, each of which will require a Dept. of Fish & Wildlife 1600 permit, etc.)
- Potential general impacts to cities, roads, railways, other major utilities
- Construction cost
- Operation and maintenance costs

The previous cost estimates developed in 2002 and 2008 will be reviewed and adjusted to 2015 dollars and a Class 4 Opinion of Probable Construction Cost estimate meeting the requirements of the Association for the Advancement of Cost Engineering (AACE) International will be developed for each of the transmission routes identified. Along with the construction cost, costs for engineering design, permitting construction monitoring, environmental monitoring, and environmental mitigation will also be prepared for each alternative. All costs will be prepared in 2015 dollars and escalation factors used to project costs out for the next 10 years.

A Draft Reconnaissance Study will then be prepared detailing the alternative alignments and feasibility as well as the anticipated Opinion of Probable Construction Costs and engineering and permitting costs. The Draft Reconnaissance Study will be presented to District Staff as well as Water Resource Committee members for review. Comments on the Draft Study will be incorporated, and a Final Reconnaissance Study will be prepared and submitted to the District.

Deliverables:

- Five (5) hardcopies Draft Reconnaissance Study
- Eight (8) hardcopies and one (1) electronic copy in .pdf format of Final Reconnaissance Study.

Professional Service Fee

GHD will provide the above described scope of services on a Time and Material Basis at our Standard Labor Rates in place at the time of execution of the work. The estimated cost for this scope of work is:

Task 1-Reconnaissance Level Pipeline Study	\$15,000
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Potential Additional Tasks

The intent of Task 1 is to provide a very high level Reconnaissance Study to assess feasible route(s) and options for providing water to the Trinidad area and provide an order of magnitude construction cost for such. There are a number of additional Tasks that could also be performed to further refine this study and provide more accurate assessments of the feasible route and/or construction and permitting costs. These alternative tasks are detailed below.

Alternative Task A - Needs Assessment

This Task would consist of a needs assessment for the communities of Westhaven and Trinidad, as well as the other communities along the route including the Trinidad Rancheria, and areas north and east of Trinidad/Westhaven. GHD will contact representatives of each of these communities and discuss the project and review their current and projected potable water needs. GHD will also obtain and review copies of any recently completed water demand and/or rate studies. GHD will also review the Water Resource section of the Humboldt County General Plan update and include their projections for potable water demand and water infrastructure updates recommended for these communities. This information



Ms. Carol Rische
April 23, 2015
Page 3

will be summarized in a Technical Memorandum and reviewed with HBMWD Staff. GHD will then work with HBMWD staff to finalize which communities to include in the overall study and will utilize the projected flows for these communities to size the pipeline analyzed in Task 1. Additional lateral lines to these communities can also be included in the construction cost estimate for Task 1, but the extent of these service laterals is unknown at this time and is not included in the cost below.

Deliverables:

- Electronic version of Needs Assessment Technical Memo
- Flow studies and pipeline sizing to be included in the Final Reconnaissance Study.

Fee

Alt Task A-Need Assessment \$10,000

General Assumptions/Exclusions

This proposal is based on the following assumptions:

1. Field work, including, but not exclusive to geotechnical, survey, or right-of-way acquisition work, is not included in this scope.
2. California Environmental Quality Act (CEQA) studies or permitting are not included.
3. Scope includes only review of Public Right-of-Way alignments and discussions with Green Diamond Company and does not include other discussions with private individuals or businesses for use of their land for right-of-way.
4. Does not include any public meetings or discussions with other parties other than those identified in the scope.

Schedule

GHD proposes to complete the Draft Reconnaissance Study within eight (8) weeks of the receipt of a signed contract. The Final Reconnaissance Study will be completed within two (2) weeks of receipt of comments on the Draft Final Study.

As always, we appreciate the opportunity to assist you on this project. Please do not hesitate to call me if you have any questions.

Sincerely,

Patrick Kaspari, P.E.
District Engineer

Tug-of-water: Trinidad Rancheria says city not acting in good faith

Boutique hotel could come to Trinidad's Main Street



With its latest design, the Trinidad Rancheria's hotel project is intended to be more compatible with the surrounding bay. (Contributed)

SHOMIK MUKHERJEE | smukherjee@times-standard.com |

PUBLISHED: May 18, 2020 at 3:11 p.m. | UPDATED: May 18, 2020 at 3:11 p.m.

The controversial hotel project in Trinidad brinks on the city's agreement to supply the five-story, 100-room development with water, an amount the tribe says is more than adequate but believes the city is refusing to part with.

In a letter dated May 13, tribal Chairman Garth Sundberg accuses the city of not demonstrating good faith in discussions over its ability to provide water for the hotel. The city has considered supporting the development of a separate hotel to be built on Trinidad's Main Street, which a tribal executive said would be a source of competition for the city's water supply.

If the city doesn't play ball, tribal officials will refuse to help the city to complete a stormwater management project on tribal property.

"Surprisingly, rather than working as a partner with the Trinidad Rancheria, the City appears prepared to use its control of the water system, which draws water from outside of the city, to deny the Trinidad Rancheria the most basic and necessary resources," the letter states.

On Monday, tribe CEO Jacque Hostler-Carmesin said the tribe is trying to foster positive dialogue with city officials, even giving a presentation recently that outlined the rancheria's history of offering help to the city on various projects.

In recent months, however, the Trinidad City Council has drafted a water policy that projects a limited water supply, especially in climate change-influenced dry years,

available to the city's residents alone. The rancheria is looking to use 10,000 gallons a day for its hotel.

"We're willing to work with the city in the good years and the lean years," Hostler-Carmesin said. "So far, the rancheria has contributed over \$850,000 to the city's water infrastructure, and we are very willing to look at the new projects outlined in (engineering) studies and request funding for those projects as well."

Now the tribe is threatening to refuse the city "any right to use its land" to rest a stormwater vault, part of a city-led infrastructure project. The council during a special meeting this week will discuss a new memorandum of understanding, or an informal agreement with the tribe to begin new discussions about the city's ability to provide water for the hotel.



Trinidad Rancheria CEO Jacquie Hostler-Carmesin argued for 100-room hotel project's future at the California Coastal Commission meeting in August. (Shomik Mukherjee — The Times-Standard file)

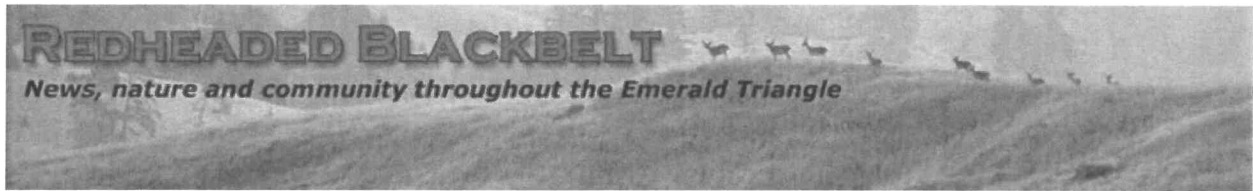
Meanwhile, Hostler-Carmesin said the tribe was "surprised" to learn that city manager Eli Naffah is working to support other parties' development of a separate hotel project in Trinidad proper.

But Naffah said Monday the project in question is to build a "boutique hotel, small and classy." Along with a few other shops, Naffah said the Trinidad Coastal Land Trust-led project would occupy a 5-acre parcel in the city's Main Street area.

"It's just an idea," Naffah said, "a way to create tax dollars because we're losing revenue."

Hostler-Carmesin said earlier this year that the hotel could be finished as early as summer 2020, but the ongoing coronavirus pandemic will delay that target date by at least several months. Despite economic hold-ups and stalled talks with the city, the executive said she remains optimistic about the hotel's construction.

Shomik Mukherjee can be reached at 707-441-0504.



CITIZENS GROUP DECRIES CLOSED MEETINGS ON PROPOSED HYATT HOTEL

May 18, 2020 [Kym Kemp](#) [Leave a comment](#)



Trinidad [Photo from the [HARP Facebook page](#)]

Press release from HARP (Humboldt Alliance for Responsible Planning):

The City of Trinidad has called a special City Council meeting-by-videoconference for Thursday, May 21, at 6 p.m., to consider a “memorandum of understanding” to conduct behind-closed-doors negotiations over demands to supply water to a controversial high-rise Hyatt hotel project on Trinidad Bay.

The special meeting is in response to a threat by Garth Sundberg, chairman of the Trinidad Rancheria, that would derail a long-planned environmental cleanup project for Trinidad Bay unless the City of Trinidad agrees to supply city water to the hotel project.

The special City Council meeting is open to the public via video or telephone. Go to <https://trinidad.ca.gov/calendar> and click on May 21 for connection details and the meeting packet. Sundberg’s May 13 letter to the Council is at <https://www.humboldtalliance.org/trinidad-water#>.

Trinidad residents and others are urged to send comments to cityclerk@trinidad.ca.gov, and attend Thursday’s City Council teleconference.

In his letter, Sundberg says the Rancheria will withdraw cooperation with the city in a long-planned Trinidad Bay stormwater control project “until and unless the City provides a final and mutually-acceptable decision” to provide city water to the hotel. The stormwater project was

scheduled to go to the California Coastal Commission for a permit sometime later in 2020 – in conjunction with a separate Stormwater Project for the Rancheria-owned Trinidad Pier. But this late threat throws both stormwater cleanup projects into question.

The Trinidad-based citizens group Humboldt Alliance for Responsible Planning (HARP) objects to the behind-closed-doors negotiating process demanded by the Rancheria, and to the threat of damaging the health of Trinidad Bay as a pressure tactic against the city.

“The City should not give-in to this kind of tactic,” said HARP attorney Bryce Kenny, a former Trinidad mayor. “This discussion needs to take place in full view of the public.”

“The Rancheria is demanding a cart-before-the-horse approach,” he said. “The City Council already has a good process under way to finalize a comprehensive water policy. Before negotiating over providing water for a high-rise Hyatt, the city needs to complete its due diligence, and to consider the needs of its residents.”

The City of Trinidad has been conducting water studies throughout 2019 of the city’s Luffenholtz Creek water supply and water processing plant. In April, the city Planning Commission delivered a draft water policy to the City Council, prioritizing water service to Trinidad residents inside city limits, and then to nearby properties.

At that April 14 meeting, the city planner warned that “drought or climate change or other upstream water rights” could reduce the city’s water supply. Scientists have already concluded that California is in the midst of a 400-year “mega-drought,” and 2020 is already much drier than normal.

The City Council has asked the Planning Commission to draft a drought contingency plan as part of its new water policy, and that is on the commission’s agenda for Tuesday, May 19 (see <https://trinidad.ca.gov/calendar> for details).

About HARP: HARP is an informal grassroots group dedicated to informing citizens about major development projects in their communities that could affect their lives and environment. Visit <https://www.humboldtalliance.org>.

Water glitch not stopping Trinidad Rancheria hotel

News

05/31/2020



The planned Hyatt Hotel on Trinidad Bay.

Jack Durham
Mad River Union

TRINIDAD – The Trinidad Rancheria is forging ahead its with plans to build a five-story, 100-room hotel near its casino, despite the City of Trinidad’s reluctance to provide additional water for the facility.

“The hotel project is alive and well and it’s moving forward,” Trinidad Rancheria Chief Executive Officer Jacque Hostler-Carmesin told the Trinidad City Council at a May 21 special meeting.

The council convened in a remote Webex meeting with more than 67 attendees to consider an eight-point memorandum of understanding between the city and the tribe. The MOU would have allowed in-depth discussions between the two entities regarding the water issue.

The MOU, however, was shot down by a divided council, which voted 3-2 against entering into the agreement. That leaves the issue in limbo, although some council members said they wanted to continue talking with the tribal leaders.

Water request

The rancheria, a sovereign nation outside the city limits, is requesting an additional 9,500 gallons per day of water to serve the hotel. The city already provides water for the casino, tribal offices and homes on the rancheria.

City residents and council members have expressed concerns that the city may not have an adequate supply of water, specially during the end of summer and during drought years.

Last year, the city commissioned a water study, which was completed by GHD, an engineering company. That report concluded that the city's water system has a theoretical surplus of about 48,000 gallons a day.

The report, however, was focused on the plant's ability to treat water, and did not look at droughts.

The city council has also tasked the Trinidad Planning Commission with coming up with a policy on how to handle new water requests.

Officials with the rancheria have expressed frustration with the city and its failure to provide water for the project.

On May 13, Tribal Chair Garth Sundberg **sent a letter** to Trinidad Mayor Steve Ladwig accusing the city of not negotiating in good faith. Sundberg said that as result of this, the rancheria would not allow the city to access tribal lands for a stormwater project.

'Have a dialogue'

That sparked the city to create a draft MOU, which was presented to the council May 20.

"The intent here is to have a dialogue, to have a conversation," said Trinidad City Manager Eli Naffah, as he explaining the purpose of the MOU at the meeting.

Trinidad Councilmember Tom Davies repeatedly questioned Naffah about the MOU and whether it was created through meetings between the tribe and the city officials.

Tribal member Shirley Laos said that the tribe was never consulted about the creation of the MOU and learned about its contents in a newspaper.

"The illusion being casts that there are backroom deals going on is false," Hostler-Carmesin said.

Had the MOU been approved, two councilmembers and the city manager would have met with tribal leaders. Some of their discussions would be confidential, such as hotel business details.

Trinidad resident Bryce Kenny raised concerns about these meetings.

"Avoid the government-to-government meetings as much as possible," said Kenny, who noted that such meetings add to the perception that private deals are being made.

Kenny argued that the city should wait to make decision until the Planning Commission is done making a policy on new water requests.

"You and the rancheria need to be patient while they finish their work," Kenny said.

Fifth District Supervisor Steve Madrone said he didn't think the MOU was needed because the city doesn't have enough water.

"There's no water to offer," Madrone said. He suggested that the city look into getting grants, expand its water storage capacity and explore rainwater collection.

Councilmember Dwight Miller said he agreed with Madrone that there was an insufficient water supply and that more storage was needed to capture water during the rainy season.

Councilmember Jack West said he had received an "unbelievable" number of letters from community members opposed to the MOU.

"I feel like I'm going against the community to vote for this," West said.

'Path of no return'

Davies made a motion to stop the MOU, stating "Considering the Planning Commission has been directed to finish the Water Policy draft, complete with a Drought Contingency Plan, I move to deny the request to develop an MOU with the Trinidad Rancheria at this time.

"Furthermore, if the in the future the topic of this MOU reappears, all negotiations regarding said MOU will take place in an open public meeting."

Hostler-Carmesin warned the council that this was the wrong thing to do.

"It's going down a path of no return," she said. "That's not positive."

Voting in favor of the motion were Ladwig, Davies and Dave Grover. Opposing the motion were Miller and West.

After the vote, Sherri Provolt of the Yurok Tribe urged the council to make a motion to have city representatives meet with the rancheria to continue discussions. "Keeping the relationship is vital," she said.

No motion was made, although councilmembers said they may discuss it at a future meeting.

Another hotel?

Adding to the controversy over supplying water to the tribe for its hotel was a rumor that city officials were considering another hotel within the city limits.

In his May 13 letter, Tribal Chair Garth Sundberg wrote, "Further contradicting the City's purported concerns about water system capacity, the Trinidad Rancheria has recently learned that the City Manager is working with other parties to develop a hotel and shopping center project on the last remaining vacant land within the city limits."

One of the vacant parcels is a former horse pasture located near the Trinidad Cemetery and owned by the Trinidad Coastal Land Trust (TCLT).

According to the TCLT Executive Director Ben Morehead, "While City Manager Eli Naffah did present a concept for a boutique hotel to the TCLT board, there are no plans to pursue this idea. TCLT has not even discussed this.

"His hotel idea is just one of the many ideas we have received via informal community input offering recommendations for future use of this pasture property including: a skatepark, public park, public restroom, amphitheater, visitor info center, community garden, community swim pool, keep it as is open space and create a new botanical garden.

"In addition, the TCLT board received a video presentation about a "green cemetery" (eco-friendly/no casket natural burial) during a board retreat meeting.

"TCLT will not make any decisions about the future uses of the pasture property this year 2020, and likely not next year either," Morehead stated.

Posted on: May 28, 2020

Nine water diversion violations found during MET search warrants



On May 27, 2020, deputies with the Humboldt County Sheriff's Office Marijuana Enforcement Team (MET) served three search warrants to investigate illegal cannabis cultivation in the Dinsmore area. The California Department of Fish and Wildlife and Humboldt County Code Enforcement assisted in the service of the warrant.

Three parcels were investigated during the service of the warrant. The parcels did not possess the required county permit and state license to cultivate cannabis commercially.

During the service of the warrants, deputies eradicated approximately 9,910 growing cannabis plants. Deputies seized and destroyed approximately 7,120 pounds of processed cannabis.

Assisting agencies found the following violations:

- o Nine water diversion violations (up to \$8,000 fine per day, per violation)
- o Commercial cannabis ordinance violations (up to \$10,000 fine per day)

Additional violations with civil fines are expected to be filed by the assisting agencies.

No arrests were made during the service of the warrant. The case will be forwarded to the DA's Office for review.

Anyone with information about this case or related criminal activity is encouraged to call the Humboldt County Sheriff's Office at (707) 445-7251 or the Sheriff's Office Crime Tip line at (707) 268-2539.

T|L|G Thomas Law Group

TINA A. THOMAS

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www.thomaslaw.comANNE L. BAPTISTE
JOHANNAH E. KRAMER

May 18, 2020

Humboldt County Board of Supervisors
825 5th Street, Room 111
Eureka, CA 95501**RE: Formal Withdrawal of Appeal of Planning Commission Approval of Applications 13319/SP16-868, 13328/SP16-870, 13339/SP16-871, and 13346/SP16-872 submitted by Michael Brosgart and Arielle Brosgart; APN 516-111-064**

To the Humboldt County Board of Supervisors:

On September 19, 2019, the Humboldt Bay Municipal Water District (the District) appealed the September 5, 2019 Planning Commission decision to approve applications 13319/SP16-868, 13328/SP16-870, 13339/SP16-871, and 13346/SP16-872 (collectively, "the Project") submitted by Michael Brosgart and Arielle Brosgart (Applicants) for APN 516-111-064. This appeal was based on evidence that the Project may result in significant environmental impacts that were neither analyzed nor mitigated in the mitigated negative declaration (MND) prepared for the Project. Specifically, the District was concerned that the Project may exacerbate contaminated conditions at the Project site by causing PCP and/or dioxins to migrate off the Project site into Hall Creek and/or the Mad River, potentially resulting in significant environmental and human health impacts since the Mad River provides drinking water to 88,000 Humboldt residents. Because the MND failed to analyze these potentially significant impacts, the District requested that the Applicants undertake soil and groundwater sampling at the Project site to evaluate the risk posed by the Project to the District's drinking water supplies and whether an environmental impact report needed to be prepared.

The Applicants addressed the District's concerns and undertook the requested soil and groundwater sampling. The District expresses its appreciation to the Applicants for their cooperation in addressing the District's concerns. The soil and groundwater sampling met rigorous testing protocols to ensure that the lab results accurately reflect contamination levels at the Project site. The District notes there were some concerns with the laboratory calculations and reporting, and it remains particularly concerned by the anomalous presence of dioxins in groundwater. However, the results demonstrated that PCP and dioxin contamination levels are low at the Project site. Based on expert advice and recognizing that the contamination levels at the Project site are low, the District finds that the Project poses a low risk to its drinking water supplies. Therefore, the District formally withdraws its appeal.

The District's decision to withdraw its appeal is a data-driven decision and is limited to the Project site and the facts as currently known. By withdrawing its appeal, the District does not waive any right to continue to maintain the public's interest and safeguard its public drinking water supply. The

District reserves all rights to investigate, comment on, and challenge future development projects, including, but not limited to, development of the surrounding properties, that potentially pose a threat to the District's drinking water supplies for 2/3rds of the County's population. It further reserves all rights to make demands and pursue legal actions related to the need for more extensive investigations and remediation of contamination related to the McNamara & Peepe site specifically. The District appreciates the County's collaboration in addressing the need for ongoing investigation and monitoring of contaminated conditions arising from the McNamara & Peepe site. The District looks forward to reviewing DTSC's plans to investigate, monitor, and aggressively remediate the source/s of the contamination at the McNamara & Peepe site to ensure those plans address its 2018 finding that that soil and groundwater contamination is not under control and the previously implemented remedial actions are no longer protective of human health and the environment.

Respectfully,



Anne Baptiste

cc: Michael and Arielle Brosgart
Humboldt Bay Municipal Water District
California Department of Toxic Substances Control
California Department of Fish and Wildlife
North Coast Regional Water Quality Control Board
Humboldt Baykeeper



June 3, 2020

Ms. Nicole Yuen
Department of Toxic Substances Control
700 Heinz Avenue
Berkeley, CA 94710

RE: McNamara & Peepe Lumber Mill (12240115) - Soil and Groundwater Monitoring Results and Recommendations

Ms. Yuen,

On behalf of Humboldt Baykeeper's board, staff, and members, I submit these comments on the December 20, 2019 McNamara & Peepe Lumber Mill Soil and Groundwater Monitoring Report, which summarized the August 2019 sampling event conducted at the former McNamara & Peepe Lumber Mill (Site) near Glendale Drive in Arcata, California.

Humboldt Baykeeper works to safeguard our coastal resources for the health, enjoyment, and economic strength of the Humboldt Bay community, and is a member of the California Coastkeeper Alliance and the international Waterkeeper Alliance.

We understand that DTSC is currently evaluating options to remediate the green chain area at the Site. DTSC is also planning to conduct additional groundwater monitoring at the site and is in the process of getting contracts in place.¹ As DTSC prepares to direct future sampling, we are writing with concerns and recommendations to guide further assessment and remediation efforts.

Mailing Address: 600 F Street, Suite 3 #810
Office: 415 I Street, Arcata, CA 95521
(707) 499-3678
www.humboldtbykeeper.org



¹ April 6, 2020 letter from DTSC to Thomas Law Group, p. 5.

https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/2461409628/Response%20to%20TLG%203.6.2020%20Letter.pdf

The contamination at the Site is of great interest to our members, which include residents of the Glendale community and the greater Mad River/Humboldt Bay area. Our concerns include potential unidentified impacts to municipal drinking water as well as aquatic species and habitats of the Mad River and Hall Creek, which are receiving waters for surface water and groundwater originating on the Site.

On March 9, 1998, DTSC issued a Remedial Action Certification on for McNamara and Peepe Lumber Mill (Site) upon implementation of the remedial actions pursuant to the December 4, 1994 Remedial Action Plan. However, subsequent soil and groundwater investigations have revealed that soil and groundwater contamination at the Site is not under control and the implemented remedial actions are no longer protective of human health and the environment. On December 28, 2018, DTSC rescinded the March 9, 1998 Remedial Action Certification and issued a Decertification based on the findings outlined in DTSC's December 28, 2018 letter to the property owner.²

I. The full extent of the dioxin contaminant plume needs to be clearly defined.

The December 20, 2019 McNamara & Peepe Lumber Mill Soil and Groundwater Monitoring Report shows offsite contamination south of the former green chain area. DTSC, in response to a March 6, 2020 letter from Thomas Law Group, calculated dioxin TEQs from this Report as follows:

- MW-1: 31 pg/L
- MW-10: 0.1 pg/L
- MW-10 (FD): 3.7 pg/L

The DTSC-calculated TEQs for groundwater in MW-1 and MW-10 exceed the Project Goal of 0.05 pg/L, and results in MW-10 show that a dioxin plume of contaminated groundwater has moved beneath private residences south of the Site, on the opposite side of a channelized surface stream.

Recent additional data submitted to the Humboldt County Department of Planning and Building³ show that the extent of contamination to the east is undefined. A groundwater sample collected from TWP-02 at a piece of property being considered for development shows dioxin TEQ contamination at 0.33 pg/L, according to our calculation. We note that this parcel, APN 516-111-064, is listed on DTSC EnviroStor website as a part of the 26-acre McNamara and Peepe Lumber Mill site.⁴

²https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/8383564591/Decertification%20%5B%20DTSC%2012-28-18%5D.pdf

³ Soil and Groundwater Assessment Summary of Findings, APN 516-111-0674, Glendale Drive, Blue Lake, California. SHN April 7, 2020 memo to Michael Brosgart.

⁴ https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=12240115

The offsite contamination results show that DTSC needs to do more groundwater sampling to determine the downgradient and cross-gradient extent of the plume. Knowing the full extent of the plume is a prerequisite for developing any remediation plan.

The Report stated that MW-5, the closest monitoring well to the former green chain area, could not be sampled because of a rusted lid. A part of future sampling plans would be to ensure that the rusted lid on MW-5 is repaired and functional.

II. Surface water adjacent to the contaminated groundwater plume needs to be sampled.

An unnamed channelized stream or ditch running along the southern edge of the site conveys water when wet. Depth to groundwater is typically about 7-10 feet along the southern edge of the site, and the depth of the ditch is on the order of just a few feet (approximately 3-5 feet). Upon intense and sustained rainfall events, there is the potential that groundwater feeds water in the ditch through subsurface travel from a temporarily elevated water table. A pathway for groundwater to feed surface water in the ditch, if it exists, would represent a potential for contaminated water to be routed to Hall Creek and in turn to the Mad River.

III. Need for quarterly groundwater and surface water monitoring.

Going forward, a quarterly groundwater and surface water program needs to be implemented. Quarterly groundwater monitoring was instituted in January 2015 for pentachlorophenol (PCP) and tetrachlorophenol (TCP) and was terminated in December 2017. Given the detections of offsite groundwater contamination, it is imperative that quarterly groundwater monitoring be reinstated for a full suite of CoCs, including dioxins.

IV. Sampling at the former McNord Lumber Mill and site of former dip tank building.

Soil and groundwater sampling for dioxins, pentachlorophenol, and other CoCs needs to be conducted at the former McNord Lumber Mill (1610 Glendale Drive, APN 516-151-019) where PCP was detected in groundwater at 0.49 ppb in 2003.⁵ An application for voluntary oversight was submitted by the property owner to DTSC and the RWQCB on October 24, 2019; to date, no work has been performed under this agreement.

The property with the former dip tank building, APN 516-111-003, should also be conducted, since it was clearly part of the McNamara and Peepe operations before PCP was banned for use in lumber products. We note that this parcel, APN 516-111-003, is

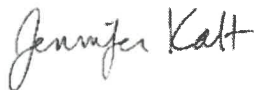
⁵ 2003 Phase II Investigation, Blue Lake Forest Products/Aalfs Property, 1589 Glendale Drive. p. 11

also listed on DTSC EnviroStor website as a part of the 26-acre McNamara and Peepe Lumber Mill site.⁶

According to County records, the hazardous material was placed on site in 40 drums in 1985, where it remained until 2003. It was removed after a notice of violation of County regulations for hazardous materials was issued in 2002, but to our knowledge, there has not been any soil or groundwater sampling on this parcel.

We appreciate the opportunity to comment as your agency prepares to conduct additional sampling in preparation for further remediation of the Site.

Sincerely,



Jennifer Kalt, Director
jkalt@humboldtbykeeper.org

Cc:

Steve Madrone, Humboldt County Supervisor for the Fifth District
John Ford, Director, Humboldt County Planning and Building Department
Anne Baptiste, Thomas Law Group/Humboldt Bay Municipal Water District
Jacob Pounds, Environmental Programs Specialist/Assistant Tribal Historic Preservation Officer, Blue Lake Rancheria
Dave Feral, Mad River Alliance

⁶ https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=12240115

New Business

Humboldt Bay Municipal Water District

To: Board of Directors
From: John Friedenbach
Date: June 2, 2020

Re: LAFCO Municipal Service Review

Background / History

The Local Agency Formation Commission (LAFCo) is responsible for conducting Municipal Service Reviews (MSR) which include reviews of agency spheres of influence (SOI). According to the Cortese Knox Hertzberg Act, MSR's are to be conducted every 5 years. LAFCo's last MSR of HBMWD occurred in 2009, so the District is due. Staff has been informed by LAFCo that the District's MSR will occur within the next six months. See the attached Humboldt LAFCo Municipal Service Review Overview for an explanation of the MSR process. Also attached is a copy of the February 24, 2009 staff memo and last District MSR Agency Profile.

Discussion

The interaction between the MSR with SOI and our Water Resource Planning objective to increase local sales prompts a discussion regarding possible changes to the District's sphere of influence. The other factor that is converging is that with the occurrence of the US Census during 2020, the District will be required to re-align District Director Division boundaries based on census population data by precinct once the census data is released (Elections Code Section 22000). **Hypothetically**, if the Directors were to choose to extend the District's sphere of influence to include more of Humboldt County's population, initiation of that process concurrent with division boundary re-alignment might be opportune and more efficient. If desired, this process would involve working closely with LAFCo and other agencies.

As previously discussed with the Board, there are two options with the Water Board under our water rights permit for providing water to beneficial users outside our current District boundaries.

1. Change Petition before the SWRCB

- a. **Process:** Prepare a memorandum of understanding/planning agreement (in compliance with the CEQA) with the recipient of the water. Then prepare the CEQA document, which includes a change in the place of use by the SWRCB as part of the project (and that lists the SWRCB as a responsible agency). At the completion of the CEQA process, sign a service agreement with the recipient and then file a petition to expand the place of use with the SWRCB for this specific purpose.
- b. **Advantage:** This is a process to accomplish results for a specific potential project.
- c. **Disadvantage:** If there will be more than one project, this will be very expensive and time-consuming.

2. Change the District boundaries

- a. **Process:** Through LAFCo (either by means of a municipal service review or otherwise) find that it would improve the delivery of governmental services within the County to expand the District's boundaries to all/part of the County. After LAFCo's process is complete, then apply to the SWRCB showing LAFCo's findings and request a change

of place of use of the District's water rights to conform to the newly expanded boundaries of the District.

- b. **Advantage:** Depending upon LAFCo process, this could be relatively simple and straightforward and offers good rationale for the SWRCB. If there are multiple potential projects/customers, this minimizes the administrative procedures.
- c. **Disadvantage:** If opposition is encountered during LAFCo process, then this could be a lengthy and costly process. Changing the District boundaries inherently changes the constituency of the respective Divisions and potentially the political make up of our Board.

Next Steps

Staff will await contact from LAFCo to conduct their MSR and SOI of the District and inform the Board when that occurs. Depending upon the Board direction, staff may or may not expand discussions regarding the District's SOI to include additional areas outside the current District boundaries.

Municipal Service Review Overview

What is LAFCo?

Local Agency Formation Commissions, known as LAFCo, were created in each county by the California State Legislature in 1963. LAFCos have regulatory and planning responsibilities to coordinate the timely development of local governmental agencies and their services while protecting agricultural and open-space resources. Most notably, this includes managing jurisdictional boundary changes by approving or disapproving proposals involving the formation, expansion, consolidation, or dissolution of cities and special districts. LAFCos also conduct studies to help perform its regulatory duties. Specifically, municipal service reviews (MSRs) are prepared to evaluate the level and range of services prior to adopting spheres of influence (SOIs) for each city and special district.

What is a Municipal Service Review?

LAFCo prepares municipal service reviews prior to or in conjunction with its mandate to review and update each local agency's SOI every five years or as necessary. The MSR process is intended to inform the Commission as to the availability, capacity, and efficiency of local governmental services prior to making SOI determinations.

What is a Sphere of Influence?

State law defines a sphere of influence as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission". All boundary changes, such as annexations and detachments, must be consistent with adopted SOIs with limited exceptions.

What is included in a Municipal Service Review?

A MSR provides details regarding an agency's formation, development, adopted boundaries, population trends and projections, organizational structure, municipal service provision, and financial attributes. For each MSR, LAFCo must prepare a written statement of the required determinations under Government Code §56430, which include the following:

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities¹ within or contiguous to the sphere of influence.

¹ A Disadvantaged Unincorporated Community (DUC) is an inhabited territory (containing 12 or more registered voters) where the annual median household income (MHI) is less than 80 percent of the statewide annual MHI. As of 2018, the statewide MHI was \$71,228, so unincorporated areas with a MHI of less than \$56,982 would be considered DUCs. These areas are looked at in greater detail to ensure that basic needs are met with regard to adequate water, wastewater, and fire protection services.

- (4) Financial ability of agencies to provide services.
- (5) Status of, and opportunities for, shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.

How is the Sphere of Influence Updated?

LAFCo is responsible for establishing, amending, and updating spheres of influence for all cities and special districts. Generally, LAFCo reviews SOIs as part of the MSR process and either adopts or amends them as necessary. Additionally, a city or special district may apply to LAFCo to amend their sphere at any particular time if a need arises. Before the SOI can be updated, the Commission must make several determinations as outlined in Government Code Section 56425(e), which include the following:

- (1) Present and planned land uses in the area, including agricultural and open-space lands.
- (2) Present and probable need for public facilities and services in the area.
- (3) Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- (4) Existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

How can an MSR be use by the subject agency?

An MSR can be used in several ways by the subject agency, LAFCo, and other planning entities. It provides a comprehensive overview of the agency which can be referred to and utilized in other planning documents, reports, and grant applications. Examples of uses include:

- a) Boundary change options. The MSR can provide a brief overview of the pros and cons associated with different types of jurisdictional boundary changes and the steps necessary to make the change. This can then be provided to the agency's governing body and area residents for decision making and informational purposes.
- b) Infrastructure and service needs. The MSR can provide an overview of the agency's infrastructure needs, opportunities for shared facilities, and capacity to meet current and future service demands. This can help inform possible expansion of the sphere of influence based on need for public facilities and services in the area.
- c) Governance options. At times, an agency may need to reassess how it is governed. The MSR can provide options for different governance structures such as a reduced or expanded Board of Directors, possible changes to service zones or divisions, changing from a dependent district to an independent district, or possible consolidation with another agency.
- d) Financing options. The MSR can provide an agency with an in-depth review of revenues versus expenditures over a three to five-year period. This can help determine the financial health of the agency and provide options for long-term revenue sources to strengthen the financial status of the agency.

2009**Carol Rische**

From: Adminsitrator [administrator@humboldtlafo.org]
Sent: Tuesday, February 24, 2009 4:38 PM
To: hbmwd@northcoast.com
Subject: Humboldt LAFCo Information Request

Hello Ms. Rische,

I am writing on behalf of the Humboldt Local Agency Formation Commission (LAFCo) to request your assistance with a Municipal Service Review (MSR) for your district, the Humboldt Bay Municipal Water District (HBMWD). LAFCo is preparing mandated MSRs and Sphere of Influence updates for all districts within Humboldt County that have not been updated within the last 5 years. In order to complete the MSR for your district, LAFCo needs to gather current information about your district's services, infrastructure, etc.

Please complete the attached Agency Profile and return it as soon as possible. I hope to get this back from you by Monday March 2nd. This will allow me to complete the draft report, send it to you for revisions, and have the completed MSR to present to the commission at their next meeting on March 18th. Feel free to contact me with any questions you may have regarding this information request. I can also make myself available to meet with you at your convenience, if necessary.

I have saved the questionnaire in a format that should be compatible with your operating system, but if you have trouble, please let me know and I will send a paper copy. Feel free to enter the information electronically and return via email, or print out and fax to the number listed below. Please also send a current map showing the district boundary, sphere of influence, and response areas.

Sincerely,

Jennifer Longman
 Humboldt LAFCo Administrator
 administrator@humboldtlafo.org
 1125 16th Street, Suite 202
 Arcata, CA 95521
 P: 707-445-7508
 F: 707-825-9181

Director,
 We prepared & submitted
 our MSR several years ago to
 help LAFCo comply with then-new
 requirements (per State law).

This is an update LAFCO
 Staff is doing to comply with
 State law. We complied with
 their request.
 Carol

2009**Agency Profile**

Agency Name	Date of Formation	Enabling Legislation
Humboldt Bay Municipal Water District	March 19, 1956	California Municipal Water Act
Contact Person	Contact Title	Email/Website
Carol Rische	General Manager	Email: Website: http://www.hbmwd.com/home
Mailing Address	Physical Address	Phone/Fax
Humboldt Bay Municipal Water District P.O. Box 95 Eureka, CA 95502	Humboldt Bay Municipal Water District 828 Seventh Street Eureka, CA 95502	Phone: (707) 443-5018 Fax: (707) 443-5731

Governance Structure and Administration

1. If the primary district contact person differs from the information provided above, please provide the contact name, number and title below for the district's primary contact.

N/A

2. The names, titles, and term expiration date for governing board / council.

<u>Name</u>	<u>Title</u>	<u>Up for re-election</u>
Kaitlin Sopoci-Belknap	President	11/2012
Aldaron Laird	Vice-President	11/2010
Barbara Hecathorn	Secretary/Treasurer	11/2012
Tera Prucha	Asst. Sec/Treasurer	11/2012
Bruce Rupp	Director	11/2010

3. Are the board / council members elected?

Yes, they are elected.

4. Number of full-time 23, part-time 1-3 (seasonally) and volunteer staff 0.

5. How are agency service, infrastructure and budget decisions made?

Decisions are made by the Board after recommendations by staff.

2009

6. Please provide the following documents if applicable:

- Agency organizational chart-See Attached
- Agency strategic plan(s)-NA
- Capital Improvement Plan-See Attached - *Main body only*
- Planning documents-NA

7. How often are district board/council meetings held and how are meetings noticed?

Regular Board meetings are held the second Thursday of the month. Special meetings are called as needed. The meetings are noticed via email, website, posting and a few via US Mail.

Services Provided

Service Summary Matrix

Service	Customers Currently Served (#)	Total Service Capacity (# Cust.)
Water	8 wholesale & 180 retail	

1. Please provide the following information pertaining to the district's water distribution facility:

- A brief description of the district's infrastructure (i.e. wells, pumps, treatment facilities, pipelines);

See existing MSR

- Infrastructure needs and deficiencies; and

See existing MSR and CIP

- Planned projects and improvements

See existing MSR and CIP

2009

2. Please provide a brief description of other agencies and/or districts whose boundaries overlap or share borders with your agency (e.g., the district and/or agency name and the service provided).

HBMWD operates at the wholesale level. Our seven member agencies (3 cities and 4 CSD) are within our District boundaries.

3. Please provide a list of other agencies to which your agency provides service support.

Wholesale water provided to:

Arcata	and 4 CSD's	McKinleyville
Blue Lake		Fieldbrook-Glendale
Eureka		Manila
		Humboldt

4. Is your district considering a boundary expansion in the near future? If yes, please provide a brief description of the boundary expansion.

No, not unless an adjacent entity has a service requirement that we can potentially serve.

1. Please provide the following documents:

- A copy of the district's most recently adopted budget – See Attached
- Agency's adopted rate structure(s)- See Attached (Ordinance 16)

2. The amount of the district's total outstanding debt?
20 year zero-percent interest State SRF loan for Regional Treatment Plant. Remaining obligation =\$7.9 million.

3. If the district has outstanding debt, when will the debt be expired with the current repayment schedule?

2020

Thank you!



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



**Agenda for Special Joint Meeting of HBMWD Board of
Directors with the Ruth Lake Community Services District
Board of Directors
Via Zoom due to COVID-19**

**June 26, 2020
9:00 a.m.**

COVID-19 NOTICE

Consistent with Executive Orders N-25-20 and N-29-20 from the Executive Department of the State of California and the Humboldt County Public Health Officer's March 19, 2020 Shelter-in-Place Order, the HBMWD Board members will be participating via Zoom. Members of the public may also participate in the meeting online at: <https://us02web.zoom.us/j/87008433024> Or join the meeting by phone at 1-669-900-9128. Enter meeting ID 870 0843 3024. Password is: 002744

How to Submit Public Comment: Members of the public may provide public comment before and during the Board Meeting. Emailed comments can sent to the HBMWD Board Secretary at sobol@hbmwd.com until 8:45 am the day of the meeting. Email comments must identify the agenda item in the subject line of the email. Written comments may also be mailed to 828 7th Street, Eureka, CA 95501. Written comments should identify the agenda item number. Comments received prior to the meeting will be read into the record.

JOINT BOARD MEETING– 9:00 am.

Meeting of the HBMWD and RLCSD Board of Directors to discuss issues or events regarding Ruth Lake and the buffer strip of mutual interest

- 1. Introductions/Roll Call**
- 2. Public Comment**

Members of the public are invited to address the Board on items not listed on the agenda that are within the scope and jurisdiction of the District. At the discretion of the President, comments may be limited to three minutes per person. The public will be given the opportunity to address items that are on the agenda at the time the Board takes up that item.

- 3. Updates from Guests:**
 - a. Trinity County - 5th District Supervisor and Staff
 - b. US Forest Service
 - c. Trinity County Volunteer Fire Department and /or STAR
 - d. Trinity County Sheriff/OES
 - e. Ruth Lake Leaseholders Association
 - f. Any other guests



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



**Agenda for Special Joint Meeting of HBMWD Board of
Directors with the Ruth Lake Community Services District
Board of Directors
Via Zoom due to COVID-19**

**June 26,2020
9:00 a.m.**

4. HBMWD Topics

4.1 Aquatic Invasive Species:

1. 2019 Annual Report- discuss
2. Dept. of Boating and Waterways Quagga Prevention Grants
3. Any issues or areas of concern – discuss

4.2 Law Enforcement on Ruth Lake

4.3 Tree Removal Policy - discuss

4.4 Cannabis Cultivation in the Mad River Watershed

- a. discussion re: current enforcement efforts
- b. input re: ideas or issues to address

5. Ruth Lake CSD Topics

5.1 Lease Lots: area of concern- discuss

ADJOURNMENT

At 1:30 pm there will be a staff-level meeting to discuss:

- a) HBMWD's Emergency Action Plan (EAP) for Matthews Dam: Face-to-Face meeting with HBMWD, RLCSD, USFS, Trinity County Sheriff/OES, STAR and Southern Trinity Volunteer Fire Department staff to discuss the EAP, especially notification flow charts

(Posted and mailed June 19,2020)

Renewable Properties, LLC
655 Montgomery Street, Suite 1430
San Francisco, CA 94111
www.renewprop.com



**RENEWABLE
PROPERTIES**

April 30, 2020

Joshua Z. Dorris
Senior Planner
Humboldt County Planning and Building Department
3015 H. Street
Eureka, CA 95501

Dear Joshua,

**RE: Humboldt County Planning Case Number PLN-2020-16320
Hatchery Road Solar - Project Narrative**

On behalf of RPCA 5 Solar, LLC we submit this letter as a description of the Hatchery Road Solar Project (Project), a small-scale commercial energy generating facility that will be located on approximately 26.56 acres¹ of two adjoining parcels that together total approximately 38 acres of undeveloped land. The two adjoining undeveloped parcels include APNs 313-091-019 (31.91 acres), and 313-091-020 (6.27 acres) which are situated just south of an existing rock quarry.

We have entered into a long-term lease agreement with the property owner, Victor Gunyup Trust and Dorthea Gunyup Trust. The Project will generate approximately 4 megawatts (MW) of alternating current (AC) emission free, clean, renewable power. The Project will interconnect to PG&E's pre-existing electrical distribution system located along Hatchery Road. Power generated by this facility will be sold to the Redwood Coast Energy Authority (RCEA) through a long-term Power Purchase Agreement (PPA).

The Project will utilize 14,336 modules and 32 string inverters which convert the sun's energy into usable AC power. Single axis tracking technology will be utilized to allow the modules to efficiently track the sun throughout the day and maximize the efficiency of solar collection. The modules will be mounted on a steel racking system, which will be anchored into the ground using driven steel piers. The overall height of the array will be no more than 8-feet tall as measured from existing grade.

We are excited to work with the County to advance this project through the local land use review and approval process. Please let us know if you have any questions about our application. We look forward to your comments on this application and a description review process and timeline ahead.

Sincerely,

RENEWABLE PROPERTIES

Stephanie Loucas
Vice President, Development
415-710-3834

¹ 26.56 acres represents the footprint of the project within its proposed fence line.

Humboldt Bay Municipal Water District

To: Board of Directors
From: John Friedenbach
Date: June 4, 2020

Re: Self-Generation Incentive Program (SGIP)

Discussion

The California Public Utilities Commission authorized two SGIP programs. See attached summary by RCEA. (Packet Section 9.5 pages 3 through 6) The District was approached by two separate vendors offering services to the District to complete the necessary SGIP applications and install a battery power bank at the District's Essex facility. Staff entertained both vendors initial conceptual discussions to determine if there would be a significant financial benefit to the District.

The first vendor, EDF Renewables, suggested the District participate in the Equity SGIP.

1. Equity - \$850/kWh Incentive.

Criteria:

- a. Must be government or municipal facilities or tax-exempt non-profit.
- b. Must be located in a Low Income or Disadvantaged Community.

Their proposal was that the District would pay for the battery bank and then re-coup the investment cost over the life of the incentive and battery bank. Their projected cost to the District was \$1.7 million over two years. Staff determined that the District did not have sufficient reserves to pursue participation in this program.

The second vendor, Tesla, suggested that the District participate in the Equity Resilience SGIP.

2. Equity - \$1,000/kWh Incentive.

Criteria:

- a. Must be a "Critical Facility" which includes Water Facilities.
- b. Must be located in a High Fire Threat District.
- c. Must serve at least 1 customer in a Low Income or Disadvantaged Community.

Their proposal was that the District would pay an initial application fee of \$100 and then Tesla would pay the entire cost of the project including maintenance over a 10-year period. The projected PG&E billing savings to the District is \$2M over 10 years. See attached Tesla Commercial Energy Storage document. (Packet Section 9.5 pages 7 through 11) The total project costs are approximately \$3M with zero cost to the District. The only incremental cost to the District would be to provide high speed internet service to the battery bank for operation, maintenance and reporting. The District's cost for internet would be more than offset by the savings in PG&E costs through utilization of the battery bank. See attached Tesla Standard Non-Disclosure Agreement and Tesla Energy Products Purchase Agreement. (Packet Section 9.5 pages 12 through 34) District Counsel has reviewed these agreements and identified some concerns with the Confidentiality Agreement. Specifically, since we are a public agency and subject to the Public Records Act, we cannot agree to keeping this agreement strictly confidential as requested. Staff has requested specific language to address this issue and is awaiting a revised agreement.

Staff would coordinate with Tesla such that the battery bank project would be constructed after the completion of our current 12kV Switch Gear relocation project.

There are some minor expense responsibilities to the District under the contract. They include: 1) "Extra Services" during the 10-year period; 2) Installation outside their "standard scope"; 3) PG&E costs in excess of \$1,000 for interconnection; 4) high speed internet provided to the site. Compared to the projected savings in reduced PG&E costs, staff anticipates that all of these contract expense responsibilities will be satisfied.

Next Steps

Staff requests that the Board authorize participation in the Equity Resilience SGIP with Tesla as our vendor. And direct staff to enter into the necessary agreements and authorize construction of the proposed battery bank facility at Essex.

Staff further request that the Board authorize participation in the Equity Resilience SGIP with Tesla as our vendor for a battery bank facility at the Turbidity Reduction Facility. Calculations for that proposal by Tesla are in process. Since this SGIP program is over subscribed and projects are being wait listed, staff would like authorization to move forward should the cost savings projections at the TRF be similar to those at Essex based on the relative electric consumption at the TRF.

Self-Generation Incentive Program (SGIP)

May 2020

Summary

In 2019, The California Public Utilities Commission (CPUC) released two decisions regarding the Self-Generation Incentive Program (SGIP). The first, made in September 2019, referred to as the Equity-Resiliency decision, increased battery storage incentive rates to \$0.85/Wh for customers in eligible low-income or disadvantaged communities. This decision also approved a resiliency adder of \$0.15/Wh for customers who meet eligibility criteria but are located in Tier 2 or Tier 3 High Fire Threat Districts (HFTD) and are defined as having 'critical resiliency needs.' The second recent CPUC decision, released in December 2019, proposed an expanded definition of critical resiliency needs to include resiliency customers who experienced power shut offs during two or more discrete PSPS events. It also proposed the resiliency adder of \$0.15/Wh for general market customers.

Many Humboldt County public agency sites of interest for energy storage will be eligible for either the \$0.85/Wh incentive or \$1.00/Wh

The table below shows the updated incentive rates and step-down structures from the two recent CPUC decisions.

SGIP Equity and Equity Resiliency Incentives

Incentive Type	New Incentive Rate
General Market SGIP Step 3	\$0.35/Wh
General Market with Resiliency Adder	\$0.50/Wh
Equity Budget Storage Incentive	\$0.85/Wh
Equity Resiliency Budget Storage Incentive	\$1.00/Wh

SGIP Eligibility Criteria

To be eligible for the SGIP Equity Budget Incentive (\$0.85/Wh), Public Agency sites of interest for energy storage must be located within low-income communities. For SGIP purposes, a low-income community is defined as census tracts with median household incomes at or below 80% of the statewide median income, or with median household incomes at or below the threshold designated as low-income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093. An interactive map of census tracts meeting these criteria is linked below, but RCEA recommends corroborating map data with the most current available census tract data.

Sites of interest that experienced two or more discrete PSPS events in 2019, and currently provide critical resiliency services (defined below) to communities who experienced two or more PSPS events, are also eligible for the SGIP's Resiliency Adder (\$1.00/Wh).

Critical resiliency services are further defined as:

Police stations; fire stations; emergency response providers as defined in D.19-05-042; emergency operations centers; 911 call centers, also referred to as Public Safety Answering Points; medical facilities including hospitals, skilled nursing facilities, nursing homes, blood banks, health care facilities, dialysis centers and hospice facilities; public and private gas, electric, water, wastewater or flood control facilities; jails and prisons; locations designated by the IOUs to provide assistance during PSPS events; cooling centers designated by state or local governments; and, homeless shelters supported by federal, state, or local governments; grocery stores, corner stores, markets and supermarkets that have average annual gross receipts of \$15 million or less, over the last three tax years; independent living centers; and, food banks.

A complete description of Non-Residential Equity Resiliency Eligibility (\$1.00/Wh) can be found on the CPUC's SGIP website:

SGIP Non-Residential Eligibility Matrix:

https://www.selfgenca.com/documents/handbook/non-res_matrix

Receiving SGIP Incentives

To be eligible for SGIP incentives, battery storage systems must fully discharge to site loads at least 104 times per year, or the energy (kWh) equivalent of 104 full discharges. A “full discharge” is the equivalent of discharging the SGIP-incentivized energy capacity, whether it is during single or multiple discharges.

For non-residential customers, 50% of the eligible incentive will be paid upon project completion and verification. The remaining 50% will be paid as a performance-based incentive (PBI) and is structured such that the performance payments, based on expected operational requirements, will be paid annually for five years. For PBI purposes, all non-residential projects must install metering and monitoring equipment that measures net electrical output or offset from the system(s).

Customers must work with an “Approved” Developer or apply as a “Developer” to process the incentive themselves, and incentives can be paid to customer or installer. A complete list of approved developers is linked below.

SGIP also requires that non-residential projects reduce GHGs by a minimum of 5 kgCO₂/kWh annually during the PBI period to recoup full payment. An energy storage system would likely discharge energy most often during the peak periods (4 PM – 9 PM), when potential to reduce GHGs is highest, satisfying SGIP GHG abatement requirements.

Additional SGIP Requirements

Incentive Considerations

(1) For equity budget projects that receive incentive from other sources, the SGIP incentive will be reduced, as needed, so that the SGIP incentive and external funding combined do not exceed the total installed costs of the system.

(2) The ITC adjustment to large-scale general and equity budget storage incentives, effective for equipment purchased after December 31, 2021. The CPUC also eliminates the ITC adjustment for large-scale equity resiliency and equity budget storage projects for equipment purchased after December 31, 2021.

(3) Equity budget and equity resiliency budget projects are exempt from the developer cap of 20 percent of SGIP incentive funding for a given budget category per statewide incentive step.

System Requirements

- (1) All systems receiving incentives under the SGIP that discharge electricity must be connected to the local electric utility's distribution system and must be installed on the Host Customer's side of the electric utility meter.
- (2) Energy storage systems must also be configured to operate in parallel with the grid.
- (3) For PBI purposes, all SGIP technologies 30 kW or larger must install metering and monitoring equipment that measures net electrical output or offset from the system(s). Conversely, storage projects less than 30 kW that are paired with and charging from on-site renewable generators must have the ability to provide data in the event of an audit, and may utilize metering and monitoring equipment that is already part of the system.
- (4) Energy storage systems that discharge electricity must measure the net electrical energy during charge and discharge cycles.

Developers applying for the equity resiliency incentive, a general market energy storage or a renewable generation resiliency incentive adder and all general market energy storage and equity budget projects with a longer than two-hour discharge duration must:

- (a) Provide an estimate of how long a project's fully charged battery— or renewable generation system— will provide electricity for the relevant facility average load during an outage;
- (b) Indicate whether a project's critical loads can and will be isolated;
- (c) Provide an estimate of how long a project's fully charged battery— or renewable generation system— will provide electricity to critical uses during an outage;
- (d) Provide an estimate of how long the project can operate in less-than-favorable circumstances, such as if an outage occurs when an energy storage system has been discharged or during the winter (for systems paired with solar), or while experiencing similar challenges for renewable generation systems;
- (e) Summarize information given to the customer about how the customer may best prepare an energy storage system to provide backup power— or, ensure operation of a renewable generation system— in the case of a Public Safety Power Shutoff event announced in advance;
- (f) Attest to the truth of the information provided;
- (g) Provide an attestation from the customer indicating that he or she received this information prior to signing a contract; and
- (h) Demonstrate that an Authority Having Jurisdiction has approved plans showing that the system can operate in island mode, has inspected the system after installation, and has authorized operation.

Ineligible Equipment

The following equipment is not eligible for participation in the SGIP:

- (1) Backup systems intended solely for emergency purposes.
- (2) Any system/equipment that is capable of operating on, or switching to, diesel fuel or diesel cycle for start-up or continuous operation.

- (3) Field demonstrations for proof-of-concept operation of experimental or non-conventional systems partially or completely paid by research and development funds.
- (4) Rebuilt, refurbished or relocated equipment (e.g. second life batteries).
- (5) Equipment that has been interconnected for more than 12 months.

Resources and Links

AB 1550 Low Income Areas Equity Budget Eligibility Map:

<https://ww3.arb.ca.gov/cc/capandtrade/auctionproceeds/lowincomemapfull.htm>

HFTD CPUC Map – Equity Resiliency Budget Eligibility:

<https://ia.cpuc.ca.gov/firemap/>

SGIP Incentive Tracker:

https://www.selfgenca.com/home/program_metrics/

Approved Developer List:

<https://www.selfgenca.com/documents/developer/approved>

SGIP Resources:

<https://www.selfgenca.com/home/resources/>

Example PBI Payment for a two-hour system:

100 kWh system at \$.50/Wh

Total incentive: 100,000 Wh * \$.50/Wh = \$50,000

Upfront payment: \$50,000 / 2 = \$25,000

Remaining payment to be recuperated through PBI: \$50,000 / 2 = \$25,000

Total anticipated kWh discharged/offset:

100 kWh * 130 full discharges * 5 years = 65,000 kWh

\$/kWh for anticipated kWh discharged/offset: \$25,000 / 65,000 kWh = \$0.3846154/kWh

PBI payment per year assuming 130 full discharges: 13,000 kWh * \$0.3846154/kWh = \$5,000

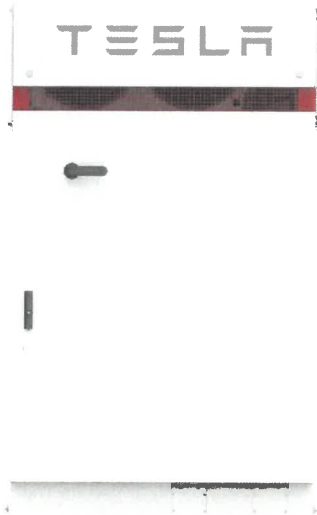
TESLA COMMERCIAL ENERGY STORAGE

We take a long-term approach to ensure your energy storage system provides maximum performance, simplified integration and all-weather capabilities. You have peace of mind knowing that Tesla has successfully deployed 2.5 million kilowatts of solar and 2 million kilowatt hours of energy storage around the world.



Humboldt Bay Municipal Water District
7270 West End Rd, Arcata, CA 95521, US

ENERGY STORAGE SYSTEM RATINGS



Battery Output Rating	980 kW
Battery Size (17 Packs)	3,944 kWh
Battery Value	\$2,205,914
Total Project Cost	\$0
Fully Charged Duration	8 hours
Average Duration	4 hours



EMERGENCY BACKUP

Powers a facility when the grid goes down



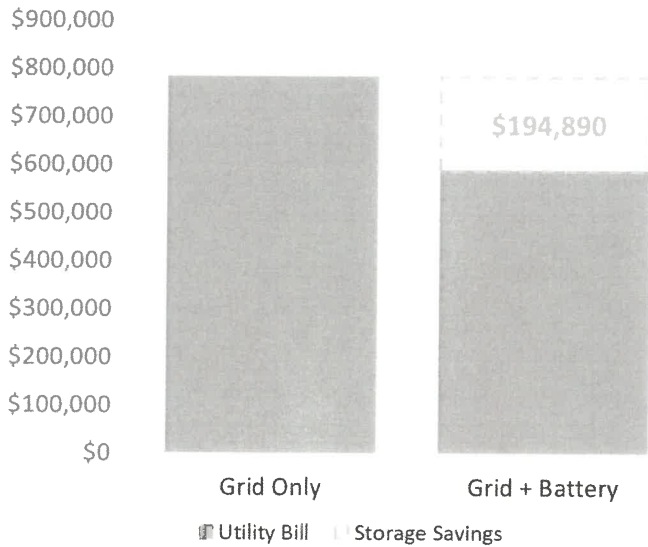
PEAK SHAVING

Discharge at times of peak demand to reduce expensive demand charges

PROPOSED SAVINGS PROJECTIONS

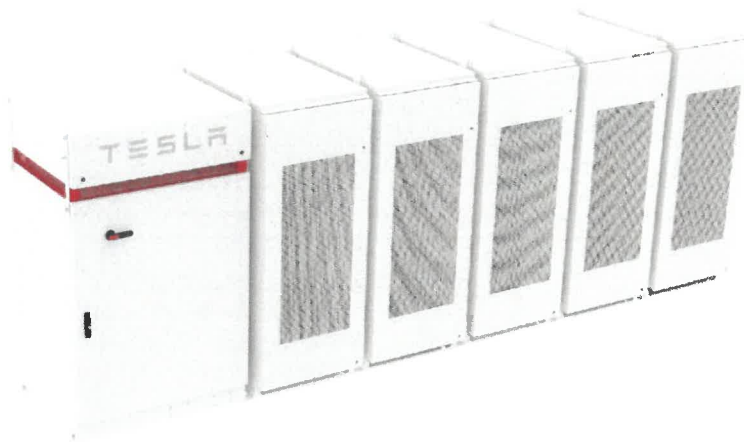
Battery Energy Storage System Savings

Estimated Annual Electricity Savings



Estimated Long Term Electricity Savings

10 Year Value	\$2,084,904
20 Year Value	\$4,502,137



Additional Information

- Specific site/project specifics will need to be confirmed as part of the Site Survey & Permitting Process
- We recommend that you change to PG&E tariff B-20-P Option S (Storage) to increase your savings with storage

NEXT STEPS

Project Stage

Site Survey

We will request some basic information from your site to prepare our teams for your site survey.

Timeline

2 days to 2 weeks

SGIP Funding Allocation

The PG&E program is currently wait listing new applications until the release of the next tranche of approved incentive funds. ETA Early July, 2020

4 to 6 weeks

Permitting

We will submit permit to the appropriate regulatory agency.

2 to 6 weeks

Installation

We will commence installation of your new system once permit is received.

2 to 4 weeks

Final Inspections

Once installation is complete, we will schedule an inspection with the appropriate regulatory agency and the utility.

2 to 4 weeks

Permission to Operate

Your utility will grant you permission to operate your new system.

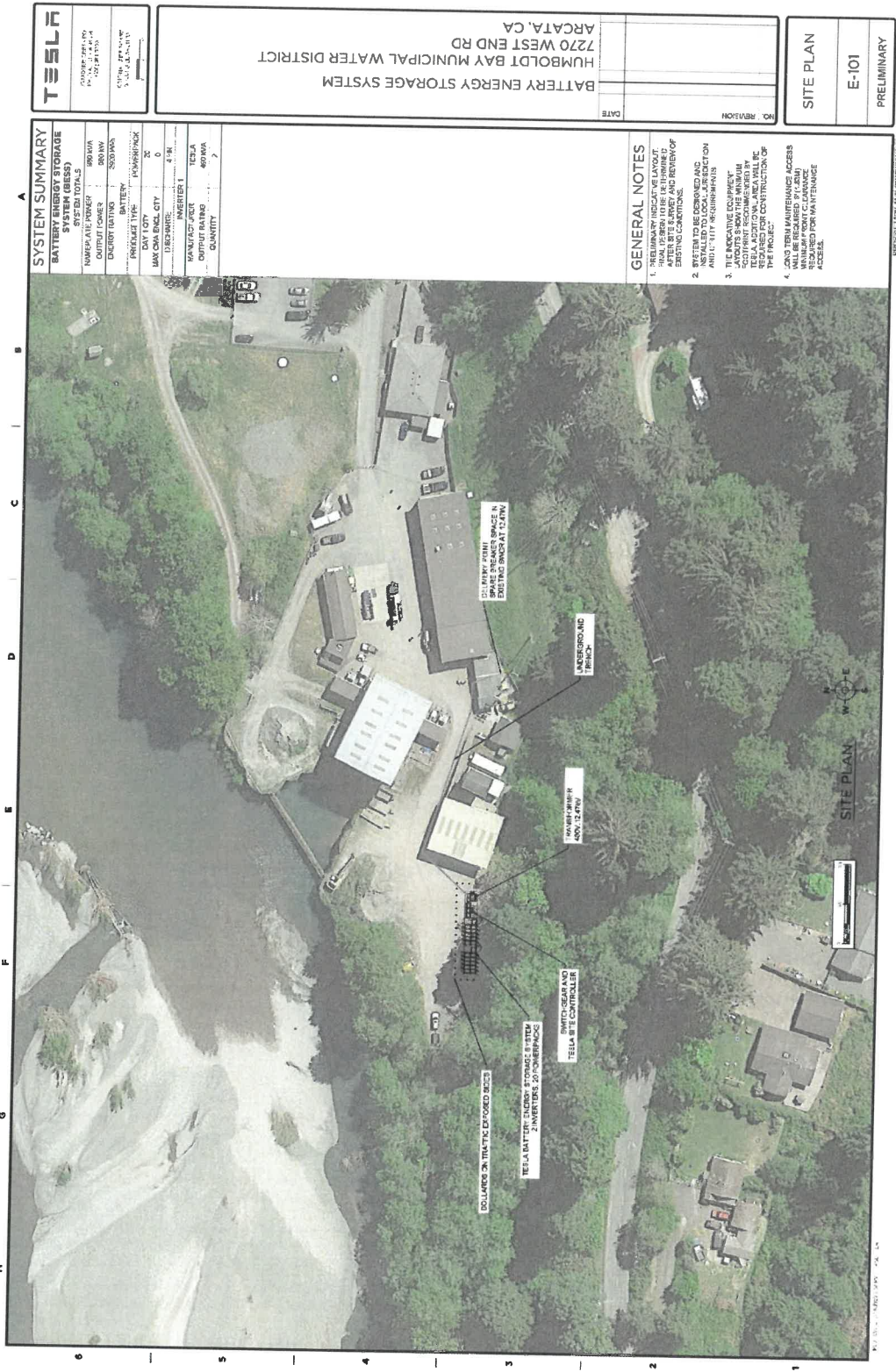
4 to 6 weeks

Ongoing Support

Visit [Tesla's support page](#) to learn more about your system and feel free to contact us anytime with questions.

* The proposal and contract are only valid for 30 days after Tesla issuance to the customer

PROPOSED SYSTEM LAYOUT

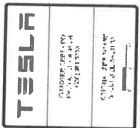


SYSTEM SUMMARY

BATTERY ENERGY STORAGE SYSTEM TOTALS

NAMEPLATE POWER	900KVA
OUTPUT POWER	800KW
OUTPUT RATING	500KW
INVERTER TYPE	POWERPOD
DAY LOTH	0
MAX CHA ENCL CITY DISCHARGE	0
WARRANT CENTER 1	4.7K
WARRANT CENTER 2	4.7K
OUTPUT RATING	400KVA
QUANTITY	2

- GENERAL NOTES**
1. PRELIMINARY INDICATIVE LAYOUT. FINAL DESIGN TO BE PERFORMED AND REVIEWED BY THE CONSULTANT AND REVIEWED BY THE LOCAL JURISDICTIONS.
 2. SYSTEM TO BE DESIGNED AND INSTALLED TO LOCAL JURISDICTION AND ALL CITY REQUIREMENTS.
 3. ALL WORK SHALL BE IN ACCORDANCE WITH THE CITY OF SAN JOSE ELECTRICAL CODE AND ALL CITY REQUIREMENTS FOR CONSTRUCTION OF THE PROJECT.
 4. JOBS TERM MAINTENANCE ACCESS SHALL BE PROVIDED FOR MAINTENANCE ACCESS.



BATTERY ENERGY STORAGE SYSTEM
 HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 7270 WEST END RD
 ARCATA, CA

NO. REVISION
 DATE

SITE PLAN
 E-101
 PRELIMINARY

PREPARED BY: AEC/CD/CON/DC/ENL



DRAFT

SECTION 9.5, PAGE NO. 12

Standard Non-Disclosure Agreement

Effective Date: May 26, 2020 **Tesla Contact:** Brian Ward

This Standard Non-Disclosure Agreement (“NDA”) is entered as of the Effective Date between the Tesla entity (“Tesla”) and the company or individual (“Company”) identified below. Tesla and each Company agree as follows:

- Purpose.** Tesla may disclose Confidential Information to Company in order to consider a potential business relationship with each other or fulfill the objectives of such relationship (“Purpose”). “Confidential Information” means information disclosed by Tesla or its Affiliate to Company or its Affiliate that is marked as confidential or proprietary, identified as confidential or proprietary (e.g. if disclosed orally or visually), or disclosed under circumstances by which Company should reasonably understand that such information is deemed by Tesla to be confidential or proprietary. All Confidential Information and derivations thereof remain Tesla’s sole property, and no license or other right to Confidential Information or any intellectual property is granted or implied by this NDA or any disclosure. Tesla is not required to disclose any information hereunder. All Confidential Information is provided on an “AS IS” basis. Tesla disclaims any and all representations, warranties, or assurances concerning the Confidential Information, including as to accuracy, performance, completeness, suitability, or third-party rights.
- Confidentiality.** Subject to Section 3, Company and its Affiliates may not: (a) use Confidential Information for any reason except the Purpose; or (b) disclose Confidential Information to any individual or third party except to its personnel, directors, consultants, professional advisors, and Affiliates, or (to the extent expressly approved in writing by Tesla) other unaffiliated third parties, in each case that (i) have a “need to know” such Confidential Information for the Purpose and (ii) are bound to confidentiality obligations that protect Confidential Information to at least the same extent as the terms of this NDA (collectively, “Authorized Recipients”); or (c) make any public disclosures relating to the existence of this NDA or the Purpose without Tesla’s prior written consent; or (d) identify, or attempt to identify, any data subject (e.g. one or more individuals, vehicles, products, or entities) through any de-identified or anonymous data disclosed by Tesla. Company shall implement and maintain appropriate organizational, technical, and administrative security measures, exercising the same degree of care to protect Confidential Information that it uses for its own confidential information of a similar nature, but in no event less than reasonable care. Promptly after learning of any unauthorized use or disclosure of, and/or unauthorized attempts to access or modify, any Confidential Information in Company’s (or its Authorized Recipients’) custody or control, Company shall notify Tesla in writing and cooperate with Tesla to investigate and mitigate any adverse effects. Company shall be responsible for any unauthorized use or disclosure of Confidential Information by any of its Authorized Recipients.
- Exceptions.** The obligations of Section 2 will not apply to information that: (a) is already known to Company at the time of disclosure without obligation of confidentiality, (b) is or becomes publicly known through no wrongful act or omission of Company, (c) is rightfully received by Company from a third party without obligation of confidentiality, (d) is approved for release by Tesla’s written authorization, or (e) was developed by Company independently and without the use or benefit of any Confidential Information. A disclosure that Company is required to make pursuant to any order or requirement of a court, administrative agency, other governmental agency, or stock exchange will not be deemed a breach of Section 2 of this NDA, provided that Company has to the extent permitted by law: (x) promptly notified Tesla in writing of such order or requirement, (y) given Tesla an opportunity to challenge or limit the disclosure requirement or seek an appropriate protective order, and (z) cooperated with Tesla to narrow the scope of such disclosure to only that portion of the Confidential Information that is necessary to fulfill the order or requirement. A disclosure which complies with a U.S. Federal Acquisition Regulation permitting disclosures to the government concerning government contracts will not be deemed a breach of this NDA. Each party is hereby given notice of the immunity set forth in 18 USC § 1833(b).
- Affiliate.** “Affiliate” means an entity which either controls or is controlled by a party or is under common control with a party, where “control” means the power to direct or cause the direction of an entity’s management and policies through ownership or control of at least 50% of its voting securities or ownership interest.
- Termination.** This NDA is effective as of the Effective Date and will expire 3 years thereafter. Either party may terminate this NDA for any or no reason by giving 60 days’ prior written notice to the other party. Expiration or termination shall not affect a party’s rights or obligations with respect to Confidential Information disclosed before such expiration or termination, and such rights or obligations will continue as long as Company or its Affiliate has custody of or control over Confidential Information. Upon expiration or termination of this NDA or Tesla’s written request, Company shall promptly return to Tesla all Confidential Information or certify in writing that all Confidential Information has been destroyed. Sections 2, 3, and 5–7 will survive for 5 years after the expiration or termination of this NDA.
- Disputes; Venue.** This NDA is governed by the laws of the county, state, and country specified below Tesla’s signature, in each case without regard to conflict of laws principles. Company will be jointly and severally responsible for the acts and omissions of its Affiliates and each Authorized Recipient. The rights of and damages incurred by a Tesla Affiliate will be deemed to be rights of and damages incurred by Tesla. The Parties shall discuss in good faith a resolution to any conflict or dispute under this NDA. The exclusive venue for any judicial action arising out of or relating to this NDA will be the state, federal, or regional courts for the location specified below Tesla’s signature. The parties, for themselves and their respective

Standard Non-Disclosure Agreement

Affiliates and Authorized Recipients, hereby waive any challenge to venue and jurisdiction in such courts. If Tesla substantially prevails in any action to enforce this NDA, it will be entitled to recover its costs of enforcement from Company and its Affiliates, including reasonable attorneys' fees. Company acknowledges that breach of this NDA would cause Tesla irreparable harm for which monetary damages would not provide an adequate remedy and Tesla will, in addition to any other available remedies, be entitled to temporary and permanent injunctive relief with respect to such breach without proof of actual damages or the posting of bond or other security.

7. Miscellaneous. This NDA constitutes the entire agreement between the parties regarding its subject matter and supersedes all prior agreements, representations, and understandings, between the parties regarding its subject matter. If any provision hereof is held by a court of competent jurisdiction to be illegal or unenforceable, such provision shall be changed and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this NDA shall remain in full force and effect. This NDA is written in the English language, and the English version shall prevail over any translation thereof. A waiver of any right hereunder does not imply waiver of any other rights. No waiver, alteration, modification, or amendment of this NDA shall be effective unless in writing and signed by both parties. This NDA may be signed in duplicate originals or in separate counterparts, each of which is effective as if the parties signed a single original, and a facsimile of an original signature or electronically signed version transmitted to the other party is effective as if the original was sent to the other party. Any notice required or permitted by this NDA shall be made in writing and be deemed delivered upon verification of delivery to the other party. Company may not assign, transfer, or otherwise convey or delegate any of its rights or duties under this NDA (except to the successor in a merger, acquisition, or corporate reorganization of Company) without Tesla's prior written consent, and any attempt to do so shall be void.

Tesla and each Company execute this Standard Non-Disclosure Agreement through their duly authorized representatives.

<p>Tesla: <u>Tesla, Inc.</u></p> <p>Signed: _____</p> <p>Printed: <u>Stephen Pollock</u></p> <p>Title: <u>Sr. Manager, Energy - America Sales C&I</u></p> <p>Date: _____</p> <p>Contact Information: Legal Department PO Box 15430, Fremont CA 94539, USA Phone : +1-650-681-5000 Governing Law: <u>California</u> Venue: <u>Santa Clara County, California</u></p>
--

<p>Company: _____</p> <p>Signed: _____</p> <p>Printed: _____</p> <p>Title: _____</p> <p>Date: _____</p> <p>Contact Information: Name/Dept.: _____ Address: _____ Phone: _____</p>
--

DRAFT



**Tesla Energy Products Purchase Agreement
California Self-Generation Incentive Program (SGIP)**

This "Agreement" is between Tesla, Inc. ("Tesla"), and the entity represented by you, as the signatory to this Agreement ("Buyer"). The Agreement consists of (1) the below Price Sheet and (2) the attached terms & conditions, and is effective on the date that you agree to this Agreement (by electronic acceptance, signature or e-mail).

As described in Section 2 below, as a condition of the pricing in this Agreement, Buyer must also sign a ten (10) year "Services Agreement," contemporaneously with this Agreement.

Price Sheet

Buyer information

Buyer Name: Humboldt Bay Municipal Water District

Street Address: 7270 West End Rd, Arcata, CA 95521, US

Signatory Name:

Signatory Phone Number:

Tesla entity

Tesla, Inc. of 3500 Deer Creek Road, Palo Alto, CA 94304

888-765-2489

CA CSLB 949283

Energy Products and Contract Price

Energy Storage System 980 kW/ 3944 kWh Powerpack System

Product Value: \$2,205,914

SGIP Eligible Costs: \$2,997,505

**Contract Price (after SGIP
Incentive and discounts):** \$0

Approximate Completion Date

60-180 days from the date of this Agreement

Signed by

Buyer:

Your signature:

Title:

Date:

DRAFT

Tesla, Inc.:

By:

Title: Sr. Director, Commercial Energy Sales

Date: May 26, 2020



DRAFT

**Energy Products Purchase Agreement
Terms & Conditions**

1. **Authorization; Representations.** By your acceptance of this Agreement (by electronic acceptance or signature), you represent and agree that you are an authorized representative of Buyer, permitted to bind Buyer in this Agreement. If applicable, you and Buyer further represent and warrant to Tesla that all financial information that you or Buyer has provided (or will provide) to Tesla is true and accurate and fairly represents Buyer's financial position as at the date it was provided. Tesla may terminate this Agreement if any of the representations in this Section 1 are incorrect.

2. **Purchase; SGIP Program.**

(a) Buyer agrees to purchase the "Products" indicated in the Price Sheet. Tesla agrees to sell Buyer the Products and install them at the address you provided in the Price Sheet (the "Site"). Notwithstanding the above, prior to installing the Products, Tesla may review Buyer's credit, and Tesla shall have the right to terminate this Agreement in its sole discretion based upon the outcome of such credit review.

(b) The Products will be financed by the California Self-Generation Incentive Program ("SGIP"), which provides an incentive payment to be paid over five (5) years, subject to certain conditions (the "SGIP Incentive"). The SGIP Incentive when assigned to Tesla as the SGIP payee permits Tesla to offer the Products at a reduced cost, or no cost to Buyer. Buyer hereby assigns the SGIP Incentive to Tesla, and releases any claim to the SGIP Incentive. Buyer agrees to cooperate with Tesla's efforts to obtain the SGIP Incentive, including signing necessary documents.

(c) As a condition of receiving pricing based upon the SGIP Incentive, Buyer agrees to notify Tesla and the SGIP program administrator, not less than ninety (90) days in advance, if Buyer intends to sell or relocate the Products within ten (10) years after the date they are installed. This obligation will survive the termination or expiration of this Agreement. Contact information for the SGIP program administrator can be found at <https://www.selfgenca.com/home/contact/>. Notification to Tesla should be directed to CommercialAccounts@Tesla.com.

(d) In order to enable the SGIP Incentive, Buyer is required to sign the "Services Agreement" contemporaneously with this Agreement. As more fully detailed therein, the Services Agreement provides for Tesla to maintain the Products for ten (10) years, and also provides that Tesla will remotely operate the Products in a manner necessary to obtain the SGIP Incentive.

3. **Contract Price.** The Price Sheet shows the price of the Products and their installation after the SGIP Incentive ("Contract Price"), and the value of the Products ("**Product Value**"). The Contract Price is charged in accordance with the Schedule of Payments on the Price Sheet, and payment is due thirty (30) days after the date of each invoice. Subject to Section 4, the Contract Price is inclusive of all taxes and permitting fees. The Contract Price does not include, and Tesla is not obligated to provide, any ongoing services in connection with the Products (including maintenance services), except as required in connection with Tesla's limited warranties in Section 12, and as separately agreed under the Services Agreement.

4. **Changes to Price Sheet.**

(a) Tesla's obligation to install the Products is conditioned on such work falling within Tesla's "**Standard Scope**", which assumes standard wage rates, no unforeseen site conditions, no significant upgrades to existing electrical works, interconnection fees not to exceed \$1,000, and customary government costs, taxes and fees. Further information about what constitutes Tesla's Standard Scope is available upon request.

(b) Tesla has the right to update the Price Sheet if, upon further diligence regarding the Site, Tesla determines that there are conditions outside of the Standard Scope. If Buyer does not reject the updated Price Sheet within thirty (30) days and cancel this Agreement, the changes will be deemed accepted.

(c) In addition, Tesla may in its sole discretion determine that because of issues beyond the Standard Scope, or because of the unavailability of the SGIP Incentive, Tesla will not install the Products. In such case, Tesla may terminate this Agreement by notice to Buyer, and if applicable shall refund the Order Payment.

5. **Installation; Service.** Tesla will contact Buyer to perform an energy efficiency audit of the Site as required by the SGIP program, and subsequently, to schedule installation of the Products. Installation will be performed by Tesla or an affiliate or subcontractor, at Tesla's election. Tesla will commission the System in accordance with its standard practices. Buyer authorizes Tesla, or its affiliate or subcontractor, to submit on Buyer's behalf any permit or interconnection application

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that is required in connection with the Products. Buyer also agrees to give Tesla, or its affiliate or subcontractor, access to the Site as scheduled so Tesla can install and service the Products. Buyer is responsible for all existing property conditions at the Site, whether known or unknown.

6. **Payment.** By entering into this Agreement, Buyer agrees to pay the Contract Price as described in the Price Sheet. Tesla may provide combined or separate invoices for each of the Products. Risk of loss shall transfer with respect to each component of the Products, upon its delivery to the Site. Title to the Products will transfer to Buyer after Tesla (i) completes installation and (ii) receives payment in full of the Contract Price (if any).

7. **Order Payment.** The Order Payment (if any) that Buyer previously paid for the Products is now non-refundable, except in the circumstances described in Section 4(c). When this Agreement becomes effective, Tesla incurs significant costs preparing to install the Products. The Order Payment is a reasonable estimate of the damages Tesla would incur if Buyer cancels its order before the Products are installed.

8. **Privacy.** The [Tesla Customer Privacy Policy](#) is part of this Agreement. You, as the authorized representative of Buyer, agree to be contacted at the phone number listed in the Price Sheet with more information or offers about Tesla products. You understand these calls or texts may use automated dialing or pre-recorded messages. This consent is not a condition of purchase. You may opt out of this consent at any time by contacting Tesla at 1-888-765-2489.

9. **Intellectual Property.** Tesla owns all intellectual property rights associated with the Products. Tesla grants Buyer a non-exclusive license to use any software embedded into the Products, only in connection with the operation of the Products.

10. **Remote Monitoring and Firmware Upgrades.**

(a) Buyer agrees that Tesla may access the Products remotely to monitor performance, perform diagnostics and upgrade firmware. This monitoring requires a high speed internet line, which Buyer must provide at Buyer's cost. If Buyer does not maintain this internet connection, Tesla cannot monitor the Products. Tesla is not responsible for any issues arising from Buyer's failure to provide an internet connection, or a failure of monitoring arising from the same.

(b) "Buyer Data" consists of the data related to the Products which Tesla makes available to Buyer via the Tesla app or any other performance monitoring provided by Tesla. Buyer Data shall be owned by Buyer. Tesla may use Buyer Data (i) to perform its obligations under this Agreement including any warranties, (ii) to improve Tesla's products and services generally (including by performing analyses on such information), and (iii) to aggregate with other data. Public disclosure of such information by Tesla is permitted if neither Buyer nor the owner or long-term occupant of the site where the Products are located (the "Site Host") could reasonably be identified from the publicly disclosed information.

(c) Any information obtained by Tesla through remote monitoring of the Products that is not Buyer Data shall be owned by Tesla ("Tesla Data"), shall be confidential information of Tesla, and shall not be required to be made available by Tesla to any person.

(d) Notwithstanding anything herein to the contrary, Tesla may disclose either Buyer Data or Tesla Data as requested or required by an applicable administrator of the SGIP program ("SGIP Administrator"), and Tesla shall not be responsible for the SGIP Administrator's use or disclosure of such data.

11. **Maintenance & Operation.** Tesla will provide Buyer with an initial copy of an applicable storage system operation and maintenance guide (as updated by Tesla from time to time, the "Manuals"). The Manuals provide Buyer with operation and maintenance instructions, answers to frequently asked questions, and service information. Buyer must cause the Products to be maintained in accordance with the Manuals (including by contracting with Tesla for maintenance services). In addition, Buyer must comply with the Manuals, to the extent the Manuals apply to Buyer's activities at the Site.

12. **Limited Warranties.** The Products and installation work are covered by the following limited warranties. **THESE ARE THE ONLY EXPRESS WARRANTIES MADE IN CONNECTION WITH THE PRODUCTS AND INSTALLATION WORK.** Any other warranties, remedies and conditions, whether oral, written, statutory, express or implied (including any warranties of merchantability and fitness for purpose, and any warranties against latent or hidden defects) are expressly disclaimed. If such warranties cannot be disclaimed, Tesla limits the duration of and remedies for such warranties to the durations and remedies described below.

Storage System	The Storage System is covered by the Tesla Limited Warranty applicable to the product and model purchased. By approving this Agreement, Buyer accepts the terms of the Tesla Limited Warranty for the applicable product, which can be obtained on our website or will be provided upon request.
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	In order to maintain the Tesla Limited Warranty, maintenance on the Storage System must be performed by Tesla, a Tesla affiliate or subcontractor, or a Tesla-certified maintenance provider.
Workmanship	Tesla warrants that (a) Tesla’s installation workmanship will be free from defects for 10 years from the date the Products are installed (or, in the case of main panel or structural upgrades, 1 year from the date those upgrades were performed); (b) Tesla’s installation workmanship will not invalidate the applicable Tesla Limited Warranty; and (c) Tesla will not damage the Site during our installation of the Products. If Tesla breaches this workmanship warranty, Tesla will repair the defective work or damage at Tesla’s cost. If Tesla cannot do this itself, Tesla will pay for someone else to do it. Such repair work shall not extend the original warranty period, but the remainder of the original warranty period shall apply to the repair work.

13. **Warranty Exclusions.** The “Workmanship” warranty above does not cover any defect caused by (1) events beyond Tesla’s reasonable control, including but not limited to lightning, flood, earthquake, fire, excessive wind and other extreme weather events, accidents, abuse, misuse or negligence; (2) Buyer’s failure to operate or maintain the Products in accordance with the applicable owner’s manual(s); (3) strikes by balls or other objects, dirt, dust, bird excrement, animals, insects, foliage or algae growth; (4) water entering around a fitting, accessory or other material not installed by Tesla; (5) any material or equipment connected to the Products that was not installed by Tesla; or (6) someone other than Tesla installing, altering, removing, re-installing or repairing any part of the Products unless that person does so in compliance with the applicable owner’s manual(s). The “Workmanship” warranty also does not cover (i) any defects in the equipment or components incorporated into Tesla’s work (such as breakers, electrical panels, soft-start devices for HVAC equipment, etc.); (ii) pre-existing conditions at the Site, including but not limited to unpermitted conditions, improper electrical wiring, cracked or crumbling masonry; (iii) normal wear and tear or deterioration, or superficial defects, dents or marks that do not impact the performance or functionality/integrity of the Products; or (iv) theft or vandalism. The warranty for the “Storage System” above is not subject to the above exclusions, but is subject to other exclusions which are described in the warranty document.

14. **IP Indemnity.**

(a) As used in this Section 14, “Representatives” means Buyer and Buyer’s affiliates, and their respective directors, officers, partners, members, shareholders, agents, employees, subcontractors, successors and assigns; “Losses” means damages and liabilities, including reasonable attorneys’ fees; and “Claim” means a claim, action, suit, proceedings, demand, investigation or assessment made or brought by any third party.

(b) Tesla shall indemnify, defend and hold harmless Buyer and its Representatives from any Losses arising out of any Claim alleging that the Products infringe the intellectual property rights of a third party. However, Tesla shall have no obligation to indemnify Buyer or any of its Representatives to the extent the Claim arises out of: (a) use of the Products in combination with any other products, materials or equipment not expressly authorized by Tesla; or (b) any modifications or changes made to the Products other than by Tesla. If a Claim for infringement or alleged infringement of any intellectual property rights is made, Tesla may, at its own expense, (i) modify any or all of the intellectual property rights so as to avoid the infringement or the alleged infringement; or (ii) take such other action as Tesla deems reasonable to avoid or settle such Claim.

15. **Limitation of Liability.** Tesla and Buyer shall not be liable to one another for any indirect, special or consequential damages arising out of this Agreement. To the fullest extent permitted by law, Tesla and Buyer’s aggregate liability to one another under this Agreement is limited to the Product Value. This Section 15 applies, without limitation, to any liability arising out of any Site survey performed by Tesla or its affiliate or subcontractor in connection with this Agreement. This Section 15 does not apply to Buyer or Tesla’s obligation to indemnify the other for third-party claims, as required under Section 14 or otherwise under applicable law.

16. **Term; Breach; Remedies.**

(a) This Agreement will continue in effect until Tesla has completed installation of the Products and received payment in full of the Contract Price, unless earlier terminated as permitted in Section 4 or this Section 16.

(b) If Tesla or Buyer is in breach of this Agreement, upon thirty (30) days prior written notice and opportunity to cure, the non-defaulting party may terminate this Agreement; and with or without terminating this Agreement, may pursue



any remedy it has under this Agreement or at law, including in Tesla's case, repossession of the Products (if title has not yet transferred) and collection of all amounts due (including those past due, which will be charged 2% interest per annum).

(c) Provisions of this Agreement which by their nature contemplate or govern performance or observance subsequent to the termination or expiration of this Agreement shall survive such termination or expiration until fully performed.

17. **Governing Law; Integration.** This Agreement is governed by the laws of the State of California. The information at the links described above is part of this Agreement. Any other terms relating to the Products that are not contained or referred to in this Agreement are not binding on Tesla or Buyer.

18. **Assignment.** Tesla may assign, sell or transfer this Agreement without Buyer's consent in connection with Tesla's financing activities, provided, that except in the case of an assignment as collateral only, the assignee shall be capable of performing (directly or indirectly) all of Tesla's obligations hereunder.

19. **Insurance.** Tesla shall maintain, at its sole cost and expense, the following insurance coverage and shall, within a reasonable time of Buyer's request, furnish to Buyer a certificate evidencing such coverage:

(a) **Commercial General Liability Insurance (CGL).** Tesla carries commercial general liability insurance with coverage amounts that meet or exceed those required by law.

(b) **Workers' Compensation Insurance.** Tesla carries workers' compensation insurance for all employees in compliance with law.

20. **Further Assurances.** Tesla and Buyer shall each at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

21. **Arbitration.** Any dispute arising from or relating to this Agreement shall first be promptly referred to the senior level management of the Parties for resolution. If Tesla and Buyer are unable to resolve any such dispute within 20 days after referral, then Tesla or Buyer may take such dispute to binding arbitration in accordance with the then-current Streamlined Arbitration Rules of the Judicial Arbitration and Mediation Services ("JAMS"). The existence, content and result of the arbitration shall be confidential and conducted by a single arbitrator in English and in Santa Clara, California, unless otherwise agreed by the Parties. Buyer and Tesla will each bear its own expenses in the arbitration and will share equally the costs of the arbitration; provided, however, that the arbitrator may, in its discretion, award reasonable costs and fees to the prevailing party. Judgment upon the award rendered in the arbitration may be entered in any court of competent jurisdiction.

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**Energy Products Operation and Maintenance Agreement
California Self-Generation Incentive Program (SGIP)**

This "Agreement" is between Tesla, Inc. ("Tesla"), and the entity represented by you, as the signatory to this Agreement ("Buyer"). The Agreement consists of (1) the below Price Sheet and (2) the attached terms & conditions, and is effective on the date that you agree to this Agreement (by electronic acceptance, signature or e-mail) (the "Effective Date").

This Agreement accompanies a Tesla Energy Products Purchase Agreement ("Purchase Agreement"), which includes a reduced price as a result of Tesla obtaining the SGIP incentive with respect to the Products (as indicated in the Price Sheet, the "SGIP Incentive").

Price Sheet

Buyer information

Buyer Name: Humboldt Bay Municipal Water District

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Street Address: 7270 West End Rd, Arcata, CA 95521, US

Signatory Name:

Signatory Phone Number:

Tesla entity

Tesla, Inc. of 3500 Deer Creek Road, Palo Alto, CA 94304
888-765-2489
CA CSLB 949283

Products

Products installed under Energy Products

Powerpack: 980kW/3944kWh

Purchase Agreement dated:

Products Value: \$2,205,914

SGIP Eligible Costs: \$2,997,505

SGIP Incentive: \$2,966,000

Services Price

Annual price for Services:

\$0

Extra Services

Time-and-Materials Rate to be agreed by Buyer

Payment Terms

Deadline for Payments:

30 days after date of invoice



Signed by

Buyer:

Tesla, Inc.:

Your signature:

By: 

Title:

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Title: Sr. Director, Commercial Energy Sales

Date:

Date:

May 26, 2020

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**Operation and Maintenance Agreement
Terms & Conditions**

1. **Authorization; Representations.** By your acceptance of this Agreement (by electronic acceptance, signature, or email), you represent and agree that you are an authorized representative of Buyer, permitted to bind Buyer in this Agreement. If applicable, you and Buyer further represent and warrant to Tesla that all financial information that you or Buyer has provided (or will provide) to Tesla is true and accurate and fairly represents Buyer's financial position as at the date it was provided. You also represent and agree that the Buyer owns or has sufficient rights to the Products in the Price Sheet, to contract for the Services. Tesla may terminate this Agreement upon notice to Buyer if any of the representations in this Section 1 are incorrect.

2. **Term; SGIP Operation and Grid Services.**

(a) This Agreement will continue in effect for ten (10) years from the date that the Products are fully installed, unless earlier terminated under Section 11 (the "Term"). The Parties agree that as of the Effective Date, the Products are intended to remain owned by Buyer and installed at the Site (as defined in Section 3) throughout the Term.

(b) During the Term, Tesla may monitor and operate (including charging and discharging) the Products, in order to comply with requirements of the SGIP Program, and to generate savings by shifting Buyer's grid electricity consumption from higher-priced times to lower-priced times, in Tesla's reasonable discretion. Buyer acknowledges that Tesla's cycling of the Products will consume some portion of the warranted throughput of the Products; and will use electricity stored in the Products (together, "Cycling Costs"). Tesla expects that Tesla's activities described above will save significantly more than the Cycling Costs, but Tesla makes no guarantee of such savings. Buyer agrees that the provision of the Services herein are in full consideration of the Cycling Costs, and releases Tesla from any claim to recover any Cycling Costs.

(c) Buyer agrees to notify Tesla of any utility tariff changes with respect to the Site, during the Term.

(d) As a condition of receiving pricing based upon the SGIP Incentive, Buyer agrees to notify Tesla and the SGIP program administrator, not less than ninety (90) days in advance, if Buyer intends to sell or relocate the Products within ten (10) years after the date they are installed. This obligation will survive the termination or expiration of this Agreement. Contact information for the SGIP program administrator can be found at <https://www.selfgenca.com/home/contact/>. Notification to Tesla should be directed to CommercialAccounts@Tesla.com.

(e) If Buyer intends to vacate or sell the Site during the Term, Buyer shall ensure that that the buyer of the Site accept assignment of this Agreement, or an agreement substantially similar and reasonably acceptable to Tesla, in order to ensure continued compliance with the SGIP Program.

(f) From time to time, Tesla may identify demand response or similar grid services programs, whereby the Products can help meet demands of the electrical grid, or improve its reliability, by charging or discharging the Products (or agreeing to make the Products available for charging or discharging) (each, a "Grid Services Program"). Tesla will notify Buyer of any proposed Grid Services Program and identify: (i) the anticipated economic benefit for Buyer; (ii) the anticipated impact on the availability of the Products; and (iii) the anticipated Cycling Costs. Buyer may elect to participate or not participate in a Grid Services Program, provided that if Buyer does not provide Tesla with notice of its election within thirty (30) days after Tesla's notice of the Grid Services Program, Tesla may treat the same as an election to participate.

3. **Tesla to Provide Services.** For the Products indicated in the Price Sheet, Buyer agrees to purchase the "Services" in accordance with Appendix 1 (the "Scope of Services") during the Term, to be performed at the site where Tesla installed the Products (the "Site").

4. **Scope of Services.**

(a) Tesla's Scope of Services assumes standard wage rates, no constraints to Tesla's access to the Site, and no unforeseen site conditions. If Tesla encounters challenges accessing the Site, or unforeseen site conditions not caused by Tesla, Tesla may treat the costs it incurs as Extra Services as set forth in Section 4(b).

(b) Any service not included in the Scope of Services shall be an "Extra Service." Extra Services will include, for example repairs arising from abuse by Buyer. Upon request, Tesla may provide Buyer a time-and-materials rate proposal for Extra Services, and upon agreement of Buyer in writing, Tesla may agree to perform the Extra Services. When used in this Agreement, "Services" shall include "Extra Services," when context requires. If Buyer pays a fee to Tesla for Extra Services in connection with an issue that is subsequently determined to be covered by a Tesla Manufacturer's Limited Warranty or other warranty provided by Tesla for the Products, Tesla shall provide a refund to Buyer.

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(c) Title and risk of loss to all parts, materials or equipment installed by Tesla during the performance of the Services shall transfer to Buyer when such parts, materials or equipment have been installed and the Products (or the affected part of the Products) have been commissioned or re-commissioned.

5. **Site Access.** Tesla will contact Buyer to schedule the Services. Services will be performed by Tesla or an affiliate or subcontractor, at Tesla's election. Buyer also agrees to give Tesla, or its affiliate or subcontractor access to the Site as scheduled so Tesla can provide the Services.

6. **Extra Services.** Tesla may bill for Extra Services upon their completion. By entering into this Agreement, Buyer agrees to pay any agreed-upon fee for Extra Services, in accordance with the Payment Terms in the Price Sheet.

7. **Privacy.** The [Tesla Customer Privacy Policy](#) is part of this Agreement. You, as the authorized representative of Buyer, agree to be contacted at the phone number listed in the Price Sheet with more information or offers about Tesla products. You understand these calls or texts may use automated dialing or pre-recorded messages. This consent is not a condition of purchase. You may opt out of this consent at any time by contacting Tesla at 888-765-2489.

8. **Remote Monitoring and Firmware Upgrades.**

(a) Tesla's SGIP-related monitoring and cycling described in Section 2 requires a continuous high-speed internet connection, which Buyer agrees to provide at Buyer's cost. Buyer agrees that Tesla may access the Products remotely to monitor performance, perform diagnostics and upgrade firmware. If Buyer does not maintain this continuous internet connection the monitoring will not function. Tesla shall not be responsible for any issues arising from Buyer's failure to provide an internet connection, or a failure of monitoring arising from the same.

(b) "Buyer Data" consists of the data related to the Products which Tesla makes available to Buyer via the Tesla app or any other performance monitoring provided by Tesla. Buyer Data shall be owned by Buyer. Tesla may use Buyer Data (i) to perform its obligations under this Agreement including any warranties, (ii) to improve Tesla's products and services generally (including by performing analyses on such information), and (iii) to aggregate with other data. Public disclosure of such information by Tesla is permitted if Buyer could not reasonably be identified from the publicly disclosed information.

(c) Any information obtained by Tesla through remote monitoring of the Products that is not Buyer Data shall be owned by Tesla ("Tesla Data"), shall be confidential information of Tesla, and shall not be required to be made available by Tesla to any person.

9. **Services Warranty.**

(a) Tesla warrants that (i) it shall perform all Services in accordance with Prudent Industry Practices, any applicable Tesla operation and maintenance manuals, and this Agreement, and (ii) any labor performed, and any materials installed, in the performance of the Services shall be free from defects in design and workmanship for 12 months after such labor was performed or such materials were installed (collectively, the "Services Warranty"). "Prudent Industry Practices" means the methods approved by a significant portion of the electrical services industry operating in the state in which the Products are installed that, in the exercise of reasonable judgment in light of the facts known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with applicable law, reliability, safety, environmental protection, economy and expedition.

(b) Tesla shall remedy any defect or otherwise cure a breach of the Services Warranty, at its own cost and expense, as promptly as reasonably practicable after Buyer notifies Tesla in writing of such breach, in a manner and at such times that reasonably minimizes interruption of the operation of the Products and revenue loss to Buyer. This shall be Tesla's sole and exclusive liability, and Buyer's sole and exclusive remedy, in connection with a breach of the Services Warranty.

(c) EXCEPT AS REQUIRED BY LAW, OR AS PROVIDED FOR IN THIS AGREEMENT, TESLA MAKES NO WARRANTIES OR GUARANTEES WITH RESPECT TO THE SERVICES AND DISCLAIMS ANY WARRANTY OR GUARANTEE IMPLIED BY APPLICABLE LAWS, INCLUDING IMPLIED WARRANTIES OF PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND IMPLIED WARRANTIES OF CUSTOM OR USAGE.

10. **Limitation of Liability.** Tesla and Buyer shall not be liable to one another for any indirect, special or consequential damages arising out of this Agreement, except to the extent provided in Section 11(b). To the fullest extent permitted by law, Tesla and Buyer's aggregate liability to one another under this Agreement is limited to the Products Value. This Section 10 applies, without limitation, to any liability arising out of any Site survey performed by Tesla or its affiliate or

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SECTION 9.5 PAGE NO. 23

subcontractor in connection with this Agreement. This Section 10 does not apply to Buyer or Tesla's obligation to indemnify the other party, as may be required under applicable law.

11. Breach; Remedies.

(a) If Tesla or Buyer is in breach of this Agreement, upon thirty (30) days prior written notice and opportunity to cure, the non-defaulting party may terminate this Agreement; and with or without terminating this Agreement, may pursue any remedy it has under this Agreement or at law. Tesla may also terminate this Agreement if the Products are substantially destroyed other than due to Tesla's fault.

(b) Buyer shall be responsible for, and Tesla shall be entitled to invoice for, any loss of part or all of the SGIP Incentive due to damage to the System caused by Buyer, or Buyer's breach of this Agreement. Breaches that may result in the loss of part or all of the SGIP Incentive may include, without limitation, removing or selling the Products without notifying the SGIP Administrator as required in Section 2(e), not providing Tesla with access to the Products in order to perform maintenance as required in Section 4; or continued failures to provide internet connectivity as required in Section 8.

(c) If this Agreement is terminated by Tesla during the first five (5) years of the Term, then Buyer shall owe Tesla the following amount, as reasonably calculated by Tesla: For each year or portion thereof remaining in the first five (5) years of the Term, Buyer shall pay ten percent (10%) of the SGIP Incentive (the "Termination Payment") (Thus, if the Agreement is terminated for Buyer default three (3) years from the date that the Products are fully installed, Buyer shall owe 20% of the SGIP Incentive). Buyer agrees that the damages in this Section 11 are a reasonable preestimate of Tesla's damage as a result of the early termination of this Agreement. The Termination Payment shall be due and payable thirty (30) days after Tesla's issuance of an invoice therefor.

(d) Provisions of this Agreement which by their nature contemplate or govern performance or observance subsequent to the termination or expiration of this Agreement shall survive such termination or expiration.

12. Governing Law; Integration. This Agreement is governed by the laws of the State of California. The information at the links described above is part of this Agreement. Any other terms relating to the Products that are not contained or referred to in this Agreement are not binding on Tesla or Buyer.

13. Assignment; Subcontracting. Tesla or Buyer may, with prior written notice to the other, transfer or assign this Agreement to its affiliate, as long as (a) the assignee agrees to be bound by the terms and conditions of this Agreement, and (b) in the case of Buyer, the assignee owns the Products. Buyer may also assign this Agreement as collateral in connection with its financing activities. Otherwise, neither Buyer nor Tesla may assign its rights or obligations under this Agreement without the prior written consent of the other. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and permitted assigns of the Buyer and Tesla

14. Insurance. Tesla shall maintain, at its sole cost and expense, the following insurance coverage and shall, within a reasonable time of Buyer's request, furnish to Buyer a certificate evidencing such coverage:

(a) **Commercial General Liability Insurance (CGL).** Tesla carries commercial general liability insurance with coverage amounts that meet or exceed those required by law.

(b) **Workers' Compensation Insurance.** Tesla carries workers' compensation insurance for all employees in compliance with law.

15. Further Assurances. Tesla and Buyer shall each at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

16. Arbitration. Any dispute arising from or relating to this Agreement shall first be promptly referred to the senior level management of the Parties for resolution. If Tesla and Buyer are unable to resolve any such dispute within 20 days after referral, then Tesla or Buyer may take such dispute to binding arbitration in accordance with the then-current Streamlined Arbitration Rules of the Judicial Arbitration and Mediation Services ("JAMS"). The existence, content and result of the arbitration shall be confidential and conducted by a single arbitrator in English and in Santa Clara, California, unless otherwise agreed by the Parties. Buyer and Tesla will each bear its own expenses in the arbitration and will share equally the costs of the arbitration; provided, however, that the arbitrator may, in its discretion, award reasonable costs and fees to the prevailing party. Judgment upon the award rendered in the arbitration may be entered in any court of competent jurisdiction.

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Appendix 1

Scope of Services

Tesla will (i) proactively monitor the Products as set forth below, and (ii) respond to inquiries by phone, web and/or email. Tesla may respond, remotely or on-site as deemed necessary by Tesla, to telemetry signals and/or Buyer inquiries. The Services that Tesla will provide are limited to the following:

- Perform preventative maintenance, as Tesla deems consistent with Prudent Industry Practices
- Alert the customer of Product performance and failure issues
- Provide visibility of Product performance through Tesla's Powerhub user interface
- Alert the customer if the Product is not communicating with the internet
- Remove, return, replace and/or fix parts covered by valid manufacturer warranty
- Investigate and replace defective balance of system hardware and/or defective wiring for the duration of the Workmanship Warranty. (After the Workmanship Warranty, the Parties may agree for Tesla to perform this service as Extra Work.)
- Remotely update products software and firmware to improve performance

Excluded services and repairs listed below may be performed as an Extra Service, as set forth in Section 3(b):

- Moving debris from the equipment, or the area around the equipment
- Maintenance of the area around the Products, including vegetation management
- Maintenance to the degree necessitated by vandalism, negligence or misconduct of Buyer or another party not under Tesla's control
- Removal and reinstallation of equipment for reasons not related to warranty failures

SELF-GENERATION INCENTIVE PROGRAM

Proposed System Information Attestation

The following information (Responses to Questions 1 – 5) is required by the Developer of the storage system applying for SGIP's Equity Resiliency Budget or Non-Equity Resiliency Budget with a discharge duration greater than two hours.

- 1) Provide an estimate of how long the project's fully charged battery will provide electricity for the relevant facility average load during an outage.

The fully charged battery will provide continuous power for approximately 8 hours when not paired with solar.

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- 2) Indicate whether the project's critical loads can and will be isolated.

Critical loads will be covered as part of the systems full facility backup, and all loads will be isolated from the grid during an outage. Loads that are deemed non critical can be turned off to extend back up duration.

- 3) Provide an estimate of how long the project's fully charged battery will provide electricity to critical uses during an outage.

See answer to question #1

- 4) Provide an estimate of how long the project can operate in less-than favorable circumstances, such as if an outage occurs when the battery has been discharged or during the winter (if paired with solar).

A partially charged system will perform at length of time proportionate to the charge percentage or system efficiency at the time. For example, the system charged to 50% can expect to provide power for 4 hours when not paired w/ solar.

- 5) Summarize information given to the customer about how the customer may best prepare the storage system to provide backup power, in the case of a Public Safety Power Shutoff (PSPS) event announced in advance (provide an attachment with more information if necessary).

No action is required from the customer to prepare. Tesla plans to extend Storm Watch to commercial customers to help them better manage battery charging for PSPS events.

ATTESTATION

[DEVELOPER SECTION]

I, Tesla, Inc. (print name of Developer), hereby attest that each of the statements provided in this document are true and correct.

Signature: 

Name Printed: RJ Johnson

Title: Senior Director, Commercial Energy Sales

Date: May 26, 2020

[CUSTOMER SECTION]

I, Humboldt Bay Municipal Water District (print name of Customer), hereby attest I have received the information provided in this document prior to signing a contract with the developer.

Signature: _____

Name Printed: _____

Date: _____

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**Pacific Gas and
Electric Company***

U 39

San Francisco, California

Revised
Cancelling Revised

Cal. P.U.C. Sheet No. 42813-E*
Cal. P.U.C. Sheet No. 37152-E

Electric Sample Form No. 79-1095

Sheet 1

Authorization to Receive Customer Information or Act Upon a Customer's Behalf

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**Please Refer to Attached
Sample Form**

Advice 5349-E
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Date Filed August 3, 2018
Effective August 3, 2018
Resolution _____



AUTHORIZATION TO RECEIVE CUSTOMER INFORMATION OR ACT UPON A CUSTOMER'S BEHALF

DRAFT

THIS IS A LEGALLY BINDING CONTRACT, PLEASE READ CAREFULLY
(Please Print or Type)

I, _____
NAME TITLE (IF APPLICABLE)

of Humboldt Bay Municipal Water District (Customer) have the following mailing address
NAME OF CUSTOMER OF RECORD

PO BOX 95, Eureka, CA 95502-0095, and do hereby appoint
MAILING ADDRESS CITY STATE ZIP

Tesla, Inc. of 3500 Deer Creek Rd
NAME OF THIRD PARTY MAILING ADDRESS
Palo Alto CA 94304
CITY STATE ZIP

To act as my agent and consultant (Agent) for the listed account(s) and in the categories indicated below:

ACCOUNTS INCLUDED IN THIS AUTHORIZATION:

- 1. 7270 West End Rd, Arcata, CA 95521, US 8230934005
SERVICE ADDRESS CITY SERVICE ACCOUNT NUMBER
- 2. _____
SERVICE ADDRESS CITY SERVICE ACCOUNT NUMBER
- 3. _____
SERVICE ADDRESS CITY SERVICE ACCOUNT NUMBER

(For more than three accounts, please list additional accounts on a separate sheet and attach it to this form)

INFORMATION, ACTS AND FUNCTIONS AUTHORIZED – This authorization provides authority to the Agent. The Agent must thereafter provide specific written instructions/requests (e-mail is acceptable) about the particular account(s) before any information is released or action is taken. In certain instances, the requested act or function may result in cost to you, the customer. Requests for information may be limited to the most recent 12 month period.

I (Customer) authorize my Agent to act on my behalf to perform the following specific acts and functions (initial all applicable boxes):

- 1. Request and receive billing records, billing history and all meter usage data used for bill calculation for all of my account(s), as specified herein, regarding utility services furnished by the Utility¹.
- 2. Request and receive copies of correspondence in connection with my account(s) concerning (initial all that apply):
 - a. Verification of rate, date of rate change, and related information;
 - b. Contracts and Service Agreements;
 - c. Previous or proposed issuance of adjustments/credits; or
 - d. Other previously issued or unresolved/disputed billing adjustments.
- 3. Request investigation of my utility bill(s).
- 4. Request special metering, and the right to access interval usage and other metering data on my account(s).
- 5. Request rate analysis.
- 6. Request rate changes.
- 7. Request and receive verification of balances on my account(s) and discontinuance notices.

¹ The Utility will provide standard customer information without charge up to two times in a 12-month period per service account. After two requests in a year, I understand I may be responsible for charges that may be incurred to process this request.



AUTHORIZATION TO RECEIVE CUSTOMER INFORMATION OR ACT UPON A CUSTOMER'S BEHALF

I (CUSTOMER) AUTHORIZE THE RELEASE OF MY ACCOUNT INFORMATION AND AUTHORIZE MY AGENT TO ACT ON MY BEHALF ON THE FOLLOWING BASIS² (initial one box only):

² If no time period is specified, authorization will be limited to a one-time authorization

- One time authorization only (limited to a one-time request for information and/or the acts and functions specified above at the time of receipt of this Authorization).
- One year authorization** - Requests for information and/or for the acts and functions specified above will be accepted and processed each time requested within the twelve month period from the date of execution of this Authorization.
- Authorization is given for the period commencing with the date of execution until _____ (Limited in duration to three years from the date of execution.) Requests for information and/or for the acts and functions specified above will be accepted and processed each time requested within the authorization period specified herein.

RELEASE OF ACCOUNT INFORMATION:

The Utility will provide the information requested above, to the extent available, via any one of the following. My (Agent) preferred format is (check all that apply):

- Hard copy via US Mail (if applicable).
- Facsimile at this telephone number: _____
- Electronic format via electronic mail (if applicable) to this e-mail address: commercial.interconnection@tesla.com

I (Customer), _____ (print name of authorized signatory), declare under penalty of perjury under the laws of the State of California that I am authorized to execute this document on behalf of the Customer of Record listed at the top of this form and that I have authority to financially bind the Customer of Record. I further certify that my Agent has authority to act on my behalf and request the release of information for the accounts listed on this form and perform the specific acts and functions listed above. I understand the Utility reserves the right to verify any authorization request submitted before releasing information or taking any action on my behalf. I authorize the Utility to release the requested information on my account or facilities to the above Agent who is acting on my behalf regarding the matters listed above. I hereby release, hold harmless, and indemnify the Utility from any liability, claims, demands, causes of action, damages, or expenses resulting from: 1) any release of information to my Agent pursuant to this Authorization; 2) the unauthorized use of this information by my Agent; and 3) from any actions taken by my Agent pursuant to this Authorization, including rate changes. I understand that I may cancel this authorization at any time by submitting a written request. I understand that this agreement at all times shall be subject to such modifications as the California Public Utilities Commission may direct from time to time in the exercise of its jurisdiction. [This form must be signed by someone who has authority to financially bind the customer (for example, CFO of a company or City Manager of a municipality).]

_____ AUTHORIZED CUSTOMER SIGNATURE _____ TELEPHONE NUMBER _____
 Executed this _____ day of _____ at _____
 MONTH YEAR CITY AND STATE WHERE EXECUTED

I (Agent), hereby release, hold harmless, and indemnify the Utility from any liability, claims, demand, causes of action, damages, or expenses resulting from the use of customer information obtained pursuant to this authorization and from the taking of any action pursuant to this authorization, including rate changes.

_____ AGENT SIGNATURE _____ (702) 680-6738
 Tesla, Inc. TELEPHONE NUMBER

COMPANY
 Executed this 26 day of May 2020
 MONTH YEAR



Pacific Gas and Electric
selfgen@pge.com

Application ID:

Date Printed: 05/27/2020

Program Year: 2020

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Self Generation Incentive Program Reservation Request Form

Instructions: This Self-Generation Incentive Program (SGIP) Reservation Request Form is reflective of the information entered in the online form process. Please review thoroughly for accuracy of information before signing. Once the form has been signed by all parties, scan and upload this document under the Reservation Request header in the Documents section of the online application. Incomplete applications will result in a suspended application. Upon successful submission of all reservation request information and documents, the Applicant will receive notice from the SGIP Program Administrator that their rebate request has been received.

NOTE: Your application is not submitted until you upload this form and all other required documentation and click on "Submit" via the online system.

Application Type

Application Type: Energy Storage
Budget Category: Equity Resiliency

Incentive Step: 5
Incentive Rate: \$1

Host Customer

Contact Name: John Friedenbach
Company Name: Humboldt Bay Municipal Water District

Mailing Address: PO Box 95
City, State, Zip: Eureka, CA, 95502-0095
Phone: 707-443-5018
Email: friedenbach@hbmwd.com

Parent Company Name:

NAICS: 221310

Is this a public institution? N/A

Sector: Commercial

Sector definition: Disagree

Is Household Low-Income Status?

Is the Host Customer enrolled for the medical baseline program?

Has the Host Customer notified their utility of serious illness or condition that could become life-threatening if electricity is disconnected?

Has the Host Customer received an incentive reservation letter from either the MASH, SASH, DAC-SASH, or SOMAH programs?

Has applicant coordinated with their local governments and the California Office of Emergency Services? No

Does the host customer provide critical services or infrastructure during a PSPS event to a community that is at least partially located in a Tier 2 or Tier 3 HFTD and eligible for the equity budget? Yes

- | | |
|---|-----|
| 1. 911 call center/Public Safety Answering Point | N/A |
| 2. Cooling center designated by state, local, or tribal government | N/A |
| 3. Emergency operations center | N/A |
| 4. Emergency response provider with the addition of tribal government providers | N/A |
| 5. Fire station | N/A |
| 6. Food bank | N/A |
| 7. Independent living center | N/A |
| 8. Jail or prison | N/A |
| 9. Homeless shelters supported by federal, state, local, or tribal governments | N/A |
| 10. Medical facility (hospital, skilled nursing facility, nursing home, blood bank, health care facility, dialysis center, or hospice facility) | N/A |

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- 11. Police station N/A
 - 12. Public and private gas, electric, water, wastewater or flood control facility Yes
 - 13. Location designated by an IOUs to provide assistance during PSPS events N/A
- Is this public or tribal government agency serving 50% of a low-income or disadvantaged community census tract?

System Owner

Contact Name: John Friedenbach **Mailing Address:** PO Box 95
Company Name: Humboldt Bay Municipal Water District **City, State, Zip:** Eureka, CA, 95502-0095
Parent Company Name: **Phone:** 707-443-5018
Email: friedenbach@hbmwd.com

Developer

Contact Name: Jonathan Gubler **Mailing Address:** 3055 Clearview Way
Company Name: Tesla Inc. **City, State, Zip:** San Mateo, CA, 94402
Phone: 6509635100
Email: commercial.incentives@tesla.com

- 1. Approaching or communicating with the host customer about the project and learning about its needs and energy profile 1. Yes
- 2. Developing the specifications for a system based on the customer's needs and interests 2. Yes
- 3. Soliciting bids from multiple manufacturers for the specified system 3. Yes
- 4. Gaining the customer's commitment to purchase or lease the specified system, usually but not necessarily by signing a purchase order with a customer or other form of agreement 4. Yes
- 5. Purchasing the specified system from the manufacturer to fulfill the obligation to provide a system to the customer 5. Yes
- 6. Securing permits for the system on behalf of the customer 6. Yes
- 7. Securing interconnection permission for the system on behalf of the customer 7. Yes
- 8. Submitting SGIP applications on behalf of the customer 8. Yes
- 9. Liaising with the SGIP administrators on incentive reservations 9. Yes
- 10. Liaising with the SGIP administrators on data reporting requirements 10. Yes
- 11. Supplying project data to SGIP evaluators 11. Yes
- 12. Physically constructing the system at the customer's premises 12. Yes
- 13. Installing the system at the customer's premises 13. Yes

Who is performing the other activities?

Applicant

Contact Name: Mike Snyder **Mailing Address:** 6611 S Las Vegas Blvd
Company Name: Tesla Inc. **City, State, Zip:** Suite 200
Parent Company Name: **Phone:** Las Vegas, NV, 89119
Email: 702-680-6763
Email: commercial.incentives@tesla.com

Contractor/Installer Contact

Contact Name: Mike Snyder **Mailing Address:** 6611 S Las Vegas Blvd
Company Name: Tesla Inc. **City, State, Zip:** Suite 200
Contractor License Number (CSLB): 888104 **Email:** Las Vegas, NV, 89119
Contractor License Type: **Phone:** commercial.incentives@tesla.com
702-680-6763

Project Site Information

Site Address: 7270 West End Rd.

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City, State, Zip: Arcata, CA, 95521

Project site within the SCE-defined local reliability area? N/A

Disadvantaged Community or Low-Income Community according to the CalEnviroScreen? Low-Income Community

Is the site located in a high fire threat district (HFTD)? Not Applicable

Has experienced at least two discrete PSPS events? Yes

Household relies on electric pump wells for their water supplies? Not Applicable

Participating San Joaquin Valley Pilot area?

Agrees to location Eligibility: Yes

Utility Information

Electric Utility:	Pacific Gas and Electric	Peak Annual Demand (kW):	1,130
Is the Host on an SGIP-Approved Rate?	Other SGIP-Approved Rate	Other Rate:	Non-Residential
Electric Utility is Municipal?	N/A	Demand Response Participant?	N/A
Account Name:	Humboldt Bay Municipal Water District	Demand Response Program Name:	
Is Existing Service?	Yes	Demand Response Obligation (kW):	
Utility Account ID:	8230934005	System Size Based on Load Growth?	No
Utility Meter ID:	1004449394	Estimated Future Additional Demand (kW):	
Gas Utility:			
Gas Utility is Municipal?	N/A		
Account Name:			
Is Existing Service?	N/A		
Utility Account ID:			
Utility Meter ID:			

Proposed System Information

Equipment Technology:	Electrochemical Storage	Total Rated Capacity (kW):	980
System Manufacturer:	Tesla Inc.	Total Energy Storage Capacity (kWh):	3944
System Model:	PowerPack 1490025-XX-Y System (4 hr)	Discharge Hours Duration:	4.02448979592
Other self-generation or storage equipment onsite?			
Charged at least 75% from renewables?	No		

Other Onsite System Information

SGIP Incentivized System(s) Onsite:

Technology	Make/Model	Project Code	Installed	Energy Storage Capacity (kWh)	Total Rated Capacity (kW)
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Non-Incentivized System(s) Onsite:

Technology	Make/Model	Year Installed	Energy Storage Capacity (kWh)	Total Rated Capacity (kW)
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Previous SGIP Generator Capacity (kW): 0

Previous SGIP Storage Capacity (kWh): 0

Project Finance

Total Eligible Project Cost (TEPC):	\$2,997,505.00	Taking Federal Investment Tax Credits (ITC):	No
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Ineligible Project Cost:

ITC as a % of TEPC: %
Approved California Manufacturer Equipment: No

Other Incentives Received Incentive Type Incentive Amount Description

Incentive Results

Incentive Calculation Equity		Current Step 5			Incentive Rate: \$1.00	
Reference Table		0-2 MWH	>2-4 MWH	>4-6 MWH		
0-2 HOURS		100%	50%	25%		
2-4 HOURS		100%	50%	25%		
4-6 HOURS		50%	25%	12.50%		
		0-2 MWH	>2-4 MWH	>4-6 MWH		
Existing Onsite Equipment Offset		-	-	-		
0-2 HOURS		1,960,000	-	-		
2-4 HOURS		40,000	1,920,000	-		
4-6 HOURS		-	24,000	-		
Base Equipment Incentive					\$2,966,000.00	
CA Manufacturer Adder						
Max Equipment Incentive					a)	\$2,966,000.00
Other Incentives		Total Dollars			Impact on SGIP Incentive	
Other IOU Incentive		0			b)	\$0.00
Other Non-IOU Incentive		0			c)	\$0.00
Non-Ratepayer Incentive		0				
Investment Tax Credit (0%)		0				
Adjusted Equipment Incentive					a+b+c = d)	\$2,966,000.00
Total Other Incentives	e)	0				
SGIP Incentive Adjustments		Equipment Incentive		Total Other Incentives <=	Incentive Adjustment	
		+				
Project Incentive Cap (Equipment)	f)	\$2,966,000.00			*g)	0
Eligible Cost Cap (All Incentives)	f+g=h)	\$2,966,000.00		0	**i)	0
Equipment Incentive					***j)	\$2,966,000.00
Calculated SGIP Incentive						\$2,966,000.00

* g = 0 if f <= \$5M, otherwise g = \$5M - f

** i = 0 if h + e <= Total Eligible Cost, otherwise i = Total Eligible cost - (h + e)

*** j = h + i

The incentive adjustments shown above are based on the Total Eligible Project Cost, the Maximum Incentive Cap, and the Minimum Customer Investment. See the SGIP Handbook for more information on incentive limitations.

Calculated Incentive: \$2,966,000.00

If changes have been made to your project since it was originally submitted, the calculated incentive amount above may differ from the requested incentive amount. The final incentive amount is subject to Program Administrator approval.

Projected PBI Calculation

Expected Total Production:	410,176 kWh
Total Incentive:	\$2,966,000.00
Initial Payment:	\$1,483,000.00
Performance Based Incentive:	\$1,483,000.00
PBI Rate (\$/kWh):	\$0.7231042

Residential Energy Storage Eligibility Affidavit Requirements of Host Customers and System Owners

- o The energy storage system owner and/or Host Customer have the tools to control the usage of the energy storage system when operating in parallel with the grid.
- o Provide performance data to the Program upon request (emailed, zipped file of 15 minute interval data) for a period of five (5) years.
- o Pass the energy storage Field Verification Inspection.
- o Host Customer and/or System Owner are required to discharge the energy storage system a minimum of 52 full discharges per year. A "full discharge" is the equivalent of discharging the SGIP-incentivized energy capacity, whether it is during a single or multiple discharges.
- o Fulfill either of the two following conditions:
 - o Option A: the Host Customer is on a TOU tariff, dynamic tariff (e.g. PG&E's SmartRate or SDG&E's Reduce Your Use), or agrees to integrate load through the California Independent System Operator's Proxy Demand Response, or equivalent tariff, prior to receiving the SGIP incentive and for five (5) years thereafter. Note that in the event that the Host Customer changes to a non-TOU tariff or is no longer enrolled in a demand reduction program the energy storage System Owner is required to notify the Program Administrator within 30 days of change, and will be subject to Option B for the required five year period.
 - o Option B: the Host Customer and/or System Owner agrees, for a minimum period of five (5) years, to discharge the energy storage system in an amount equivalent to 52 complete cycles per year of the incentivized energy capacity, which is defined as two hours of discharge at the SGIP incentivized power capacity rating, with discharges occurring during peak hours or peak day events (such as those called by PG&E's SmartRate program or SDG&E's Reduce Your Use), of the applicable IOU service territory.

Declarations by Host Customer and System Owner

By Execution of this document, System Owner and Host Customer each certify that the Project meets all program eligibility requirements and that the System Owner and Host Customer agree to abide by the rules and requirements set forth in the SGIP Handbook and SGIP Contract. The undersigned declare under penalty of perjury under the laws of the State of California that 1) The information provided is true and correct, and 2) the above-described generating system is new and intended to offset part or all of the Host Customer's electrical requirements at the site of installation. For residential energy storage projects, the Host Customer and System Owner certify that they have read and agreed to the terms of the Residential Energy Storage Eligibility Affidavit.

The Host Customer and System Owner are committed to completing this project, and by signing below, are starting their intent to contract with individual(s) necessary for completion of the project. The Host Customer is the reservation holder and reserves the right to submit new project specifications, including a new application with alternative System Owner and/or Applicant designations, upon withdrawal from the project and cancellation of this Agreement.

Host Customer Signature

Print Name:

Signature:

Title:

Date:

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System Owner (if not Host Customer)

Print Name:

Signature:

Title:

Date:

Applicant (if not Host Customer)

Print Name: Mike Snyder

Signature:

Title: Director of Engineering,
Energy Projects

Date:

Developer

Print Name: Jonathan Gubler

Signature:

Title: Supervisor,
Incentive Programs

Date:

Engineering



FEMA

May 7, 2020

Mark S. Ghilarducci
Governor's Authorized Representative
Governor's California Office of Emergency Services
3650 Schriever Avenue
Mather, California 95655

Reference: Approval of Additional Funding Request
HMGP-4240-017-24R, Humboldt Bay Municipal Water District, FIPS #023-91000
HBMWD 12kv Switchgear Relocation Mitigation Project
Supplement #107 Obligation Report

Dear Mr. Ghilarducci:

We have reviewed and approved the request for additional funding for the above-referenced Hazard Mitigation Grant Program (HMGP) project subapplication. We have reviewed the submittals, determined that the budget increase are eligible and have approved additional funding as requested. The total funding awarded for this project is shown in the table below. The \$942,246 federal share additional funding is now available in Smartlink for eligible disbursements.

	Federal Share	Local Match	Total Cost
Approval on 5/24//18	\$1,325,250	\$441,750	\$1,767,000
<u>Additional Funding</u>	<u>\$942,246</u>	<u>\$314,082</u>	<u>\$1,256,328</u>
Totals Funding	\$2,267,496	\$755,832	\$3,023,328

Please advise the Subrecipient that federal funds may be de-obligated for work that is not completed by March 22, 2021, and for which no time extension is approved.

If you have any questions, please contact Aaron Lim, Hazard Mitigation Assistance Specialist, at (510) 627-7036 or aaron.lim@fema.dhs.gov.

Sincerely,

for

Digitally signed by
ROBERT P MCCORD
Date: 2020.05.08 11:25:45
-07'00'

Juliette Hayes
Director
Mitigation Division
FEMA Region IX

Enclosures (2):

Supplement #107 Obligation Report (Amendment #1)
Project Management Report

cc: Concepcion Chavez, Cal OES
Robin Shepard, Cal OES
Monika Saputra, Cal OES

6/1/2020 cc: Grant Admin

SECTION 10.1 a PAGE NO. 2
H.B.M.W.D. JUN - 1 2020
PAGE 1 OF 2

APPLICATION AND CERTIFICATION FOR PAYMENT

TO: **HBMWD** PROJECT: **HBMWD 12kV Switchgear Relocation** APPLICATION NO: **2**
 828 7th St
 Eureka, CA 95501

FROM: **Sequoia Construction Specialties** ENGINEER: **GHD** PERIOD FROM: **03/01/20**
 PO Box 6061 PERIOD TO: **05/31/20**
 Eureka, CA 95502-6061 FEMA NO.: **4240-DR-CA-PJ0017**

CONTRACT FOR: APPLICATION DATE: **05/29/20**

APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1. Original Contract Sum	2,448,063.00
2. Net Change by Change Orders	23,265.00
3. Contract Sum to Date (Line 1 and 2)	2,471,328.00
4. Total Completed & Stored to Date	118,000.00
5. Retainage:	
a. 5% of Completed & Stored Work	5,900.00
Total Retainage	5,900.00
6. Total Earned Less Retainage	112,100.00
7. Less Previous Certificates for Payment (Net amount)	37,050.00
8. Current Payment Due	75,050.00
9. Balance to Finish, Plus Retainage	2,353,328.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months.	23,265	0
Total approved this Month	0	0
TOTALS	\$23,265	\$0
NET CHANGES BY Change Order		\$23,265

APPROVED BY

Noah Ste... 5/31/20

ENGINEER: GHD

Justin... General Manager
OWNER: HBMWD

The undersigned Contractor certifies that to the best of the contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued an payments received from the Owner, and that current payment shown herein is not due.

Contractor:

By: Brian Pritchard 5/29/2020

PAID

JUN - 3 2020

CK # 47871

ACCOUNT

190-10-10-1230-11210
19549047

PROJECT: HBMWD 12kV Relocation

Application and Certificate for payment, containing Contractor's signed certification is attached. In tabulations below, amounts are stated to the nearest dollar.

APPLICATION NO: 2.00
 APPLICATION DATE: 05/29/20
 PERIOD TO: 05/31/20

ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		STORED MATERIALS	TOTAL COMPLETED AND STORED TO DATE	%	BALANCE TO FINISH	RETAINAGE
			PREVIOUS APPLICATIONS	THIS PERIOD					
1	Mobilization	120,000.00	25,000.00	0.00	0.00	25,000.00	21%	95,000.00	1,250.00
2	Erosion Control	10,000.00	0.00	0.00	0.00	0.00	0%	10,000.00	0.00
3	Access Road	32,500.00	0.00	0.00	0.00	0.00	0%	32,500.00	0.00
4	Trenching	320,895.00	14,000.00	14,000.00	0.00	28,000.00	9%	292,895.00	1,400.00
5	Vaults	109,450.00	14,000.00	65,000.00	0.00	65,000.00	59%	44,450.00	3,250.00
6	Building Pad	108,020.00	0.00	0.00	0.00	0.00	0%	108,020.00	0.00
7	Drainage	24,453.00	0.00	0.00	0.00	0.00	0%	24,453.00	0.00
8	Ramp & Wall	81,070.00	0.00	0.00	0.00	0.00	0%	81,070.00	0.00
9	Site Grading	119,340.00	0.00	0.00	0.00	0.00	0%	119,340.00	0.00
10	Fence	27,025.00	0.00	0.00	0.00	0.00	0%	27,025.00	0.00
11	IPA Building	404,808.00	0.00	0.00	0.00	0.00	0%	404,808.00	0.00
12	PG&E Interconnection	33,000.00	0.00	0.00	0.00	0.00	0%	33,000.00	0.00
13	1200 A Metering	34,068.00	0.00	0.00	0.00	0.00	0%	34,068.00	0.00
14	1200 A Breakers	169,514.00	0.00	0.00	0.00	0.00	0%	169,514.00	0.00
15	1200 A Feeders	482,470.00	0.00	0.00	0.00	0.00	0%	482,470.00	0.00
16	1200 A Bus	108,966.00	0.00	0.00	0.00	0.00	0%	108,966.00	0.00
17	Switchgear Battery	57,108.00	0.00	0.00	0.00	0.00	0%	57,108.00	0.00
18	Relocate Gen Controller	43,287.00	0.00	0.00	0.00	0.00	0%	43,287.00	0.00
19	Testing	116,186.00	0.00	0.00	0.00	0.00	0%	116,186.00	0.00
20	Decommissioning	45,903.00	0.00	0.00	0.00	0.00	0%	45,903.00	0.00
C.O.									
1 Fence upgrade		23,265.00						23,265.00	0.00
Sub-Total		2,471,328.00	39,000.00	79,000.00	0.00	118,000.00	5%	2,353,328.00	5,900.00

Humboldt Bay Municipal Water District

To: Board of Directors
From: John Friedenbach / Nathan Stevens
Date: June 5, 2020

Re: Potential Future Easement from North Coast Rail Authority

Discussion

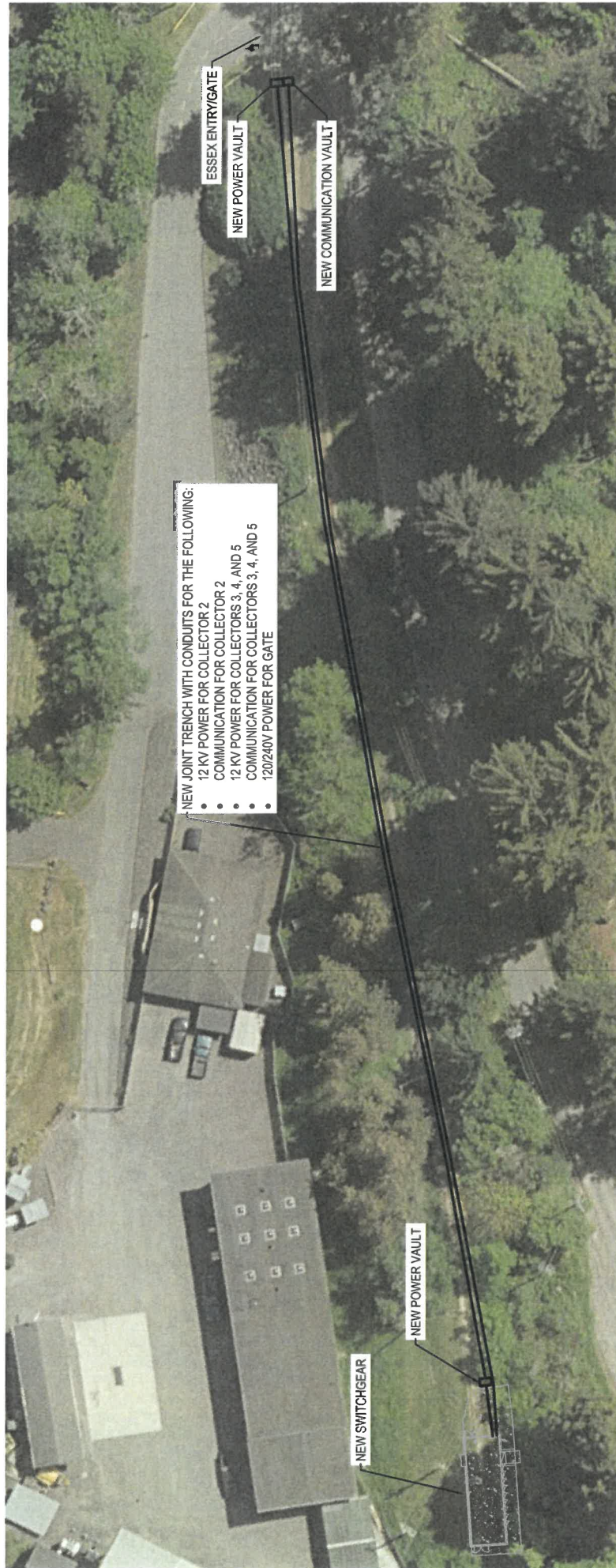
As the Board is aware, construction for the 12 kV Switchgear Relocation Project (12 kV Project) has begun. We previously obtained an easement from the North Coast Railroad Authority (NCRA) for the construction of the project as it was designed. The existing easement includes a 57' x 25' area of land along the existing railroad grade for the purpose of installing and maintaining the new switchgear facility, and it also includes non-exclusive access to the new switchgear facility along the railroad grade.

As the degree of construction effort for the 12kV Project has begun to increase, staff has been considering project components that can be installed now to more easily accommodate future planned capital improvement projects. These future projects in consideration include installing underground electrical power feeders and communication fiber optic lines to Collectors 2, 3, 4, and 5. The simplest way to provide underground power and communication lines to these collectors is to start from the new switchgear building, install new conduits along the railroad grade eastward from the switchgear building to the Essex entrance gate (see the attached Figure 1), and then ultimately drop into Park 1 from the railroad grade and entrance to Essex, back onto District property, and traverse on to the respective collectors. Because there is an electrical contractor already onsite working on the 12kV project, now is the most economical time to install these new conduits up to the Essex entrance gate. Vaults will be required directly east of the new switchgear, as well as near the Essex entry gate, to facilitate pulling of power cables and fiber optic communication lines through these conduits. The conduits will be connected to the Collectors via the vaults near the Essex entry gate as a part of future projects. An additional conduit would also be installed with the others to provide future underground 120/240V power to the gate at the Essex entry. The conduits would all be installed in one joint trench, with a length along the railroad grade of approximately 550 feet.

Next Steps

The District will require an easement from NCRA prior to installing these new conduits and the associated vaults, and an easement for this additional work should be in place prior to the work occurring. The contractor for the 12kV project is under contract until November 2020, so there is time to obtain an easement from NCRA and complete this additional work under the current contract, but time is of the essence. Therefore, staff respectfully requests authorization from the Board to begin negotiation with NCRA to obtain an easement to place conduit and vaults along the railroad grade between the new switchgear facility and the entrance to Essex.

FIGURE 1 - POTENTIAL FUTURE NCRA EASEMENT



John Friedenbach

From: Hicks, Rebecca@CalOES <Rebecca.Hicks@caloes.ca.gov>
Sent: Tuesday, June 02, 2020 9:10 AM
To: John Friedenbach
Subject: RE: HBMWD Appeal RFI response

John

Thank you. I will include this e-mail to help explain exactly. I did not want to make the appeal on my assumptions to what I was seeing, since I do not have an engineering background. This confirms what I was thinking and will use this in the appeal. Thank you again for your help.

Becky Hicks
Associate Governmental Program Analyst
Recovery/ Analytics
California Governor's Office of Emergency Services
Office: 916-845-8266



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

From: John Friedenbach <friedenbach@hbmwd.com>
Sent: Tuesday, June 02, 2020 9:03 AM
To: 'Hicks, Rebecca@CalOES'
Cc: 'Chris Harris'; 'Nathan Stevens'
Subject: RE: HBMWD Appeal RFI response

Hi Becky,

Apologize for not being available yesterday. I was tied up in meetings all afternoon.

In a perfect world, we would be able to provide all requested documents. I can only offer that we have been requested to provide exact documents that are more than 50 years old.

Our Water District, formed in the 1950's and constructed during the 1960's and early 1970's consisted of 5 Collectors, pumping facilities, piping and a dam.

For the 5 Collectors, we are able to surmise, based on the drawings that we could find and have provided, that the construction drawings contain "typical" design drawings. See drawing 66-I-PL-07, sheet 38 of 75.

In other words, drawings that were used for each of the 5 Collectors since their construction was identical as were the major piping connections to the Collectors.

The drawings specific to Collector 4 that we found and provided show the piling supports under the pipe and other details. See drawing 66-1-PLOE, sheet 33 of 75.

For the engineered road, we have provided historical photos and current construction photos to demonstrate that these were engineered roads and not "access trails" as referenced by FEMA field staff.

Specifically, Photo 8 from 1972 clearly shows the engineered road at Collector 4 on the right hand side of the photo immediately upstream and leading to the bridge crossing the river.

Photo 9 which shows the same road but taken from the view adjacent to Collector 4 and looking downstream toward the bridge crossing. This photo also shows that the embankment near Collector 4 was an engineered embankment. This area is the same area that covers the pipeline that was exposed by the 2019 Disaster and had to be filled and re-engineered. See photos 4,5 and 6 from our original Appeal document.

Respectfully, there needs to be some practical engineering understanding that infrastructure such as this, does not materialize without engineered construction.

The evidence that we have provided, although not perfect in some eyes, does clearly show that these are engineered structures and should therefore be eligible for Disaster Recovery Reimbursement.

Regards,

John Friedenbach
General Manager
Humboldt Bay Municipal Water District
www.hbmwd.com
707-443-5018 work
707-362-7509 cell



From: Hicks, Rebecca@CalOES <Rebecca.Hicks@caloes.ca.gov>
Sent: Monday, June 01, 2020 3:32 PM
To: John Friedenbach <friedenbach@hbmwd.com>
Cc: Chris Harris <harris@hbmwd.com>
Subject: RE: HBMWD Appeal RFI response
Importance: High

John

I need more help from you. Dave and I tried to call you, but didn't reach you. The "AS BUILT" drawing you sent me is for Collector 5. Your appeal is for Collector 4 pipe and access road. The pictures you gave me looks like the pipe going into Collector 4 that is uncovered and has some erosion. I need a drawing like you gave me, but the graph needs to be the pipe going to Collector 4. Also, where is the access road that was denied? I don't see anything to identify the road or its location. I need some type of photo showing the location compared to Collector 4, photos and drawings on how they were constructed prior to the disaster. This is now urgent, that I receive this information. I need these now in order to submit to FEMA in time with your appeal.

Thank you,
Becky Hicks
Associate Governmental Program Analyst
Recovery/ Analytics
California Governor's Office of Emergency Services
Office: 916-845-8266



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO BOX 95 • EUREKA, CALIFORNIA 95502-0095

OFFICE 707-443-5018 ESSEX 707-822-2918

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

Website: www.hbmwd.com

BOARD OF DIRECTORS

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

MICHELLE FULLER, DIRECTOR

DAVID LINDBERG, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

May 27, 2020

Mr. Dave Gillings
State Public Assistance Officer
CalOES
Recovery Section
Public Assistance
VIA Email: david.gillings@caloes.ca.gov

RE: RFI for Appeal

Dear Mr. Gillings,

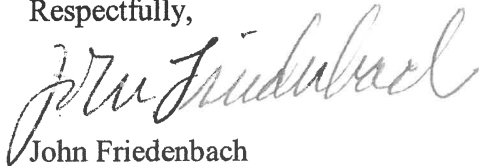
I am writing in response to your request for additional information regarding our Appeal dated April 10, 2020.

- Clarification regarding project costs** – The project costs under Appeal are the continuation of the emergency protective measures directly attributable to the damages caused by the flooding event of February/March 2019. The District conducted initial emergency protective measures during March 2019 during the high-water events to reduce the extent of damage caused by the flooding. During the implementation of the initial emergency protective measures the extent of actual damage was uncertain due to the structures being underwater. The costs for the initial emergency protective measures totaled \$ 365,965.31 (FEMA Damage Claim #299084). The completion of this project could not occur until the river subsided and the full extent of damage could be accessed and viewed. See attached photos 1 through 7 showing river conditions during March 2019. Pipeline was submersed under water for the majority of its length preventing physical or visual inspections of damage. The District had to wait until the fall for low river flow conditions to assess full extent of damage and final completion of damage repairs. The costs for the completion of these measures in the fall (within 6 months of disaster declaration) totaled \$365,793.50. Although seemingly identical to the initial emergency protective measure costs, they are separate and distinct. Kindly refer to the invoices attached to our original Appeal letter dated April 10, 2020 versus the invoices submitted in the grants portal under project number 299084. Previous to the project denial by FEMA/CalOES, there was another project in the grants portal for the fall project costs. That project number was 299085. It appears that FEMA has deleted that project once the denial of costs was issued. Also see attached summary of costs for each project attached hereto.

2. **As built drawings for Collector 4** – we are continuing to search our drawing archives from the late 1960's and early 1970's to respond to this request.
3. **Permits** – See attached permits obtained from US Army Corps of Engineers and California Department of Fish and Wildlife.
4. **Construction Drawings for damage repairs**- see attached construction drawings.
5. **Construction Contract** – see attached copy of construction contract for GRS.

If you have any questions or need any additional information, please do not hesitate to contact us.

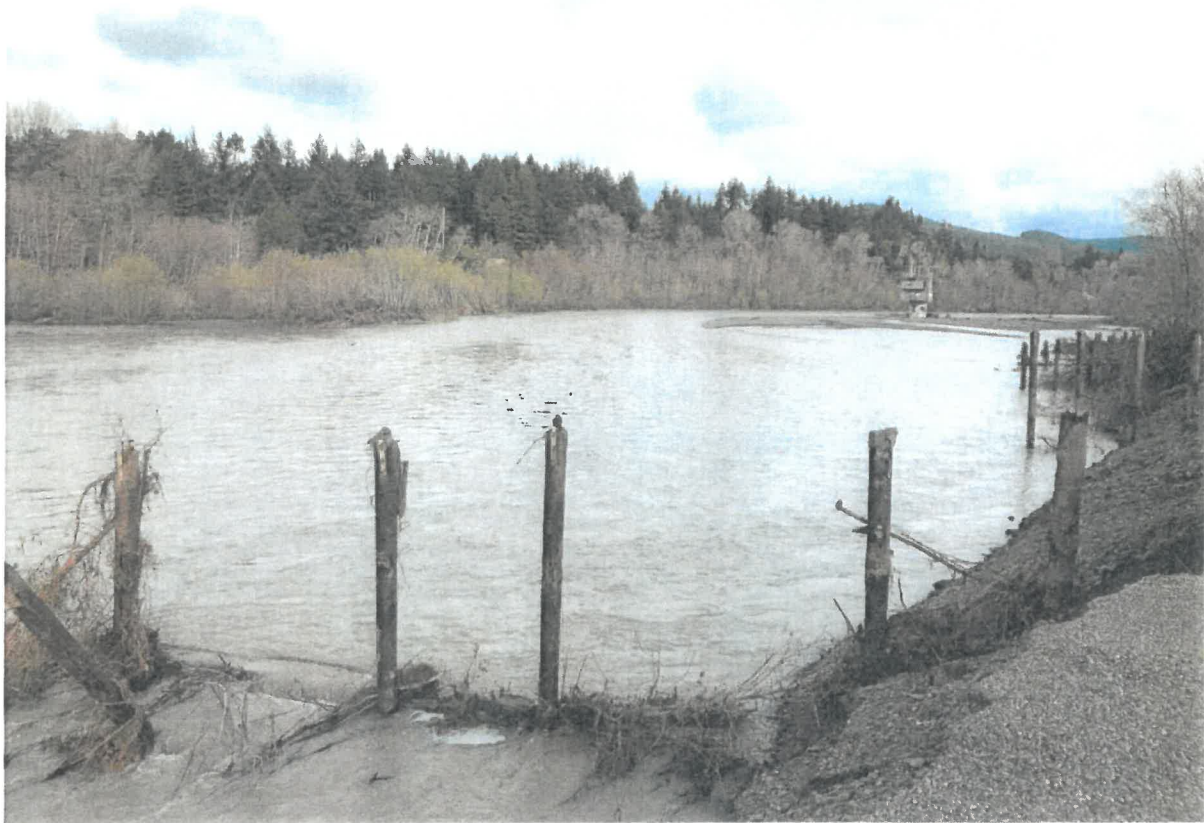
Respectfully,



John Friedenbach
General Manager

Cc: Rebecca Hicks, rebecca.hicks@caloes.ca.gov

Photo 1
Bank erosion, exposed pilings, looking up stream to Collector 5
(March 2019)



Bank erosion, looking down stream to Collector 4 (March 2019)



Photo 3

Bank around pipe erosion, looking toward Collector 4 (March 2019)



Photo 4
Exposed pipe from Collector 4 (March 2019)



Photo 5

Under water pipe, looking toward Collector 4 (March 2019)

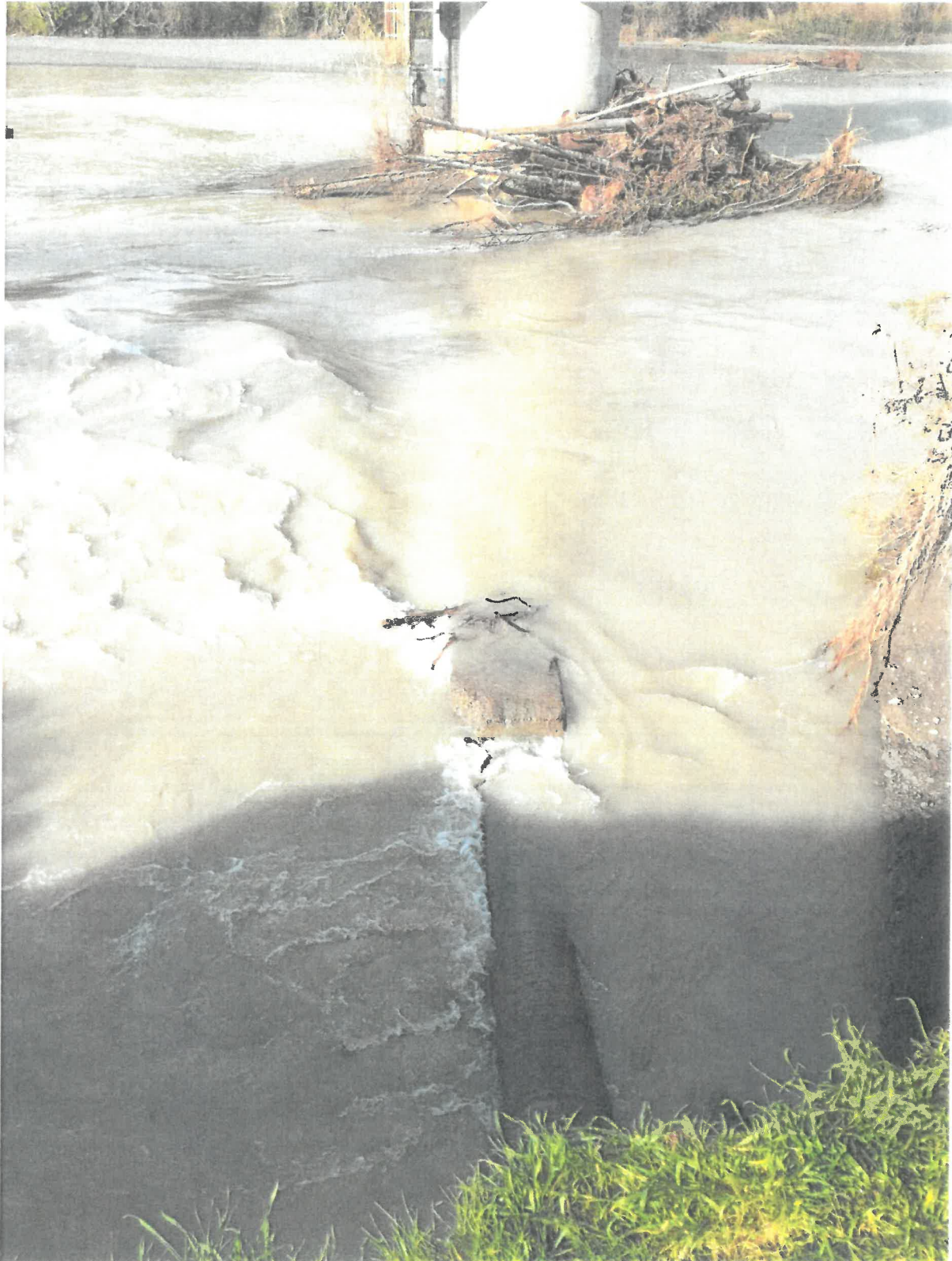


Photo 6

Naked pipe severe erosion, looking toward Collector 4 (March 2019)

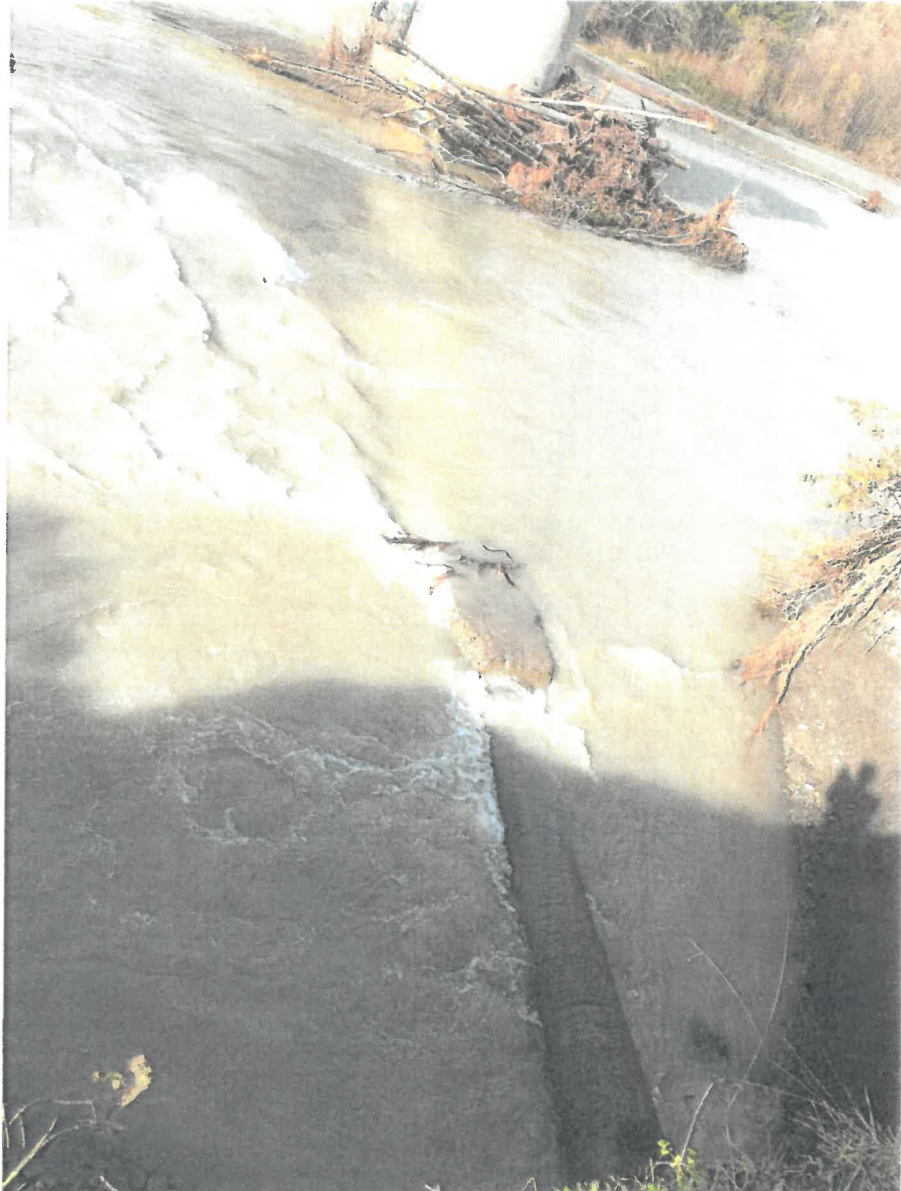


Photo 7
Bank erosion exposing naked pipe, looking upstream near Collector 4
(March 2019)

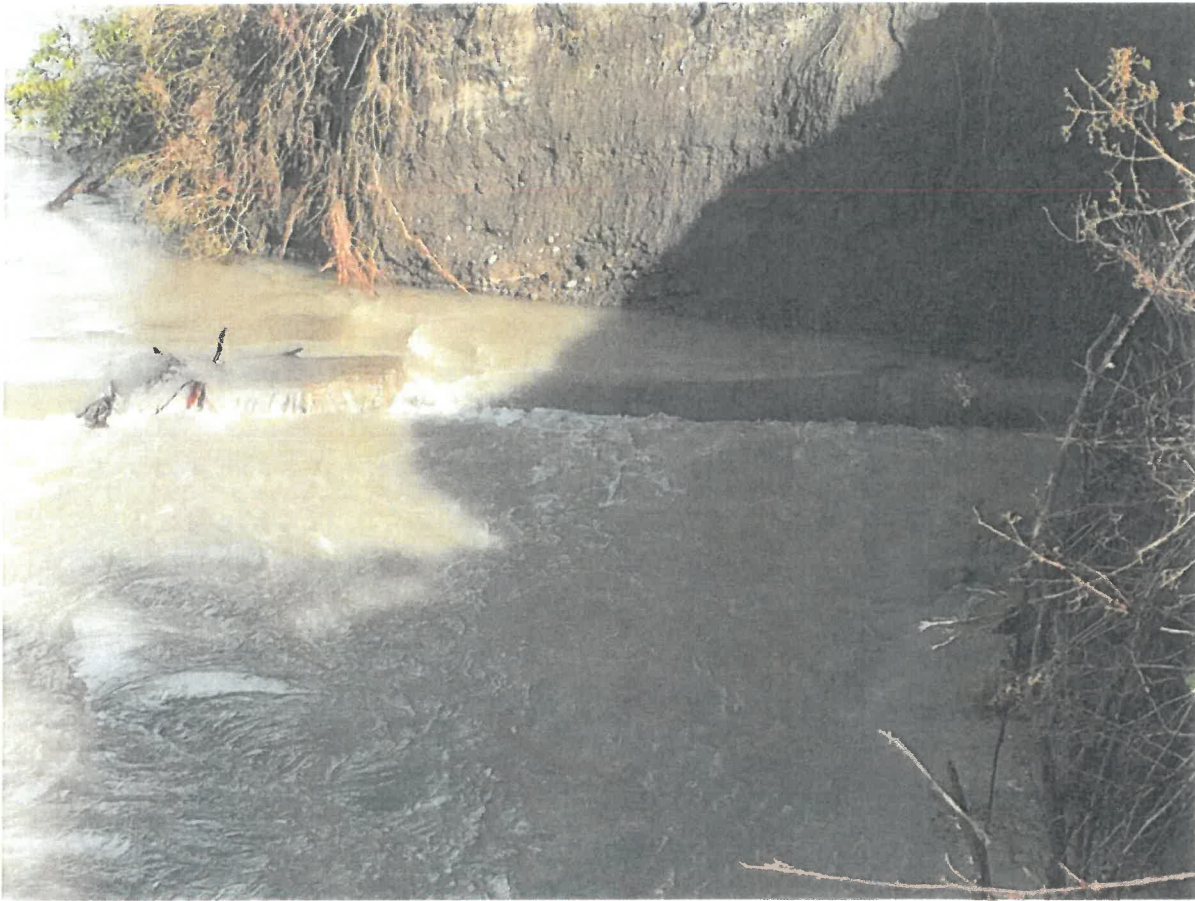


Photo 8
Engineered roads between Collectors 3 & 4,
looking upstream from Collector 3 to Collectors 4 & 5 (1972)



Historical proof of engineered roads to access Collector 4

Photo 9
Engineered roads between Collectors 3 & 4,
looking downstream at Collector 4 (1972)



Historical proof of engineered roads to access Collector 4

We have recently received 95% payment for the Collector #4 EPM (Damage Claim #299084) - Emergency buttressing and rip-rap to upstream embankment and pilings and to save transmission pipeline and eroding embankment and pipeline that was exposed between the embankment and the in-channel Collector)

This project included the following expenses:

<i>GR Sundberg (GRS) \$355,672</i>	Emergency work to protect Collectors 4 & 5 pipelines and provide equipment, materials and labor to build a jetty to divert the river away from the Collectors 4 & 5 Pipelines.
<i>GHD \$9,765.00</i>	Engineering services relates to the above.
<i>Misc. \$527.97</i>	Dump fee and signage
\$365,965.31	Total Project Cost

We received the following payments for Damage Claim #299084 (Collector #4 EPM)

Warrant # 63-980967 received 04/06/20	\$274,473.00 (FEMA)
Warrant #63-925996 received 04/02/20	\$75,480.00 (CalOES)
Total Received	\$349,953.00

This comprises 95% of the funds allocated for this Disaster Project, the remaining funds outstanding are attributed to Administration Allowance, which we have been receiving separately.

This seems to be in contrast to the claim of ineligibility of Damage Claim #299085.

This would seem to contradict the denial of the related Damage Claim #299085. The listed reason for the denial was based on eligibility issue of: "No eligible facility. Natural feature was not improved and maintained. No designed and constructed improvements to the natural embankment and pipe-cover existed prior to the event."

Damage Claim #299085 – "Collector #4 Transmission Line Embankment"

We have incurred the following expenses for this project:

GHD \$52,654.50	Engineering Services for project
GR Sundberg (GRS) \$303,370.90	Continued emergency work to protect Collectors 4 & 5 pipelines and provide equipment, materials and labor to build a jetty to divert the river away from the Collectors 4 & 5 Pipelines.
Stillwater Sciences \$8,744.50	Emergency work, including Yellow-Legged Frog Rescue Plan and Clearance and Construction Monitoring.
ERTEC (US Bank) \$1,023.60	Perimeter/Exclusion Fencing for Special Status Species for YLF
\$365,793.50	Total Phase II Project Cost

PERMITS



DEPARTMENT OF THE ARMY
SAN FRANCISCO DISTRICT, U.S. ARMY CORPS OF ENGINEERS
450 GOLDEN GATE AVENUE
SAN FRANCISCO, CALIFORNIA 94102

March 14, 2019

Regulatory Division

SUBJECT: File Number 2019-00109N

Humboldt Bay Municipal Water District
POC: Mr. Pat Kaspari
828 7th Street
Eureka, CA 95501

Dear Mr. Kaspari:

This letter is written in response to your submittal of March 12, 2019, on behalf of the Humboldt Bay Municipal Water District, concerning Department of the Army authorization to perform emergency bank stabilization activities. The project is located at 371 Warren Creek Road, in the town of Arcata, Humboldt County, California.

Based on a review of the information you submitted and an inspection of the project site conducted by U.S. Army Corps of Engineers (Corps) personnel on March 14, 2019 your project qualifies for authorization under Department of the Army Regional General Permit (RGP) No. 5 for Repair and Protection Activities in Emergency Situations, pursuant to Section 404 of the Clean Water Act, as amended (33 U.S.C. § 1344 *et seq.*). A copy is located on our website at: www.spn.usace.army.mil/Portals/68/docs/regulatory/Emergency%20Permits/RGP5_2014.pdf. All work shall be completed in accordance with the attached plans and drawings titled "Warren Creek Road Emergency Bank Stabilization" and dated March 14, 2019. See Enclosure 1.

The project must be in compliance with the General and Special Conditions cited in the RGP for the authorization to remain valid. Non-compliance with any condition could result in the suspension, modification, or revocation of the authorization for your project, thereby requiring you to obtain a Nationwide or Individual Permit from the Corps. State Water Quality Certification (WQC) has been issued for work performed under the provisions of the RGP. In order for this authorization to remain valid, you must follow the limitations and conditions stated in the WQC attached to the RGP. This RGP authorization does not obviate the need to obtain other State or local approvals required by law.

Work must be initiated within seven days of receiving this letter. RGP5 authorization will remain valid until August 31, 2019, unless the RGP is suspended, modified, or revoked. All work must be completed by this date and the associated post-activity report forwarded within 45 days of project completion (as required by RGP 5 General Condition 26). Upon completion of the project and all associated mitigation requirements, you shall sign and return the enclosed Certification of Compliance, Enclosure 2, verifying that you have complied with the terms and conditions of the permit.

-2-

In order to ensure compliance with this RGP authorization, the following special conditions shall be implemented:

1. All appropriate best management practices shall be implemented throughout the project site to help minimize sediment disturbance and suspension within the water.
2. Authorized discharges of fill material occurring below ordinary high water shall consist solely of sand, gravel, cobble, boulder, rock or other inert riprap materials that are free of toxic pollutants.
3. All staging, maintenance, and storage of heavy machinery shall be conducted in such a location and manner that no fuel, oil, or other petroleum products may run off or be washed by rainfall into the water.
4. Work using heavy equipment shall be performed from areas located outside Corps jurisdiction (e.g., existing roadways and fill areas).
5. The applicant shall submit an application for the permanent solution if and when applicable.

Should you have any questions regarding this matter, please call L. Kasey Sirkin of our Regulatory Division at 707-443-0855. Please address all correspondence to the Regulatory Division and refer to the File Number at the head of this letter. If you would like to provide comments on our permit review process, please complete the Customer Survey Form available online at <http://www.spn.usace.army.mil/Missions/Regulatory.aspx>.

Sincerely,



Digitally signed by MALAMUD-
ROAM.FRANCES.POND.1522023
481
Date: 2019.03.14 10:35:53 -07'00'

for Katerina Galacatos, Ph.D.
Acting Chief, Regulatory Division

Enclosures

Electronic Copy furnished:

US NMFS, Arcata, CA Dan.free@noaa.gov
CD DFW, Eureka, CA Jane.Arnold@wildlife.ca.gov
CA RWQCB, Santa Rosa, CA Brandon.Stevens@Waterboards.ca.gov



STATE OF CALIFORNIA
DEPARTMENT OF FISH AND WILDLIFE
LAKE OR STREAMBED ALTERATION PROGRAM



Information Regarding Emergency Work

Fish and Game Code section 1610 exempts certain types of emergency work from the notification requirement in section 1602. Specifically, notification is not required before beginning any of the following emergency work:

- 1) immediate emergency work necessary to protect life or property;
- 2) immediate emergency repairs to public service facilities necessary to maintain service as a result of a disaster in an area in which the Governor has proclaimed a state of emergency; and/or
- 3) emergency projects undertaken, carried out, or approved by a state or local governmental agency to maintain, repair, or restore an existing highway, as defined in Vehicle Code section 360, within the existing right-of-way of the highway, that has been damaged as a result of fire, flood, storm, earthquake, land subsidence, gradual earth movement, or landslide, within one year of the damage.

Although notification is not required *before* beginning the emergency work, the Department must be notified in writing within 14 days *after* the work begins ("emergency notification"). The notification requirement can be met by completing and submitting the attached Emergency Notification form to the Department regional office that serves the county where the emergency work occurs.

If the Department does not receive the emergency notification within 14 days after the work begins, or the work did not constitute emergency work, the entity responsible for the work may be subject to criminal or civil prosecution. Hence, it is important that the work meets the definition of "emergency."

"Emergency" means "a *sudden, unexpected* occurrence, involving a clear and imminent danger, demanding *immediate* action to prevent or mitigate the loss of, or damage to, life, health, property, or essential public services. 'Emergency' includes such occurrences as fire, flood, earthquake, or other soil or geologic movements, as well as such occurrences as riot, accident, or sabotage." (Public Resources Code section 21060.3 (emphasis added)). See also Fish and Game Code section 1601, subdivision (c).

Although emergency work is exempt from the notification requirement in Fish and Game Code section 1602, the entity responsible for completing the emergency work must comply with other applicable local, state, and federal laws, including other provisions in the Fish and Game Code, such as section 5650 (prohibiting the discharge or release of deleterious substances or materials) and section 5901 (prohibiting the construction or maintenance of any device or contrivance that prevents or impedes fish passage).

The Department recommends that emergency work be conducted in accordance with the guidelines below to minimize impacts to fish and wildlife resources.

- 1) The person(s) completing the emergency work should prevent raw cement, concrete, or washings thereof, asphalt, paint, or other coating material, oil or other petroleum products, or any other substance which can be deleterious to aquatic life from contaminating soil and/or entering a river, stream, lake or other waters of the state. (See Fish and Game Code section 5650.)
- 2) The person(s) completing the emergency work should minimize the disturbance or removal of vegetation in completing the work.

FOR DEPARTMENT USE ONLY

Date Received

Notification Number



STATE OF CALIFORNIA
DEPARTMENT OF FISH AND WILDLIFE
LAKE OR STREAMBED ALTERATION PROGRAM
NOTIFICATION OF EMERGENCY WORK



Complete EACH field and attach additional pages if necessary.

1. PERSON, BUSINESS, OR AGENCY RESPONSIBLE FOR EMERGENCY WORK

If the emergency work is being conducted by a business, agency, or utility, please include the name of your designated representative.

Name	John Friedenbach		
Business/Agency	Humboldt Bay Municipal Water District		
Street Address	828 7th Street		
City, State, Zip	Eureka, CA 95501		
Telephone	(707) 443-5018	Fax	
Email	friedenbach@hbmwd.com		

2. LOCATION OF EMERGENCY WORK

Address or description of project location. (Include a map that marks the location of the project with a reference to the nearest city or town, and provide driving directions from a major road or highway.)

The proposed project is located on the banks of the Mad River at approximately 371 Warren Creek Road, Arcata at the HBMWD's Pump Station 4. The proposed project is on the left bank when facing downstream. Access to the site is from State Route 299, take exit 1 for Giuntoli Lane toward West End Road. Turn left on West End Road and make a left onto Warren Creek Road after approximately 2.0 miles, stay on Warren Creek Road for approximately 0.4 miles and the site will be on the left. See Figure 1 for a topographic map of the proposed project location.

Continued on additional page(s)

River, stream, or lake affected by project	Mad River			
What water body is the river, stream, or lake tributary to?	Pacific Ocean			
Is the river or stream segment affected by the project listed in the state or federal Wild and Scenic Rivers Acts?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Unknown	
County	Humboldt			
USGS 7.5 Minute Quad Map Name	Township	Range	Section	Section
Arcata North	6N	1E	14	
<input type="checkbox"/> Continued on additional page(s)				
Meridian (check one)	<input checked="" type="checkbox"/> Humboldt <input type="checkbox"/> Mt. Diablo <input type="checkbox"/> San Bernardino			

NOTIFICATION OF EMERGENCY WORK

2. LOCATION OF EMERGENCY WORK continued

Assessor's Parcel Number(s)			
516-351-002, 516-351-001			
<input type="checkbox"/> Continued on additional page(s)			
Coordinates (If available, provide at least latitude/longitude or UTM coordinates and check appropriate boxes.)			
Latitude/Longitude	Latitude: 40.904550	Longitude: -124.038320	
	<input type="checkbox"/> Degrees/Minutes/Seconds	<input checked="" type="checkbox"/> Decimal Degrees	<input type="checkbox"/> Decimal Minutes
UTM	Easting: 412549.15	Northing: 4528680.19	<input checked="" type="checkbox"/> Zone 10 <input type="checkbox"/> Zone 11
Datum used for Latitude/Longitude or UTM		<input type="checkbox"/> NAD 27	<input checked="" type="checkbox"/> NAD 83 or WGS 84

3. NATURE OF EMERGENCY WORK

Date emergency began or was first discovered	March 8, 2019
Date emergency work began	March 11, 2019
Date emergency work was or will be completed	March 29, 2019
Briefly describe the type of emergency (e.g., flooding or earth movement).	
See attached page for a brief description of the type of emergency.	
Identify the type of property affected by the emergency by marking the appropriate boxes below.	
<input type="checkbox"/> Bridge, culvert, or other water crossing <input type="checkbox"/> Dwelling or other building <input type="checkbox"/> Levee or other bank protection <input type="checkbox"/> Road <input type="checkbox"/> Farmland <input checked="" type="checkbox"/> Utility <input type="checkbox"/> Other (describe): _____	
Describe the emergency work.	
<p>In order to limit the Mad River flows from continuing to erode the left bank and to allow for the reburying of pipe from Pump Station 4 one ton riprap will be placed on the left bank of the channel to deflect the river back to its former main channel. Once the flows are successfully deflected back to the former main channel, the exposed piping at Pump Station 4 would be buried. There are several existing piling structures that were installed in the 1970's to stabilize this bank, and had successfully done so until this event. These piling structures will be used as a guide to re-establish the required bank protection. Rock structures will be placed against and around these pilings for a distance of approximately 300-feet upstream of Pump Station 4, or for approximately four piling locations upstream of the pump station. The existing pipe will then be buried with smaller and larger rock to get through the wet weather. All of this work will be performed through the use of an excavator located on the left bank of the river. Fill material will be trucked to the site from local quarries. A more permanent fix will be designed, permitted, and installed this summer when the river flows recede.</p>	
<input type="checkbox"/> Continued on additional page(s)	

NOTIFICATION OF EMERGENCY WORK

3. NATURE OF EMERGENCY WORK *continued*

Briefly describe the dimensions (e.g., length and width) of the area or areas affected by the emergency and the work area.

The area affected by the emergency is approximately 1.5 acres. The work area comprised of bank stabilization is approximately 200 feet by 50 feet, and the work area comprised of burying exposed water piping is approximately 70 feet by 30 feet.

Continued on additional page(s)

Describe any work you intend to complete after the emergency to restore the affected area.

The purpose of the proposed project is to revert the project area back to its former condition before the Mad River reached flood stage in February 2019. The exposed pipeline will be covered with concrete slurry and rock will be placed to protect it. The bank stabilization measures will be modified and biological stabilization techniques worked into the rock stabilization to make a more permanent bank stabilization structure.

Continued on additional page(s)

4. SIGNATURE

I hereby certify that to the best of my knowledge the information in this emergency notification is true and correct and that I am authorized to sign this notification as, or on behalf of, the person, business, or agency responsible for the emergency work. *I understand that if the Department does not receive this emergency notification within 14 days after the emergency work begins, or the work did not constitute emergency work, I and/or the person, business, or agency responsible for the emergency work may be subject to criminal or civil prosecution.*


Signature of Applicant or Applicant's Authorized Representative

3/18/19

Date

John Friedenbach, General Manager

Print Name

Humboldt Bay Municipal Water District
CDFW Lake and Streambed Alteration Emergency Notification
March 15, 2019

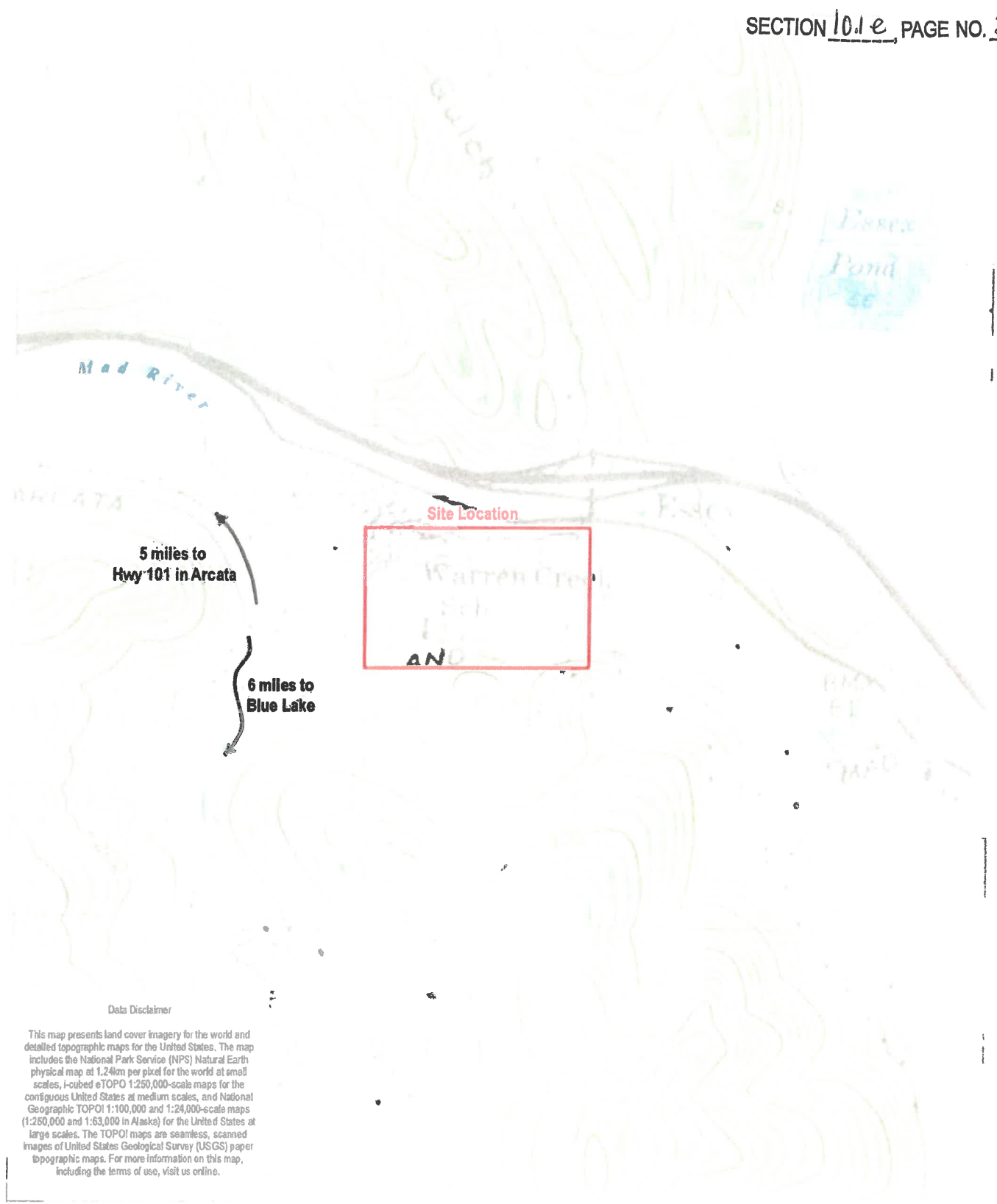


Additional Information

3. Nature of Emergency Work

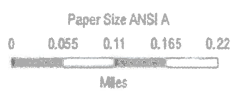
Briefly describe the type of emergency (e.g., flooding or earth movement).

The increase in precipitation this past winter of 2019 has caused numerous rivers on the North Coast of California to flood. The Mad River reached above flood stage (22 feet) in February 2019. The increase in precipitation and large flows are believed to have caused scouring of sediment and an altered flow pathway in the Mad River. The altered flow pathway has resulted in the exposure of the pipeline from, and the temporary loss of function to Pump Station 4. Pump Station 4 is one of four Ranney Collectors that the District uses to provide raw water, which is further treated and supplies potable water to approximately 88,000 residents of Humboldt County. The exposure of piping from Pump Station 4 and the main distribution pipe has required the District to valve off the pump station in the case of catastrophic failure of this pipeline. This in turn reduces the capacity of their potable water system by 25%. The flood flows have also resulted in the erosion of approximately 850-feet of bank upstream of the Collector. The changed flow pathway will also endanger other piping in the system if the bank continues to erode.



Data Disclaimer

This map presents land cover imagery for the world and detailed topographic maps for the United States. The map includes the National Park Service (NPS) Natural Earth physical map at 1.24km per pixel for the world at small scales, 1-cubed eTOPO 1:250,000-scale maps for the contiguous United States at medium scales, and National Geographic TOPOI 1:100,000 and 1:24,000-scale maps (1:250,000 and 1:63,000 in Alaska) for the United States at large scales. The TOPOI maps are seamless, scanned images of United States Geological Survey (USGS) paper topographic maps. For more information on this map, including the terms of use, visit us online.



Humboldt Bay Municipal Water District
 California Department of Fish & Wildlife
 Lake and Streambed Alteration Emergency Notification

Project No. 11180211
 Revision No. -
 Date March 2019

Map Projection: Lambert Conformal Conic
 Horizontal Datum: North American 1983
 Grid: NAD 1983 StatePlane California I FIPS 0401 Feet

Site Location
 USGS Quadrangle Name: Arcata North

FIGURE 1

CONSTRUCTION CONTRACT

2/20/2020

Spendwise

Status: CLOSED

Vendor	Bill to	Ship to	Date	P.O. #
GR Sundberg, Inc	Humboldt Bay MWD	Humboldt Bay MWD	02/20/2020	20-0761
Requisitioner	Due date	Quote#	Shipping	NAME
COREY BORGHINO	02/14/2020			CONTRACT

Item	Description	Quantity	U/M	Price	Tax Amount
1 CONTRACT	CONTRACT FOR COLLECTOR 4 SUPPLY LINE INVOICE #3925	1		303370.90	N 303,370.90
Account	Group	Tag	Memo		
20-52-9500 - Collector 4 - Emergency Repairs II	MAINTENANCE	52 - PUMPING EXPENSES			

Sub-total 303,370.90

Taxes (7.75%) 0.00

Total 303,370.90

Comments

Provide mobilization labor and equipment to Collector 4 Supply line.
Original contract price \$283,250.00, Revised Contract Sum \$303,370.90

Attachments

GRS CONTRACT 20-0761 (20-0288).pdf (590 KB)

GRS Contract Invoice 20-0761.pdf (138 KB)

Approvers

CHRIS HARRIS (02/20/2020)

*500-30-52-5120-58400
20529500*

GRADING • PAVING • EXCAVATING • UNDERGROUND UTILITIES

GR Sundberg, Inc.



General Engineering Contractor
LLN 738295

G R Sundberg, Inc.
5211 Boyd Road
Arcata, CA 95521

INVOICE

Phone: 707-825-6565
Fax: 707-825-6563

Invoice Date: 1/14/2020
Invoice: 3925

Bill To:

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7TH STREET
EUREKA, CA 95501

Payment Terms	Contract Number	Invoice Due Date
Net 30	20-0761 20-8288	2/13/2020

Description
COLLECTOR 4 SUPPLY LINE 20-0288

Description	Quantity	UOM	Unit Price	Bill Amount
LABOR, MATERIAL AND EQUIPMENT	1.0000	LS	303,370.900	303,370.90
			0	
Subtotal Amount				303,370.90
Total Invoice Amount Due				303,370.90

PAID
FEB 20 2020
CK # 4748

CHANGE ORDER

PROJECT: HBMWD Collector 4 Emergency Repair Project Change Order No.: 1
 Date: 10/03/19
 Page No.: 1 of 1

DESCRIPTION OF CHANGE:

The purpose of this change order is to capture the costs of the following:

The addition of approximately 1,670 Ton of river run gravel to bring the pad up to a higher elevation to provide additional coverage over the pipeline from the Collector to the bank and prevent it from being exposed and further damaged when the river comes up again during the winter. During the project construction and addition of the river run fill around the collector, it became obvious that the depth of fill over the pipe and the elevation of the access pad next to the Collector was not going to be high enough to prevent the river from scouring around the left side of the Collector and potentially exposing and damaging the pipe again. The elevation was raised to approximate the highest elevation of the gravel bar on the opposing bank to help ensure that the river would be able to flow from bank to bank, thereby slowing the river velocities and helping to prevent erosion of the newly placed gravels. During a construction meeting in the field on October 3, 2019, the Contractor, Superintendent and Engineer adjusted the finish elevation of the pad to the top of the gravel bar on the opposite bank and established the final finished elevation for the additional river run gravel.

The sum of the above results in an increase for this change order in an amount of \$20,120.90.

CONTRACTOR: GRS

Adjustment of contract sum	
Original Contract Sum	\$283,250.00
Prior Adjustments	\$0
Contract Sum Prior to this Change	\$283,250.00
Adjustment for this Change	\$20,120.90
Revised Contract Sum	\$303,370.90

Adjustment of contract completion dates	
Original Contract Completion Date	Oct. 15, 2019
Prior Adjustments in Calendar Days	0
Adjustment in Calendar Days for this Change Order	0
Revised Contract Completion Date	Oct. 15, 2019

NOTE: CONTRACTOR WAIVES ANY CLAIM FOR FURTHER ADJUSTMENTS FOR THE CONTRACT SUM RELATED TO THE ABOVE-DESCRIBED CHANGE IN THE WORK.

RECOMMENDED BY:



 Engineer - Patrick Kaspari, P.E.

DATE: 10/03/2019

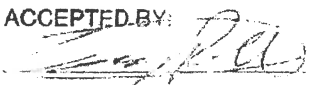
APPROVED BY:



 Owner - John Friedenbach, General Manager

DATE: 10/7/19

ACCEPTED BY:



DATE: 10/3/2019

Contractor – Casey Poff, Project Manager

Change Order #1

Page 2 of 2



Humboldt Bay MWD
828 7th St
Eureka, California 95501 United States

Purchase Order

P.O. No. 20-0761
Date 02/20/2020
Due date 02/14/2020
Requisitioner COREY
BORGHINO
Quote #
Shipping
NAME CONTRACT

GR Sundberg, Inc

Ship to
Humboldt Bay MWD
828 7th St
Eureka, California 95501 United States

			Quantity	U/M	Price	
1	CONTRACT FOR COLLECTOR 4 SUPPLY LINE INVOICE #3925	CT	1		303,370.90	303,370.90

Comments

Provide mobilization labor and equipment to Collector 4 Supply line.
Original contract price \$283,250.00, Revised Contract Sum \$303,370.90

Sub-total 303,370.90
Taxes (7.75%) 0.00
Total 303,370.90

Authorized by CHRIS HARRIS 02/20/2020

9/23/19 emailed to Dale & Contract.
copy to Essex

Contractors Agreement

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PO BOX 95, EUREKA CA 95502-0095
828 SEVENTH STREET, EUREKA CA 95501-1114**

Telephone (707) 443-5018 - FAX (707) 443-5731

Some of the important terms of this agreement are printed on Page 2. For your protection, make sure that you read and understand all provisions before signing. The terms on Page 2 are incorporated in this document and will constitute a part of the agreement between the parties when signed.

To: GR Sundberg Inc. Date: September 19, 2019
5211 Boyd Rd.
Arcata CA 95521 Agreement No. 20-0288-20-0761
Project: 1854182 20529500

The undersigned Contractor offers to furnish the following:

- 1 Provide mobilization, labor and equipment to Collector 4 supply line.
- 2 Work to consist of excavation, rock placement and cement work as described on attached plan sheets by GHD.
- 3 Insurance certificates required naming HBMWD additionally insured on separate rider.

Contract Price: \$ 283,260.00

Public Works project - subject to prevailing wage

CSLB License Number: 73269E

Completion Date: November 14, 2019

DIR registration Number: 301074

Instructions: Sign and return original. Upon acceptance by the Humboldt Bay Municipal Water District, a copy will be signed by its authorized representative and promptly returned to you. Insert below, the names of your authorized representative(s).

Accepted: Humboldt Bay Municipal Water District

By: [Signature]
Title: General Manager

Contractor: GR Sundberg, Inc

(Business name)
By: [Signature]
Title: Office Manager

Other Authorized Representative(s)

Dale Davidson
Ryan Chalrez

Other Authorized Representative(s)

Randy Sundberg, Cass, Pott
Bettina Rheinschmidt

Contractor or supplier (Contractor), agrees with the Humboldt Bay Municipal Water District that:

- a) To the fullest extent permitted by law, Contractor will defend, indemnify and hold harmless the Humboldt Bay Municipal Water District its directors, officers, employees, or authorized volunteers from all claims and demands of all persons arising out of the performance of the work or the furnishing of materials; including but not limited to, claims by the Contractor or Contractor's employees for damages to persons or property except for the sole negligence or willful misconduct or active negligence of the Humboldt Bay Municipal Water District, its directors, officers, employees, or authorized volunteers.
- b) By his/her signature hereunder, Contractor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of the work of this agreement. Contractor and sub-contractors will keep workers' compensation insurance for their employees in effect during all work covered by this agreement.
- c) Contractor hereby certifies that it is registered with the State of California Department of Industrial Relations to: 1) bid on a public works project or 2) work on a public works project. Contractor shall provide proof of its valid registration as a condition of being awarded its contract with District. Contractor further agrees that it is responsible for any and all fines associated with non-registration or lapse in registration.
- d) Contractor will file with the Humboldt Bay Municipal Water District before beginning work, certificates of insurance and policy endorsements satisfactory to the Humboldt Bay Municipal Water District evidencing general liability coverage, of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to the Humboldt Bay Municipal Water District. Such insurance shall be primary and any insurance, self-insurance or other coverage maintained by the Humboldt Bay Municipal Water District, its directors, officers, employees, or authorized volunteers shall not contribute to it. The general liability coverage shall give the Humboldt Bay Municipal Water District its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the Humboldt Bay Municipal Water District. In the event that the Contractor employs other contractors (sub-contractors) as part of the work covered by this agreement, it shall be the Contractor's responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.
- e) If any of the required coverages expire during the term of this agreement, the Contractor shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the Humboldt Bay Municipal Water District at least ten (10) days prior to the expiration date.
- f) Contractor shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other authorized representatives."
- g) Payment, unless otherwise specified on Page 1, is to be 30 days after acceptance by the Humboldt Bay Municipal Water District
- h) Permits required by governmental authorities will be obtained at Contractor's expense, and Contractor will comply with local, state and federal regulations and statutes including, but not limited to the Cal/OSHA requirements.
- i) Any change in the scope of the work to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the work will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental agreement executed by the Humboldt Bay Municipal Water District. Contractor's "authorized representative(s)" has (have) the authority to execute such written change for Contractor.

BID SCHEDULE
HBMWD Collector Number 4

Item No.	Item Description	Unit	Bid Qty.	Closed Unit \$	Closed Item Total	SUB
1	Mobilization/Demobilization	LS	1	\$15,000.00	\$15,000.00	
2	1-2 Ton RSP	TN	500	\$200.00	\$100,000.00	
3	2-4 Ton RSP	TN	110	\$325.00	\$35,750.00	
4	River Run Gravel	TN	1600	\$50.00	\$80,000.00	
5	Pipeline Concrete Encasement	CY	15	\$3,500.00	\$52,500.00	
Total Bid					\$283,250.00	

FILE COPY

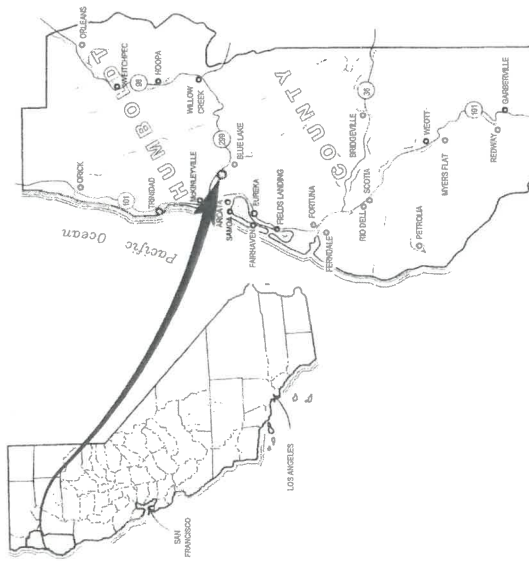
HUMBOLDT BAY MUNICIPAL WATER DISTRICT COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS PROJECT

SEPTEMBER 2019

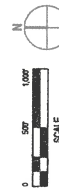
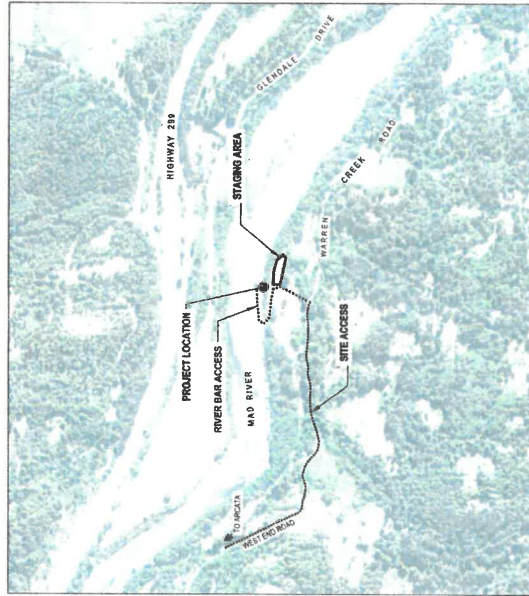
PREPARED BY



AREA MAP



LOCATION MAP



APPROVALS

PLANS APPROVED BY THE BOARD OF DIRECTORS OF THE HUMBOLDT BAY MUNICIPAL WATER DISTRICT, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA, THIS 10TH DAY OF SEPTEMBER, 2019.

GENERAL MANAGER

JOHN FREDRIGSICH

SIGNED

BOARD OF DIRECTORS

SHERI WOOD

VICE PRESIDENT

NEAL LATT

SECRETARY-TREASURER

J. BRUCE RUPP

DIRECTOR

BARBARA HECAHOHN

DIRECTOR

MICHELLE FOLLER

ENGINEER, GHD INC.

NATHAN STEVENS, PE

SIGNED

SHEET INDEX

GENERAL

1 G-001 COVER SHEET

2 G-002 GENERAL NOTES

CIVIL

3 C-101 CIVIL SITE PLAN

4 C-301 SECTIONS

5 C-601 CIVIL DETAILS



It is the responsibility of the registered professional engineer to design and construct the project in accordance with the approved plans and specifications. The engineer and his firm will design, incorporate, install, and maintain the project in accordance with the approved plans and specifications. The engineer and his firm will be responsible for the project from the start to the end of the project.



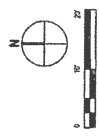
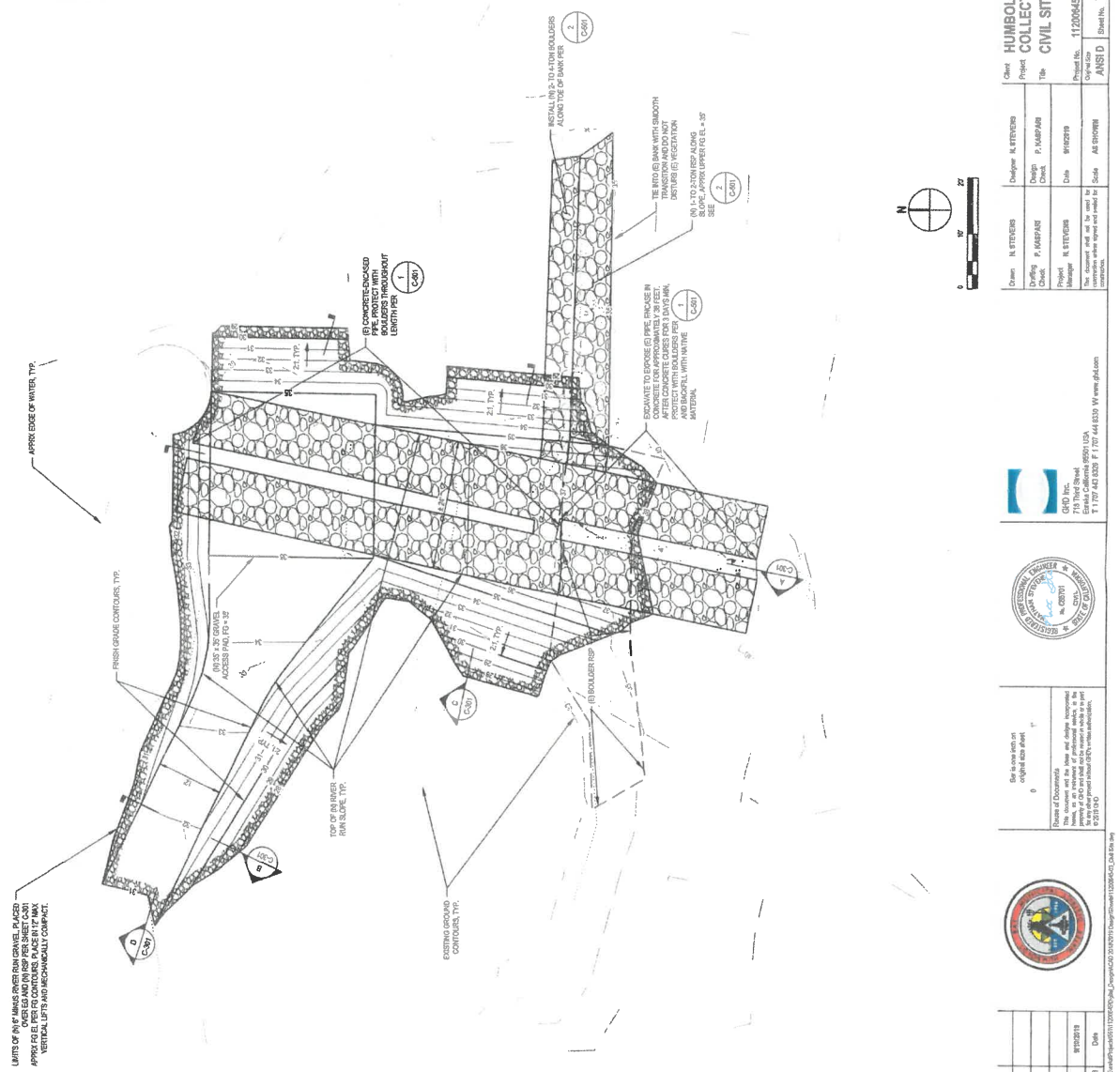
GHD Inc.
714 Third Street
Eureka, CA 99901
T 717 443 8235 F 717 443 8230 W www.ghd.com

Drawn: M. RODRIGUES
Checked: M. STEVENS
Project: H. STEVENS
Date: 8/10/2019
Scale: AS SHOWN

Client: HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Project: COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS
Title: COVER SHEET
Project No.: 11200045
ANSI Z39.18
Sheet: 1 of 3

SHEET GENERAL NOTES

1. SEE THE NOTES ON SHEET C-02.
2. ALL RIVER ROAM SHALL BE PLACED IN 12" MAXIMUM VERTICAL LIFTS AND MECHANICALLY COMPACTED.
3. SITE SAFETY SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR, AND THIS CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING NECESSARY PERMITS AND APPROVALS FROM THE CITY OF HUMBOLDT DURING CONSTRUCTION.



Client	HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Project	COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS
Title	CIVIL SITE PLAN
Project No.	11200645
Contract No.	ARISD
Designer	R. STEVENSON
Design	P. KAMPAKIS
Check	R. STEVENSON
Date	9/10/2019
Scale	AS SHOWN

715 Third Street
 Humboldt, CA 99901
 T 707 462 6205 F 707 444 8333 W www.ghd.com

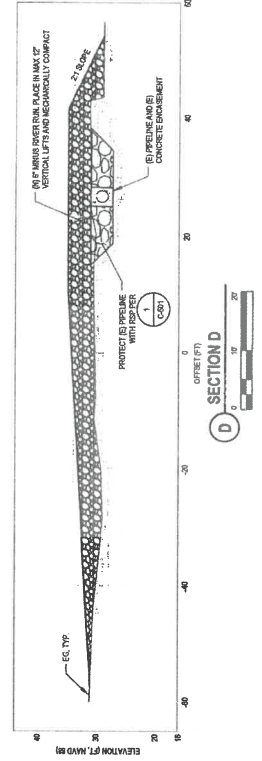
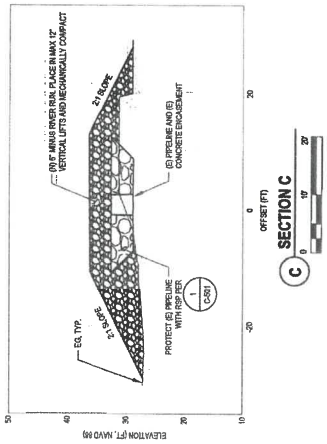
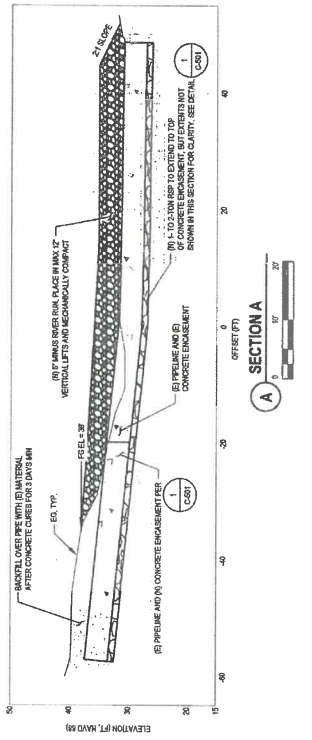
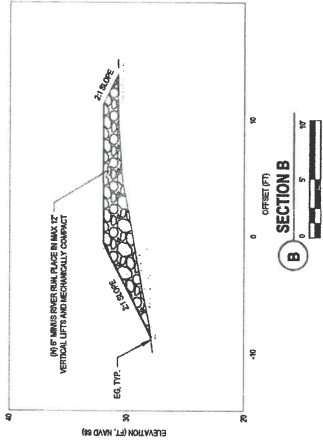


Professional Engineer
 State of California
 No. 008701



No.	Date	By	For

PRINTED FINAL DRAFT
 9/10/2019
 11/20/2019
 11/20/2019



Drawn: H. STEVENS Design: P. MADHAR Project: H. STEVENS Date: 8/10/2019 Scale: AS SHOWN	Designer: H. STEVENS Design Check: P. MADHAR Date: 8/10/2019 Scale: AS SHOWN	Client: HUMBOLDT BAY MUNICIPAL WATER DISTRICT Project: COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS Title: SECTIONS Project No.: 11200045 Sheet No.: ABSID C-301	Sheet 4 of 5



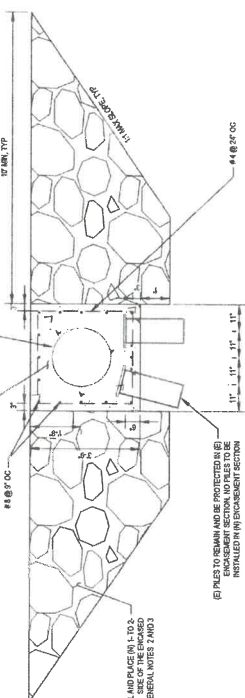
This document is the property of GHD Inc. It is to be used for the project and site only. It is not to be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of GHD Inc.

No.	Date	By	Appr.	Date
1	8/10/2019	H. STEVENS	H. STEVENS	8/10/2019

Printed: 8/10/2019 11:41 AM
 P:\Projects\11200045\Drawings\11200045-ABSID-C-301.dwg

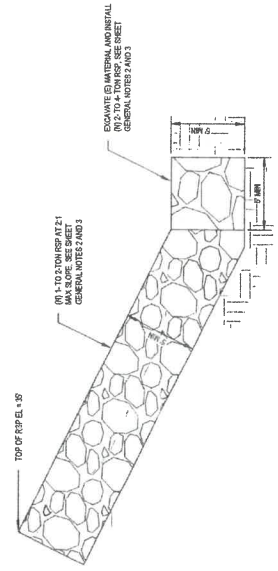
SHEET GENERAL NOTES

1. REVISIONS ARE ACCORD TO THE TIE AND SLOPE AS NECESSARY TO STABILIZE THE ROCK.
2. ALL REVISIONS SHALL BE SHOWN ON THIS SHEET.
3. THE GSP SHALL BE PLACED SUCH THAT THE ROCKS ARE FULLY SEATED ON THE UNDERGRADE AND HAVE A MINIMUM OF THREE CONTACT POINTS WITH TIE.



1 PIPELINE ENCASUREMENT AND BOULDER PROTECTION
SCALE: NTS

APPROVED, NOT ENGINEERED
IN THIS LOCATION



2 ROCK SLOPE PROTECTION
SCALE: NTS

<p>GEI, Inc. 718 Third Street Alameda, CA 94601 510 763-4425 Ext. 1117 • 44 E 850 W • www.gei.com</p>		<p>Client: HUMBOLDT BAY MUNICIPAL WATER DISTRICT Project: COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS Title: CIVIL DETAILS Project No.: 11200645 Contract No.: ANSD 16 Drawn: C-501 Sheet: 5 of 5</p>																			
<p>Designer: IL OCHOALES Check: IL OCHOALES Date: 8/13/2019</p>		<p>Designer: IL OCHOALES Check: IL OCHOALES Date: 8/13/2019</p>																			
<p>Number of Disclosures: 0 Be an architect or registered professional engineer.</p>		<p>Number of Disclosures: 0 Be an engineer, geologist, surveyor, or other registered professional engineer or other professional engineer or other professional engineer.</p>																			
<p>REVISION HISTORY</p> <table border="1"> <tr> <th>No.</th> <th>Date</th> <th>By</th> <th>Appr.</th> <th>Desc.</th> </tr> <tr> <td>1</td> <td>8/13/2019</td> <td>IL OCHOALES</td> <td>IL OCHOALES</td> <td>ISSUED FOR PERMIT</td> </tr> </table>		No.	Date	By	Appr.	Desc.	1	8/13/2019	IL OCHOALES	IL OCHOALES	ISSUED FOR PERMIT	<p>PROJECT INFORMATION</p> <table border="1"> <tr> <td>PROJECT</td> <td>COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS</td> </tr> <tr> <td>TITLE</td> <td>CIVIL DETAILS</td> </tr> <tr> <td>PROJECT NO.</td> <td>11200645</td> </tr> <tr> <td>CONTRACT NO.</td> <td>ANSD 16</td> </tr> </table>		PROJECT	COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS	TITLE	CIVIL DETAILS	PROJECT NO.	11200645	CONTRACT NO.	ANSD 16
No.	Date	By	Appr.	Desc.																	
1	8/13/2019	IL OCHOALES	IL OCHOALES	ISSUED FOR PERMIT																	
PROJECT	COLLECTOR 4 STORM DAMAGE EMERGENCY REPAIRS																				
TITLE	CIVIL DETAILS																				
PROJECT NO.	11200645																				
CONTRACT NO.	ANSD 16																				

FINANCIALS

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
STATEMENT OF FUND BALANCES - PAGE 1 OF 2

BANK ACCOUNT BALANCES AT MONTH-END

May 31, 2020

May 31, 2019

GENERAL ACCOUNTS

1. US Bank - General Account	2,488,150.61	1,739,192.58
2. US Bank - Xpress BillPay/Electronic Payments Account	2,957.57	-
<i>Subtotal</i>	2,491,108.18	1,739,192.58

INVESTMENT & INTEREST BEARING ACCOUNTS

3. US Bank - DWR/SRF Money Markey Acct	303,316.58	301,954.76
4. US Bank - DWR/SRF Reserve CD Account	547,336.94	547,336.94
5. US Bank - PARS Investment Account	732,104.52	689,382.13
6. L. A. I. F Account - General Account	1,687.78	1,666.80
7. L. A. I. F Account - MSRA Reserve Account	438,093.82	-
8. CalTRUST - Restricted Inv. Account (Medium Term)	1,320,606.21	-
9. CalTRUST - Unrestricted Inv. Account (Medium Term)	413,153.09	-
10. CalTRUST - DWFP Reserve Account (FedFund)	239,549.87	-
11. CalTRUST - ReMat Account (LEAF Fund)	554,692.71	-
12. CalTRUST - General Reserve Account (Short-Term)	1,232,167.00	-
13. Humboldt County - SRF Loan Payment Account	141,664.22	-
14. Humboldt County - 1% Tax Account	425,571.24	536,847.93
15. Principle Investment Account	20,623.08	27,538.38
<i>Subtotal</i>	6,370,567.06	2,104,726.94

OTHER ACCOUNTS

16. ReMat Deposit - Mellon Bank	27,000.00	27,000.00
17. Cash on Hand	650.00	650.00
18. Humboldt County - Investment Account (clsd)	-	1,392,408.02
19. Humboldt County - DWFP Reserve Account (clsd)	-	237,004.31
20. Humboldt County - MSRA Reserve Account (clsd)	-	433,777.05
21. Humboldt County - ReMat Account (clsd)	-	436,426.89
<i>Subtotal</i>	27,650.00	2,527,266.27

TOTAL CASH

8,889,325.24

6,371,185.79

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
STATEMENT OF FUND BALANCES - PAGE 2 OF 2

SECTION 10.20, PAGE NO. 2



<u>FUND BALANCES AT MONTH-END</u>	May 31, 2020	May 31, 2019
RESTRICTED FUNDS - ENCUMBERED		
1. Prior-Year Price Factor 2 Rebate	(5,435.09)	(3,157.40)
2. Prior-Year Restricted AP Encumbrances	(49,272.00)	-
3. Advanced Charges - Bunkhouse	-	-
4. Advanced Charges - 12Kv Relocation	(162,359.00)	(200,000.00)
5. Advanced Charges - Chlorine Scrubber	(350,000.00)	-
6. Advanced Charges - Collector 2 Rehabilitation	(385,000.00)	-
7. Advanced Charges - TRF Emergency Generator	(225,000.00)	-
8. Advanced Charges - Three Tank Seismic	(30,000.00)	(255,000.00)
9. Advanced Charges - 18,000lb Excavator	(54,343.00)	-
10. Advanced Charges - Redundant Pipeline	-	(260,245.00)
<i>Subtotal</i>	(1,261,409.09)	(718,402.40)
RESTRICTED FUNDS - OTHER		
1% Tax Credit to Muni's	(957,134.96)	(678.28)
DWR Reserve for SRF Payment	(303,316.58)	(301,954.76)
DWR Reserve for SRF Loan	(547,336.94)	(547,336.94)
Pension Trust Reserves	(732,104.52)	(689,382.13)
ReMat Deposit	(27,000.00)	(27,000.00)
Capital Replacement Reserves	-	-
<i>Subtotal</i>	(2,566,893.00)	(1,566,352.11)
UNRESTRICTED FUNDS		
BOARD RESTRICTED		
MSRA Reserves	(439,781.60)	(433,777.05)
DWFP Reserves	(239,549.87)	(237,004.31)
ReMat Reserves	(554,692.71)	(446,312.71)
Paik-Nicely Development	(4,158.00)	(4,158.00)
Principle Investment Reserves	(20,623.08)	(27,538.38)
<i>Subtotal</i>	(1,258,805.26)	(1,148,790.45)
UNRESTRICTED RESERVES		
Accumulation for SRF Payment	(278,498.51)	(141,411.61)
Accumulation for Ranney/Techite Payment	10,976.48	14,055.39
General Fund Reserves	(3,534,695.86)	(2,815,917.05)
<i>Subtotal</i>	(3,802,217.89)	(2,937,640.83)
TOTAL NET POSITION	(8,889,325.24)	(6,371,185.79)

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

REVENUE REPORT

May 31, 2020

SECTION 1020, PAGE NO. 3 ^{92%}
Of Budget Year

A. REVENUE RETURNED TO CUSTOMERS VIA PF2

	MTD RECEIPTS	YTD RECEIPTS	PRIOR YEAR	BUDGET	% OF BUDGET
1. Humboldt Bay Retail Water Revenue	24,506	404,236	415,547	318,394	127%
General Revenue					
Interest	0	570	22,248	30,000	2%
FCSO Contract (Maint. & Operations)	74,281	207,702	258,829	225,000	92%
Power Sales (Net ReMat)	12,892	78,916	115,583	220,000	36%
Tax Receipts (1% Taxes)	425,571	957,135	536,848	825,000	116%
2. Miscellaneous Revenue*	2,724	94,684	227,484	50,000	189%
<i>*Detail on following page</i>					
TOTAL PF2 REVENUE CREDITS	539,974	1,743,243	1,576,539	1,668,394	104%

B. DISTRICT REVENUE

	MTD RECEIPTS	YTD RECEIPTS	PRIOR YEAR	BUDGET	% OF BUDGET
3. Industrial Water Revenue					
Harbor District	116	549	73	0	0
<i>Subtotal Industrial Water Revenue</i>	116	549	73	0	0
4. Municipal Water Revenue					
City of Arcata	114,421	1,260,757	1,182,149	1,321,044	95%
City of Blue Lake	31,556	175,608	166,912	182,807	96%
City of Eureka	268,277	2,972,648	2,826,377	3,119,229	95%
Fieldbrook CSD	28,390	158,635	141,286	174,392	91%
Humboldt CSD	85,736	957,474	953,379	1,072,333	89%
Manila CSD	6,178	69,030	60,648	70,168	98%
McKinleyville CSD	89,990	1,000,714	953,352	1,066,249	94%
<i>Subtotal Municipal Water Revenue</i>	624,548	6,594,866	6,284,103	7,006,222	94%
TOTAL INDUSTRIAL & WHOLESALE REVENUE	624,664	6,595,415	6,284,177	7,006,222	94%
5. Power Sales					
Power Sales (ReMat Revenue)	21,361	159,304	220,794	300,000	53%
Interest (ReMat Revenue)	0	1,930	2,310	0	
TOTAL REMAT REVENUE	21,361	161,234	223,104	300,000	54%
6. Other Revenue and Grant Reimbursement					
FEMA/CalOES Grant Revenue	0	1,001,623	596,731		
SWRCB In-Stream Flow Grant Revenue	0	172,457	0		
Quagga Grant (Pass-Through)	4,808	6,328	1,259		
Interest - Muni PF2 Retained	0	10,237	0		
Net Increase/(Decrease) Investment Accounts	60,756	8,738	35,345		
TOTAL OTHER/GRANT REVENUE	65,564	1,199,383	633,335		
GRAND TOTAL ALL REVENUE	1,251,563	9,699,274	8,717,154	8,974,616	108%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MISCELLANEOUS REVENUE - DETAIL REPORT
 May 31, 2020

SECTION 1020 PAGE NO. 4

B. MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)

	MTD RECEIPTS	YTD RECEIPTS
<u>Miscellaneous Revenue</u>		
ACWA/JPIA HR LaBounty Safety Award	-	-
ACWA/JPIA Insurance Claim	-	2,326
ACWA/JPIA Retrospective Premium Adj.	-	16,989
ACWA/JPIA Wellness Grant	-	960
Dividend - Principal Life	-	1,175
Fees - Park Use	-	50
Fees - Right of Way	-	-
Insurance - Claim Reimbursement	-	830
Insurance - Special Event Liability	-	-
Refund - GHD, TRF Generator Grant	-	6,549
Rebate - CALCard	-	561
Refund - Diesel Fuel Tax	95	162
Refunds - Hum. County Appeal (01/18)	-	2,263
Refunds - Miscellaneous	-	2,206
Reimb. - Copies & Postage	19	287
Reimb. - Gas	-	113
Reimb. - Telephone	-	87.18
Rent - Parking Lot	-	63
Rent & Deposit - Vivid Green	-	7,000
Retirees' Health Ins./COBRA Reimb.	-	47,491
Sale - Scrap Materials/Metals	500	1,188
Sale - Surplus Equipment	-	600.00
UB - Bad Debt Recovery	-	-
UB - Hydrant Rental Deposit	-	-
UB - Mainline Connection Charge	-	-
UB - Meter Installations	-	-
UB - Retail Connection Charge	-	-
UB - Water Processing Fees	60	540
<u>Ruth Area</u>		
Fees - Buffer Strip ROW License	-	-
Fees - Buffer Strip/PG&E ROW	-	-
Lease - Don Bridge	-	-
Permit - RLCSD-Water System	2,050	2,664
Permit - Ruth Area Water Use	-	100
Rent - Ruth Cabin	-	480
Sale - Merchantable Timber	-	-
Sale - Surplus Gravel	-	-
TOTAL MISCELLANEOUS REVENUE	2,724	94,684

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 1 OF 3
 May 31, 2020

SALARY AND EMPLOYEE BENEFIT EXPENDITURES (S. E. B.)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
<i>Compensation</i>					
1. Wages - Regular	168,793.35	1,736,602.72	1,527,267.26	2,310,391	
2. Wages - Sick	5,649.52	54,019.67	21,865.84		
3. Wages - Vacation	2,090.53	89,826.79	30,527.60		
<i>Subtotal</i>	176,533.40	1,880,449.18	1,579,660.70	2,310,391	81%
4. Wages - Overtime	802.28	16,095.71	20,004.12	30,000	
5. Wages - Holiday (Worked)	-	9,378.16	35,429.26	15,000	
<i>Subtotal</i>	802.28	25,473.87	55,433.38	45,000	57%
6. Wages - Part-Time	1,160.46	25,744.57	30,228.19	74,329	35%
7. Wages - Shift Differential	1,266.68	9,710.26	8,781.40	11,000	88%
8. Wages - Standby	6,363.39	81,251.14	66,992.04	81,000	100%
9. Director Compensation	1,440.00	19,120.00	19,120.00	26,000	74%
10. Secretarial Fees	262.50	2,887.50	2,625.00	3,200	90%
11. Payroll Tax Expenses	14,586.62	161,554.48	139,974.46	189,744	85%
<i>Subtotal</i>	25,079.65	300,267.95	267,721.09	385,273	78%
<i>Employee Benefits</i>					
12. Health, Life, & LTD Ins.	67,359.25	617,375.63	583,678.48	734,849	84%
13. Air Medical Insurance	-	2,275.00	1,875.00	2,145	106%
14. Retiree Medical Insurance	12,822.90	135,055.74	113,034.96	95,849	141%
15. Employee Dental Insurance	2,812.60	27,760.00	28,297.20	39,399	70%
16. Employee Vision Insurance	612.48	6,588.80	6,496.00	7,350	90%
17. Employee EAP	84.81	831.39	752.00	1,116	74%
18. 457b District Contribution	2,600.00	28,700.00	26,000.00	30,600	94%
19. CalPERS Expenses	24,097.77	449,677.32	425,878.27	371,137	121%
20. Workers Comp Insurance	-	68,038.94	72,048.83	83,101	82%
<i>Subtotal</i>	110,389.81	1,336,302.82	1,258,060.74	1,365,546	98%
TOTAL S.E.B	312,805.14	3,542,493.82	3,160,875.91	4,106,210	86%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 2 OF 3
 May 31, 2020

SECTION 10.20, PAGE NO. 6

92% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (S & S)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
Operations & Maintenance					
1. Auto Maintenance	1,566.49	39,533.33	38,066.07	40,000	99%
2. Engineering	4,352.25	36,099.75	41,465.20	75,000	48%
3. Lab Expenses	(5.00)	11,801.92	11,807.23	13,000	91%
4. Maintenance & Repairs					
General	2,050.24	7,814.53	305,066.18	58,000	13%
TRF	14.69	15,718.60	29,174.94	15,000	105%
<i>Subtotal</i>	<i>2,064.93</i>	<i>23,533.13</i>	<i>334,241.12</i>	<i>73,000</i>	<i>32%</i>
5. Materials & Supplies					
General	3,948.81	43,855.06	26,185.30	30,000	146%
TRF	4,997.86	33,132.43	27,318.41	40,000	83%
<i>Subtotal</i>	<i>8,946.67</i>	<i>76,987.49</i>	<i>53,503.71</i>	<i>70,000</i>	<i>110%</i>
6. Radio Maintenance	535.00	6,149.72	15,262.56	10,500	59%
7. Ruth Lake License	-	1,500.00	1,500.00	1,500	100%
8. Safety Equip./Training					
General	1,113.42	21,704.39	17,180.72	22,000	99%
TRF	-	496.71	1,795.94	2,000	25%
<i>Subtotal</i>	<i>1,113.42</i>	<i>22,201.10</i>	<i>18,976.66</i>	<i>24,000</i>	<i>93%</i>
9. Tools & Equipment	64.64	9,492.28	3,581.62	3,000	316%
10. USGS Meter Station	-	-	-	8,200	0%
<i>Operations Subtotal</i>	<i>18,638.40</i>	<i>227,298.72</i>	<i>518,404.17</i>	<i>318,200</i>	<i>71%</i>
General & Administration					
11. Accounting Services	-	7,315.00	15,626.00	18,000	41%
12. Bad Debt Expense	-	-	358.40	-	0
13. Dues & Subscriptions	55.00	28,397.20	25,843.73	26,000	109%
14. General Manager Training	-	2,521.09	1,506.06	3,000	84%
15. IT & Software Maintenance	2,133.72	25,929.29	21,473.74	29,000	89%
16. Insurance	-	77,863.95	39,911.25	105,000	74%
17. Internet	(685.98)	7,233.16	8,408.39	11,000	66%
18. Legal Services	5,223.00	49,174.50	34,073.75	35,000	140%
19. Miscellaneous	1,636.87	14,847.33	10,091.93	11,500	129%
20. Office Building Maint.	1,091.15	14,840.85	11,200.85	16,000	93%
21. Office Expense	2,340.90	56,238.23	21,491.99	40,500	139%
22. Professional Services	-	5,152.62	2,369.94	20,000	26%
23. Property Tax	-	945.00	945.00	1,100	86%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 3 OF 3
 May 31, 2020

SECTION 10:20, PAGE NO. 7
 92% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (con't)					
	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
24. Regulatory Agency Fees	100.00	116,878.01	84,447.17	139,000	84%
25. Ruth Lake Programs	-	-	-	5,000	0%
26. Safety Apparel	-	3,592.93	2,868.74	3,000	120%
27. Technical Training	427.00	7,861.86	4,947.49	14,500	54%
28. Telephone	3,925.71	43,062.83	44,156.66	50,000	86%
29. Travel & Conference	-	13,306.13	5,927.87	25,000	53%
Gen. & Admin. Subtotal	16,247.37	475,159.98	335,648.96	552,601	86%

Power

30. Essex - PG & E	47,503.77	627,245.63	515,077.05		
31. 2Mw Generator Fuel	-	21,196.12	8,756.35		
Subtotal Essex Pumping	47,503.77	648,441.75	523,833.40		

32. All other PG & E	9,892.06	82,947.36	14,326.66		
Subtotal All Power	57,395.83	731,389.11	538,160.06	680,800	107%

Total Service and Supplies incl.

Power	92,281.60	1,433,847.81	1,392,213.19	1,551,601	92%
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PROJECTS, FIXED ASSETS & CONSULTING SERVICES

	Month-to-Date	Year-to-Date		Budget	% of Budget
	121,765.00	1,603,204.00		11,347,003.00	14%

GRAND TOTAL EXPENSES	526,851.74	6,579,545.63	4,553,089.10	17,004,814	39%
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33. Debt Service - SRF Loan	-	273,668.48	273,668.48	547,337	50%
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34. Debt Service - US Bank	-	162,188.10	162,188.10	162,200	100%
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TOTAL EXPENSES WITH DEBT SERVICE

	527,758.54	7,031,744.75	4,988,945.68	17,714,351	
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OTHER EXPENSES

35. ReMat Consultant Exp.	906.80	16,342.54	16,642.34		
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HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT
May 31, 2020

92% Of Budget Year

A. CAPITAL PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
1 12kV Grant (Grant Funded) 2018/19 <i>(FEMA Grant and Advanced Charges)</i>	53,644	337,640	1,825,250	18%
2 Chlorine Scrubber Grant <i>(FEMA Grant and Advanced Charges)</i>	0	0	1,340,000	0%
3 TRF Emergency Generator Grant <i>(FEMA Grant, Adv. Charges, and Current Muni Charges)</i>	0	0	1,925,000	0%
4 Collector 2 Rehabilitation Grant <i>(NCRP Prop 1 Grant, Adv. Charges, and Current Muni Charges)</i>	0	0	1,225,000	0%
5 3x Tank Seismic Retro Grant <i>(FEMA Grant, Adv. Charges, and Current Muni Charges)</i>	0	0	2,830,000	0%
6 TRF Line Shed 5	7,874	11,874	28,250	42%
7 Ruth Residence Roof	0	21,589	30,000	72%
8 Collector 4 Emergency Repairs	870	372,422	0	0
TOTAL CAPITAL PROJECTS	62,388	743,525	9,203,500	8%

B. FIXED ASSET PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
9 Essex - Admin Computers	0	3,107	4,750	65%
10 Customer Service Vehicle (Unit 3)	0	42,895	60,750	71%
11 SCBA Upgrade and Additional Equip	0	12,206	19,750	62%
12 Laptop SCADA Software Upgrade	0	0	4,500	0%
13 Replacement of UPS's (Phase 2)	0	49	28,000	0%
14 Fleet Maintenance Equipment	5	2,721	3,500	78%
15 Electrical Voltage Tools and Safety Equip	0	1,555	3,250	48%
16 Traffic Control Equipment	0	3,210	4,000	80%
17 Vegetation Management Equipment	0	2,099	4,250	49%
18 Portable Radio Replacements	0	4,862	4,750	102%
19 Meter Reader Handheld Unit	0	0	4,500	0%
20 Job Boxes	0	1,874	2,250	83%
21 Pipe Tapping Machine	0	3,494	3,750	93%
22 Grapple Attachment for JD 110	0	3,417	4,000	85%
23 18,000 Lb. Excavator	0	0	124,343	0%
24 Hydrant Meter and Backflow Preventer	0	2,000	2,250	89%

B. FIXED ASSET PROJECTS (con't)

	MTD	YTD		% OF
	EXPENSES	TOTAL	BUDGET	BUDGET
1 N-Poly Pump Skid Replacement <i>(Treatment Facility Project)</i>	11,604	11,604	12,250	95%
2 TRF Radio System Cabinet <i>(Treatment Facility Project)</i>	0	7,080	8,500	83%
3 Air Actuated Chemical Transfer Pump <i>(Treatment Facility Project)</i>	0	1,948	2,250	87%
4 Eureka - Administrative Computers	0	3,796	6,250	61%
5 File Cabinet Replacement	0	0	2,000	0%
6 Eureka Office ADA Upgrades	0	8,301	20,000	42%
7 Ruth SCADA Software Upgrade	1,099	3,850	4,750	81%
8 WISE Pump Sequencing Project	0	18,143	0	0%
TOTAL FIXED ASSET PROJECTS	12,708	138,211	334,593	41%

C. MAINTENANCE PROJECTS

	MTD	YTD		% OF
	EXPENSES	TOTAL	BUDGET	BUDGET
9 Pipeline Maintenance	0	870	12,750	7%
10 12 kV Electric System Maintenance	0	0	4,000	0%
11 Main Line Meter Flow Calibration	400	400	10,000	4%
12 Technical Support and Software Updates	7,769	18,774	18,000	104%
13 Generator Services	0	380	3,500	11%
14 TRF Generator Service	0	437	500	87%
15 Hazard & Diseased Tree Removal	1,475	1,475	5,000	30%
16 Cathodic Protection	0	2,644	6,500	41%
17 Maintenance Emergency Repairs	0	15,341	50,000	31%
18 Fleet Paint Repairs	0	680	5,000	14%
19 Lab Instrument Calibration (Particle Counter)	0	936	1,250	75%
20 Chlorine Solution Line Replacement	0	0	10,500	0%
21 Paint Buildings at Winzler Control Center	0	865	2,250	38%
22 Chlorine Booster Pump Rebuild Kits	0	7,815	8,000	98%
23 Fleet Emergency Safety Beacons (Phase 2)	0	1,994	2,000	100%
24 Upgrade Essex Alarm Systems	0	4,390	4,750	92%
25 Cat 420 Backhoe Tires	0	1,928	2,250	86%
26 Gates at I/W Reservoir and SBPS	0	1,019	3,000	34%
27 TRF Limatorque Valve Retrofit Supplies <i>(Treatment Facility Project)</i>	0	13,214	10,250	129%
28 TRF Water Quality Instrumentation Inventory <i>(Treatment Facility Project)</i>	0	13,841	15,000	92%

C. MAINTENANCE PROJECTS (con't)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
1 TRF Rapid Mix Pump Rebuild Kit <i>(Treatment Facility Project)</i>	2,224	2,224	2,250	99%
2 TRF Flow Meter Test/Calibration (Phase 1) <i>(Treatment Facility Project)</i>	0	0	6,250	0%
3 Ruth Hydro Brush Abatement	3,400	3,400	6,500	52%
4 Howell Bungler Valve Inspection	0	0	1,110	0%
5 Ruth LTO Insurance	0	0	5,000	0%
6 Ruth Log Boom Inspection	0	130	1,000	13%
7 Hydro Plant Synchronizer Tuning	0	0	5,250	0%
8 Hydro Crane Rail and Lighting	0	2,016	5,000	40%
9 Ruth HQ Dock Decking	862	10,544	13,750	77%
10 Ruth Dead/Dying Tree Removal	0	0	20,000	0%
11 Ruth Slide Gate Hydraulic Oil	0	5,335	8,000	67%
TOTAL MAINTENANCE PROJECTS	16,130	110,653	248,610	45%

D. PROFESSIONAL & CONSULTING SERVICES

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
12 Crane Testing/Certification	0	9,421	10,000	94%
13 Chlorine System Maintenance	0	13,699	16,750	82%
14 Backflow Tester Training	0	2,970	3,000	99%
15 Hydro Plant Electrical and Maintenance Insp.	1,500	1,500	2,050	73%
16 Crane Operator Re-Certification	0	2,084	3,000	69%
17 EAP Tabletop Exercise	0	15,671	12,000	131%
18 Essex Mad River Cross-Sectional Survey	0	9,365	10,000	94%
19 Technical Training	0	80	23,250	0%
20 O & M Training	0	0	20,000	0%
21 Essex Server B/U (Monthly Service Fees)	0	2,820	4,250	66%
22 Public Education Funds	0	1,000	5,000	20%
23 Electrical Technical Training	0	2,821	13,250	21%
24 SCADA Programming License	0	5,625	12,750	44%
25 Col. 2 Underground 12Kv Power/Fiber Optic	403	403	24,000	2%
26 Essex Control Building Expansion Plans & Specs	0	0	46,000	0%
27 299 Anode Bed Refurbishment	0	3,664	25,000	15%
28 Streambed Flow Enhancement Grant	21,350	105,380	612,700	17%
29 Annual PARS Contribution (FY20)	0	50,000	50,000	100%
30 Grant Applications Assistance	0	7,181	20,000	36%

D. PROFESSIONAL & CONSULTING SERVICES (CONT)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
1 Gravel Bar Work and Survey (PS 6)	0	0	76,100	0%
2 Water Resource Planning Assistance	0	0	5,000	0%
3 Climate Ready Grant	0	2,000	2,000	100%
4 Comp DW Pipeline Fitness	0	0	194,700	0%
5 FERC Dam Safety Surveillance (DSSMR)	0	3,247	5,000	65%
6 FERC Chief Dam Safety Engineer	0	3,665	10,000	37%
7 Dam Spillway Wall Monument Survey	0	15,310	14,000	109%
8 Matthews Dam Monument Survey	0	8,969	9,000	100%
9 Left Abutment Slide Area Survey	0	12,085	11,000	110%
10 Spillway/Dam Inspection/Reporting Assist.	0	4,503	10,000	45%
11 GHD - Log Boom Inspection	0	3,786	4,000	95%
TOTAL PROF/CONSULTING SERVICES	23,252	287,248	1,253,800	22.9%

E. INDUSTRIAL SYSTEM PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
12 Rebuild River Weir	0	238	75,000	0.3%
13 Refurbish PS-6 (Phase 1)	7,169	7,169	0	0
14 Water to PS6 During Low-Flow Months	0	0	13,250	0%
15 I/W System Evaluation Memo	0	0	26,000	0%
16 Industrial and Domestic System Intertie	0	0	11,000	0%
17 Surge Tower Replacement 2018/19 <i>(FEMA Grant, Adv. Charges, and ReMat Funds)</i>	0	82,407	0	0
18 Industrial - Nordic	0	339	0	0
TOTAL INDUSTRIAL SYSTEM PROJECTS	7,169	90,152	125,250	72.0%

F. CARRY-OVER PROJECTS FROM PRIOR YEAR

19 Collector 5 Security & Anti-Vandalism Measures	0	0	7,500	0%
20 Mainline Valve Replacement FY17/18	0	0	50,000	0%
21 Ruth HQ Installation of Power Pole 2018/19	0	80	3,750	2%
22 Ruth Hydro Relay Replacement-Phase 2	0	32,873	120,000	27%
23 Storm Damage 2019	0	25,627	0	0
24 Ruth Cabin/Bunkhouse Replacement	0	24,045	0	0
CARRYOVER PROJECTS TOTAL	0	82,624	181,250	46%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

SECTION 10.2a PAGE NO. 12

PROJECT PROGRESS REPORT - PAGE 5 OF 6

92% Of Budget Year

May 31, 2020

	MTD	YTD	% OF	
	EXPENSES	TOTAL	BUDGET	
			BUDGET	
PROJECTS GRAND TOTAL	121,646	1,452,414	11,347,003	13%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	74,994	443,021	9,234,293	5%
Project Charges to Customers (excluding Debt Service)	46,653	1,009,393	2,112,710	48%
PROJECTS W/OUT GRANT FUNDING	46,653	1,009,393	1,589,053	64%
USE OF ENCUMBERED FUNDS	119	150,790	200,062	75%

Total Project Budget:	11,347,003
Amount Charged to Customers:	2,112,710
Annual Debt Service Charges*:	162,200
Actual Customer Charges:	2,274,910
<i>*Ranney Collector 3 and Techite Pipeline Replacement Projects were partially funded with a 10-year loan. Only the annual debt service for these projects is charged to customers.</i>	

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
ENCUMBERED FUNDS RECONCILIATION REPORT
May 31, 2020

	MTD EXPENSES	YTD TOTAL	AMOUNT ENCUMBERED	REMAINING
A. CAPITAL PROJECTS				
1 Essex Control Building Flooring Replacement	119	800	500	(300)
2 Collector Pump Oilers	0	330	300	(30)
B. FIXED ASSET PROJECTS				
3 Collector 1 Electrical Upgrade	0	57,693	88,705	31,012
4 Ruth HQ Washroom Remodel	0	0	1,000	1,000
5 Ruth Hydro Oil & Paint Storage Lockers	0	2,710	2,750	40
6 Fleet Servicing Equipment	0	700	700	0
C. MAINTENANCE PROJECTS				
7 Hazard & Diseased Tree Removal	0	7,750	6,500	(1,250)
8 Lead Free Brass Inventory	0	0	700	700
9 Replace 299 Cathodic Anode Well	0	16,000	16,000	0
10 Collector 2 Arc Flash Survey and Relay Test	0	2,200	3,600	1,400
D. PROFESSIONAL & CONSULTING SERVICES				
11 Eureka - ADA Compliance Consultation	0	20,000	20,000	0
12 Hydro ReMat Electrical/Maintenance Insp.	0	0	2,000	2,000
13 Technical Training	0	0	1,600	1,600
E. INDUSTRIAL SYSTEM PROJECTS				
14 Clarifier Feasibility Study	0	20,265	15,500	(4,765)
F. CARRY-OVER PROJECTS FROM PRIOR YEAR				
15 Mainline Valve Replacement	0	20,801	38,666	17,865
SPECIAL PROJECT ENCUMBERED FUNDS TOTAL				
	119	149,249	198,521	49,272
16 MAINTENANCE & REPAIRS		86	86	0
17 SAFETY EQUIP & TRAINING		1030	1,030	0
18 TRF SAFTEY EQUIP & TRAINING		145	145	0
19 OFFICE SUPPLIES		280	280	0
ALL ENCUMBERED FUNDS TOTAL				
	119	150,790	200,062	49,272

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 5/1/2020-5/31/2020Page: 1
Jun 01, 2020 10:01AM

Vendor Name	Date Paid	Description	Amount Paid
101 NETLINK			
101 NETLINK	05/04/2020	<i>Ruth Data Link/Internet</i>	160.00
Total 101 NETLINK:			160.00
ACWA/JPIA			
ACWA/JPIA	05/20/2020	<i>RETIREE MEDICAL</i>	12,519.34
ACWA/JPIA	05/20/2020	<i>COBRA Dental</i>	229.32
ACWA/JPIA	05/20/2020	<i>COBRA Vision</i>	74.24
Total ACWA/JPIA:			12,822.90
Advanced Security Systems			
Advanced Security Systems	05/04/2020	<i>Ruth Hydro Quarterly Alarm System Monitoring</i>	76.50
Advanced Security Systems	05/27/2020	<i>Replace Alarm System Battery Essex Office</i>	34.83
Total Advanced Security Systems:			111.33
AirGas NCN			
AirGas NCN	05/27/2020	<i>safety equipment maintenance</i>	208.75
Total AirGas NCN:			208.75
Asbury Environmental Services			
Asbury Environmental Services	05/12/2020	<i>dispose of waste oil</i>	129.30
Total Asbury Environmental Services:			129.30
AT & T			
AT & T	05/15/2020	<i>Eureka/Essex Land Line</i>	35.05
AT & T	05/15/2020	<i>Arcata/Essex Land Line</i>	35.05
AT & T	05/15/2020	<i>Samoa/Essex Land Line</i>	235.02
AT & T	05/15/2020	<i>Eureka Office Modem Line</i>	342.38
AT & T	05/15/2020	<i>Eureka Office Modem Line</i>	141.95
AT & T	05/15/2020	<i>Samoa Booster Pump Station</i>	144.47
AT & T	05/15/2020	<i>Valve Building Samoa</i>	266.41
AT & T	05/15/2020	<i>Eureka Office</i>	582.80
AT & T	05/15/2020	<i>TRF</i>	260.40
AT & T	05/15/2020	<i>Ruth Hydro/Dataline</i>	259.03
AT & T	05/15/2020	<i>Essex office/Modem/Alarm System</i>	259.03
Total AT & T:			2,561.59
AT&T Advertising Solutions			
AT&T Advertising Solutions	05/27/2020	<i>white page listing</i>	21.00
Total AT&T Advertising Solutions:			21.00
AT&T Long Distance			
AT&T Long Distance	05/05/2020	<i>Eureka Office Long Distance</i>	95.48
AT&T Long Distance	05/12/2020	<i>Ruth HQ Long Distance</i>	7.66
AT&T Long Distance	05/12/2020	<i>Valve Building-Samoa Long Distance</i>	118.76
AT&T Long Distance	05/12/2020	<i>Essex Control Long Distance</i>	13.37
AT&T Long Distance	05/12/2020	<i>Eureka Office Long Distance</i>	6.70
AT&T Long Distance	05/12/2020	<i>TRF Long Distance</i>	6.90
AT&T Long Distance	05/12/2020	<i>Ruth Hydro/Dataline Long Distance</i>	254.75

Humboldt Bay Municipal Water District

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Vendor Name	Date Paid	Description	Amount Paid
Total AT&T Long Distance:			503.62
Buckles-Smith			
Buckles-Smith	05/27/2020	<i>Technical Support and Software Updates</i>	7,768.80
Total Buckles-Smith:			7,768.80
Citi Cards			
Citi Cards	05/27/2020	<i>Essex Safety Supplies</i>	16.26
Citi Cards	05/27/2020	<i>Eureka office safety supplies</i>	16.26
Total Citi Cards:			32.52
City of Eureka			
City of Eureka	05/04/2020	<i>Eureka office water/sewer</i>	61.48
Total City of Eureka:			61.48
Coastal Business Systems Inc.			
Coastal Business Systems Inc.	05/15/2020	<i>Eureka office copy and fax machine</i>	974.56
Total Coastal Business Systems Inc.:			974.56
Dave Perkins			
Dave Perkins	05/04/2020	<i>auto mileage reimbursement</i>	83.67
Total Dave Perkins:			83.67
Downey Brand Attorneys LLP			
Downey Brand Attorneys LLP	05/27/2020	<i>Streambed Flow Enhancement Grant</i>	968.00
Total Downey Brand Attorneys LLP:			968.00
Drake Vegetation Management, Inc			
Drake Vegetation Management, Inc	05/12/2020	<i>Ruth Hydro brush abatement</i>	3,400.00
Total Drake Vegetation Management, Inc:			3,400.00
Engineering Solutions Services			
Engineering Solutions Services	05/27/2020	<i>Grant Writing Service for EDA Grant for Rehab of Industrial Wa</i>	7,169.00
Total Engineering Solutions Services:			7,169.00
Englund Marine Supply			
Englund Marine Supply	05/27/2020	<i>Cathodic Protection maintenance</i>	52.54
Total Englund Marine Supply:			52.54
Eureka Oxygen			
Eureka Oxygen	05/20/2020	<i>cylinder rental</i>	115.40
Total Eureka Oxygen:			115.40
Fastenal Company			
Fastenal Company	05/29/2020	<i>safety supplies</i>	73.91
Fastenal Company	05/29/2020	<i>maintenance supplies</i>	69.17

Humboldt Bay Municipal Water District

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Vendor Name	Date Paid	Description	Amount Paid
Total Fastenal Company:			143.08
Fortuna Iron Corporation			
Fortuna Iron Corporation	05/29/2020	materials for gate replacement IW Reservoir and Samoa Booster	1,098.35
Fortuna Iron Corporation	05/29/2020	Ruth HQ Dock repair	862.00
Fortuna Iron Corporation	05/29/2020	Eureka office Board Room table repair	23.06
Total Fortuna Iron Corporation:			1,983.41
Frontier Communications			
Frontier Communications	05/27/2020	Ruth HQ Phone	54.76
Frontier Communications	05/27/2020	Ruth Hydro/Ruth Dataline	178.53
Total Frontier Communications:			233.29
Genesis Computer Systems, Inc			
Genesis Computer Systems, Inc	05/12/2020	Ruth SCADA Software Upgrade	1,099.04
Total Genesis Computer Systems, Inc:			1,099.04
GHD			
GHD	05/07/2020	Streambed Enhancement Grant	5,235.75
GHD	05/07/2020	Streambed Enhancement Grant	1,897.75
GHD	05/07/2020	Streambed Enhancement Grant	4,537.75
GHD	05/07/2020	Collector 2 12KV Underground Power and Fiber Optic Line	402.50
GHD	05/07/2020	General Engineering - 2019 Storm Damage Collector 4 - Emerg	456.50
GHD	05/07/2020	General Engineering - Eureka	415.00
GHD	05/07/2020	General Engineering - Essex	788.50
GHD	05/07/2020	General Engineering - FERC ODSP	290.50
GHD	05/07/2020	General Engineering - Collector Redundancy Line	6.00
GHD	05/29/2020	12KV Switchgear Replacement Project	16,594.00
GHD	05/29/2020	General Engineering - Eureka	581.00
GHD	05/29/2020	General Engineering - Essex	665.50
GHD	05/29/2020	General Engineering - Water Quality	616.50
GHD	05/29/2020	General Engineering - FERC ODSP	41.50
GHD	05/29/2020	General Engineering - 2019 Storm Damage Collector 4 - Emerg	413.50
GHD	05/29/2020	Collector 2 12KV Underground Power and Fiber Optic Line	953.75
GHD	05/29/2020	Streambed Enhancement Grant	1,177.50
Total GHD:			35,073.50
H.T. Harvey & Associates			
H.T. Harvey & Associates	05/27/2020	Assistance with Streambed Flow Enhancement - Grant	6,325.25
Total H.T. Harvey & Associates:			6,325.25
Health Equity Inc			
Health Equity Inc	05/20/2020	District HSA Contributions - 4 employees	2,009.60
Health Equity Inc	05/15/2020	HSA Admin Fee - 2 employees	5.90
Health Equity Inc	05/15/2020	HSA Admin Fee 8 employees	23.60
Total Health Equity Inc:			2,039.10
Hensel Hardware			
Hensel Hardware	05/19/2020	Ruth Annual Maintenance	29.80
Hensel Hardware	05/19/2020	Annual Ruth Maintenance	78.08

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Hensel Hardware	05/29/2020	painting supplies	136.83
Hensel Hardware	05/29/2020	Essex Control Room Building Flooring Replacement	62.90
Total Hensel Hardware:			307.61
Henwood Associates, Inc			
Henwood Associates, Inc	05/04/2020	Consultant Services Agreement - March 2020	453.40
Total Henwood Associates, Inc:			453.40
Hopkins Technical Products, Inc			
Hopkins Technical Products, Inc	05/27/2020	N-Poly Pump Skid Replacement	11,603.55
Total Hopkins Technical Products, Inc:			11,603.55
Humboldt County Treasurer			
Humboldt County Treasurer	05/29/2020	Fund No 3876 Account 800870	45,611.43
Total Humboldt County Treasurer:			45,611.43
Humboldt Fence Company			
Humboldt Fence Company	05/04/2020	Ruth HQ Dock Access - Pedestrian Gate	150.00
Total Humboldt Fence Company:			150.00
Humboldt Redwood Company, LLC			
Humboldt Redwood Company, LLC	05/15/2020	Mt Pierce Lease site	285.00
Total Humboldt Redwood Company, LLC:			285.00
Industry Uptime, Inc			
Industry Uptime, Inc	05/12/2020	TRF Aurora Rapid Mix Pumps	2,223.79
Total Industry Uptime, Inc:			2,223.79
Janet Powell			
Janet Powell	05/04/2020	auto mileage reimbursement	52.10
Total Janet Powell:			52.10
JTN Energy, LLC			
JTN Energy, LLC	05/04/2020	Consultant Services Agreement - March 2020	453.40
Total JTN Energy, LLC:			453.40
Ken Davis			
Ken Davis	05/20/2020	Expense Reimbursement - Safety Boots	114.99
Total Ken Davis:			114.99
Miller Farms Nursery			
Miller Farms Nursery	05/29/2020	Vegetation Management Supplies	71.46
Total Miller Farms Nursery:			71.46
Mission Linen			
Mission Linen	05/04/2020	Uniform Rental	117.90

Humboldt Bay Municipal Water District

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Vendor Name	Date Paid	Description	Amount Paid
Mission Linen	05/04/2020	<i>maintenance supplies</i>	11.50
Mission Linen	05/04/2020	<i>Uniform Rental</i>	93.45
Mission Linen	05/04/2020	<i>maintenance supplies</i>	50.60
Mission Linen	05/04/2020	<i>Uniform Rental</i>	117.90
Mission Linen	05/04/2020	<i>Uniform Rental</i>	93.45
Total Mission Linen:			484.80
Mitchell, Brisso, Delaney & Vrieze			
Mitchell, Brisso, Delaney & Vrieze	05/06/2020	<i>Legal Services- April 2020</i>	1,023.00
Total Mitchell, Brisso, Delaney & Vrieze:			1,023.00
Napa Auto Parts			
Napa Auto Parts	05/29/2020	<i>Air compressor maintenance</i>	38.11
Napa Auto Parts	05/29/2020	<i>vehicle maintenance - Units 7 and 13</i>	159.06
Napa Auto Parts	05/29/2020	<i>vehicle maintenance - Units 7 and 13</i>	19.53-
Napa Auto Parts	05/29/2020	<i>Annual Ruth Maintenance</i>	46.77-
Napa Auto Parts	05/29/2020	<i>Ruth HQ standby generator</i>	32.11-
Napa Auto Parts	05/29/2020	<i>Unit 12 maintenance</i>	33.90
Napa Auto Parts	05/29/2020	<i>Unit 4 maintenance</i>	19.33
Napa Auto Parts	05/29/2020	<i>Unit 4 maintenance</i>	128.27
Napa Auto Parts	05/29/2020	<i>Brake Bleeder Tool</i>	4.97
Total Napa Auto Parts:			285.23
Network Management Services			
Network Management Services	05/27/2020	<i>Essential Care Computer Service for Eureka office</i>	1,115.29
Network Management Services	05/27/2020	<i>Eureka office computer assistance</i>	226.79
Total Network Management Services:			1,342.08
North Coast Laboratories			
North Coast Laboratories	05/15/2020	<i>lab tests</i>	95.00
North Coast Laboratories	05/15/2020	<i>lab tests</i>	375.00
North Coast Laboratories	05/15/2020	<i>lab tests</i>	95.00
North Coast Laboratories	05/15/2020	<i>lab tests</i>	95.00
North Coast Laboratories	05/15/2020	<i>lab tests</i>	95.00
North Coast Laboratories	05/15/2020	<i>lab tests</i>	95.00
Total North Coast Laboratories:			850.00
Northern California Safety Consortium			
Northern California Safety Consortium	05/12/2020	<i>membership fee</i>	75.00
Total Northern California Safety Consortium:			75.00
Pacific Gas & Electric Co.			
Pacific Gas & Electric Co.	05/15/2020	<i>Ruth HQ</i>	185.03
Pacific Gas & Electric Co.	05/15/2020	<i>Ruth Bunkhouse</i>	284.47
Pacific Gas & Electric Co.	05/15/2020	<i>Eureka office</i>	552.52
Pacific Gas & Electric Co.	05/15/2020	<i>Jackson Ranch Rectifier</i>	15.95
Pacific Gas & Electric Co.	05/15/2020	<i>299 Rectifier</i>	125.65
Pacific Gas & Electric Co.	05/15/2020	<i>West End Road Rectifier</i>	123.17
Pacific Gas & Electric Co.	05/15/2020	<i>TRF</i>	8,208.67
Pacific Gas & Electric Co.	05/15/2020	<i>Ruth Hydro Valve Control</i>	30.05
Pacific Gas & Electric Co.	05/15/2020	<i>Ruth Hydro</i>	27.04

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Pacific Gas & Electric Co.	05/15/2020	Samoa Booster Pump Station	304.13
Pacific Gas & Electric Co.	05/15/2020	Samoa Dial Station	35.38
Pacific Gas & Electric Co.	05/15/2020	Essex Pumping 4/1 - 4/30/2020	47,503.77
Total Pacific Gas & Electric Co.:			57,395.83
Pacific Paper Co.			
Pacific Paper Co.	05/29/2020	Eureka office supplies	372.31
Total Pacific Paper Co.:			372.31
Pitney Bowes			
Pitney Bowes	05/19/2020	refill postage	500.00
Pitney Bowes	05/19/2020	refill postage	500.00
Pitney Bowes	05/19/2020	Overage fee	5.00
Pitney Bowes	05/19/2020	postage meter supplies	87.60
Total Pitney Bowes:			1,092.60
PitStop Cleaning			
PitStop Cleaning	05/29/2020	Eureka office cleaning	160.00
Total PitStop Cleaning:			160.00
Platt Electric Supply			
Platt Electric Supply	05/29/2020	Generator for Ruth Bunkhouse	35.90
Platt Electric Supply	05/29/2020	Generator for Ruth Bunkhouse	503.23
Platt Electric Supply	05/29/2020	Line Shed 7 maintenance	342.96
Platt Electric Supply	05/29/2020	Electrical shop supplies	258.84
Total Platt Electric Supply:			1,140.93
Recology Arcata			
Recology Arcata	05/15/2020	Essex Garbage Service	616.03
Total Recology Arcata:			616.03
Recology Humboldt County			
Recology Humboldt County	05/12/2020	Eureka office garbage/recycling service	90.72
Total Recology Humboldt County:			90.72
Redwood Electrical Services			
Redwood Electrical Services	05/29/2020	Annual Electrical and maintenance inspection Ruth Hydro Plant	1,500.00
Total Redwood Electrical Services:			1,500.00
Ruth Lake C.S.D.			
Ruth Lake C.S.D.	05/04/2020	Quagga Grant expense reimbursement - Pass Thru Reimburseme	4,807.85
Total Ruth Lake C.S.D.:			4,807.85
Sequoia Construction Specialties			
Sequoia Construction Specialties	05/04/2020	12KV Upgrade	37,050.00
Total Sequoia Construction Specialties:			37,050.00

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Sequoia Gas			
Sequoia Gas	05/04/2020	Refill Ruth HQ Propane	230.73
Sequoia Gas	05/27/2020	Refill Essex Propane tank	11.94
Total Sequoia Gas:			242.67
Silverline Tree Service			
Silverline Tree Service	05/27/2020	Pipeline Right of Way tree removal	1,475.00
Total Silverline Tree Service:			1,475.00
Sitestar Nationwide Internet			
Sitestar Nationwide Internet	05/06/2020	Essex Internet	52.90
Total Sitestar Nationwide Internet:			52.90
Stillwater Sciences			
Stillwater Sciences	05/27/2020	professional assistance -Streambed Flow Enhancement Grant	1,207.50
Total Stillwater Sciences:			1,207.50
Sudden Link			
Sudden Link	05/12/2020	Essex internet	173.95
Sudden Link	05/12/2020	Essex Phones	106.13
Sudden Link	05/07/2020	TRF Internet	23.65
Sudden Link	05/07/2020	TRF Internet - Blue Lake SCADA Monitoring	47.29
Sudden Link	05/07/2020	TRF Internet - Fieldbrook-Glendale CSD	47.29
Sudden Link	05/12/2020	Eureka Internet	208.45
Total Sudden Link:			606.76
Thatcher Company, Inc			
Thatcher Company, Inc	05/06/2020	replenish TRF chemicals	4,997.86
Thatcher Company, Inc	05/29/2020	replenish chlorine	4,612.56
Thatcher Company, Inc	05/29/2020	replenish chlorine - container credit	2,000.00-
Total Thatcher Company, Inc:			7,610.42
The Mill Yard			
The Mill Yard	05/12/2020	Essex Control Center monitor mounting	26.80
The Mill Yard	05/29/2020	Line Shed 7 maintenance	27.46
The Mill Yard	05/29/2020	Maintenance supplies	28.54
The Mill Yard	05/29/2020	Essex Control Room Flooring Repair	40.30
The Mill Yard	05/29/2020	Essex Control Room Flooring Repair	15.45
The Mill Yard	05/29/2020	TRF Lind Shed 5 Upgrade	7,873.74
Total The Mill Yard:			8,012.29
Thomas Law Group			
Thomas Law Group	05/27/2020	Legal Fees - April	4,200.00
Total Thomas Law Group:			4,200.00
Thrifty Supply			
Thrifty Supply	05/29/2020	TRF Filter Water Sample Pump repair	14.69
Thrifty Supply	05/29/2020	Mainline Meter Repair	400.27

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Total Thrifty Supply:			414.96
Trinity County General Services			
Trinity County General Services	05/27/2020	Pickett Peak site lease	250.00
Total Trinity County General Services:			250.00
Trinity County Solid Waste			
Trinity County Solid Waste	05/12/2020	Ruth HQ dump fees	18.03
Trinity County Solid Waste	05/12/2020	Ruth Hydro dump fees	18.03
Total Trinity County Solid Waste:			36.06
U.S. Bank Corporate Payment System			
U.S. Bank Corporate Payment System	05/12/2020	checks and deposit slips	562.00
U.S. Bank Corporate Payment System	05/12/2020	Jackets and Hats	1,660.75
U.S. Bank Corporate Payment System	05/12/2020	Drop Box - Annual Subscription	199.00
U.S. Bank Corporate Payment System	05/12/2020	Conference Calls	36.10
U.S. Bank Corporate Payment System	05/12/2020	Eureka office maintenance supplies	21.34
U.S. Bank Corporate Payment System	05/12/2020	Zoom Meetings Annual Subscription	149.90
U.S. Bank Corporate Payment System	05/12/2020	Essex Employee Recognition COVID-19	217.27
U.S. Bank Corporate Payment System	05/12/2020	Eureka Employee Recognition COVID 19	69.44
U.S. Bank Corporate Payment System	05/12/2020	Membership - Association of State Safety Officials	55.00
U.S. Bank Corporate Payment System	05/12/2020	Emergency Intervention Webinar	198.00
U.S. Bank Corporate Payment System	05/12/2020	Webcams - Director laptops	116.06
U.S. Bank Corporate Payment System	05/12/2020	Teton Dam - 2020 Webinar	99.00
U.S. Bank Corporate Payment System	05/12/2020	Monthly Charge - Spendwise Software Purchase Order	95.60
U.S. Bank Corporate Payment System	05/12/2020	Eureka office building maintance	32.52
U.S. Bank Corporate Payment System	05/12/2020	Replenish Emergency backpacks expired items	89.11
U.S. Bank Corporate Payment System	05/12/2020	HazWopper Training - 2 employees	125.40
U.S. Bank Corporate Payment System	05/12/2020	Concrete Repair/Maintenance for Dams - Webinar	130.00
U.S. Bank Corporate Payment System	05/12/2020	Winch for lifting generator housing lid at IW communication bld	64.64
U.S. Bank Corporate Payment System	05/12/2020	Essex office building maintenance	202.15
U.S. Bank Corporate Payment System	05/12/2020	Essex Office defibrillator maintenance	72.20
U.S. Bank Corporate Payment System	05/12/2020	Essex office supplies	25.40
U.S. Bank Corporate Payment System	05/12/2020	Ruth Annual Maintenance	199.96
U.S. Bank Corporate Payment System	05/12/2020	Monitor mount for Essex Operations	64.60
U.S. Bank Corporate Payment System	05/12/2020	TRF Laboratory repair	31.57
Total U.S. Bank Corporate Payment System:			4,517.01
U.S. Bank Corporate Trust Services			
U.S. Bank Corporate Trust Services	05/27/2020	SRF Quarterly Account Maint Fee (Jan - Mar 2020)	225.00
Total U.S. Bank Corporate Trust Services:			225.00
Valley Pacific Petroleum Servi, Inc			
Valley Pacific Petroleum Servi, Inc	05/07/2020	cardlock fuel - Pumping & Control	245.10
Valley Pacific Petroleum Servi, Inc	05/07/2020	cardlock fuel - Water Quality	245.10
Valley Pacific Petroleum Servi, Inc	05/07/2020	cardlock fuel - Maintenance	245.10
Valley Pacific Petroleum Servi, Inc	05/07/2020	cardlock fuel - Humboldt Bay Retail	63.72
Valley Pacific Petroleum Servi, Inc	05/07/2020	cardlock fuel - Fieldbrook-Glendale CSD	181.37
Total Valley Pacific Petroleum Servi, Inc:			980.39

Humboldt Bay Municipal Water District

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Vendor Name	Date Paid	Description	Amount Paid
Verizon Wireless			
Verizon Wireless	05/12/2020	General Manager	41.86
Verizon Wireless	05/12/2020	Customer Service - Humboldt Bay	16.37
Verizon Wireless	05/12/2020	Customer Service - Fieldbrook-Glendale CSD	46.62
Verizon Wireless	05/12/2020	Operations 1	.16
Verizon Wireless	05/12/2020	Customer Service Ipad-Humboldt Bay	9.88
Verizon Wireless	05/12/2020	Customer Service Ipad - Fieldbrook-Glendale CSD	28.13
Verizon Wireless	05/12/2020	Ruth Area	17.66
Verizon Wireless	05/12/2020	Ruth Hydro	17.66
Total Verizon Wireless:			178.34
WREGIS			
WREGIS	05/27/2020	Annual ReMat Requirement	100.00
Total WREGIS:			100.00
Zemarc Corporation			
Zemarc Corporation	05/29/2020	Ruth Hydro Oil Sample Kits	880.02
Total Zemarc Corporation:			880.02
Grand Totals:			284,643.56

Humboldt Bay Municipal Water District

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Position Title	2-01 Overtime Emp Hrs	2-01 Overtime Emp Amt	2-02 Doubletime Emp Hrs	2-02 Doubletime Emp Amt
Actg/HR Assit	1.25	\$57	.00	\$0
Total ADMIN:	1.25	\$57	.00	\$0
Maint Worker	7.50	\$229	.00	\$0
Elec & Ins Tech	4.50	\$254	1.50	\$113
Maint Worker	1.50	\$40	.00	\$0
Customer Srvc	1.00	\$52	.00	\$0
Oper & Mnt Tech	2.00	\$123	.00	\$0
Oper & Mnt Tech	2.00	\$88	.00	\$0
Total ESSEX:	18.50	\$787	1.50	\$113
Hydro Oper Ruth	5.00	\$238	.00	\$0
Total RUTH:	5.00	\$238	.00	\$0
Grand Totals:	24.75	\$1,081	1.50	\$113

Humboldt Bay Municipal Water District

To: Board of Directors

From: Chris Harris

Date: June 11, 2020

Re: Resolution for Annual Limit for Appropriations (Resolution 2020-06)

Background

The California Constitution Article XIII (b) requires the adoption of an annual resolution limiting the amount of appropriations from taxes to a certain base level plus annual increases based on per capital income and population increases. The State Department of Finance has provided the District with these annual Price and Population figures for FY2020/21.

Recommendation and Action

Staff is recommending Board adoption of the attached Resolution 2020-06 to establish the required appropriations limit for the 2020/21 fiscal year.

Attachment

Resolution 2020-06
Dept. of Finance Letter & Attachments

Resolution 2020-06
Limit for Appropriations from Taxes
Resolution of the Humboldt Bay Municipal Water District
Board of Directors

WHEREAS, Article XIII (b) of the State Constitution limits the amount of appropriations from taxes to a certain base level plus annual increases based on per capita income and population increases and;

WHEREAS, the Humboldt Bay Municipal Water District has received annual updates from the State as to the allowed increase levels and;

WHEREAS, Section 7910 of the California Government Code requires formal adoption, by resolution, of the annual appropriations limit.

NOW, THEREFORE, BE IT RESOLVED:

That the appropriations from taxes limit for fiscal year 2020/2021 is hereby set at \$1,320,926.00; and

That this resolution shall become effective 45 days from the date of its adoption.

Passed, approved and adopted this 13th day of June 2020 by the following votes:

Ayes:

Nays:

Absent:

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

Limit for Appropriations from taxes (Prop 4 Calculation)

Article XIII (b) of the State Constitution limits the amount of appropriations from taxes.

California State Department of Finance, Demographic Research Unit (DRU) provides Price and Population information
Information will be available on website after May 1st <http://www.dof.ca.gov/Research/Research.asp>

Calculation of 20/21 Limit

$$\$ 1,425,916.14 \quad \times \quad 1.03222 \quad = \quad \$1,471,855.21$$

Instructions: Multiply prior year limit by current year factor

Humboldt County

$$-0.49 \quad + \quad 100 \quad \text{divided by} \quad 100 \quad = \quad 0.99510$$

$$1.0373 \quad \times \quad 0.99510 \quad = \quad 1.03222$$

$$\$ 1,279,697.42 \quad \times \quad 1.03222 \quad = \quad \$1,320,925.73$$

Instructions: Convert Humboldt County Percent change to ratio (Humboldt County Percent change + 100 divided by 100)
Multiply State percentage change by Humboldt County Percent change. Example $1.0442 \times 1.0044 = 1.0488$
Multiply prior year Humboldt County limit by resulting factor (1.0488).



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

GAVIN NEWSOM - GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 2020

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2020, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2020-21. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2020-21 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2020.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

/s/ Keely Martin Bosler

KEELY MARTIN BOSLER
Director

Attachment

May 2020

Attachment A

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2020-21 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2020-21	3.73

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2020-21 appropriation limit.

2020-21:

Per Capita Cost of Living Change = 3.73 percent
Population Change = 0.22 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.73 + 100}{100} = 1.0373$

Population converted to a ratio: $\frac{0.22 + 100}{100} = 1.0022$

Calculation of factor for FY 2020-21: $1.0373 \times 1.0022 = 1.0396$

Fiscal Year 2020-21

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2019-2020	1-1-19	1-1-20	1-1-2020
Humboldt				
Arcata	-1.43	18,223	17,963	17,963
Blue Lake	-0.62	1,285	1,277	1,277
Eureka	-0.45	26,820	26,699	26,699
Ferndale	0.29	1,378	1,382	1,382
Fortuna	0.09	12,112	12,123	12,123
Rio Dell	-0.63	3,308	3,287	3,287
Trinidad	-0.59	339	337	337
Unincorporated	-0.38	70,347	70,082	70,234
County Total	-0.49	133,812	133,150	133,302

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

Humboldt Bay Municipal Water District

To: Board of Directors

From: Chris Harris

Date: June 11, 2020

Re: Employee Disability Insurance, Life Insurance, and Accidental Death & Dismemberment Policies

Background

As part of our current comprehensive benefits package for employees, the District pays for long term disability (LTD) insurance; employee life insurance; and accidental death and dismemberment (AD&D) with Unum. The life insurance benefit is \$50,000 and the AD&D benefit is \$50,000 for accidental death, and 25% to 100% for dismemberment depending upon body part(s) or function lost.

In 2015 staff initiated a price and coverage comparison through our then current provider Assurant Benefits Group. This led to a switch to Unum with increased benefits and an annual premium decrease of approximately \$13,500.

Update

The rates from Unum remained constant for 4 years resulting in a cumulative savings to the District of \$54,000 in reduced benefit costs. While there was an increase of 5% for LTD and Life Insurance in 2019 (\$85.83 per month or \$1,029.96 annually), there were no rate changes this year.

Based on the rates remaining unchanged, the policies with Unum were renewed on May 1st, 2020. The renewal rates are attached on the next page. To date, the District has saved almost \$70,000 since making the switch to Unum.

Staff Recommendation

Staff recommends the Board remain with Unum for these employee benefits for the current policy year, and will review again in May 2021.

Attached

Unum 2020 Policy Rates



May 7, 2020

Humboldt Bay Municipal Water District
828 7th Street
Eureka, CA 95501

Re: Humboldt Bay Municipal Water District
LTD, Life and AD&D
Policy #409220

Thank you for choosing Unum as your insurance provider. By selecting coverage from Unum, you are partnering with a leader in income protection – and with a company that is dedicated to providing responsive service and reliable protection at an affordable price. We offer innovative plan designs as well as unparalleled employee support programs.

Based on our review of your policy this renewal period, the current rates will remain inforce, effective May 1, 2020:

	<u>Current Rate</u>	<u>Rate Guaranteed Until</u>
LTD:	\$.872 / \$100	5/1/2021
LIFE:	\$.242 / \$1000	5/1/2021
AD&D:	\$.015 / \$1000	5/1/2021

If you have any questions, please contact me or your Broker. In addition, I can help you review all the options available through our group product portfolio to enable you to craft a cost effective benefit plan that meets the needs of your total employee population.

We look forward to strengthening our partnership and continuing to serve your benefit needs.

Regards,

Ethan Ward
Sales Consultant
Unum
License No. 0M47573

CC: Pauli-Shaw Insurance Agency

Unum ♦ 1777 Botelho Drive, Suite 250, Walnut Creek, CA 94596
800.367.6166 ♦ Fax 925.316.3937 ♦ www.unum.com

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To: Board of Directors

Date: June 11, 2020

From: Chris Harris

RE: FY2019/20 Project Budget Reallocation

Review

As the Board is aware, the District has a multi-year Capital Improvement Plan (CIP). Implementation of the CIP requires significant financial resources. In order to minimize the impact in any one fiscal year, staff uses a combination of funding mechanisms including grants, loans, and Advance Charges. The **Project Budget Reallocation** is a means to supplement the Advanced Charges, using funds already collected from the Municipal Customers.

Each year as part of the budget process, staff completes a thorough analysis of the status of funds as related to the Project Budget. Once staff has identified the status of all projects, unspent funds are then available to be *reallocated* as Advanced Charges to other large capital projects – thus the term “*Project Budget Reallocation*.”

- **Allocated and Spent:** Funds have been spent as allocated; project is completed. If there are funds remaining from the project, remaining funds may be reallocated.
- **Allocated and Unspent:** Funds have not been spent as allocated, project either cancelled or redefined due to circumstance change. These funds may be reallocated.

Staff has communicated the concept and process of the Project Budget Reallocation to the Municipal Customers, and they have agreed to the process as a means of enhancing the Advance Charges funding mechanism for our larger CIP projects. This minimizes potential large fluctuations in the Municipal Customer charges and the upward pressure on retail rates.

Discussion

The District has multiple FEMA-grant applications in various stages of the Federal grant-approval process. All of these grant applications are for large construction projects, and require a District match (FEMA match=25%). Staff has created a tentative timeline to spread the projects over the next 3-4 years and to also permit funding of the required matches. The District has also been awarded a NCRP Prop 1 Grant to fund \$600,000 of the Collector 2 Rehabilitation Project. In addition to these large projects, to eliminate the high risk hazard of Chlorine Gas and increase safety for staff and the surrounding area, the District intends to replace the Chlorine Gas System at Essex with an On-Site Generation (OSG) for Chlorine. Due to the size of all these projects, they will be funded over multiple years.

Planned Future Projects			
Grant Project	Tentative Timeline	Total Project	District Funding
12kV Relocation (FEMA)	FY19/20-20/21	\$3,023,328	\$763,000
On-Site Generation for Chlorine (District Funded)	FY20/21-21/22	\$850,000	\$850,000
3x Tank Seismic Retrofit (FEMA)	FY21/22	\$3,500,000	\$875,000
Collector 2 Rehabilitation (NCRP Prop 1)	FY21/22	\$1,600,000	\$1,000,000
Collector Mainline Rehabilitation (FEMA)	FY22/23	\$3,100,000	\$775,000
TRF Emergency Generator (FEMA)	FY22/23	\$1,925,000	\$480,000
TOTALS		\$13,998,328	\$4,743,000

District Funding Status				
Grant Project	District Match	Adv. Charges Collected (incl. Reallocation)	Adv. Charges (Project Budget FY20/21)	Remaining District Funding
12kV Relocation (FEMA)	\$763,000	\$763,000	\$0	\$0
On-Site Generation for Chlorine (District Funded)	\$850,000	\$435,019	\$80,000	\$334,981
3x Tank Seismic Retrofit (FEMA)	\$875,000	\$175,000	\$200,000	\$500,000
Collector 2 Rehabilitation (NCRP Prop 1)	\$1,000,000	\$625,000	\$200,000	\$175,000
Collector Mainline Rehabilitation (FEMA)	\$775,000	\$100,000	\$50,000	\$625,000
TRF Emergency Generator (FEMA)	\$480,000	\$275,000	25,000	\$180,000
TOTALS		\$2,373,019	\$555,000	\$1,814,981

Recommendation

Staff recommends that any allocated and unspent funds determined available in the Project Budget Reallocation from the current fiscal year be first reallocated to authorized but unbudgeted projects by the Board, and the net remainder be reallocated to Advance Charges as defined under Ordinance 16 for major construction projects and large equipment.

Attached

FY19/20 Budget Reallocation Spreadsheet

PRELIMINARY

19/20 Budget Reallocation Spreadsheet

Budgeted Project	Approved Budget (Rounded)	Revised Budget (Rounded)	Difference (Rounded)
<u>Budget Increase Projects</u>			
1 TRF Limatorque Valve Retrofit Supplies	10,250	13,300	3,050
2 TRF Line Shed 5	ENCUMBERED	32,250	4,000
Total Budget Increase Projects	\$ 38,500	\$ 45,550	\$ 7,050

Capital Projects

3 Ruth Residence Roof	30,000	22,000	(8,000)
Total Reallocated Funds in Capital Projects	30,000	22,000	\$ (8,000)

Fixed Assets & Equipment

4 Essex - Admin Computers	4,750	3,150	(1,600)
5 Customer Service Vehicle (Unit 3)	60,750	43,000	(17,750)
6 SCBA Upgrade and Additional Equip	19,750	13,000	(6,750)
7 Laptop SCADA Software Upgrade	4,500	-	(4,500)
8 Replacement of UPS's (Phase 2)	ENCUMBERED	28,000	-
9 Electrical Voltage Tools and Safety Equip	3,250	1,800	(1,450)
10 Vegetation Management Equipment	4,250	2,100	(2,150)
11 Meter Reader Handheld Unit	ENCUMBERED	4,500	-
12 N-Poly Pump Skid Replacement	12,250	11,700	(550)
13 TRF Radio System Cabinet	8,500	7,100	(1,400)
14 Eureka - Administrative Computers	6,250	3,800	(2,450)
15 File Cabinet Replacement	2,000	-	(2,000)
16 Eureka Office ADA Upgrades	20,000	12,000	(8,000)
17 Ruth SCADA Software Upgrade	4,750	4,000	(750)
Total Reallocated Funds in Fixed Assets & Equipment	183,500	134,150	\$ (49,350)

Maintenance Projects

18 Pipeline Maintenance	12,750	1,000	(11,750)
19 12 kV Electric System Maintenance	4,000	-	(4,000)
20 Main Line Meter Flow Calibration	10,000	350	(9,650)
21 Generator Services	3,500	400	(3,100)
22 Hazard & Diseased Tree Removal	5,000	1,500	(3,500)
23 Cathodic Protection	6,500	2,700	(3,800)
24 Maintenance Emergency Repairs	50,000	20,000	(30,000)

Budgeted Project	Approved Budget (Rounded)	Revised Budget (Rounded)	Difference (Rounded)
<u>Maintenance Projects, (con't)</u>			
25 Fleet Paint Repairs	5,000	1,000	(4,000)
26 Chlorine Solution Line Replacement	10,500	-	(10,500)
27 Gates at I/W Reservoir and SBPS	3,000	1,900	(1,100)
28 TRF Water Quality Instrumentation Inventory	15,000	14,000	(1,000)
29 TRF Flow Meter Test/Calibration (Phase 1)	6,250	-	(6,250)
30 Ruth Hydro Brush Abatement	6,500	3,400	(3,100)
31 Howell Bunger Valve Inspection	1,110	-	(1,110)
32 Ruth LTO Insurance	5,000	-	(5,000)
33 Hydro Plant Synchronizer Tuning	5,250	-	(5,250)
34 Hydro Crane Rail and Lighting	5,000	2,200	(2,800)
35 Ruth HQ Dock Decking	13,750	13,750	-
36 Ruth Dead/Dying Tree Removal	20,000	-	(20,000)
37 Ruth Slide Gate Hydraulic Oil	8,000	6,600	(1,400)
Total Reallocated Funds in Maintenance Projects	196,110	68,800	\$ (127,310)
<u>Professional Services</u>			
38 Crane Testing/Certification	10,000	9,500	(500)
39 Chlorine System Maintenance	16,750	13,750	(3,000)
40 Hydro Plant Electrical and Maintenance Insp.	2,050	1,500	(550)
41 Crane Operator Re-Certification	3,000	2,100	(900)
42 Technical Training	23,250	100	(23,150)
43 O & M Training	20,000	-	(20,000)
44 Essex Server B/U (Monthly Service Fees)	4,250	2,850	(1,400)
45 Public Education Funds	5,000	1,000	(4,000)
46 Electrical Technical Training	13,250	2,900	(10,350)
47 SCADA Programming License	12,750	5,700	(7,050)
48 Col. 2 Underground 12Kv Power/Fiber Optic	24,000	24,000	-
49 Essex Control Building Expansion Plans & Specs	46,000	-	(46,000)
50 299 Anode Bed Refurbishment	25,000	4,000	(21,000)
51 Grant Applications Assistance	20,000	7,200	(12,800)
52 Gravel Bar Work and Survey (PS 6)	76,100	-	(76,100)
53 Water Resource Planning Assistance	5,000	-	(5,000)
54 Comp DW Pipeline Fitness	194,700	-	(194,700)
Total Reallocated Funds in Professional Services	501,100	74,600	\$ (426,500)
<u>Industrial System Projects</u>			
51 Water to PS6 During Low-Flow Months	13,250	-	(13,250)
Total Reallocated Funds in Industrial System Projects	13,250	-	(13,250)

Budgeted Project	Approved Budget (Rounded)	Revised Budget (Rounded)	Difference (Rounded)
<u>Carry Over Projects From FY18/19</u>			
52 Collector 5 Security & Anti-Vandalism Measures	7,500	-	(7,500)
53 Mainline Valve Replacement FY17/18	50,000	-	(50,000)
54 Ruth HQ Installation of Power Pole 2018/19	3,750	100	(3,650)
55 Ruth Hydro Relay Replacement-Phase 2	ENCUMBERED	120,000	-
Total Reallocated Funds in Carry Over Projects	181,250	120,100	(61,150)
<u>Prior Encumbered Funds From FY18/19</u>			
56 Collector 1 Electrical Upgrade	ENCUMBERED	88,705	-
57 Ruth HQ Washroom Remodel	1,000	-	(1,000)
58 Lead Free Brass Inventory	700	-	(700)
59 Collector 2 Arc Flash Survey and Relay Test	3,600	2,200	(1,400)
60 Hydro ReMat Electrical/Maintenance Insp.	ENCUMBERED	2,000	-
61 Mainline Valve Replacement	38,666	21,000	(17,666)
Total Reallocated Funds in Prior Encumbered Funds	134,671	113,905	(20,766)
<u>Current Advanced Charges AS OF 5/31/20</u>			
62 Advanced Charges - Chlorine Scrubber	350,000	-	(350,000)
63 Advanced Charges - TRF Emergency Generator	500,000	275,000	(225,000)
64 Advanced Charges - 3-Tank Seismic Retrofit	205,000	175,000	(30,000)
Total Reallocated Funds from Current Advanced Charges	1,055,000	450,000	\$ (605,000)

19/20 Budget Reallocation Spreadsheet -Summary-

Budgeted Project	Approved Budget (Rounded)	Revised Budget (Rounded)	Difference (Rounded)
Total Increase Projects	38,500	45,550	7,050
Total Capital Projects Reallocation	30,000	22,000	(8,000)
Total Fixed Asset Reallocation	183,500	134,150	(49,350)
Total Maintenance Reallocation	196,110	68,800	(127,310)
Total Professional Services Reallocation	501,100	74,600	(426,500)
Total Industrial System Projects Reallocation	13,250	-	(13,250)
Total Carry Over Project Reallocation	181,250	120,100	(61,150)
Prior Encumbered Funds Reallocation	134,671	113,905	(20,766)
Total Current Advanced Charge Reallocations	\$ 1,055,000	\$ 450,000	\$ (605,000)
Total Funds Available for Reallocation	3,362,486	1,029,105	(1,304,276)

Reallocation of Funds

New Budget Projects:

65 WISE Pump Sequencing Project	-	18,300	18,300
66 Collector 4 - Phase II, Storm Damage Repair	-	373,000	373,000
67 Removal of Abandoned Vehicles - Ruth	ENCUMBERED	20,000	10,000
68 Eureka Office Carpeting	ENCUMBERED	14,500	14,500

Total New Projects	-	425,800	\$ 415,800
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Reallocation of Funds - Advanced Charges

69 Advanced Charges - 12kV Relocation Grant	255,000
70 Advanced Charges - Collector Mainline Redundancy	100,000
72 Advanced Charges - On Site Chlorine Generation	435,019
73 Advanced Charges - 18,000lb Excavator	98,457

Total Reallocation of Funds - Advanced Charges	\$ 888,476
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Total Reallocations	\$ 1,304,276
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Humboldt Bay Municipal Water District

To: Board of Directors

From: Chris Harris

Date: June 11, 2020

Re: FY20/21 Budget Summary

Review

Over the past month staff has presented the *Service & Supply Budget*, *Salaries & Wages Budget*, *Employee Benefits Budget* (May 14th), as well as the *Special Projects Budget* (May 29th). This Board meeting, staff will provide an additional PowerPoint presentation summarizing the entire DRAFT Budget and the potential impact on wholesale customer charges.

Service & Supply Budget

- No changes since presentation May 14th.

Salaries & Wages Budget

- No changes since presentation May 14th.
- Follow-up information provided regarding additional COLA rates.

Employee Benefits Budget

- No changes since presentation May 14th.

Special Projects Budget

- There may be some slight changes in Advanced Charges for Grant Projects based on the final June financials. This will be addressed in the final Budget meeting on July 9th.

Discussion

While the District does not receive all of its funding from its municipal customers, staff is aware that the Board is concerned about how the Districts' budget eventually impacts the individual retail customers serviced by the municipal wholesale customers of the District.

The determining factor for utility billing rates for all municipalities are the results from their "Retail Rate Studies." These Retail Rate Studies establish what that agency's utility billing rates need to be in order to preserve that agency's reserves and cover their costs of operations. This is accomplished through a complete analysis of the agency's fixed and variable expenses. The utility billing rates need to be set at a level to cover these costs. Fixed charges are the known expenses: staffing for billing, administration, and customer service, related benefit expenses, related equipment requirements and future capital requirements. For most all agencies, the fixed expenses are the greatest cost the agency incurs to provide water to residential customers. Variable costs are the cost of pumping and purchasing water. These costs are only incurred when water is needed and are based on the

amount of water used by the customer. In addition to retail water rates, the Retail Rate Study also includes a thorough analysis of waste-water (sewer) related expenses. Due to the treatment and processing involved, charges for sewer are typically the largest part of any retail customers bill.

In the Humboldt County area (as typical for many agencies), Retail Rate Studies are conducted every five years. These billing rates are typically scheduled to increase annually based on the anticipated expenses and needs of the agency. In areas with a higher population and larger utility agencies, Retail Rate Studies may be conducted as often as annually to ensure their billing rates are covering the most current expenses. The next retail rate study for Humboldt Bay Retail will be completed in 2021 (approx. 180 customers). The other municipalities served by the District are all on different 5-year schedules and have plans to review/redesign their Retail Rate Studies between 2023 and 2026.

Once an agency has completed the Retail Rate Study, the water billing rates are established for the next 5-years. In addition to the scheduled annual billing rate adjustments established by the Retail Rate Study, rate adjustments are also made based on the Consumer Price Index (to combat any inflationary changes), and municipalities that utilize a "pass-through" rate adjust those rates as well. A "pass-through" rate is based on the actual cost of water from HBMWD. For example, the current pass-through rate for McKinleyville Community Services District is \$1.62/HCF (1 HCF=748 gallons), if the cost of water from HBMWD to MCSD increases by 2.3% this budget year, the pass-through rate will increase by 2.3% to \$1.66/HCF (or \$0.04/HCF). Other than these adjustments, there are no changes in the retail rates until the next Retail Rate Study is completed.

Most agencies the District serves have implemented a "pass-through" rate so that the as the cost of wholesale water changes, the pass-through rate is changed. It is important to note that the pass-through charges ONLY impact water that is used. The change does not impact other fixed or variable service charges.

The combination of using the Consumer Price Index to adjust for inflation and adjusting the pass-through rates allows the various municipalities to keep their rates more current and in line with their current expenses.

Comparison of Muni Customer Charges				
	Total FY19/20 Budget	Total FY20/21 DRAFT Budget	\$ Change	% Change
Project Budget – Resulting Customer Charges	\$2,339,910	\$2,325,510	<\$14,400>	0.62%
Employee Benefits	\$1,683,100	\$1,746,500	\$63,400	3.77%
Service & Supply	\$1,551,600	\$1,637,300	\$85,700	5.33%
Salaries & Wages	\$2,399,300	\$2,465,200	\$65,900	2.75%
Other Revenue	<\$729,663>	<\$763,600>	<\$33,937>	4.65%
Total	\$7,244,247	\$7,410,910	\$166,663	2.30%

Comparison of Funding Sources				
Funding Source	Total FY19/20 Budget		Total FY20/21 <i>DRAFT</i> Budget	
	\$ Funds	% Funds	\$ Funds	% Funds
Grants	\$7.6M	42.5%	\$5.6M	31.3%
City of Eureka	\$3.2M	17.7%	\$3.3M	18.4%
Advance Charges	\$1.0M	5.6%	\$2.5M	14.0%
Other Revenue	\$1.6M	9.0%	\$1.6M	8.9%
City of Arcata	\$1.3M	7.5%	\$1.4M	7.8%
MCS D	\$1.0M	6.0%	\$1.1M	6.2%
HCS D	\$1.0M	6.1%	\$1.0M	5.6%
Reserves	\$112k	0.6%	\$834k	4.7%
City of Blue Lake	\$186k	1.0%	\$195k	1.1%
FBGD-CSD	\$174k	1.0%	\$178k	1.0%
Manila CSD	\$71k	0.4%	\$77k	0.4%

Next Steps

The finalized budget will be presented for consideration and adoption at the July 9, 2020 Board meeting.

Humboldt Bay Municipal Water District

FY2020/21 Complete DRAFT Budget
June 11, 2020



Scheduled Budget Meetings

- ❖ May 14th Service & Supply and Salaries & Employee Benefits
- ❖ May 29th Project Budget
- ❖ June 11th Review~~ Draft of Entire Budget
- ❖ July 9th Consideration & Approval of FY2020/21 Budget

Service & Supply Budget

QUICK OVERVIEW OF CHANGES

- * Regulatory Agency Fees +\$2,000 (1.44%)
- * Power +\$83,700 (12.29%)

Total Change \$85,700 5.52%

Service & Supply Budget

Operations & Maintenance	2019/20 Budget	2020/21 Budget	Change \$
General Engineering	\$75,000	\$75,000	\$0
Maintenance & Repairs (General & TRF)	\$73,000	\$68,000	<\$5,000>
Materials & Supplies (General & TRF)	\$70,000	\$73,000	\$3,000
Safety Equip. & Training (General & TRF)	\$24,000	\$24,000	\$0
Tools & Equipment	\$3,000	\$5,000	\$2,000
Laboratory Services	\$13,000	\$13,000	\$0
Auto Operations & Maintenance	\$40,000	\$39,700	<\$300>
Radio/Comm. System Maint.	\$10,500	\$8,500	<\$2,000>
USGS Stations	\$8,200	\$8,500	\$300
Ruth Lake License	\$1,500	\$1,500	\$0
Total Operations & Maint.	\$318,200	\$316,200	<\$2,000>

Service & Supply Budget

<u>General /Admin & Power</u>	2019/20 Budget	2020/21 Budget	Change \$
Accounting Services	\$18,000	\$18,000	\$0
Legal Services	\$35,000	\$35,000	\$0
Professional Services	\$20,000	\$20,000	\$0
Insurance	\$105,000	\$105,000	\$0
Telephone	\$50,000	\$49,000	<\$1,000>
Internet	\$11,000	\$10,000	<\$1,000>
Office Maintenance	\$16,000	\$16,000	\$0
Office Expense	\$40,500	\$40,500	\$0
IT & Software Maintenance	\$29,000	\$31,000	\$2,000
Travel/Conference	\$25,000	\$25,000	\$0
Dues/Subscriptions	\$26,000	\$28,100	\$2,100
Subtotal General/Admin	\$375,500	\$377,600	\$2,100

Service & Supply Budget

<u>General/Admin & Power</u> (con't)	2019/20 Budget	2020/21 Budget	Change \$
Technical Training/Development	\$14,500	\$14,500	\$0
GM Training	\$3,000	\$3,000	\$0
Safety Apparel	\$3,000	\$3,000	\$0
County Property Tax	\$1,100	\$1,000	<\$100>
Regulatory Agency Fees	\$139,000	\$141,000	\$2,000
Ruth Lake Programs	\$5,000	\$5,000	\$0
Miscellaneous Expenses	\$11,500	\$11,500	\$0
Power	\$680,800	\$764,500	\$83,700
Subtotal General/Admin & Power	\$857,900	\$943,500	\$85,600
Total General/Admin & Power	\$1,233,400	\$1,321,100	\$85,700

Service & Supply Budget

	2019/20 Budget	2020/21 Budget	Change \$	Change %
Total Operations & Maintenance (Slide 4)	\$318,200	\$316,200	<\$2,000>	<0.6%>
Total General/Admin & Power (Slides 5-6)	\$1,233,400	\$1,321,100	\$87,700	7.1%
GRAND TOTAL Service & Supply Budget	\$1,551,600	\$1,637,300	\$85,700	5.5%

Board Discussion?

Service **COMPLETED** Budget

Salaries & Wages Budget

Employee Benefits Budget

Summary DRAFT Budget

Salary & Wages Budget

OVERVIEW COMPARED TO PRIOR BUDGET

- **NEW REQUEST*** – Adjust permanent, part-time staff starting rate to \$17.60/hr. **+\$5,900**
- **NEW REQUEST*** – Cost of Living Adjustment (COLA) (3.0% Calculated) **+\$65,300**
- Misc. Step Increases, Other Longevity Increases **<\$5,300>**
(Change is negative due to long-term employee retirement)

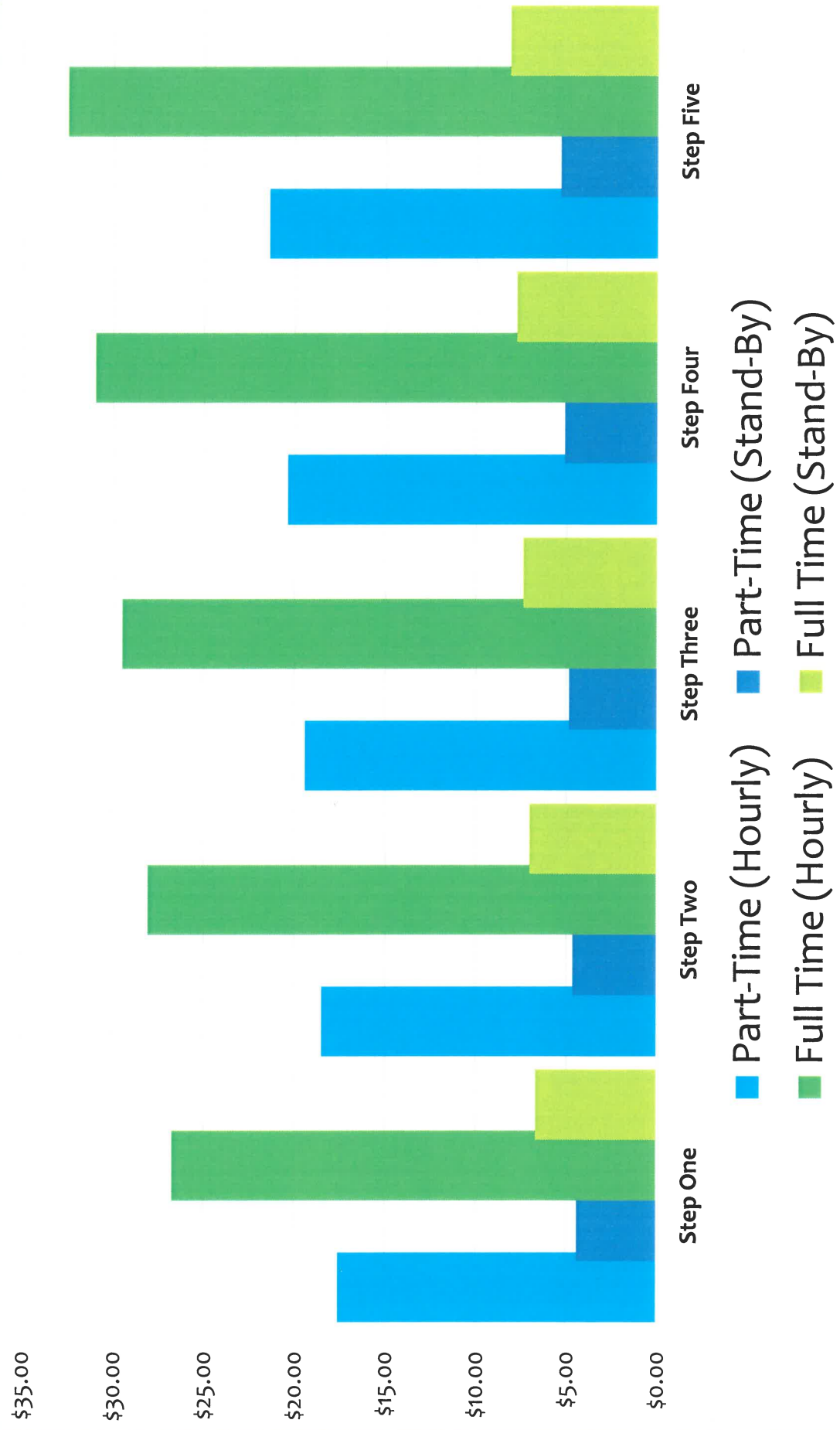
Total Increase +\$65,900

NEW REQUEST
ADJUST PERMANENT PART-TIME STAFF
STARTING RATE TO \$17.60

- ❖ **Currently two (2) permanent part-time positions both at Ruth Hydro.**
- ❖ **Ruth Hydro Operator is a critical operation, security, and safety position.**
- ❖ **Past practice has been to hire permanent part-time staff at current "part-time-rate," recently \$15.46/hr.**
- ❖ **The starting hourly rate of full-time staff doing the same work is \$26.75/hr.**

NEW REQUEST

ADJUST PERMANENT PART-TIME STAFF STARTING RATE TO \$17.60



NEW REQUEST
ADJUST PERMANENT PART-TIME STAFF
STARTING RATE TO \$17.60

Cost for FY20/21	\$5,900
FY21/22	\$4,400
FY22/23	\$2,000

Board Discussion?

NEW REQUEST – COLA

CPI Indices used to help establish
basis for COLA since 1975

COLA's help employees
address inflation over time

COLA's help maintain compensation
parity with other local agencies

COLA's help with employee retention and employee
morale

NEW REQUEST – COLA

Consumer Price Index* Overview		
	2019	2020
U.S. City Average	1.9%	2.5%
West Region (Urban areas in one of four US regions)	2.7%	2.9%
West Region Size Class B/C (Cities with population under 2.5 million)	2.5%	2.8%
San Francisco-Oakland-Hayward	3.5%	3.3%

*District has historically used the January CPI as guideline

NEW REQUEST – COLA

COLA – What are Others Doing?

Agency	COLA for FY2019/20	COLA for FY2020/21
McKinleyville CSD	3.45%	2.75%
Humboldt CSD	3.30%	2.70%
City of Arcata	1% 7/19+\$200 2% 1/20 plus new Salary Step 5A (+2.5%)	1% July 2020 + 2% January 2021
City of Eureka	1.0% January 2019	Contract Negotiations
ACWA/JPIA	2.50%	2.50%
HBMWD	2.7%	3.0% Requested

NEW REQUEST – COLA

COLA as a Percent of Muni Charges (Staff Recommendation 3%)

	FY21 Estimated Customer Charges	Est. Allocation of COLA (3% Used)	% of COLA to Customer Charges
Eureka	\$3,320,500	\$29,300	.88%
Arcata	\$1,418,000	\$12,500	.88%
Blue Lake	\$194,700	\$1,700	.87%
Humboldt CSD	\$1,082,300	\$9,500	.88%
McKinleyville CSD	\$1,140,000	\$10,000	.87%
Fieldbrook CSD	\$179,000	\$1,600	.89%
Manila CSD	\$76,500	\$700	.92%
TOTALS	\$7,411,000	\$65,300	

NEW REQUEST – COLA

COLA as a Percent of Total Budget (Staff Recommendation 3%)

	Total HBMWD Budget	Resulting Muni Charges
Project Budget	\$11,116,238	\$2,325,510
Salaries and Wages Budget (no COLA)	\$2,399,900	\$2,399,900
3.0% COLA	\$65,300	\$65,300
Employee Benefits Budget	\$1,746,500	\$1,746,500
Service & Supply Budget	\$1,637,400	\$1,637,300
Other Revenue	<\$763,600>	<\$763,600>
Totals	\$16,201,738	\$7,410,910
COLA % of TTL Budget	0.40%	.88%

NEW REQUEST - COLA

Calculated COLA %	FY20/21 Impact
0.75%	\$16,300
1.0%	\$21,800
1.25%	\$27,200
1.5%	\$32,600
1.75%	\$38,100
2.0%	\$43,500
2.5%	\$54,400
2.7%	\$58,800
2.8%	\$60,900
2.9%	\$63,100
3.0%	\$65,300
3.3%	\$71,800
3.5%	\$76,180

Salary & Wages Budget

- **NEW REQUEST** Permanent, part-time staff starting rate to \$17.60/hr. **+\$5,900**
- **NEW REQUEST** — Cost of Living Adjustment (3.0% Calculated) **+\$65,300**
- Misc. Step Increases, Longevity Increases **<\$5,300>**

Total Increase

+\$65,900

DISCUSSION?

Service COMPLETED Budget

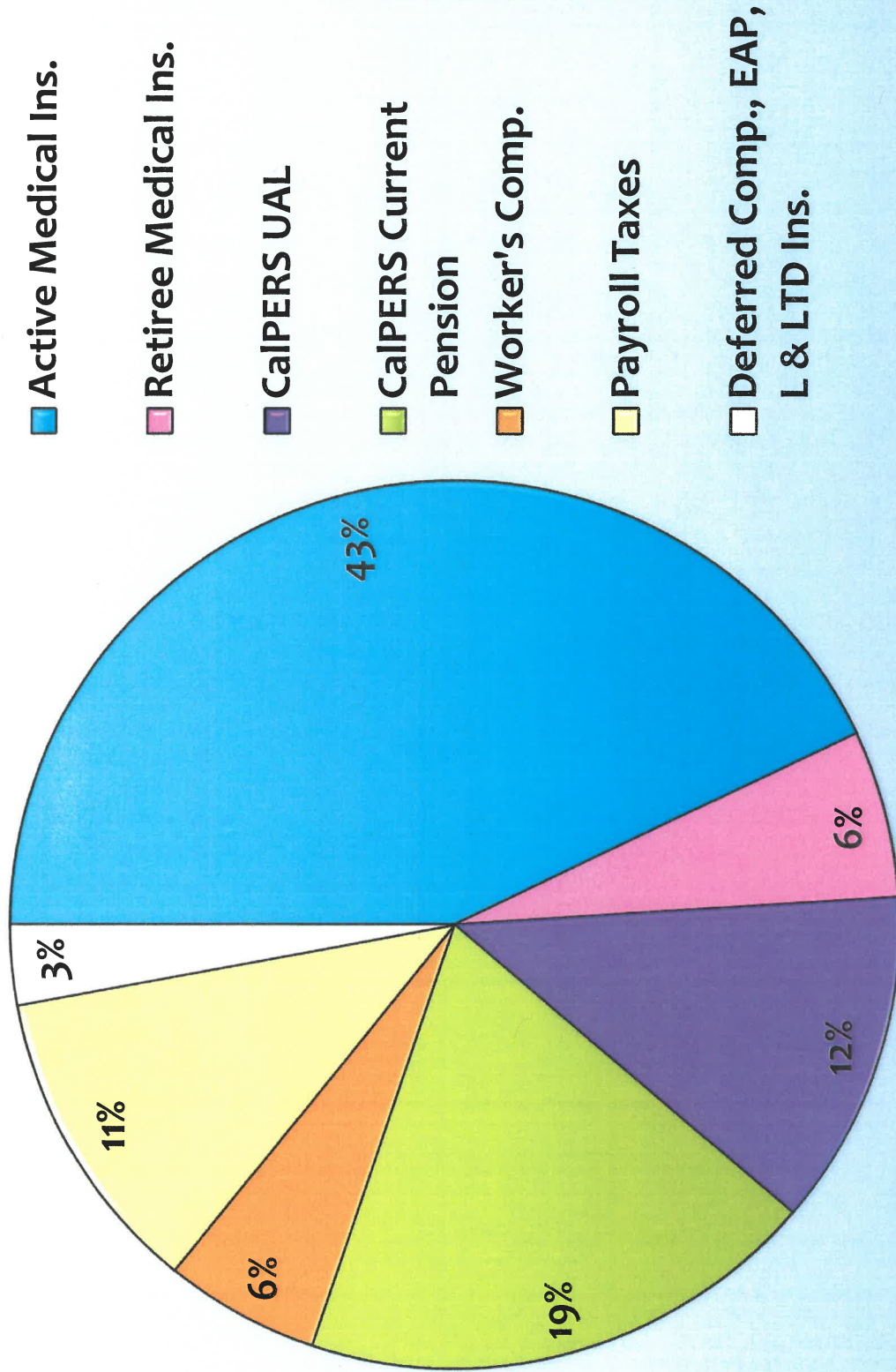
Salaries COMPLETED Budget

Employee Benefits Budget

Summary DRAFT Budget

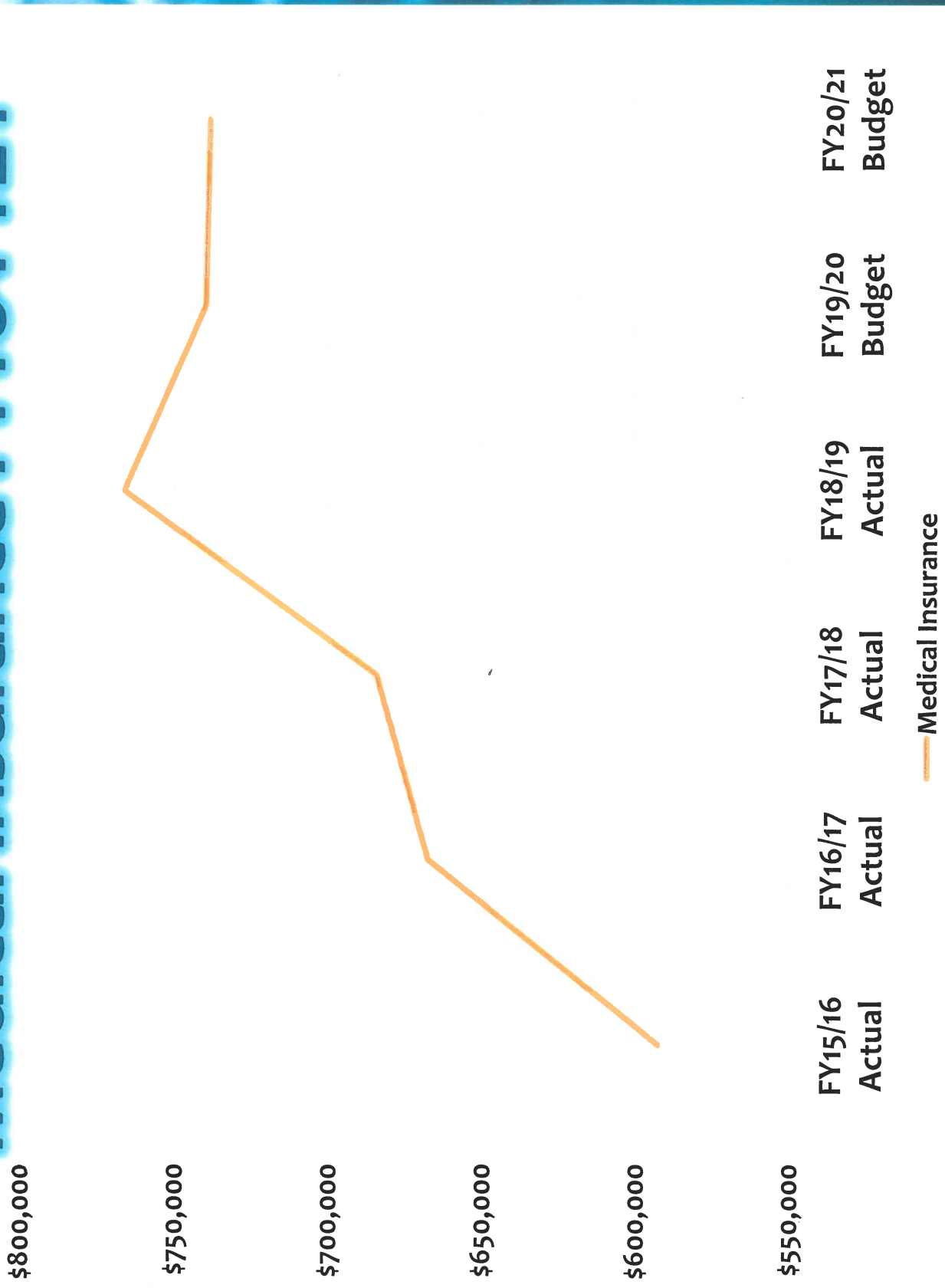
Employee Benefits Budget

FY21 Benefit Expense Est. \$1,746,500

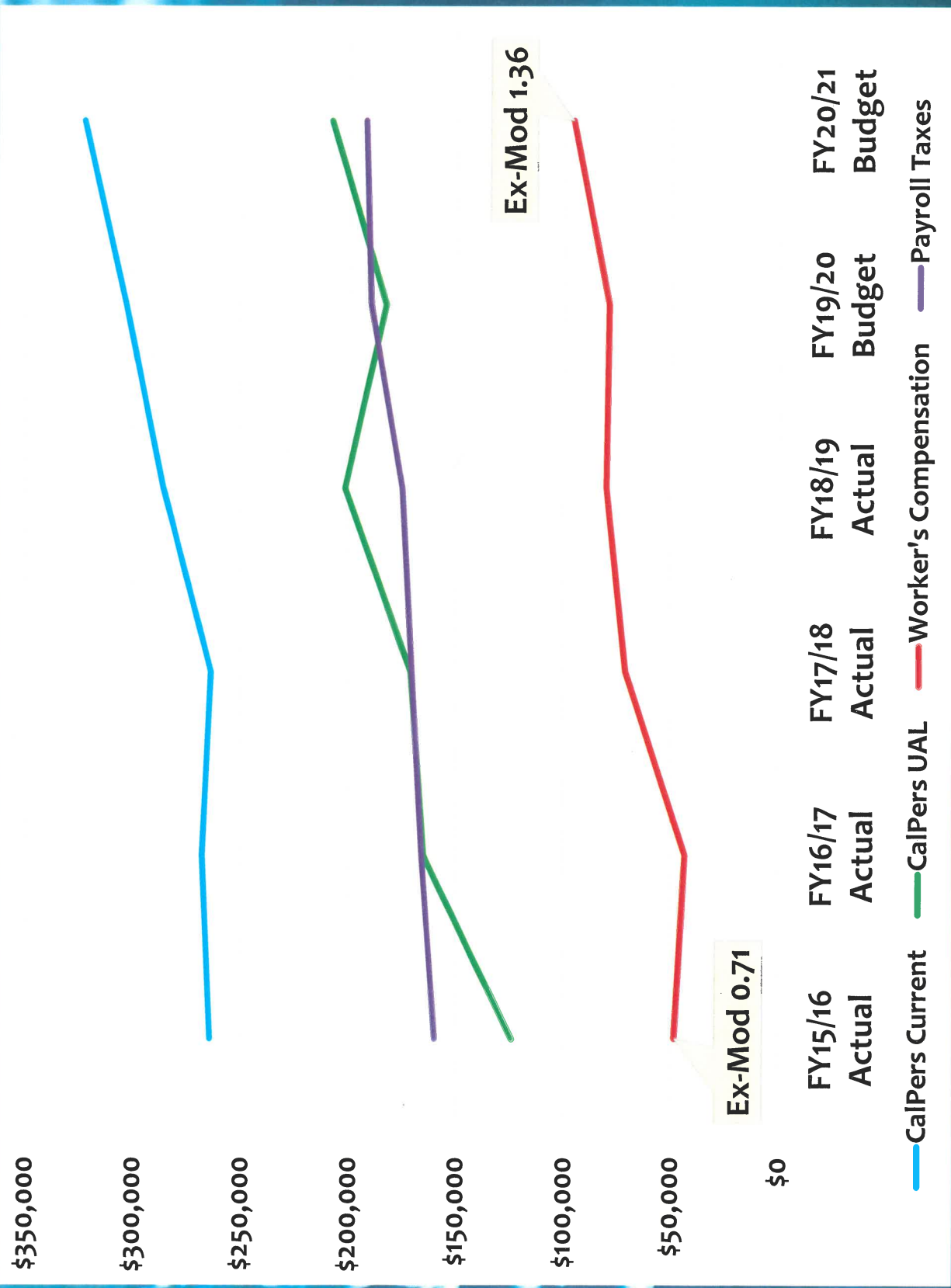


Medical Insurance FY16-FY21

Employee Benefits Budget



Other Employee Benefits FY16-FY21



Employee Benefits Budget

Employee Benefits Budget

HBMWD Cost of Benefits Comparison

	Total \$	\$ Change	% Change	Comments
FY15/16 Actual	\$1,290,456	\$59,380	4.8%	+ 1 FT Position, Increased 1 PT to FT
FY16/17 Actual	\$1,393,236	\$102,780	8.0%	+Electrician Trainee (6 months)
FY17/18 Actual	\$1,479,042	\$134,889	9.7%	2.7% Medical, 6.7% CalPERS
FY18/19 Actual	\$1,537,517	\$58,475	4.0%	+1 FT Position
FY19/20 Budget	\$1,683,100	\$145,583	9.5%	3% Est. Medical, 4% Est. CalPERS, 2% Est. W. Comp.
FY20/21 Budget	\$1,746,500	\$63,400	3.8%	1% Est. W. Comp, 1% Est. Medical, 1.5% Est. CalPERS

**Most influential on District Benefits Expense:
Medical Insurance, CalPERS Pension Liabilities, and Worker's Compensation Rates**

Employee Benefits Budget

SUMMARY OF CHANGES

• NEW REQUEST – HSA Incentive – On-Going	+\$1,000*
• CalPERS Pension Liabilities	+\$27,400
• Unfunded Liability	+\$ 8,000
• Monthly Pension Liabilities	+\$19,400
• Worker’s Compensation Ins. (ExMod Est. 1.36)	+\$15,000
• Payroll Tax Expenses	+\$2,300
• Medical Insurance Premiums	+\$17,700
• JPIA estimated between 2%-6% increase	
Total Increase	+\$63,400

*Represents cost for FY21. If all current enrollees were eligible, expense to District would total **+\$10,000**



Service **COMPLETED** Budget

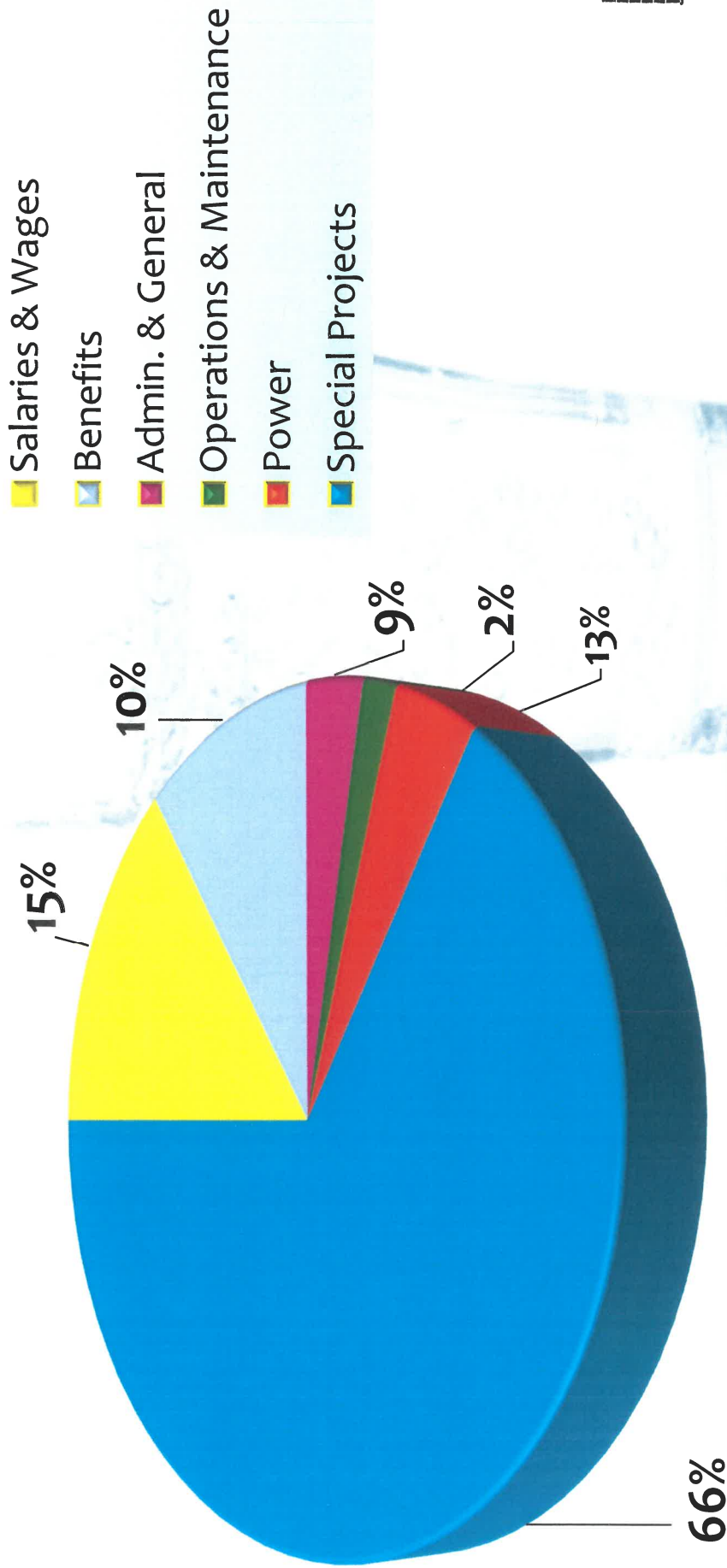
Salary **COMPLETED** Budget

Employee **COMPLETED** Budget

Summary **DRAFT** Budget

Composition of Total FY20/21 Budget

Service & Supply, Salaries & Employee Benefits, and Project Budget



Total Budget Est. \$16.2M

Total Customer Charges

Total FY2020/21 DRAFT Budget	
Project Budget (Customer Charges)	\$2,325,510
Employee Benefits Budget	\$1,746,500
Service & Supply Budget	\$1,637,300
Salaries & Wages Budget (w/ 3.0% COLA)	\$2,465,200
Other Revenue	<\$763,600>
TOTAL CUSTOMER CHARGES	\$7,410,910

Summary and Comparison

YEAR	S&S	SEB	TOTAL	\$ CHANGE	% CHANGE
FY2014/15	\$1,420,400	\$3,160,611	\$4,581,011	\$165,556	3.75%
FY2015/16	\$1,439,400	\$3,453,292	\$4,892,692	\$311,681	6.80%
FY2016/17	\$1,432,400	\$3,596,134	\$5,028,034	\$135,342	2.77%
FY2017/18	\$1,482,365	\$3,742,276	\$5,224,641	\$196,607	3.91%
FY2018/19	\$1,508,214	\$3,938,118	\$5,446,332	\$221,691	4.24%
FY2019/20	\$1,551,600	\$4,084,484	\$5,636,084	\$189,752	3.48%
FY2020/21	\$1,637,300	\$4,211,700	\$5,849,000	\$212,900	3.78%

Summary and Comparison

5-yr Comparison of Charges to Municipal Customers

YEAR	TOTAL MUNI CHARGES	\$ CHANGE	% CHANGE
FY2016/17	\$6,744,300	\$604,211	9.84%
FY2017/18	\$5,534,500	<\$1,209,835>	<17.94%>
FY2018/19	\$7,006,200	\$1,471,700	26.59%
FY2019/20	\$7,188,057	\$181,857	2.60%
FY20/21 (Projected)	\$7,410,910	\$222,853	3.10%
FY21/22 (Projected)	\$7,587,600	\$176,690	2.38%

HBMWWD Funding Comparison

Comparison of FY19/20 Budget to FY20/21 DRAFT Budget

Funding Source	FY2019/20 \$ Funds	FY2019/20 % Funds	FY2020/21 % Funds	FY2020/21 \$ Funds
Grants	\$7.6M	42.5%		\$5.6M
City of Eureka	\$3.2M	17.7%		\$3.3M
Advance Charges	\$1.0M	5.6%		\$2.5M
Other Revenue	\$1.6M	9.0%		\$1.6M
City of Arcata	\$1.4M	7.5%		\$1.4M
MCSD	\$1.1M	6.0%		\$1.1M
HCSD	\$1.0M	6.1%		\$1.0M
Reserves	\$112k	0.6%		\$834k
City of Blue Lake	\$190k	1.0%		\$195k
FBGD-CSD	\$174k	1.0%		\$178k
Manila CSD	\$74k	0.4%		\$77k
TOTAL				\$17.8M (1.71%)

Service COMPLETED Budget

Salaries COMPLETED Budget

Employee COMPLETED Budget

Summ COMPLETED Budget

Conclusion of FY2019/20 DRAFT Budget



Additional Questions and Discussion?

OPERATIONS

Memo to: HBMWD Board of Directors
From: Dale Davidsen, Superintendent
Date: June 3, 2020
Subject: Essex/Ruth May 2020 Operational Report

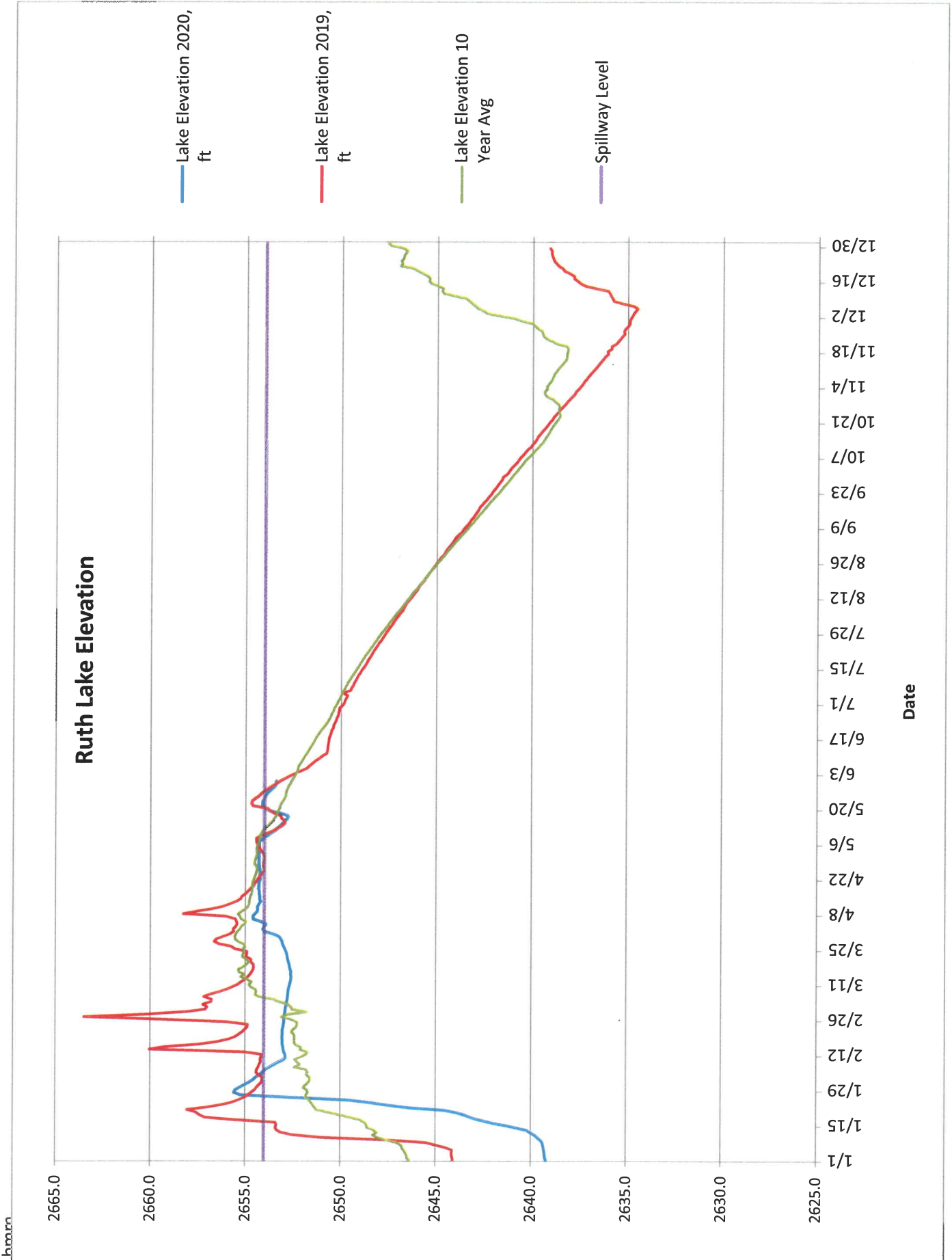
Upper Mad River, Ruth Lake, and Hydro Plant

1. The flow at Mad River above Ruth Reservoir (Zenia Bridge) averaged 63 cfs. The low flow of 14 cfs was on May 10th and the high flow of 301 cfs was on May 18th.
2. The conditions at Ruth Lake for May were as follows:
The lake level on May 31st was 2653.38 feet which is:
 - 0.90 feet lower than April 30th, 2020
 - 0.01 feet higher than May 31st, 2019
 - 0.64 feet higher than the ten year average
 - 0.62 feet below the spillway
3. There were 6.15 inches of recorded rainfall for May at Ruth Headquarters.
4. Ruth Hydro produced 513,600 KWh in May. The hydro plant was shut from May 1st through May 7th for annual maintenance, resulting in a loss of 28,800 KWh.
5. The discharge from the lake averaged 110 cfs with a high of 134 cfs on May 29th.

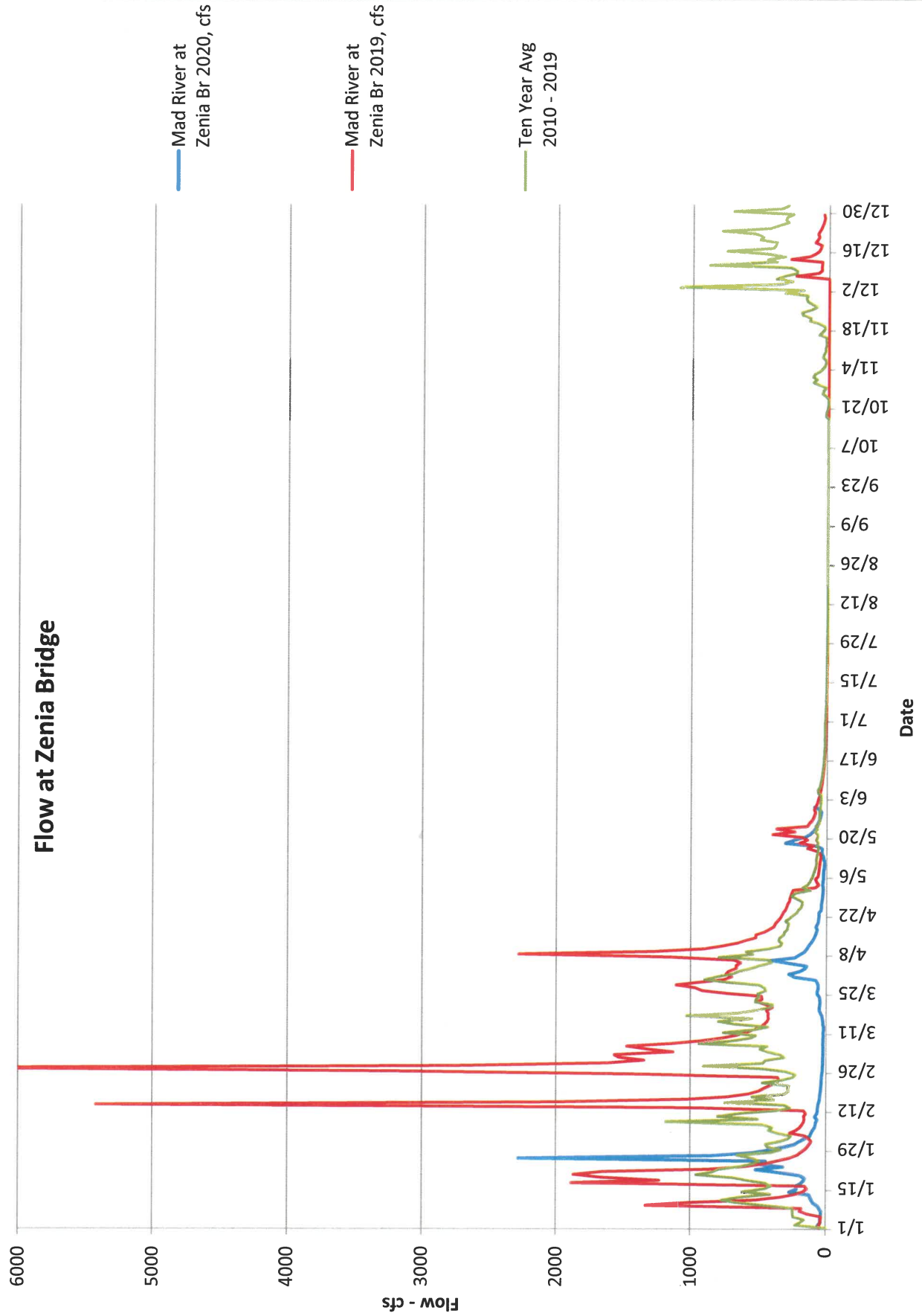
Lower Mad River, Winzler Control, and TRF

6. The river at Winzler Control Center for May had an average flow of 611 cfs. The river flow reached a high flow of 3310 cfs on May 19th.
7. The domestic water conditions were as follows:
 - The monthly turbidity average was 0.12 NTU, which meets Public Health Secondary Standards.
 - As of May 31st, we pumped 244.858 million gallons at an average of 8.017 MGD.
 - The maximum metered daily municipal use was 10.056 MGD on May 16th.
8. The Turbidity Reduction Facility ran 26 days in May. The TRF was shut down for the summer on May 27th.
9. The TRF conditions were as follows:
 - Average monthly filtered water turbidity was 0.09 NTU.
 - There were 31 filter backwashes in May.

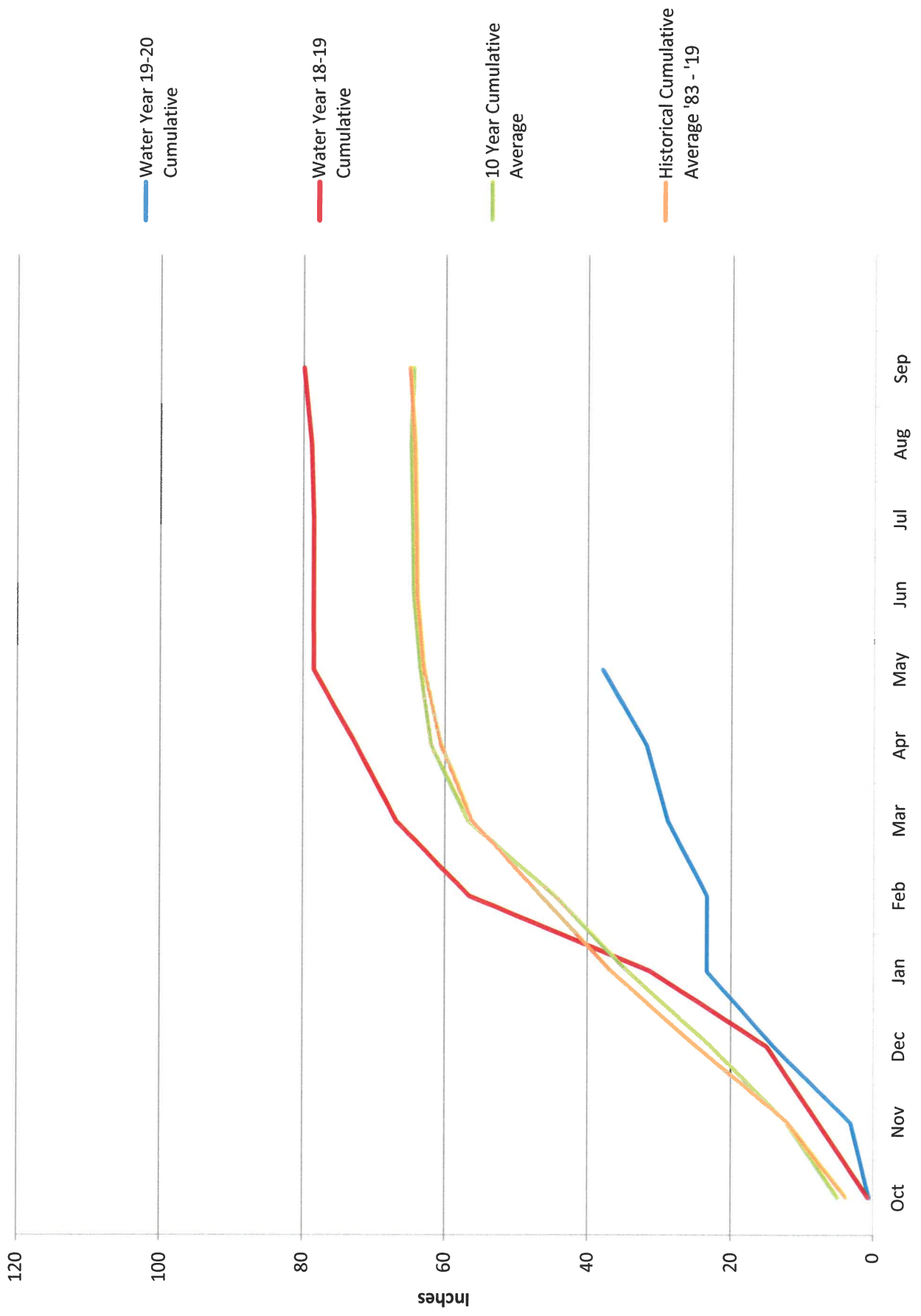
10. May 4th – 7th – Some from the maintenance crew went to Ruth for annual maintenance. Due to COVID19, only part of the crew went and only the mechanical maintenance and work that required the penstock to be dry was completed. The remaining maintenance items will be completed at a later date.
11. May 5th – DSOD inspection of the dam by Lakhbir Singh. We have not received the inspection report yet but on-site he commented he had no issues to write up. John, Samantha, Larry and I were present for the inspection.
12. May 10th – 12th – Operations staff took 1 MG D/W reservoir offline and Maintenance crew completed internal and external inspection of reservoir. Operations put reservoir back on-line May 12th.
13. May 16th – Water Treatment certification exam in Redding was cancelled due to COVID19. We had one staff member registered to take his T-2 exam.
14. May 17th – 21st – Operations staff took 2 MG CT reservoir offline and Maintenance crew completed internal and external inspection of reservoir. We found some minor repairs required, and completed them. Operations put reservoir back on-line May 21st.
15. May 19th
 - Electrical dept. completed required Ruth hydro back-up battery bank maintenance.
 - Jasson and I helped the Westhaven CSD find a leak in their system that caused them to need to issue a boil water notice.
16. May 20th – WISE project (Water Infrastructure System Efficiencies) testing complete. Final rebate is being determined.
17. May 21st – Maintenance crew pulled the Blue Lake meter for warranty repairs.
18. May 27th – Operations took TRF offline for the season.
19. Current and Ongoing Projects
 - COVID 19 – Still dealing with modified staffing arrangements as best we can.
 - 12kV project. – Electrical contractor has been on-site setting vaults.
 - Routine annual equipment maintenance and services.

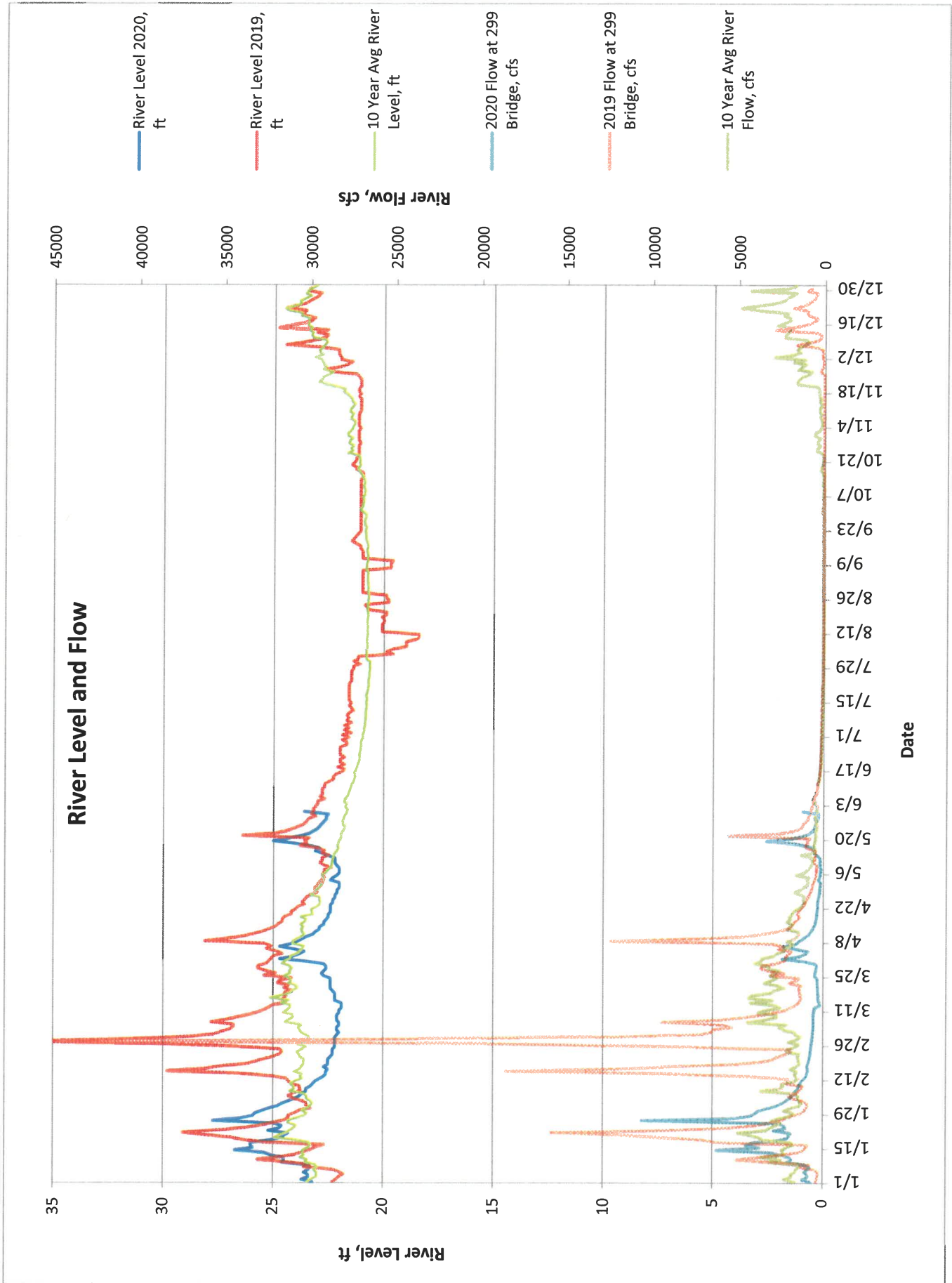


Flow at Zenia Bridge

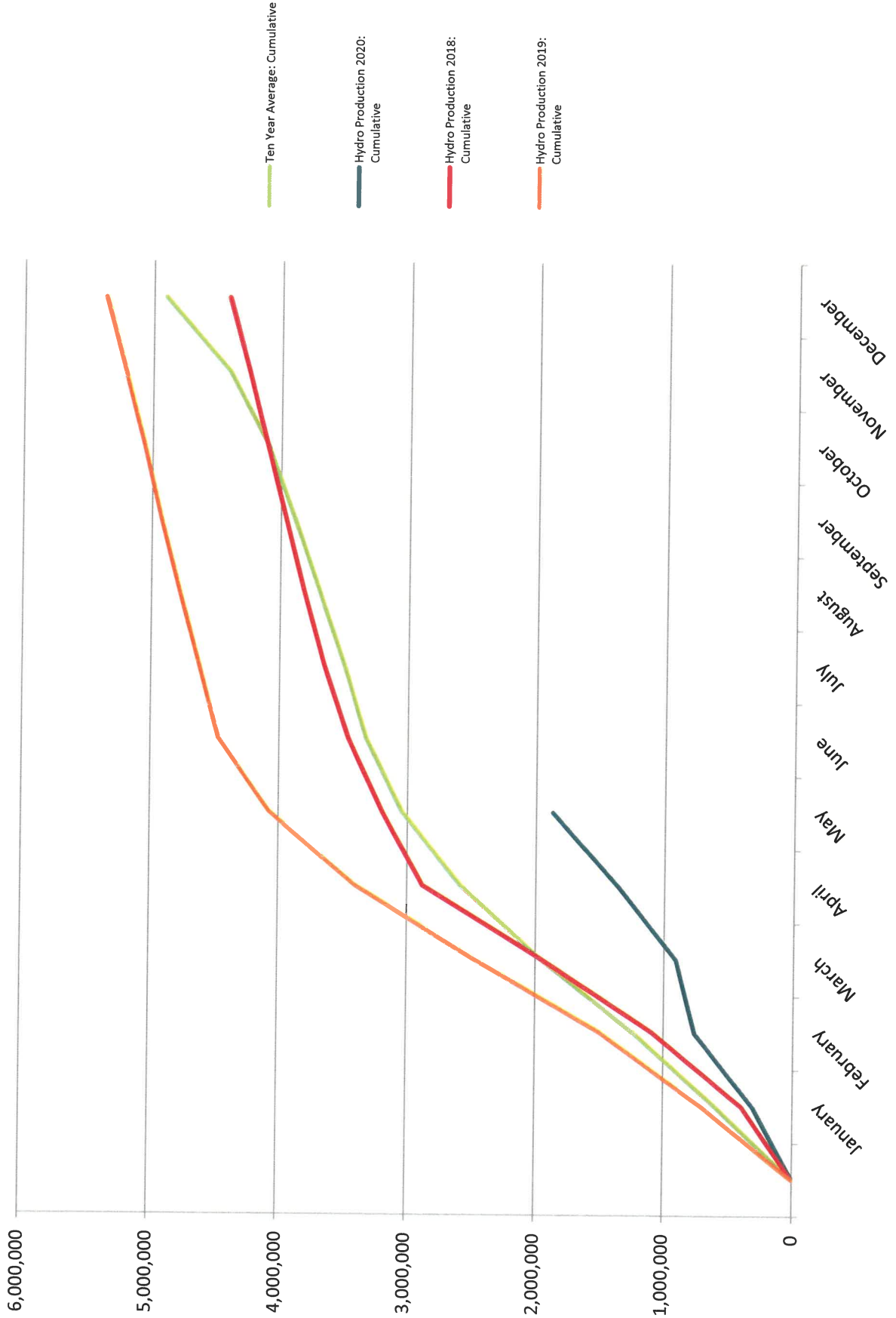


Ruth Rainfall - Water Year 2019-2020





Ruth Hydro Production: kW per Month



MANAGEMENT



Humboldt Area Chapter

SECTION 11.1, PAGE NO. 1

Board Meeting

Monday June 1, 2020 @ 3:30- 5:00 PM.

Virtual meeting via Zoom; log-in information:

Join Zoom Meeting:

<https://us02web.zoom.us/j/89422408736?pwd=eWxVK2kwQjJaaEVLRVJHbUloK25Jdz09>

And/or dial-in by phone: 669-900-6833

Meeting ID: 894 2240 8736

Password: 021651

One tap mobile

+16699006833,,89422408736#

Agenda

- 1. Welcome & Agenda Review**
- 2. Updates from Chris Norden, CSDA Northern Network Public Affairs Field Coordinator**
 - a. Legislative update
 - b. CSDA conferences and trainings update
- 3. COVID-19**
 - a. Loss of revenue
 - b. Roundtable discussion: how agencies are dealing with COVID and protecting staff
- 4. Treasurer's Report**
- 5. Check in, items of interest to share from attendees**
- 6. UPCOMING 2018 CSDA EVENTS:**
 - 06/03/20: Sexual Harassment Prevention Training 2020
 - 06/08/20: Staying Open: Navigating Workplace Safety Concerns During the Pandemic
 - 06/09/20: VIRTUAL Prevailing Wage Workshop
 - 06/10/20: Cybersecurity: Foundations Build the Future
 - 06/16/20: New Strategies to Reduce Electricity Costs During PG&E TOU Transition
 - 06/23/20: SB1383 Reducing Short-Lived Climate Pollutants in CA
- 7. Adjourn – 5:00 p.m.**

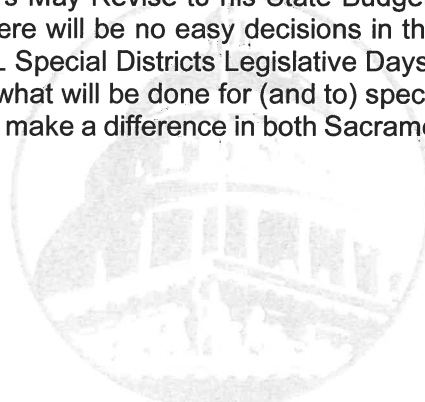


CALIFORNIA SPECIAL DISTRICTS ASSOCIATION FOR PEOPLE'S

TAKE ACTION BRIEF

May 2020

The State Legislature returns this month from a prolonged Spring Recess due to COVID-19, just in time to receive Governor Gavin Newsom's May Revise to his State Budget proposal. California is facing a historic \$54.3 billion budget deficit and there will be no easy decisions in the weeks and months ahead. Be sure to attend CSDA's first-ever VIRTUAL Special Districts Legislative Days, with a Live Legislative Briefing on May 19, so that your district can learn what will be done for (and to) special districts in the wake of the pandemic. Join together with other districts to make a difference in both Sacramento and Washington D.C. by registering today at legislatedays.csda.net.



Inside this edition of the Take Action Brief:

Districts Making Strides Toward Federal COVID-19 Relief.....	2
Governor's Executive Order on Local Property Taxes.....	3
Are Development Impact Fee Bills "Essential?"	3
ADA Compliance for Websites Could Become Clearer Under New Law.....	4
Districts Tapping Reserves and Adapting to Serve Communities in Crisis.....	5
Workers' Compensation During COVID-19.....	6
District Revenues Hang in the Balance of Two Supreme Court Cases.....	7

Contact a local CSDA representative near you!

Chris Norden
 Dane Wadlé
 Colleen Haley
 Cole Karr
 Charlotte Holifield
 Chris Palmer

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CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES

TAKE ACTION BRIEF

➤ REVENUE, FINANCES, AND TAXATION

CSDA's long range policy priority on revenue, finances, and taxation is to ensure adequate funding for special districts' safe and reliable core local service delivery. Protect special districts' resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies.

Districts Making Strides Toward Federal COVID-19 Relief

As soon as stay at home orders came down in March, CSDA initiated state and federal advocacy efforts on behalf of special districts seeking partnership in confronting COVID-19. In the time since, more than 160 special districts have sent in letters or called their federal representatives. These efforts are yielding results.

Policy staffers from 13 California congressional offices joined CSDA for a special district briefing via Zoom on April 23. Four special districts from across the state joined the meeting to address key federal policy priorities. Congressman John Garamendi has further engaged with CSDA on key concerns presented during the call, and a strategy is now developing for a stand-alone, special district-centered federal legislative measure.

The bill's central elements are expected to include:

- Language defining special districts, which is needed to address exclusions in current law;
- A direct path to the Coronavirus Relief Fund, which is currently restricted with the state's control over disbursement of funds to municipalities serving fewer than 500,000 residents; and
- Greater access to capital potentially through the Federal Reserve and U.S. Department of Treasury's Municipal Liquidity Facility program, which is currently available only to states, cities with a population greater than 250,000, and counties greater than 500,000.

Meanwhile, legislation has been introduced on two of CSDA's three federal priorities:

1. HR 6467, the Coronavirus Community Relief Act would allow municipalities serving fewer than 500,000 residents direct access to the Coronavirus Relief Fund. The bill would also expand the definitions of reimbursable costs to include revenue loss stemming from COVID-19. The bill, however, lacks a solid definition specifically including special districts. CSDA requested the Department revisit its Coronavirus Relief Fund Guidance in an April 15 letter.
2. Congressman TJ Cox's bipartisan effort to expand eligibility for the COVID-19 payroll tax credit established under the Families First Coronavirus Response Act has gained traction. Congressman Brad Schneider, D-Ill., leads HR 6643, the Supporting State and Local Leaders Act would expand the payroll tax credit for providing paid emergency family and sick leave due to COVID-19 to states and political subdivisions. This would include special districts.

Download a Sample Letter to Send to Federal Representatives

Find sample letters and other up-to-date COVID-19 advocacy resources at csda.net/take-action/covid. For questions on federal COVID-19 advocacy, contact Cole Karr, Public Affair Field Coordinator, at colek@csda.net



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES

TAKE ACTION BRIEF

Governor's Executive Order on Local Property Taxes

On May 6, Governor Gavin Newsom issued Executive Order N-61-20 related to delinquent property tax payment penalties and interest. The order, summarized below, follows up earlier statements by the Governor and counties regarding property tax relief.

The Governor's order waives certain statutes through May 6, 2021 to the extent that it requires a tax collector to impose *penalties, costs, or interest* for the failure to pay taxes on property on the secured or unsecured roll, or to pay a supplemental bill, before the date and time such taxes became delinquent, and a tax collector shall cancel such penalties, costs, and interest provided *all* of the following conditions are satisfied:

1. The property for which taxes in question is either a residential real property occupied by the taxpayer, or real property owned and operated by a taxpayer that qualifies as a small business as defined;
2. The taxes owed on the property in question were not delinquent prior to March 4, 2020;
3. The taxpayer timely files a claim for relief in a form and manner prescribed by the tax collector; and
4. The taxpayer demonstrates to the satisfaction of the tax collector that the taxpayer has suffered economic hardship, due to the COVID-19 pandemic, or government response to COVID-19."

Are Development Impact Fee Bills "Essential?"

At the beginning of the year, the State Legislature was busy working on the important issues of the day including housing and homelessness. Some legislators were looking to reduce or cap developer fees (Development Impact Fees or "DIF's") as one way to achieve the goal of producing more housing units in California.

In February, a group of legislators held a press conference to announce a package of eight new DIF-related measures. This was in addition to several other measures in print. Later that same week both the State Senate and Assembly committees for housing and local government held a joint informational hearing on the issue titled, "the price of civilization" (Full Video Here), which was a robust discussion about the role that fees play, or don't play, in the production of housing stock and livable communities.

A lot has changed since February, and CSDA has advocated the Legislature "first, do no harm" when it comes to the resources that special districts and other local agencies have at their disposal to serve their communities in the face of the COVID-19 pandemic. If local government is to maintain essential services during this unprecedented time, the Legislature should avoid further curtailing local revenues or imposing new mandates or other cost burdens.

Impact fee legislation would imperil local agencies and the communities they serve with more costs and more mandates. Therefore, CSDA has respectfully requested the authors of impact fee bills, and the committees with jurisdiction over those bills, consider suspending DIF legislation for the year so it may be debated on its merits after the totality of COVID-19 impacts on local agencies can be understood and addressed.

At the time of this writing, a growing number of authors and committees are responding positively to requests to hold DIF-related measures, and CSDA is optimistic that progress is being made in halting the remaining legislation. CSDA will endure to keep members informed as we see this unique Legislative Session to its end.



➤ GOVERNANCE AND ACCOUNTABILITY

CSDA's long range policy priority on governance and accountability is to enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant, or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preference of each community

ADA Compliance for Websites Could Become Clearer Under New Law

As long as there have been government, the public has sought transparency and openness from the governments that serve them. Special districts are no different. Since the advent of the Internet, public agencies have used the medium to provide even greater access to information about the services they offer and the innerworkings of their agencies.

Public agencies are required, if they have a website, to post certain information publicly on their sites, such as their meeting agendas and annual compensation reports. However, many agencies have rightfully chosen to share much more about their agencies and sought to put as much information about the agency on the website as possible, and the benefits to the agency and the public have been enormous. However, simply posting information on the Internet isn't without risk.

The Americans with Disabilities Act (ADA) is a civil rights law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public, including websites. The purpose of the law is to make sure that people with disabilities have the same rights and opportunities as everyone else.

Most special districts have invested in facility upgrades since the ADA went into effect in 1990 to both ensure they're providing equal access and avoid a potential costly lawsuit. However, it wasn't until recently that it was determined that websites also need to meet ADA standards. Both private industry and public agencies are now spending significant resources to ensure their websites are ADA compliant and minimize exposure to ADA lawsuits.

Unfortunately, when it comes to websites the law isn't entirely clear what standards need to be met in order to not violate the law. As a result, many agencies that believe they have sufficiently upgraded their website, and the content posted thereto, are still at risk for costly lawsuits. In response to this, Assembly Member Ed Chau (D-Arcadia) has introduced AB 2123, which provides ADA website standards. Any agency meeting the AB 2123 standards would be immune from any potential lawsuits.

Specifically, AB 2123 would provide a rebuttable presumption that an entity's website is ADA-compliant if the website meets the Web Content Accessibility Guidelines (WCAG) 2.0 AA standard. The bill further requires the California Commission on Disability Access to review the WCAG standards and determine whether they are the most up-to-date standards for effective communication through websites.

CSDA is supporting AB 2123, because it provides clear guidance on meeting ADA compliant website standards. While compliance with the WCAG 2.0 AA standard can still be confusing and difficult, there are businesses and various guides and tools available to help districts ensure they are complying with the law and reducing exposure to potential lawsuits.



➤ INFRASTRUCTURE, INNOVATION, AND INVESTMENT

CSDA's long range policy principal regarding infrastructure, innovation, and investment is to encourage prudent planning for investment and maintenance of innovative long-term infrastructure. CSDA supports the development of fiscal tools and incentives to assist special districts in their efforts to meet California's changing demands, ensuring the efficient and effective delivery of core local services.

Districts Tapping Reserves and Adapting to Serve Communities in Crisis

As COVID-19 impacts mount, CSDA continues to advocate for special district access to fiscal relief. Determinations as to how billions of dollars in state and federal aid will be distributed is happening now, in real time, and CSDA is actively working to make funds accessible to special districts experiencing financial distress. As part of this effort, CSDA recently conducted its second survey to assess the effect of COVID-19 response on district operations and budgets.

Results at a Glance

- **BUDGET PROBLEMS** 24% of districts are currently experiencing or will experience by June 2020 significant budgetary or cash flow challenges; by June 2021 an additional 53% anticipate facing challenges.
- **REVENUE LOSS** While 49% of districts have yet to experience revenue loss due to COVID-19, the approximate aggregate revenue loss for all independent special districts based on survey results as of May 5, 2020 is \$167 Million.
- **DRAWING DOWN RESERVES** 20% of districts have drawn down reserves, 47% anticipate doing so by June 2020, and while 53% report sufficient reserves to mitigate anticipated revenue losses and increased expenditures. Based on responses, eight percent of special districts will exhaust reserves and continue to face a significant budgetary challenge. If this were extrapolated to non-respondents, it would represent over 150 districts exhausting reserves.
- **DECREASING SERVICES** 34% have cut or decreased services – with 15% cut indefinitely.
- **DECREASING STAFF** 34% have cut, decreased, or furloughed personnel and 42% anticipate doing so by June 2020.
- **ADAPTING TO COMMUNITY NEEDS** districts are adapting to meet the needs of their communities, pivoting operations to check on senior residents, provide childcare for front line workers, coordinate first response activities, increase surge capacity, organize blood drives, deliver senior meals, and develop social health campaigns and crisis communications to encourage residents to comply with state orders and reduce fear.
- **ASSISTING COVID-19 FISCALLY IMPACTED CONSTITUENTS** districts are responding to the fiscal challenges of residents, with 39% implementing payment plans, 44% waiving fees, 7% issuing rate reductions, 31% holding rates flat, 30% deferring sending past due accounts to collections, and 54% working with customers on a case by case basis.

Does Your District Have A COVID-19 Story to Share?

If your district has a compelling story to share with federal and state leaders that shows how you are meeting this moment for your community or highlights how COVID-19 response activities have increased your costs and decreased district revenues, please share them by emailing CSDA Legislative Representative Alyssa Silhi at alyssas@csla.net



➤ HUMAN RESOURCES AND PERSONNEL

CSDA's long range policy priority on human resources and personnel is to promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees, both represented and non-represented.

Workers' Compensation During COVID-19

On May 6, 2020, Governor Gavin Newsom issued Executive Order N-62-20 related to a workers' compensation presumption for COVID-19. Prior to the Order, CSDA was in communication with the Governor's office expressing our concerns with any potential workers' compensation order that may come out and the Governor addressed a number of our concerns, including making sure that there was a requirement for a positive test for the illness, the order was for a set period of time linked to the statewide stay-at-home order, the presumption needed to be rebuttable, and that benefits would not be expanded.

The Governor's order, summarized below, lists most of the details. However, the Department of Industrial Relations (DIR) will be releasing guidance documents to assist employers and employees to better understand the order on their website located at www.dir.ca.gov in the coming days:

- If diagnosed with COVID-19, the diagnosis must be confirmed by a positive test within 30 days of diagnosis
- Employees qualify if they test positive or are diagnosed within 14-days of going to work (extends to July 19 for employees who work on July 5)
- Apportionment does apply
- Employees may receive temporary disability (TD) payments after exhausting specific federal or state COVID-19 paid sick leave benefits for up to 104 weeks. TD payments stop when either employees return to work, their doctor releases them for work, or their doctor says their illness has improved as much as it's going to.
- Temporary Disability requires re-certification every 15 days as opposed to the normal 45
- Existing State and Federal leave benefit should be exhausted first
- Does not enhance existing workers' compensation benefits structure
- Period to deny claims is shortened from 90-days to 30-days
- DIR won't collect the state portion of death benefits

Prior to Governor Newsom's Executive Order, the Legislature introduced three COVID-19 workers' compensation presumption bills: AB 664 (Cooper, Gonzalez), SB 1159 (Hill, Daly), and most recently, the gutted-and-amended AB 196 (Gonzalez).

AB 196, gutted and amended from being a paid family leave bill, would now provide a *conclusive* COVID-19 workers' compensation presumption for employees who are employed in an occupation or industry deemed "essential" in the Governor's Executive Order of March 19, 2020. The non-rebuttable presumption would extend up to 90 days after the employee leaves employment. It would add substantial costs to the workers' compensation system in the order of billions of dollars annually. AB 196 specifically excludes first responders and healthcare workers, because AB 664 covers those employees with significantly enhanced workers' compensation benefits. CSDA is opposed to both AB 196 and AB 664.

Meanwhile, CSDA and a coalition of employer organizations have adopted a "Concerns" position on SB 1159 (Hill/Daly). This bill is a "work in progress" authored by the Chairs of the Senate and Assembly Insurance Committees. The authors have indicated a willingness to work with employers and labor to craft what they hope to be a workable solution.



➤ LEGAL ADVOCACY

CSDA is the leading legal advocacy voice for all special districts regarding public policy in California and actively tracks and reviews cases of significance affecting special districts in state and federal courts. Under the guidance of CSDA's Legal Advisory Working Group, CSDA files amicus briefs and opines on court cases when appropriate.

District Revenues Hang in the Balance of Two Supreme Court Cases

On May 5, the California Supreme Court conducted webcast oral arguments in two cases that may issue decisions with substantial impacts on special districts statewide. The two cases, *Alameda County Deputy Sheriffs' Association et al. v. Alameda County Employees' Retirement Association et al.* (S247095) and *Wilde (Leslie T.) v. City of Dunsmuir et al.* (S252915), review separate issues with considerable effects on special district revenues: pension compensation and challenges to rate plans.

California Rule for Pensions Under Review... Again

In *Alameda County*, the issue before the Court is whether statutory amendments made to the county employees' retirement law by the Public Employees' Pension Reform Act of 2013 (PEPRA), which reduced the scope of "pensionable compensation," violates the vested rights of employees protected by the contracts clauses of the state and federal constitutions. This case serves as another opportunity for the Court to consider the parameters of the "California Rule" governing public retirement benefit determinations for current employees.

Under the California Rule interpretation of contract law, pension benefit accruals cannot be reduced, even for future work. In the *Alameda County* case, the Deputy Sheriff's Association (and others) are challenging PEPRA's elimination of overtime pay, on-call pay, call-back pay, vacation and sick leave sold back, recruitment bonuses, and other items from pension calculations. The appellate court upheld most of the modifications under the reasoning that employees only have a right to a reasonable pension.

Prop 218 Rate Plans Under Threat of Referendum

In another important case, *Wilde v. City of Dunsmuir*, the issue before the Court is whether the referendum power (Cal. Const. art. II, § 9) can be used to challenge a resolution increasing water rates for an extensive water upgrade project, or whether such a challenge is strictly limited to the power of initiative (Cal. Const. arts. XIII C & XIII D, § 6 [Proposition 218]).

In 2018, the Third District Court of Appeal held that voters' adoption of Proposition 218 did not repeal the right to challenge local resolutions and ordinances by referendum, and that a public agency's adoption of a water rate plan is a legislative decision subject to referendum. Permitting this decision to stand would allow referenda against property-related fees and could serve to destabilize the finances of districts that provide water, sewer, and solid waste services, among others.

In June 2019, CSDA joined the Association of California Water Agencies, California Association of Sanitation Agencies, California State Association of Counties, and League of California Cities in a brief to the California Supreme Court in support of the City in the *Wilde* case.

Decisions Expected This Summer

CSDA will continue to monitor these cases on behalf of our members and provide updates as soon as decisions are issued for each by the California Supreme Court. To view the briefs filed by parties in the respective cases, visit: <https://www.courts.ca.gov/43857.htm>.

If you have any questions about these cases or how they impact your district, contact CSDA Deputy General Counsel Mustafa Hessabi at mustafah@csda.net.



➤ OTHER WAYS TO TAKE ACTION

Learn More

Catch Secretary of State Padilla and Secretary of Natural Resources Crowfoot at Legislative Days

Special Districts Legislative Days has gone virtual, providing attendees even more access to important information with no travel or hotel costs.

Here's what's included:

Tuesday, May 19

LIVE Legislative Briefing with Secretary of State Alex Padilla, Secretary of Natural Resources Wade Crowfoot, and the CSDA Advocacy Team

Monday, May 18 - Friday, May 22

Access to three on-demand Policy Expert Webinars:

- Prudently and Proactively Managing Pension Liabilities in Today's Volatile Environment
- 2021: When Redistricting and the California Voter Rights Act (CVRA) Collide
- Navigating Legal Attacks, Legislative Shifts, and Public Protests on Prop 218 Rates and Fees

Utilize Resources

Access to COVID-19 Online Community. Join the Discussion Today!

Stay informed and connected during these unordinary times. Get updates, share resources, and access the growing library of resources including complimentary webinars. [Join Community](#).

Join Today

Join an Expert Feedback Team to provide CSDA staff with invaluable insights on policy issues. Email romanw@csda.net to inquire about joining one of the following teams:

- Budget, Finance and Taxation
- Environment
- Formation and Reorganization
- Human Resources and Personnel
- Governance
- Public Works and Contracting

Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's CA Special District Magazine

Email advocacy@csda.net for help accessing these additional member resources.

ACWA



Date: June 1, 2020

From: ACWA JPIA Employee Benefits

To: ACWA JPIA Participating Employers

RE: COVID-19 Update

Please distribute the memo addressed to ACWA JPIA Plan Participants to employees, retirees, and COBRA participants. The memo describes coverage for COVID-19 testing and treatment, introduces two stress-management apps, and provides a brief (and important) summary of the election and payment extensions described here.

Antibody testing

This has been a rapidly evolving topic. The memo addressed to plan participants today summarizes plan coverage for antibody testing. There are important considerations for employers who wish to provide antibody testing for employees. Vendors have been soliciting employers to provide antibody testing to employees, with a simplified explanation about how this works that is not always completely accurate. Kaiser summed up what we have been hearing from all vendors well here:

Antibody testing is not currently effective to manage an individual patient. Antibody testing quality varies and many tests are unreliable. The role of antibodies and immunity in recovered COVID-19 patients is not fully understood at this time. Antibody tests remain a valuable tool for epidemiologists and public health officials to develop local policies.

The Centers for Disease Control (CDC) has encouraged the following considerations in their Interim Guidelines for COVID-19 Antibody Testing:

- *Serologic test results should not be used to make decisions about returning persons to the workplace.*
- *... it cannot be assumed that individuals with truly positive antibody test results are protected from future infection.*

Certain antibody tests have been given Emergency Use Authorization (EUA) by the FDA, which does not carry the same review and confirmation of accuracy that comes with FDA Approval. The first EUA for an antibody test was issued on May 9, 2020. The list of manufacturers that have EUA changes frequently. The decision to proceed with a test by a specific manufacturer, and how to interpret those results, is an important conversation that

occurs between a person and their medical provider. The medical plans will cover 100% of that cost. For on-site testing, be advised that the three requirements outlined on the participant memo must be met for coverage. In addition, results of the test become Protected Health Information protected by HIPAA when processed through the health plan, and cannot be disclosed to the employer. Employers can have access to results if they pay for the testing, similar to a pre-employment physical. Due to high the high level of interest, Alliant put together information about antibody testing and vetted vendors [here](#). Anthem addresses antibody testing on page 8 of their [FAQs](#). Kaiser issued this [notice](#) to employers regarding antibody testing. To access Employer Resources, enter ID: *wateragency* and password: *service@JPIA*.

Family Status Changes, Benefit Elections, and COBRA

The time period between March 1, 2020 through 60 days after the announced end of the National Emergency will be *excluded from calculations* for deadlines for plan participants to make mid-year benefit changes due to qualified family status changes, elect COBRA, pay COBRA premiums, file claims, and file appeals. For example, if someone had 30 days to do something and 15 days had elapsed before March 1, the remaining 15 days would start to accrue beginning 60 days after the announced end of the National Emergency¹. More details and examples are provided in [this](#) Alliant notice. The full notice is posted in the Federal Register [here](#).

Life Insurance Reinstatements

Supplemental Life insurance is subject to medical underwriting before approval, and if terminated becomes subject to medical underwriting again. However, if due to reduction in hours or layoff, life insurance terminates after June 30, 2020 and is reinstated prior to March 1, 2021, the medical underwriting requirement will be waived when reenrolling. More information about life and disability through the Standard can be found in this [FAQ](#).

Important Dates

The following dates, referenced in earlier memos, have not changed. As a reminder:

- Reduced hour employees may be covered as active employees, so long as premiums are paid, through July 31, 2020. This is true for all plans except life and disability through the Standard, which has the extension in place through June 30, 2020. If you have an employee in this situation, please contact us at benefits@acwajpia.com.
- On Anthem PPO plans, the requirement to fill maintenance medications (after two fills) through MedImpact mail order, Costco, Walmart, or Sam's Club has been waived through July 31, 2020.

Resources

ACWA JPIA sometimes provides COVID-19 information separately for [employees](#) and [employers](#). The employer section requires ID: *wateragency* and Password: *service@JPIA*.

Kaiser recently published an extensive [Return to Work Playbook](#).

¹ or such other date announced by the Agencies (Employee Benefits Security Administration, Department of Labor, Internal Revenue Service, and Department of the Treasury) in a future notification.

Alliant continues to update the [Coronavirus Playbook](#) and lists additional resources [here](#).
Email Sandra Smith, Employee Benefits Manager, at ssmith@acwajpia.com with questions.

*This information constitutes a brief summary. More detailed sources of information are linked throughout.
Information is accurate as of the date of this notice.*



Date: June 1, 2020

From: ACWA JPIA Employee Benefits

To: ACWA JPIA medical plan participants

RE: COVID-19 coverage, stress management apps, and deadline extensions

All JPIA plans: Anthem PPO's, Anthem HMO's, Kaiser

Copays and deductibles will be waived for treatment of COVID-19 through December 31, 2020.

Diagnostic and antibody testing for COVID-19 will be covered at 100%, given these conditions are met:

- 1) The test is ordered by a licensed medical practitioner, and
- 2) The test is FDA approved¹, and
- 3) For diagnostic tests only: The test is considered medically necessary.

Anthem and Kaiser will cover tests at in or out of network facilities. At this time, antibody tests are not being provided at Kaiser facilities. A non-Kaiser provider may bill Kaiser directly for an antibody test or a plan participant may pay for the test and seek reimbursement using a Kaiser claim form.

Stressed? There's an app for that.

Kaiser and Anthem offer **myStrength**, which helps with stress, anxiety, chronic pain, addiction, pregnancy, parenting, and more. Kaiser is providing members with a subscription to the **Calm** app, which helps with relaxation, meditation, and sleep. The Calm app also provides select content to all users at no cost.

Family Status Changes, Benefit Elections, and COBRA

From March 1, 2020 through 60 days after the announced end of the National Emergency, time extensions will be given to make mid-year benefit changes due to qualified family status changes², elect COBRA, pay COBRA premiums, file claims, and file appeals. Timely notification, election, and payment is encouraged to ensure smooth claims processing. Participants will be responsible for the cost of claims incurred during any period for which retroactive premiums have not been paid.

Visit www.acwajpia.com for additional information and resources. Information is briefly summarized here, and is accurate as of the date of this notice

¹ FDA Emergency Use Authorization is acceptable. For diagnostic tests only: state laboratory authorization may be acceptable in lieu of FDA approval.

² Family status change examples: birth, marriage, divorce, gain/loss of other coverage.

RREDC/RCEA



BOARD OF DIRECTORS MEETING AGENDA

May 28, 2020 - Thursday, 3:30 p.m.

COVID-19 NOTICE

RCEA AND HUMBOLDT BAY MUNICIPAL WATER DISTRICT OFFICES WILL NOT BE OPEN TO THE PUBLIC FOR THIS MEETING

Pursuant to California Executive Orders N-25-20 and N-29-20 and the Humboldt County Health Officer's March 30, 2020, Shelter-in-Place Order, the Board of Directors meeting will not be convened in a physical location. Board members will participate in the meeting via an online Zoom video conference.

Observe the Meeting: To maximize public safety and enable access, members of the public may observe the meeting online at <https://us02web.zoom.us/j/89946036852> or listen to the meeting by phone at (669) 900-6833 or (253) 215-8782. Enter webinar ID 899 4603 6852.

Submit Public Comment: Members of the public may provide comment before and during the meeting by emailing PublicComment@redwoodenergy.org. Emailed comments should identify the agenda item number in the subject line. Comments received before the agenda item is heard will be read into the record, with a maximum allowance of 3 minutes (approximately 500 words) per individual comment, subject to the Chair's discretion. Comments received after the agenda item is heard and before the meeting's end will be included in the meeting record but not read aloud during the meeting.

Written comment may also be mailed to RCEA at 633 Third Street, Eureka, CA 95501, "ATTN: 5/28/20 Board Meeting." Written comments should identify the agenda item number at the top of the comment and be postmarked by the meeting date to be included in the meeting record.

In compliance with the Americans with Disabilities Act, any member of the public needing special accommodation to participate in this meeting or access the meeting materials should email Ltaketa@redwoodenergy.org or call (707) 269-1700 at least 3 business days before the meeting. Advance notification enables RCEA staff to make their best effort to reasonably accommodate access to this meeting while maintaining public safety.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public at www.redwoodenergy.org.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL COMMUNICATIONS

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

3. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted in one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

3.1 Approve Minutes of April 23, 2020, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

4. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

5. OLD CCE BUSINESS

5.1. CCE Program Rates Update (Information Only)

6. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

7. OLD BUSINESS – None.

8. NEW BUSINESS

8.1 Feed-in Tariff Program

Approve a 20-year power purchase agreement with Sunthurst Energy, LLC for the 999 kW Humboldt County Solar 1 solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve a 20-year power purchase agreement with North Coast Highway Solar 2, LLC for the 1 MW North Coast Highway Solar 2 solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve increase of feed-in tariff phase 1 programmatic capacity up to 6.5 MW to accommodate current applicants.

Approve feed-in tariff phase 2 with an additional 6 MW of capacity to be released August 1, 2020.

- 8.2** 2020-2023 Energy Efficiency Program funding – PG&E Local Government Partnership Contract and RCEA-Administered CPUC Funding update

Approve contract with PG&E for a 2020-2023 Energy Efficiency Local Government Partnership Program and authorize the Executive Director to execute, after final review and approval by RCEA General Counsel, the contract and all associated documents as necessary.

- 8.3** Draft RCEA Fiscal Year 2020-21 Budget

Provide guidance and input to staff on draft FY20-21 budget.

9. STAFF REPORTS

- 9.1.** Staff report by Executive Director Matthew Marshall.

10. FUTURE AGENDA ITEMS

Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

11. ADJOURNMENT

NEXT REGULAR MEETING

Thursday, June 25, 2020, 3:30 p.m.

Meeting location to be determined,

pending COVID physical distancing restrictions on meeting date.



DRAFT BOARD OF DIRECTORS MEETING MINUTES

April 23, 2020 - Thursday, 3:30 p.m.

Notice of this meeting was posted on April 17, 2020. Chair Austin Allison called a regular meeting of the Board of Directors of the Redwood Coast Energy Authority to order on the above date at 3:30 p.m., stating that the meeting was being conducted by teleconference pursuant to Brown Act waivers included in Governor Newsom's COVID-19 State of Emergency Executive Orders and in response to local efforts to reduce the spread of the virus. Chair Allison stated that the posted agenda outlined instructions for the public on listening to the meeting and providing written comment.

PRESENT: Chair Austin Allison, Stephen Avis, Chris Curran, Vice Chair Estelle Fennell, Dwight Miller, Frank Wilson, Michael Winkler, Sheri Woo. ABSENT: Dean Glaser. STAFF AND CONSULTANTS PRESENT: Power Resources Director Richard Engel, The Energy Authority Client Services Specialist Jaclyn Harr, Account Services Manager Mahayla Slackerelli, Community Strategies Manager Nancy Stephenson, Executive Director Matthew Marshall, Clerk of the Board Lori Taketa.

REPORTS FROM MEMBER ENTITIES

Director Fennell informed the meeting participants of that evening's County televised meeting with Health Officer Dr. Teresa Frankovich and Sheriff William Honsal to provide facts about Humboldt County's current health crisis.

ORAL COMMUNICATIONS

Staff read a comment submitted by member of the public Wendy Ring, MD, referring to an article linking long-term, low-level, fine particulate air pollution exposure similar to levels measured in Humboldt County with higher COVID vulnerability. Dr. Ring discouraged reliance on outdated clean air standards and renewable energy definitions and encouraged mill waste use that decreases carbon emissions. The directors spoke of the need to be increasingly aware of health issues when considering biomass contracts and that new scientific information on COVID-19 is still emerging. Staff clarified that the DG Fairhaven consent calendar item was included to inform the Board that the power plant's sale did not occur.

CONSENT CALENDAR

- 3.1 Approve Minutes of February 27, 2020, Board Meeting.
- 3.2 Approve Disbursements Reports.
- 3.3 Accept Financial Reports.
- 3.4 Appoint Amin Younes and Elizabeth Burks to the Community Advisory Committee for two-year terms ending on April 11, 2022.
- 3.5 Approve Amendment No. 5 to Agreement for Employment of Executive Director with Matthew Marshall.

- 3.6 Accept Update on DG Fairhaven Contract Assignment (Information only).
- 3.7 Accept Update on PG&E Carbon-Free Power Allocation (Information only).
- 3.8 Authorize the Executive Director to finalize an amendment for a two-year extension of the existing commercial office lease for RCEA's existing headquarters at 633 3rd Street, Eureka, CA.

Director Woo requested item 3.5 be removed from the Consent Calendar.

Chair Allison confirmed that no member of the public requested removal of any consent calendar item.

M/S: Fennell, Miller: Approve all consent calendar items except 3.5.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser.

REMOVED FROM CONSENT CALENDAR ITEMS

The directors thanked Executive Director Matthew Marshall for representing RCEA well locally, at the state level, nationally and internationally, and for leading the agency and the Board through the challenges of rapid expansion into Community Choice Energy well.

M/S: Fennell, Woo: Approve Amendment No. 5 to Agreement for Employment of Executive Director with Matthew Marshall.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Wilson, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Allison confirmed that a quorum was present to conduct CCE business.

NEW CCE BUSINESS

6.1 Energy Risk Management Quarterly Report

Power Resources Director Richard Engel described COVID-19 pandemic effects on the CCE program thus far. The Energy Authority Client Services Specialist Jaclyn Harr presented a report on COVID-19's impacts on the energy market, RCEA, and options for response.

COVID-19 responses have significantly lessened electricity demand and are delaying new energy project timelines with supply chain disruptions to renewable energy technologies and battery storage. The economic recession, decreased demand and customers' inability to pay is projected to decrease RCEA income. The power charge indifference adjustment (PCIA) or exit fee's anticipated increase later this year will also negatively impact revenue.

The Board's options for maintaining the CCE program's viability in this highly volatile market are to adjust renewable and carbon-free energy goals and customer rates. Because RCEA has aggressively pursued environmental goals, staff recommends the CCE program sell its portfolio's most valuable asset, PCC1 in-state renewable energy credits from the Humboldt Redwood Company (HRC) biomass contract that RCEA does not need to meet 2020

compliance requirements. All RCEA power purchasing commitments with HRC will still be met. Staff further recommends maintaining the 1%-lower-than-PG&E discount to provide financial stability. The discount and customer program funding can be increased in the future should the market outlook improve.

The directors expressed support for staff's suggestions to sustain the CCE program and discussed different programs to help customers with their energy bills, which are listed on RCEA's website at <https://redwoodenergy.org/covid-19/>. RCEA is working with partners statewide on cost recovery during this pandemic-triggered recession which could last for a year or longer. Staff will update the Board with greater frequency if forecasts change significantly. California Community Choice Association (CalCCA) is tracking state government discussion on infrastructure and resiliency economic stimulus projects. Federal government discussions have not yet begun. Directors further discussed biomass energy's benefits to the CCE program and community through local jobs and resiliency during public safety power shutoff events and acknowledged air quality challenges. The future possibility of returning to the CCE program's original power source allocations was mentioned.

Chair Allison confirmed that no public comment was received for this agenda item.

M/S: Fennell, Miller: Accept Energy Risk Management Quarterly Report and support staff's strategy of selling Category 1 renewable energy credits and maintaining the 1% below PG&E generation rate customer discount.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Wilson, Winkler. Noes: None. Abstain: None. Non-Voting: Woo. Absent: Glaser.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

NEW BUSINESS

8.1 100 MW Sandrini Solar Project Power Purchase Agreement

Power Resources Director Richard Engel reported on the status of meeting SB100 and SB350 mandates to increase percentages of procured renewable energy and of long-term renewable power contracts. The Board previously approved negotiating a 50 MW power purchase agreement with EDPR's Sandrini solar project to meet those requirements. The Terra Gen wind project's demise resulted in the loss of more long-term contracted renewable power and staff recommends increasing the amount of solar energy procured from the Sandrini project to the full 100 MW output which would provide 45% of the CCE program's current load. The negotiated price aligns with other solar offers and is reasonable to commit to for a long term. Should the project encounter COVID-related delays, a force majeure contract clause requires EDPR to provide replacement energy and renewable energy certificates from another source so RCEA still meets its state requirements.

Staff Director Engel described EDPR, which develops, finances and operates power projects in North America, Europe and South America. Most EDPR projects harness wind power, although many of their California and South Carolina projects harness power from the sun. The Sandrini project is located in Kern County on declining agriculture land with reduced water allocation and soil quality issues. It is projected to generate at 35% of nameplate capacity due to its favorable location and solar tracking features. Most Humboldt County solar

projects generate at 20-25% of nameplate capacity. The directors expressed support for this contract and the increase of renewable energy in RCEA's energy portfolio.

Member of the public Jesse Noell requested analysis, evaluation and synthesis of a Forbes.com article's representation of electric vehicle batteries as a source of CAISO demand-responsive energy storage resource adequacy through smart chargers.

Director Wilson left the meeting during this item's discussion due to technical difficulties.

M/S: Avis, Curran: Approve a 15-year power purchase agreement with EDPR CA Solar Park II LLC for the full 100 MW capacity of its Sandrini solar project, and authorize RCEA's executive director to execute all applicable documents.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser, Wilson.

8.2 Feed-In Tariff Program – Approval of [1-5] Solar Power Purchase Agreements

Account Services Manager Mahayla Slackerelli reported that feed-in tariff (FIT) power procurement from local, small energy generators was specified as a CCE program launch period target. Staff designed a FIT program for local, renewable, community-scale energy projects with market-adjusting pricing last year. When fully subscribed at 6 MW, the FIT program will serve 2% of RCEA's load, or roughly 1,200 households' electricity needs. For scale, the Blue Lake Rancheria solar project generates 0.5 MW of electricity. Staff recommends entering power purchase agreements for three projects that have completed the request for proposal (RFP) application process.

The directors discussed the possibility of increasing RCEA's local solar procurement to 20% of RCEA's total solar energy procurement, the possibility of doing a second RFP round for larger FIT projects with lower prices, how longer contract terms enable developers to find financing for these projects with long payback periods, and how the current behind-the-meter demand response RFP does not fulfill state renewable portfolio long-term contract requirements but can be counted toward resource adequacy requirements.

Chair Allison confirmed that no public comment was received for this agenda item.

M/S: Fennell, Miller:

Approve a 20-year power purchase agreement with RPCA Solar 5, LLC for the 990 kW Hatchery Road A solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve a 20-year power purchase agreement with RPCA Solar 5, LLC for the 990 kW Hatchery Road B solar project, and authorize RCEA's executive director to execute all applicable documents.

Approve a 20-year power purchase agreement with North Coast Highway Solar 1, LLC for the 1 MW North Coast Highway Solar 1 solar project, and authorize RCEA's executive director to execute all applicable documents.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser, Wilson.

8.3 Long-Term Resource Adequacy Solicitation

Power Resources Director Richard Engel reported that the Sandrini solar power purchase agreement approved in this meeting will fulfill the CPUC's incremental resource adequacy (RA) 2023 requirements but commitments to procure new energy capacity that would be online by 2021 and 2022 were yet to be secured. Other CCAs are also challenged to meet these state requirements and Valley Clean Energy is interested in doing a joint proposal solicitation with RCEA, which could allow for economies of scale. While RA can come in many forms, battery energy storage project proposals are likely. The request for proposals needs to be issued right away so the projects can be brought online by the August 2021 deadline.

Chair Austin confirmed there were no public comments for this item.

M/S: Winkler, Fennell: Authorize staff to jointly issue with Valley Clean Energy a Request for Proposals for Incremental Resource Adequacy Capacity, in accordance with the terms provided.

The motion passed with a unanimous vote: Ayes: Allison, Avis, Curran, Fennell, Miller, Winkler, Woo. Noes: None. Abstain: None. Absent: Glaser, Wilson.

FUTURE AGENDA ITEMS

It was clarified that a recently received Redwood Coast Power, LLC letter was an unsolicited proposal and no contract procurements beyond those discussed at this meeting were currently under consideration.

Chair Allison adjourned the meeting at 5:31 p.m.

Lori Taketa
Clerk of the Board

NEXT REGULAR MEETING

Thursday, May 28, 2020, 3:30 p.m.

This meeting will be held via videoconference at a web address to be published.



Redwood Region Economic Development Commission
Prosperity Center 520 E Street, Eureka, California 95501
Phone 707.445.9651 Fax 707.445.9652 www.rredc.com

REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION
Regular meeting of the Board of Directors
At the Prosperity Center 520 E Street, Eureka
May 25, 2020 at 6:30 pm
AGENDA

**This Regular Meeting of the RREDC Board of Directors
will not be held as it falls on Memorial Day.**

The Redwood Region Economic Development Commission will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 445-9651. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements for accommodations.



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County of Humboldt · Hoopa Valley Tribe · Redwoods Community College District*