



**Ruth Lake 5-28-17**

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

**Board of Directors Meeting**

**June 2017**



**Park 1 Re-Graded 5-24-17**

# Minutes

# Consent



**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
828 7<sup>th</sup> Street, Eureka



**Agenda for Meeting of Board of Directors**

**May 4, 2017**

**A. ROLL CALL**

President Woo called the meeting to order at 9:00 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, and Board Secretary Sherrie Sobol were also present. Pat Kaspari and John Winzler of GHD were present for a portion of the meeting.

**B. FLAG SALUTE**

President Woo led the flag salute.

**C. ACCEPT AGENDA**

On motion by Director Latt, seconded by Director Hecathorn, the Board voted 5-0 to accept the agenda.

**D. MINUTES**

Director Latt requested an addition be made to page four, Illegal Marijuana Grows regarding pursuit of a civil lawsuit for conversion. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 5-0 to approve the Minutes of the April 13, 2017 Regular Meeting as amended.

**E. PUBLIC COMMENT**

No public comment was received.

**F. CONSENT AGENDA**

Mr. Friedenbach pulled Item 1.

Blue Lake Rancheria Resiliency Preparedness Fair announcement

Mr. Friedenbach stated the District participated in the Resiliency Preparedness Fair. Thavisak Syphanthong was at the booth and shared inundation maps and the District's Emergency Action Plan (EAP). About forty people stopped by and most were happy to see that their homes were not in the inundation area. Mr. Friedenbach shared photos of the event and the nice thank you card received the Blue Lake Rancheria. Director Latt asked for a quick overview of the EAP process which Mr. Friedenbach provided.

On motion by Director Rupp, seconded by Director Hecathorn, the Board voted to approve the Consent Agenda, including Item 1.

**G. CORRESPONDENCE**

Letters from District opposing AB 1668-Water Management Planning and AB 1669-Urban Water Conservation Standards

Mr. Friedenbach shared the District letters opposing AB 1668 and AB 1669. Both of these bills were passed by the Assembly Water, Parks & Wildlife Committee (AB 1668 by a vote of 10-5 and AB 1669 by a vote of 9-6) and are being referred to the Committee on Appropriations.

Letter from District supporting AB 968 Water Efficiency Standards and AB 1654 Urban Water Management Planning

Mr. Friedenbach stated the District sent a letter of support for AB 968 and AB 1654. Mr. Friedenbach noted these bills were also passed by the Assembly of Water, Parks & Wildlife Committee (AB 968





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by a vote of 14-0 and AB 1654 by a vote of 15-0) and are being referred to the Committee on Appropriations.

Home for the Homeless in Manila?

Mr. Friedenbach stated he included this article to bring awareness regarding the homeless people who are camping out at the District's Eureka office and blocking doorways, etc. He is considering options including motion activated lights for the parking lot area.

**H. CONTINUING BUSINESS**

1. Water Conservation Regulations

Mr. Friedenbach noted that although the "stress test" requirement has been rescinded by Governor Brown, we still need to report on conservation standards. He commented that even though we have proven that we have plenty of water available, the Municipal Customers are still required to conserve water. This equates to less revenue which must be made up somewhere.

2. Water Resource Planning

Mr. Friedenbach stated he did not have any new updates at this time. There is an upcoming meeting with the Instream Flow committee meeting with the consultants to discuss grant applications for instream flow.

Director Rupp stated he and Mr. Friedenbach will be meeting with some agency representatives at the ACWA Conference to discuss transport options.

A discussion and clarification of Director roles on committees and how it relates to interfacing with staff work took place. Grant oversight was also discussed as well as options if consultants do not properly complete grant applications, including filing a negligence claim.

3. PG&E ReMat

Mr. Friedenbach stated the District received the Cal ISO Certificate of Compliance and can start the new contract. Since next week is May maintenance week, and he will be at ACWA, he suggested to JTN (consultant) a start date of May 15<sup>th</sup>. The lake will still be full at that time and power production should be good.

Director Fuller and Mr. Friedenbach attended a City of Arcata Council meeting since Ordinance 16 approval was on their agenda. The topic of hydropower was also discussed and they were able to answer several questions from the council members.

4. Illegal Cannabis Grows

As previously discussed, Mr. Friedenbach will be submitting a letter to the County regarding cannabis EIR input. He requested input from the Directors which he will incorporate into the letter, if acceptable by the Board. President Woo requested enforcement be listed as a top priority. Director Latt requested the letter state that revenue from cannabis tax be funneled to cannabis related items such as enforcement as previously mentioned and application processing for example. On motion by Director Latt, seconded by Director Fuller, the Board voted 5-0 to authorize the General Manager to send a letter, inclusive of Director comments and requesting enhanced enforcement.



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Director Rupp inquired what the North Coast Regional Water Quality Control Board did with the enforcement funding received from the District. Mr. Friedenbach stated he would follow up.

5. LAFCo Notice of Hearing/Proceedings for Reorganization of Samoa Peninsula Fire Protection District into a Community Services District

LAFCo held an informational meeting on April 26 regarding the proposed reorganization of the Samoa Peninsula Fire Protection District into a Community Services District (CSD). Mr. Friedenbach stated he was not able to attend, however he did follow up with Troy Nicolini. Mr. Nicolini said the meeting was well attended and the people were supportive of the CSD formation. The next meeting is May 15<sup>th</sup> and Mr. Friedenbach stated District staff will be in attendance. Staff has a great deal of work to do prior to entering into an agreement with the new CSD. He stated he would discuss with the Board various options and processes prior to drafting an agreement. Director Rupp suggested this might be a good discussion to have with the Water Task Force as well.

**I. NEW BUSINESS**

1. Dam Safety

Federal Energy Regulatory Commission (FERC) Dam Safety-Oroville Dam

Mr. Friedenbach shared the FERC letter regarding the Oroville Dam. The end result will be more regulations costing more money.

AB 1270-Proposed annual dam inspections by DWR

Mr. Friedenbach stated AB 1270 is a bill that would require the State Department of Water Resources to inspect dams and reservoirs at least annually. The District already has the dam inspected annually by FERC and the Division of Safety of Dams. All reports from both agencies have been good.

Dam Safety Surveillance and Monitoring Report (DSSMR) Summary

Mr. Friedenbach stated he included the DSSMR components to show the multiple activities taking place in regards to dam safety on daily, annual, bi-annual and every five- year basis. The DSSMR is reviewed by engineering staff at GHD and our Chief Dam Safety Engineer, Bill Rettberg. The engineers will be onsite at the next inspection with FERC and the State Division of Safety of Dams.

Director Latt inquired what the District is doing to prevent an Oroville dam scenario. Mr. Friedenbach stated the Oroville dam inspection process was not as thorough as ours, nor was it as frequent. Given the regular, detailed monitoring, it is not likely that we will have an Oroville situation. Mr. Davidsen added that the Oroville spillway was not anchored to bedrock and was built in sections. As the soft material underneath eroded, one slab “tipped” and created a domino effect. Additionally, their Howell Bungler valves were not working and they were down one generator. The District spillway is one solid unit and is anchored to bedrock. The spillway also has a different under drainage system. Mr. Friedenbach stated he would like to do an article for the Times-Standard about our dam safety program and what we do to prevent an Oroville crises. Director Latt thanked Mr. Davidsen for his research and efforts to ensure the safety of our dam and spillway. He added that he likes the idea of educating the public about our dam safety efforts.



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The Board requested staff provided more public awareness information such as the news article and a video on dam safety.

J. **REPORTS (from Staff)**

1. **Engineering (11:00 a.m.)**

Ranney Collector 1 Lateral Replacement Project (partially funded by Prop 84 NCIRWMP grant)

The project is almost complete. The grading of the perc pond is going well. Mr. Kaspari stated Progress Payment 9 has been received from Layne. Since the final report with locations of the laterals, pump test results, as-builts and performance results have been received, he recommends staff pay the invoice for \$130,600 less retainage of \$6,530 for payment of \$124,070.

Mr. Kaspari stated part of the Prop 84 grant agreement requires a publicity shot when the project is completed. The Board will be notified in advance of the photo op. He will also do a final presentation to the Board in June or July.

Blue Lake-FG CSD Water Line Replacement over Mad River (funded by Prop 84 NCIRWMP grant and FEMA Hazard Mitigation Grant)

Mr. Kaspari reported that CEQA will be a mitigated negative declaration. He will likely bring this to the Board in July. He also shared that under AB52, the Wiyot Tribe requested formal notification of project information in a geographic area where they are culturally affiliated. The Wiyot Tribe has been notified of this and several other projects. Mr. Kaspari also noted that he met with Mr. Friedenbach and Ms. Harris to discuss public outreach prior to project construction. There will be two meetings, one on the Blue Lake side and one on the Essex side to inform people about the project and increased traffic on West End Road due to the construction. The meeting will occur this summer.

1MG Reservoir Roof Replacement & Painting

Mr. Kaspari stated the project is moving forward at the original bid amount as discussed last month. The Notice to Proceed will be out later this week and the project should be completed by the beginning of August.

12kV HMG/PDM

Mr. Kaspari shared that he heard that the project was approved for the Hazard Mitigation Grant, however, the District has not received formal notification. Mr. Davidsen added this project will allow for new switchgear equipment at a higher elevation above the water line. The current equipment is aging and replacement parts are not available.

Surge Tower

The biological survey is nearly complete. It's just a matter of waiting for the wallflowers to bloom at this point and then the survey can be completed.

New Hazard Mitigation Notice of Intents (NOI)

The NOI for this round of Hazard Mitigation Grants (HMG) are due this June. The District will submit a NOI for the main pipeline to the Turbidity Reduction Facility. The grant would allow another pipeline installed as a redundant line for emergencies and reroute the line around Essex Control. The NOI does not obligate the District to anything. If the NOI is approved, Mr. Kaspari



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stated he will bring it to the Board as a project for approval. This is a \$3 million-dollar project and if approved for the grant, the District match would be \$700,000.

Ruth Dredging -Emergency Work below Ruth Dam

Mr. Kaspari discussed the permitting process and phone calls made prior to dredging. The process was fairly smooth since the permitting agencies were good with the project. Mr. Davidsen shared photos of the dredging project. He stated the dredging was required since the sediment caused a backup of water which resulted in water backing up into the tailrace and the Howell Bunger valves. This is similar to what happened at the Oroville Dam hydro plant. The sediment was successfully cleared away and a separation built up between the plunge pool and tailrace. Mr. Friedenbach stated he will apply for funding under the Disaster Declaration to help cover costs since the increased sediment was a direct result of the intense, above-average rainfall this winter that precipitated the California and Federal disaster declarations.

2. Financial

FY 2017/18 Budget

Ms. Harris provided an overview of the budget process and stated she will be discussing two components of the budget today: Service and Supply (S&S) and the Salary and Employee Benefits (SEB). She stated these are still in draft form and the Board will approve the final budget in July.

Ms. Harris discussed the areas of change in the S&S budget. Two new items include: Safety Apparel (based on employee feedback) and GM Training. The employees have requested safety yellow t-shirts and sweatshirts. They also requested the ability to purchase HBMWD logo items in addition to any provided and to purchase them in non-safety colors. She outlined the proposed purchasing process and stated the safety apparel annual cost is approximately \$3,000. The GM Training was previously covered in the education line item and will now be a separate line item. The total proposed S&S Budget with power costs is \$1,482,365. This is an increase of \$49,965 or 3.5 % compared to last year.

The Salary and Employee Benefits (SEB) topics included Employee Feedback, Benefit Cost Factors, CPI& COLA and New & Additional Policy considerations.

Each year, management consults employees to find out what is important to them. Feedback from employees is that they would like a COLA, Safety Apparel, PERS payments for new employees and banked comp time versus paid overtime. Ms. Harris presented a range of US and Western US CPI's. Given the CPI indices, she recommended a 3% COLA and stated this helps employees address inflation as well as maintain parity with local agencies. She noted that the several costs factors such as food and fuel are higher here than in the San Francisco area. Director Rupp stated that housing is less than in the Bay Area. He acknowledged that District employees do an excellent job, however there needs to be a balance between fiscal responsibility and employee benefit. He would like additional justification from staff for the COLA.

Employee feedback included the question can HBMWD pay PERS payments for PEPR staff. Ms. Harris stated staff researched this and contacted both CalPERS and JPIA for input. Both agencies had the same response-this is strictly prohibited.



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Ms. Harris shared the projected outlook for Cost Benefit Factors. Known/estimated rate increases include dental at 2%, PERS at 1.478% and Healthcare at 10%. There is some good news in that there are no rate increases for Long-Term Disability, Unemployment Insurance, Life Insurance, Worker’s Compensation or Vision Insurance.

Additional Policy Considerations include longevity pay, correcting supervisor overtime pay, revision of the compensation time policy, cellphone stipend policy and management leave policy. Ms. Harris provided detail on the proposed policy changes and its impact on the budget.

Ms. Harris stated the proposed S&EB budget including the 3% COLA, healthcare premium increase and additional policies offered is \$3,774,573 or 5.0% more than the 16/17 budget.

Director Rupp stated Ms. Harris did a good presentation and the Board concurred. Director Latt suggested future presentations include a contrasting viewpoint, i.e. lower or no COLA for other agencies. Director Rupp suggested that a general survey of comparable agencies should be done and that it may be time for an overall compensation survey.

Investment Policy

Ms. Harris stated state law requires that the Board consider and confirm the District’s Investment Policy each year. The Board approved and originally adopted the Investment Policy in 2004 and has re-adopted the policy each year thereafter. The District has three investment objectives for the funds the District does not need for immediate use. These objectives are: 1) Preserve the Safety of Principal; 2) Maintain Liquidity, and 3) Achieve a reasonable Rate of Return consistent with current economic cycles and risk limitations. The policy also specifies the two investment options the District will utilize are the County Treasury and the State Local Investment Fund (LAIF). Staff recommends the Board re-approve the policy. Director Rupp inquired if there are other investment options besides the County Treasury and LAIF. Mr. Friedenbach replied there are other options, however he has not looked at them in detail. Director Rupp requested staff research what other local agencies are utilizing for their investment options. On motion by Director Rupp, seconded by Director Fuller, the Board voted 5-0 to approve the District’s Statement of Investment Policy.

Financial Report

Due to the early date of Board meeting, there was no financial report. The Directors requested staff present both the April and May financial reports at the June meeting.

**3. Operations**

Mr. Davidsen reported the Safety Committee has new members, Ian Ivey and Bruce Brashear. Staff attended several training sessions including SCADA, Confined Space and Heat Illness Prevention, and a Water Loss workshop. Larry Raschein is the new Assistant Operations Supervisor.

**K. DIRECTOR REPORTS & DISCUSSION**

**1. GENERAL**

The District had an informational booth at the March for Science event in Arcata. Director Rupp and Woo represented the District at the event and provided information about the Turbidity Reduction Facility. The event was well attended.



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**2. ACWA – JPIA**

Nothing to report.

**3. ACWA**

Nothing to report.

**4. Organizations on which HBMWD Serves: RCEA, RREDC, NCRP**

**RCEA**

President Woo reported out on the RCEA meeting. The Community Choice Energy (CCE) Program was discussed and several houses were officially having their energy source switched to the CCE on May 1, 2017.

**RREDC**

Director Latt reported out on the RREDC meeting. The meeting took place at the airport in McKinleyville since the program was Fly Humboldt. This was the first RREDC meeting for Director Latt.

**NCRP**

Mr. Friedenbach attended the meeting as the new Technical Peer Review Committee member. He carpoled with two staff members from Humboldt County and noted Highway 101 was closed due to a slide so the drive was extended by another 4 hours. The meeting was informative.

**ADJOURNMENT**

The meeting adjourned at 3:42 p.m.

Attest:

\_\_\_\_\_  
Sheri Woo, President

\_\_\_\_\_  
J. Bruce Rupp, Secretary/Treasurer



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SECTION D PAGE NO. 8



Minutes for Special Meeting of Board of Directors  
At the John R Winzler Control Center in Essex

May 24, 2017

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**ROLL CALL**

President Woo called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Fuller, Latt, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, and Business Manager Chris Harris were also present. Pat Kaspari and John Winzler of GHD were there for a portion of the meeting. Director Hecathorn was absent.

**ACCEPT AGENDA**

On motion by Director Latt, seconded by Director Rupp, the Board voted 4-0 to accept the agenda.

**PUBLIC COMMENT**

No public was present.

**REPORTS (from Staff)**

**FY 2017-18 Project Budget**

Mr. Friedenbach provided an overview of the process to develop the Project Budget. He highlighted the employee input and involvement, and significant work performed by the supervisors and operations staff. Mr. Davidsen summarized each project proposal highlighting all the new projects.

Mr. Friedenbach provided an overview of the projected costs for the major CIP and consulting projects.

The Board asked questions about several projects and staff provided detailed responses.

The Board requested that the discussion about the Industrial System related projects be re-visited at the June 8<sup>th</sup> Board meeting. The Board agreed with the non-industrial projects and associated costs presented in the 2017/18 Project Budget.

**New Business**

Mr. Friedenbach presented the ACWA-JPIA H.R. LaBounty Safety Award to the District Maintenance Department for their trenching and shoring equipment custom trailer project.

**ADJOURNMENT**

The meeting adjourned at 1:17 pm followed by the bar-b-que. President Woo thanked the employees for their good work. Mr. Friedenbach and Mr. Davidsen thanked employees for their ongoing dedication and significant contributions to the District.

Attest:

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Sheri Woo, President

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J. Bruce Rupp, Secretary/Treasurer

# Consent





H.B.M.W.D. MAY 12 2017

May 9, 2017

Dear Chamber Member:

On June 30<sup>th</sup>, The Greater Eureka Chamber of Commerce will officially close the doors of the Visitor's Center when the contract with the City of Eureka for operation of the Visitor's Center is scheduled to end. The Chamber has operated the Visitor's Center as a form of economic development of behalf of the City of Eureka for almost 40 years. The Chamber will continue to operate at its current location at 2112 Broadway.

Back in the day, the Chamber's location was ideal. Between the Chamber and the bay, where Humboldt Waste Management Authority and Recology now stand, was empty wetland. The Chamber was located on a stretch of Broadway that was less developed. There was no Bayshore Mall complex, no Kmart, but there were restaurants, motels (not shelters), and quaint tourist businesses such as The Stump House. Old Town, while full of grand architecture, was not yet the refurbished collection of boutiques, boardwalks, and restaurants that we enjoy today.

The Chamber has historically operated as two pieces: a Chamber of Commerce funded by member dues and a Visitor's Center funded by a contract with the City for the purpose of economic development. To minimize perceived conflicts of interest, the budgets have always been completely separate and were reviewed and approved by the City's Finance Director to ensure the Chamber maintained integrity in not using contract funds for political purposes. The challenge is that no matter how you present finances, someone will always perceive that it is a conflict of interest for an organization to advocate for specific policies or candidates. (No one minds if the organization advocates *for* what they want to pass, only when the organization *opposes* a measure.) This is a barrier to true advocacy.

The Chamber's Board of Directors first considered the idea of exiting the contract with the City back in 2015. Over time, the resources provided by the city to operate the Visitor's Center declined while expenses continued to increase. The Chamber was subsidizing the cost of the business center with about \$40,000 in member dues per year. A survey was conducted in 2015 among membership to see what components of the Chamber of Commerce are most important to members. The results showed that the majority of member needs centered on the Chamber's ability to advocate on behalf of businesses.

This spring, the City decided to put the operation of visitor-serving services out to bid. The process to award and contract with a vendor will take until at least September, with the start date possibly delayed as long as January 2018. The closure of the Visitor's Center on June 30<sup>th</sup> has the potential to create a gap in visitor-servicing services at peak tourism season.

*Letter to Chamber Membership, May 9, 2017, page 2*

Internationally, Chambers of Commerce have been around for over 400 years. The basic foundation of a Chamber of Commerce centers on advocating for local, state, and national conditions that set the tone for businesses to thrive and spread prosperity.

“The prosperity of each individual business depends on the development of the community. The success of individual businesses increases the prosperity of the community and the resulting prosperity bounces back to benefit of local business owners. It’s a win-win situation...”  
(<http://www.chamberme.com/history.html> )

When the economic climate is right, businesses will grow and with them will come good jobs, ancillary business growth, and philanthropic activity – all reinvestments back into the community. To facilitate the right environment for business to thrive, it is necessary to advocate collectively for the favorable conditions.

So what is next? The Chamber is actively working toward living out our mission statement:

*"The Greater Eureka Chamber of Commerce is an organization of members that promotes and advocates for trade, commerce, jobs and tourism."*

The Chamber will continue to focus energy through committee work: Government; Business & Industry; Business & Education; Tourism; and Organization. The Chamber will also continue with popular programs and events such as the Youth Ambassador Program and mixers while exploring new ways of engaging an increased number of Chamber members to focus advocacy. This may include asking for input via surveys, holding informational forums, hosting training events, and more. There are many ways to be involved. In the realm of promoting tourism specifically, the Chamber has several ideas for how to help shape the face of tourism on the north coast and we want *your* input as to what that will look like. Will you be a part of the process?

Sincerely,



Shelley Nilsen  
Chair, Chamber Board of Directors

**DEPARTMENT OF WATER RESOURCES**

1416 NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791

SECTION F2 PAGE NO. 1**APR 26 2017**

Mr. John Friedenbach, General Manager  
Humboldt Bay Municipal Water District  
828 Seventh Street  
Eureka, California 95502

**H.B.M.W.D. MAY 01 2017**

Robert W. Matthews Dam, No. 1013  
Trinity County

Dear Mr. Friedenbach:

Thank you for the "2016 Dam Safety Surveillance and Monitoring Report" transmitted to us on April 10, 2017. We collect this information in accordance with Division 3, Sections 6101 and 6102, of the California Water Code to monitor ongoing conditions for safety. We have reviewed the reports and have no comments at this time.

We appreciate your cooperation. If you have any questions or need additional information, you may contact me at (916) 227-4604 or Area Engineer Lakhbir Singh at (916) 227-4603.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bowlus".

Russell Bowlus, Regional Engineer  
Northern Region  
Field Engineering Branch  
Division of Safety of Dams

cc: Mr. Frank Blackett, P.E., Regional Engineer  
Federal Energy Regulatory Commission  
100 First Street, Suite 2300  
San Francisco, California 94105

**Sherrie Sobol**

**From:** Friends of the Dunes <steven@friendsofthedunes.ccsend.com> on behalf of Friends of the Dunes <info@friendsofthedunes.org>  
**Sent:** Monday, May 15, 2017 4:54 PM  
**To:** Sherrie Sobol  
**Subject:** Dunes Climate Ready Quarterly Update (Feb. - Apr. 2017)



## Dunes Climate Ready Grant Update

February - April  
2017

### Seventh Quarterly Update

The Dunes Climate Ready Grant (Coastal Vulnerability and Adaptation Study) is funded in part by the State Coastal Conservancy's Climate Ready Program. It is designed to further our understanding of how climate change will impact Humboldt's coastal dunes and test the effectiveness of different adaptation strategies. We expect our coastal dunes to be affected by sea level rise as they are forced to adapt and move east, away from the encroaching ocean. As part of the education and outreach component of the grant, quarterly email updates are sent to email subscribers keeping them up to date on the progress of the grant. To learn more about the project, previous updates can be found [here](#).

### 2017 Winter Field Survey

The first winter survey took place in early 2016 and the second survey took place in early 2017. Surveys consist of gathering dune profile information along with vegetation data along more than 60 transects located along a 32-mile stretch of coastline. This year's winter survey went quickly and smoothly with additional equipment, seasoned crewleaders, and an additional crewleader. There was also excellent participation both by local agency partners and by dedicated volunteers. All data from this year's and previous surveys have been cleaned and graphed. One final review of the results by Dr. Walker is needed before distributing the results.



Refuge interns Katelyn Southall (left) and Mackenzie Spencer (right) digging *Ammophila* resprouts.

### Lanphere Adaptation Site

The Lanphere adaptation site will compare the effects of planting three different assemblages of dune vegetation on sediment transport and deposition. The project started in 2015 with the removal of *Ammophila arenaria* (European beachgrass) from 1.25 acres of foredune. Following removal, three assemblages of native vegetation were transplanted, or seeds were dispersed, during the winter of 2016/2017.

The abnormally high rainy season no doubt contributed to significant growth of *Elymus mollis* (native dune grass), which was planted in the adaptation site in December. Survival of *Elymus* appears to be upwards of 90%. In contrast, other native transplants that were planted on the front side (nearest the ocean) of the foredune had low survivability. As the rainy season waned and winds picked up, many of the transplants dried out and died (e.g. seaside daisy, dune goldenrod). The most successful species in this area was the native grass, *Poa macrantha*. This result was not consistent with previous dune mat planting experiments, however, this was the first time planting was done on the foredune rather than more inland areas.

The backdune portion of the site had slightly less harsh conditions than the front side, and appears to have the highest survival of transplants for species such as yarrow (*Achillea millefolium*) and sea thrift (*Armeria maritima*). Seeds were dispersed at the beginning of the year and showed the lowest success, with only a few species germinating. Since this was the first time that some of these species were planted on a foredune locally, these results provide valuable information on suitability of different species planted as seeds or transplants. Additional planting using modified methods will be done this fall and winter.

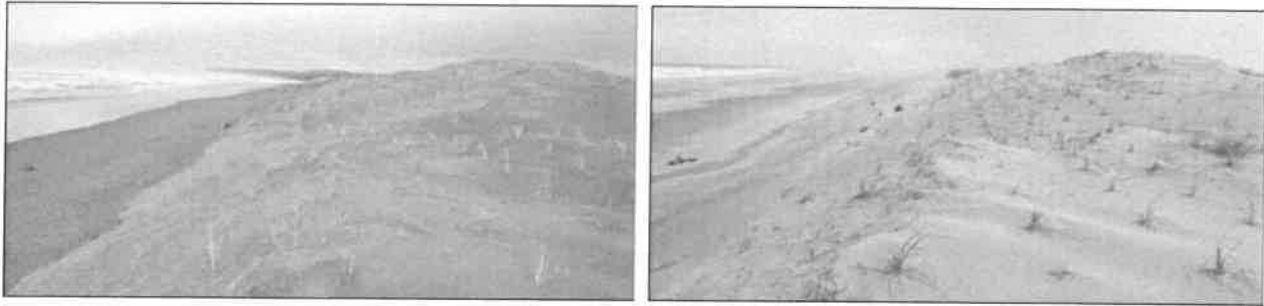


The front face of the dune mat treatment, showing poor survivorship of all but the native grass *Poa macrantha*. The January scarp is visible on the right.

Relatively small amounts of *Ammophila* resprouts were removed by Research Assistants, refuge staff and volunteers at the Lanphere adaptation site over this reporting period. Resprouts will continue to be treated through the summer as they emerge. In addition, invasive annual grasses (particularly *Bromus diandrus*) that occur adjacent to the adaptation site were removed by flaming them.

Graduate student Alana Rader is nearing completion of her thesis, which includes a geomorphic change analysis of the adaptation site from the start of the project in 2015 (prior to *Ammophila*

removal) through fall 2016, covering the removal portion of the project. Ground-based LiDAR scans of the site will be repeated in May and October.



*Elymus* treatment soon after planting in late January (left)  
New growth by early May, following high winds (right)

### **Eel River Adaptation site**

As reported in the last quarterly update, the *Elymus* plantings at Eel River have suffered effects of burial and excavation from winter storms. More recently, signs of grazing by mammals are evident on surviving plants. The use of planting alone as an adaptation measure do not appear promising in an overwash site such as this. Project partners met on the site in April to discuss next steps. If permits and funding can be obtained, a small scale pilot project will be implemented based off of plans for foredune rebuilding at the Eel River Estuary Preserve. This would involve re-contouring of sand and use of sand fencing in addition to planting.

The poor performance of *Elymus* at the Eel River adaptation site indicated potentially limiting environmental factors. To test this, two new plots of *Elymus* consisting of 100 plants each were established by Humboldt State University students in early April, one at Eel River and one at Ma-le'l Dunes. An additional component of the study involves collecting sand from both sites and growing plants in controlled greenhouse conditions.

### **Bureau of Land Management Propagation Site**

As reported in the previous quarterly report, a new BLM propagation site was planted with *Elymus* earlier this winter. Two new topographic profiles were established to monitor geomorphic changes at the site.

### **Shoreline Trend Analysis**

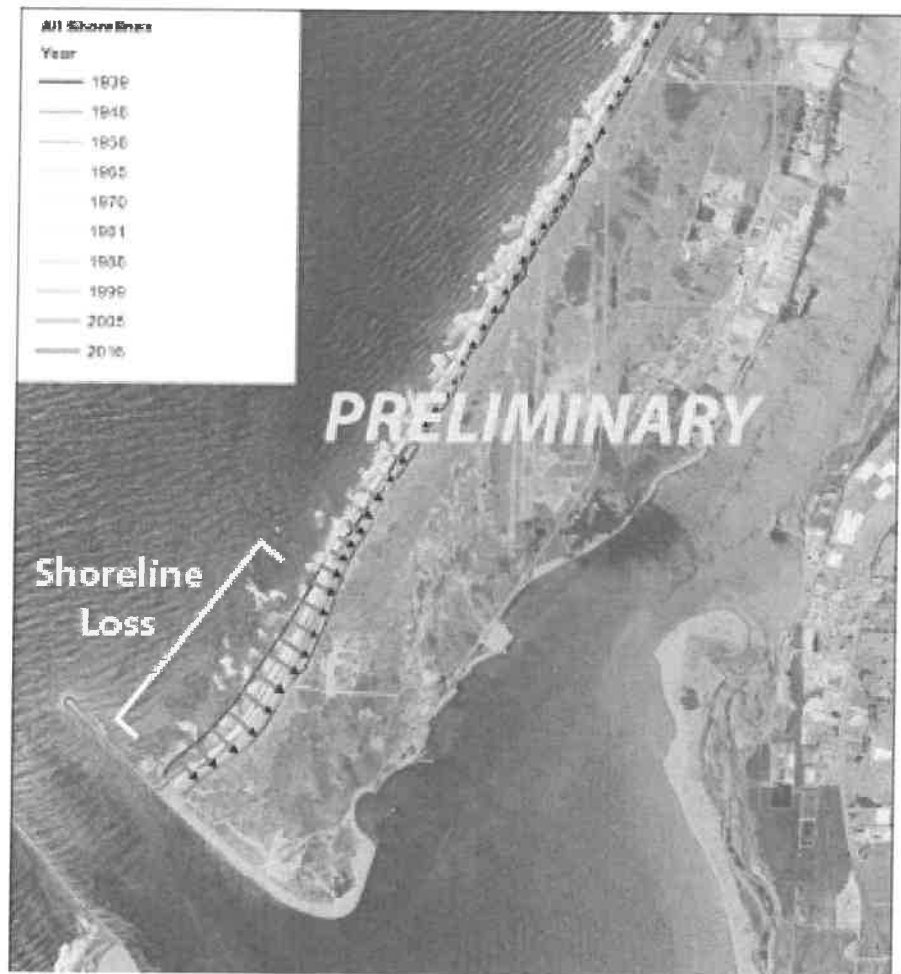
Research Associate Kelsey McDonald and the consulting firm GHD are nearing completion of historic shoreline mapping of northern and southern portions of the study area. Digital Shoreline Analysis Software is being used to calculate rates of shoreline loss (erosion) and gain since 1939, the date of the earliest aerial photos. Additional mapping of geomorphic features such as blowouts and washovers will be used to describe events not captured by the shoreline analysis. This information, together with survey data, will be used to develop a preliminary analysis of sea level rise vulnerability.

Preliminary results indicate shoreline loss at the South Spit Eel River and the area north of the North Jetty (see preliminary map).

Shoreline gain was seen at Little River/Clam Beach, South Spit, and North Spit Eel River.

The remainder of the North Spit showed long-term stability, or slight gain of shoreline.

The final reports are scheduled to be completed this summer. These results will inform modeling of sea level rise impacts, and will be an important component of the vulnerability analysis.



### **Outreach**

Dunes Climate Ready Talk at the Tolowa Dunes

Sunday, July 30, 1 p.m. - 4 p.m.

Kim McFarland, Executive Director of Friends of the Dunes, will present an overview of the Dunes Climate Ready Study. The talk will be followed by a hike in the Tolowa Dunes.

### Dunes Climate Ready Walk at Little River State Beach

Saturday, June 24, 10 a.m. - noon

The Dunes Climate Ready study has been tracking the movement of sediment along a 32 mile stretch of our coastline in order to understand threats of sea level rise and test adaptation strategies. Learn about the Dunes Climate Ready Study and the Little River State Beach nearshore dunes restoration project with Michelle Forsy, Environmental Scientist, with California State Parks.



For additional background information visit the following websites:

- \* [Humboldt Bay National Wildlife Refuge](#)
- \* [State Coastal Conservancy](#)
- \* [Friends of the Dunes](#)

Friends of the Dunes, PO Box 186, Arcata, CA 95518

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# e-News

## Little Hoover Commission Refining Special Districts Review

At its business meeting last week, the Little Hoover Commission set direction for the next steps in its review of special districts that began last August. Several Commissioners articulated an evolution in their opinion on special districts and the approach the Commission should be taking. Generally, the Commission expressed a desire to focus on how special districts and the State can provide the public with better information about local services providers. The Commission will now call a "roundtable" meeting in June with key stakeholders in order to refine the recommendations it is drafting for its final report.

Commissioners in attendance were in consensus that extreme approaches to local governance, such as the 10-year sunset idea referred to as a "special district death sentence" by a Commissioner in a previous meeting, are not the right approach. Rather, Commissioners articulated a desire to provide local communities with the information they need to best make determinations at the local level. They also expressed a desire to help local agency formation commissions perform their mission of reviewing municipal services and overseeing formations, dissolutions, and reorganizations of local agencies.

Five of the 12 sitting Commissioners (there is currently one vacancy) participated in last week's business meeting, including Commission Chair Pedro Nava, Vice-Chair Sean Varner, Assembly Member Chad Mayes, David Beier, and Jana Sidley.

Many of the Commissioners noted the value of the work special districts perform, including Commissioner Beier who commented that "Special Districts serve an important and vital purpose." Commissioner Sidley noted that she has met with several special district officials and among them, "All are well run and doing important work that I think the communities appreciate." However, these Commissioners also discussed room for improvement.

Commissioner Beier stated that, "There is an opportunity to enhance efficiency through transparency." Commissioner Sidley shared that she would like to ensure taxpayers know who to call to address concerns related to their services, and Commissioner Varner added that, "Transparency is key and taxpayers need to know this information."

CSDA Advocacy and Public Affairs Director Kyle Packham was present at the business meeting and spoke to special districts' ongoing commitment to transparency and accountability. Packham noted that CSDA supports opportunities to work together with the Commission to improve upon these efforts, which were highlighted in [CSDA's August 8, 2016 written testimony](#) to the Commission. CSDA looks forward to further discussions with the Commission, and will attend the upcoming roundtable meeting on behalf of all special districts.

Little Hoover Commission Chair, Pedro Nava, will serve as the keynote speaker at Special Districts Legislative Days May 16-17 in Sacramento. It's not too late to register at [legislatedays.csdanet.net](http://legislatedays.csdanet.net). Check out a sneak peek of the agenda [here](#).



SECTION F9 PAGE NO. 1  
**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

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

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JOHN FRIEDENBACH

May 3, 2017

Nicole Speaker  
c/o Sarah Atkins, Atkins Drafting  
2814 G Street  
Eureka, CA 95501

RE: HBMWD Easement on 2949 Janes Creek Road, Arcata, CA: APN 507-511-009

Dear Ms. Speaker,

As you are aware, the District has an easement on the above-mentioned property in Arcata, CA. Ms. Atkins has brought to our attention that you would like to convert an over-garage living space to a second unit. We also understand the costs are becoming prohibitive unless you build a 3-foot wide, non-covered exterior staircase to access an above garage living space and this would encroach on our easement.

The District is willing to allow the exterior staircase be built and encroach on the District's easement with the understanding that this does not affect our easement rights and in the unlikely event the District needs access, the staircase may need to be removed at the owner's expense.

Please note that this letter agreement does not in any manner revise or amend the District's existing recorded easement rights. It is a license agreement that can be revoked at any time in the discretion of the District. If it is necessary, in the sole discretion of the District, for the staircase to be removed in the future, landowner will remove the stairs at their sole expense. The District will not be liable or responsible for any loss of use of landowner that landowner may incur during the time the stairway is removed. Landowner will not restore the stairs without written consent of the District.

By signing below, you consent that you understand and agree to the terms set forth above.

If you have any questions, please contact me at (707) 443-5018 or via email at [friedenbach@hbmwd.com](mailto:friedenbach@hbmwd.com)

Sincerely,

John Friedenbach  
General Manager

\_\_\_\_\_  
Nicole Speaker  
Property Owner, APN 507-511-009

cc: Arcata Planning Department  
Paul Brisso, Legal Counsel  
Dale Davidsen, Superintendent

## **Humboldt, McKinleyville services districts eye rate increases**

**HCSO board to decide June 13**

*By Hunter Cresswell, [hcresswell@times-standard.com](mailto:hcresswell@times-standard.com), [@eurekaTS](https://twitter.com/eurekaTS) on Twitter*

Wednesday, May 24, 2017

The Humboldt Community Services District has water and sewer rate increases up for board approval next month and the McKinleyville Services District plans to continue yearly incremental water and sewer rate increases, according to district officials.

Last week the Eureka City Council voted unanimously to increase water and sewer rates to address necessary upgrades and repairs to aging or outdated water and sewer infrastructure. Humboldt Community Services District general manager David Hull said the board is considering raising rates due to similar issues involving infrastructure and because rates should regularly be raised to match inflation.

“Our board here is very sensitive to doing any kind of rate increases,” he said.

According to information on the Humboldt CSD website, water rates for district residents could go up 39 percent during the 2017-18 fiscal year, 7 percent the next year, 3 percent the year after, 2 percent the year after that and 1.5 percent the year after that. Sewer rates could go up 27 percent during the 2017-18 fiscal year, 10 percent the following year and 2 percent each year for the next three years after that, according to the website.

Humboldt CSD was formed in 1952 and has been joined with the city of Eureka’s water system ever since. The district buys about a third of its water from Eureka and sends all wastewater to the city’s treatment plant. It therefore has a 32 percent obligation to pay for capital improvement projects there, Hull said.

That obligation caused his district to pay the wastewater treatment plant \$1.5 million instead of the average \$200,000 last year due to upgrades, he said. These upgrades are also part of the reasons Eureka raised its sewer rates, Eureka Public Works Director Brian Gerving previously told the Times-Standard.

“We had some things that were coming up, we had not done [rate increases] in a while,” Hull said.

The increased rates would help pay for continued, reliable water and sewer systems, capital improvements over the next five years and maintaining fiscal reserves, Hull said.

“We maintain adequate reserves so we can deal with emergency water and sewer issues,” he said.

Capital improvements include repairing a defunct well, maintaining water tanks, a system-wide leak survey and the Martin Slough project which aims to reduce the number of pumps needed to transport wastewater. Over the next five years the district will be paying over \$8 million for wastewater projects — including helping out with the upgrades of Eureka’s wastewater treatment plant — and about \$5 million for water projects, Hull said.

The Humboldt CSD public hearing on the rate increases is scheduled for June 13 at 5 p.m. at 5055 Walnut Drive in Eureka. The district board could vote that day to approve of the new rates but they wouldn’t take effect until Aug. 1, Hull said.

College of the Redwoods is the biggest water user in the Humboldt CSD, CR IT and Facilities Director Steven Roper said.

“I’m not looking forward to rate increases,” he said.

But higher sewer rates won’t affect the college because it has its own wastewater treatment plant. And higher water rates won’t affect student fees or tuition, which are set by the California State University Chancellor’s Office, he said.

“We typically simply have to roll with it and try and find the moneys for it,” Roper said.

McKinleyville CSD, unlike Humboldt, increases rates often, McKinleyville CSD general manager Greg Orsini said.

“We try to increase rates every single year. It’s a much better policy to incrementally increase rates,” he said.

For the past five years rates have been increased annually and the district will likely seek to extend those incremental annual increases for another five years, Orsini said.

“Right now our average water bill is somewhere in the \$80 per month range,” he said, adding that rates will likely go up two or three percent — a few dollars — every year to match inflation rate.

Sewer rates are a different story.

“The sewer rates we’ve had to increase significantly because we’re in the process of doing a major upgrade to our wastewater treatment facility,” Orsini said.

Much like the city of Eureka and Humboldt CSD’s treatment plant, McKinleyville’s must undergo regulatory upgrades to reduce environmental impacts, he said.

The between \$12 million and \$15 million project will be paid for over the next 20 years, Orsini said. He added that starting early on the regulatory upgrades should mean the facility is done before the regulations take effect.

“We have been away that this was going to happen and have been working on that,” Orsini said.

More district information can be found at [humboldtcsd.org](http://humboldtcsd.org) and [mckinleyvillecsd.com](http://mckinleyvillecsd.com).

*Hunter Cresswell can be reached at 707-441-0506.*

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URL: <http://www.times-standard.com/general-news/20170524/humboldt-mckinleyville-services-districts-eye-rate-increases>

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## **Eureka City Council raises water and sewer rates amid public outcry**

### **Local property, business owners speaks out against unanimous council decision**

*By Hunter Cresswell, [hcresswell@times-standard.com](mailto:hcresswell@times-standard.com), [@eurekaTS](#) on Twitter*

Tuesday, May 16, 2017



The Eureka City Council during its Tuesday evening meeting voted unanimously to implement raised water and sewer rates despite numerous community members decrying the rate hikes before the council came to a decision.

All city council members were present for the meeting in the packed Eureka City Hall council chambers.

The council approved the rate increase after much discussion and public comment against the increase. Of the about 10 public commenters, only one was in favor of the increase.

“Clean water is a priority, I support this,” Councilwoman Kim Bergel said before making a motion to approve the rate update that was seconded by Councilwoman Natalie Arroyo.

Eureka Public Works Director Brian Gerving said in his presentation that the average Eureka residents water and sewer bill will go up incrementally over the next five years from \$72.15 a month to \$98.04 and that the percentage increase will be more for commercial users. The increase was necessitated by projects, maintenance, repairs and upgrades needed systemwide in the future, he said.

“Thirty-five percent of our sewer collecting system was installed before 1920,” Gerving said.

About \$16 million in capital projects, \$9 million on the collection system and \$7 million on the wastewater treatment plant, are needed in the next five years, he said. Over the next 13 years, the treatment plant will need between \$15 million and \$30 million in upgrades to meet new regulatory standards, Gerving said.

“There’s no doubt that these rates will affect all customers,” he said.

The proposal would increase water rates by 4.75 percent per year for the next five years for a total increase of about 26 percent. Sewer rates would increase by 130 percent over the five years, increasing by 29 percent for the first two years, but then reducing to a 5 percent increase by the fifth year, according to previous Times-Standard coverage.

Eureka residents, property owners and business owners came forward to speak out against the increased rates saying that they will drive up rent and reduce access to affordable housing.

“I can’t charge them more rent,” Eureka resident Claudia Cranford said about her tenants.

Pacific Choice Seafoods general manager Rick Harris said his water costs will go up about \$500,000 per year by the end of the incremental five year increases.

“I’d like to find half a million dollars in our product,” he said noting that was unlikely.



“These people can not afford for me to raise their rents anymore,” Don Davenport said of his tenants.

The one man to come forward in support of the increases stated that they were necessary to keep things running and that Eureka residents need to reduce their water usage.

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“This is not a fun situation to be in,” Arroyo said. “ ... This is the unfortunate reality of having aging infrastructure.”

The new rates will take effect on Aug. 1 and only July 1 for each subsequent year.

More water and sewer rate information can be found at [ci.eureka.ca.gov/depts/pw/water\\_sewer\\_rate\\_study.asp](http://ci.eureka.ca.gov/depts/pw/water_sewer_rate_study.asp).

The next regular Eureka City Council meeting is scheduled for June 6 at 6 p.m. in the Eureka City Hall council chambers at 531 K St. More city information and council meeting agenda packets are available at [ci.eureka.ca.gov](http://ci.eureka.ca.gov).

*Hunter Cresswell can be reached at 707-441-0506.*

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URL: <http://www.times-standard.com/general-news/20170516/eureka-city-council-raises-water-and-sewer-rates-amid-public-outcry>

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## Going up: How higher water rates could affect you

**Both residents, businesses will see higher bills come Aug. 1**

By Hunter Cresswell, [hcresswell@times-standard.com](mailto:hcresswell@times-standard.com), [@eurekaTS](https://twitter.com/eurekaTS) on Twitter

Wednesday, May 17, 2017



On Tuesday the Eureka City Council voted unanimously to raise water and sewer rates for customers hooked into the city's water and wastewater system in order to pay for necessary repairs, upgrades and maintenance work.

What it means for the average Eureka resident is that water and sewer bills will be about \$26 higher than usual per month. For average light commercial users with a 1.5-inch meter hook-up, water and sewer bills could almost double, according to figures provided by Eureka Public Works Director Brian Gerving on Wednesday.

With 35 percent of the city's sewer system built before 1920, the city is looking at \$16 million in projects for the sewer and wastewater treatment plant. A discharge permit and changes to regulations will cost the city an additional \$15 million to \$30 million over the next 13 years. To pay for this, the city needs to increase water fund revenues by about 26 percent over the next five years and boost wastewater funds about 129 percent over the next five years.

The end result is water and sewer rates will be incrementally increased every year, starting Aug. 1 this year and July 1 every year after, for five years, Gerving said.

"We definitely understand the impact that the rates will have on our customers," he said.

Gerving added that paying more is never desirable, but it's necessary in this case.

"On our end we feel it is very critical to maintain our systems. Providing clean water and treating wastewater, I think, are two of the most important priorities the city has," he said.

Out of ten public commenters on Tuesday, only one supported the rate increase and saw the necessity, he said.

The other public commenters were residents, landlords and business owners worried about what the increased rates could do to them.

Pacific Choice Seafoods general manager Rick Harris previously told the Times-Standard that the processing plant produces more wastewater than any other Eureka business. During his comment at the meeting, he said he expects his water and sewer bill to jump from its current \$400,000 a year to nearly \$900,000 in five years.

"I don't seem to have an answer right now," Harris said.

He asked the council for support.

"We're working with the city now to figure out a way to get in compliance — into a lower rate. We'll see what we can do for a footprint, what we could do for equipment for further treatment. I just want to advance notice to

the council to please get on board and support that," Harris said.

Gerving said customers with bigger meters, get bigger bills. Typically residences have meters that are five-eighths to three-quarters of an inch, but the meters can go up to 8 inches for businesses.

"There's a whole lot more variability on the commercial side than on the residential," he said.

Financial controller Michael Montag of HealthSPORT, which has locations on the Eureka waterfront and in Myrtle town, said he doesn't anticipate the changes to affect the waterfront location a lot. The gym in Myrtle town has a pool, while the other, which is on Eureka's water system instead of Humboldt Community Services District like the Myrtle Ave location, does not.

"We have seen some changes over time but nothing big since opening the Eureka location," he said about water rates.

The waterfront location currently pays about \$100 a month in water and sewer bills and even if that doubles that wouldn't be a large problem, Montag said.

"We're not really anticipating anything significant," he said.

But the Myrtle town location could soon be affected by possible rate and sewer increases in the Humboldt Community Services District, Montag said.

Harris said the company is a big tenant on the waterfront that has been there for 30 years.

"We're a big income to the city," he said. "I certainly don't want us to go away; we don't want to go away. We sure gotta find a way to make this work."

*Hunter Cresswell can be reached at 707-441-0506.*

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URL: <http://www.times-standard.com/general-news/20170517/going-up-how-higher-water-rates-could-affect-you>

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SIERRA JENKINS / FRIDAY, MAY 12 @ 6:04 P.M.

## **Eureka's Water, Sewer Service Could Get a Lot More Expensive Soon. We Visit the Wastewater Treatment Plant to Find Out More**

The city of Eureka has a multitude of utility projects coming down the pipeline, and it's looking to rate payers to shell out more money for the expenditures.

The city is proposing to increase water rates by a total of 26 percent over five years, which would be evenly distributed. However, sewer rates are projected to increase by 129 percent during the five years, with higher increases in the first three years and lower in the last two. But why such a drastic difference and spike? Well in this LoCO Video Report we head over to the city's wastewater treatment plant to take a tour and find out more about the projects.

Eureka's wastewater treatment plant processes five million gallons of wastewater per day, and that's only in dry weather conditions. When there's heavy rainfall, it can jump up to processing more than 20 million gallons of wastewater per day. That's a lot of dirty water.

And although the plant is properly managed, the infrastructure is over 30 years old and breaking down, even recently causing \$2.8 million in an emergency project.

Michael Hansen has worked at the plant for more than a decade and is now the acting deputy public works director of utility operations. He explains issues with the aging plant.

"You have the harshness of the saltwater air on the outside that's attacking everything. Then from the inside, there's all the hydrogen sulfide and sewer gases that are constantly working and chipping away at anything that's metal or concrete, which is just about everything around here," he said.

Currently the city has a few projects already in the works. First, replacing the covers of the plant's two sludge digesters (we talk much more about how these nifty pieces of equipment work in the video), which are being custom fabricated in Oregon. Next, replacement of the plant's grit removal system, which screens out larger material and is the first place wastewater goes when arriving at the plant. Then there's the on-going project of removing biosolids from the plant.

"We discharge our wastewater into the bay on the outgoing tide but the solid portion goes through the digesters, and goes into holding lagoons. Then it has to be dewatered, and from there, we have to truck that out or have it land-applied somewhere," said Hansen. "So that's something that's a constant issue for us, is finding places to be able to haul that to."

But these projects are just scratching the surface. Regulatory changes have reclassified the plant's outfall (the pipe system that releases the cleaned water into the bay) from an

ocean discharge to bays/estuaries discharge. Meaning it's going to cost between \$15 and \$30 million to upgrade the plant into compliance before 2030. Then there's an estimated \$10 million over five years in maintenance. And roughly \$25 million to be spent on the sewer collection system in the next 20 years to address capacity, rainfall and structural issues.

"Over 30 percent of our collection system is more than 100 years old," said Public Works Director Brian Gerving. "So those things add up to mean that there are far more projects that need to be done for our wastewater operations and that's compounded by the fact that the fund itself isn't in a strong a position. Because the revenues from recent years haven't been covering the costs of all the expenditures, especially when it comes to capital needs for some of these emergency projects."

Unfortunately these projects aren't covered by taxes, fees or the general fund. The city's water and wastewater operations are known as enterprise funds, completely separate from all of the city's other funding sources.

"And they each function effectively as their each own standalone businesses," he said. "And what that means is the cost of providing the service to our customers — whether it's procuring the water, getting it out through the pipes, having our field crews do work on the system, collecting the wastewater or treating it — all of those things have to be covered by the revenues that are generated by our ratepayers."

Gerving adds that the water rate increases are lower because infrastructure is in better condition, the fund is stronger, and there's fewer projects to be done. But regardless, increases big or small, are going to have a direct affect on the residents and businesses of Eureka.

Citizens will have the chance to weigh-in on the proposed increases at a 6:00 p.m. special meeting at City Hall on May 16.

## Samoa Peninsula Fire Protection District looks to become community services district

### Expansion to offer community services being discussed

By Hunter Cresswell, [hcresswell@times-standard.com](mailto:hcresswell@times-standard.com), [@eurekaTS](https://twitter.com/eurekaTS) on Twitter

Tuesday, May 16, 2017



The Samoa Peninsula Fire District is seeking both Humboldt County Board of Supervisors and voter approval to reorganize into a community services district.

If approved, the district would provide the town of Samoa with water and sewer services, street and streetlight maintenance, parks and recreation opportunities, tsunami readiness, and of course fire protection, district board president Troy Nicolini said.

“It’s kind of like everything a city has except law enforcement,” he said.

Fees paid to the community services district would cover things such as water and sewer services but a tax would be needed to fund recreation projects such as building parks, ball fields and trails, Nicolini said.

“There will be a special tax in Samoa to pay for those things,” he said.

The town of Fairhaven would be provided with better fire protection services and wouldn’t be subject to the above fees or tax, Nicolini said.

“The town of Samoa will have more services than the rest of the peninsula,” he said.

These plans were discussed at a Humboldt Local Agency Formation Commission meeting on Monday and at a Samoa Peninsula Fire District Board meeting on Tuesday evening.

“It was the initial meeting to begin the process of them forming a services district out there,” Humboldt LAFCo alternate member Frank Jäger said about the meeting agenda item and discussion.

Letters supporting the reorganization were read and the district set-up process was also discussed during the Monday meeting, he said.

“They’re just guiding the process,” Jäger said about LAFCo’s involvement in the process.

“I think it’s a good plan,” Humboldt County 4th District Supervisor Virginia Bass said.

She said she’s been working on this project since being elected to the board.

“I think this has a lot of community support, obviously not everyone,” Bass said.

Having the district reorganized could help address issues with wastewater and septic tanks in the district. A lot of current septic tanks systems have “challenges” that could cause issues because the water table is so high on the peninsula, she said.

“It’d be much better served and less likely to cause any environmental damage in the future,” Bass said.

According to documents posted to the fire district’s website, the proposed community services district will cover the current fire district boundary — which covers most of the peninsula from Samoa to south of Fairhaven — and more. A section of the beach above the end of the North Spit of Humboldt Bay is included in the proposed new jurisdiction.

Efforts to get this reorganization finalized have been in the works for about eight years, Nicolini said.

“It’s been a long process,” he said.

SECTION Flc, PAGE NO. 10

About 400 people live in the district, Nicolini said.

“The whole peninsula right now only has a couple hundred rate payers,” he said.

But Nicolini said he anticipates population growth on the peninsula in the future.

“We have a huge call volume that’s not paid for by our residents and that’s always been a problem,” he said.

This is caused by the high number of people that come out to the peninsula for recreational activities and end up hurting themselves or needing some other kind of assistance, Nicolini said.

“We have to get the board of supervisors’ approval to put this on the November ballot,” he said. “If it passes the election, there will still be a lot of work to do.”

If the reorganization is approved by district voters in November, staff would need to be hired, Nicolini said.

“They’ll all be cross-trained as firefighters,” he said.

This would harken back to the heyday of Samoa when it was a bustling mill town. All mill workers and most peninsula residents at the time would respond to fires and emergencies if needed, Nicolini said.

“It’s kind of looking into the past to find innovation solutions to future problems,” he said.

More information on the reorganization can be found at [samoafire.org](http://samoafire.org) or [humboldtlafo.org](http://humboldtlafo.org).

*Hunter Cresswell can be reached at 707-441-0506.*

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URL: <http://www.times-standard.com/general-news/20170516/samoa-peninsula-fire-protection-district-looks-to-become-community-services-district>

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Director, Planning and Building

**COUNTY OF HUMBOLDT  
PLANNING COMMISSION**

**825 Fifth Street  
Board of Supervisors Chambers  
Eureka, California**

**AGENDA**

**Thursday, May 4, 2017**

**6:00 PM**

**Regular Meeting**

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*NOTICE REGARDING PUBLIC COMMENT: For items appearing on the agenda, the public is invited to make comments at the time the item comes up for consideration by the Commission. The Chair will call for public comment as each item is heard by the Commission. For items not appearing on the agenda, the public is invited to make comments during the Public Comment period for non agenda items. All speakers are invited to state their names, but are not required to do so.*

**CALL TO ORDER / SALUTE TO FLAG**

**COMMISSIONERS PRESENT**

**AGENDA MODIFICATIONS**

**APPROVAL OF ACTION SUMMARY**

**PUBLIC COMMENTS**

*At this time persons may appear before this Commission on any matter not on the Agenda. When the Chair asks for public comment, please address the Commission from the microphone. Unless otherwise stated, speakers will have three (3) minutes for public comment. Although the Commission may briefly respond to statements or questions, under state law, matters presented under this item cannot be discussed or acted upon by the Commission at this time.*

**6 Samoa Pacific Group Coastal Development Permit, Conditional Use Permit, Planned Development Permit and Special Permit**

Case Numbers CDP 16-064, CUP 16-209, PDP 17-001, SP 17-008

Assessor Parcel Numbers 401-031-036, 401-031-065, 401-031-038, 401-031-044, 401-031-046, 401-031-055, 401-031-059

Samoa area

A Coastal Development Permit, Conditional Use Permit, and Planned Development Permit for: 1) reconstruction and new construction for Vance Avenue from the north end of Samoa near Cookhouse Road southerly to the south end of the Samoa Pacific Group property. The work will include sidewalk construction, shoulder widening and installation of underground utilities; 2) development of an eighty (80) unit affordable housing project which includes ten buildings, including a community building with kitchen, office and meeting room; 3) construction of a water storage tank for domestic water and fire suppression for Samoa; and 4) construction of a new wastewater treatment and effluent disposal system for Samoa (The construction will be the first phase of a system that will be enlarged incrementally as new development progresses in Samoa). A Special Permit is required for Design Review.

**Recommendation:** Move to adopt the Mitigated Negative Declaration, and make all of the required findings for approval of the Coastal Development Permit, Conditional Use Permit, Planned Development Permit and Special Permit based on evidence in the staff report and any public testimony, and adopt the Resolution approving the proposed Samoa Pacific Group project subject to the recommended conditions.

**Attachments:** CDP 16-064 Staff Report  
Biological Report  
Certified EIR Mitigation Measures  
Greenhouse Gas Analysis  
WTrans Traffic Analysis

## DEPARTMENTAL REPORT

**7 Director Ford to give Planning Commission project forecasting update.**

**Attachments:** PC project forecast report May 4, 2017

## ADJOURNMENT

## NEXT MEETINGS

May 18, 2017      *Special Meeting*  
June 1, 2017      *Regular Meeting*

## ❖ OUT ON THE PENINSULA

## 80 housing units, new government coming to Samoa

**Jack Durham**

MAD RIVER UNION

SAMOA – The old company town of Samoa may soon get new sewer and water systems, a rebuilt roadway with sidewalks, and three-story townhouses with room for 80 families. The community, as well as nearby Finntown and Fairhaven, may also get a new services district to provide governance and oversee sewer, water, parks, recreation, drainage and firefighting services on the peninsula.

The construction in Samoa is the first phase of a much larger project to subdivide the company town so its individual lots can be sold and to develop the area with more homes and a business park.

The first phase was approved May 4 by the Humboldt County Planning Commission, which granted Samoa Pacific Group LLC a coastal development, conditional use and planned development permits.

### Infrastructure upgrades

The town's main roadway, Vance Avenue, will be reconstructed and extended from the north end of Samoa near Cookhouse Road to the south end of the property. It will ultimately extend all the way to the industrial area where Eel River Resource Recovery operates. This will provide Samoa residents with two ways in and out of town, instead of just one entrance.

*The road will be widened, sidewalks will be installed and utilities will be placed underground.*

The town will get a new sewer treatment plant, which will be built so it can be expanded in future phases of the town's development. A new water tank will be installed to provide residents with drinking water and to provide a reservoir adequate for fire fighting.

### Townhouses

A total of 80 townhouses will be built in 10 different buildings to be located east of Vance Avenue and north of Soule Street and the south end of town. Included in the development will be a community building with a kitchen, office and meeting area.

Because part of the town is in a tsunami zone,

**SAMOA ❖ A6**



# Samoa | Townhouses would be three stories high

## FROM A1

the living quarters in the townhouses need to be at least 32 feet above sea level. To accomplish this, the townhouses will be three stories tall, with the first floors serving as a parking garages.

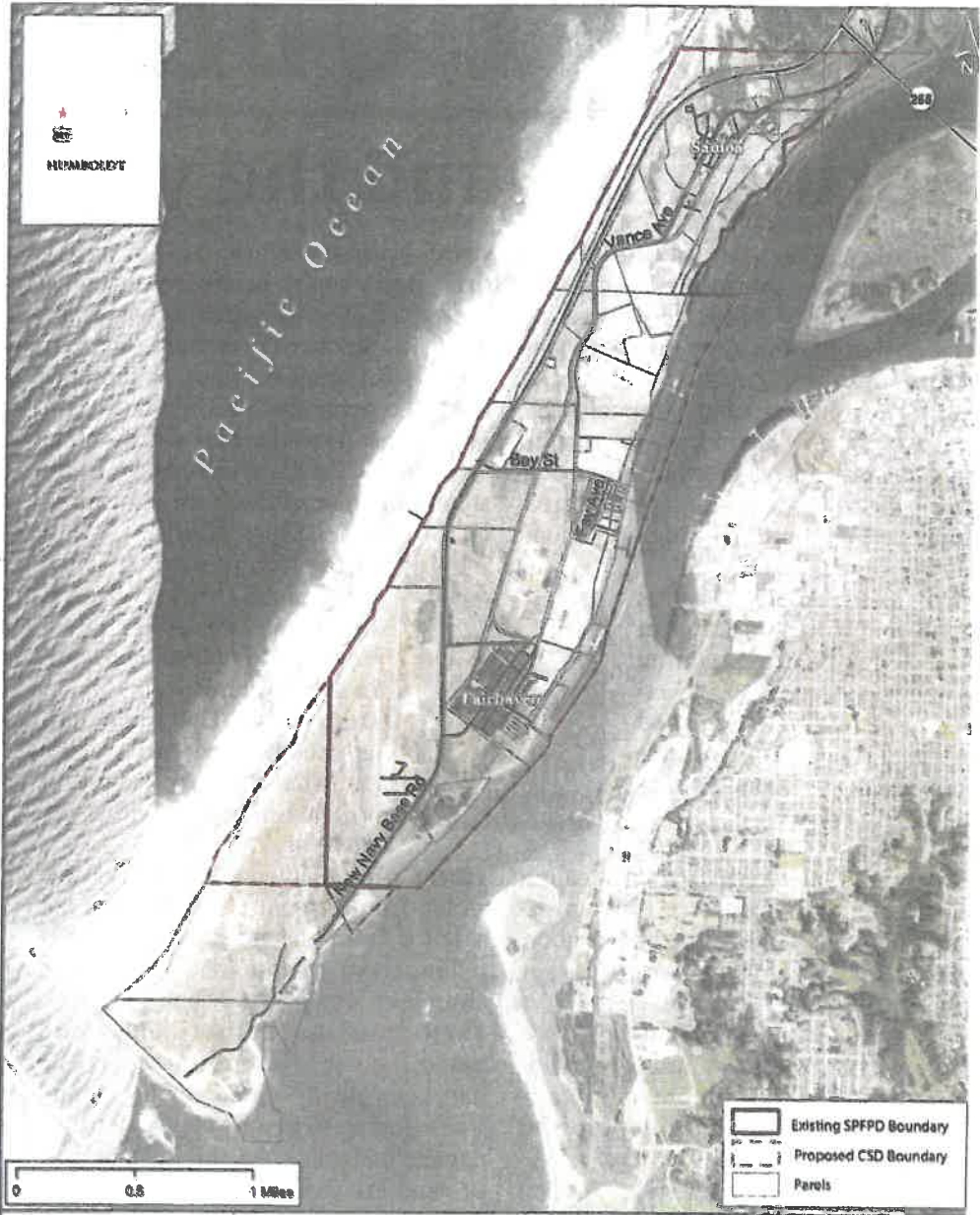
Mike O'Hern of Kelly-O'Hern Associates, an agent for Samoa Pacific Group LLC, said that construction of the infrastructure improvements and the townhouses may take place next year if financing is available.

The timing for future phases of the town's development will depend on market conditions, he said.

### New government

Voters may decide in November whether to create a new community services district to oversee municipal services in Samoa, Finntown and Fairhaven.

The Humboldt Local Agency Formation Commission was scheduled to meet May 15, as the *Union* was going to press, to vote on a proposal to reorganize the Samoa Peninsula Fire Protection District into a community services district. The commission's action would begin a process with numerous hearings to advance the creation of a new governmental entity. Voters within the proposed district would ultimately decide the issue on Nov. 7.



**NEW SERVICES DISTRICT** The boundaries of the proposed services district extend from Samoa down to Fairhaven and Finntown. Manila would retain its existing services district and is not part of this plan.

GRAPHIC FROM HUMBOLDT LOCAL AGENCY FORMATION COMMISSION





[Click here to view it in your browser.](#)

## OUTREACH ADVISORY

May 17, 2017

### Superior Court Strikes Down State Water Board's Chromium-6 MCL

A Sacramento Superior Court on May 5 ordered the State Water Resources Control Board to withdraw the maximum contaminant level (MCL) for hexavalent chromium, also known as chromium-6, that was adopted in 2014 and set a new one after it conducts a more thorough study of its economic feasibility.

The State Water Board is reviewing the order and determining how to respond.

#### Background

On May 5, the Sacramento Superior Court issued its final ruling in a case challenging the regulation that set a MCL of 10 parts per billion (ppb) for chromium-6. In *California Manufacturers and Technology Association and Solano County Taxpayers Association v. State Water Resources Control Board*, the court ordered the State Water Board to withdraw its current MCL and establish a new MCL upon conducting an economic feasibility of compliance. In reaching its decision, the court rejected many of the state's responses to comments raising concerns about the economic feasibility of meeting the MCL at 10 ppb, especially for small water systems lacking economies of scale. In remanding the MCL, the court stated that the State Water Board should pay particular attention to small water systems and their users.

ACWA immediately reached out to the State Water Board to learn about its next steps in this area. The State Water Board is reviewing the order, determining how to respond to it, compiling questions and determining the answers to the questions. ACWA has already submitted some questions to the State Water Board and is glad to submit additional questions. The State Water Board wants to make sure it has the answers right before it releases information.

The State Water Board may make information available as early as the end of May or beginning of June. In the meantime, the State Water Board is leaving online the relevant information regarding the 2014 MCL, the compliance plan process enacted by ACWA-sponsored SB 385 (Hueso, 2015), and other background information for chromium-6 until it has a better assessment of the court's order and its impacts.

The Superior Court's decision can be accessed [here](#).

Questions about the chromium-6 MCL litigation should be directed to ACWA Regulatory Advocate Adam Borchard at (916) 441-4545.



## **OUTREACH ADVISORY**

May 16, 2017

### **Assembly Member Garcia Forms Bipartisan Working Group on Water Conservation Legislation**

Assembly Water, Parks and Wildlife Committee Chair Eduardo Garcia (D-Coachella) has formed a bipartisan working group of legislators to address statewide water conservation policy and proposed legislation.

The working group includes the authors of competing legislative proposals, Assembly Member Laura Friedman (D-Glendale) and Assembly Member Blanca Rubio (D-Baldwin Park). Other members include: Assembly Member James Gallagher (R-Yuba City), Assembly Member Shirley Weber (D-San Diego), Assembly Member Anna Caballero (D-Salinas), Assembly Member Joaquin Arambula (D-Fresno), Assembly Member Richard Bloom (D-Santa Monica), Assembly Member Frank Bigelow (R-O'Neals) and Assembly Member Brian Dahle (R-Bieber).

In a press release, Garcia said the working group represents "a balance of rural, urban, coastal, mountain, northern and southern voices committed to setting equitable priorities to protect our state's most precious resource."

The group is expected to meet several times to discuss policy direction on conservation and legislation to implement the Brown Administration's final report, "Making Conservation a California Way of Life," which was released April 7. Several bills have been referred to the Assembly Appropriations Committee's suspense file and are expected to be taken up on May 25.

#### **Bills Pending in the Assembly Appropriations Committee**

ACWA is actively supporting AB 968 (Rubio) and AB 1654 (Rubio), which are policy bills based on water community proposals developed as alternatives to the Administration's approach. The bills cleared the Assembly Water, Parks and Wildlife Committee on April 25 and are currently on the suspense file in the Assembly Appropriations Committee.

ACWA opposes three bills – AB 1667 (Friedman), AB 1668 (Friedman) and AB 1669 (Friedman) – that include problematic language proposed by the Brown Administration. While there are some positive elements in the bills, ACWA believes some provisions are overly prescriptive and represent an overreach in granting permanent authority to the State Water Resources Control Board to develop water conservation standards. Those standards could limit water use throughout California today and into the future regardless of local water supply conditions, water rights and contracts, and ratepayer investments in water supply reliability and drought preparedness. The

Friedman bills also cleared the Assembly Water, Parks and Wildlife Committee on April 25 and are awaiting action on the Appropriations Committee suspense file.

In addition to the policy bills, the Brown Administration has drafted a budget trailer bill – identified as 810 Water Conservation as a California Way of Life on the Department of Finance website – that would authorize the State Water Board to adopt interim standards (prior to 2021) for urban conservation via emergency regulation, and long-term standards (2021 and beyond) via regular rulemaking procedures. It also would add new requirements for water shortage contingency plans and agricultural water management planning.

ACWA opposes the use of budget trailer bills to advance substantive policy changes in state law. The trailer bill on conservation proposes significant public policy changes that should be heard through the deliberative and transparent policy and fiscal committee process and not rushed through the budget trailer bill process, which does not provide adequate time for stakeholder comment and public input.

## Questions

Questions about other conservation legislation should be directed to ACWA Senior Legislative Advocate Whitnie Wiley or 916-441-4545.

**CONTACT**  
**Whitnie Wiley**  
**Senior Legislative Advocate**  
**(916) 441-4545**



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## California may get a new water rights management structure

SACRAMENTO

May 31, 2017 9:47am



*from Central Valley Business Times*

- **Assembly passes “Fair Water Rights” legislation**
- **“State agencies aren’t supposed to have unchecked power”**

Mark Twain is credited with the aphorism, “whiskey’s fer drinkin’ and water’s fer fightin’.” Whether he said that or not, it could almost be the state motto but now the California Legislature is tinkering with the most fundamental – and convoluted – part of California law: water rights.

The California Assembly, on an initial 55-0 vote, has approved the “Fair Water Rights” bill that makes reforms in how the state manages water rights.

Assembly Bill 313, introduced by Assemblyman Adam Gray, D-Merced, makes fixes to what he calls the state’s broken water management structure.

“Anyone who deals with California water knows the system is broken,” says Mr. Gray.

He says the lopsided vote “sends a clear message that we realize it’s time to get to work, starting with restoring the fairness our water rights holders expect and deserve.”

AB 313 establishes a new water rights management structure, creating a new Water Rights Division in the Office of Administrative Hearings to handle all water rights matters.

The shift removes conflicts of interest and built-in biases in the current system, Mr. Gray says.

The State Water Resources Control Board currently exercises vast control over California’s water rights. The board has the power to write regulations, initiate enforcement actions, and conduct hearings in its own courtroom in which Board staff act as the prosecution and Board members act as judge and jury.

“There’s a reason why that structure is extremely unusual: it just isn’t good government,” Mr. Gray says. “State agencies aren’t supposed to have unchecked power. They shouldn’t be able to act with impunity and little accountability to the public.

“Creating a level playing field, as this bill does, ensures water rights holders receive the same due process and objectivity that our justice system promises everyone – nothing more, nothing less.”

Under AB 313, administrative law judges in the new Water Rights Division would handle all water rights matters, providing a neutral body for hearings regarding those complicated, and often

controversial, issues, Mr. Gay says. The bill ensures an efficient, productive transfer of power to the new Water Rights Division, preventing any duplication of work or similar responsibility to fall under the SWRCB, he says.

Byron-Bethany Irrigation District (BBID) provided technical support in crafting the bill, which previously passed through the Assembly policy and fiscal committees without a single “no” vote.

AB 313 now moves to the Senate, where it will be considered in the coming weeks.

# Correspondence

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

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BARBARA HECATHORN, DIRECTOR  
MICHELLE FULLER, DIRECTOR

**GENERAL MANAGER**

JOHN FRIEDENBACH

**RUTH LAKE COMMUNITY SERVICES DISTRICT**

Telephone: 707-574-6332

FAX: 707-574-6080

EMAIL: [RUTHLAKECSD@YAHOO.COM](mailto:RUTHLAKECSD@YAHOO.COM)

12200 MAD RIVER ROAD

MAD RIVER, CA 95552

May 5, 2017

Margaret Long, Trinity County Counsel/Interim CAO  
John Fenley, Trinity County Supervisor  
Bruce Haney, Trinity County Sheriff  
Christopher Compton, Trinity County OES  
Bill German, Southern Trinity Volunteer Fire Department  
Dan Dill, District Ranger, Mad River Ranger District, USFS  
Lee Lupton, CEO; Amanda Huber, COO; Southern Trinity Health Services/STAR  
Brooke Entsminger, STAR EMS Coordinator

Dear Invitees,

We have had a long tradition of conducting annual joint meetings of the Boards of Directors of the Humboldt Bay Municipal Water District (HBMWD) and the Ruth Lake Community Services District (RLCSD). The purpose of these meetings has been to discuss issues that are of mutual interests to both Districts.

This year the Joint Board meeting has been scheduled for Friday, June 23, 2017. It will be held at the HBMWD Ruth Headquarters Office (200 Headquarters Road, Mad River) at 1:00 p.m. The meeting will be preceded by lunch at noon.

We would like to extend an invitation to you to attend both the lunch and the Joint Board meeting. As always, we will include time for and invite updates and discussion from various agencies. An agenda will be sent out prior to the meeting with more details.

After the Joint Board meeting, a brief meeting will be held which will meet the requirements by the Federal Energy Regulatory Agency (FERC) to have face-to-face meetings with emergency responders on our Emergency Action Plan (EAP) contact list. For our EAP plan holders, please bring your latest copy of our EAP which has a neon green cover and date of February 2014.

We hope you can join us.

Sincerely,

John Friedenbach  
General Manager  
Humboldt Bay Municipal Water District

Donny Stewart  
General Manager  
Ruth Lake Community Services District

cc: Trinity County EAP plan holders

AGENCY	No. of Copies
<b>HBMWD</b> <ul style="list-style-type: none"> <li>◆ General Manager (vehicle) (1)</li> <li>◆ Superintendent (home/vehicle) (2)</li> <li>◆ Operations Supervisor (home/vehicle) (2)</li> <li>◆ Assistant Operations Supervisor (1)</li> <li>◆ Maintenance Supervisor (home/vehicle) (2)</li> <li>◆ Assistant Maintenance Supervisor (1)</li> <li>◆ Eureka Library (1)*</li> <li>◆ Eureka Emergency Ops Ctr (1)</li> <li>◆ Essex Emergency Ops Ctr (1)**</li> <li>◆ Korblex Emergency Ops Ctr (1)*</li> <li>◆ Ruth Hydro Operator (vehicle) (1)</li> <li>◆ Ruth Relief Hydro Operators (2)</li> <li>◆ Ruth Hydro Plant (1)**</li> <li>◆ Ruth Lake Headquarters (1)</li> </ul>	<b>18</b>
<b>GHD</b> <ul style="list-style-type: none"> <li>◆ Office (1)*</li> <li>◆ John Winzler (home) (1)</li> <li>◆ Rebecca Crow (home) (1)</li> <li>◆ Pat Kaspari (home) (1)</li> </ul>	<b>4</b>
<b>Humboldt County</b> <ul style="list-style-type: none"> <li>◆ Office of Emergency Services/Sheriff's Dept (1)</li> <li>◆ Humboldt Co. Public Works (1)</li> <li>◆ City of Blue Lake (4)</li> <li>◆ Blue Lake Fire Dept. (1)</li> <li>◆ Blue Lake Rancheria (1)</li> <li>◆ City of Arcata (3)</li> <li>◆ Arcata Fire District (1)</li> <li>◆ Mad River Community Hospital (1)</li> <li>◆ Arcata-Mad River Ambulance (1)</li> <li>◆ CHP-Humboldt (2)</li> <li>◆ Humboldt Co. Admin-Public Info. Specialist (1)</li> <li>◆ Humboldt Co. Office of Education (1)</li> <li>◆ Fieldbrook Volunteer Fire District (1)</li> <li>◆ Cal Fire – Humboldt (1)</li> </ul>	<b>20</b>
<b>Trinity County</b> <ul style="list-style-type: none"> <li>◆ Office of Emergency Services (1)</li> <li>◆ Sheriff (3)</li> <li>◆ Ruth Lake CSD (1)</li> <li>◆ Southern Trinity Area Rescue (1)</li> <li>◆ Southern Trinity Volunteer Fire Dept. (1)</li> <li>◆ CHP- Trinity (1)</li> </ul>	<b>8</b>
<b>FERC (3)</b>	<b>3</b>
<b>Division of Safety of Dams (2)</b>	<b>2</b>
<b>Cal OES</b> <ul style="list-style-type: none"> <li>◆ State Office (1)</li> <li>◆ Eureka Office (1)</li> </ul>	<b>2</b>
<b>US Coast Guard (Humboldt Bay)</b>	<b>1</b>
<b>US Forest Service (Mad River Ranger District) (2)</b>	<b>2</b>
<b>National Weather Service (Eureka) (1)</b>	<b>1</b>
<b>DWR – Flood Control Center (Eureka) (1)</b>	<b>1</b>
<b>Total Number of Plan Holders:</b>	<b>62</b>

\*These Plan holders have a separate, complete copy of W&K's January 2001 Inundation Study  
\*\*Includes laminated set of the two Notification Flowcharts





**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
828 7<sup>th</sup> Street, Eureka

SECTION 61 PAGE NO. 3



**Agenda for Special Joint Meeting of HBMWD Board of  
Directors with the Ruth Lake Community Services District  
Board of Directors**  
200 Headquarters Road, Mad River, CA  
June 23, 2017

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**Convene at Eureka office to travel to Ruth Lake (7:00 am)**

**Visit Various Ruth Area Sites -hydroplant (9:30 a.m. – 12:00 p.m. includes boat  
tour)**

**Marina - Boat tour to inspect lake shore and facilities of interest (10:30 a.m.)**

**Lunch at HBMWD District Headquarters with RLCSD and Guests (12:00 p.m.)**

**JOINT BOARD MEETING– 1:00 p.m.**

**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. Public Comment**
- 2. Introductions**
- 3. Updates from Guests:**
  - a. Trinity County - 5<sup>th</sup> 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
- 4. Ruth Lake CSD Topics**
  - a. Aquatic Invasive Species:
    1. 2016 Annual Report- discuss
    2. Dept. of Boating and Waterways Quagga Prevention Grant
    3. Any issues or areas of concern – discuss
  - b. Lease Lots- area of concern



**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**  
828 7<sup>th</sup> Street, Eureka

SECTION G1 PAGE NO. 4



**Agenda for Special Joint Meeting of HBMWD Board of  
Directors with the Ruth Lake Community Services District  
Board of Directors  
June 23, 2017**

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**5. HBMWD Topics**

- a. Water Resource Planning - status report
- b. Timber Management – discuss
- c. Cannabis Cultivation in the Mad River Watershed
  - i. discussion re: current enforcement efforts
  - ii. input re: ideas or needs to address
- d. Blue Lake Municipal Customer Contract-possible approval

**ADJOURNMENT**

Immediately following the Board meeting, there will be a staff-level meeting to discuss:

- a) HBMWD's Emergency Action Plan for Matthews Dam via face-to-face meeting with RLCSD, USFS, Trinity County Sheriff/OES and Fire Department staff to discuss EAP, especially notification flow charts

Note – start times listed above are estimates and may vary due to traffic delays or length of site visits. Members of the public are invited to address the Board on any items listed on the agenda above, or on issues affecting the operation of the District which are within the jurisdiction of the Board. Public comment may be limited to 5 minutes per person.

(Posted and mailed June 19,2017)



SECTION 62 PAGE NO. 1  
**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

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**BOARD OF DIRECTORS**

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MICHELLE FULLER, DIRECTOR

**GENERAL MANAGER**

JOHN FRIEDENBACH

May 1, 2017

Thomas Torma  
Wiyot Cultural Director  
1000 Wiyot Drive  
Loleta, CA 95551

**Re: California Environmental Quality Act Public Resources Code Section 21080.3(d)  
Formal Notification of Proposed Projects within the Wiyot Tribe's Geographic Area of  
Traditional and Cultural Affiliation**

Dear Mr. Torma;

This letter serves as formal notice to the Tribe of upcoming Humboldt Bay Municipal Water District (HBMWD) construction projects. HBMWD will serving as the lead agency under the California Environmental Quality Act (CEQA) Public Resources Code Section 21000 et seq for each of these projects. We are providing this notification per the request of your letter dated August 26, 2015. The four projects that we would like to notify you of include:

1. Blue Lake/Fieldbrook Glendale CSD Pipeline Mad River Crossing
2. Surge Tower Replacement Project
3. 12kV Switchgear Replacement Project
4. Main TRF Supply Pipeline Replacement Project

The District will be the lead agency for each of these projects, and will perform Cultural Resource Surveys as part of the CEQA analysis. The Cultural Resource Survey will be conducted pursuant to Section 15064.5 of CEQA, 36 CFR 800.4(b), and Section 106 of the National Historic Preservation Act (NHPA). As per these regulations, the Cultural Resource investigation will included a review of the files at the Northwest Information Center (NWIC), a review of archaeological and historical literature pertinent to the project area and general region, and correspondence with Native American Tribes and other knowledgeable individuals regarding the history of the area. The District or their representative will contact the Wiyot Tribe as part of these cultural resource investigations, but this letter is also intended to notify you of these upcoming projects.

The attached Figure 1 shows the location of each of these projects, and the following paragraphs provide general project descriptions.

Project 1 – Blue Lake/Fieldbrook Glendale CSD Pipeline Mad River Crossing

This project will consist of the replacement of the main pipeline that provides potable water from HBMWD to the City of Blue Lake and the Fieldbrook/Glendale Community Services District. The current pipeline is suspended from an old North Coast Railroad Authority (NCRA) trestle across the river. The existing trestle has not been maintained for a number of years and is in jeopardy of failing during a large earthquake or flood event. The District performed a Feasibility Study for replacing the Mad River Crossing with a new aerial crossing over the river or

directionally drilling the pipeline under the River. During the Feasibility Study, the Jamie Roscoe also performed a Cultural Resource Investigation of the proposed project area, and discovered additional cultural artifacts that expanded the footprint of a known archeological site. Mr. Roscoe contacted and corresponded with, including on-site consultations, representatives of the Bear River Band of the Rohnerville Rancheria, Blue Lake Rancheria and the Wiyot Tribe. Partially as a result of this investigation, the final alternative was selected to be the directionally drilled alternative, under the river. This will allow us to help ensure that the identified cultural resource site is not disturbed as part of this work. The final CEQA document for this project will be a Mitigated Negative Declaration and it is in the process of being prepared. We would be happy to further discuss the proposed design and implementation of the project with you and answer any questions you might have.

Project 2 – Surge Tower Replacement Project

This project will consist of the removal of a 70-foot steel tower on the District's industrial waterline on the Samoa Peninsula. The Surge Tower was previously use to control flow and surges in the industrial system prior to the construction of a water reservoir adjacent to the Surge Tower. The 52-year old tower is now rusting, and the foundation has become weakened to an extent that there is concern that the tower could fail during an earthquake or high wind event. The failure of the tower would rupture the industrial water pipeline and the potable water pipeline. This would interrupt potable water service for the residents on the Samoa Peninsula as well as for portions of the Humboldt Community Service District. There will be minimal excavation or ground disturbance work associated with removing the tower. Federal Funds from FEMA will fund a portion of this project. The District is currently beginning the cultural resource survey and biological surveys required as a part of National Environmental Protection Act (NEPA) and CEQA permitting process. The Tribe will be contacted as part of the preparation of the Cultural Resource Study for this project.

Project 3 – 12kV Switchgear Replacement Project

This project will consist of the replacement of the main incoming switchgear at the HBMWD Essex Control Center with a new switchgear assembly and enclosure. The location of the existing switchgear will be moved slightly to the west to a higher elevation to help ensure it is outside of a flood inundation zone. Ground disturbance will be at a minimum and will consist of leveling an approximate 10-feet by 20-feet pad for a foundation. Federal Funds from FEMA will likely fund a portion of this project. The District will perform a cultural resource survey and the biological surveys required for NEPA and CEQA permitting of this project. The Tribe will be contacted as part of the preparation of the Cultural Resource Study for this project.

Project 4 – Main TRF Supply Pipeline Replacement Project

This project will consist of the construction of a redundant supply pipeline from the HBMWD Essex Control Center to the District's Turbidity Reduction Center. There is currently only a single main pipeline between these two location, and if the pipeline failed, it would be impossible to distribute any water to the entire Humboldt Bay area. The project will consist of the installation of approximately 2,500 lineal feet of 24-inch pipe within the existing HBMWD ROW. Federal Funds from FEMA will likely fund a portion of this project. The District will perform a cultural resource survey and the biological surveys required for NEPA and CEQA permitting of this project. The Tribe will be contacted as part of the preparation of the Cultural Resource Study for the project.

Per the Public Resource Code Section 21080.3.1(d), the Tribe has 30-days to request consultation with the District on any of the above projects. The District would welcome comments or questions on any of our projects at any time. Please do not hesitate to call me if you have any questions.

Sincerely,

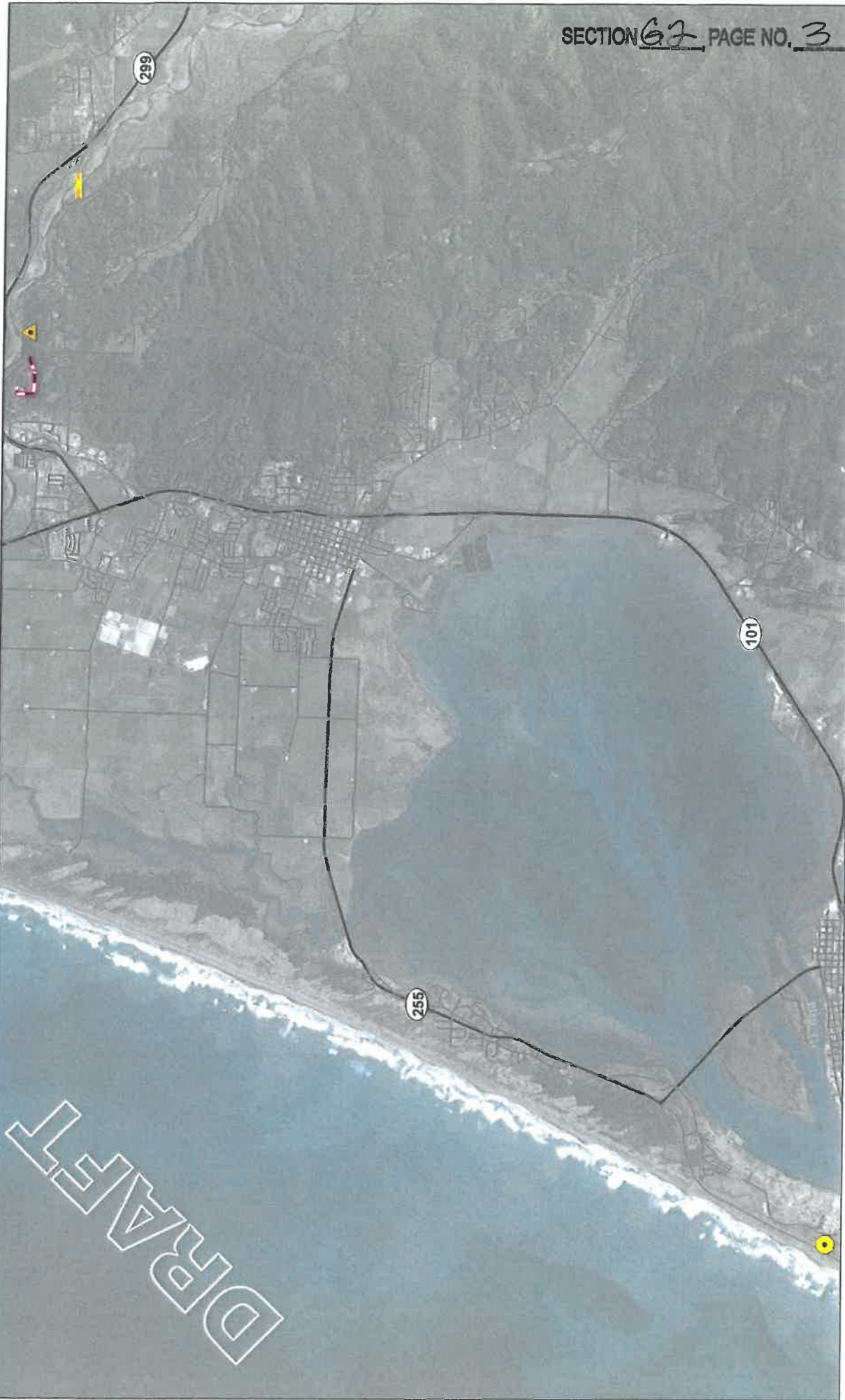


John Friedenbach  
General Manager

Enclosure: Figure 1 – HBMWD Wiyot Tribe Formal Project Notification

Pat Kaspari, GHD

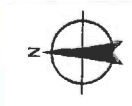
DRAFT



Paper Size ANSIA



Map Projection: Lambert Conformal Conic  
Horizontal Datum: North American 1983  
Grid: NAD 1983 StatePlane California 1 FIPS 0401 Feet



- 12KV Switchgear Replacement Project
- Surge Tower Replacement Project
- Main TRF Supply Pipeline Replacement Project
- Blue Lake/Fieldbrook Glendale CSD
- Pipeline Mad River Crossing
- Highways
- Roads



HBMWD

Wiyot Tribe  
Formal Project Notification

Job Number | B411162  
Revision | A  
Date | 28 Apr 2017

Figure 1

180 Lonsdale Street Melbourne VIC 3000 Australia T 61 3 8887 8000 F 61 3 8887 8111 E meimall@ghd.com W www.ghd.com  
 NIUS(Eureka)Project\egap\Projects\01055 HBMWD\8411162 HBMWD-BLFG CSD Pipeline\Cross-Phs 1\08-GIS\Mapal\Figures\F\_HBMWD\_Wiyot\_Notification.mxd  
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 Data source: GHD project locations; Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community. Created by: jclark2





H.B.M.W.D. JUN -2 2017

## NOTICE OF HEARING TO CONSIDER PROTEST

### REORGANIZATION OF THE SAMOA PENINSULA FIRE PROTECTION DISTRICT INTO A COMMUNITY SERVICES DISTRICT

NOTICE IS HEREBY GIVEN that the Executive Officer of the Humboldt Local Agency Formation Commission ("LAFCo" or "Commission") will hold a public hearing on Wednesday, June 28, 2017, at 4:00 p.m. at the Fairhaven Fire Station, 1982 Gass Street, Fairhaven, CA to receive written protests from registered voters within the area proposed for reorganization, which consists of dissolution of the Samoa Peninsula Fire Protection District (FPD) and formation of Peninsula Community Services District (CSD).

The Commission approved the reorganization proposal on <sup>see attached</sup> May 15, 2017, subject to terms and conditions as set forth in LAFCo Resolution No. 17-06. Pursuant to State law, the reorganization would be terminated if 50% or more of registered voters within the subject territory protest in accordance with this notice. If no majority protest exists, the reorganization proceedings will be forwarded to the Humboldt County Board of Supervisors to call an election for confirmation by the voters. A favorable election would require that a majority (50%+1) of the votes cast be in support of the reorganization.

**Background:** The proposal was initiated by resolution of the Samoa Peninsula FPD for purposes of providing expanded municipal services to the peninsula. State law limits what services a fire protection district may provide. The proposed reorganization of the Samoa Peninsula FPD into the Peninsula CSD would provide the necessary governance structure to retain the existing volunteer fire department and expand the type of services peninsula residents may receive.

The Peninsula CSD would be authorized to provide the following services:

- Water
- Wastewater
- Fire Protection, Rescue, & Emergency Response (including tsunami evacuation)
- Parks, Recreation, Trails, and Open Space
- Landscape Maintenance within Public Areas
- Streets and Street Maintenance
- Storm Drainage

The Peninsula CSD would be named "successor agency" for purposes of winding up the affairs of the Samoa Peninsula FPD, carrying out all authorized duties and responsibilities, and overseeing the extension or continuation of any previously authorized assessment or tax in the affected territory. As such, all existing tax-related revenue that currently supports fire protection services by the Samoa Peninsula FPD would be transferred to the Peninsula CSD to support the continued operation of the volunteer fire department. Any new services to be provided by the Peninsula CSD would require new sources of revenue, such as benefit assessments and user fees, which require landowner approval in accordance with Proposition 218 requirements.

[Continued on back page]

VDS : MUI Q.W.M.B.H

The proposed boundary of the Peninsula CSD would be consistent with the current Samoa Peninsula FPD boundary and sphere of influence, with minor adjustments to account for public lands and tax rate areas (see Exhibit A). In addition, the current Board of Directors of the Samoa Peninsula FPD would serve as the initial Board of Directors of the Peninsula CSD. For this initial board, the terms of three members would be four years, and the terms of two members would be two years. Thereafter, Board members would be elected at-large for four year terms by registered voters residing within the district. Further detail regarding this reorganization may be found at: [www.humboldtlafo.org/peninsula\\_csd/](http://www.humboldtlafo.org/peninsula_csd/)

**How to file a Protest:** Any registered voter within the subject territory may file a written protest against the proposal with the Executive Officer at any time between the date of this notice and the conclusion of the protest hearing on June 28, 2017. Protests may either be mailed to Humboldt LAFCo, 1125 16th Street, Suite 202 Arcata, CA 95521 or delivered to the LAFCo Executive Officer at the protest hearing.

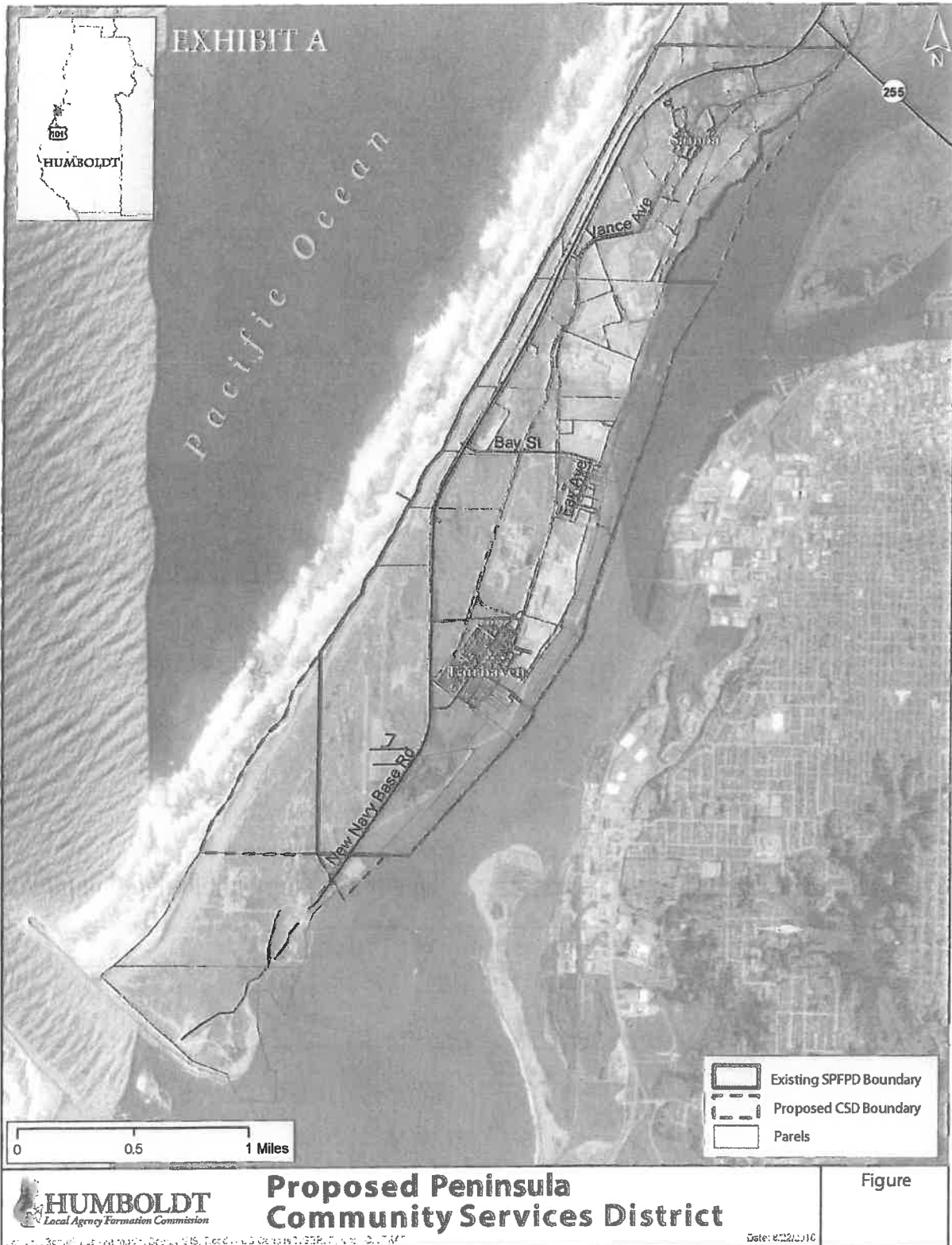
To be considered valid, each written protest submitted by a registered voter shall include the date that the protest has been signed, name of protestor, and current residence address as it appears on the affidavit of registration. Written protest forms are available at the LAFCo office or online at [www.humboldtlafo.org/public-hearing-notices](http://www.humboldtlafo.org/public-hearing-notices). Use of the form is encouraged, but not required.

**ALL INTERESTED PERSONS ARE HEREBY INVITED TO BE PRESENT AND HEARD ON THE MATTERS DESCRIBED IN THIS NOTICE.**

Note: Pursuant to state law, only issues raised at the public hearing described in this notice or in written correspondence delivered to LAFCo at or prior to the public hearing may be raised in any legal challenge to LAFCo actions.

If you have any questions regarding this notice or wish to receive copies of related documents, please contact the LAFCo office at (707)445-7508.

Dated: May 31, 2017  
HUMBOLDT LOCAL AGENCY FORMATION COMMISSION  
George Williamson, Executive Officer







## RESOLUTION NO. 17-06

**RESOLUTION MAKING DETERMINATIONS AND APPROVING A REORGANIZATION CONSISTING OF FORMATION OF THE PENINSULA COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF THE SAMOA PENINSULA FIRE PROTECTION DISTRICT, AND ESTABLISHING A COTERMINOUS SPHERE OF INFLUENCE**

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission," is responsible for regulating the orderly formation and expansion of local government agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the above-referenced proposal was initiated by resolution of application of the Samoa Peninsula Fire Protection District; and

WHEREAS, the proposal seeks Commission approval of a reorganization consisting of dissolution of the Samoa Peninsula Fire Protection District (FPD) and formation of the Peninsula Community Services District (CSD); and

WHEREAS, the reasons cited in support of the reorganization are provided below:

- A single governing entity is required by Humboldt County and the Coastal Commission to oversee operation and maintenance, fiscal responsibility, and governance of community services to the Town of Samoa;
- The Samoa Pacific Group has explored several options including annexing into Manila Community Services District, forming a new community services district, and joining and reorganizing the current Samoa Peninsula FPD; and
- It has been determined that reorganizing the Samoa Peninsula FPD is the best option for providing services to the Peninsula.

WHEREAS, upon formation, the Peninsula CSD would continue the role of providing fire protection services currently provided by the Samoa Peninsula FPD, as well as providing expanded municipal services to the Peninsula; and

WHEREAS, pursuant to Government Code §56001, the Commission finds there is no existing agency that has demonstrated that it can feasibly provide the services proposed in a more efficient manner; and

WHEREAS, it has been determined that the formation of the Peninsula CSD is a feasible, cost-effective and acceptable approach to providing expanded services to the Peninsula; and

WHEREAS, in accordance with Government Code §61014, the Commission determines the Peninsula CSD, to be financed by benefit assessments and user fees

subject to Proposition 218 requirements, would have sufficient revenues to carry out its purposes if such benefit assessments and user fees are approved; and

WHEREAS, the Executive Officer has given sufficient notice of the Commission's consideration of the proposal as required by law; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, existing Spheres of Influence, and applicable General and Specific Plans; and

WHEREAS, the Commission considered all the factors required by law under Government Code §56668 and adopted local policies and procedures.

**NOW, THEREFORE, BE IT RESOLVED** by the Humboldt Local Agency Formation Commission as follows:

1. The Commission's determinations on the proposal incorporate and adopt the information and analysis provided in the Executive Officer's written report.
2. The Commission, as Responsible Agency, certifies it has independently reviewed and considered the Negative Declaration prepared by the Samoa Peninsula Fire Protection District, as lead agency, concerning potential impacts associated with the proposal in accordance with the California Environmental Quality Act (CEQA). The Commission finds the Negative Declaration (finding of no significant adverse environmental effect) is adequate and directs the Executive Officer to file a Notice of Determination with the Humboldt County Clerk.
3. The Commission approves the proposal, contingent upon a successful vote on the formation pursuant to Government Code §61014, and subject to terms and conditions outlined below.
4. The proposal is assigned the following distinctive short-term designation:

"Reorganization of Samoa Peninsula FPD to Peninsula CSD 2017"
5. LAFCo staff is directed to initiate conducting authority proceedings pursuant to the California Government Code (commencing with §57000).

**CONDITIONS OF APPROVAL for the proposal shall be as follows:**

1. Name – The name of the district shall be the Peninsula Community Services District.
2. Boundaries – A map and boundary description of the Peninsula CSD are set forth in Exhibit A, attached to the Commission's Resolution making determinations and made a part thereof.

3. Sphere of Influence – A sphere of influence of the Peninsula CSD shall be coterminous with the District boundaries. Future amendments and/or updates of the sphere shall be conducted in accordance with Government Code §56425 and 56430.
4. Successor
  - A. The Samoa Peninsula FPD shall be dissolved and all of its corporate powers shall cease.
  - B. Any employees of the Samoa Peninsula FPD will become employees of the Peninsula CSD.
  - C. The Peninsula CSD shall be the successor to the Samoa Peninsula Fire District for the purpose of succeeding to all of the rights, duties and obligation of the dissolved Samoa Peninsula Fire Protection District, with respect to enforcement, performance or payment of any outstanding bonds or other contracts, obligations, including the provisions of and other liabilities of the dissolved Samoa Peninsula FPD.
  - D. The Samoa Peninsula FPD currently has contracts with the Board of Administration of the California Public Employees' Retirement System ("PERS"). The Peninsula CSD and PERS will develop a contract that shall be deemed a continuation of the Samoa Peninsula Fire Protection District's PERS contract pursuant to Government Code §20508. The Peninsula CSD's contract shall preserve the classic formula for continuing employee members of PERS. Accumulated contributions, assets and liability for service under the former districts' contracts are vested rights of continuing employee members of PERS, and shall be merged into the contract of the successor district upon reorganization pursuant to Government Code §20508.
  - E. All property, whether real or personal, including all monies (including cash on hand and monies due to uncollected) of the Samoa Peninsula Fire Protection District shall be transferred to and vested in Peninsula CSD.
  - F. Upon the effective date of the reorganization, the Peninsula CSD shall be authorized and entitled to extend and/or continue to levy, impose, or fix and collect any previously authorized charge, fee, assessment or tax approved, imposed and/or levied by Samoa Peninsula FPD, including but not limited any rates and charges for the provision of fire protection services.
  - G. The property tax allocation factor for the Samoa Peninsula FPD, for those properties within the District, shall be reallocated so that in future fiscal years these taxes shall be allocated to the Peninsula CSD.

5. District Board of Directors
  - A. Governing Board - The Peninsula CSD shall be governed by a board of directors composed of five (5) members elected at large for four-year terms by registered voters residing within the District.
  - B. Election of Initial Governing Board - The Board of Directors of the Samoa Peninsula Fire Protection District shall serve as the initial Board of Directors of the successor agency, the Peninsula CSD.
  - C. Staggered Terms of Office - For the initial Board of Directors, the terms of three (3) members shall be four years and the terms of two (2) members shall be two years.
  - D. First Board of Directors Meeting - In addition to all other means authorized by law, the first meeting of the Board of Directors may be called by notice given in a lawful manner by any four members of the Board of Directors.
6. Authorized Services – The Peninsula CSD shall be authorized the following functions and services as active powers, authorized to be provided within its boundaries, pursuant to Government Code §61100:
  - A. Water
  - B. Wastewater
  - C. Fire Protection, rescue, and emergency response (including tsunami evacuation)
  - D. Parks, Recreation, Trails, and Open Space
  - E. Landscape Maintenance within Public Areas
  - F. Streets and Street Maintenance
  - G. Storm Drainage

The District may in the future provide other types of services if authorized by the Community Services District Law, subject to compliance with the statutory procedures for authorizing additional services.

7. Benefit Assessments and User Fees – Services provided by the District shall be subject to successful completion of Proposition 218 proceedings for benefit assessments and user fees to fund the activities of the District. The District shall implement Proposition 218 proceedings within one calendar year of the effective date, unless a time extension is approved by the Commission. Services shall be activated and assets transferred only for those services with approved benefit assessments or user fees.
8. Detailed Engineering Analysis – All benefit assessments and user fees shall be supported by a detailed engineering analysis and/or rate study prepared by a licensed engineer. The detailed engineering analysis shall describe the condition of all infrastructure at the time of asset transfer to the District, the projected

demand on capacity, the regulatory and design criteria under which improvements will be made (including ADA compliance), the costs associated with recommended improvements and ongoing operations and maintenance, and the methodology for allocating or apportioning costs to parcels within the District.

9. Dedication of Asset Transfer – All assets and resources proposed for transfer shall be offered with an irrevocable dedication by Samoa Pacific Group LLC to the Peninsula CSD. The LAFCo Executive Officer, with legal counsel as deemed necessary, shall verify prior to issuing a certificate of completion that a legal mechanism has been adequately established to ensure such transfer of assets and resources either at initiation of the community service district, or as particular infrastructure components are subsequently confirmed to be improved and acceptable for transfer to the Peninsula CSD.
10. Asset Transfer and Transition Agreement – Prior to the transfer of any dedicated assets, the Peninsula CSD and Samoa Pacific Group LLC shall set forth mutual agreements in writing for the orderly transition and conveyance of assets, including those obligations to accept and take ownership of those assets by the Peninsula CSD.
11. Monthly User Fees – The initial annual user fees for the Peninsula CSD, including any and all debt service, shall not exceed the small community affordability thresholds of 2.5% for water and 2.0% for wastewater (as a percentage of community median household income) as established by the EPA.
12. Creation of Zones – Pursuant to Government Code §61140 et seq., the Peninsula CSD Board of Directors may form one or more zones with varying levels of service and establish different levels of special taxation therein. The District may use divisional accounting to establish accurate divisional budgets and rates and charges based solely on the cost to provide services within the town of Samoa and the rest of the peninsula, so rates in each service area will not be affected by the other.
13. Appropriations Limit – The provisional tax appropriations limit, pursuant to “Gann limits” (California Constitution Article XIII B), submitted for voter approval shall be \$400,000. The permanent tax appropriations limit shall be set at the first election which shall be held following the full fiscal year of operation and shall not be considered a change in the appropriations of the CSD.
14. Effective Date – The effective date of Peninsula CSD shall be determined by the certification of the election results by the Humboldt County Board of Supervisors and the filing of the certificate of completion by the LAFCo Executive Officer with the County Clerk-Recorder's office. The certificate of completion must be filed within one calendar year from the date of approval unless a time extension is approved by the Commission.

15. Final Processing Costs – Any and all costs including mapping, engineering, planning, environmental review, fiscal analyses, LAFCo processing fees, election proceedings, recording fees, and any other required local, state, and LAFCo fees incurred to complete the formation of the Peninsula CSD, including State Board of Equalization filing fees, will be borne by the project proponents.

**PASSED AND ADOPTED** at a meeting of the Humboldt Local Agency Formation Commission on the 15<sup>th</sup> day of May, 2017, by the following roll call vote:

AYES:           Commissioners:  
NOES:           Commissioners:  
ABSENT:        Commissioners:  
ABSTAIN:       Commissioners:

\_\_\_\_\_  
Estelle Fennell, Chair  
Humboldt LAFCo

Attest:

\_\_\_\_\_  
George Williamson, Executive Officer  
Humboldt LAFCo

# Continuing Business



## 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](mailto:OFFICE@HBMWD.COM)

Website: [www.hbmwd.com](http://www.hbmwd.com)

### BOARD OF DIRECTORS

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

### GENERAL MANAGER

JOHN FRIEDENBACH

May 5, 2017

Steven Lazar  
Humboldt County Planning & Building Department  
3015 H Street  
Eureka, CA 95501  
Via email: [slazar@co.humboldt.ca.us](mailto:slazar@co.humboldt.ca.us)

RE: Cannabis EIR: Proposed Amendments to the Humboldt County Code Regulating Cannabis Activities

Dear Mr. Lazar,

The Humboldt Bay Municipal Water District (HBMWD) appreciates the opportunity to provide input regarding environmental issues to be addressed in the EIR. We are deeply concerned about the adverse effects of cannabis cultivation in the Mad River watershed. Our interests and concerns in preparing the EIR for cannabis permits are *water quality and quantity, ensuring cumulative impacts are analyzed* and reiterating the need for *more enforcement in protecting the Mad River*.

- 1) Water quality for our public drinking water system which serves 88,000 people (two-thirds of Humboldt County's population).
- 2) Water quantity especially during the low-flow season.
- 3) Lawful water diversions that do not injure other water right holders, conducted pursuant to the approval and reporting process established by the State Water Resources Control Board.
- 4) Protection of important habitat resources in the main-stem Mad River and also the tributaries. HBMWD is the only water district in the state with an approved aquatic species Habitat Conservation Plan. Our water supply system enhances aquatic habitat in the main-stem Mad River which supports salmonids reaching important spawning habitat in the tributaries. Water quality, quantity and the general health of the watershed are critically important for the listed salmonids.

The County has already determined many potential environmental impacts that would impact HBMWD: hydrology and water quality, public services, biological resources, and utilities and service systems. We have been experiencing these impacts for years and developing the legal requirements for growing cannabis is not going to mitigate or rectify the damage that has occurred and will continue. We need more law enforcement to reduce and eliminate the ongoing environmental impacts of cannabis cultivations within the Mad River watershed. This mitigation measure should be strongly recommended in the EIR.

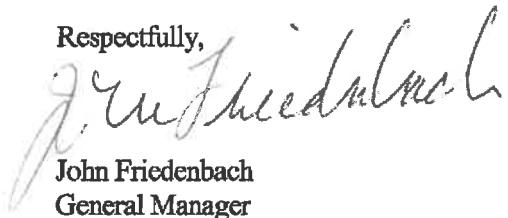


Since we have not yet seen the "forthcoming interim principles and guidelines for diversion and use of water for cannabis cultivation" from SWRCB, it is difficult to provide substantive comments for impacts to our water system and supply. We can only comment that we look forward to reviewing the full EIR in conjunction with the SWRCB guidelines. The tendency to separate regulations, guidelines, and jurisdictions needs to be balanced with a thorough analysis of the cumulative impacts of cannabis cultivation activity.

Any revenues generated from the changes to the County's Code regulating commercial cannabis activities should be utilized to fund regulating those activities and ensuring compliance prior to re-directing any such funds to other County programs or budget areas.

The Mad River is a crucial resource for so many Humboldt County residents, it should be a priority for enforcement to protect our water quality, quantity, and safety and health of the environment.

Respectfully,

A handwritten signature in cursive script, appearing to read "John Friedenbach".

John Friedenbach  
General Manager

# New Business

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

To: Board of Directors  
From: John Friedenbach  
Date: May 31, 2017  
Subject: Municipal Customer Contract Amendment

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**Background**

HBMWD is currently in the process of updating its Capital Improvement Plan (CIP), which will include an analysis of funding sources. One option being considered is to use debt to spread the varying costs for large projects over multiple years, thus reducing the need for large increases in their allocation of costs to municipal customers. To be able to implement debt financing, HBMWD would need to have contracts with its municipal suppliers that would last at least as long as the debt amortization period.

The current contracts between HBMWD and municipal customers were adopted in 1999, and expire in 2024. There is an option to extend these contracts for an additional ten years. Since 1999, the contracts have been amended three times, to make various changes that have been mutually approved.

HBMWD's Ordinance 16, which defines the conditions of service and the process for allocating costs of operating and maintaining the regional water supply infrastructure, includes a provision that limits HBMWD capital expenditures. With HBMWD's development and implementation of its CIP, this limit has recently been exceeded, and will likely be exceeded in the future. HBMWD is proposing a different approach to planning capital expenditures.

In January of this year, the Board approved changes to Ordinance 16. See highlighted version attached. The changes included:

- ① **Title** – add a line to note amendments in 2017.
- ② **Section 4.1** – add a sentence to note that the current cost allocation is 100% to municipal customers.
- ③ **Section 7.2.2.2** – revise the schedule for the quintennial revision of the Peak Rate Allocation to commence again on July 1, 2017 (to address revenue changes in 2016 in the Manila Community Services District)
- ④ **Section 7.2.5** – replace the current limit on capital expenditures with a quintennial Capital Improvement Plan update process.
- ⑤ **Section 18** – revise the effective date of the ordinance, to reflect the new revisions.

Ordinance 16 is an attachment to the Municipal Customer contracts. Consequently revisions to it require updated contracts from the Municipal Customers. Each of the Municipal Customers, with the exception of the City of Blue Lake, have approved the contract changes and provided a signed contract. See signed contracts attached. The City of Blue Lake is scheduled to meet June 13 and will discuss the contract at that meeting. If approved by the Blue Lake City Council, our Board will consider approval at the Special Board meeting on June 23<sup>rd</sup>.

**Recommendation**

Staff recommends the Board approve and authorize the President to sign the Municipal Customer contracts in accordance with the revisions of Ordinance 16 for: City of Arcata; City of Eureka; Fieldbrook Glendale Community Services District; Humboldt Community Service District; Manila Community Services District; McKinleyville Community Services District.

Humboldt Bay Municipal Water District  
Ordinance 16  
as Amended June 2006  
as Amended January 2017 ①

Establishing Rates, Charges and Conditions of Service  
For  
Water Sales To Municipal Water Customers

**BE IT ORDAINED**, by the Board of Directors of the HUMBOLDT BAY MUNICIPAL WATER DISTRICT (hereinafter HBMWD), as follows:

1. **Definitions** – as used in this Ordinance, the following terms shall have the following meanings unless the context clearly otherwise requires:
  - 1.1. **A/B Bond Taxes** – taxes received by HBMWD pursuant to a levy allowed in accordance with the Series A and B general obligation bonds authorized by voters within HBMWD in 1956.
  - 1.2. **Average Daily Water Use** – the average daily use, expressed in million gallons per day (MGD), in any given calendar year, as calculated from data recorded by HBMWD's meters and data collection system totalizers. The number for the most recent calendar year shall be calculated, by HBMWD, by January 30 of the subsequent calendar year. The number shall be obtained by dividing the total amount of water used by a given Customer in the calendar year by the total number of days in that same calendar year.
  - 1.3. **Base Water Facilities (BWF)** -- all HBMWD wells, diversion facilities, dams, pumping facilities, storage tanks, or water transmission and distribution facilities; all electrical, radio, electronic, computer and control (SCADA) systems; and any related appurtenances existing as of June 30, 1999.
  - 1.4. **Drinking Water Filtration Plant (DWFP)** – the water filtration facility as designed to meet the State's water quality mandate as it exists on the effective date of this Ordinance.
  - 1.5. **Drinking Water Treatment Facilities (DWTF)** -- all facilities and appurtenances relating to the treatment of water for potable use. Specifically, this includes the new State required DWFP and the existing disinfecting system.
  - 1.6. **General Reserves** – those moneys set aside by HBMWD's Board of Directors in any fund (e.g. general fund, general reserve, contingency reserve), regardless of the type or purpose of such fund, but exclusive of:

- accumulations for payment of principal and interest on any future bond issue or other future indebtedness incurred with the consent of HBMWD's affected customers;
- any reserve fund required to be established by law;
- any reserve fund created by public grant or loan program wherein said reserves are to be allocated to a defined future project expenditure;
- the proceeds of loans or grants;
- the proceeds of any residual A/B bond taxes;
- amounts collected by HBMWD under Price Factor 2 on account of encumbrances obligated but not yet paid;
- amounts collected by HBMWD for future capital projects as provided in Price Factor 2; or,
- the DWFP and SRF Reserves set forth in Sections 7.1.3 and 7.1.6
- amounts collected from IWC's to "mothball" or take industrial water facilities out of service.

**1.7. Industrial Water Customer (IWC)** – The industrial customers in the District's Improvement District U-1, or any other industrial customers which use more than 50% of the water delivered to them for manufacturing or production activities and which are supplied through any of HBMWD's industrial or raw water system.

**1.8. Municipal Water Customer (MWC)** – Cities, Community Services Districts, and other public entities which purchase water from HBMWD for use within HBMWD boundaries.

**1.9. Moving Five-Year Average** – a figure, calculated by HBMWD no later than January 30 each calendar year, that reflects the average of the previous five years Average Daily Water Use.

**1.10. Peak Rate Allocation:** The maximum number of gallons per calendar day of water to which a customer is entitled by contract.

**1.11. Peak Delivery Rate:** The rate of delivery of water by District to any customer which, if continued uniformly for a twenty-four (24) hour period starting at midnight, would produce an amount equal to the customer's Peak Rate Allocation.

**1.12. Proposition 13 Taxes** – HBMWD's share of the proceeds of taxes levied under the provisions of Article 13A of the California State Constitution.

**1.13. Safe Drinking Water State Revolving Fund (SRF)** – the Safe Drinking Water State Revolving Fund created pursuant to Section 116760.30 of the California Health and Safety Code.

**1.14. Special Facility** -- any facility (excluding the DWFP) constructed or purchased by HBMWD, after the effective date of this Ordinance, and pursuant to contract, for the direct benefit of one or more of HBMWD's customers (see Price Factor 5). Major repair or replacement of any portion of the BWF or DWTF does not constitute Special Facilities. A future expansion or addition to the DWFP may be considered a Special Facility if constructed at the request of MWC's and not pursuant to a mandate under Section 11.1.3 and Price Factor 6.

**2. Water Delivery Systems** -- HBMWD has two water delivery systems. These systems share common elements of the Base Water Facilities such as the dam, electrical system, maintenance shops, vehicles, computer and other electronic controls, etc.

**2.1. Industrial or raw water system** – this system draws water directly from the surface of the Mad River and delivers it, via pipelines, to end users. Water from this system receives no treatment of any kind and is not fit for human consumption. The industrial system is not regulated nor permitted by the State or Federal governments.

**2.2. Municipal or domestic system** – this system draws water from a series of Ranney Wells (also known as lateral arm wells) located in the bed of the Mad River. This water is naturally filtered through the sand and gravel of the riverbed which lie over the collector laterals of each well. This naturally filtered water is disinfected and then stored in a clearwell prior to delivery to Municipal Water Customers. A DWFP, which will remove unacceptable levels of turbidity from the well water, will be added to this system to comply with mandates received from the State Department of Health Services.

**2.3. DWFP Capacity** – The capacity of the DWFP will be a function of the source water turbidity and other operating conditions that may exist from time to time. HBMWD will endeavor to operate the DWFP at its optimal capacity for any given water quality and operating conditions. Based on the engineering studies completed as of the effective date of this Ordinance, the DWFP is expected to have an operating capacity ranging from 9 MGD to 21 MGD depending on the filter loading rate (gallons per minute per square foot of filter) that can be achieved given the turbidity and other operating conditions. HBMWD shall have authority to require MWC's to reduce their demand from the DWFP in response to variations in DWFP capacity. Furthermore, HBMWD shall have no responsibility for delivering water volumes to MWC's beyond the capacity of the DWFP.

**3. Cost/Pricing Structure - General** -- HBMWD's cost structure is designed to:  
a) fairly and reasonably allocate costs between the two delivery systems described in Section 2, and; b) further prorate those allocated costs among the water users which are connected to each delivery system. This two-step cost allocation process will reflect costs associated with the operation,

maintenance, repair and replacement of Base Water Facilities and the Drinking Water Treatment Facilities - including the new DWFP.

- 3.1. The sections of this Ordinance 16 relating to Industrial Water Customers or Industrial Water Facilities are included only to define the initial proration of the BWF costs and Revenue Credits between the Industrial Water Customers and Municipal Water Customers. Once derived, the proration of the costs and Revenue Credits allocated to the Industrial Water Customers will be determined from time to time via contract with those Industrial Water Customers.
- 3.2. The Price Factors outlined in Section 7 and the Revenue Credits described in Section 8 will be applied to those costs and credits allocated to the Municipal Water Customers. The Price Factor amounts charged to any one Municipal Water Customer will contain a fair share portion of the costs of operation, maintenance, repair and replacement of the Base Water Facilities; and, a fair share portion of the costs of construction, operation, maintenance, repair and replacement of the Drinking Water Treatment Facilities. The Revenue Credits are also prorated to assure a fair distribution. Attachment 1 of this Ordinance presents a summary of how the Industrial/Municipal cost allocation, Price Factors and Revenue Credits work.
- 3.3. The costs of operating, maintaining, repairing and replacing HBMWD's retail water system are included in the overall Industrial/Municipal cost structure outlined herein. HBMWD's retail customers pay rates that assure recovery of all such costs. The revenues collected from retail customers are credited to the Municipal Water Customers in accordance with the provisions of Section 8 (Revenue Credits) herein. Industrial Water Customers are credited via contract using the same principles. This approach assures that Industrial Water Customers and Municipal Water Customers do not subsidize the retail system.

#### **4. Base Water Facility Cost Proration**

- 4.1. The costs of operating (excluding power for pumping), maintaining, repairing and replacing HBMWD's Base Water Facilities; and, maintaining reasonable reserves therefor, have been apportioned, by HBMWD, between the Industrial Water System and Municipal Water System (see Section 3) using a commodity/demand type of methodology. Costs were allocated on the basis of historical use or intent, peak demand or average use depending on the specific cost element being prorated. The resulting allocation at July 1, 1999 is established at 63% for the Industrial Water System and 37% for the Municipal Water System. HBMWD will review this proration prior to the beginning of every fifth fiscal year starting with the fiscal year which marks the fifth anniversary of the adoption of this Ordinance 16; and, in consultation with all Municipal Water Customers and Industrial Water Customers, HBMWD will adjust the percentage allocation to reflect then current conditions. The resulting allocation at



July 1, 2004, following the first review at the fifth fiscal year, is established at 45% for the Industrial Water System and 55% for the Municipal Water System. Due to the lack of industrial customers, the allocation at July 1, 2017 is established at 100% Municipal Water System. (2)

- 4.2. The prorated share for the Municipal Water System, derived via this percentage allocation, will be further divided among all Municipal Water Customers using Price Factors 2 and 4, described in Section 7.
- 4.3. The prorated share for the Industrial Water System, derived via this percentage allocation, will be further divided among all Industrial Water Customers via contract.

**5. Drinking Water Treatment Facilities Cost Proration** -- The costs of constructing, operating, maintaining, repairing and replacing HBMWD's DWTF; and, maintaining reasonable reserves therefor, will be allocated only to Municipal Water Customers via the Price Factors 1, 2, and 4 outlined in Section 7.

**6. Pumping Power** – The costs of power for pumping water will be apportioned, by HBMWD, between the Industrial Water System and the Municipal Water System based on metered electrical use at HBMWD's pumping facility. The Industrial Water Customers shall pay the portion of HBMWD's actual monthly electricity costs to pump water into the Industrial Water System. The Municipal Water Customers shall pay the portion of HBMWD's actual monthly electricity costs to pump water into the Municipal Water System. The resulting allocation of the MWC pumping power costs shall be distributed to individual MWC's via Price Factor 3 outlined in Section 7.

## **7. Price Factors**

### **7.1. Price Factor 1 (DWFP Debt Service)**

- 7.1.1. Each Municipal Water Customer shall pay HBMWD, each year, a proportionate share of the payments of principal and interest (if any) on the SRF loan used to construct the DWFP.
- 7.1.2. Such proportionate share shall be determined by multiplying the annual payment required by a fraction, the numerator of which is a specific MWC's Moving Five-Year Average water use, and the denominator of which is the sum of the Moving Five-Year Average water use of all MWC's. HBMWD will bill each MWC 1/12<sup>th</sup> of their Price Factor 1 charges each month.
- 7.1.3. SRF loans require the establishment and maintenance of a reserve equal to one year's debt service. HBMWD will fund this SRF Reserve in accordance with the provisions of Section 7.1.6 (DWFP Reserve). HBMWD will use any amount remaining in the SRF Reserve to pay



the final year's installments on the loan, in lieu of Price Factor 1 charges.

7.1.4. Regardless of the proportionate share calculation based upon its Moving Five-Year Average water use, no MWC's Moving Five-Year Average, for Price Factor 1 calculations, shall be adjusted below 75% of its first Moving Five-Year Average calculated in accordance with this Ordinance – except as specifically provided in Section 9 for the City of Blue Lake and the Manila Community Services District.

7.1.5. If HBMWD receives any State or Federal grants to help fund the construction of the DWFP, such grant funding will be placed in a separate reserve and will be used to reduce Price Factor 1 obligations of all MWC's on a prorata basis using the formula described in Section 7.1.2 above.

7.1.6. **DWFP Reserve**

7.1.6.1. HBMWD shall establish from General Reserves available on July 1, 1999, a DWFP Reserve in an amount not to exceed \$1,000,000. To the extent established, the DWFP Reserve shall be used in the following order of priority:

- a) To pay for the upfront costs of final engineering design and bid assistance. These costs will be reimbursed via the SRF Loan and HBMWD will return such reimbursement to the DWFP Reserve.
- b) To pay for construction and other project related costs for which payment is due, but which have not been reimbursed via the SRF Loan.
- c) To establish the State required SRF Loan Reserve. This reserve consists of one year's principal and interest payments. HBMWD will determine the timing and amount of funds to transfer from the DWFP Reserve in accordance with State SRF Loan rules and regulations. The SRF Loan contract and any other applicable regulations will govern use of the SRF Loan Reserve.

7.1.6.2. All interest earned in any given fiscal year, either by the DWFP Reserve or the SRF Reserve, will be used: first, to rebuild any drawdown of the SRF Reserve; and second, to reduce the annual obligation each MWC would otherwise bear under Price Factor 1.

7.1.6.3. In the event one or more of HBMWD's IWC's significantly reduces its contractual commitments from those adopted concurrent with this Ordinance, or terminates such contract, any amount of DWFP Reserve not committed to the SRF Loan Reserve may be used by HBMWD to fund any other budgeted need.

- 7.1.6.4. Any remaining principal and interest in the DWFP Reserve shall be used to proportionally reduce the obligations each MWC will otherwise bear under Price Factor 1. The timing of such reduction shall be determined by HBMWD.

## **7.2. Price Factor 2 (Operations/Maintenance/Capital Costs)**

7.2.1. Each Municipal Water Customer shall pay a proportionate share of the monthly net operating, maintenance and capital costs obligated or paid for the Base Water Facilities. The Municipal Water Customers' share of Base Water Facility costs shall be as determined in Section 4. Net costs for the Base Water Facility means the operating, maintenance and capital costs minus applicable Revenue Credits as outlined in Section 8. Additionally, each Municipal Water Customer shall pay a proportionate share of the monthly operating, maintenance, repair, replacement and capital costs obligated or paid for the Drinking Water Treatment Facilities.

7.2.2. Each Municipal Water Customer shall pay a proportionate share of the monthly net operating, maintenance and capital costs obligated or paid for the Base Water Facilities. The proportionate share of the BWF for each MWC, shall be determined by a fraction, the numerator of which is the customer's Peak Rate Allocation, and the denominator of which is the sum of the Peak Rate Allocation of all MWC's.

7.2.2.1. Effective July 1, 2006, each MWC's Peak Rate Allocation shall be established as reflected in Attachment 2.

7.2.2.2. The proportionate share of the BWF that each MWC pays may be adjusted periodically as set forth herein. The Peak Rate Allocation shall be reviewed, and may be adjusted by HBMWD, effective July 1, 2009~~17~~<sup>17</sup>, and subsequently every fifth anniversary thereafter (e.g. July 1, 2014~~22~~<sup>22</sup>). Such review shall be done in consultation with the MWCs. Any adjustment to a MWC's Peak Rate Allocation shall be determined by HBMWD based one of the following conditions: 1) a request by a MWC to increase its Peak Rate Allocation to accommodate increased peak water use due to a new customer and/or actual or planned growth, or 2) a request by a MWC to decrease its Peak Rate Allocation to accommodate reductions in peak water use due to the addition of a water storage reservoir or implementation of water conservation measures. HBMWD reserves the right to deny a request for an increase in a MWC's Peak Rate Allocation if HBMWD no longer has capacity to deliver the requested increase.

7.2.2.3. In addition, at the beginning of any fiscal year, HBMWD may increase the Peak Rate Allocation of a MWC if that MWC has understated its required Peak Rate Allocation, based on

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recorded historical peak daily use. Such adjustment may only be done after consultation with the affected MWC.

7.2.3. Each Municipal Water Customer shall also pay a proportionate share of the monthly operating, maintenance, repair, replacement and capital costs obligated or paid for the Drinking Water Treatment Facilities. The proportionate shares of Drinking Water Treatment Facilities costs shall be determined by a fraction, the numerator of which is a specific MWC's Moving Five-Year Average water use, and the denominator of which is the sum of the Moving Five-Year Average water use of all MWC's.

7.2.4. In order to avoid monthly fluctuations in Price Factor 2 charges, HBMWD will bill/credit MWC's, each month, 1/12<sup>th</sup> of Price Factor 2 related costs/Revenue Credits as reflected in the budget adopted for any given fiscal year. Within 90 days of the end of the fiscal year, HBMWD will calculate the actual Price Factor 2 costs/Revenue Credits for that fiscal year. If actual Price Factor 2 charges are higher than the total of the flat monthly billings, the excess charges will be added, in even monthly installments, as a surcharge to the following fiscal year's Price Factor 2 charges. If actual Price Factor 2 charges are less than what was billed throughout the fiscal year, a refund credit, in even monthly installments, will be added to the following fiscal year's Revenue Credits.

7.2.5. ~~The maximum aggregate amount of capital costs that can be charged, to IWC's and MWC's in any given fiscal year under this Price Factor 2 is 2% of the undepreciated property, plant and equipment value shown in HBMWD's annual audit.~~ HBMWD will update its Capital Improvement Plan every five years, beginning in 2017. HBMWD will provide a draft of the updated plan to the MWC's by January 15, for their review and comment. HBMWD will provide the final update of its Plan to MWC's no later than February 28, for their use in budget planning and analysis and updates of water rates. (4)

7.2.6. Individual capital projects estimated to cost more than \$200,000 may be charged out in increments under this provision up to three years in advance of the project – even though no actual charges are obligated or paid. Before any such advance charges are levied, the projects must be included in HBMWD's capital improvement plan and have Board approval for implementation. Funds collected in this manner will be held and accounted for in a separate reserve, and any interest earned will be applied toward the specific project for which the funds were collected. In the event a project, for which money has been collected, is cancelled; those funds – including interest -- will be refunded, on the same basis as they were charged, within 90 days of the end of the fiscal year in which the project was cancelled.

**7.2.7. Price Factor 2 Costs Defined** -- The operating, maintenance and capital costs included in Price Factor 2 shall be no greater than the actual costs obligated or paid by HBMWD in connection with the operation, maintenance, repair and replacement of its facilities. All such costs shall be reasonable and in line with past practices. Specifically excluded from Price Factor 2 costs are those costs covered by any other Price Factor as defined in this Ordinance. Price Factor 2 costs include, but are not limited to:

- capital costs as described in Sections 7.2.5 and 7.2.6;
- payroll expenses, and consultant expenses;
- services, materials and supplies for general operation, repair, maintenance or replacement of facilities and equipment;
- overhead costs such as insurance, permit fees, travel/conference, dues/subscriptions, telephones, vehicles and office expenses;
- special costs such as legal settlements, court awards;
- energy costs, other than power for pumping or those related to Price Factor 5 or Price Factor 6 facilities;
- debt service on borrowings, except SRF debt service; and,
- year-end encumbrances such as purchase orders issued and contract obligations incurred but not yet paid.

### **7.3. Price Factor 3 ( Power for Pumping)**

- 7.3.1. Each Municipal Water Customer shall pay each month a share of HBMWD's costs for all electricity used to pump water, except as such electricity use may be a part of the Industrial Water System, operation of a Special Facility or a Mandated Facility.
- 7.3.2. The allocation of the HBMWD's electricity charges for pumping will be determined by calculating the cost of pumping one million gallons of municipal water. The calculation will use the actual amount of energy cost incurred to pump municipal water and the total actual municipal water use for the most recent month for which the HBMWD has been billed. The unit pumping cost will be multiplied by each Municipal Water Customer's actual water use during the same period which figure is the Price Factor 3 charge that month.

### **7.4. Price Factor 4 (Additions to General Reserves)**

- 7.4.1. HBMWD will not add funds to General Reserves as defined in Section 1.6 if the General Reserves at the end of any fiscal year are equal to or in excess of Two Million Dollars (\$2,000,000).

- 7.4.2. The total annual budgeted contribution to General Reserves for all IWC's and MWC's shall be no more than \$350,000, or the difference between \$2,000,000 and the actual General Reserves amount at the end of the fiscal year, whichever is less.
- 7.4.3. If the actual General Reserves exceed \$2,000,000, no Price Factor 4 charges will be levied. If the actual General Reserves are less than \$2,000,000, HBMWD will determine the amount of Price Factor 4 charges to be levied, not to exceed the limitations specified in Section 7.4.2.
- 7.4.4. Notwithstanding the foregoing, if deemed necessary by HBMWD, the \$2,000,000 threshold for calculating Additions to General Reserves may be adjusted by formal action of HBMWD's Board of Directors in the tenth year of this contract. Any such adjustment will be made in consultation with all MWC's and IWC's.
- 7.4.5. To assure that any Additions to General Reserves are fairly allocated between IWC's and MWC's, the total amount of Additions to General Reserves set aside in any fiscal year will first be prorated to the Base Water Facilities and the Drinking Water Treatment Facilities on the basis of the relative worth of the respective undepreciated property, plant and equipment value for each of the two facility classifications as shown in HBMWD's annual audit. The proration of charges for the Additions to Reserves will then proceed in accordance with the provisions of Section 4 and Price Factor 2.
- 7.4.6. Each Municipal Water Customer shall pay, in even monthly installments, its proportionate share of HBMWD's annual budgeted contribution to General Reserves.

**7.5. Price Factor 5 (Special Facilities)** -- Any Industrial or Municipal Water Customer who contracts with HBMWD for a Special Facility shall pay the following costs in the manner set forth below:

- 7.5.1. all administrative, engineering, design, construction costs or annual amortization and interest costs of HBMWD required to pay the capital costs of any such Special Facility; and,
- 7.5.2. the annual operating and maintenance costs (including but not limited to costs for electricity used to operate any such Special Facility) required for the Special Facility which are constructed for, and at the request of any customer.
- 7.5.3. In the event that more than one customer contracts with HBMWD for a given Special Facility, such costs shall be apportioned on the basis set forth in the contract. Terms and conditions for repayment of such costs to HBMWD, including allocation of benefits, shall be established by contract prior to construction of the facility.



**7.6. Price Factor 6 (Mandated Facilities)** -- In the event it becomes necessary to construct, operate and maintain Mandated Facilities as defined in Section 11.1.3 of this Ordinance, each MWC that receives the benefit of such Mandated Facility shall pay its proportionate share, as determined below, of the following:

- 7.6.1. all costs, including annual amortization and interest, required to pay the capital cost of such Mandated Facility; and,
- 7.6.2. the reasonably determinable annual operating, maintenance and electrical costs of such Mandated Facility.
- 7.6.3. HBMWD shall determine by ordinance which customers benefit from the construction of a Mandated Facility. HBMWD shall allocate charges under this Price Factor 6, to the customers so designated, on the basis of relative benefit. Customers that HBMWD determines will not benefit from a Mandated Facility shall not be subject to any Price Factor 6 charges for that facility.
- 7.6.4. The provisions of this Section 7.6 shall not apply to the currently mandated DWFP, which shall be funded pursuant to Sections 5 and 7.1, 7.2, and 7.4 of this Ordinance.

**8. Revenue Credits** -- All revenue credited to MWC's under this Ordinance will be credited towards Price Factor 2 charges related to Base Water Facilities. Such charges will be reduced on a monthly prorata basis, as set forth below, by HBMWD's monthly cash receipts from Proposition 13 taxes, interest on investments, miscellaneous revenues (not including residual A/B Bond taxes, revenue from water supply contracts, grants or loans), and hydroelectric revenues.

- 8.1. Proposition 13 tax revenue will be credited to Industrial and Municipal Water Customers on a prorata basis using the assessed real property value (AV) within the HBMWD of each Water Customer as the numerator and the total AV of all Municipal and Industrial Water Customers as the denominator. AV figures will be reviewed annually.
- 8.2. Retail water sales revenue will be credited as outlined for "all other Revenue Credits" below; except that, the portion of revenues collected to pay for the costs of the Drinking Water Filtration Plant will be credited only to Municipal Water Customers. Crediting for such DWFP revenues to the MWC's will use the Moving Five-Year Average methodology used to allocate DWFP charges in Price Factors 1 and 2.
- 8.3. All other Revenue Credits will first be prorated to IWC's and MWC's in accordance with the provisions of Section 4. The MWC share will be further allocated to individual MWC's by multiplying such Revenue Credits by a fraction, the numerator of which is each Municipal Water Customer's Peak Rate Allocation and the denominator of which is the sum of the

Peak Rate Allocation of all of HBMWD's Municipal Water Customers. The Peak Rate Allocation calculation will be as described in Section 7.2.2.

## **9. Blue Lake/ Manila Adjustment**

9.1.1. It is recognized that the City of Blue Lake and the Manila Community Services District each have a single large customer – Ultra Systems III for Blue Lake and Sierra Pacific Industries for Manila CSD – that accounts for a major amount of their water sales volumes; and, therefore, for their prorata payment obligations in accordance with the terms of this Ordinance.

9.1.2. In the event either one of these MWC's experience a reduction of 25% or more of their then current Average Daily Water Use caused by reduced flow to, or loss of, these specific customers, or their successors in interest, the Moving Five-Year Average and the Peak Rate Allocation will be adjusted in the fiscal year following such reduction.

9.1.3. The Moving Five-Year Average for subsequent fiscal years will be adjusted by deducting the amount of reduction for all years used in the calculation. The Peak Rate Allocation will be adjusted by deducting the amount of reduction.

9.1.4. The following conditions will apply to this Section 9:

- The MWC must notify HBMWD in writing of the need for the adjustment as soon as possible but not later than May 31<sup>st</sup> prior to the fiscal year in which the adjustment will occur.
- The MWC must provide evidence satisfactory to HBMWD of the reduction or loss.
- If equal or greater volume is regained by growth of customer base, the amount of reduction will be added back into both the Moving Five-Year Average and the Peak Rate Allocation in the subsequent fiscal year using the same methodology as was used for the reduction.

**10. Payment Guarantee** -- Each MWC shall pay the amounts due to the HBMWD on a monthly basis within 15 days of the date of HBMWD's billing. Such payments shall be due regardless of interruptions of services or inability to meet the water treatment requirements of Section 11.

## **11. Water Treatment**

**11.1. HBMWD Responsibilities** -- as of the date of this Ordinance, HBMWD provides water treatment only by the natural filtration provided via the sand and gravel through which water pumped from the Ranney Wells must pass; and, meeting "minimum chlorine disinfection", prior to HBMWD's points of delivery to the MWC, as specified by the State

Department of Health Services (DHS) in Attachment 3 (dated 4/22/99) to this Ordinance. The DHS may reduce these requirements, by permit, once the DWFP is operating.

- 11.1.1. Upon completion of the DWFP, HBMWD will also provide water filtration to achieve the maximum turbidity level of 5 NTU year round at the points of delivery by HBMWD to the MWC's; and, to achieve the optimized treatment goal of 1 NTU in 90% of measurements taken at the DWFP as specified by the DHS in Attachment 4 (dated 10/21/98) to this Ordinance.
  - 11.1.2. To the extent of its existing treatment capabilities, HBMWD will deliver, at HBMWD's points of delivery to MWC's, water that complies with other legally-mandated water quality standards (i.e. beyond chlorine disinfection and filtration as specified in Sections 11.1 and 11.1.1) that are applicable to HBMWD and its MWC's generally.
  - 11.1.3. In the event that HBMWD or its MWC's generally, are required by law, regulation, order or other governmental mandate to construct any new facility or upgrade any existing facility, or to comply with any standard that cannot be met without constructing a new facility or upgrading an existing facility (hereafter "Mandated Facilities"), HBMWD will, in consultation with the MWC's, undertake to design, finance, construct, operate and maintain such additional facilities as may be necessary to meet the applicable legal requirements at HBMWD's points of delivery to MWC's. Each MWC that receives the benefit of such Mandated Facilities shall pay its proportionate share of the costs in accordance with Price Factor 6 of this Ordinance. In the absence of such additional facilities, HBMWD shall have no responsibility to the MWC's for compliance with such requirements.
- 11.2. MWC Responsibilities** – Except for water treatment responsibilities expressly assumed by HBMWD under this Ordinance, each MWC shall be responsible for complying with all laws, regulations and permits applicable to it as a Public Water System under State law, including, but not limited to, sampling, monitoring, reporting and water quality requirements beyond HBMWD's point of delivery to the MWC.

**12. Excess Water Deliveries:** Delivery of water from HBMWD to the MWCs shall generally be made at a rate not to exceed the MWC's Peak Delivery Rate. It is understood, however, that MWCs may desire to take water from HBMWD at a rate greater than their Peak Delivery Rate to achieve cost savings in their utility power bills and/or HBMWD's Price Factor 3 charge. HBMWD will, at its sole discretion, deliver water to a MWC at a rate greater than its Peak Delivery Rate so long as HBMWD has the capacity to do so. HBMWD reserves the right to place a MWC on a delivery schedule at a specified delivery rate for a specified time period to allow HBMWD to supply Peak Rate Allocation to all MWCs.



**13. Limitations on HBMWD Responsibilities** – Delays in, or failure of, performance by HBMWD under this Ordinance or any contract executed pursuant to this Ordinance shall not constitute a default or give rise to any claim for damages if caused by circumstances beyond the control of HBMWD, including but not limited to acts of legislation or government, decrees of the courts, acts of God, inability or failure of HBMWD's facilities to deliver a particular quantity or quality of water, strikes or other concerted action of labor, fires, floods, droughts, explosions, war, acts of the military, sabotage or any similar event or occurrence. HBMWD shall not be responsible under this Ordinance, or any contract executed pursuant to it, to deliver water to MWC's at particular pressures or rates of flow, or in particular volumes.

**14. Default** -- In the event that any MWC shall fail to make any payment at the time and in the manner herein provided, or shall fail to perform any duty on its part to be performed under the provisions of this Ordinance and any contract pursuant to it, and such default shall continue for a period of thirty (30) days after written notice thereof is given by HBMWD, HBMWD may at its option, in addition to and not in lieu of any other remedy provided by law:

- withhold deliveries of water to such MWC until such time as the MWC's obligations have been brought current;
- sue for damages; and/or
- sixty (60) days after written notice, cancel the MWC's water contract.

**14.1.** HBMWD's exercise of any of these options shall not be exclusive but shall instead be cumulative of each other and of any other remedies or rights to which the HBMWD may be entitled. Damages for default as set forth above shall include all payments to which the HBMWD is entitled under the Price Factors set forth in this Ordinance, and under any Special Facilities contract with the defaulting MWC, for the full term of the contracts and Ordinance.

## **15. Arbitration**

**15.1. Availability Of Remedy** The procedure described in Section 14.2 hereof shall be available to the HBMWD and to any Municipal Water Customer provided that any such MWC has entered into a contract with the HBMWD pursuant to this Ordinance. The procedure described below shall be fully binding on the HBMWD and on all such MWC's regardless of whether they become actual parties to the arbitration proceeding provided that the HBMWD furnishes written notice to all such MWC's upon the initiation by the HBMWD or any MWC of the proceeding described below and each MWC is given an opportunity to participate in the proceedings.

- 15.2. Procedure For Resolution Of Disputes** In the event of a disagreement between the HBMWD and a MWC concerning the implementation of this Ordinance and the establishment of charges hereunder, the HBMWD and the MWC shall meet and discuss the issues, in good faith, with a view to resolving the disagreement. If the parties are unable to agree, the dispute will be settled by mandatory and binding arbitration at the general offices of the HBMWD (currently located in Eureka, California) pursuant to the rules of the American Arbitration Association. Notwithstanding the foregoing, no issue will be submitted to arbitration that involves the exercise of subjective discretion or the legislative powers of the HBMWD as conferred by law. Only issues that can be determined by fact finding and reference to objective standards set forth in this Ordinance or the contract between the HBMWD and the MWC will be the subject of arbitration.
- 15.3. Effective Date Of Resolution Of Dispute.** A demand for arbitration shall be effective as to any fiscal year only if demand is made no later than sixty (60) days after the end of that fiscal year. In the absence of such a timely demand, the decisions of the Board of Directors of the HBMWD shall be final and conclusive. Decisions of the arbitrator shall apply only to the fiscal year as to which demand is made as provided in the preceding sentence, and to subsequent fiscal years.

## **16. Effect of Ordinance**

- 16.1.** This Ordinance is intended to provide a fair and equitable allocation of costs and Revenue Credits between Industrial Water Customers and Municipal Water Customers; and, to provide a cost and Revenue Credit allocation structure among Municipal Water Customers for that share of costs and Revenue Credits allocated to Municipal Water Customers. This Ordinance shall apply to all water sold by the HBMWD by contract executed pursuant to this Ordinance, but not to HBMWD's retail sales or to water sold for fire suppression purposes.
- 16.2.** This Ordinance shall be effective to establish rates and conditions of service for a Municipal Water Customer only after such MWC enters into a written contract with HBMWD that is approved by an ordinance or resolution of HBMWD's Board of Directors.
- 16.3.** The HBMWD acknowledges that it is bound by its contracts for the full term thereof. Neither a contract entered into pursuant to this Ordinance nor this Ordinance may be amended, modified or supplemented in any way that impairs any contract executed pursuant to it (including by the enactment of new ordinances or resolutions) without the express written consent of the MWC who is the other party to the contract. Each contract entered into pursuant to the provisions of this Ordinance shall be deemed to supersede any and all prior contracts between the HBMWD and the MWC executing the new contract.

**16.4.** Attachments 1, 2, 3 and 4 to this Ordinance 16 are incorporated herein by reference.

**16.5.** Nothing contained in this Ordinance, or in any contract executed pursuant to this Ordinance, shall limit HBMWD's authority under Water Code section 350 et. seq. to adopt equitable regulations and restrictions to conserve water during a drought or other water shortage emergency.

**17. Severability** -- If any section, sentence, clause or phrase of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance, provided however that the Board of Directors of HBMWD may amend this Ordinance to correct such invalidity if such action can be taken without materially impairing the rights of any parties to contracts executed pursuant to it, and provided further that said Board may rescind this Ordinance if, in the judgment of the Board, the court decision of partial invalidity renders it impossible or impractical to enforce any of the remaining material terms of this Ordinance.

**18. Effective Date of Ordinance** – This revised Ordinance 16 shall become effective as of **July 1, 200617** or after adoption by the HBMWD Board of Directors, whichever occurs later. 16

**CONTRACT FOR SUPPLY OF MUNICIPAL WATER**

This Agreement is made and entered into as of this 1<sup>st</sup> day of July, 2017, by and between HUMBOLDT BAY MUNICIPAL WATER DISTRICT, a special district (hereinafter HBMWD), and the City of Arcata, a municipal corporation (hereinafter "Municipality").

**RECITALS**

A. HBMWD and Municipality are parties to that specific agreement for the delivery of wholesale drinking water by HBMWD to Municipality entitled Contract for Supply of Municipal Water, effective August 30th, 1999 and expiring June 30, 2029.

B. HBMWD entered into similar agreements with the cities of Blue Lake and Eureka and the community services districts of Fieldbrook, Humboldt, Manila and McKinleyville, (hereinafter collectively and including Municipality referred to as the "Municipal Water Customers").

C. On May 7, 1999, HBMWD adopted an ordinance entitled "Ordinance No. 16 – Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers" (hereinafter "Ordinance No. 16"), to be used in new wholesale drinking water contracts with the Municipal Water Customers.

D. Ordinance No. 16 provides that it shall be effective to establish rates, charges and conditions of service for Municipal Water Customers only after such customers enter into written contracts with HBMWD.

E. Municipality desires to continue purchasing wholesale drinking water from HBMWD, and HBMWD desires to continue providing wholesale drinking water to Municipality on the terms and conditions set forth in Ordinance 16.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, it is agreed by and between HBMWD and Municipality as follows:

**TERMS AND CONDITIONS**

**SECTION ONE: Incorporation of Ordinance No. 16.**

This Agreement includes, and shall be subject to, the terms and conditions of Ordinance No. 16, a copy of which is attached hereto, labeled **Exhibit "A"** and incorporated herein by this reference. The parties expressly agree that the provisions of Ordinance No. 16 are not subject to amendment or repeal in any way that would impair Municipality's rights under this agreement without Municipality's advance written consent; provided, however, that HBMWD may amend its rate structure during any extension of this agreement as provided in Section 5.3 hereof.

### **SECTION TWO: Facility Construction**

**2.1 – Drinking Water Filtration Plant.** HBMWD shall construct, operate and maintain a centralized, in-line filtration water treatment facility (hereinafter "Drinking Water Filtration Plant") to be located at HBMWD's Essex/Korblex facilities along West End Road, Arcata, California. Said obligations shall be contingent upon: (1) availability of a low-interest or zero-interest Safe Drinking Water Loan adequate to fund the project, (2) approval on acceptable terms by regulatory agencies having jurisdiction over the project, (3) completion of satisfactory environmental review, (4) receipt of an acceptable construction bid, and (5) the absence of litigation or threatened litigation, affecting the project - all of which shall be determined by HBMWD in its sole discretion. The Drinking Water Filtration Plant shall be constructed, operated and maintained to comply with DHS performance standards for turbidity as described in Section 11.1 .1 of Ordinance No. 16. HBMWD shall obtain the appropriate permits from DHS to operate the centralized Drinking Water Filtration Plant in accordance with said standards, shall comply with all of the DHS permit requirements, and shall assume all responsibility for compliance with the DHS Turbidity Reduction Mandate up to HBMWD's point of delivery to Municipality. Notwithstanding the foregoing, HBMWD shall not be obligated to provide filtration beyond the reasonable capability of the Drinking Water Filtration Plant, and shall not be responsible for delays or failures beyond HBMWD's control as described in Section 12 of Ordinance No. 16.

### **SECTION THREE: Wholesale Water Service.**

**3.1 - Water Service.** HBMWD agrees to supply water to Municipality, and Municipality agrees to purchase water from HBMWD, in accordance with the terms and conditions set forth in Ordinance No. 16.

**3.2 - Point of Water Delivery.** HBMWD shall deliver water to Municipality at its mainline meter, located at 2815 Alliance Road, Arcata, California.

**3.3 - Boundary Use Restriction.** Municipality may sell the drinking water supplied by

HBMWD pursuant to this agreement for subsequent use only within the boundaries of HBMWD. The current boundaries are identified in **Exhibit "8"** attached hereto and incorporated herein. HBMWD shall promptly notify Municipality of any proposed changes to said boundaries.

3.4 - Water Quality. Municipality remains responsible for all requirements applicable to it as a public water system, with the exception of meeting the DHS Turbidity Reduction Mandate up to HBMWD's point of delivery to Municipality. Except as otherwise expressly set forth in Ordinance No. 16, HBMWD disclaims all liability and warranties, whether express or implied, to the fullest extent permitted by law, with respect to the quality of the water delivered by Municipality to its customers. In no event shall HBMWD be obligated to deliver to Municipality water of a quality that cannot reasonably be attained by HBMWD's treatment facilities.

3.5 - Upgraded Treatment. In the event that HBMWD, or the Municipalities generally, are required by law, regulation, order or other governmental mandate to construct any new facility or upgrade any existing facility, or to comply with any standard that cannot be met without constructing a new facility or upgrading an existing facility, HBMWD and Municipality agree to consult with one another regarding the design, financing, construction, operation and maintenance of such facility in accordance with Sections 7.6 and 11.1.3 of Ordinance No. 16. Municipality agrees that HBMWD shall have authority to construct, operate and maintain, on the Municipality's behalf, any facilities needed to comply with federal and state safe drinking water requirements, up to the point of delivery to Municipality, and to charge Municipality for such activities pursuant to the provisions of Ordinance No. 16. If Municipality or any other Municipal Water Customer or Industrial Water Customer disagrees with HBMWD's charges for upgraded facilities, it shall be submitted to binding arbitration under Section 14 of Ordinance No. 16.

3.6 - Water Shortage Emergency. Municipality acknowledges that HBMWD retains authority under the California Water Code sections 350, *et. seq.*, to adopt equitable regulations and restrictions to conserve water in the event of a drought or other water shortage emergency.

#### **SECTION FOUR: Metering.**

4.1 - Determination of Delivered Volume. HBMWD shall measure the volume of water delivered to Municipality by water metering equipment of a standard approved by the American Water Works Association, to be furnished, installed, maintained and read by HBMWD at its own expense. HBMWD shall periodically test said water metering equipment to assure its continuing accuracy and conformance to the standards of measurement and service accepted in the water industry. HBMWD shall give Municipality at least five (5) working days advance notice of the time of such testing.

Municipality may be present at all water metering equipment tests. The cost of conducting such tests shall be borne by HBMWD. HBMWD shall immediately correct, at its sole expense, any and all water metering equipment found to be inaccurate.

4.2 - Adjustment for Inaccuracies. If an inaccuracy of more than two percent (2%) in HBMWD meters is disclosed by any test requested by a Municipality, all Price Factor 3 (electrical power) charges from the time the water use inaccuracy occurred (limited to not more than five (5) years), and any subsequent Price Factor 3 charges until the time HBMWD's meter is corrected, shall be adjusted in proportion to the percentage of water use inaccuracy so disclosed. In the event the water use inaccuracy is the result of a meter being improperly certified then, in addition to Price Factor 3 charges, any other Price Factors may be adjusted using the same methodology and time frame as Price Factor 3 charges. If no inaccuracy is detected, then Municipality shall pay the cost of the test requested by it.

4.3 - Testing at Municipality's Request. Municipality may, at its sole expense, install, operate and maintain additional water metering equipment to independently measure the volume of water delivered under this agreement. Whenever such equipment, or other evidence, indicates that an error in the HBMWD water metering equipment may exist, Municipality may request HBMWD to conduct additional tests, and HBMWD shall conduct such tests. If additional testing does not detect an inaccuracy of more than two percent (2%), Municipality shall pay fifty percent (50%) of the cost of the test requested by it.

#### **SECTION FIVE: Term.**

5.1 - Initial Term, Termination Date. This agreement shall take effect on July 1, 2017, and shall remain in effect for a period of twenty (20) years, until June 30, 2037.

5.2 - Extension. Municipality shall have the right to extend the term of this agreement for an additional period of up to ten (10) years, up to and including June 30, 2047 at such prices as shall be set by HBMWD from time to time by ordinance or otherwise. Municipality may exercise its option to extend the term of this agreement by providing written notice to HBMWD no earlier than July 1, 2035, and no later than December 31, 2036. Failure to provide notice during the time period herein identified shall be construed as a waiver of Municipality's option to extend the agreement.

5.3 - Extended Term Price Structure. In the event Municipality exercises its option to extend the term of the agreement, Municipality shall be bound to pay such rates and prices as HBMWD may adopt from time to time throughout the extended term of this agreement. It is expressly agreed that the pricing structure referred to in this Section 5.3 need not set forth specific prices or rates but only the mechanism for determining such prices or rates. HBMWD shall give Municipality at least sixty (60) days advance written

notice of its proposed rates or prices before adopting the same, and shall provide that such rates or prices will not take effect for at least sixty (60) days after their adoption.

**SECTION SIX: Payment.**

6.1 -Rates. Municipality shall pay rates as specified in Ordinance No. 16 until the date of termination of the initial term of this agreement. If Municipality exercises its option to extend this agreement, the rates to be paid during the extended term shall be as specified in Section 5.3 of this agreement.

6.2 – Time for Payment. For the purposes of this agreement, Section 10 of Ordinance No. 16 shall be interpreted to require Municipality to transmit the amounts due to HBMWD within 15 working days after receipt of HBMWD's monthly billing.

**SECTION SEVEN: Notice of Water Use, Meetings and Budget Hearings.**

7.1- Prior Year's Water Use. By January 30th of each year, HBMWD shall send a written notice to Municipality showing the calculation of Municipality's Average Daily Water Use and Peak Water Use during the preceding calendar year, as defined in Sections 1.2 and 1.10 of Ordinance No. 16, respectively.

7.2 – Notice of Meetings. HBMWD shall mail timely notices of all meetings of its Board of Directors to Municipality, including summary budget documents to be used in annual budget hearings or fiscal year budget adoption.

**SECTION EIGHT: Loss of Industrial Water Sales**

8.1 -Industrial Water Customers. Municipality acknowledges that concurrent with the execution of this agreement HBMWD may enter into contracts to supply untreated water to one or more major Industrial Water Customers (hereinafter "Industrial Water Customers"). Such contracts may be for shorter terms than this agreement and may be subject to termination by individual Industrial Water Customers upon one or two years' notice.

8.2 -Reallocation of Costs. If one or more of the Industrial Water Customers initiates a contract to purchase water from HBMWD, the cost allocation for Base Water Facilities defined in Section 4.1 of Ordinance No. 16, and the Revenue Credit allocation defined in Section 8 of Ordinance No. 16, may have to be revised. If any Municipal Water Customer or Industrial Water Customer disagrees with HBMWD's allocation, the revised allocation schedule shall be submitted for mandatory and binding arbitration under Section 14 of Ordinance No. 16. HBMWD's revised allocation shall remain in effect pending the outcome of the arbitration.



**SECTION NINE: Unanticipated Reserve Shortfalls.**

It is acknowledged that Section 7.4 of Ordinance No. 16 (hereinafter "Price Factor 4") limits the amounts that HBMWD may charge to maintain General Reserves. In the event that HBMWD anticipates that General Reserves will fall below \$500,000.00, Municipality agrees, upon request of HBMWD, to negotiate in good faith with HBMWD and the other Municipal Water Customers and Industrial Water Customers to develop a reasonable and equitable plan to assure HBMWD adequate cash flow to continue its normal operations.

**SECTION TEN: Safe Drinking Water Loan. Special Conditions.**

10.2 It is agreed that the annual debt service on the Safe Drinking Water Loan will is \$547,337.00

10.2 HBMWD has established a new reserve fund called the Municipal Supplemental Reserve Account ("MSRA"), which consists of both excess Price Factor 2 charges accumulated during fiscal year 2008-09 that would otherwise have been the subject of refund credits in fiscal year 2009-10 under Paragraph 7.2.4 of Ordinance 16 and incremental revenues from hydropower sales under a Renewable Market Adjusting Tariff contract with Pacific Gas and Electric company, in the amount of \$0.05 per kWh. HBMWD will use the MSRA solely for the general benefit of the Municipal Water Customers and shall not commingle these funds with any general reserve fund, or any other funds held by HBMWD, or use the MSRA for the benefit of any Industrial Water Customer, including any essential expenditures on the Industrial Water System.

**SECTION ELEVEN: Miscellaneous.**

11.1 -Waiver. No waiver by HBMWD or Municipality of any term or condition of this agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any other or subsequent breach.

11.2 -Integration. This agreement constitutes the entire agreement of the parties. All prior statements, representations, correspondence or other writings between the parties relating to the subject matter of this agreement are of no force and effect. This agreement supercedes all prior agreements between the parties.

11.3 - Modification. This agreement shall not be modified except by a written instrument executed by the parties hereto.

**SECTION TWELVE: Assignment; Successors and Assigns.**

Neither HBMWD nor Municipality shall have the right to assign this Agreement, in whole or in part, without first securing the written consent of the other party; provided, however, that nothing contained in this section or agreement shall be construed as in any manner limiting Municipality's right to supply water to domestic, municipal and industrial customers so long as such water is used entirely within the boundaries of HBMWD.

**SECTION THIRTEEN: No Third-Party-Beneficiaries.**

This Agreement is strictly between HBMWD and Municipality. Nothing contained herein is intended, or shall be construed, to create any rights in third-parties against HBMWD or Municipality.

**SECTION FOURTEEN: Severability.**

Subject to the provisions of Ordinance No. 16, if any portion of this Agreement is determined to be void, invalid or unenforceable, the remaining terms and conditions hereof shall nonetheless be binding and enforceable in all respects.

**SECTION FIFTEEN: Notices.**

Insofar as this Agreement requires or contemplates that notices shall be given by any party, such notices shall be deemed given when personally delivered to its business office, transmitted via facsimile or deposited in the United States Mail, first class postage prepaid, addressed to the other party at its mailing address set forth below, or such other address as the party may designate by written notice given during the term of this agreement.

**MUNICIPALITY:**

City Manager  
City of Arcata  
736 F Street  
Arcata, CA 95521  
Facsimile (FAX) No. 707-822-8018

**HBMWD:**

Humboldt Bay Municipal Water District  
828 7th Street  
Post Office Box 95  
Eureka, California 95502  
Facsimile (FAX) No. 707-443-5731

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT:**

By

Its \_\_\_\_\_

**CITY OF ARCATA:**

By Karen Diemer

Its Karen Diemer, City Manager

## CONTRACT FOR SUPPLY OF MUNICIPAL WATER

This Agreement is made and entered into as of July 1, 2017, by and between HUMBOLDT BAY MUNICIPAL WATER DISTRICT (hereinafter HBMWD) and FIELDBROOK COMMUNITY SERVICES DISTRICT (hereinafter Municipality).

### RECITALS

This Agreement is made with reference to the following facts:

1. HBMWD and Municipality are parties to an agreement dated July 1, 1999, entitled Contract for Supply of Municipal Water, which agreement expires June 30, 2024;
2. Municipality desires to continue receiving water service from HBMWD, and HBMWD desires to continue providing water service to Municipality;
3. HBMWD has adopted, or will adopt concurrently with the execution of this Agreement, an ordinance entitled "Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers" (hereinafter Ordinance No. 16);
4. HBMWD's Ordinance No. 16 provides that it shall be effective to establish rates, charges and conditions of service for municipal customers only after such customers enter into written contracts with HBMWD;
5. Municipality desires to enter into a written contract for water service as a customer of HBMWD on the terms and conditions set forth in Ordinance No. 16;

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, it is agreed by and between HBMWD and Municipality as follows:

#### SECTION ONE: Incorporation of Ordinance No. 16.

This Agreement includes, and shall be subject to, the terms and conditions of HBMWD's Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers, a copy of which is attached hereto,

labeled **Exhibit "A"** and incorporated by reference herein.

**SECTION TWO: Term.**

2.1 This Agreement shall take effect on July 1, 2017, and shall remain in effect for a period of twenty (20) years, until June 30, 2037.

2.2 Municipality shall have the right to extend the term of this Agreement for an additional period of up to ten (10) years, to and including June 30, 2047 at such prices as shall be set by HBMWD from time to time by ordinance or otherwise. Municipality shall give notice in writing of its exercise of this option no earlier than July 1, 2035, and no later than December 31, 2036. If such notice is not given within the time provided herein, Municipality's option to extend its term shall be null and void. It is expressly understood and agreed that the pricing structure referred to in this paragraph 2.2 need not set forth specific prices or rates but only the mechanism for determination of such prices or rates. It is further understood and agreed that HBMWD may adopt rates or prices after June 30, 2037, which will be effective for periods less than the full term of the option period and that after exercising its option to extend the term of this Agreement, Municipality shall be bound to pay such rates and prices as HBMWD may adopt from time to time throughout the extended term of this Agreement.

**SECTION THREE: Wholesale Water Service.**

3.1 During the term of this Agreement, HBMWD agrees to supply water to Municipality, and Municipality agrees to purchase water from HBMWD, on the terms and conditions set forth in Ordinance No. 16.

3.2 Municipality agrees that the water supplied by HBMWD pursuant to this Agreement shall be sold by Municipality only for use within the boundaries of HBMWD.

3.3 Municipality understands and acknowledges that HBMWD will provide water treatment as specified in Ordinance 16, but that Municipality remains responsible for all other requirements applicable to it as a Public Water System. Except as otherwise expressly set forth in Ordinance No. 16, HBMWD disclaims all liability and warranties, whether express or implied, to the fullest extent permitted by law, with respect to the quality of the water delivered by Municipality to its customers. In no event shall HBMWD be obligated to deliver to Municipality water of a quality that cannot reasonably be attained by HBMWD's treatment facilities. Municipality agrees that HBMWD shall have authority to construct, operate and maintain, on Municipality's behalf, any facilities needed to comply with federal and state safe drinking water requirements, up to the point of delivery to Municipality, and to charge Municipality for such activities pursuant to the provisions of Ordinance No. 16.

3.4 Municipality further understands and acknowledges that HBMWD retains authority under Water Code sections 350, *et. seq.*, to adopt equitable regulations and restrictions to conserve water in the event of a drought or other water shortage emergency.

3.5 Unless otherwise agreed in writing, HBMWD shall have no obligation to deliver water to Municipality except at the current location of Municipality's mainline meter as of the date of execution of this Agreement.

**SECTION FOUR: Metering.**

4.1 The volume of water delivered to Municipality hereunder shall be measured by metering equipment, of a standard approved by the American Waterworks Association, to be furnished, installed, maintained and read by HBMWD at its own expense. The water metering equipment so furnished and installed shall be tested periodically by HBMWD to assure its continuing accuracy and conformance to the standards of measurement and service accepted in the water industry. The cost of conducting such tests shall be borne by HBMWD. Such tests shall also be conducted at other times upon Municipality's request in the event that Municipality's metering devices or other proof shall indicate an inaccuracy in HBMWD's metering equipment. If an inaccuracy of more than two percent (2%) in HBMWD meters is disclosed by any test requested by a Municipality, all Price Factor 3 (electrical power) charges from the time the water use inaccuracy occurred (limited to not more than five (5) years), and any subsequent Price Factor 3 charges until the time HBMWD's meter is corrected, shall be adjusted in proportion to the percentage of water use inaccuracy so disclosed. In the event the water use inaccuracy is the result of a meter being improperly certified then, in addition to Price Factor 3 charges, any other Price Factors may be adjusted using the same methodology and time frame as Price Factor 3 charges. If no inaccuracy is detected, then Municipality shall pay the cost of the test requested by it.

4.2 Representatives of Municipality may, at Municipality's election, be present during the conduct of all tests of metering equipment. HBMWD shall give Municipality at least five (5) days advance notice of the time such tests are to be made. All metering equipment found to be inaccurate shall be adjusted forthwith by HBMWD at its expense. Municipality, at its election, shall also have the right, at its expense, to install, operate and maintain additional metering equipment to measure the volume of water delivered under this Agreement.

**SECTION FIVE: Payment.**

5.1 The rates to be paid by Municipality shall be those established under Ordinance No. 16 until June 30, 2037, or such later date as this Agreement may terminate under paragraph 2.1 hereof. If Municipality exercises its option to extend this Agreement pursuant to paragraph 2.2 of this Agreement, the rates to be paid during the extended term shall be

those set by ordinance or resolution of HBMWD from time to time during the extended term, which rates shall not exceed the reasonable cost of providing water service, including capital and reserve fund costs.

5.2 In accordance with Ordinance No. 16, Municipality agrees to pay the amounts due to HBMWD within 15 working days after receipt of HBMWD's monthly billing.

**SECTION SIX: Notice of Water Use, Meetings and Budget Hearings.**

6.1 By January 30th of each year, HBMWD will send a written notice to Municipality showing the calculation of Municipality's Average Daily Water Use and Peak Water Use during the preceding calendar year.

6.2 HBMWD shall mail timely notices of all meetings of its Board of Directors to Municipality, including summary budget documents to be used in annual budget hearings or fiscal year budget adoption.

**SECTION SEVEN: Loss of Industrial Water Sales; Reopener**

7.1 It is understood and acknowledged that, concurrent with the execution of this Agreement, HBMWD may enter into contracts to supply untreated water to one or more major Industrial Water Customers. It is further understood and acknowledged that such contracts may be for shorter terms than this Agreement and may be subject to termination by the Industrial Water Customers upon one or two years' notice.

7.2 Municipality and HBMWD agree that, if one or more Industrial Water Customers initiates a contract to purchase water from HBMWD, the cost allocation for Base Water Facilities provided in Paragraph 4.1 of Ordinance No. 16, and the Revenue Credit allocation provided in Section 8 of Ordinance No. 16, may have to be revised. If Municipality or any other Municipal Water Customer or Industrial Water Customer disagrees with HBMWD's allocation, it shall be submitted for mandatory and binding arbitration under Section 14 of Ordinance No. 16. HBMWD's allocation shall remain in effect pending the outcome of the arbitration.

**SECTION EIGHT: Unanticipated Reserve Shortfalls.**

It is understood and acknowledged that Section 7.4 of Ordinance No. 16 (Price Factor 4) limits the amounts that HBMWD may charge to maintain General Reserves. In the event that HBMWD anticipates that General Reserves will fall below \$500,000.00, Municipality agrees, upon request of HBMWD, to negotiate in good faith with HBMWD and its other Municipal Water Customers and Industrial Water Customers to develop a reasonable and equitable plan to assure HBMWD adequate cash flow to continue its normal operations.

**SECTION NINE: Waiver, Integration and Modification.**

9.1 No waiver by HBMWD or Municipality of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any other or subsequent breach.

9.2 This Agreement constitutes the entire agreement of the parties. All prior statements, representations, correspondence or other writings between the parties relating to the subject matter of this Agreement are of no force and effect. This Agreement supercedes all prior agreements between the parties

9.3 This Agreement shall not be modified except by a written instrument executed by the parties hereto.

**SECTION TEN: Assignment; Successors and Assigns.**

Neither HBMWD nor Municipality shall have the right to assign this Agreement, in whole or in part, without first securing the written consent of the other party; provided, however, that nothing contained in this paragraph, or in this Agreement, shall be construed as in any manner limiting Municipality's right to supply water to domestic, municipal and industrial customers so long as such water is used entirely within the boundaries of HBMWD.

**SECTION ELEVEN: No Third-Party-Beneficiaries.**

This Agreement is strictly between HBMWD and Municipality. Nothing contained herein is intended, or shall be construed, to create any rights in third-parties against HBMWD or Municipality.

**SECTION TWELVE: Severability.**

Subject to the provisions of Ordinance No. 16, if any portion of this Agreement is determined to be void, invalid or unenforceable, the remaining terms and conditions hereof shall nonetheless be binding and enforceable in all respects.

**SECTION THIRTEEN: Special Conditions.**

13.1 It is a condition precedent to Municipality's obligations under this Agreement that HBMWD concurrently adopt Ordinance No. 16 in substantially the same form as set forth in Exhibit "A" hereto. Said Ordinance will be deemed to be substantially in the same form if it contains only minor changes that have no material effect on the obligations of



Municipality.

13.2 It is agreed that the anticipated annual debt service on the SRF Loan is \$547,337.00.

13.3 HBMWD has established a new reserve fund called the Municipal Supplemental Reserve Account ("MSRA"), which consists of both excess Price Factor 2 charges accumulated during fiscal year 2008-09 that would otherwise have been the subject of refund credits in fiscal year 2009-10 under Paragraph 7.2.4 of Ordinance 16 and incremental revenues from hydropower sales under a Renewable Market Adjusting Tariff contract with Pacific Gas and Electric company, in the amount of \$0.05 per kWh. HBMWD will use the MSRA solely for the general benefit of the Municipal Water Customers ~~and shall not comingle these funds with any general reserve fund, or any other funds held by HBMWD, or use the MSRA for the benefit of any Industrial Water Customer,~~ including any essential expenditures on the Industrial Water System..

**SECTION FOURTEEN: Notices.**

Insofar as this Agreement requires or contemplates that notices shall be given by any party, such notices shall be deemed given when personally delivered to its business office, or deposited in the United States Mail, first class postage prepaid, addressed to the other party at its mailing address set forth below, or such other address as the party may designate by written notice given during the term of this Agreement.

**MUNICIPALITY:**

Fieldbrook Community Services District  
4584 Fieldbrook Road  
Fieldbrook, CA 95519

**HBMWD:**

Humboldt Bay Municipal Water District  
828 7th Street

Eureka, California 95501

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT:**

By

Its \_\_\_\_\_

**FIELDBROOK COMMUNITY SERVICES DISTRICT:**

By

Richard Hanger

Its

General Manager

**CONTRACT FOR SUPPLY OF MUNICIPAL WATER**

This Agreement is made and entered into as of July 1, 2017, by and between HUMBOLDT BAY MUNICIPAL WATER DISTRICT (hereinafter HBMWD) and HUMBOLDT COMMUNITY SERVICES DISTRICT (hereinafter Municipality).

**RECITALS**

This Agreement is made with reference to the following facts:

1. HBMWD and Municipality are parties to an agreement dated July 1, 1999, entitled Contract for Supply of Municipal Water, which agreement expires June 30, 2024;
2. Municipality desires to continue receiving water service from HBMWD, and HBMWD desires to continue providing water service to Municipality;
3. HBMWD has adopted, or will adopt concurrently with the execution of this Agreement, an ordinance entitled "Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers" (hereinafter Ordinance No. 16);
4. HBMWD's Ordinance No. 16 provides that it shall be effective to establish rates, charges and conditions of service for municipal customers only after such customers enter into written contracts with HBMWD;
5. Municipality desires to enter into a written contract for water service as a customer of HBMWD on the terms and conditions set forth in Ordinance No. 16;

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, it is agreed by and between HBMWD and Municipality as follows:

**SECTION ONE: Incorporation of Ordinance No. 16.**

This Agreement includes, and shall be subject to, the terms and conditions of HBMWD's Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers, a copy of which is attached hereto, labeled **Exhibit "A"** and incorporated by reference herein.

**SECTION TWO: Term.**

2.1 This Agreement shall take effect on July 1, 2017, and shall remain in effect for a period of twenty (20) years, until June 30, 2037

2.2 Municipality shall have the right to extend the term of this Agreement for an additional period of up to ten (10) years, to and including June 30, 2047 at such prices as shall be set by HBMWD from time to time by ordinance or otherwise. Municipality shall give notice in writing of its exercise of this option no earlier than July 1, 2035, and no later than December 31, 2036, or thirty (30) days after HBMWD's adoption of a pricing structure for its Municipal Water Customers for any period after the termination date of this Agreement, whichever event occurs later. If such notice is not given within the time provided herein, Municipality's option to extend its term shall be null and void. It is expressly understood and agreed that the pricing structure referred to in this paragraph 2.2 need not set forth specific prices or rates but only the mechanism for determination of such prices or rates. It is further understood and agreed that HBMWD may adopt rates or prices after June 30, 2037, which will be effective for periods less than the full term of the option period and that after exercising its option to extend the term of this Agreement, Municipality shall be bound to pay such rates and prices as HBMWD may adopt from time to time throughout the extended term of this Agreement.

**SECTION THREE: Wholesale Water Service.**

3.1 During the term of this Agreement, HBMWD agrees to supply water to Municipality, and Municipality agrees to purchase water from HBMWD, on the terms and conditions set forth in Ordinance No. 16.

3.2 Municipality agrees that the water supplied by HBMWD pursuant to this Agreement shall be sold by Municipality only for use within the boundaries of HBMWD.

3.3 Municipality understands and acknowledges that HBMWD will provide water treatment as specified in Ordinance 16, but that Municipality remains responsible for all other requirements applicable to it as a Public Water System. Except as otherwise expressly set forth in Ordinance No. 16, HBMWD disclaims all liability and warranties, whether express or implied, to the fullest extent permitted by law, with respect to the quality of the water delivered by Municipality to its customers. In no event shall HBMWD be obligated to deliver to Municipality water of a quality that cannot reasonably be attained by HBMWD's treatment facilities. Municipality agrees that HBMWD shall have authority to construct, operate and maintain, on Municipality's behalf, any facilities needed to comply with federal and state safe drinking water requirements, up to the point of delivery to Municipality, and to charge Municipality for such activities pursuant to the provisions of Ordinance No. 16.

3.4 Municipality further understands and acknowledges that HBMWD retains authority under Water Code sections 350, *et. seq.*, to adopt equitable regulations and restrictions to conserve water in the event of a drought or other water shortage emergency.

3.5 Unless otherwise agreed in writing, HBMWD shall have no obligation to deliver water to Municipality except at the current location of Municipality's mainline meter as of the date of execution of this Agreement.

**SECTION FOUR: Metering.**

4.1 The volume of water delivered to Municipality hereunder shall be measured by metering equipment, of a standard approved by the American Waterworks Association, to be furnished, installed, maintained and read by HBMWD at its own expense. The water metering equipment so furnished and installed shall be tested periodically by HBMWD to assure its continuing accuracy and conformance to the standards of measurement and service accepted in the water industry. The cost of conducting such tests shall be borne by HBMWD. Such tests shall also be conducted at other times upon Municipality's request in the event that Municipality's metering devices or other proof shall indicate an inaccuracy in HBMWD's metering equipment. If an inaccuracy of more than two percent (2%) in HBMWD meters is disclosed by any test requested by a Municipality, all Price Factor 3 (electrical power) charges from the time the water use inaccuracy occurred (limited to not more than five (5) years), and any subsequent Price Factor 3 charges until the time HBMWD's meter is corrected, shall be adjusted in proportion to the percentage of water use inaccuracy so disclosed. In the event the water use inaccuracy is the result of a meter being improperly certified then, in addition to Price Factor 3 charges, any other Price Factors may be adjusted using the same methodology and time frame as Price Factor 3 charges. If no inaccuracy is detected, then Municipality shall pay the cost of the test requested by it.

4.2 Representatives of Municipality may, at Municipality's election, be present during the conduct of all tests of metering equipment. HBMWD shall give Municipality at least five (5) working days advance notice of the time such tests are to be made. All metering equipment found to be inaccurate shall be adjusted forthwith by HBMWD at its expense. Municipality, at its election, shall also have the right, at its expense, to install, operate and maintain additional metering equipment to measure the volume of water delivered under this Agreement.

**SECTION FIVE: Payment.**

5.1 The rates to be paid by Municipality shall be those established under Ordinance No. 16 until June 30, 2037, or such later date as this Agreement may terminate under paragraph 2.1 hereof. If Municipality exercises its option to extend this Agreement pursuant to paragraph 2.2 of this Agreement, the rates to be paid during the extended term shall be

those set by ordinance or resolution of HBMWD from time to time during the extended term, which rates shall not exceed the reasonable cost of providing water service, including capital and reserve fund costs.

5.2 In accordance with Ordinance No. 16, Municipality agrees to pay the amounts due to HBMWD within 15 working days after receipt of HBMWD's monthly billing.

**SECTION SIX: Notice of Water Use, Meetings and Budget Hearings.**

6.1 By January 30th of each year, HBMWD will send a written notice to Municipality showing the calculation of Municipality's Average Daily Water Use and Peak Water Use during the preceding calendar year.

6.2 HBMWD shall mail timely notices of all meetings of its Board of Directors to Municipality, including summary budget documents to be used in annual budget hearings or fiscal year budget adoption.

**SECTION SEVEN: Industrial Water Sales; Reopener**

7.1 It is understood and acknowledged that, concurrent with the execution of this Agreement, HBMWD may enter into contracts to supply untreated water to one or more major Industrial Water Customers. It is further understood and acknowledged that such contracts may be for shorter terms than this Agreement and may be subject to termination by the Industrial Water Customers upon one or two years' notice.

7.2 Municipality and HBMWD agree that, if one or more Industrial Water Customers initiates a contract to purchase water from HBMWD, the cost allocation for Base Water Facilities provided in Paragraph 4.1 of Ordinance No. 16, and the Revenue Credit allocation provided in Section 8 of Ordinance No. 16, may have to be revised. If Municipality or any other Municipal Water Customer or Industrial Water Customer disagrees with HBMWD's allocation, it shall be submitted for mandatory and binding arbitration under Section 14 of Ordinance No. 16. HBMWD's allocation shall remain in effect pending the outcome of the arbitration.

**SECTION EIGHT: Unanticipated Reserve Shortfalls.**

It is understood and acknowledged that Section 7.4 of Ordinance No. 16 (Price Factor 4) limits the amounts that HBMWD may charge to maintain General Reserves. In the event that HBMWD anticipates that General Reserves will fall below \$500,000.00, Municipality agrees, upon request of HBMWD, to negotiate in good faith with HBMWD and its other Municipal Water Customers and Industrial Water Customers to develop a reasonable and equitable plan to assure HBMWD adequate cash flow to continue its normal operations.

**SECTION NINE: Waiver, Integration and Modification.**

9.1 No waiver by HBMWD or Municipality of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any other or subsequent breach.

9.2 This Agreement constitutes the entire agreement of the parties. All prior statements, representations, correspondence or other writings between the parties relating to the subject matter of this Agreement are of no force and effect. This Agreement supercedes all prior agreements between the parties

9.3 This Agreement shall not be modified except by a written instrument executed by the parties hereto.

**SECTION TEN: Assignment; Successors and Assigns.**

Neither HBMWD nor Municipality shall have the right to assign this Agreement, in whole or in part, without first securing the written consent of the other party; provided, however, that nothing contained in this paragraph, or in this Agreement, shall be construed as in any manner limiting Municipality's right to supply water to domestic, municipal and industrial customers so long as such water is used entirely within the boundaries of HBMWD.

**SECTION ELEVEN: No Third-Party-Beneficiaries.**

This Agreement is strictly between HBMWD and Municipality. Nothing contained herein is intended, or shall be construed, to create any rights in third-parties against HBMWD or Municipality.

**SECTION TWELVE: Severability.**

Subject to the provisions of Ordinance No. 16, if any portion of this Agreement is determined to be void, invalid or unenforceable, the remaining terms and conditions hereof shall nonetheless be binding and enforceable in all respects.

**SECTION THIRTEEN: Special Conditions.**

13.1 It is a condition precedent to Municipality's obligations under this Agreement that HBMWD concurrently adopt Ordinance No. 16 in substantially the same form as set forth in Exhibit "A" hereto. Said Ordinance will be deemed to be substantially in the same form if it contains only minor changes that have no material effect on the obligations of

Municipality.

13.2 It is agreed that the annual debt service on the SRF Loan is \$547,337.00.

13.3 HBMWD has established a new reserve fund called the Municipal Supplemental Reserve Account ("MSRA"), which consists of both excess Price Factor 2 charges accumulated during fiscal year 2008-09 that would otherwise have been the subject of refund credits in fiscal year 2009-10 under Paragraph 7.2.4 of Ordinance 16 and incremental revenues from hydropower sales under a Renewable Market Adjusting Tariff contract with Pacific Gas and Electric company, in the amount of \$0.05 per kWh. HBMWD will use the MSRA solely for the general benefit of the Municipal Water Customers including any essential expenditures on the Industrial Water System.

**SECTION FOURTEEN: Notices.**

Insofar as this Agreement requires or contemplates that notices shall be given by any party, such notices shall be deemed given when personally delivered to its business office, or deposited in the United States Mail, first class postage prepaid, addressed to the other party at its mailing address set forth below, or such other address as the party may designate by written notice given during the term of this Agreement.

**MUNICIPALITY:**

Humboldt Community Services District  
5055 Walnut Drive  
Post Office Box 158  
Cuttan, CA 95534

**HBMWD:**

Humboldt Bay Municipal Water District  
828 7th Street  
Eureka, California 95501



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT:**

By \_\_\_\_\_

Its \_\_\_\_\_

**HUMBOLDT COMMUNITY SERVICES DISTRICT:**

By *David Full*

Its GENERAL MANAGER

This Agreement is made and entered into as of July 1, 2017, by and between HUMBOLDT BAY MUNICIPAL WATER DISTRICT (hereinafter HBMWD) and MANILA COMMUNITY SERVICES DISTRICT (hereinafter Municipality).

**RECITALS**

This Agreement is made with reference to the following facts:

1. HBMWD and Municipality are parties to an agreement for municipal water supply dated July 1, 1999, which agreement expires December 31, 2024;
2. Municipality desires to continue receiving water service from HBMWD, and HBMWD desires to continue providing water service to Municipality;
3. HBMWD has adopted, or will adopt concurrently with the execution of this Agreement, an ordinance entitled "Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers" (hereinafter Ordinance No. 16);
4. HBMWD's Ordinance No. 16 provides that it shall be effective to establish rates, charges and conditions of service for municipal customers only after such customers enter into written contracts with HBMWD;
5. Municipality desires to enter into a written contract for water service as a customer of HBMWD on the terms and conditions set forth in Ordinance No. 16;

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, it is agreed by and between HBMWD and Municipality as follows:

**SECTION ONE: Incorporation of Ordinance No. 16.**

This Agreement includes, and shall be subject to, the terms and conditions of HBMWD's Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers, a copy of which is attached hereto, labeled **Exhibit "A"** and incorporated by reference herein.

**SECTION TWO: Term.**

2.1 This Agreement shall take effect on July 1, 2017, and shall remain in effect for a period of twenty (20) years, until June 30, 2037.

2.2 Municipality shall have the right to extend the term of this Agreement for an additional period of up to ten (10) years, to and including June 30, 2047 at such prices as shall be set by HBMWD from time to time by ordinance or otherwise. Municipality shall give notice in writing of its exercise of this option no earlier than July 1, 2035, and no later than December 31, 2036. If such notice is not given within the time provided herein, Municipality's option to extend its term shall be null and void. It is expressly understood and agreed that the pricing structure referred to in this paragraph 2.2 need not set forth specific prices or rates but only the mechanism for determination of such prices or rates. It is further understood and agreed that HBMWD may adopt rates or prices after June 30, 2037, which will be effective for periods less than the full term of the option period and that after exercising its option to extend the term of this Agreement, Municipality shall be bound to pay such rates and prices as HBMWD may adopt from time to time throughout the extended term of this Agreement.

**SECTION THREE: Wholesale Water Service.**

3.1 During the term of this Agreement, HBMWD agrees to supply water to Municipality, and Municipality agrees to purchase water from HBMWD, on the terms and conditions set forth in Ordinance No. 16.

3.2 Municipality agrees that the water supplied by HBMWD pursuant to this Agreement shall be sold by Municipality only for use within the boundaries of HBMWD.

3.3 Municipality understands and acknowledges that HBMWD will provide water treatment as specified in Ordinance 16, but that Municipality remains responsible for all other requirements applicable to it as a Public Water System. Except as otherwise expressly set forth in Ordinance No. 16, HBMWD disclaims all liability and warranties, whether express or implied, to the fullest extent permitted by law, with respect to the quality of the water delivered by Municipality to its customers. In no event shall HBMWD be obligated to deliver to Municipality water of a quality that cannot reasonably be attained by HBMWD's treatment facilities. Municipality agrees that HBMWD shall have authority to construct, operate and maintain, on Municipality's behalf, any facilities needed to comply with federal and state safe drinking water requirements, up to the point of delivery to Municipality, and to charge Municipality for such activities pursuant to the provisions of Ordinance No. 16.

3.4 Municipality further understands and acknowledges that HBMWD retains authority under Water Code sections 350, *et. seq.*, to adopt equitable regulations and restrictions to conserve water in the event of a drought or other water shortage emergency.

3.5 Unless otherwise agreed in writing, HBMWD shall have no obligation to deliver water to Municipality except at the current location of Municipality's mainline meter as of the date of execution of this Agreement.

4.1 The volume of water delivered to Municipality hereunder shall be measured by metering equipment, of a standard approved by the American Waterworks Association, to be furnished, installed, maintained and read by HBMWD at its own expense. The water metering equipment so furnished and installed shall be tested periodically by HBMWD to assure its continuing accuracy and conformance to the standards of measurement and service accepted in the water industry. The cost of conducting such tests shall be borne by HBMWD. Such tests shall also be conducted at other times upon Municipality's request in the event that Municipality's metering devices or other proof shall indicate an inaccuracy in HBMWD's metering equipment. If an inaccuracy of more than two percent (2%) in HBMWD meters is disclosed by any test requested by a Municipality, all Price Factor 3 (electrical power) charges from the time the water use inaccuracy occurred (limited to not more than five (5) years), and any subsequent Price Factor 3 charges until the time HBMWD's meter is corrected, shall be adjusted in proportion to the percentage of water use inaccuracy so disclosed. In the event the water use inaccuracy is the result of a meter being improperly certified then, in addition to Price Factor 3 charges, any other Price Factors may be adjusted using the same methodology and time frame as Price Factor 3 charges. If no inaccuracy is detected, then Municipality shall pay the cost of the test requested by it.

4.2 Representatives of Municipality may, at Municipality's election, be present during the conduct of all tests of metering equipment. HBMWD shall give Municipality at least five (5) days advance notice of the time such tests are to be made. All metering equipment found to be inaccurate shall be adjusted forthwith by HBMWD at its expense. Municipality, at its election, shall also have the right, at its expense, to install, operate and maintain additional metering equipment to measure the volume of water delivered under this Agreement.

**SECTION FIVE: Payment.**

5.1 The rates to be paid by Municipality shall be those established under Ordinance No. 16 until June 30, 2037, or such later date as this Agreement may terminate under paragraph 2.1 hereof. If Municipality exercises its option to extend this Agreement pursuant to paragraph 2.2 of this Agreement, the rates to be paid during the extended term shall be those set by ordinance or resolution of HBMWD from time to time during the extended term, which rates shall not exceed the reasonable cost of providing water service, including capital and reserve fund costs.

5.2 In accordance with Ordinance No. 16, Municipality agrees to pay the amounts due to HBMWD within 15 working days after receipt of HBMWD's monthly billing.

5.3 HBMWD acknowledges that the rates to be paid by Municipality are subject to adjustment under Section 9 of Ordinance 16 in the event that Municipality loses its principal water customer, Namely Sierra Pacific Industries.

**SECTION SIX: Notice of Water Use, Meetings and Budget Hearings.**

6.1 By January 30th of each year, HBMWD will send a written notice to Municipality showing the calculation of Municipality's Average Daily Water Use and Peak Water Use during the preceding calendar year.

6.2 HBMWD shall mail timely notices of all meetings of its Board of Directors to Municipality, including summary budget documents to be used in annual budget hearings or fiscal year budget adoption.

**SECTION SEVEN: Loss of Industrial Water Sales; Reopener**

7.1 It is understood and acknowledged that, concurrent with the execution of this Agreement, HBMWD may enter into contracts to supply untreated water to one or more major Industrial Water Customers. It is further understood and acknowledged that such contracts may be for shorter terms than this Agreement and may be subject to termination by the Industrial Water Customers upon one or two years' notice.

7.2 Municipality and HBMWD agree that, if one or more of HBMWD's Industrial Water Customers initiates a contract to purchase water from HBMWD, the cost allocation for Base Water Facilities provided in Paragraph 4.1 of Ordinance No. 16, and the Revenue Credit allocation provided in Section 8 of Ordinance No. 16, may have to be revised. If Municipality or any other Municipal Water Customer or Industrial Water Customer disagrees with HBMWD's allocation, it shall be submitted for mandatory and binding arbitration under Section 14 of Ordinance No. 16. HBMWD's allocation shall remain in effect pending the outcome of the arbitration.

**SECTION EIGHT: Unanticipated Reserve Shortfalls.**

It is understood and acknowledged that Section 7.4 of Ordinance No. 16 (Price Factor 4) limits the amounts that HBMWD may charge to maintain General Reserves. In the event that HBMWD anticipates that General Reserves will fall below \$500,000.00, Municipality agrees, upon request of HBMWD, to negotiate in good faith with HBMWD and its other Municipal Water Customers and Industrial Water Customers to develop a reasonable and equitable plan to assure HBMWD adequate cash flow to continue its normal operations.

**SECTION NINE: Waiver, Integration and Modification.**

9.1 No waiver by HBMWD or Municipality of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any other or subsequent breach.

9.2 This Agreement constitutes the entire agreement of the parties. All prior statements, representations, correspondence or other writings between the parties relating to the subject matter of this Agreement are of no force and effect. This Agreement supercedes

9.3 This Agreement shall not be modified except by a written instrument executed by the parties hereto.

**SECTION TEN: Assignment, Successors and Assigns.**

Neither HBMWD nor Municipality shall have the right to assign this Agreement, in whole or in part, without first securing the written consent of the other party; provided, however, that nothing contained in this paragraph, or in this Agreement, shall be construed as in any manner limiting Municipality's right to supply water to domestic, municipal and industrial customers so long as such water is used entirely within the boundaries of HBMWD.

**SECTION ELEVEN: No Third-Party-Beneficiaries.**

This Agreement is strictly between HBMWD and Municipality. Nothing contained herein is intended, or shall be construed, to create any rights in third-parties against HBMWD or Municipality.

**SECTION TWELVE: Severability.**

Subject to the provisions of Ordinance No. 16, if any portion of this Agreement is determined to be void, invalid or unenforceable, the remaining terms and conditions hereof shall nonetheless be binding and enforceable in all respects.

**SECTION THIRTEEN: Special Conditions.**

13.1 It is a condition precedent to Municipality's obligations under this Agreement that HBMWD concurrently adopt Ordinance No. 16 in substantially the same form as set forth in Exhibit "A" hereto. Said Ordinance will be deemed to be substantially in the same form if it contains only minor changes that have no material effect on the obligations of Municipality.

13.2 It is agreed that the anticipated annual debt service on the SRF Loan is \$547,337.00.

13.3 HBMWD has established a new reserve fund called the Municipal Supplemental Reserve Account ("MSRA"), which consists of both excess Price Factor 2 charges accumulated during fiscal year 2008-09 that would otherwise have been the subject of refund credits in fiscal year 2009-10 under Paragraph 7.2.4 of Ordinance 16 and incremental revenues from hydropower sales under a Renewable Market Adjusting Tariff contract with Pacific Gas and Electric company, in the amount of \$0.05 per kWh. HBMWD will use the MSRA solely for the general benefit of the Municipal Water Customers, including any essential expenditures on the Industrial Water System.

**SECTION FOURTEEN: Notices.**

Insofar as this Agreement requires or contemplates that notices shall be given by any party, such notices shall be deemed given when personally delivered to its business office, or deposited in the United States Mail, first class postage prepaid, addressed to the other party at its mailing address set forth below, or such other address as the party may designate by written notice given during the term of this Agreement.

**MUNICIPALITY:**

Manila Community Services District  
1901 Park Street  
Arcata, CA 95521

**HBMWD:**

Humboldt Bay Municipal Water District  
828 7th Street

Eureka, California 95501

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT:**

By

Its \_\_\_\_\_

**MANILA COMMUNITY SERVICES DISTRICT:**

By  \_\_\_\_\_

Its General Manager \_\_\_\_\_

**CONTRACT FOR SUPPLY OF MUNICIPAL WATER**

This Agreement is made and entered into as of July 1, 2017, by and between HUMBOLDT BAY MUNICIPAL WATER DISTRICT (hereinafter HBMWD) and MCKINLEYVILLE COMMUNITY SERVICES DISTRICT (hereinafter Municipality).

**RECITALS**

This Agreement is made with reference to the following facts:

1. HBMWD and Municipality are parties to an agreement dated July 1, 1999, entitled Contract for Supply of Municipal Water, which agreement expires June 30, 2024;
2. Municipality desires to continue receiving water service from HBMWD, and HBMWD desires to continue providing water service to Municipality;
3. HBMWD has adopted, or will adopt concurrently with the execution of this Agreement, an ordinance entitled "Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers" (hereinafter Ordinance No. 16);
4. HBMWD's Ordinance No. 16 provides that it shall be effective to establish rates, charges and conditions of service for municipal customers only after such customers enter into written contracts with HBMWD;
5. Municipality desires to enter into a written contract for water service as a customer of HBMWD on the terms and conditions set forth in Ordinance No. 16;

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, it is agreed by and between HBMWD and Municipality as follows:

**SECTION ONE: Incorporation of Ordinance No. 16.**

This Agreement includes, and shall be subject to, the terms and conditions of HBMWD's Ordinance No. 16 — Establishing Wholesale Rates, Charges and Conditions of Service for Water Sales to Municipal Water Customers, a copy of which is attached hereto,



labeled **Exhibit "A"** and incorporated by reference herein.

**SECTION TWO: Term.**

2.1 This Agreement shall take effect on July 1, 2017, and shall remain in effect for a period of twenty (20) years, until June 30, 2037.

2.2 Municipality shall have the right to extend the term of this Agreement for an additional period of up to ten (10) years, to and including June 30, 2047 at such prices as shall be set by HBMWD from time to time by ordinance or otherwise. Municipality shall give notice in writing of its exercise of this option no earlier than July 1, 2035, and no later than December 31, 2036. If such notice is not given within the time provided herein, Municipality's option to extend its term shall be null and void. It is expressly understood and agreed that the pricing structure referred to in this paragraph 2.2 need not set forth specific prices or rates but only the mechanism for determination of such prices or rates. It is further understood and agreed that HBMWD may adopt rates or prices after June 30, 2037, which will be effective for periods less than the full term of the option period and that after exercising its option to extend the term of this Agreement, Municipality shall be bound to pay such rates and prices as HBMWD may adopt from time to time throughout the extended term of this Agreement.

**SECTION THREE: Wholesale Water Service.**

3.1 During the term of this Agreement, HBMWD agrees to supply water to Municipality, and Municipality agrees to purchase water from HBMWD, on the terms and conditions set forth in Ordinance No. 16.

3.2 Municipality agrees that, except for services to customers in the "Patrick's Creek area which are not within HBMWD's boundaries, the water supplied by HBMWD pursuant to this Agreement shall be sold by Municipality only for use within the boundaries of HBMWD.

3.3 Municipality understands and acknowledges that HBMWD will provide water treatment as specified in Ordinance 16, but that Municipality remains responsible for all other requirements applicable to it as a Public Water System. Except as otherwise expressly set forth in Ordinance No. 16, HBMWD disclaims all liability and warranties, whether express or implied, to the fullest extent permitted by law, with respect to the quality of the water delivered by Municipality to its customers. In no event shall HBMWD be obligated to deliver to Municipality water of a quality that cannot reasonably be attained by HBMWD's treatment facilities. Municipality agrees that HBMWD shall have authority to construct, operate and maintain, on Municipality's behalf, any facilities needed to comply with federal and state safe drinking water requirements, up to the point of delivery to Municipality, and to

charge Municipality for such activities pursuant to the provisions of Ordinance No. 16.

3.4 Municipality further understands and acknowledges that HBMWD retains authority under Water Code sections 350, *et. seq.*, to adopt equitable regulations and restrictions to conserve water in the event of a drought or other water shortage emergency.

3.5 Unless otherwise agreed in writing, HBMWD shall have no obligation to deliver water to Municipality except at the current location of Municipality's mainline meter as of the date of execution of this Agreement.

#### **SECTION FOUR: Metering.**

4.1 The volume of water delivered to Municipality hereunder shall be measured by metering equipment, of a standard approved by the American Waterworks Association, to be furnished, installed, maintained and read by HBMWD at its own expense. The water metering equipment so furnished and installed shall be tested periodically by HBMWD to assure its continuing accuracy and conformance to the standards of measurement and service accepted in the water industry. The cost of conducting such tests shall be borne by HBMWD. Such tests shall also be conducted at other times upon Municipality's request in the event that Municipality's metering devices or other proof shall indicate an inaccuracy in HBMWD's metering equipment. If an inaccuracy of more than two percent (2%) in HBMWD meters is disclosed by any test requested by a Municipality, all Price Factor 3 (electrical power) charges from the time the water use inaccuracy occurred (limited to not more than five (5) years), and any subsequent Price Factor 3 charges until the time HBMWD's meter is corrected, shall be adjusted in proportion to the percentage of water use inaccuracy so disclosed. In the event the water use inaccuracy is the result of a meter being improperly certified then, in addition to Price Factor 3 charges, any other Price Factors may be adjusted using the same methodology and time frame as Price Factor 3 charges. If no inaccuracy is detected, then Municipality shall pay the cost of the test requested by it.

4.2 Representatives of Municipality may, at Municipality's election, be present during the conduct of all tests of metering equipment. HBMWD shall give Municipality at least five (5) days advance notice of the time such tests are to be made. All metering equipment found to be inaccurate shall be adjusted forthwith by HBMWD at its expense. Municipality, at its election, shall also have the right, at its expense, to install, operate and maintain additional metering equipment to measure the volume of water delivered under this Agreement.

#### **SECTION FIVE: Payment.**

5.1 The rates to be paid by Municipality shall be those established under Ordinance No. 16 until June 30, 2037, or such later date as this Agreement may terminate under

paragraph 2.1 hereof. If Municipality exercises its option to extend this Agreement pursuant to paragraph 2.2 of this Agreement, the rates to be paid during the extended term shall be those set by ordinance or resolution of HBMWD from time to time during the extended term, which rates shall not exceed the reasonable cost of providing water service, including capital and reserve fund costs.

5.2 In accordance with Ordinance No. 16, Municipality agrees to pay the amounts due to HBMWD within 15 working days after receipt of HBMWD's monthly billing.

**SECTION SIX: Notice of Water Use, Meetings and Budget Hearings.**

6.1 By January 30th of each year, HBMWD will send a written notice to Municipality showing the calculation of Municipality's Average Daily Water Use and Peak Water Use during the preceding calendar year.

6.2 HBMWD shall mail timely notices of all meetings of its Board of Directors to Municipality, including summary budget documents to be used in annual budget hearings or fiscal year budget adoption.

**SECTION SEVEN: Loss of Industrial Water Sales; Reopener**

7.1 It is understood and acknowledged that, concurrent with the execution of this Agreement, HBMWD may enter into contracts to supply untreated water to one or more major Industrial Water Customers. It is further understood and acknowledged that such contracts may be for shorter terms than this Agreement and may be subject to termination by the Industrial Water Customers upon one or two years' notice.

7.2 Municipality and HBMWD agree that, if one or more of HBMWD's Industrial Water Customers initiates a contract to purchase water from HBMWD, the cost allocation for Base Water Facilities provided in Paragraph 4.1 of Ordinance No. 16, and the Revenue Credit allocation provided in Section 8 of Ordinance No. 16, may have to be revised. If Municipality or any other Municipal Water Customer or Industrial Water Customer disagrees with HBMWD's allocation, it shall be submitted for mandatory and binding arbitration under Section 14 of Ordinance No. 16. HBMWD's allocation shall remain in effect pending the outcome of the arbitration.

**SECTION EIGHT: Unanticipated Reserve Shortfalls.**

It is understood and acknowledged that Section 7.4 of Ordinance No. 16 (Price Factor 4) limits the amounts that HBMWD may charge to maintain General Reserves. In the event that HBMWD anticipates that General Reserves will fall below \$500,000.00, Municipality agrees, upon request of HBMWD, to negotiate in good faith with HBMWD and its other

Municipal Water Customers and Industrial Water Customers to develop a reasonable and equitable plan to assure HBMWD adequate cash flow to continue its normal operations.

**SECTION NINE: Waiver, Integration and Modification.**

9.1 No waiver by HBMWD or Municipality of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any other or subsequent breach.

9.2 This Agreement constitutes the entire agreement of the parties. All prior statements, representations, correspondence or other writings between the parties relating to the subject matter of this Agreement are of no force and effect. This Agreement supercedes all prior agreements between the parties

9.3 This Agreement shall not be modified except by a written instrument executed by the parties hereto.

**SECTION TEN: Assignment; Successors and Assigns.**

Neither HBMWD nor Municipality shall have the right to assign this Agreement, in whole or in part, without first securing the written consent of the other party; provided, however, that nothing contained in this paragraph, or in this Agreement, shall be construed as in any manner limiting Municipality's right to supply water to domestic, municipal and industrial customers so long as such water is used entirely within the boundaries of HBMWD and that portion of the "Patrick's Creek" area not within the boundaries of HBMWD.

**SECTION ELEVEN: No Third-Party-Beneficiaries.**

This Agreement is strictly between HBMWD and Municipality. Nothing contained herein is intended, or shall be construed, to create any rights in third-parties against HBMWD or Municipality.

**SECTION TWELVE: Severability.**

Subject to the provisions of Ordinance No. 16, if any portion of this Agreement is determined to be void, invalid or unenforceable, the remaining terms and conditions hereof shall nonetheless be binding and enforceable in all respects.

**SECTION THIRTEEN: Special Conditions.**

13.1 It is a condition precedent to Municipality's obligations under this Agreement that HBMWD concurrently adopt Ordinance No. 16 in substantially the same form as set

forth in Exhibit "A" hereto. Said Ordinance will be deemed to be substantially in the same form if it contains only minor changes that have no material effect on the obligations of Municipality.

13.2 It is agreed that the anticipated annual debt service on the SRF Loan is \$547,337.00.

13.3 HBMWD has established a new reserve fund called the Municipal Supplemental Reserve Account ("MSRA"), which consists of both excess Price Factor 2 charges accumulated during fiscal year 2008-09 that would otherwise have been the subject of refund credits in fiscal year 2009-10 under Paragraph 7.2.4 of Ordinance 16 and incremental revenues from hydropower sales under a Renewable Market Adjusting Tariff contract with Pacific Gas and Electric company, in the amount of \$0.05 per kWh. HBMWD will use the MSRA solely for the general benefit of the Municipal Water Customers ~~and shall not comingle these funds with any general reserve fund, or any other funds held by HBMWD, or use the MSRA for the benefit of any Industrial Water Customer,~~ including any essential expenditures on the Industrial Water System.

**SECTION FOURTEEN: Notices.**

Insofar as this Agreement requires or contemplates that notices shall be given by any party, such notices shall be deemed given when personally delivered to its business office, or deposited in the United States Mail, first class postage prepaid, addressed to the other party at its mailing address set forth below, or such other address as the party may designate by written notice given during the term of this Agreement.

**MUNICIPALITY:**  
McKinleyville Community Services District  
1656 Sutter Road  
PO Box 2037  
McKinleyville, CA 95519

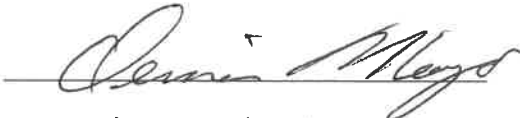
**HBMWD:**  
Humboldt Bay Municipal Water District  
828 7th Street  
Eureka, California 95501

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT:**

By \_\_\_\_\_  
Its \_\_\_\_\_

**MCKINLEYVILLE COMMUNITY SERVICES DISTRICT:**

By   
Its Board President

**Humboldt Bay Municipal Water District**

To: Board of Directors  
From: John Friedenbach  
Date: May 31, 2017  
Re: MOU with USDA Forest Service

**Discussion**

The USDA Forest Service has requested permission to access the Mad River via District property, Parks 1 and 4, in conjunction with their field study of the Sacramento Sucker fish species. Their study will begin during July and continue through December 2017. They desire day and night time access for their field work.

Their field work may provide data that would add value to our instream flow dedication. The attached Memorandum of Understanding (MOU) requires that they share any interim data and final report with the District. The MOU is similar in structure to the existing MOU that the District entered into with the California Department of Fish and Wildlife for the Didson sonar machine that is located near Collector 1 at Essex.

**Recommendation and Action**

Authorize General Manager to sign MOU with the USDA Forest Service for access to the Mad River through District property.

**MEMORANDUM OF UNDERSTANDING**

by and between

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT**

and

**USDA Forest Service**

This Memorandum of Understanding (MOU) is made and entered into by and between the Humboldt Bay Municipal Water District (HBMWD), a California public entity, and the USDA Forest Service. The purpose of this MOU is to acknowledge the mutual interests and responsibilities of both parties in working in cooperation on a ***Sacramento Sucker Fisheries Monitoring Project***.

**1. Project Objective**

The USDA Forest Service will be conducting a "Sacramento Sucker" study on the Mad River. This study will be conducted during the day and night during June through December, 2017. The fish movement will be monitored using radio transmitters. The USDA Forest Service staff will access the river at via Park 1 and Park 4.

HBMWD is considering new water-use options within their service area via their Water Resource Planning process. One option under consideration is an instream flow dedication in the Mad River for environmental enhancement (pursuant to section 1707 of the California Water Code).

This data will provide useful information to support consideration of an instream flow dedication by documenting fish migration in response to various flow scenarios.

It is the objective of the parties to promote their mutual goals through the HBMWD providing a physical location and river access and the USDA Forest Service providing the technical expertise and equipment needed to conduct the studies contemplated by the project.

**2. Specific Conditions**

Attachment (A) describes the project activities, duties, site improvements, equipment and other specific protocols.

**3. Reporting Requirements**

All reporting requirements associated with implementation of the ***Sacramento Sucker Fisheries Monitoring Project*** shall be the responsibility of the USDA Forest Service. Upon completion of the project,



a final report shall be provided to the Humboldt Bay Municipal Water District. If USDA Forest Service prepares any interim reports on initial findings or other information pertinent to the project, copies shall be provided to HBMWD.

#### 4. **Permitting Requirements**

Any federal, state or local permits required to conduct the work associated with the **Sacramento Sucker Fisheries Monitoring Project** shall be the responsibility of the USDA Forest Service.

#### 5. **Indemnification**

USDA Forest Service shall defend, indemnify and hold harmless HBMWD and its employees, officers, directors, contractors and agents for any claims for any personal injury, death, property damage, nuisance, and alleged statutory or regulatory violations arising out of Forest Service/USDA's activities relating to the Project, except for those claims arising out of the sole negligence or other sole conduct of the HBMWD or its employees, officers, directors, contractors. USDA Forest Service is self-insured and HBMWD does not require any policy of insurance to be provided by USDA Forest Service under this Agreement.

#### 6. **Responsible Parties**

Humboldt Bay Municipal Water District Project Contact:

**John Friedenbach, General Manager**

Humboldt Bay Municipal Water District

828 7th Street

Eureka, CA 95501

(707) 443-5018 (Office)

(707) 443-5731 (FAX)

[friedenbach@hbmwd.com](mailto:friedenbach@hbmwd.com)

USDA Forest Service Project Contact:

**Rod Nakamoto, Fisheries Biologist**

Conservation of Biodiversity Program

Pacific Southwest Research Station

1700 Bayview Drive, Arcata, CA 95521-6013

(707) 825-2932 (Office)

(707) 499-0517 (Cell)

**7. Effective Date and Termination**

This MOU shall commence on the date of execution and unless amended, will terminate on December 31, 2017.

If there are substantial changes in conditions, including changes in study methodology, changes in study location or changes in conditions that may affect other fish, wildlife or water resources, the Department may, at its discretion amend or terminate this MOU.

A 30-day written notification is required prior to early termination by either party.

**8. Amendments**

Amendments to this MOU, including renewals, may be proposed by either party and shall become effective when both parties sign a written modification to this document.

**9. Disclaimer**

Neither party shall incur any additional fiscal obligation to the other party under this MOU.

THE PARTIES HAVE EXECUTED THIS MOU TO BE IN EFFECT AS OF THE DATE LAST WRITTEN BELOW.

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

**Rod Nakamoto, Fisheries Biologist**

Conservation of Biodiversity Program  
Pacific Southwest Research Station  
1700 Bayview Drive, Arcata, CA 95521-6013  
(707) 825-2932 (Office)  
(707) 499-0517 (Cell)

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

**John Friedenbach, General Manager**

Humboldt Bay Municipal Water District  
828 7th Street  
Eureka, CA 95501  
(707) 443-5018 (Office)  
(707) 443-5731 (FAX)  
[friedenbach@hbmwd.com](mailto:friedenbach@hbmwd.com)

**ATTACHMENT A****Location:**

HBMWD shall allow access to the Mad River via Parks 1 and 4 off West End Road in Arcata, CA. Site specific details will be subject to the review and approval by Dale Davidsen, Superintendent, HBMWD or such other representative as shall be designated by the HBMWD.

Should USDA Forest Service use a generator or other equipment on the site using liquid fuels, USDA Forest Service shall comply with all laws and regulations relating to such materials, including but not limited to spill prevention, spill response and reporting requirements, and shall be liable for all damages arising out of the use of such materials.

**Security/Access:**

USDA Forest Service shall provide HBMWD a general schedule of site access needs to operate a monitoring station. USDA Forest Service will make a courtesy call to the designated HBMWD contact at the Essex Station to notify staff prior to accessing the site. HBMWD will issue USDA Forest Service staff any necessary keys or security codes for purposes of accessing the site and to minimize disruptions to HBMWD staff. USDA Forest Service shall utilize all necessary and reasonable security precautions to reduce the potential for vandalism or illegal trespass to or on HBMWD's property by third parties. USDA Forest Service is solely responsible for the security of its facilities and equipment. HBMWD shall not be responsible for providing security to USDA Forest Service facilities and equipment or for damage, destruction or theft of USDA Forest Service facilities or equipment by third parties.

**Cooperation:**

Both HBMWD and USDA Forest Service acknowledge that the ***Sacramento Sucker Fisheries Monitoring Project*** is mutually beneficial to both parties and shall work to coordinate project activities and to resolve any other related site management issues in a timely manner.

# Engineering

Humboldt Bay Municipal Water District  
Collector 1 & 1A Rehabilitation Project  
May 23, 2017

Payne Invoice #39759-10  
PAYMENT REQUEST #10  
For Work period: May 1, 2017 to May 31, 2017

Mailing Address:  
(Regular U.S. Postal Service Mail)  
Layne Christensen Company  
P.O. Box 877801  
Dallas, Texas 75287-7801

Shipping Address:  
(Courier, UPS, FedEx)  
PNC Bank, N.A.  
C/O Layne Christensen Company  
Lockbox #677801  
1200 East Campbell, Suite 108  
Richardson, Texas 75081

From:  
Layne Christensen Company, Inc.  
6360 Huntley Rd.  
Columbus, Ohio 43229  
Phone: (614) 888-6263  
E-mail: Mike.Hartman@layne.com

Bank: PNC Bank, N.A.  
ABA: 031 207 607  
Swift: PNCCL333  
Account Name: Layne Christensen  
Account Number: 8026317547

Wire Transfer/  
ACH Info:

Item	ORIGINAL CONTRACT		THIS PERIOD		PREVIOUS PERIODS		TOTAL COMPLETED	
	Quantity	Unit Cost	Total Cost	%	AMOUNT	%	AMOUNT	%
Mobilization & Demobilization	1	LS	160,000.00	25%	\$ 40,000.00	75%	\$ 120,000.00	100%
Caisson Dewatering	1	LS	131,000.00	0%	\$ -	100%	\$ 131,000.00	100%
Site set up, Well 1A	1	LS	142,000.00	0%	\$ -	100%	\$ 142,000.00	100%
Installation of ports	5	LS	172,500.00	0%	\$ -	100%	\$ 172,500.00	100%
F&I, Develop laterals	750	FT	1,012,500.00	0	\$ -	5	\$ 110,000.00	5
Install SS Gate Valves	5	EA	9,600.00	0	\$ -	750	\$ 1,012,500.00	750
Final performance test, Well 1	1	EA	49,000.00	0%	\$ -	5	\$ 49,000.00	5
Initial & Final port tests, Well 1A	1	LS	75,000.00	0%	\$ -	100%	\$ 49,000.00	100%
			1,800,000.00		\$ -	100%	\$ 75,000.00	100%
<b>CHANGE ORDERS</b>								
CO #1 - reflected in the items shown above								
CO #2 - added 55 days to schedule								
CO #3 - chain link fence install, rent and remove	1	LS	4,809.00	10%	\$ 480.90	80%	\$ 4,328.10	100%
CO #4 - install additional port in Well 1	1	LS	8,000.00	0%	\$ -	100%	\$ 8,000.00	100%
CO #5 - Crane Operator Labor	1	LS	3,220.00	0%	\$ -	100%	\$ 3,220.00	100%
CO #6 - Remove old Valve Stems/Siphon	34	HR	650.00	0	\$ -	34	\$ 22,100.00	34
CO #7 - Spare Port Well 1A	1	LS	8,000.00	0%	\$ -	100%	\$ 8,000.00	100%
CO #8 - Contract Extension	1	n/a	-		\$ -		\$ -	
CO #9 - Digging Head & Blank	1	LS	14,000.00	0%	\$ -	100%	\$ 14,000.00	100%
CO #10 - Extra footage in Well 1A (Lat 4)	10	FT	1,300.00	0	\$ -	10	\$ 13,000.00	100%
<b>ADDITIVE Bid Items</b>								
Installation of port and 10" blank		EA	39,000.00		\$ -		\$ -	
F&I, Develop laterals		LF	1,300.00		\$ -		\$ -	
F&I, 12" SS gate valves, with legs		EA	17,600.00		\$ -		\$ -	
Remove and Reinstall support flooring at		EA	74,000.00		\$ -		\$ -	
Remove old valve stems, actuator flange, etc		HR	650.00		\$ -		\$ -	
<b>TOTAL PROJECT COST</b>			\$ 1,973,128.00	Retainage (5%)	\$ 40,480.80	R'ting (5%)	\$ 1,932,648.10	\$ 1,973,128.00
					\$ (52,024.05)		\$ (58,504.15)	\$ (58,504.15)
					\$ 39,456.86		\$ 1,836,015.70	\$ 1,836,015.70
								\$ 38,466.85

Respectfully Submitted:  
Layne Christensen, Remy Collector Wells  
5/23/17  
Patrick Kasparin PE  
GHD Engineering

Approved:  
Humboldt Bay Municipal Water District



May 31, 2017

Ryan Chairez, Maintenance Supervisor  
Humboldt Bay Municipal Water District  
828 Seventh Street  
Eureka, CA 95501

RE: One Million Gallon Industrial Reservoir Structural Inspection

Dear Mr. Chairez,

As per your request and our Agreement No. 54-IR-1, we are pleased to provide you with this report on our inspection of the one million gallon industrial water reservoir near Samoa. This report serves as a focused engineering study to provide necessary information for maintenance and repair of the District's infrastructure and to provide input to the District's Infrastructure and Capital Improvement Plan. Our inspection was performed on March 15<sup>th</sup>, 2017. In attendance were Brian Crowell (GHD) and Ryan Chairez (HBMWD), as well as other HBMWD personnel for implementation of confined space entry protocol and safety measures.

The exterior of the tank appeared to be in good condition (reference Photo 1). Paint on the exterior of the steel plate roof appears to be in good condition with little evidence of significant corrosion. The water level inside the reservoir at the time of inspection was about 6 feet below the roof at the perimeter of the tank. The interior of the tank above the filled water level was inspected by raft. Thirty-six radial, 10 inch deep steel channel roof rafters span from the edge wall to the center post of the tank, supporting the steel plate roof (reference Photo 2). The roof is not positively attached to the channels. The tank was constructed in 1966. Due to significant corrosion as well as excessive warping and deflection in the original roof rafters, the roof of the tank was repaired in 1989. The original rafters were removed in sections and new rafters were added while the original steel plate roof remained in place. New lateral-torsional angle bracing was installed at mid-span between the new rafters. Corrosion at the interior of the tank was cleaned and repainted at that time. The rafter repair work appears to have addressed previously experienced warping and deflection issues, as those problems have not returned.

The interior of the tank above the water level shows signs of the beginning stages of corrosion including staining, paint blistering and paint failure. On each roof rafter channel, at the interface between the rafter and the plate roof, between 25% to 50% of the edge of each channel shows evidence of rust and paint scaling (reference Photos 3-5). At the bottom flange of the channels between 25% to 50% of the edge of each channel shows evidence of rust and paint scaling (reference Photos 3-5). In some locations along the bottom flanges of the rafters the corrosion is severe enough to cause flaking at the toe of the channel flange. Measuring the actual material thickness loss with a calliper or other device was not possible due to the water height in the tank. Based on visual observation, it appeared that in some isolated worst cases the material loss has progressed approximately ½ inch from the toe of the flange. At the center of



the tank a steel plate ring is located at the top of the center pipe column, providing bearing support for all the roof rafter channels (reference Photo 6). Steel at this element is in relatively good condition showing approximately 25% staining with some pockets of corrosion. Above the support ring, at the roof vent, more significant corrosion is apparent. Painted angle bracing between rafters shows between 25% to 50% paint staining with some corrosion onset (reference Photo 7). Blistering paint and rust was also observed at the top of the overflow drain (reference Photo 8).

Given the proximity of the tank to the ocean (less than 1000 feet), the general condition of the tank with regard to paint and corrosion is fairly good. The current level of corrosion is not at a point as to weaken the structure. Never the less, corrosion will continually worsen and eventually impact the structural integrity of the roof system. Salty mist from the ocean could accelerate this process. Ideally the tank would be cleaned and repainted within the next one to two years to arrest the observed corrosion. If the tank is not painted, a structural inspection of the tank should occur at least every other year to help ensure there is not catastrophic failure of portions of the tank.

Without cleaning and repainting, the tank can be expected to continue to degrade for another 5 to 10 years before addressing the corrosion becomes a more immediate concern. Biennial inspection of the tank will help to track this progression. Continued use of the tank for industrial water storage during this period is reasonable. This tank was built in the 1960's around the same time as the 1 Mg Korblex domestic reservoir; therefore the construction of the tank is no longer compliant with current steel tank seismic design parameters. This includes the steel side wall construction, the foundation and the roof. Repurposing of the tank for municipal water services, or continued use for industrial water services, should involve a seismic strength evaluation. Results of an evaluation will likely point to a need for a seismic retrofit of the tank and foundation to bring it in line with current tank standards. Consideration should be given to budgeting for the seismic evaluation and seismic retrofit of this tank in the Capital Improvement Plan.

Thank you for the opportunity to assist you with this project. Should you have any questions regarding our findings please do not hesitate to contact us.

Sincerely,  
GHD Inc.

A handwritten signature in black ink that reads "Brian Crowell".

Brian Crowell, SE

Senior Structural Engineer

707-443-8326



**REFERENCE PHOTOS – MARCH 2017 INSPECTION**



Photo 1 – Tank Exterior

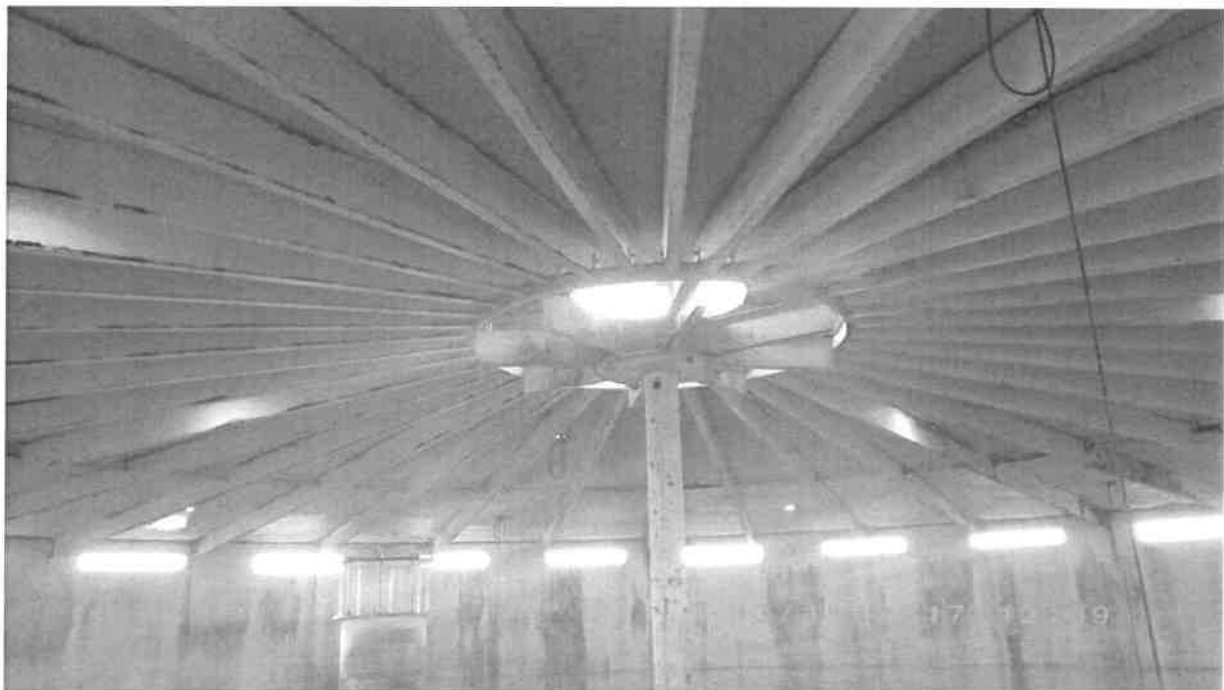


Photo 2 – Tank Interior / Center Column Support





Photo 3 – Typical Air Vent at Interior Side

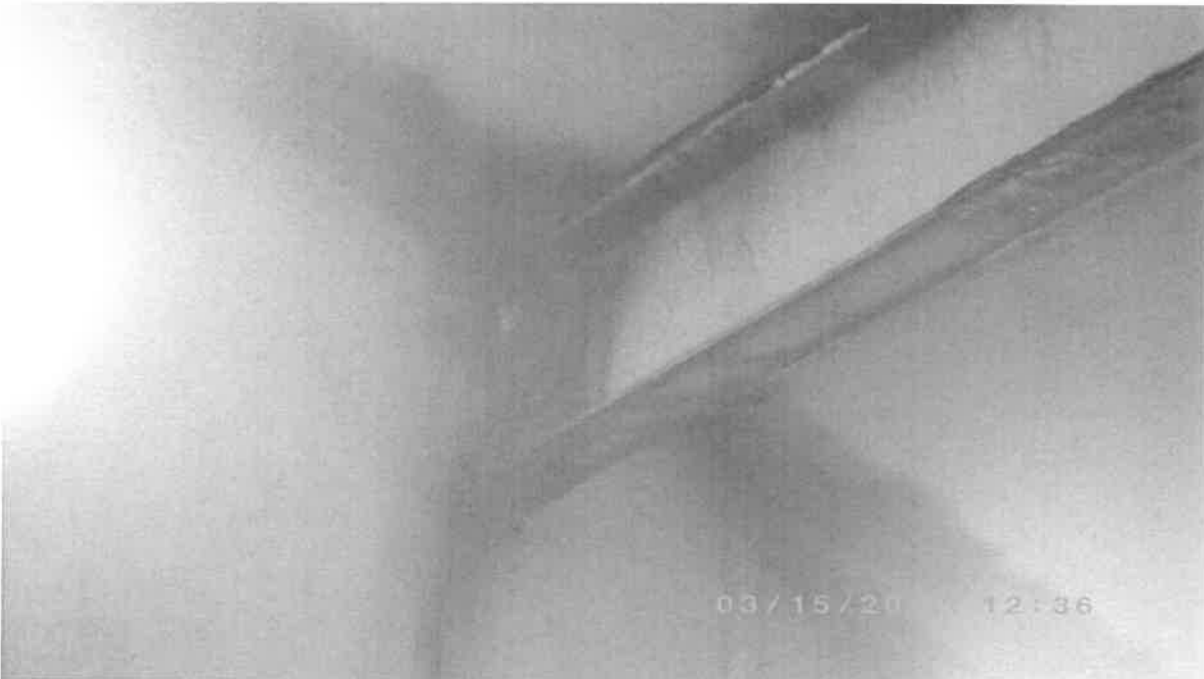


Photo 4 – Typical Channel Rafter at Perimeter

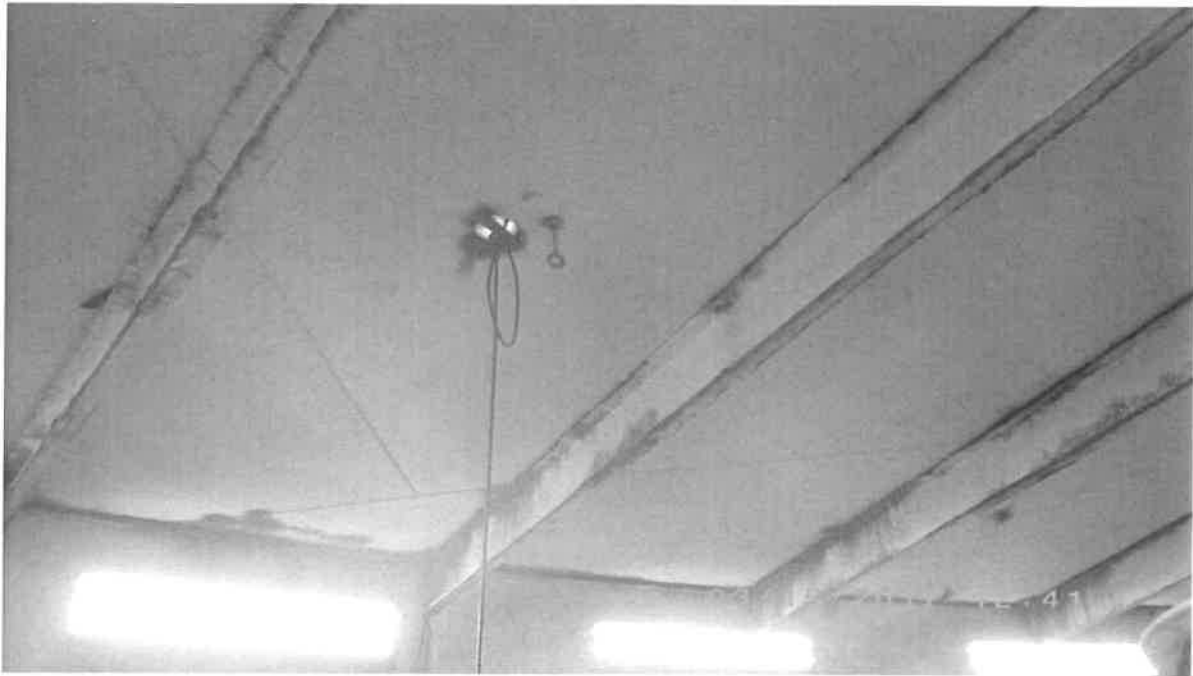


Photo 5 – Interior Channel Typical Flange Corrosion



Photo 6 – Center Column

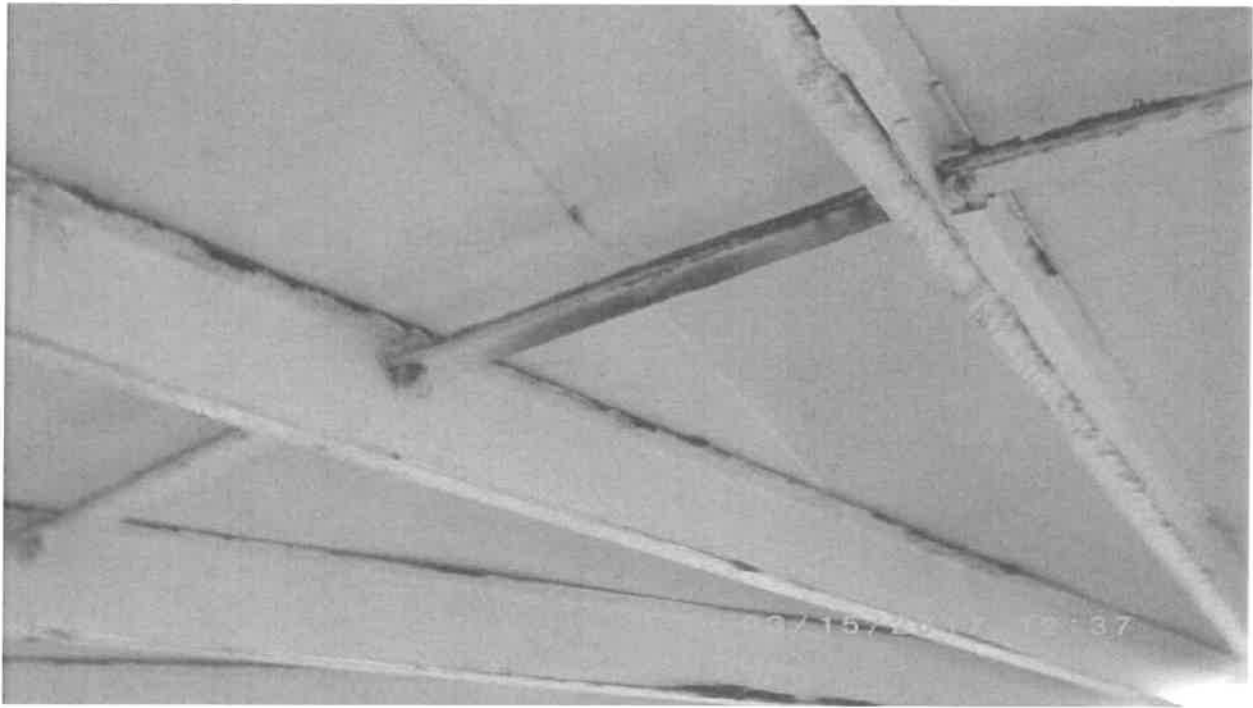


Photo 7 – Rafter Bridging Corrosion



Photo 8 – Over-flow Drain Corrosion



# Memorandum

23 May 2017

To	Joan Flack		
	FEMA Region IX, Mitigation Grants EHP Coordinator		
Copy	John Friedenbach, HBMWD; Joe Peterson, CalOES		
From	Patrick Kaspari, PE	Tel	707-443-8326
Subject	DR 4240-17-24 HBMWD 12kV Switchgear Relocation Project, Response to Environmental Compliance Process RFI	Job no.	111/25074/

Dear Joan,

This letter serves as a formal response to the questions regarding the Humboldt Bay Municipal Water District (HBMWD) 12kV Switchgear Relocation you sent prior to the meeting that took place between HBMWD, GHD, FEMA, and CalOES on May 9<sup>th</sup>, 2017.

• **FEMA Question 1: Acreage or square footage of project footprint**

*GHD Answer 1: The permanent project footprint will consist of any approximately 12-foot by 20-foot concrete pad, with the switchgear installed on top of it, for an approximately 240 square feet of permanent impact. Approximately 300 square feet will also temporarily be disturbed for trenching in new cabling and approximately 4,810 square feet will be temporarily disturbed to allow for site access. A Vicinity Map has been attached to this letter as Figure 1, Site Map as Figure 2, and a Vegetation Clearing and Ground Disturbance Map as Figure 3.*

• **FEMA Question 2: Description of the maximum extent of vertical ground disturbance. Identification of ground disturbance that extends outside of previously disturbed soils.**

*GHD Answer 2: Minimal ground disturbance is expected to occur at the project site and there is minimal disturbance outside of previously disturbed soils. The 12kV switchgear 12-foot by 20-foot pad will require approximately 1-foot of vertical ground disturbance for leveling and the installation of 8-inches of baserock for the concrete foundation. The trenching to connect cabling from the new 12kV switchgear location to the Essex Facility will require 3 feet of vertical ground disturbance for an approximate length of 100-feet and a trench width of 3-feet.*

• **FEMA Question 3: Date of construction for the railroad**

*GHD Answer 3: The railroad was constructed in the 1880s and has not been used since the 1980s. Although the railroad is recognized as a California Historic Landmark there are no rails or other structural elements of concern present in this section of the railroad alignment. A previous historical evaluation (cited below) of a nearby HBMWD project located approximately 1.25-miles southeast of this project, along the same*

railroad bed, found that the only remains of the railroad grade alignment was railroad ballast.

James Roscoe, Melinda Salisbury and William Rich (2016) Historical Resource Evaluation and Archaeological Excavations at CA-HUM-931 and P- 12-000815 Mad River Pipeline Crossing Project, Humboldt Bay Municipal Water District Humboldt County, California. On-file at the Northwest Information Center.

- **FEMA Question 4: Description of anticipated soil disposal methods, if any.**

*GHD Answer 4: Not applicable to this project. Trenched soils will be placed back in the same location and same condition before construction. Soil removed for the concrete foundation will be redistributed on the site to level the pad. This project is a net import of materials for construction. Base fill material will be added and compacted for the concrete pad.*

- **FEMA Question 5: Description of anticipated vehicles and equipment to be used (number and type).**

*GHD Answer 5: We anticipate the following equipment for this project:*

- *One (1) backhoe for trenching and earth moving*
- *One (1) compactor for the concrete pad foundation*
- *One (1) cement truck for the concrete foundation*
- *One (1) dump truck to bring fill material for the concrete foundation*
- *Two (2) work trucks for Contractor's employees*

- **FEMA Question 6: Proposed best management practices.**

*GHD Answer 6: Any required sediment and erosion control Best Management Practices (BMP) will be in conformance with the latest version of the CASQA BMP Handbook for the project site appropriate to the phase of construction and the time of year. BMPs are to be employed as appropriate to minimize erosion and prevent sediment discharge from the site.*

- **FEMA Question 7: Description of proposed measures to avoid or minimize effects to federally listed species, if any.**

*GHD Answer 7: A biological resources survey will be completed upon approval of the FEMA Hazard Mitigation Grant Program funding. Presence of federally listed species is not anticipated given the level of previous disturbance to the area. Based on our knowledge of the project area, the highest risk is that of avian species. To avoid "take" and/or further evaluate the presence or absence of federally listed birds the following measures may be required and will be implemented if determined required by the biological survey.*

- 1) *To the extent feasible, work will abide by the seasonal avoidance of the March 15 - August 15 nesting season for native species covered under the Migratory Bird Treaty Act.*

2) *If active nests are detected within the construction footprint or within 500 feet of construction activities, the applicant shall have locations flagged that are supporting breeding, and will not begin groundwork or vegetation removal until the biologist determines that the young have fledged or nesting activity has ceased. If nest are documented outside of the construction disturbance but within 500 feet of the construction area, buffer will be implemented if deemed appropriate in coordination with CDFW. In general, the buffer for common species would be determined on a case-by-case basis with consultation with CDFW. The buffer for sensitive species (CESA and ESA) would be 300 feet, and the buffer for raptors would be 500 feet.*

*Prior to any construction activities, the biologist will re-survey the area for any new occurrences of federally listed species or birds.*

- **FEMA Question 8: Description of anticipated mitigation measures or mitigation strategy that will be developed for the subrecipient to obtain relevant permits, if applicable.**

*GHD Answer 8: See answer seven (7).*

- **FEMA Question 9: Confirmation and description of related projects and determination whether they are dependent on the FEMA-funded project.**

*GHD Answer 9: There are no related projects for the HBMWD 12kV switchgear relocation.*

- FEMA Question 10: Any previously prepared cultural resources survey and consultation documentation.**

*GHD Answer 10: None. Cultural resources survey and construction documentation will be completed upon approval of the FEMA Hazard Mitigation Grant Program funding.*

*HBMWD has reached out to the Wiyot and Blue Lake Rancheria tribes to notify them of the intent of the project, the letters are attached. On May 10<sup>th</sup>, 2017 HBMWD received an email, also attached, from the Tribal Heritage Preservation Officer for Blue Lake Rancheria, Janet Eidsness, which stated she was not aware of any known cultural resources in the project area. She requested to keep open the option for AB52 consultation prior to commencement of any fieldwork. On May 17<sup>th</sup>, 2017 HBMWD received an email, also attached, from the Wiyot Tribe representative, Tom Torma*

- **FEMA Question 11: Any previously prepared biological resources survey and consultation documentation.**

*GHD Answer 11: None. Biological resources survey and construction documentation will be completed upon approval of the FEMA Hazard Mitigation Grant Program funding.*

- **FEMA Question 12: Any previously prepared California Environmental Quality Act documentation.**

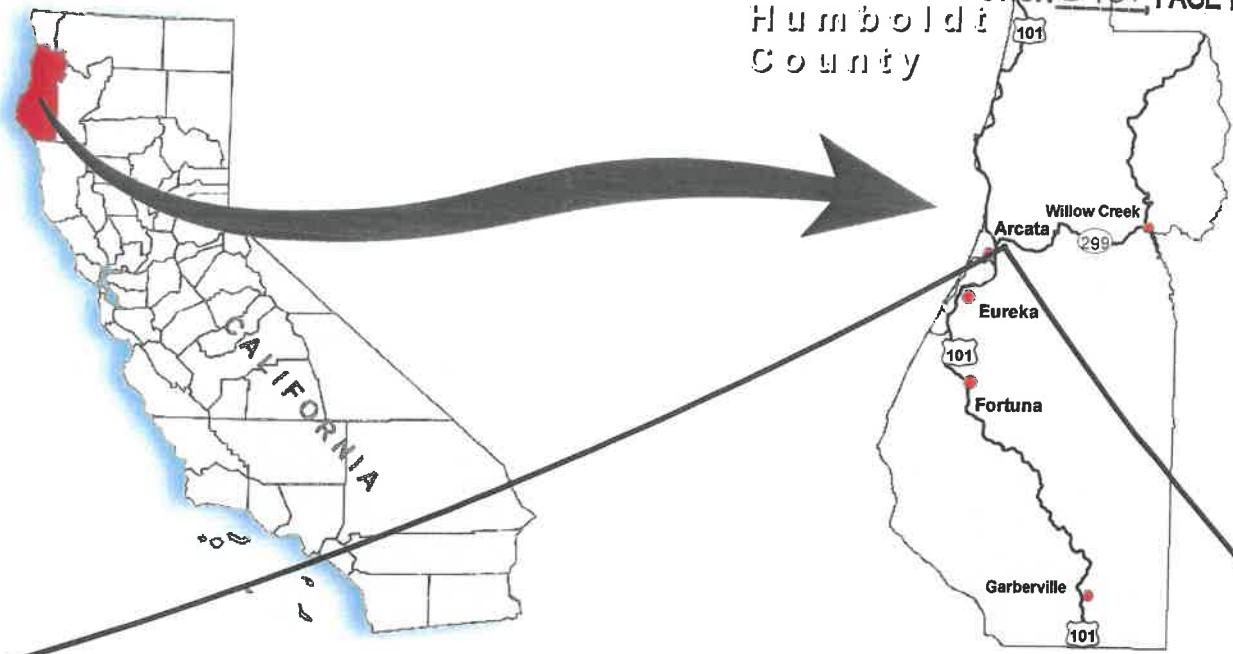
*GHD Answer 12: None. CEQA documentation will be completed upon approval of the FEMA Hazard Mitigation Grant Program funding.*

Regards

A handwritten signature in black ink, appearing to be 'PK' with a stylized flourish.

**Patrick Kaspari, PE**  
Associate Engineer





-  Staging Area
-  Project Area
-  Roads
-  Limited Access Highway

Paper Size ANSI A  
 0 300 600 900 1,200 1,500  
 Feet  
 Map Projection: Mercator Auxiliary Sphere  
 Horizontal Datum: WGS 1984  
 Grid: WGS 1984 Web Mercator Auxiliary Sphere



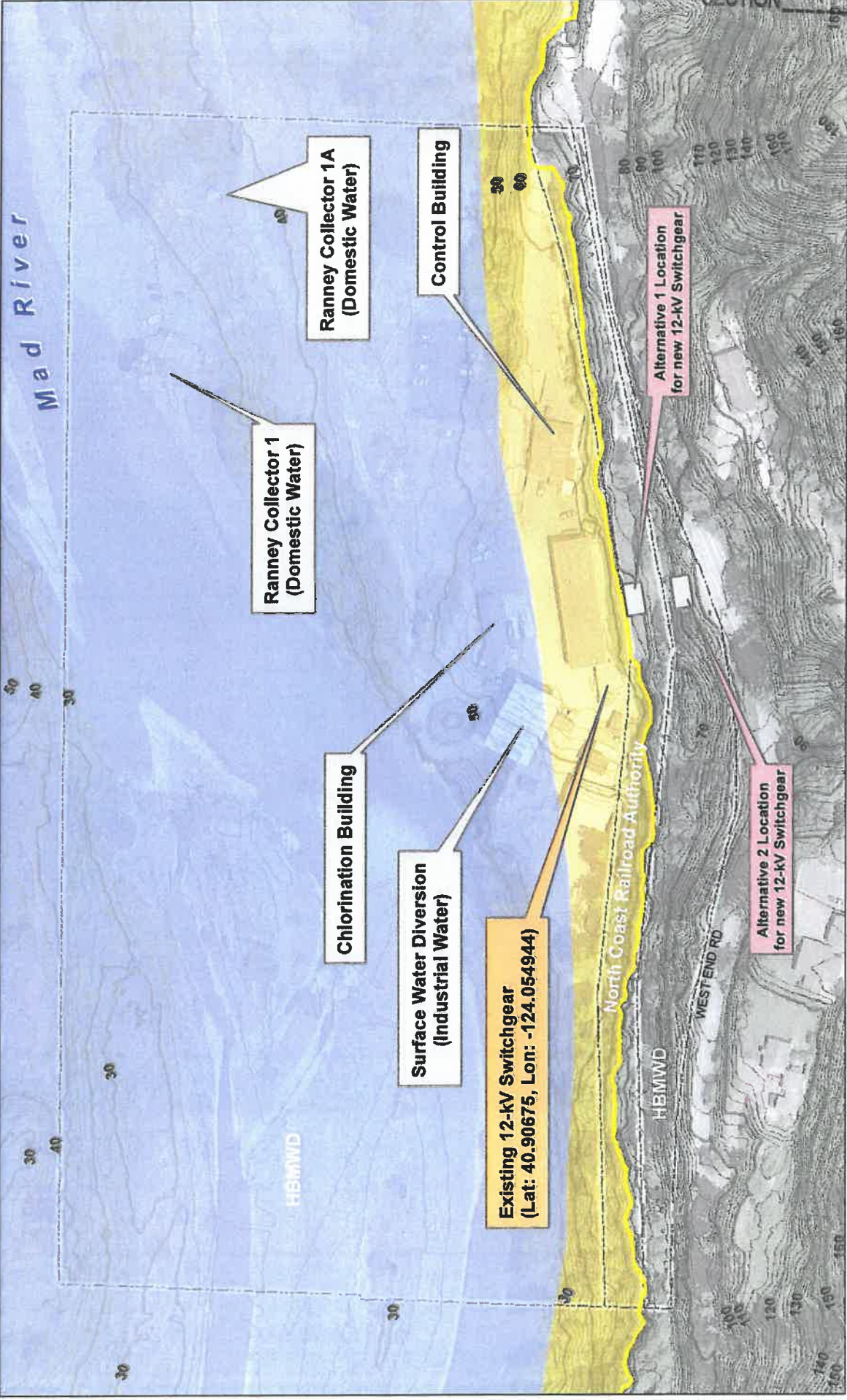
HBMWD 12-kV Switchgear Relocation  
 Hazard Mitigation Grant Application

Job Number | 11121523  
 Revision | 1  
 Date | 20 May 2016

12-kV Switchgear Vicinity Map **Figure 1**

© 2016. Whilst every care has been taken to prepare this map, GHD, ESRI, USDA, and HBMWD make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and cannot accept liability and responsibility of any kind (whether in contract, tort or otherwise) for any expenses, losses, damages and/or costs (including indirect or consequential damage) which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unsuitable in any way and for any reason.  
 Data source: ESRI Street Map USA, USDA NAIP orthoimagery - 2014; HBMWD GIS: property boundaries. Created by: JClark2





Job Number 11121523  
 Revision A  
 Date 23 May 2016

HBMWD 12-kV Switchgear Relocation  
 Hazard Mitigation Grant Application

**12-kV Switchgear Site Map** **Figure 2**

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

11121523  
 Revision A  
 Date 23 May 2016

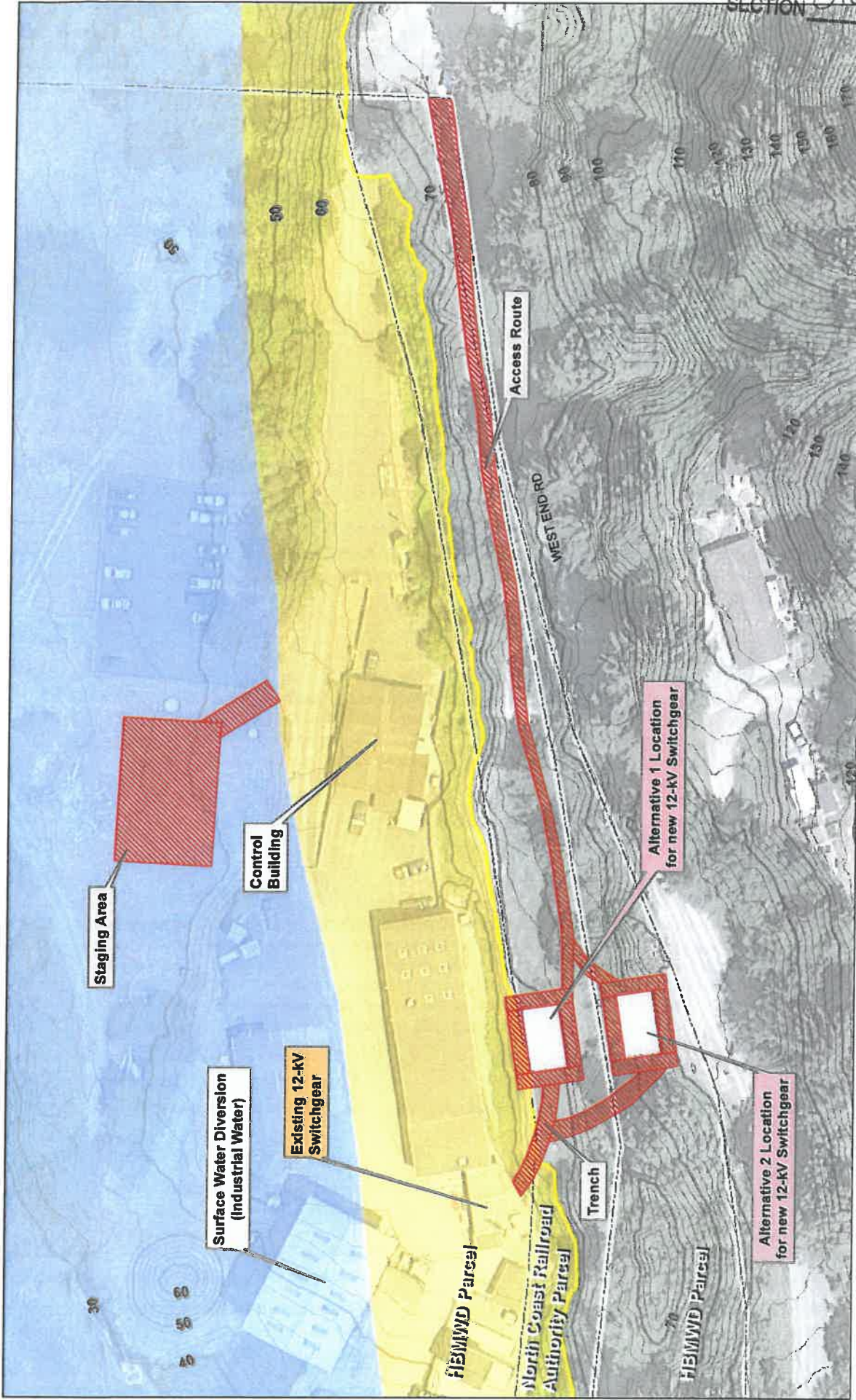
Proposed Switchgear  
 Index Contours (10 ft)  
 Index Contours (2 ft)

Parcel Boundaries  
 100-year Flood Inundation  
 Dam Break Inundation (66 ft elevation)

Paper Size 8.5" x 11" (ANSI A)  
 0 40 80 120 160 200  
 Feet  
 Map Projection: Lambert Conformal Conic  
 UTM Zone 18N  
 Datum: NAD 83  
 State Plane California FIPS 9001 Feet

© 2016. While every care has been taken to prepare this map, GHD and HBMWD make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and cannot accept liability and responsibility of any kind (whether in contract, tort or otherwise) for any expenses, losses, damages and/or costs (including indirect or consequential damage) which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unreliable in any way and for any reason.  
 Data source: HBMWD; property boundaries and water systems; Google Earth imagery; Esri; Street Map USA; NOAA; alevation - 2013. Created by: C/CLC





Job Number | 11121523  
 Revision | A  
 Date | 20 May 2016

HBMW 12-kV Switchgear Relocation  
 Hazard Mitigation Grant Application

**Vegetation Clearing  
 and Ground Disturbance**

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



- Parcel Boundaries
- 100-year Flood Inundation
- Dam Break Inundation (66 ft elevation)
- Vegetation Clearing / Ground Disturbance
- Index Contours (10 ft)
- Index Contours (2 ft)

Paper Size 8.5" x 11" (ANSI A)

Map Projection: Lambert Conformal Conic  
 Horizontal Datum: North American 1983  
 GCR: NAD 1983 StatePlane California FIPS 0401 Feet

\\hdn\gnd\US\Eureka\Projects\11121523\_HBMWD-12KV\_SG\_2016\_PDM\_Grant\03-GIS\Map\Figures\Hazard Mitigation Grant\F3\_VegetationClearing\_GroundDisturbance.mxd  
 © 2016. While every care has been taken to prepare this map, GHD and HBMWD make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and cannot accept liability and responsibility of any kind (whether in contract, tort or otherwise) for any expenses, losses, damages and/or costs (including indirect or consequential damages) which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unusable in any way and for any reason.  
 Data source: HBMWD; property boundaries and water systems; Google Earth Imagery, Esri; Street Map USA; NOAA; elevation - 2013. Created by: JClarke



## Memorandum

19 May 2017

To	Joan Flack		
	FEMA Region IX, Mitigation Grants EHP Coordinator		
Copy	John Friedenbach, HBMWD; Joe Peterson, CalOES		
From	Patrick Kaspari, PE	Tel	707-443-8326
Subject	DR 4240-54-29R HBMWD Surge Tower Retrofit Project, Response to Environmental Compliance Process Request for Information	Job no.	111/36640/

Dear Joan,

This letter serves as a formal response to the questions regarding the Humboldt Bay Municipal Water District (HBMWD) Surge Tower Retrofit Project you sent prior to the meeting that took place between HBMWD, GHD, FEMA, and CalOES on May 9<sup>th</sup>, 2017.

- **FEMA Question 1: Acreage or square footage of project footprint**

*GHD Answer 1: The project footprint that will require staging, equipment access, and any ground disturbance is approximately 0.64 acres. A Vicinity Map has been attached to this letter as Exhibit A, Site Map as Exhibit B, and Base Map as Exhibit C.*

- **FEMA Question 2: Description of the maximum extent of vertical ground disturbance. Identification of ground disturbance that extends outside of previously disturbed soils.**

*GHD Answer 2: Minimal to no ground disturbance is expected to occur at the project site and there is no new disturbance outside of previously disturbed soils. The concrete foundation of the surge tower will remain in place and a new combination air/vacuum relief valve will be placed over the old foundation (See Exhibit D). The only ground disturbance that may occur is disturbance of the access road by the tracks or wheels of the crane that will be used to dismantle and lower the tower.*

- **FEMA Question 3: Date of construction for the railroad**

*GHD Answer 3: Not applicable to this project.*

- **FEMA Question 4: Description of anticipated soil disposal methods, if any.**

*GHD Answer 4: Not applicable to this project since any soils to be disturbed will be placed back in the same location and same condition before construction.*

- **FEMA Question 5: Description of anticipated vehicles and equipment to be used (number and type).**

*GHD Answer 5: We anticipate the following equipment for this project:*

- One (1) 18 ton mobile crane for the demolition of the surge tower
- One (1) flatbed 24' long truck for disposal of surge tower
- One (1) backhoe for drain line trenching
- Two (2) work trucks for Contractor's employees

• **FEMA Question 6: proposed best management practices.**

*GHD Answer 6: Since such a small area of ground disturbance is expected to occur, minimal sediment and erosion control measures will be required. Any required sediment and erosion control Best Management Practices (BMP) will be in conformance with the latest version of the CASQA BMP Handbook for the project site appropriate to the phase of construction and the time of year. BMPs are to be employed as appropriate to minimize erosion and prevent sediment discharge from the site.*

• **FEMA Question 7: Description of proposed measures to avoid or minimize effects to federally listed species, if any.**

*GHD Answer 7: A draft biological study of the project area has been prepared by GHD and has been attached to this letter as Exhibit E. The conclusion of the study is: "Based on the naturalized dune habitat present at the project site as well as historical and current government and citizen science records from the area, the Obscure Bumble Bee, Northern Red-legged Frog, Great Egret, Great Blue Heron, Black-crowned Night Heron, and White-tailed Kite have a moderate likelihood to occur on or directly adjacent to the project site. In addition, the project site could serve as foraging habitat for these species. From a Federal standpoint, all the birds are protected by the Migratory Bird Treaty Act. Prior to construction, mitigation measures will be implemented to eliminate any project impacts to these avian species. The other species likely to occur at the project site are monitored at a state level but have no special regulatory status. This being the case, no impacts will occur to federal or state listed species or wetlands as a result of this project."*

*To avoid "take" and/or further evaluate the presence or absence of federally listed birds the following measures will be implemented:*

*Nesting Birds Protected by the Federal Migratory Bird Treaty Act*

*Prior to any construction activities, the biologist will survey the area for any occurrences of federally listed species or birds.*

*To the extent feasible, work will abide by the seasonal avoidance of the March 15 – August 15 nesting season for native species covered under the Migratory Bird Treaty Act. If work will occur within this period then suitable buffers will be established.*

*If active nests are detected within the construction footprint or within 500 feet of construction activities, the biologist shall have locations flagged that are supporting breeding. A buffer will be implemented in coordination with CDFW. In general, the*



buffer for common species would be determined on a case-by-case basis with consultation with CDFW. The buffer for sensitive species (CESA and ESA) would be 300 feet, and the buffer for raptors would be 500 feet. Construction activities will not begin in that area until the biologist determines that the young have fledged or nesting activity has ceased.

#### Rare Plants

Prior to any construction activities, a qualified botanist will survey the area for any occurrences of rare or sensitive plant species.

If rare or sensitive plant species are found, they will be avoided if possible. If plants cannot be avoided, an appropriate mitigation plan will be established in consultation with either CDFW or USFWS depending on the status of the species.

- **FEMA Question 8: Description of anticipated mitigation measures or mitigation strategy that will be developed for the subrecipient to obtain relevant permits, if applicable.**

*GHD Answer 8: See answer seven (7).*

- **FEMA Question 9: Confirmation and description of related projects and determination whether they are dependent on the FEMA-funded project.**

*GHD Answer 9: There are no related projects for the Humboldt Bay Surge Tower*

- **FEMA Question 10: Any previously prepared cultural resources survey and consultation documentation.**

*GHD Answer 10: GHD is currently under contract with Roscoe and Associates to conduct a cultural resources investigation for the surge tower project location. The study is expected to be finalized by June 30, 2017. A copy of the Final Study will be provided to FEMA upon completion.*

*In addition, HBMWD has contacted the Wiyot and Blue Lake Rancheria tribes to notify them of the proposed projects (Exhibit F). On May 10<sup>th</sup>, 2017 HBMWD received an email from the Tribal Heritage Preservation Officer for Blue Lake Rancheria, Janet Eidsness, which stated she was not aware of any known cultural resources in the project area. She requested to keep open the option for AB52 consultation prior to commencement of any fieldwork. An email response from the Wiyot tribe representative was also received, which concurred with the Blue Lake Cultural Resource Officer. (Exhibit F)*

- **FEMA Question 11: Any previously prepared biological resources survey and consultation documentation.**

*GHD Answer 11: As per approved Notification of Subapplication Approval for Phase One from CalOES (Exhibit G), environmental studies commenced early in 2017. As mentioned in question seven (7), surveys for federally listed species and birds were conducted and a Draft Biological Study has been prepared (Exhibit E). A Cultural*

*Resource Survey and Report have also been begun, as detailed in the response to Question 10.*

- **FEMA Question 12: Any previously prepared California Environmental Quality Act documentation.**

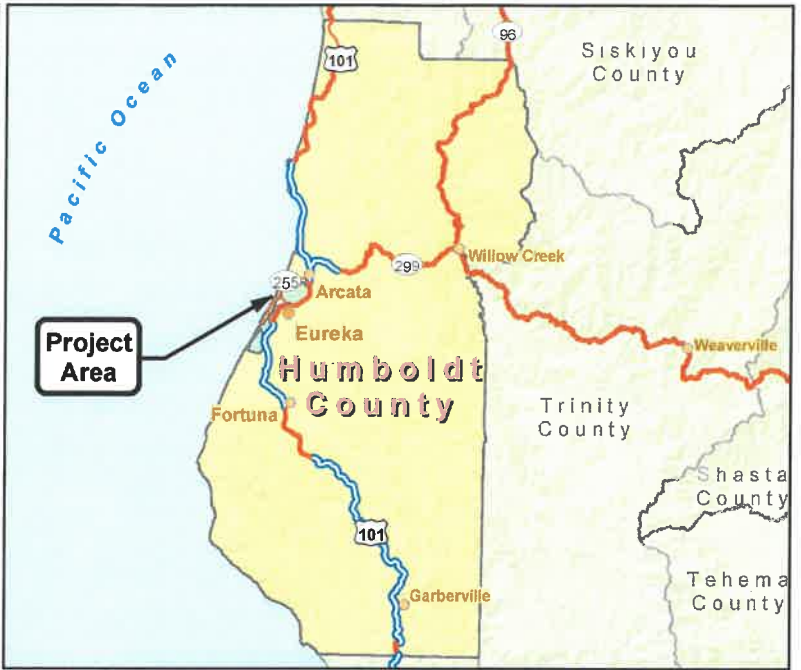
*GHD Answer 12: CEQA documentation will be completed upon approval of the FEMA Hazard Mitigation Grant Program funding.*



Regards

**Patrick Kaspari, PE**  
Associate Engineer

EXHIBIT A



- Project Site
- City of Eureka
- Freeway
- Highway
- Local Roads
- Humboldt County
- Counties
- Parks/Open Space

Paper Size ANSI A  
 0 0.25 0.5 0.75 1  
 Miles  
 Map Projection: Lambert Conformal Conic  
 Horizontal Datum: North American 1983  
 Grid: NAD 1983 StatePlane California 1 FIPS 0401 Feet



Humboldt Bay Municipal Water District  
 HBMWD Surge Tower Retrofit,  
 Hazard Mitigation Grant Application

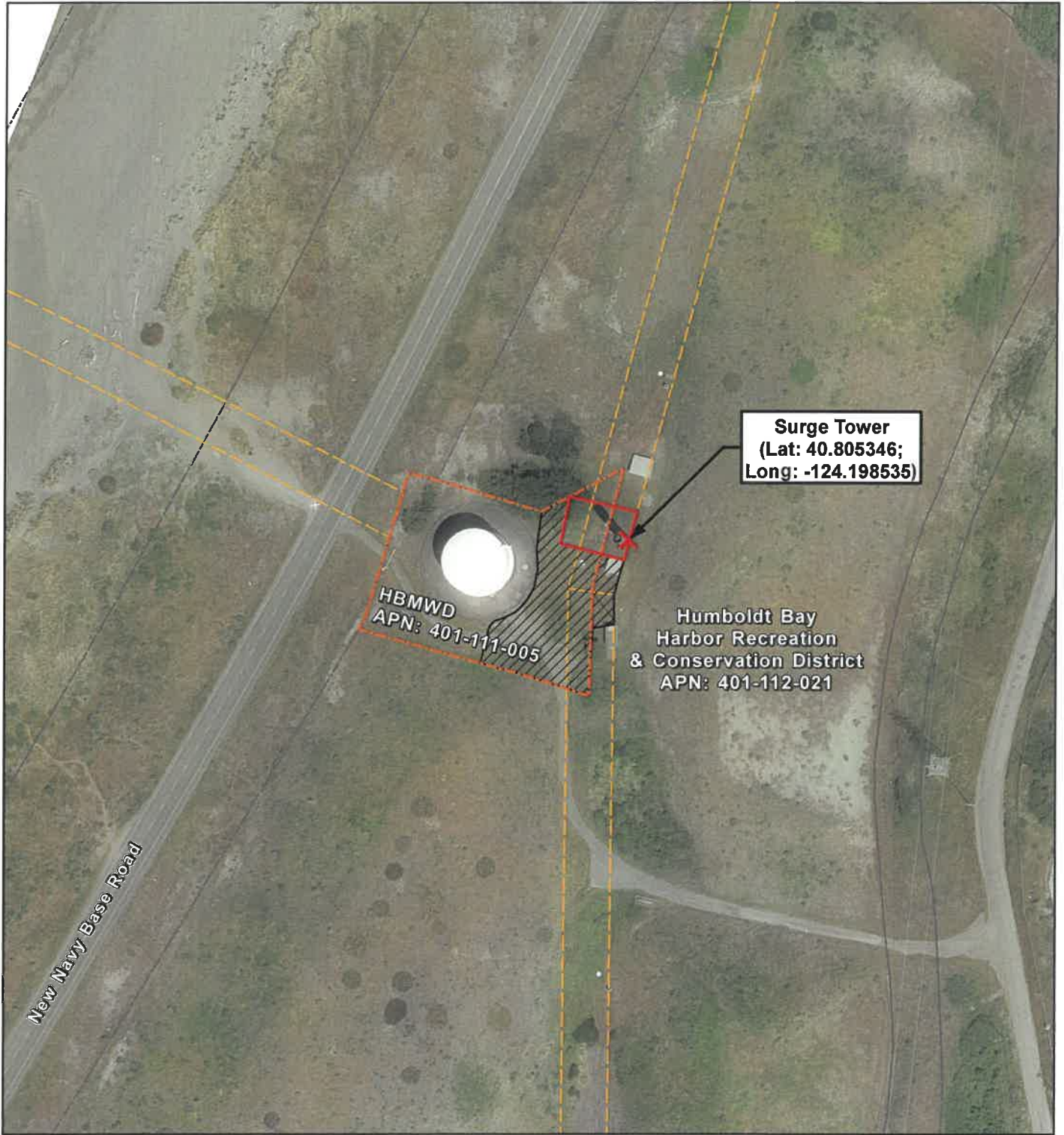
Job Number | 11110774.01  
 Revision | 1  
 Date | 01 Jun 2016

**Surge Tower Vicinity Map** **EXHIBIT A**

G:\1111\1110774 HBMWD-Surge Tower HMG Application\08-GIS\Maps\Figures\F1\_Vicinity.mxd  
 © 2016. Whilst every care has been taken to prepare this map, GHD, ESRI, and HBMWD make no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and cannot accept liability and responsibility of any kind (whether in contract, tort or otherwise) for any expenses, losses, damages and/or costs (including indirect or consequential damage) which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unsuitable in any way and for any reason.  
 Data source: ESRI: Street Map USA, County of Humboldt: local roads; HBMWD GIS: pipelines and facilities. Created by: gldavidson



**EXHIBIT B**



-  Project Boundary
-  HBMWD Property Boundary
-  Staging Area
-  HBMWD ROW
-  Approx. Parcel Boundaries

Paper Size 8.5" x 11" (ANSI A)  
 0 50 100 150  
 Feet  
 Map Projection: Lambert Conformal Conic  
 Horizontal Datum: North American 1983  
 Grid: NAD 1983 StatePlane California I FIPS 0401 Feet



Humboldt Bay Municipal Water District  
 HBMWD Surge Tower Retrofit,  
 Hazard Mitigation Grant Application

Job Number | 11110774.01  
 Revision | A  
 Date | 13 Jun 2016

**Surge Tower Site Map**

**EXHIBIT B**

EXHIBIT C





 Study Area     
  Approx. Parcel Boundary  
 ROW

Paper Size ANSIA  
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 Feet  
 Map Projection: Lambert Conformal Conic  
 Horizontal Datum: North American 1983  
 Grid: NAD 1983 StatePlane California I FIPS 0401 Feet



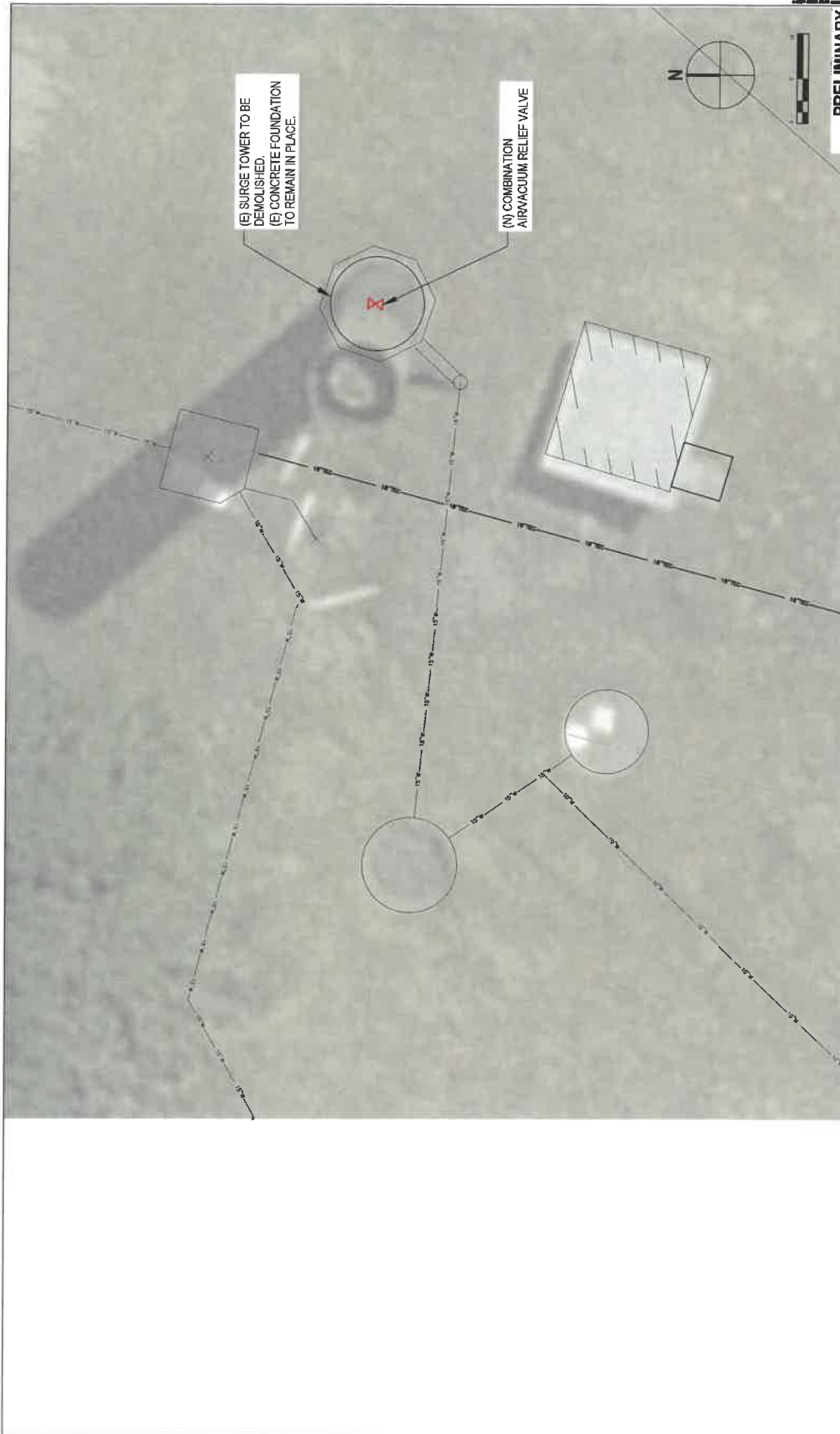
Humboldt Bay Municipal Water District  
Surge Tower Replacement

Job Number	11136640
Revision	B
Date	31 May 2017

Site Map

Figure 1

EXHIBIT D



**PRELIMINARY**

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT  
SURGE TOWER DEMOLITION AND REPLACEMENT  
SITE PLAN**

Project # 11158640  
Drawing # 11158640-01  
Date 08/11/17  
Scale AS SHOWN

Client: Humboldt Bay Municipal Water District  
Project Manager: AS SHOWN

Design: S. GULLIP  
Check: S. GULLIP  
Date: 08/11/17

Project Manager: S. GULLIP  
Date: 08/11/17  
Scale: AS SHOWN

**PRELIMINARY**

Scale: 1" = 100'-0"

North Arrow

Graphic Scale: 0 10 20 30 40 50 60 70 80 90 100

Revision Table:

No.	Date	By	Appr.	Desc.

Drawn: S. GULLIP  
Checked: S. GULLIP  
Date: 08/11/17

Project: 11158640  
Drawing: 11158640-01  
Date: 08/11/17  
Scale: AS SHOWN

Client: Humboldt Bay Municipal Water District  
Project Manager: AS SHOWN

Design: S. GULLIP  
Check: S. GULLIP  
Date: 08/11/17

Project Manager: S. GULLIP  
Date: 08/11/17  
Scale: AS SHOWN

**PRELIMINARY**

Scale: 1" = 100'-0"

North Arrow

Graphic Scale: 0 10 20 30 40 50 60 70 80 90 100

Revision Table:

No.	Date	By	Appr.	Desc.

Drawn: S. GULLIP  
Checked: S. GULLIP  
Date: 08/11/17

Project: 11158640  
Drawing: 11158640-01  
Date: 08/11/17  
Scale: AS SHOWN

Client: Humboldt Bay Municipal Water District  
Project Manager: AS SHOWN

Design: S. GULLIP  
Check: S. GULLIP  
Date: 08/11/17

Project Manager: S. GULLIP  
Date: 08/11/17  
Scale: AS SHOWN

EXHIBIT E



# **Humboldt Bay Municipal Water District**

## **Surge Tower Retrofit Biological Report**

May 2017



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## Appendices

Appendix A - CNDDDB, CNPS, and IPaC Report Tables

Appendix B - CNDDDB Full Report

Appendix C - IPaC Full Report

Appendix D - Figures

Appendix E - List of Vascular Plant Species Observed Within the Study Area

Appendix F - Wetland Delineation Data Forms

# 1. Introduction

This project will consist of the replacement of the Friedenbach Surge Tower for the industrial water line on the Samoa Peninsula in Humboldt County, California. The Surge Tower was originally constructed in the 1960s, and a 2012 inspection by GHD indicated that it is significantly degraded and likely to fail or fall over during a seismic or high wind event. This would cause a major rupture in the industrial water line, drain the adjacent Terminal Reservoir, and cut off industrial water to the surrounding facilities, thereby impacting their firefighting abilities. The industrial pipeline is also immediately adjacent to the domestic pipeline, and failure of the Surge Tower would also likely cause significant damage to the domestic water line facilities, thereby interrupting drinking water, firefighting water, and wastewater service to 7,400 people, likely for an extended period of time.

# 2. Project Description

This project includes demolishing the existing surge tower and replacing it with an appropriate replacement appurtenance. The Surge Tower will be replaced with a new air/vacuum relief and/or surge valve(s) that will be sized to ensure that they protect the existing pipe from collapse. The new valve(s) will effectively replace the function of the existing Surge Tower.

Since the work is proposed to occur in 2018 during the nesting bird season (March 15 through August 15 in Northern California), construction disturbance to avian species at the site is possible. In order to avoid disturbing nesting birds in and around the project site, pre-construction surveys are required. Mitigation measures are also required and incorporated into this biological report (See Section 6).

No special status plant species were observed at the site during special status plant surveys in 2017. However, given the proximity of this site to known populations of federally endangered species, a preconstruction survey for special status plants is recommended prior to construction. In the event that any special status plants are found during pre-construction surveys, mitigation measures would be required (Section 6).

## 2.1 Disturbance to the Physical Environment

The project footprint that will require staging, equipment access, and any ground disturbance is approximately 0.64 acres (Appendix D, Figure 2). Minimal ground disturbance is expected to occur at the project site and there is no new disturbance outside of previously disturbed areas. The concrete foundation of the surge tower will remain in place and no more than six (6) feet in length, two (2) feet in width, and three (3) feet of depth of the existing drain line will need to be unearthed in order to construct a new combination air/vacuum relief valve.

# 3. Methods

## 3.1 CNDDDB, IPaC, and CNPS Database Searches

A database search of the CNDDDB (California Natural Diversity Database), USFWS IPaC (Information for Planning and Conservation), and CNPS (California Native Plant Society) was

conducted by GHD on March 13 and 24, 2017 for the Friedenbach Surge Tower project site. In addition, databases such as eBird and iNaturalist were reviewed for additional local wildlife information. The search encompassed seven USGS quadrangles (quads) including the project site quad (Eureka) and surrounding six quads (Arcata North, Arcata South, Cannibal Island, Fields Landing, McWhinney Creek, and Tyee City). Based on these database results, results from the rare and special status plant survey, and personal knowledge regarding the habitat and conditions surrounding the project site, the following tables were compiled (Appendices A1-A3). These tables summarize special status state or federal plant and wildlife species that could be present at the project site as well as special status plant communities. These tables also present information such as the likelihood of each species or community to occur at the project site.

## **3.2 Field Surveys**

Field surveys were conducted on 4/5/17 and 5/17/17 to determine whether wetlands occur within the project study boundary, to survey for and identify any rare or sensitive plant species, and to map vegetation communities.

### **3.2.1 Wetland Delineation**

A field survey was conducted on April 5, 2017 by a GHD botanist and soil scientist to assess whether wetlands occur at the project site. As the Project Study Boundary (PSB) is entirely within the Coastal Zone, the delineation was performed in accordance with the California Coastal Commission criteria for wetland delineation as well as in accordance with the U.S. Army Corps of Engineers (USACE) wetlands criteria. To define a wetland, the USACE requires that all three parameters (vegetation, soil, and hydrology) show wetland attributes. The California Coastal Commission requires only one parameter to be present in order to define the site as a wetland.

The wetland delineation followed USACE criteria from the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Western Mountains, Valleys, and Coast Region* (USACE 2010). Botany/soils/hydrology data sheets used were the current standard forms provided by the USACE (USACE 2010).

### **3.2.2 Rare Plant Survey and Vegetation Community Mapping**

Special status plant species include those listed as endangered, threatened, or as candidate species by U.S. Fish and Wildlife Service (USFWS) under the U.S. Endangered Species Act (ESA) or by the California Department of Fish and Wildlife (CDFW) under the California Endangered Species Act (CESA). Plant species on California Native Plant Society's (CNPS) California Rare Plant Ranking (CRPR) lists 1A, 1B and 2A and 2B are considered eligible for state listing as Endangered or Threatened pursuant to the California Fish and Game Code and CDFW has oversight of these special status plant species as a trustee agency of CEQA.

Prior to conducting field surveys, a scoping list of CRPR plant species and habitats with recorded occurrences in the project vicinity was compiled by consulting the California Natural Diversity Database (CNDDDB) and the CNPS Inventory of Rare and Endangered Vascular Plants (CDFW 2017, CNPS 2017). These scoping lists are included in Appendix A.

Surveys to determine the presence of special status plant species (listed as rare, threatened, endangered, or candidate for rare, threatened, or endangered species listing under the State or Federal Endangered Species Acts, CNPS, or species of local importance) were conducted at the appropriate blooming or active period by a GHD botanist. Surveys took place on April 5, 2017 and

May 17, 2017. The surveys were floristic in nature following *Protocols for Surveying and Evaluating Impacts to Special Status Native Plant Populations and Natural Communities by the California Natural Resource Agency* (DFG 2009).

Rare and sensitive plant surveys were conducted by walking the site looking for target species. Given the small size of the PSB, the area was surveyed at high intensity. Plants were identified to the lowest taxonomic level (genus or species) necessary for rare plant identification. Nomenclature follows *The Jepson Manual* (Baldwin et al 2012).

On May 17, 2017, vegetation communities within the PSB were assessed and mapped to determine whether or not Environmentally Sensitive Habitat Areas (ESHA) were present. This determination is necessary given that the project site is within the Coastal Zone and falls under the jurisdiction of the Local Coastal Program. The determination of what constitutes ESHA was drawn from the California Department of Fish and Wildlife Natural Communities information, the Coastal Act, the California Natural Diversity Database, A Manual of California Vegetation (Sawyer et al 2009) and use of *Protocols for Surveying and Evaluating Special Status Plant Populations and Natural Communities* (DFG 2009).

## 4. Results

### 4.1 Endangered Species Act –State and Federally Listed Species

Based on project scoping outlined below, no state or federally listed threatened or endangered wildlife species are likely to occur in the project area. With proper mitigation measures and seasonal exclusions, there will be no effect on federally listed species as a result of the proposed action. The wildlife species present in these lists are regulated and or monitored by the California Department of Fish and Wildlife's (CDFW) Special Animal List for Species of Special Concern (SSC) as well as the Fully Protected species list for wildlife. In addition, rare plants are regulated or monitored by the State and Federally Threatened, Endangered, and Rare Plants of California list. Sensitive plant species include not only those listed as endangered, threatened, or rare at the state or federal level, but also those species meeting criteria for listing under the California Environmental Quality Act (CEQA), including plants on Lists 1A, 1B, and 2 of the California Native Plant Society (CNPS) Inventory of Rare and Endangered Plants of California. List 3 and List 4 species are also included in scoping. List 3 signifies species for which more information is needed, and List 4 species have limited distribution.

Due to the project site's environmental features and location, there are likely numerous other wildlife species present onsite. While these non-listed species are not included under the state or federal Endangered Species Acts, they may be regulated via other laws. For example, non-listed avian species are still protected by Federal laws such as the Migratory Bird Treaty Act and Bald and Golden Eagle Protection Act.

#### *Migratory Bird Treaty Act*

The Migratory Bird Treaty Act (MBTA) of 1918 (50 CFR 10.13) established federal responsibilities for the protection of nearly all species of birds, their eggs and nests. A migratory bird is defined as any species or family of birds that live, reproduce, or migrate within or across international borders at some point during their annual life cycle. "Take" is defined in the MBTA "to include by any means or in any manner, any attempt at hunting, pursuing, wounding, killing, possessing, or transporting any migratory bird, nest, egg, or part thereof." Only invasive species such as Rock Pigeons

(*Columba livia*), House Sparrows (*Passer domesticus*), and European Starlings (*Sturnus vulgaris*) are exempt from protection.

#### ***Bald and Golden Eagle Protection Act***

The Bald and Golden Eagle Protection Act (16 U.S. Code § 668-668d) as amended in 1978 prohibits the taking, possession, or commerce of Bald and Golden Eagles as well as their nests, eggs, and body parts. "Take" is defined as to "pursue, shoot, shoot at, poison, wound, kill, capture, trap, collect, molest, or disturb." If convicted, violators of this law will incur civil or criminal penalties as well as the loss of existing grazing agreements with the Federal government.

#### **4.1.1 Threatened or Endangered Species in the Project Area**

##### ***Rare Plants***

On April 5, 2017 and May 17, 2017, special status plant surveys were conducted within the PSB. No rare or special status plant species were found. Appendix A includes the CNDDDB and CNPS scoping list for special status plant species as well as an assessment of whether suitable habitat is present at the site constituting likelihood of occurrence.

##### ***Mammals***

Historical records, the primary literature, and available habitat were considered to determine special status mammal species that could occur at the project site. Based on this information, no listed mammal species are likely to use to project site for roosting, breeding, or foraging habitat.

##### ***Birds***

No federal endangered or threatened birds are expected to occur within the PSB. Historical records around the project site indicate that the area serves as moderate-quality foraging habitat for several other bird species including Great Egrets, Great Blue Herons, Snowy Egrets, Black-crowned Night Herons, and White-tailed Kites. These species are protected by the Federal Migratory Bird Treaty Act and/or the CDFW Fully Protected Species List and are described in further detail below.

**Great Egret (*Ardea alba*), no special status. Moderate Potential.** Great Egrets are year-round residents in western California, with breeders concentrated in the Klamath and Warner basin in Siskiyou and Modoc Counties, along the coast in Humboldt County, the San Francisco Bay area, Monterey County, the Salton Sea, and the Central Valley. In term of habitat, they favor wetlands, estuaries, lakes, rivers, ponds, swamps, streams, marshes, and tidal flats. Great Egrets utilize a variety of substrates for nesting including trees, woody vegetation, artificial nest platforms, or even the ground over water, on islands, or directly adjacent to water. Nests platforms are typically constructed of locally available sticks and greenery. Great Egrets nest communally with conspecifics or in mixed-species colonies. They are opportunistic foragers, wading in shallow water to feed on fish, amphibians, and invertebrates. They also hunt on shore for reptiles, birds, and small mammals (Mccrimmon Jr. et al. 2011). The parcel could serve as foraging habitat for Great Egrets. However, the lack of large nest trees on the property restricts the chance of breeding onsite. Based on available data, the presence of any established colonies at the site is unlikely. However, based on historical records and available habitat, the species has a moderate potential to be present and forage within the project area.

**Great Blue Heron (*Ardea herodias*), no special status. Moderate Potential.** Great Blue Herons are year-round residents in the majority of coastal and central California. Notable exceptions include the Sierras and the very southeastern desert regions of the state. Great Blue Herons are

extremely adaptable to a variety of habitats including most saltwater and freshwater bodies, agricultural land, swamps, wetlands, as well as commercial and residential areas such as golf courses. Nesting habitat includes trees, bushes, artificial structures, or the ground adjacent to a water body. Nests platforms are typically constructed out of locally available sticks and lined with material such as grass, moss, and reeds. Great Blue Herons are colonial nesters. They are opportunistic foragers, wading in shallow water to feed on fish, amphibians, and invertebrates. They also hunt on shore for reptiles, birds, and small mammals. Additionally, they are known to scavenge carrion (Vennesland and Butler 2011). The parcel does contain potential foraging habitat for Great Blue Herons. However, the lack of large nest trees on the property restricts the chance of breeding onsite. Based on available data, the presence of any established colonies at the site is unlikely. However, based on historical records and available habitat, the species has a moderate potential to be present and forage within the project area.

**Snowy Egret (*Egretta thula*), no special status. Moderate Potential.** Snowy Egrets were hunted to the brink of extinction by the plume trade at the end of the 19th and beginning of the 20th century. However, many populations rebounded after the Migratory Bird Treaty Act was passed in 1918. Year-round populations of Snowy Egrets are found around Humboldt Bay, the San Francisco Bay area, the Central Valley, and the Salton Sea. Wintering populations are also present along much of the rest of the California coast. Snowy Egrets prefer riparian and estuarine areas, marshes, wet meadows, inland lakes, and river courses. Snowy Egrets construct stick nest platforms in a variety of tree and shrub species including: willows, holly, birch, and wax myrtle. Nests are lined with reeds, grasses, and moss. Snowy Egrets are colonial nesters, with colonies comprised of both conspecifics and allospecifics. Snowy Egrets hunt in shallow water and on shore, frequently making use of their distinctly yellow feet to attract and capture prey items. Prey includes fish, amphibians, snakes, lizards, crustaceans, insects, and worms (Parsons and Master 2000). The parcel does contain potential foraging habitat for Snowy Egrets. Based on available data, the presence of any established colonies at the site is unlikely. However, based on historical records and available habitat, the species has a moderate potential to be present and forage within the project area.

**Black-crowned Night Heron (*Nycticorax nycticorax*), no special status. Moderate Potential.** Black-crowned Night Herons are year-round residents in much of California, with notable exceptions in the Sierras, Central Valley, and the arid southeast portion of the state. These herons can be found in a wide variety of habitats adjacent to water bodies including urban, wetland, partially forested, and agricultural landscapes. Black-crowned Night Herons are colonial nesters, building platform stick nests in trees, reeds, cattails, bushes, or on the ground. As opportunistic feeders, Black-crowned Night Herons eat fish, insects, mammals, birds, carrion, trash, clams, crayfish, turtles, and many other food items (Hothem et al. 2010). Based on available data, the presence of any established colonies at the site is unlikely. However, based on historical records and available habitat, the species has a moderate potential to be present and forage within the project area.

**White-tailed Kite (*Elanus leucurus*), CDFW Fully Protected. Moderate Potential.** White-tailed Kites are year-round residents in most of California west of the Sierras including the majority of the coastal foothills, Central Valley, and some arid regions such as Kern and Inyo Counties. White-tailed Kites prefer open landscapes at low elevations including marshes, grasslands, oak-woodlands, savannahs, and agricultural land. Nests are typically constructed on habitat edges in the upper third portion of a tree or bush. Nests consist of small sticks, grass, hay, and leaves placed in a variety of tree or shrub species including coastal redwoods, Sitka spruce, or brooms. White-tailed Kites feed almost exclusively on small mammals captured via hover hunting (Dunk 1995). Based on available data, the presence of any established breeders at the site is unknown and

would require surveys to confirm. However, based on historical records and available habitat, the species has a moderate potential to forage within the project area.

### ***Fish***

No freshwater, estuarine, or aquatic habitat of any sort is present on or directly adjacent to the project site. This being the case, no fish species will occur at the project site.

### ***Insects***

**Obscure Bumble Bee (*Bombus caliginosus*), no special status. Moderate Potential.** The project site falls within the current documented range of the Obscure Bumble Bee and includes fog-belt coastal habitat preferred by the species (Hatfield et al. 2014). Preferred plants for foraging (such as *Grindelia sp.*, *Baccharis sp.*, and *Lupinus sp.*) are present at the project site. California Department of Fish and Wildlife records have documented the species in Humboldt County (CDFW 2017). In addition, the species was recorded during *Bombus* surveys on the North Spit of Humboldt Bay and Lanphere Dunes in 2010 (Julian 2012). Based on the location of the project site, the presence of host plants in the area, and recent documented presence of the species in Humboldt County, the Obscure Bumble Bees has a moderate likelihood to occur at the project site.

### **Reptiles and Amphibians**

No coniferous forest, riparian habitat, rivers, ponds, or creeks/seeps are present on or directly adjacent to the project site. This being the case, no federal endangered or threatened species are likely to be present and most other special status amphibian or reptile species are not likely to occur at the project site. However, Northern Red-legged Frogs (SSC) could potentially move through the site during certain times of the year and have a moderate likelihood to occur at the project site, they are discussed below.

**Northern Red-legged Frog (*Rana aurora*), CDFW Species of Special Concern. Moderate Potential.** Northern Red-legged Frogs occur along the west coast of N. America from British Columbia to California. The geographic range split between the Northern and California Red-legged Frog species occurs just south of Elk Creek in Mendocino County where both species overlap (AmphibiaWeb 2017, California Herps 2017). Northern Red-legged Frogs are typically found near water sources. However, they can range widely and inhabit damp places far from water (California Herps). Northern Red-legged Frogs reproduce in water from January to February in Humboldt County, with some breeding occurring as late as March. Preferred egg laying locations are in "vegetated shallows with little water flow in permanent wetlands and temporary pools" (California Herps). Northern Red-legged Frogs are relatively common in and near-coastal portions of Humboldt County and historical records have documented the species near the project area (AmphibiaWeb 2017). This being the case, Northern Red-legged Frogs have a moderate chance of occurring at the project site.

## **4.2 Field Survey Results**

### **4.2.1 Wetland Delineation Results**

Upland vegetation was observed throughout the PSB. Two soil test pits were dug within the PSB (Appendix D, Figure 2), and hydrophytic vegetation, soil, and hydrology were lacking at both pits. The naming convention used for each pit was "UTP" for Upland Test Pit. The horizontal location of each upland test pit was collected using a GeoPro 6H global positioning system (GPS) receiver with

sub-meter accuracy connected to a Motion F5v Tablet running ArcPad geographic information system (GIS) software. Data sheets for Upland Test Pits are attached in Appendix F.

#### 4.2.2 Rare and Sensitive Plant Survey and Vegetation Mapping

On April 5, 2017 and May 17, 2017, special status plant surveys and mapping were conducted within the PSB. As previously mentioned, prior to the field survey, a scoping list of CRPR plant species and habitats with recorded occurrences in the project vicinity was compiled by consulting the California Natural Diversity Database (CNDDDB) and the CNPS Inventory of Rare and Endangered Vascular Plants (CDFW 2017, CNPS 2017). Two federally endangered species associated with coastal dunes are known to occur in the general vicinity of the project, beach layia (*Layia carnosa*) and Menzies' wallflower (*Erysimum menziesii*). Special status plant survey dates corresponded with the flowering times of these two species and neither species was found. Two CRPR species were also known to occur in the general vicinity of the project, manyleaf gilia (*Gilia millefoliata*) (CRPR 1B.2) and pink sand verbena (*Abronia umbellata* var. *breviflora*) (CRPR 1B.1). The survey timing also matched with the flowering period of manyleafed gilia. The survey was too early to capture the flowering period of pink sand verbena, however, the survey was performed at high intensity and this species was not found. No other rare or special status plant species were found. A list of species observed at the site is included in Appendix E.

The study site consists of heavily altered coastal dunes. Two patches of Monterey cypress (*Hesperocyparis macrocarpa*) occur within the PSB. This species is endemic to Monterey County where it is considered rare (CRPR 1B.2). Outside of its limited native range, including at the study site, it is not considered rare, and is either planted or naturalized (CNPS 2017) and also not considered a natural community.

The project site has been topographically altered and heavily disturbed. There is a large ash pile on the eastern side of the PSB and a large portion of the site was disturbed during pipeline maintenance work in 2016. After this work was completed, the PSB was seeded and planted with native dune species which likely included coastal gum plant, *Grindellia stricta* var. *stricta* which is now abundant in two patches on the western side of the PSB. The two most dominant species on the western side are the non-native perennial grass, sweet vernal grass (*Anthoxanthum odoratum*), and a non-native bur clover, *Medicago* sp. The invasive species yellow bush lupine (*Lupinus arboreus*) is also abundant on the west side of the PSB, intermixed with the patches of coastal gum plant. A small number of native dune species are scattered at relatively low cover throughout the western side of the PSB; some of these species were likely part of the 2016 revegetation effort. On the western side of the unit, relative native plant cover is approximately 35%, composed primarily of coastal gum plant, with non-native relative cover approximately 65%.

The eastern side of the unit is composed predominantly of non-native grasses, including rip gut grass (*Bromus diandrus*), rattlesnake grass (*Briza maxima*), and sweet vernal grass. Scattered patches of other invasive species including sea fig (*Carpobrotus chilensis*), pampas grass (*Cortaderia jubata*), and European beach grass (*Ammophila arenaria*) occur on both halves of the PSB.

The entire PSB outside of the Monterey cypress drip-line was mapped as "naturalized vegetation" to best describe its highly altered condition and high cover of non-native species on both sides. Since the site is so altered both from maintenance work and revegetation efforts, it was difficult to classify per *The Manual of California Vegetation* (Sawyer et al 2009) and "naturalized vegetation" was deemed the best descriptive term.



## 5. Conclusions

Based on the naturalized dune habitat present at the project site as well as historical and current government and citizen science records from the area, the Obscure Bumble Bee, Northern Red-legged Frog, Great Egret, Great Blue Heron, Black-crowned Night Heron, and White-tailed Kite have a moderate likelihood to occur on or directly adjacent to the project site. In addition, the project site could serve as foraging habitat for these species. From a Federal standpoint, all the birds are protected by the Migratory Bird Treaty Act. Prior to construction, mitigation measures will be implemented to eliminate any project impacts to these avian species. The other species likely to occur at the project site are monitored at a state level but have no special regulatory status. This being the case, no impacts will occur to federal or state listed species or wetlands as a result of this project.

## 6. Mitigation Measures

### 6.1 Nesting Birds Protected by the Federal Migratory Bird Treaty Act

- Prior to any construction activities, the biologist will survey the area for any occurrences of federally listed species or birds.
- To the extent feasible, work will abide by the seasonal avoidance of the March 15 – August 15 nesting season for native species covered under the Migratory Bird Treaty Act. If work will occur within this period then suitable buffers will be established.
- If active nests are detected within the construction footprint or within 500 feet of construction activities, the biologist shall have locations flagged that are supporting breeding. A buffer will be implemented in coordination with CDFW. In general, the buffer for common species would be determined on a case-by-case basis with consultation with CDFW, the buffer for sensitive species (CESA and ESA) would be 300 feet, and the buffer for raptors would be 500 feet. Construction activities will not begin in that area until the biologist determines that the young have fledged or nesting activity has ceased.

### 6.2 Rare Plants

- Prior to any construction activities, a qualified botanist will survey the area for any occurrences of rare or sensitive plant species.
- If rare or sensitive plant species are found, they will be avoided if possible. If plants cannot be avoided, an appropriate mitigation plan will be established in consultation with either CDFW or USFWS depending on the status of the species.

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# Financial

**Humboldt Bay Municipal Water District**

To: Board of Directors  
From: Chris Harris  
Date: June 8, 2017  
Re: Resolution for Annual Limit for Appropriations (Resolution 2017-7)

**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 the fiscal 2017/18 year.

**Recommendation and Action**

Staff is recommending Board adoption of the attached Resolution 2017-7 to establish the required appropriations limit for the 2017/2018 fiscal year.

**Attachment**

Resolution 2017-7  
Dept. of Finance Letter & Attachments

Resolution 2017-07  
Resolution of the Humboldt Bay Municipal Water District  
Board of Directors  
Adopting Article XIII (b) Limit for Appropriations from Taxes  
Fiscal Year 2017/2018

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.

Therefore be it resolved:

That the appropriations from taxes limit for fiscal year 2017/2018 is hereby set at \$1,199,043.00; and

That this resolution shall become effective 45 days from the date of its adoption.

Passed, approved and adopted this 8<sup>th</sup> day of June 2017 by the following votes:

Ayes:  
Nays:  
Absent:

Attest:

\_\_\_\_\_  
Sheri Woo, President

\_\_\_\_\_  
J. Bruce Rupp, Secretary/Treasurer



May 2017

Dear Fiscal Officer:

**Subject: Price Factor and Population Information**

**Appropriations Limit**

The California Revenue and Taxation Code, section 2227, requires the Department of Finance (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, 2017, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2017-18. 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 2017-18 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. The 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 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. 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, 2017.**

**Please Note:** Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN  
Director  
By:

AMY M. COSTA  
Chief Deputy Director

Attachment

May 2017

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 2017-18 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2017-18	3.69

B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2017-18 appropriation limit.

**2017-18:**

Per Capita Cost of Living Change = 3.69 percent  
Population Change = 0.85 percent

Per Capita Cost of Living converted to a ratio:  $\frac{3.69 + 100}{100} = 1.0369$

Population converted to a ratio:  $\frac{0.85 + 100}{100} = 1.0085$

Calculation of factor for FY 2017-18:  $1.0369 \times 1.0085 = 1.0457$

Fiscal Year 2017-18

**Attachment B**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2016 to January 1, 2017 and Total Population, January 1, 2017**

County City	<u>Percent Change</u> 2016-2017	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
		1-1-16	1-1-17	Population 1-1-2017
Humboldt				
Arcata	1.31	18,137	18,374	18,374
Blue Lake	0.86	1,284	1,295	1,295
Eureka	0.89	26,881	27,120	27,120
Ferndale	0.84	1,433	1,445	1,445
Fortuna	0.29	11,954	11,989	11,989
Rio Dell	1.06	3,411	3,447	3,447
Trinidad	1.10	365	369	369
Unincorporated	1.14	71,910	72,732	72,914
County Total	1.03	135,375	136,771	136,953

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.



## 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 17/18 Limit

$$\$ 1,306,346.17 \quad \times \quad 1.0457 \quad = \quad \$1,366,046.19$$

Instructions: Multiply prior year limit by current year factor

**Humboldt County**

$$1.03 \quad + \quad 100 \quad \text{divided by} \quad 100 \quad = \quad 1.01030$$

$$1.0369 \quad \times \quad 1.01030 \quad = \quad 1.04758$$

$$\$ 1,144,583.70 \quad \times \quad 1.04758 \quad = \quad \$1,199,043.07$$

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).

To: Board of Directors  
From: John Friedenbach / Chris Harris  
Date: June 2, 2017  
Re: Mid-Year 2016/17 Budget Review and Modification

**Discussion**

Staff is conducting a mid-year project budget analysis for projects that are charged to our Muni customers. Using a minimum threshold of \$1,000, various projects have been identified that either have money left over after completion or are not going to be performed during our current fiscal year 2016/17. The amount available from these projects is being determined in coordination with the Maintenance Staff at Essex. Due to the short timeframe between the end of May and Blue Book assembly today, additional time is required to finalize the accounting for several of the affected projects and coordination with Essex staff. Therefore, staff will provide a list of these projects and corresponding budget revision early next week prior to the Board meeting.

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. Staff has communicated the process of budget re-allocation to enhance the Advance Charges funding mechanism for our larger CIP projects to our Muni customers and they have agreed to the process. This minimizes large fluctuations in Municipal customer charges and the upward pressure on retail rates.

Our next scheduled major CIP projects are: SCADA system upgrade; Blue Lake / Fieldbrook Mad River crossing; Ruth Cabin remodel; 1MG Domestic Water Reservoir roof replacement and painting; Collector 1 pump replacements; Essex Control Building Expansion. The magnitude of the additional funding required for these projects dictates a multi-year approach. Therefore, staff recommends that any unused project budget from our current fiscal year be re-allocated to certain authorized but unbudgeted projects by the Board and any net remainder to "Advance Charges" as defined under Ordinance 16 for our major CIP projects. Specific details will be presented at the Board meeting.

As you may recall from our previous staff discussions regarding the sources of funding for the Collector 1 & 1A project, the Board authorized the use of the DWFP reserve for this project. A portion of the re-allocated unused project budget may be utilized to replenish the DWFP reserve, thereby making any unused DWFP reserves available for future CIP projects.

There are some maintenance projects with low actual expenditures relative to their budgeted amounts. All maintenance projects have been or will be completed with some minor carryovers and staff can provide details on specific projects if the Board is interested.

**Recommendation and Action**

Due to the short amount of time between the end of May and the Blue Book preparation on June 2<sup>nd</sup>, staff requires additional time to complete the re-allocation analysis in coordination with the Maintenance Staff at Essex. Staff will present a recommendation that the Board consider and approve modifying our current 2016/17 project budget at the Board meeting.

**John Friedenbach**

**From:** Pat Kaspari <Pat.Kaspari@ghd.com>  
**Sent:** Thursday, May 25, 2017 12:11 PM  
**To:** John Friedenbach  
**Cc:** Chris Harris; Dale Davidsen (supt@hbmwd.com); Nathan Stevens  
**Subject:** Single Line Slough Crossing Assessment

*See #19 in Dec 22<sup>nd</sup> GHD letter.*

John,  
 Per our discussion, it is my understanding that the Board wanted a broader look at the Single Line Slough crossing project to assess what their options for the crossing are, rather than just the structural evaluation scope/cost that I put in my December 22, 2016 Annual Budget Letter. The new scope would consist of less "structural" evaluations and additional assessment of the District options concerning the crossing. We will still perform a site visit, but this will consist of a visual assessment by a civil engineer of the single line pipe crossing and the structures supporting the pipeline to visually assess their current condition and whether work will be required on the crossing components in the near future and/or a rough assessment of when structural work will be needed to preserve the crossing. An assessment will also be completed including a simple hydraulic study of the industrial water system to determine the capacity of the system with one versus two pipeline crossings. The assessment will also include an assessment and recommendations for options available to the District, including: 1) the do nothing option, which will also include a rough estimate of when the structure may fail and the ramifications of that failure; 2) repair the structure and the tasks and scope that would entail, along with a +/-20% cost estimate to do the design/permitting/construction; demolition of the structure and the tasks and scope that work would entail along with a +/-20% cost estimate to do the design/permitting/demolition.

I think we can do this revised scope for the original budget price of \$24,000, but I think it would be tough to do it for less than that. If you don't want any cost estimates, you could probably shave \$5,000 off that estimate.

Let me know if you have any questions.

**Patrick Kaspari, PE**  
 Associate Engineer

**GHD**

T: 707 443 8326 | F: 707 444 8330 | C: 707 599 5123 | V: 842262 | E: [pat.kaspari@ghd.com](mailto:pat.kaspari@ghd.com)  
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Mr. John Friedenbach  
December 22, 2016  
Page 6

**14. Essex Control Building Expansion Plans & Specifications**

In 2006/07, Martha Jain Architect worked on concept level plans for the expansion of the Essex Operations Building. This scope would include finalizing the plans with the assumption that they would be developed to sufficient detail to allow the project to go out to competitive bid for construction. GHD would work with Martha Jain Architect to finalize the plan sheets and details as well as completing structural evaluation design and details for the building expansion. Plan sheets will also be developed for electrical and plumbing plans. Project specifications and bid forms will also be developed. The budget below assumes that minimal (8 hrs) of electrical engineering is required to re-design the electrical feed from Pump Station 6 that comes into the west side of the existing control building.

Estimated Budget - \$44,000

**15. Water Resource Planning Assistance**

This line item would consist of additional minor tasks for providing assistance to the District in their Water Resource Planning Efforts. Work may include meeting with other water agencies to discuss their need for water and the availability of excess District water, meeting with the Water Resource Planning Committee or Workgroup to discuss options, developing additional technical support documents and other assistance as requested. The exact scope of this task is unknown at this time so the following is a placeholder budget.

Estimated Budget - \$5,000

**16. Grant Application Assistance**

This budget line item is intended as a placeholder for potential grant application assistance that the District would require on the upcoming year. Examples of potential grant programs/applications that could be submitted include; Notice of Intent and/or Application for the FEMA Hazard Mitigation Grant (HMG) Program, various programs for the State Proposition 1 funding, and the Safe Drinking Water State Revolving Fund program. The level of effort between these programs is considerably different, and assistance with a detailed application may have to be further negotiated with the District prior to the performance of the work. This following is a placeholder budget.

Estimated Budget - \$20,000

**The following Tasks are Place Holder Budgets/Tasks and may or may not be performed in Fiscal Year 2017/18, but are included here to assist you with your budget planning process**



**17. Industrial Water Reservoir Painting Specifications/Bidding/Construction Oversight**

The recent inspection of the existing 1-MG Domestic Reservoir located at the Turbidity Reduction Facility indicated that there was severe corrosion of the beams, center column and roof vents for the tank. The Industrial Water Reservoir was last painted around the same time as the Domestic Reservoir and is likely in similar shape. The outside of the tank is obviously in need of painting, and the inside should be inspected and at a minimum it likely needs painting as well. Since this is on the industrial system, funding for this task would have to be discussed and approved by the Municipal Customers. The industrial water reservoir is a resource that should not be allowed to fall into general disrepair as it will take much more money to repair or replace than to maintain, and it could be replumbed for use in the Domestic system if the Industrial system remains idle. This task would



Mr. John Friedenbach  
December 22, 2016  
Page 7

consist of preparing specifications and contract documents for the painting of the tank. For the purpose of budgeting, it is assumed that the tank only needs to be painted and no other structural design/repairs are required. GHD will prepare plans and specifications for sandblasting and painting the interior and exterior of the tank. The interior and exterior paint will also be sampled and analyzed to see if it contains lead and needs to be abated per applicable regulations prior to painting. GHD will also prepare a Negative Declaration to comply with CEQA requirements. GHD will prepare a complete contract document and bid package, assist in releasing the work for bid to the newspaper as well as the Builder's Exchanges, the notification of contractors of the availability of the bid documents, distributing bid documents to contractors and other interested parties, maintaining plan holders list, responding to contractor's questions and issuing bid addendum, presiding over the bid opening and assisting the District in the issuing the Notice of Award and Notice to Proceed documents. This task would also include construction observation services and well as responding to contract change orders, approving contractor requests for payment, and documenting the actual construction. It is assumed that no other permitting is required for the performance of this work and that the painting takes approximately three weeks.

Estimated Budget - \$64,000

#### 18. Industrial Pipeline Assessment

Currently the District is keeping the Industrial pipeline charged with water, which helps provide support to the pipe and helps ensure a continuous electrical conductance to help ensure the cathodic protection operates as designed. However, at some point the District needs to make a decision on whether they will continue to keep the pipe charged and continue to perform maintenance on the pipeline. This Task will entail an assessment of the Industrial pipeline, what sort of procedures could be performed to put the pipeline to bed, what risks will be incurred if the pipeline is no longer charged (e.g. potential for the pipe floating in the area behind the Redwood Gun Club), an estimate of how long the pipeline life will be decreased by these measures, what effects it would have on the cathodic protection system, etc.

Estimated Budget - \$26,000

#### 19. Industrial System Single Line Mad River Slough Crossing Assessment

This is a task that has been included on the draft budget list for the last few years, but has not been performed due to the uncertainty of the operation of the industrial line. The Single Line Slough Crossing was last inspected in the mid-1990's and was found to be OK, and no work was performed on the piers like was performed on the Double Line Slough crossing which had several piers replaced back in the early 2000's. This task would consist of a site visit made by a structural and civil engineer to inspect the single line pipe crossing and structures supporting the pipeline to assess their current condition and whether work will be required on the crossing components in the near future. A boat is expected to be required for the inspection and a cost for the boat is included in the cost below. Non-destructive borings will be made to inspect the internal integrity of selected wooden members to determine condition. An assessment will be completed including a hydraulic study of flow capacity of the industrial water system to determine capacity for delivery of industrial water to the peninsula with only one pipeline crossing. A search of previous work will be completed and utilized for determination of hydraulic capacity and previous evaluation of condition and maintenance activities. The assessment will include a preliminary assessment and recommendations for repair and/or demolition based on the condition, the costs to maintain the pipeline crossing, and potential for continued use.

Estimated Budget - \$24,000



**Humboldt Bay Municipal Water District**

To: Board of Directors

From: Chris Harris

Date: June 8, 2017

Re: 2017/18 Budget Summary

Staff would like input from the Board regarding the fiscal year 2017/2018 Budget presentation from the May 4th Board Meeting. To assist with this, staff will summarize the District Budget with a PowerPoint presentation including:

- 1) A recap of the Service & Supply and Salary & Employee Benefits components
- 2) Revenue summary
- 3) Project Budget summary
- 4) Estimate of wholesale customer charges.

**Service & Supply**

Staff will provide additional information regarding all budget line items that have changed from the current year including:

1) Maintenance/Repairs/Supplies – TRF	+\$7,000	12.7%
2) Telephone/Internet	+\$5,000	10.9%
3) Office Maintenance	+\$500	2.8%
4) Office Expense	+\$2,000	3.8%
5) Dues & Subscriptions	+\$1,000	6.5%
6) Technical Training & Development	+\$3,500	31.8%
7) LAFCO Fees	+\$2,500	55.6%
8) Regulatory Agency Fees	+\$1,000	1.3%
9) Power	+\$27,465	4.3%
10) New line items:		
a. Safety Apparel	+\$3,000	100%
b. GM Training	+\$5,000	100%
11) Accounting	<\$5,000>	<16.7%>
12) Travel	<\$3,000>	<12%>

The total change in Service & Supply is an increase of \$49,965 or 3.5% over the current year.

**Salary & Employee Benefits**

Staff will provide additional information regarding the following items for discussion and input from the Board:

- 1) COLA
- 2) Longevity Pay
- 3) Supervisor Overtime Pay

- 4) Management Leave
- 5) Cellphone Stipend

The Board has also requested additional review & analysis of the Consumer Driven Health Plan as compared to the HMO plan. Staff has included several slides for this discussion.

The total change in Salary & Employee Benefits is an increase of \$178,439 or 5% over the current year.

**Project Budget**

Carryover Items from the Project Budget will not be finalized until we close June's accounting. This is the only substantial item that will be revised after the June Board meeting.

**Next Steps**

The finalized budget will be presented for consideration and adoption at the July 13, 2017 Board meeting.

**Humboldt Bay Municipal Water District**

Memo to: Board of Directors

From: *Becky*  
Becky Moyle, Accounting & Human Resources Specialist

Date: June 2, 2017

Subject: Financial Report for May 2017

The Financial Report for May 2017 was not completed by the BlueBook publish date. I expect to have the Financial Report completed early next week and will email it to you as soon as it is completed. Please let me know if you would like a paper copy delivered to you.

The Expenses by Vendor Detail report is in the BlueBook.



Humboldt Bay Municipal Water District SECTION Jae, PAGE NO. 2  
 Expenses by Vendor Detail

May 2017

Memo	Amount
101Netlink	
Ruth Data Link/Internet	-171.00
Ruth Data Link/Internet	-171.00
Total 101Netlink	-342.00
Acrison, Inc	
TRF pumps maintenance	-288.84
Total Acrison, Inc	-288.84
Advanced Security Systems	
Ruth Hydro Quarterly Alarm System Monitoring	-73.50
Total Advanced Security Systems	-73.50
AirGas NCN	
maintenance shop supplies	-12.73
Total AirGas NCN	-12.73
Almquist Lumber	
painting supplies	-4.17
Total Almquist Lumber	-4.17
Alves, Inc	
Repairs and Upgrades to Line Shed 6	-7,820.00
Total Alves, Inc	-7,820.00
AT & T	
Ruth HQ	-23.16
TRF	-6.55
Essex office	-353.40
Eureka office	-6.35
Ruth Hydro	-380.33
Valve Building Samoa	-91.95
Ruth HQ	
TRF	
Essex office	
Eureka office	-52.84
Ruth Hydro	
Valve Building Samoa	
Total AT & T	-914.58
AT&T	
Eureka/Essex Landline	-34.95
Arcata/Essex Landline	-34.95
Samoa/Essex Landline	-234.36
Blue Lake Meter Signal	-60.34
Eureka Office/Modem	-116.34
Eureka Office Alarm	-38.85
Samoa Booster Pump	-71.83
Valve Building	-116.34
Eureka Office	-304.14
Essex Office	-799.33
TRF	-117.06
Ruth Dataline	-113.37
Eureka/Essex Landline	-37.49
Arcata/Essex Landline	-37.49
Samoa/Essex Landline	-236.90
Blue Lake Meter Signal	-62.88
Eureka Office Modem	-118.87
Eureka Office Alarm	-41.38
Samoa booster Pump	-80.69
Valve Building	-118.87
Eureka Office	-323.76
Essex Office	-817.29

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

May 2017

Memo	Amount
TRF	-118.27
Ruth Dataline	-115.90
Total AT&T	-4,151.65
AT&T Advertising Solutions	
white page listing	-21.00
white page listing	-21.00
Total AT&T Advertising Solutions	-42.00
ATS Communications	
Control System software upgrade	-332.00
Total ATS Communications	-332.00
Bartle Wells Associates	
Professional Services related to CIP	-10,088.19
Total Bartle Wells Associates	-10,088.19
Bruce Brashear	
expense reimbursement for test fee for Water Distribution Operator 2	-127.67
expense reimbursement to travel to Redding for Treatment Certification Exam	-133.79
Total Bruce Brashear	-261.46
Buckles-Smith	
Annual SCADA Control System software support	-1,803.28
Total Buckles-Smith	-1,803.28
C.H. Bull Company	
Hydro Plant heat exchange maintenance	-151.00
Hydro Plant heat exchange maintenance sales tax and shipping chrgs	-23.37
Total C.H. Bull Company	-174.37
City of Eureka	
Eureka office water/sewer	-57.89
Total City of Eureka	-57.89
Coastal Business Systems Inc.	
Eureka office copy and fax machine	-974.37
Total Coastal Business Systems Inc.	-974.37
Cummins Pacific LLC	
2MW Generator repair	-4,493.42
Total Cummins Pacific LLC	-4,493.42
Dave Perkins	
Ruth Hydro auto mileage reimbursement	-124.55
Storm Damage auto mileage reimbursement	-10.70
Ruth Hydro auto mileage reimbursement	-111.01
Storm Damage auto mileage reimbursement	-14.45
Total Dave Perkins	-260.71
Dept Water Resources	
Annual Dam Fees	-21,164.00
Total Dept Water Resources	-21,164.00
Don's Rent-All, Inc	
concrete vibrator rental for project to Raise Containment Wall around Sodium Hypochlorite Tank	-44.48
Total Don's Rent-All, Inc	-44.48

Humboldt Bay Municipal Water District SECTION 02e PAGE NO. 4  
 Expenses by Vendor Detail

May 2017

Memo	Amount
Eureka Oxygen cylinder rental	-104.00
Total Eureka Oxygen	-104.00
Eureka Rubber Stamp Identification Labels for sample taps in Essex and TRF labs	-36.46
Total Eureka Rubber Stamp	-36.46
Fastenal Company safety supplies shop supplies Collectors 1 & 1A Lateral Replacement	-41.75 -90.73 -9.78
Total Fastenal Company	-142.26
FEDEX send ACWA/JPIA package send Dead, Dying & Diseased Tree Permit exemption application return ACWA/JPIA training tape	-15.37 -22.83 -9.02
Total FEDEX	-47.22
Frontier Communications Ruth HQ Ruth Hydro/Ruth Dataline	-51.19 -158.00
Total Frontier Communications	-209.19
GEI Consultants, Inc FERC DSSMR & ODSP Review	-430.50
Total GEI Consultants, Inc	-430.50
GHD (81593) Collector 1 & 1A Lateral Replacement (81596) 1 MG Reservoir Roof Replacement Design, Bidding & Construction Mgmt (81598) Inspection and Report for 1 MG Industrial Water Reservoir (81315) Surge Tower Replacement	-4,401.00 -1,050.50 -1,403.50 -8,473.00
Total GHD	-15,328.00
Hamanaka Painting Company, Inc paint Collector 3 interior	-12,898.67
Total Hamanaka Painting Company, Inc	-12,898.67
Hensel Hardware Maintenance Supplies Supplies for Ruth Annual Maintenance Trip Supplies for Ruth Annual Maintenance Trip maintenance supplies Maintenance Supplies materials for TRF shutdown	-45.47 -112.21 -112.21 -169.47 -76.74 -18.41
Total Hensel Hardware	-534.51
Humboldt Fasteners Howell Bunker Pit Plate Replacement for Ruth Hydro	-107.18
Total Humboldt Fasteners	-107.18
Humboldt Redwood Company, LLC Mt Pierce Lease site	-262.65
Total Humboldt Redwood Company, LLC	-262.65

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

SECTION J2e PAGE NO. 5

May 2017

Memo	Amount
Journey's End	
meals for Annual Ruth Maintenance work crew	-824.16
meals for Annual Ruth Maintenance work crew	-824.16
Total Journey's End	-1,648.32
Kernen Construction	
Quarry Base Rock for TRF Yellow Mine Pipe Storage Area	-455.78
crushed rock for Fieldbrook-Glendale CSD maintenance	-505.99
Total Kernen Construction	-961.77
Layne Christensen Company	
Collector 1 & 1A Rehabilitation Project -	-124,070.00
Collector 1 & 1A Rehabilitation Project -	-38,456.86
Total Layne Christensen Company	-162,526.86
Lee Dedini	
expense reimbursement for safety shoes	-213.22
Total Lee Dedini	-213.22
Lui Ahmad	
expense reimbursement for Rockwell training in Fresno, CA	-1,198.95
Total Lui Ahmad	-1,198.95
Mario Palmero	
office supplies	-80.98
lab supplies	-12.40
equipment maintenance	-32.55
line marking supplies	-6.46
maintenance supplies - fasteners	-5.17
safety equipment	-6.55
expense reimbursement for Project Budget meeting and BBQ	-63.22
Total Mario Palmero	-207.33
McMaster-Carr Supply	
Ruth Hydro maintenance	-200.77
Total McMaster-Carr Supply	-200.77
Miller Farms Nursery	
chain saw and pump maintenance	-40.87
Total Miller Farms Nursery	-40.87
Mission Linen	
maintenance supplies	-58.59
Uniform Rental	-549.24
Total Mission Linen	-607.83
Mitchell, Brisso, Delaney & Vrieze	
Legal services - April 2017	-248.00
Legal services - April 2017	-279.00
Total Mitchell, Brisso, Delaney & Vrieze	-527.00
Mueller Systems	
Replace the Alves, Inc. Fire Detector Check Meter (54-BM)	-8,409.40
Total Mueller Systems	-8,409.40
Munnell & Sherrill, Inc.	
Collectors 1 & 1A Lateral Replacement	-295.90
Chlorine Booster pump repair	-43.70
Total Munnell & Sherrill, Inc.	-339.60

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

May 2017

Memo	Amount
Napa Auto Parts	
diesel vehicle maintenance	-25.15
Total Napa Auto Parts	-25.15
Network Management Services	
Firewall Rackmount - Eureka Office server	-161.88
Monitor Replacement - Eureka office Business Manager	-937.70
Essential Care Computer Support Service for Eureka office	-342.00
Guard-IT Security Service for Eureka office	-139.99
Recover-IT Backup Solution	-124.99
Domain Management	-3.00
Umbrella Security	-30.00
Eureka office - assistance with computer issues	-1,002.50
Total Network Management Services	-2,742.06
North Coast Cleaning Services, Inc	
Eureka office building maintenance	-545.00
Total North Coast Cleaning Services, Inc	-545.00
North Coast Laboratories	
lab tests	-630.00
Total North Coast Laboratories	-630.00
North Valley Labor Compliance	
Collectors 1 & 1A Lateral Replacement	-150.00
Total North Valley Labor Compliance	-150.00
Northern California Safety Consortium	
membership fee	-50.00
Total Northern California Safety Consortium	-50.00
Occupational Health Services of Mad River	
Annual Hearing & Respirator Exams 1 employee	-175.00
Total Occupational Health Services of Mad River	-175.00
Pacific Gas & Electric Co.	
Eureka Office	-357.67
Jackson Ranch Rectifier	-18.32
299 Rectifier	-101.53
West End Rd. Rectifier	-114.65
TRF	-7,738.50
Ruth Valve Control	-24.99
Ruth Hydro	-51.68
Samoa Dial Station	-35.20
Essex Pumping	-41,355.58
Eureka Office	
Jackson Ranch Rectifier	
299 Rectifier	
West End Rd. Rectifier	
TRF	
Ruth Valve Control	
Ruth Hydro	
Samoa Dial Station	
Essex Pumping	
Ruth Bunkhouse	-20.41
Total Pacific Gas & Electric Co.	-49,818.53
Pacific Paper Co.	
Eureka office supplies	-23.48
Eureka office supplies	-166.42
height adjustable desk	-1,342.52
Total Pacific Paper Co.	-1,532.42

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

May 2017

SECTION Jae PAGE NO. 7

Memo	Amount
Peterson Tractor Co.	
CAT equipment maintenance	-543.62
excavator bucket repair	-209.69
Total Peterson Tractor Co.	-753.31
Pierson Building Center	
repair Eureka office down spout	-16.58
Total Pierson Building Center	-16.58
Pitney Bowes	
refill postage meter	-500.00
Total Pitney Bowes	-500.00
Platt Electric Supply	
Fluorescent Light Disposal	-126.16
Replace Bathroom Fan at Hydro Plant	-150.60
electrical shop tools	-65.87
Total Platt Electric Supply	-342.63
PPG Architectural Coatings	
Safety Supplies	-23.26
Total PPG Architectural Coatings	-23.26
R.J. Ricciardi, Inc, CPAs	
Annual Financial Audit FY15/16	-1,473.97
Total R.J. Ricciardi, Inc, CPAs	-1,473.97
Rebecca J. Moyle	
Essex employee meeting	-20.00
Public Outreach - Blue Lake Rancheria Resiliency Fair	-81.86
Emergency packpaks - Directors	-7.32
office supplies	-5.73
Annual Ruth Maintenance Supplies	-11.92
Annual Ruth Maintenance Supplies	-11.93
Ruth Hydro ReMat	-5.18
Total Rebecca J. Moyle	-143.94
Recology Arcata	
Essex Garbage Service	-314.89
Total Recology Arcata	-314.89
Recology Humboldt County	
Eureka office garbage/recycling service	-82.30
Total Recology Humboldt County	-82.30
Redwood Electronics	
electrical maintenance supplies	-41.18
Total Redwood Electronics	-41.18

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

SECTION Jze, PAGE NO. 8

May 2017

Memo	Amount
Renner Petroleum	
cardlock fuel - pumping & control	-342.62
cardlock fuel - water quality	-342.62
cardlock fuel - maintenance	-342.61
cardlock fuel - customer service	-342.61
Fuel meter for Ruth Hydro fuel tank pump & empty barrels for used hydraulic oil	-308.13
turbine oil and hydraulic oil for Annual Ruth maintenance	-2,113.73
refill Ruth bulk fuel	-248.07
refill Ruth bulk fuel	-248.07
fuel for District excavation-Storm Damage repairs	-121.01
fuel for District excavation-Storm Damage repairs	-435.62
fuel for Ruth Hydro Auxilliary Generator	-121.01
Unit 5 maintenance	-85.61
Total Renner Petroleum	-5,051.71
SCBA Safety Check, Inc	
Repair parts for ISI SCBA #2	-153.83
Repair parts for ISI SCBA	-19.29
Total SCBA Safety Check, Inc	-173.12
Security Lock & Alarm	
Eureka office lock maintenance	-70.00
Total Security Lock & Alarm	-70.00
Sierra Chemical Company	
TRF chemicals	-4,415.64
water quality supplies	-3,544.39
Total Sierra Chemical Company	-7,960.03
Sitestar Nationwide Internet	
Essex Internet	-52.90
Total Sitestar Nationwide Internet	-52.90
Six Rivers Communications	
repair handheld radio	-141.93
Total Six Rivers Communications	-141.93
Springville Safety/Supply	
safety gear for chlorine leak contamination kit	-177.12
Total Springville Safety/Supply	-177.12
Staples	
Essex office supplies	-103.17
Total Staples	-103.17
Steven A. Marshall	
expense reimbursement to attend Control Software training in Modesto	-551.65
Total Steven A. Marshall	-551.65
Stillwater Sciences	
professional assistance - Fish habitat/biologist consultation	-447.00
consult regarding Storm Damage @ Ruth	-111.75
Total Stillwater Sciences	-558.75
Streamline	
Website maintenance April membership fee-	-450.00
Website maintenance April membership fee	-450.00
Total Streamline	-900.00

# Humboldt Bay Municipal Water District Expenses by Vendor Detail

May 2017

SECTION J2e, PAGE NO. 9

Memo	Amount
Sudden Link	
Essex internet	-124.95
TRF internet	-100.38
Eureka Office Internet	-204.95
Fieldbrook-Glendale CSD Internet	-256.02
Essex internet	-124.95
Total Sudden Link	-811.25
SWRCB	
Wholesaler Water System Regulatory Oversight	-10,347.92
Total SWRCB	-10,347.92
Telstar Instruments, Inc	
SCADA Upgrade - Phase 2 - Progress Payment 2	-12,389.90
Total Telstar Instruments, Inc	-12,389.90
The Mill Yard	
fuel shed and fuel tank maintenance	-98.28
Park 1 BBQ area repair	-238.52
Fuel Shed roof repair	-54.25
shop supplies	-72.40
Total The Mill Yard	-463.45
Three G's	
Collectors 1 & 1A Lateral Replacement	-155.26
Total Three G's	-155.26
Trimark Associates, Inc	
Provide equipment and assist with installation for revenue metering	-1,000.00
Total Trimark Associates, Inc	-1,000.00
Trinity County General Services	
Pickett Peak site lease	-250.00
Total Trinity County General Services	-250.00
Trinity County Solid Waste	
Ruth HQ dump fees	-16.18
Ruth Hydro dump fees	-16.17
Total Trinity County Solid Waste	-32.35
U.S. Bank Corporate Payment System	
Water Quality CEU Training Course	-150.00
Annual Ruth Maintenance	-325.24
Annual Ruth Maintenance	-325.25
Essex Employee meeting	-31.64
equipment maintenance - 6" Generac pump	-57.78
Water Loss Seminar - D. Davidsen & T. Syphanthong	-333.88
Unit 5 log book	-63.07
Essex office supplies	-103.93
Crane certification supplies	-14.84
computer supplies	-30.12
Conference Call w/JTN- regarding ReMAT	-25.91
Conference Call - 1 MG Domestic water reservoir roof and painting	-7.98
Director/Employee Jackets	-88.23
Employee Jacket	-44.10
CSDA General Manager Leadership Summit	-725.00
Safety Supplies - Directors emergency backpacks	-50.88
QuickBooks Pro Upgrade	-874.41
Eureka office window blinds	-232.74
Lodging for J. Friedenbach to attend Northcoast Resource Partnership meeting in Santa Rosa	-269.09
Total U.S. Bank Corporate Payment System	-3,754.09



Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

SECTION Jae, PAGE NO. 10

May 2017

Memo	Amount
U.S. Bank Corporate Trust Services	
SRF Quarterly Account Maint Fee (Jan - March 2017)	-150.00
Total U.S. Bank Corporate Trust Services	-150.00
U.S. Geological Survey, WRD	
USGS Gauging Station Maintenance	-7,260.00
Total U.S. Geological Survey, WRD	-7,260.00
USTI, Inc	
Humboldt Bay eBilling Utility Billing System	-2.56
Fieldbrook eBilling Utility Billing System	-5.92
Meter Reader & Admin annual maintenance	-1,896.00
Total USTI, Inc	-1,904.48
Verizon Wireless	
Operations 1	-0.36
Superintendent	-93.01
Unit 3	-19.04
Electrician	-0.22
Operations 2	-0.45
Water Operations Supervisor - Unit 11	-48.06
Maintenance Supervisor	-41.40
Electrician	-9.89
Unit 6	-3.97
Unit 6	-3.97
Assistant Water Operations Supervisor	-42.49
Spare Operations	-0.22
General Manager	-39.41
Total Verizon Wireless	-302.49
William B. Newell	
Expense Reimbursement - Ruth Annual Maintenance Supplies	-517.34
Expense Reimbursement - Ruth Annual Maintenance Supplies	-517.35
auto mileage reimburse - Ruth Annual Maintenance	-53.19
auto mileage reimburse - Ruth Annual Maintenance	-53.19
Total William B. Newell	-1,141.07
TOTAL	-375,349.06

# Humboldt Bay Municipal Water District Expenses by Vendor Detail

SECTION Jae PAGE NO. 11.1

April 2017

Memo	Amount
101Netlink	
Ruth Data Link/Internet	-170.00
Total 101Netlink	-170.00
AirGas NCN	
maintenance shop supplies	-152.55
Total AirGas NCN	-152.55
Almquist Lumber	
replace 2 doors at Essex	-98.15
Total Almquist Lumber	-98.15
AT & T	
Ruth HQ	
TRF	
Essex office	
Eureka office	-168.69
Ruth Hydro	
Valve Building Samoa	
Ruth HQ	-23.80
TRF	-6.55
Essex office	-373.78
Eureka office	-6.35
Ruth Hydro	-429.95
Valve Building Samoa	-91.95
Total AT & T	-1,101.07
Bartle Wells Associates	
Professional Services related to CIP	-2,577.00
Total Bartle Wells Associates	-2,577.00
Buckles-Smith	
Fieldbrook-Glendale CSD Communications upgrade-PLC Equipment	-400.20
Total Buckles-Smith	-400.20
City of Eureka	
Eureka office water/sewer	-50.76
Total City of Eureka	-50.76
Coastal Business Systems Inc.	
Eureka office copy and fax machine	-879.00
Total Coastal Business Systems Inc.	-879.00
Corey Borghino	
auto mileage reimbursement Jan - Mar 2017	-74.04
Total Corey Borghino	-74.04
Cummins Pacific LLC	
TRF generator maintenance	-149.21
Total Cummins Pacific LLC	-149.21
David J. Corral	
expense reimbursement for travel to Sacramento for training	-626.26
Total David J. Corral	-626.26
Davidson Brothers Lock & Safe	
Replace 2 doors at Essex	-569.63
Total Davidson Brothers Lock & Safe	-569.63

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

April 2017

Memo	Amount
Durable Trailers, Inc	
steel plate for Howell Bunger Valve Pit floor repair	-275.18
Park #1 BBQ repair	-65.34
Total Durable Trailers, Inc	-340.52
Eel River Disposal	
disposal of painted waste wood	-165.00
Total Eel River Disposal	-165.00
Englund Marine Supply	
Industrial Reservoir hatch platform maintenance	-109.90
Total Englund Marine Supply	-109.90
Eureka-Humboldt Fire Ext.,Co, Inc	
Essex fire extinguisher maintenance	-1,093.07
TRF fire extinguisher maintenance	-117.00
Fieldbrook-Glendale CSD fire extinguisher maintenance	-32.31
Total Eureka-Humboldt Fire Ext.,Co, Inc	-1,242.38
Eureka Oxygen	
refill gases	-529.71
welding safety supplies	-43.14
cylinder rental	-107.30
Total Eureka Oxygen	-680.15
Eureka Rubber Stamp	
Director and General Manager nametags	-89.51
Total Eureka Rubber Stamp	-89.51
FEDEX	
ship FERC DWWMR report	-134.13
ship Dead, Dying, Diseased Tree Permit	-22.90
return ACWA/JPIA training tape	-12.67
ship chlorinator drive for repair	-85.16
Total FEDEX	-254.86
Frontier Communications	
Ruth HQ	-50.41
Ruth Hydro/Ruth Dataline	-157.68
Total Frontier Communications	-208.09
GEI Consultants, Inc	
FERC DSSMR & ODSP Review	-2,460.00
Total GEI Consultants, Inc	-2,460.00
GHD	
(80272) Collector 1 & 1A Lateral Replacement	-3,309.75
(80269) 1 MG Reservoir Roof Replacement Design, Bidding & Construction Mgmt	-3,171.50
(80259) General Engineering - Ruth	-2,152.50
(80259) General Engineering - Essex	-907.25
(80259) General Engineering - Eureka	-1,146.00
(80259) Potential HMGP Grant	-1,515.75
(80265) 1 MG Industrial Water Reservoir Inspection & Reporting	-747.25
(80261) FERC DSSMP & DSSMR Updates	-573.00
(79997) Surge Tower Replacement	-3,758.75
Total GHD	-17,281.75
Harbor Freight Tools	
replace drill bits/garbage picker	-56.33
maintenance supplies	-49.86
Total Harbor Freight Tools	-106.19

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

April 2017

Memo	Amount
Hensel Hardware	
plumbing repair Essex lab	-236.65
plumbing repair Essex lab	-69.21
pressure washer trailer repair	-41.41
maintenance supplies	-42.29
insect repellent	-52.01
Total Hensel Hardware	-441.57
Hilfiker Co.	
maintenance supplies	-12.81
Total Hilfiker Co.	-12.81
Humboldt County Health Department	
Hazardous Materials Facility Fee	-3,141.82
Total Humboldt County Health Department	-3,141.82
Humboldt Fasteners	
maintenance supplies	-9.98
Total Humboldt Fasteners	-9.98
Humboldt Redwood Company, LLC	
Mt Pierce Lease site	-262.65
Total Humboldt Redwood Company, LLC	-262.65
Humboldt Waste Management Authority	
dispose of pallets and wood waste	-49.50
Total Humboldt Waste Management Authority	-49.50
Hummel Tire & Wheel	
Unit 3 tires	-639.72
Total Hummel Tire & Wheel	-639.72
Industrial Electric	
Essex crossover vault sump pump repair	-182.64
Total Industrial Electric	-182.64
James L. Able	
Tree removal consult at Ruth Lake	-150.00
Total James L. Able	-150.00
Mario Palmero	
expense reimbursement for attending SCADA system software training	-81.24
Total Mario Palmero	-81.24
Matthews Paints, Inc.	
maintenance supplies	-101.11
Total Matthews Paints, Inc.	-101.11
McMaster-Carr Supply	
banding machine maintenance	-19.71
Total McMaster-Carr Supply	-19.71
Miller Farms Nursery	
pressure washer trailer repair	-121.60
Total Miller Farms Nursery	-121.60

Humboldt Bay Municipal Water District  
Expenses by Vendor Detail

SECTION Jde PAGE NO. 13

April 2017

Memo	Amount
Mission Linen	
maintenance supplies	-149.73
Uniform Rental	-530.42
Total Mission Linen	-680.15
Mitchell, Brisso, Delaney & Vrieze	
Legal services - March 2017	-139.50
Total Mitchell, Brisso, Delaney & Vrieze	-139.50
Napa Auto Parts	
Unit 9 flasher and maintenance	-21.14
keys for ditchwitch	-10.30
bedliner for pressur washer trailer rack	-42.88
Total Napa Auto Parts	-74.32
Network Management Services	
EssentialCare Computer Support Service for Eureka office	-342.00
Guard-IT Security Service for Eureka office	-139.99
Recover-IT Backup Solution	-124.99
Domain Management	-3.00
Umbrella- Security	-30.00
Eureka office - assistance with computer issues	-1,613.56
Total Network Management Services	-2,253.54
Norcal Molecular, Inc.	
Ruth Hydro radiator and heat exchanger repair	-378.07
Total Norcal Molecular, Inc.	-378.07
North Coast Cleaning Services, Inc	
Eureka office building maintenance	-545.00
Total North Coast Cleaning Services, Inc	-545.00
North Coast Laboratories	
lab tests	-760.00
Total North Coast Laboratories	-760.00
North Valley Labor Compliance	
Collectors 1 & 1A Lateral Replacement	-750.00
Total North Valley Labor Compliance	-750.00
Northern California Safety Consortium	
membership fee	-50.00
Total Northern California Safety Consortium	-50.00
NTU Technologies, Inc	
water quality supplies	-621.00
Total NTU Technologies, Inc	-621.00
O&M Industries	
pressure washer trailer repair	-130.20
Total O&M Industries	-130.20
Occupational Health Services of Mad River	
DMV Physical	-135.00
Pre-Employment Physical	-400.00
Essex - Annual Hearing & Respirator Exams 2 employees	-350.00
Total Occupational Health Services of Mad River	-885.00

# Humboldt Bay Municipal Water District Expenses by Vendor Detail

April 2017

SECTION Jae PAGE NO. 14

Memo	Amount
Occupational, Environmental Health	
Pre-Employment physical	-96.50
Pre-Employment physical	-96.50
Total Occupational, Environmental Health	-193.00
Pacific Gas & Electric Co.	
Ruth Bunkhouse	-39.43
Eureka office	-428.51
Jackson Ranch Rectifier	-17.57
299 Rectifier	-96.38
West End Road Rectifier	-109.97
TRF	-7,624.26
Ruth Hydro Valve Control	-24.18
Ruth Hydro	0.00
Samoa Booster Pump Station	-418.83
Samoa Dial Station	-37.83
Essex Pumping March 1 - 31, 2017	-42,524.75
Total Pacific Gas & Electric Co.	-51,321.71
Pacific Paper Co.	
Eureka office supplies	-492.99
FERC DSSMR report supplies	-218.87
Total Pacific Paper Co.	-711.86
Peterson Tractor Co.	
equipment maintenance	-69.90
Total Peterson Tractor Co.	-69.90
Pierson Building Center	
repair Ruth HQ Master Bath/Laundry Room	-163.87
Industrial Water Reservoir hatch platform maintenance	-17.56
Total Pierson Building Center	-181.43
Pitney Bowes	
refill postage meter	-500.00
Total Pitney Bowes	-500.00
Platt Electric Supply	
Eureka office data port installation	-257.08
Total Platt Electric Supply	-257.08
Pollardwater	
hydrant flow test gauge	-94.03
Total Pollardwater	-94.03
Poly Portables	
purchase towable restroom unit	-1,069.09
Total Poly Portables	-1,069.09
Power Industries, Inc	
annual Ruth Maintenance - Ruth Hydro Seal kit for turbine stop valve/filter housing for turbin...	-234.73
Total Power Industries, Inc	-234.73
R.J. Ricciardi, Inc, CPAs	
Annual Financial Audit FY15/16	-5,155.00
Total R.J. Ricciardi, Inc, CPAs	-5,155.00

# Humboldt Bay Municipal Water District Expenses by Vendor Detail

April 2017

SECTION Jae, PAGE NO. 15

Memo	Amount
Rebecca J. Moyle	
Public Education - HSU Science Fair	-43.95
Essex employee meeting	-31.21
office supplies	-21.69
General Manager business cards	-18.42
Total Rebecca J. Moyle	-115.27
Recology Arcata	
Essex Garbage Service	-262.44
Total Recology Arcata	-262.44
Recology Humboldt County	
Eureka office garbage/recycling service	-82.30
Total Recology Humboldt County	-82.30
Redwood Electrical Services	
Ruth Hydro electrical inspection and PG&E letter	-1,000.00
Total Redwood Electrical Services	-1,000.00
Renner Petroleum	
cardlock fuel - pumping & control	-387.83
cardlock fuel - water quality	-387.83
cardlock fuel - maintenance	-387.83
cardlock fuel - customer service	-387.83
Essex bulk fuel	-1,602.78
Total Renner Petroleum	-3,154.10
Sequoia Gas	
refill Ruth bunkhouse propane	-243.09
Total Sequoia Gas	-243.09
Sierra Chemical Company	
replenish chlorine	-1,720.29
Total Sierra Chemical Company	-1,720.29
Sitestar Nationwide Internet	
Essex Internet	-52.90
Total Sitestar Nationwide Internet	-52.90
Staples	
Eureka office supplies	-57.24
Eureka office computer supplies	-16.26
Total Staples	-73.50
Sudden Link	
TRF Internet	-100.38
Eureka office internet	-204.95
Fieldbrook-Glendale CSD internet	-256.02
Total Sudden Link	-561.35
T.P. Tire Service, Inc	
flat repair on dump trailer	-15.00
Total T.P. Tire Service, Inc	-15.00
Telstar Instruments, Inc	
chlorine system maintenance	-1,623.62
TRF supplies	-556.41
Total Telstar Instruments, Inc	-2,180.03

# Humboldt Bay Municipal Water District Expenses by Vendor Detail

 SECTION Jae PAGE NO. 16

April 2017

Memo	Amount
<b>The Mill Yard</b>	
Collector 2 transformer sealing	-14.52
fuel shed and fuel tank maintenance	-390.56
Eureka office data port installation	-24.39
Crane Certification Training materials	-92.47
replace hole saw	-13.01
maintenance supplies	-18.98
/Raise Containment Wall around Sodium Hypochlorite Tank	-1,148.53
<b>Total The Mill Yard</b>	<b>-1,702.46</b>
<b>Thrifty Supply</b>	
Essex lab repair	-193.01
<b>Total Thrifty Supply</b>	<b>-193.01</b>
<b>Trinity County General Services</b>	
Pickett Peak site lease	-250.00
<b>Total Trinity County General Services</b>	<b>-250.00</b>
<b>Trinity County Solid Waste</b>	
Ruth HQ dump fees	-3.35
Ruth Hydro dump fees	-3.35
<b>Total Trinity County Solid Waste</b>	<b>-6.70</b>
<b>U.S. Bank Corporate Payment System</b>	
TRF Security Lighting	-412.28
voltage regulator for Honda generator	-189.98
Electrical Shop Upgrade - Phase 2	-357.98
Essex server file comparison	-60.00
Surge Valve Emergency repair	-15.49
Water Treatment Plant Operations training materials	-56.19
Water Distribution Plant Operations training materials	-106.36
Essex office supplies	-60.05
Backflow recertification training - 2 employees	-830.00
Exit lunch for Paul Helliker	-428.84
Eureka office refrigerator	-304.87
General Fund checks	-507.76
ACWA Spring Conference Registration - J. Friedenbach	-415.00
Bookkeeping Class - 1 employee	-595.00
Ethics Training - 1 Director	-95.00
Eureka office Software - Snag-It	-10.74
Business Manager interview panel lunch	-85.35
<b>Total U.S. Bank Corporate Payment System</b>	<b>-4,530.89</b>
<b>USTI, Inc</b>	
eBilling Utility Billing System	-1.98
eBilling Utility Billing System	-4.66
<b>Total USTI, Inc</b>	<b>-6.64</b>
<b>Verizon Wireless</b>	
Operations 1	-1.31
Superintendent	-92.96
Unit 3	-19.47
Electrician	-0.22
Operations 2	-0.96
Water Operations Supervisor - Unit 11	-33.94
Maintenance Supervisor	-42.20
Electrician	-13.09
Unit 6	-5.21
Unit 6	-5.21
Assistant Water Operations Supervisor	-44.62
Spare Operations	-0.22
General Manager	-67.48
<b>Total Verizon Wireless</b>	<b>-326.89</b>



Humboldt Bay Municipal Water District  
Expenses by Vendor DetailSECTION De PAGE NO. 17

April 2017

Memo	Amount
Water Quality Control Board Notice of Intent	-720.00
Total Water Quality Control Board	-720.00
West Coast Plumbing Essex lab repair	-74.77
Total West Coast Plumbing	-74.77
William Wardrip Water Distribution Certification D3 renewal	-90.00
Total William Wardrip	-90.00
Zemarc Corporation Ruth Hydo filter cartridges	-415.82
Total Zemarc Corporation	-415.82
TOTAL	-119,832.63

**Humboldt Bay Municipal Water District**

To: Board of Directors  
From: Chris Harris  
Date: June 8, 2017  
Re: Inventory Policy for HBMWD

**Background**

Prior to the end of each fiscal year, employees complete a physical inventory of the Districts' assets. The current inventory count sheets are Excel spreadsheets created by the Eureka office staff and provided to the Essex staff. Any necessary monetary adjustments are then posted to the Districts' accounting system prior to fiscal year end.

**Discussion**

In order to have a means to ensure the items currently listed in inventory accurately represent the true value of the inventory assets of the District, staff would like to formalize our internal accounting controls by the implementation of a modern Inventory Policy. This is an opportunity to also improve internal accounting controls and the efficient use of employee time. Implementation of this policy will codify procedures that have been used in the past without the benefit of written guidelines. This policy will also define specific procedures regarding the financial valuation method (purchases method), the inventory use process (first-in-first-out), and disposal of obsolete inventory. Additionally it also recommends the use of a database/software program specifically designed for inventory tracking and gives guidance for staff to sell items taken out of service timely to maintain accurate inventory valuation.

**Recommendation and Action**

Staff recommends Board approval of the attached Inventory Policy. Upon approval, staff will begin researching various options for a dedicated inventory control database/software program and implement the adopted policy.

**Attachment**

Inventory Policy, 2017

**HUMBOLDT BAY MUNICIPAL WATER DISTRICT****Inventory Policy****I) Introduction**

Pursuant to Government Code §53891, accounting requirements and guidelines for special districts are set forth in the *Special Districts Uniform Accounting and Reporting Procedures*, and are regulated by the California State Controller's Office.

Based on the guidelines of the California State Controller's Office, the purpose of this policy is to establish an inventory policy for the District utilizing effective and efficient internal controls, while tracking and maintaining the inventory assets for financial accuracy and accountability.

**II) Policy**

The District's Inventory Policy is as follows:

- 1) The District shall use the "purchases method" as defined in the *Special Districts Uniform Accounting and Reporting Procedure*, §1.07.1.
  - a. Inventory items are to be debited to an expense account at the time of purchase.
  - b. Inventory items remaining unused at fiscal year-end will be credited from the expense account and debited to the Inventory Account.
- 2) The District shall perform a physical inventory prior to the end of each fiscal year.
- 3) The District shall use a database or other inventory tracking system or software to achieve the following:
  - a. Track costs of items
  - b. Track physical location of items: by building and location within the building
  - c. Allow for staff to remove items from inventory as used
  - d. Set and track re-ordering points of items (as needed)
  - e. Provide current inventory count sheets and reports
- 4) The District shall use the First-In-First-Out (FIFO) process, whereas the oldest items are used first.
- 5) Obsolete inventory assets will be identified and surplused as necessary to fairly value current inventory.
  - a. Staff will provide a list of obsolete items to the Board of Directors containing:
    1. Description of the item
    2. Possible monetary value (if any)
    3. Intended means of disposal
  - b. Staff will make every effort to utilize inventoried assets prior to them becoming obsolete.
  - c. At a minimum, staff will review inventory assets for obsolescence on an annual basis.

H.B.M.W.D. MAY 30 2017

SECTION J2g PAGE NO. 1



## COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW  
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125  
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450

FAX: 707-445-7608

TOLL FREE: 877-448-6829

EMAIL: [taxinfo@co.humboldt.ca.us](mailto:taxinfo@co.humboldt.ca.us)

Subject: Interest Apportionment Rate and Other Considerations

May 30, 2017

Honorable Board Members,

Your fund balances in the County Treasury from January through March 2017 (Fiscal 16/17 3<sup>rd</sup> Quarter) earned an annualized interest rate of 1.22%. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was 0.78%.

The US economy continues to grow at a moderate pace with a slight cool down. Comments from the May 3, 2017 Federal Open Market Committee (FOMC) meeting indicates that the members of the Federal Reserve "view the slowing in growth during the first quarters as likely to be transitory." They chose not to increase their target rate at that meeting.

The markets continue to ponder if there will be 1 more, 2 more, or no more?? rate hikes this year. St. Louis Fed President James Bullard confirmed that recent economic data has been weak and the FOMC's projected path for raising interest rates may be too steep. Since March, "longer-term yields have declined, inflation expectations have weakened, and market expectations of the policy rate path have declined," Bullard said. "This may suggest that the FOMC's contemplated policy rate path is overly aggressive relative to actual incoming data on U.S. macroeconomic performance."

Since a perfect economy is not needed to convince the Fed to move, most analysts are convinced that a rate hike will happen in June; but global terrorism, the administration's newly released budget proposal, and underwhelming inflation figures may keep the probability of rate hikes lower than anticipated, especially if the economy continues to slow.

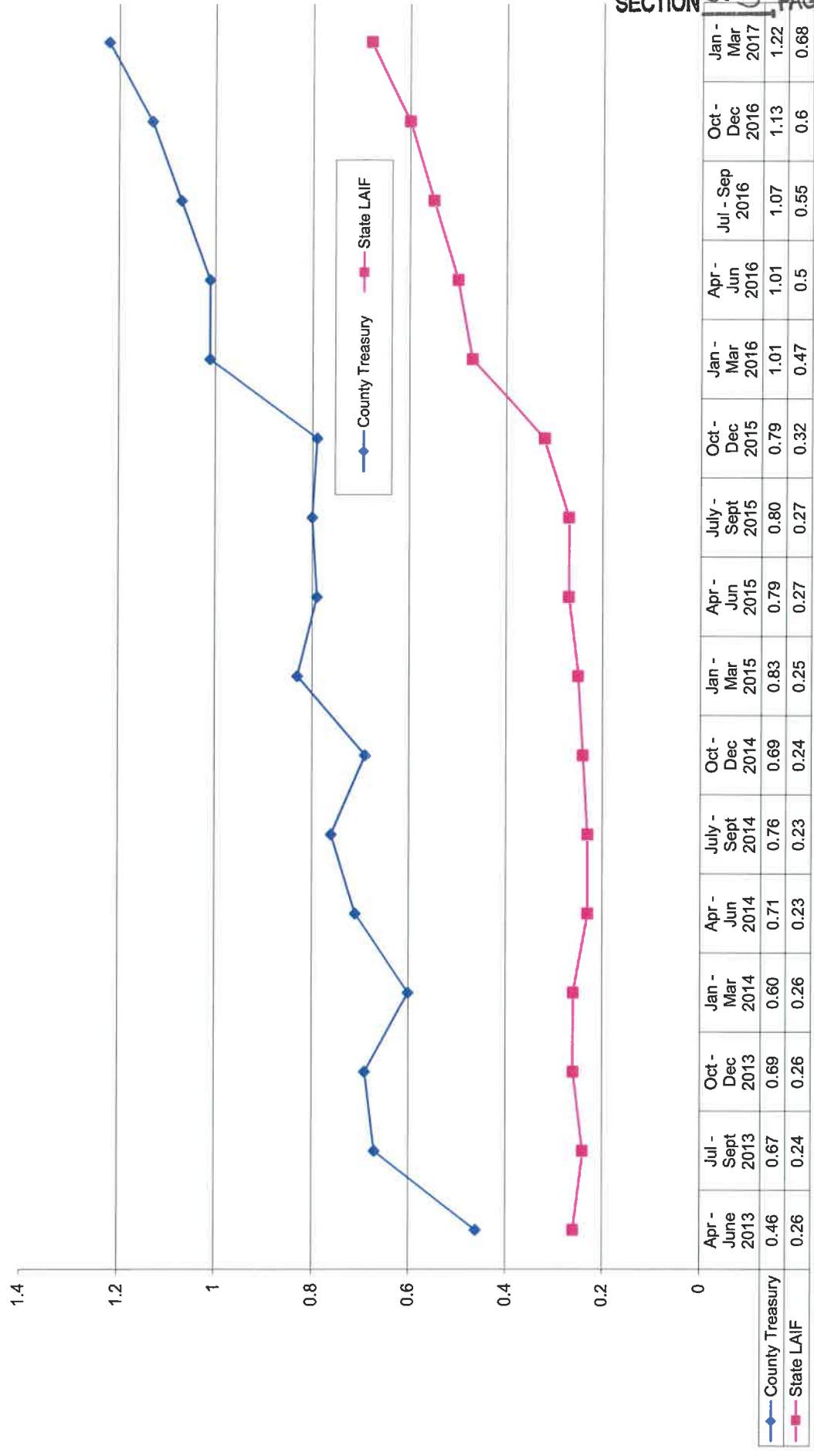
Let us know how we may be of service.

Sincerely,

Amy Christensen  
Senior Treasury Assistant

Humboldt County Treasury Team:  
John Bartholomew – Treasurer Tax Collector  
Whitney Morgan – Treasury Assistant

Comparison of County Treasury and State LAIF Investment Earning Rates  
April 2013 - March 2017



H.B.M.W.D. MAY 30 2017

FUND BALANCES  
Allocation Account Activity  
April 1, 2017 - April 1, 2017

*Interest January - March 2017*

Account	Fund	Security ID	Current Transaction Rate	Date	Receipt	Trans. Type	Contributions / Transfer In	Disbursements / Transfer Out / Fees	Allocated Earnings	Balance	
<b>Fund Participant</b>											
2710	2710	SYS	1.217	04/01/2017		Alloc/Fee			379.62	0.79	
<i>1% Taxes</i>										380.41	
	Subtotal and Ending Balance										380.41
2711	2711	2711	1.217	04/01/2017		Alloc/Fee	0.00	0.00	1,264.81	421,711.47	
<i>MSRA</i>										422,976.28	
	Subtotal and Ending Balance										422,976.28
3873	3873	3873	1.217	04/01/2017		Alloc/Fee	0.00	0.00	7,734.53	2,537,629.47	
<i>Investment Account</i>										2,545,364.00	
	Subtotal and Ending Balance										2,545,364.00
3874	3874	3874	1.217	04/01/2017		Alloc/Fee	0.00	0.00	1,412.95	470,888.14	
<i>DWFP</i>										472,301.09	
	Subtotal and Ending Balance										472,301.09
3876	3876	3876	1.217	04/01/2017		Alloc/Fee	0.00	0.00	190.26	3,073.38	
<i>SRF Payment</i>										3,263.64	
	Subtotal and Ending Balance										3,263.64

Portfolio FUND  
CC  
LP (PRF\_LPMP) 7.1.1  
Report Ver. 7.3.5

# Operations

### **Ruth Lake, Upper Mad River and Hydro Plant**

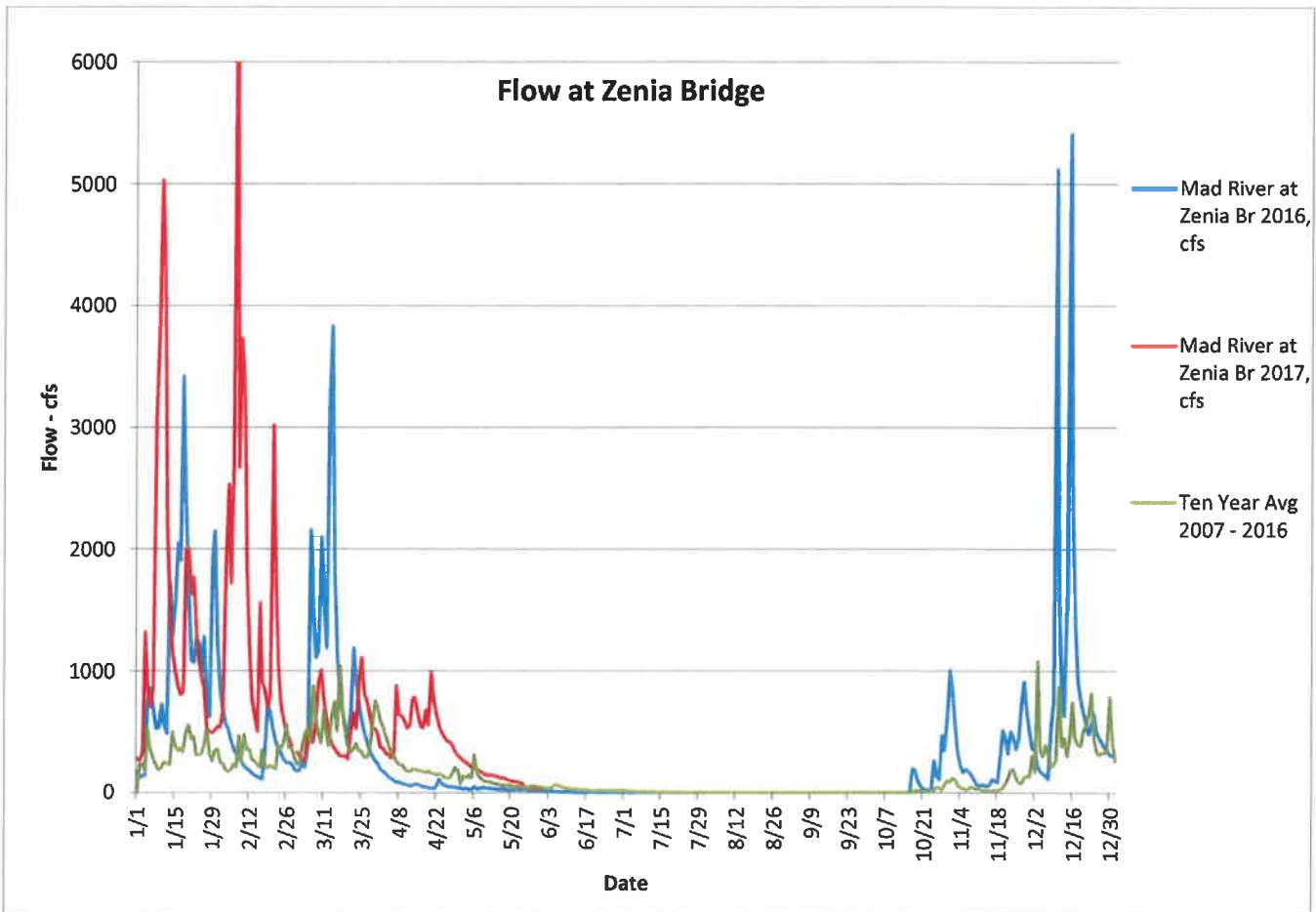
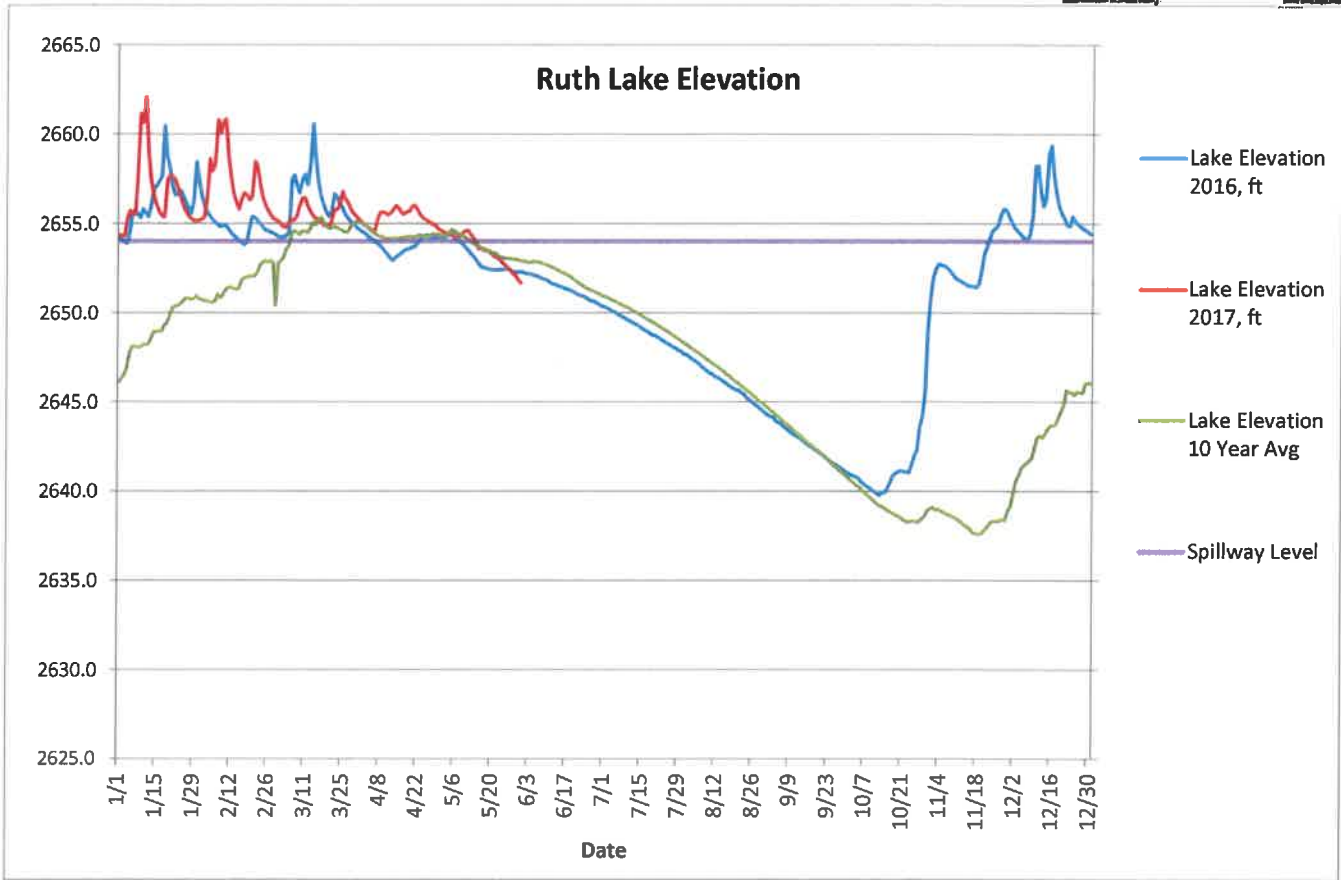
1. The high flow at Mad River above Ruth Reservoir (Zenia Bridge) was 285cfs on May 1<sup>st</sup> and the low flow was measured on May 31<sup>st</sup> at 140.5 cfs.
2. The conditions at Ruth Lake for the month of May were as follows:
  - a. The lake level on May 31<sup>st</sup> was 2651.65 feet which is:
    1. 3.04 feet lower than April 30<sup>th</sup>, 2017
    2. 0.65 feet lower than May 31<sup>st</sup>, 2016
    3. 1.35 feet lower than the ten year average
    4. 2.35 feet below the spillway
3. We measured 0.51 inches of rain at Ruth Headquarters for the month of May with a high reading of 0.19 inches measured on May 13<sup>th</sup>.
4. Ruth hydro power production was 684,000 kWh for the month of May with 4 shutdowns and 99,553 kWh lost power.
5. The high discharge flow from the lake for the month of May was 385 cfs on May 1<sup>st</sup> and the low release flow from the lake was 141 cfs on May 25<sup>th</sup>.

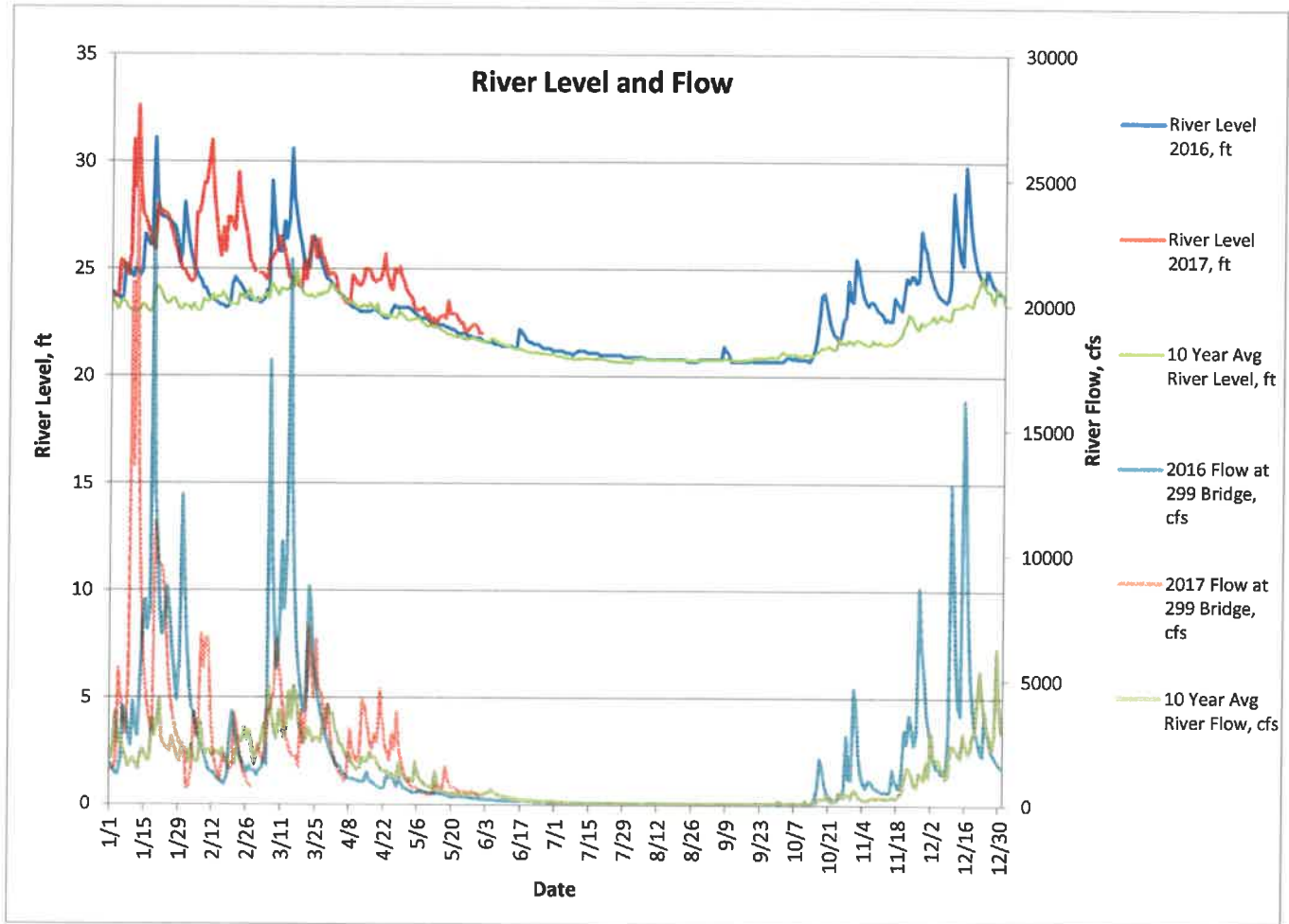
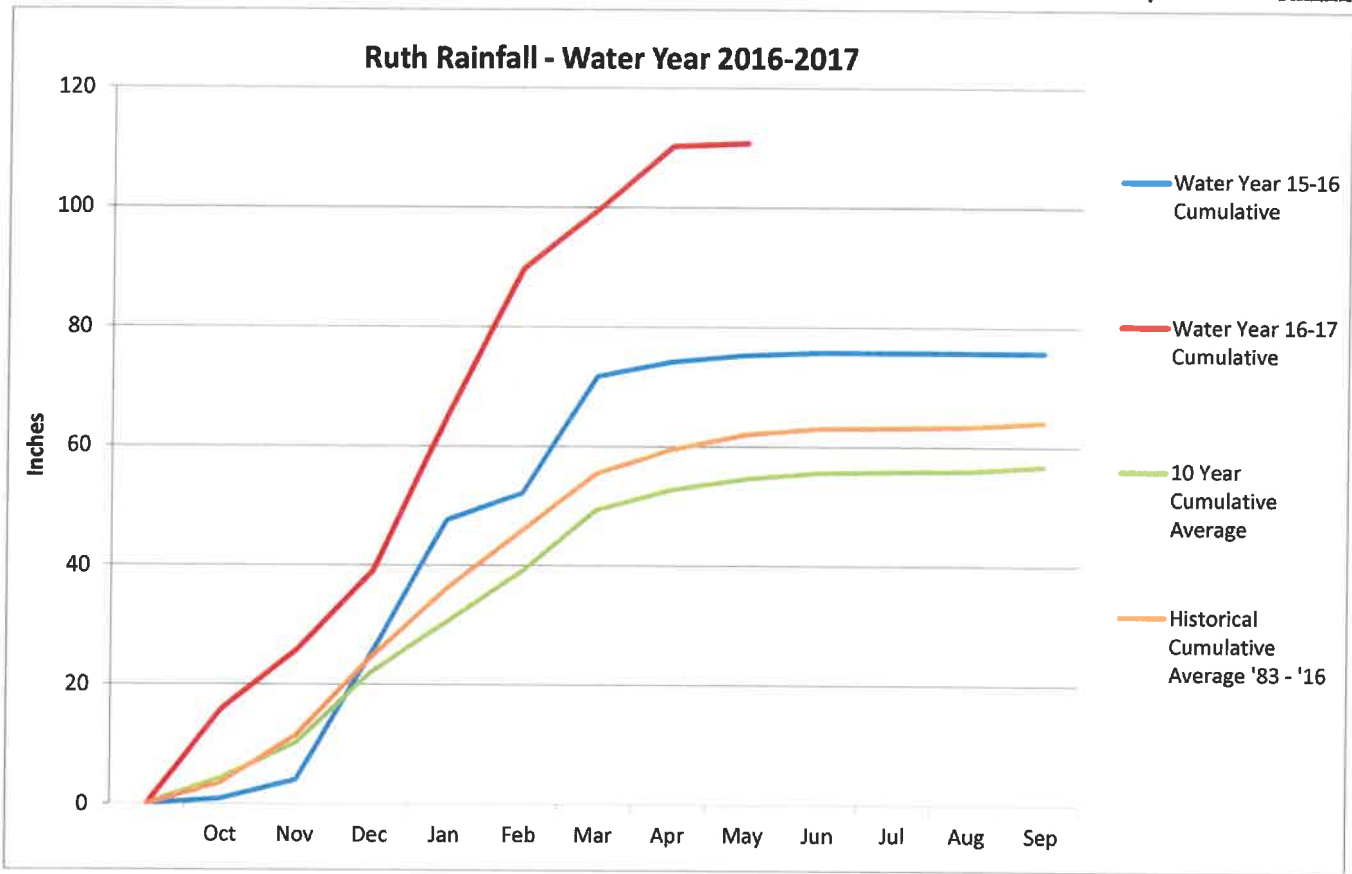
### **Winzler Control, TRF and Lower Mad River**

6. The river at Winzler Control Center for the month of May reached a high recorded flow of 1530 cfs and a level of 23.5 feet on May 17<sup>th</sup>. The low river flow was on May 10<sup>th</sup> with a flow of 397 cfs and a level of 22.5 feet.
7. The domestic water conditions as of May 30<sup>th</sup> were as follows:
  - a. The monthly turbidity average was 0.16 NTU, which meets Public Health Secondary Standards.
  - b. We metered 245.073 million gallons at an average of 6.808 MGD.
  - c. The maximum metered daily municipal customer use was 9.037 MGD on May 4<sup>th</sup>.
8. The Turbidity Reduction Facility ran 21 days in May. The conditions were as follows:
  - a. Filtered water production was 248.273 million gallons.
  - b. Average monthly source water turbidity was 0.76 NTU.
  - c. Average monthly filtered water turbidity was 0.05 NTU.

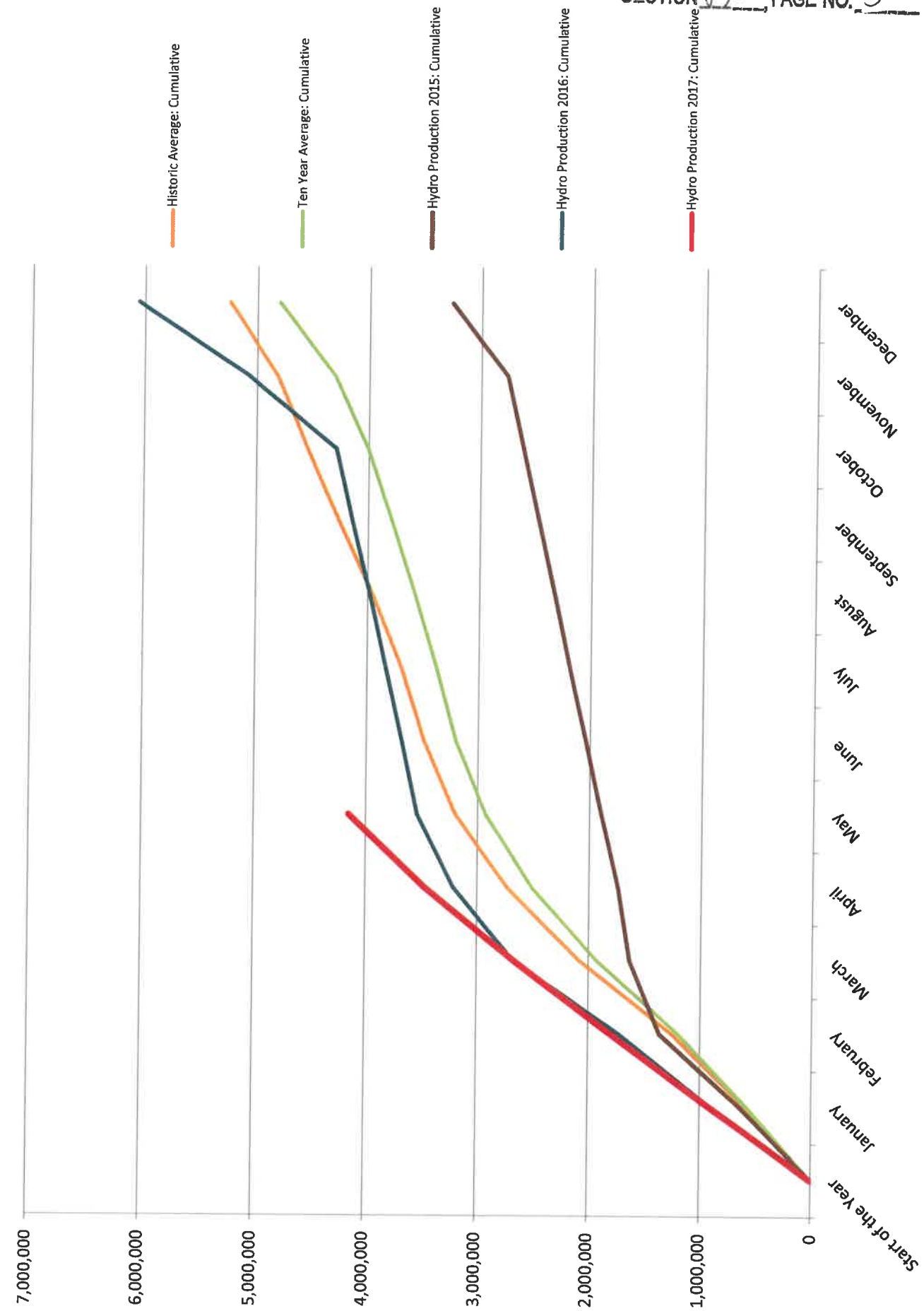


9. May 2nd – 5th - Continued Emergency dredging in the river channel below hydro plant. This was emergency work due to the water in the channel being too high to be able to dewater the tailrace and enter the penstock for inspection and maintenance. This was needed due to long term, high flows over the spillway flushing gravel out of the plunge pool and mud and debris from the slide above the access road being deposited in the tailrace channel.
10. May 3rd – EBIP (Emergency Base Interruptible Program) event from 8 PM – 10PM. This is the contract requirement we are in with PG&E to get completely off line at Essex in the event of a notice from PG&E. Typically these events are due to very high power use in the valley due to hot weather, this event was due to equipment failure somewhere on the PG&E grid.
11. May 8th-12th – Ruth Annual Maintenance.
12. May 9<sup>th</sup> & 18<sup>th</sup>– Since our excavator was at Ruth, we spent some time looking for the “lost” drain pipe and weir. We dug a couple of very deep holes in an area we thought might be likely for the drain to be, but no success locating the drain.
13. May 14<sup>th</sup> – At the stroke of midnight we officially went onto the new ReMAT contract at the Hydro Plant.
14. May 23<sup>rd</sup> – The Supervisors and I interviewed 2 in house candidates for the Customer Service position. Jasson Klingonsmith is the successful candidate. Jasson was an O&M Tech and will be our Customer Service Rep starting June 16<sup>th</sup>. We filled his vacated O & M Tech position with the other applicant for the Customer Service position. Tim Farrell will be our new O&M Tech starting June 16<sup>th</sup> and we are currently advertising for the Maintenance Worker position vacated by Tim.
15. May 31<sup>st</sup> – Jim Lowe with DWR / DSOD inspected the Dam. The inspection went very well. He had no issues with our operations and maintenance. He said it is one of the best operated and maintained dams he inspects.





# Ruth Hydro Production: kW per Month





## Humboldt Bay Municipal Water District Ruth Hydro Production Report - Since June 1983

	<b>Total Kwh Production</b>	<b>Production for Period Ending 4/30/2017</b>	<b>Average Monthly Kwh Production</b>
On Peak	11,495,209		28,313
Part Peak	58,413,428	319,330	143,875
Off Peak	83,525,268	451,731	205,727
Super Off Peak	26,741,763	158,066	65,866
<b>Grand Total</b>	<b>180,175,669</b>	<b>929,126</b>	<b>443,782</b>

Grand Total Revenues      \$8,749,921.90

No. of Months of Operation      406

Average \$/Kwh      \$0.0486

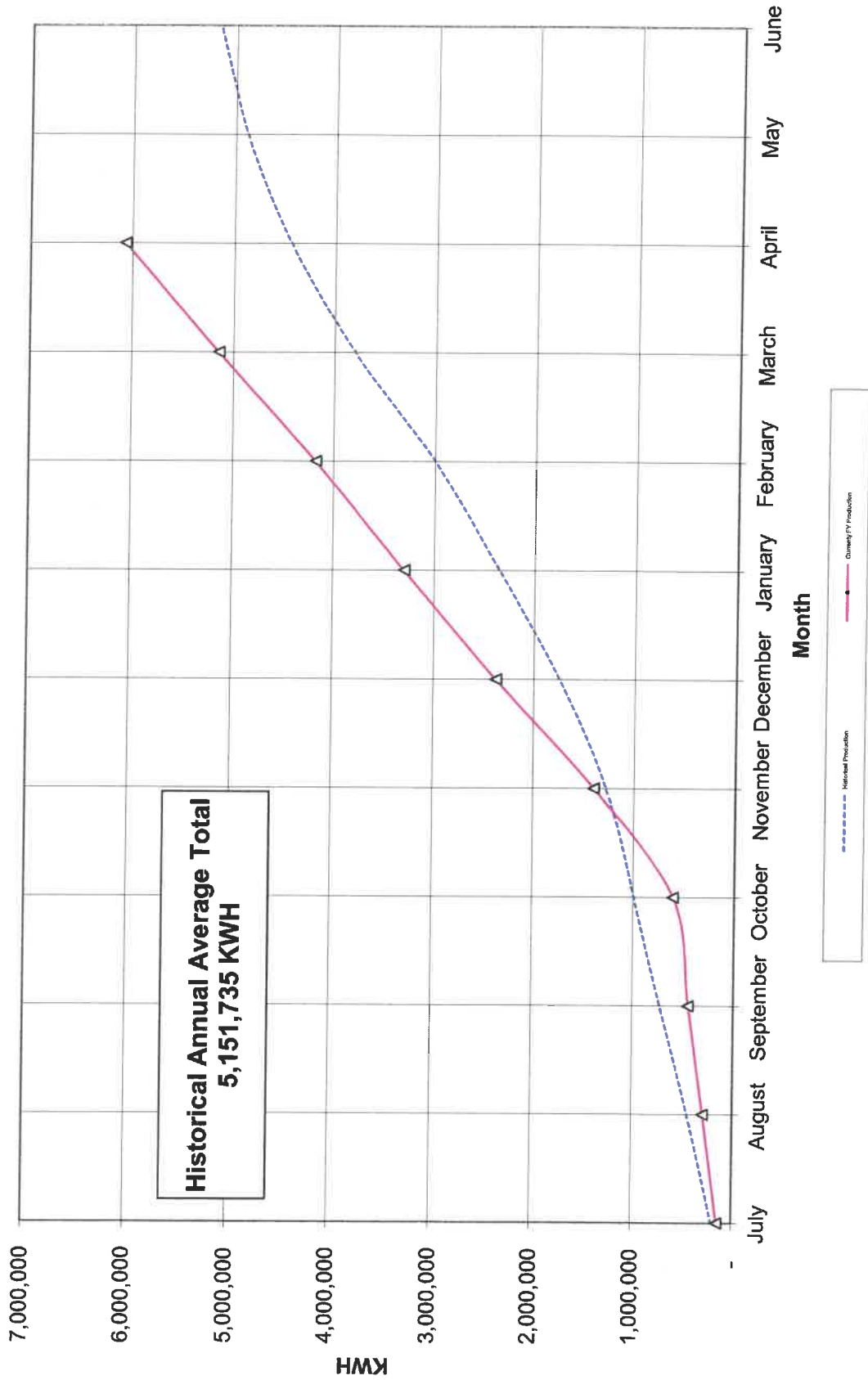
Confidential: Documents submitted under General Order 66-C, §§2.8 and PU Code §583

 <p><b>Purchase / Sales Invoice</b>                  Invoice Number: 94283</p> <p>Delivery Period Start: 04/01/2017                  Delivery Period End: 04/30/2017                  Invoice Date: 05/15/2017                  Due Date: 05/30/2017</p> <p>Log Number: 19H051                  Account Code: 2320900                  Meter Channel: LJ600B                  Contract Start: 04/10/1983</p>	<p><b>From:</b>                  Pacific Gas and Electric Company                  77 Beale Street                  San Francisco, CA 94105</p> <p>Contract Manager: Nancy Breckenridge                  Phone: 415-973-4092                  Email: NJB6@pge.com</p> <p>Settlement Analyst: Marshall Hutzelman                  Phone: 415-973-8032                  Fax: 415-973-9505                  Email: MKHi@pge.com</p>	<p><b>To:</b>                  HUMBOLDT BAY MUNICIPAL WATER DISTRICT                  P. O. Box 95                  Eureka, CA 95501</p> <p>Project Name: HUMBOLDT BAY MWD                  Payment Method: CHECK                  Vendor Number: 1024538</p> <p>Contact: Steve Marshall                  Phone: 707-822-2918                  Fax:                  Email: ops@hbmwd.com</p>
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Payment Name	Quantity	Unit	Amount
Energy Payment 04/01/2017 - 04/30/2017	929.126	MWh	\$-25,539.46
As-Delivered Capacity Payment	771.060	MWh	\$-2,101.11
<b>Net Total</b>			<b>\$-27,640.57</b>

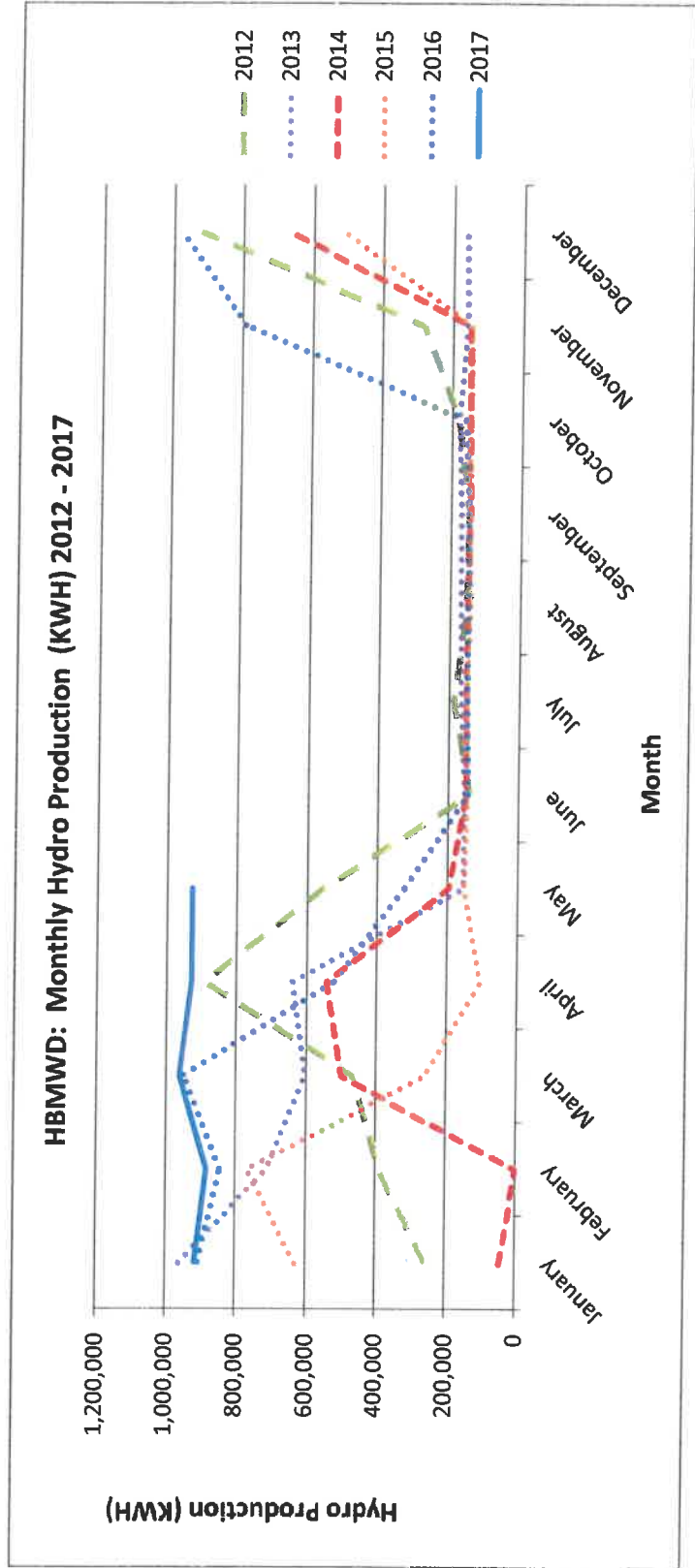
**Total Amount Due to HUMBOLDT BAY MUNICIPAL WATER DISTRICT on Due Date: 05/30/2017 USD \$ 27,640.57**

**Historical vs. Actual Cumulative Production  
Gosselin Hydroelectric Plant @ Ruth Lake  
All Data In Kilowatt Hours**



**Humboldt Bay Municipal Water District  
Monthly Hydro Electric Production (KWH) for CY2012 - 2017**

Month	2012	2013	2014	2015	2016	2017
January	255,300	962,724	47,002	632,611	907,103	916,562
February	390,898	713,055	0	769,170	848,575	884,477
March	470,351	605,327	501,812	261,555	950,250	962,033
April	892,452	642,402	545,893	106,258	523,573	929,126
May	553,888	152,795	196,968	151,803	323,636	
June	138,181	152,044	147,630	143,055	142,248	
July	186,027	164,775	149,503	150,599	147,564	
August	151,424	168,428	148,220	140,977	147,531	
September	147,850	169,768	145,020	145,468	148,770	
October	179,706	178,812	148,715	147,574	159,930	
November	282,768	157,195	148,816	145,196	793,097	
December	923,766	160,936	665,823	510,915	978,889	
<b>Total Annual</b>	<b>4,572,611</b>	<b>4,228,261</b>	<b>2,845,402</b>	<b>3,305,181</b>	<b>6,071,166</b>	<b>1,801,039</b>





Items we would like to have declared as surplus:

- a. 12 - High-bay, High pressure sodium lights removed from Essex equipment bays and at Pump station six.
- b. Water buffalo trailer and tank
- c. Ingersoll Rand Air Compressor

**18" repair fittings: (formerly for Techite pipe repairs)**

- d. 18" Smith Blair coupling (short)
- e. 18" Smith Blair coupling (30")
- f. 18" Smith Blair coupling (20")
- g. 18" Romac SS-3 17.10 x 18.30 x 16"
- h. 18" Romac 18-19.2

**Obsolete Allen Bradley PLC 5 and third party equipment**

- i. 1747-ASB Remote I/O Adapter
- j. 1771-P4S Power Supply
- k. 1771-ASB Remote I/O Adapter
- l. 1785-BCM Com Module
- m. 1785-L40E Controller
- n. LTQ3100 ProSoft LV Controller
- o. Phoenix Digital-OLC-DPR-13DST
- p. Lancast Twist Com Converter

**Turbidimeters**

- q. 12 Used HACH 1720D Turbidimeters
- r. 1 New HACH 1720D Turbidimeter

**Humboldt Bay Municipal Water District**

To: Board of Directors

From: John Friedenbach

Date: May 31, 2017

Re: Operations/Maintenance Quarterly Topic: TRF shut down process

**Discussion**

In accordance with the California Water Code section 71362, The General Manager is responsible for the day to day operations of the District. As authorized under Article 2, Sections 71300, et seq., our Board of Directors establishes the policies under which the General Manager conducts the daily operations by our District staff. In this relationship, I thought it would be useful for our Operations Supervisor and our Maintenance Supervisor to provide a quarterly informational update to our Board on a particular aspect of the District's operations/maintenance. This will provide an opportunity for the Directors to become better acquainted with our supervisory staff and vice versa. In addition, there is value in our succession planning for this level of our management staff to become familiar with our Board meeting process and presenting to our Directors. It is my desire that the Directors will find the topics informative and relevant to their role in setting policy and governance for our District.

The first topic will be a presentation by Mario Palmero, our Operations Supervisor. He will make a presentation (verbal and PowerPoint) to you about our Turbidity Reduction Facility (TRF) shut down process that Operations performs every spring.

After his presentation, I would appreciate any Director feedback on the value of this initiative.

ACWA

**John Friedenbach**

**From:** Sherrie Sobol  
**Sent:** Friday, June 02, 2017 11:25 AM  
**To:** John Friedenbach  
**Subject:** FW: Outreach Alert: Public Goods Charge Language Likely to Be Added to SB 623

**From:** ACWA [mailto:ACWAbox@acwa.com]  
**Sent:** Friday, June 02, 2017 10:50 AM  
**To:** Sherrie Sobol <sobol@hbmwd.com>  
**Subject:** Outreach Alert: Public Goods Charge Language Likely to Be Added to SB 623



[Click here to view it in your browser.](#)

**OUTREACH ALERT**

June 2, 2017

**Public Goods Charge Language Likely to Be Added to SB 623**

*Opposition Letters Needed for Upcoming Assembly Hearing*

Legislation that would establish a special fund for disadvantaged communities (DACs) that do not have safe drinking water passed on the Senate floor May 30. SB 623 (Monning) has been referred to the Assembly Environmental Safety and Toxic Materials Committee and will be heard as soon as June 13.

The bill's author, Sen. Bill Monning (D-Carmel), indicated to ACWA this week that he plans to insert language into the bill that would establish a "ratepayer assessment" (i.e. a tax or fee) on water as one of two funding sources for the measure. The other funding source would be ag-related such as a fertilizer tax. ACWA opposes a tax on water (or a public goods charge on water) and believes the state's General Fund is a more appropriate source of funding for this important social issue.

While ACWA agrees with the intent of the bill – to help fund solutions for DACs that do not have safe drinking water – SB 623 as currently drafted has fundamental flaws. ACWA has an oppose-unless-amended position on the current version of the bill. The addition of language establishing a tax on water would make the bill even more problematic.

ACWA and many of its members have long been on record in opposition to a public goods charge on water. During the most recent legislative attempt to advance a tax on water in 2015, many ACWA member agencies adopted formal resolutions in opposition to public goods charge efforts.

ACWA members are encouraged to send letters in opposition to SB 623 to the Assembly Environmental Safety and Toxics Materials Committee as soon as possible. While a hearing date has not yet been set, the bill could be heard as early as June 13. If the hearing is set for that date, letters would be due by June 6 to be reflected in the committee's analysis.

### **Basis for Opposition**

ACWA agrees with the goal of providing assistance to DACs that do not have safe drinking water. However, SB 623 (Monning) has several fundamental flaws:

- SB 623 would include private wells and state small water systems as eligible funding categories even though data is lacking to support a credible needs assessment for these two categories. The bill should instead require preparation of a report on how data for these categories can be collected and evaluated.
- The bill would make capital costs an eligible funding category for long-term drinking water solutions even though there are other effective funding sources for capital needs (e.g., bonds, and the Safe Drinking Water Revolving Fund). ACWA believes the bill should focus on funding operation and maintenance (O&M) costs, which is more challenging to fund.
- The bill would not limit the funding to DACs. ACWA believes the bill should make it clear that funding eligibility is limited to disadvantaged communities in rural, unincorporated areas that do not have safe drinking water.

While ACWA is willing to negotiate amendments to address the concerns listed above, the addition of a ratepayer assessment (tax or public goods charge) language would make SB 623 completely unacceptable.

### **Action Needed Now**

ACWA members are strongly encouraged to take the following actions as soon as possible.

1. Send letters in opposition to SB 623 to the Assembly Environmental Safety and Toxic Materials Committee Chair Assembly Member Bill Quirk (D-Hayward) as soon as possible. A

sample letter is available here for member use.

2. Fax the letter to all members of the Assembly Environmental Safety and Toxic Materials Committee. Names and numbers are provided below. Please also fax your letters to the committee office at (916) 319-3950.
3. Please also fax or email your letters to ACWA Outreach and Social Media Specialist Marie Meade at (916) 325-4927 or [mariem@acwa.com](mailto:mariem@acwa.com).
4. Be ready to respond further. ACWA remains actively engaged in discussions on this issue. ACWA members should be prepared to respond quickly to additional alerts.

### **Assembly Environmental Safety and Toxic Materials Committee**

**Josh Tooker, Chief Consultant**

Fax: (916) 319-3950

**Assembly Member Bill Quirk (Chair)**

Fax: (916) 319-2120

Phone: (916) 319-2020

**Assembly Member Brian Dahle (Vice Chair)**

Fax: (916) 319-2101

Phone: (916) 319-2001

**Assembly Member Dr. Joaquin Arambula**

Fax: (916) 319-2131

Phone: (916) 319-2031

**Assembly Member Phillip Chen**

Fax: (916) 319-2155

Phone: (916) 319-2055

**Assembly Member Cristina Garcia**

Fax: (916) 319-2158

Phone: (916) 319-2058

**Assembly Member Jimmy Gomez**

Phone: (916) 319-2051

Fax: (916) 319-2151

**Assembly Member Chris Holden**

Fax: (916) 319-2141



SECTION 630 PAGE NO. 4  
**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](mailto:OFFICE@HBMWD.COM)

Website: [www.hbmwd.com](http://www.hbmwd.com)

**BOARD OF DIRECTORS**

SHERI WOO, PRESIDENT

NEAL LATT, VICE-PRESIDENT

J. BRUCE RUPP, SECRETARY-TREASURER

BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

**GENERAL MANAGER**

JOHN FRIEDENBACH

, 2017

**DRAFT**

The Honorable Bill Quirk, Chair  
Assembly Environmental Safety and Toxic Materials Committee  
1020 N Street, Room 171  
Sacramento, CA 95814

**Re: SB 623 (Monning) – OPPOSE**

Dear Assembly Member Quirk,

On behalf of Humboldt Bay Municipal Water District (HBMWD), I am writing to express our opposition to SB 623 (Monning), which would establish a special fund to be administered by the State Water Resources Control Board to assist those who do not have safe drinking water.

While we agree with the goal of assisting disadvantaged communities that do not have safe drinking water, SB 623 has several fundamental flaws related to funding categories, eligibility and State Water Board authority, as detailed by the Association of California Water Agencies. Additionally, if language proposing a statewide tax or fee on water, also known as a public goods charge, is amended into the bill as planned, SB 623 would become completely unacceptable to public water agencies.

While there is clearly a need to help fund sensible long-term solutions and assist disadvantaged communities that do not have safe drinking water, a tax on local water bills is not the solution. Layering a tax on water bills in order to send money to Sacramento, where a portion will be carved out to fund administration, is not efficient. This is a social issue for the state. HBMWD believes that the state's General Fund is an appropriate source of funding for this important social issue.

For these reasons, HBMWD opposes SB 623 and respectfully requests your "NO" vote when the bill is taken up in the Assembly Environmental Safety and Toxic Materials Committee.

If you or members of your staff have any questions, please contact me at 707-443-5018 or [friedenbach@hbmwd.com](mailto:friedenbach@hbmwd.com).

Sincerely,

John Friedenbach  
General Manager

DRAFT

cc: The Honorable Bill Monning  
Honorable Members of the Assembly Environmental Safety & Toxic Materials (AESTM) Committee  
Mr. Josh Tooker, Chief Consultant, AESTM Committee  
Ms. Cindy Tuck, ACWA Deputy Executive Director for Governmental Relations



RCEA, RREDC, *MCRP*



# Redwood Coast Energy Authority

633 3<sup>rd</sup> Street, Eureka, CA 95501

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## MEETING AGENDA

**Humboldt Bay Municipal Water District Office**  
**828 7th St, Eureka, CA 95501**

**May 15, 2017**  
**Monday, 3:15 p.m.**

RCEA will accommodate those with special needs. Arrangements for people with disabilities who attend RCEA meetings can be made in advance by contacting Barbara Garcia at 269-1700 by noon the day of the meeting.

### **I. ROLL CALL**

### **II. REPORTS FROM MEMBER ENTITIES**

### **III. 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 & written 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.

### **IV. CONSENT CALENDAR**

All matters on the Consent Calendar are considered to be routine by the Board and are enacted on 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.

- A. Approve Minutes of April 17, 2017 Board Meeting.**
- B. Approve attached Warrants.**
- C. Accept attached Financial Reports.**

### **V. REMOVED FROM CONSENT CALENDAR ITEMS**

Items removed from the Consent Calendar will be heard under this section.

### **VI. NEW BUSINESS**

- A. Fiscal Year 2016-17 Budget**  
**Adopt proposed revisions to the FY16-17 RCEA Budget.**
- B. Review Fiscal Year 2017-18 Budget initial draft**  
**Set date for special meeting or establish budget review subcommittee.**
- C. Legislative & Regulatory Update**  
**Consider position on SB100.**

### **VII. OLD BUSINESS**

- A. Community Choice Energy Program Updates**
  - Timeline, Power Procurement, & Service Launch
- B. Fiscal Audits Update**

### **VIII. STAFF REPORTS**

- A. Executive Director**
- B. Director of Demand Side Management Programs**

### **IX. ADJOURNMENT**



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 22, 2017 at 6:30 pm**  
**AGENDA**

- I. Call to Order & Flag Salute**
- II. Approval of Agenda and Minutes**
  - A. Approval of Agenda for May 22, 2017
  - B. Approval of Minutes of the Board of Directors for April 24, 2017
- III. Public Input for non-agenda items**
- IV. Program – Inyo Networks – Digital 299 Broadband Project**
- V. Consent Calendar**
  - A. Acceptance of Agency-wide Financial Reports: April 30, 2017
- VII. Reports – No Action Required**
  - A. Loan Portfolio Reports: March 31, 2017
  - B. Executive Director’s Report
- VIII. Old Business**
  - A. None
- IX. New Business**
  - A. Appointment of Small Business Owner/Manager to Loan Committee
  - B. Discussion and Potential Adoption of changes to Deferred Compensation Plan
  - C. Discussion of Providing Support for Digital 299 Broadband Project via California IBank Program
- X. Member Reports**
- XI. Agenda/Program Requests for future Board of Directors Meetings**
- XII. Adjourn**

*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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Community Services Districts Humboldt · Manila · McKinleyville · Orick · Orleans · Redway · Willow Creek  
Humboldt Bay Harbor, Recreation and Conservation District · Humboldt Bay Municipal Water District  
County of Humboldt · Hoopa Valley Tribe · Redwoods Community College District