



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

June 2019



Surge Tower Coming Down

MINUTES



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

May 16, 2019

A. **ROLL CALL**

President Woo called the meeting to order at 9:00 am. Directors Fuller, Latt, Rupp and Woo were present. Director Hecathorn was absent. General Manager John Friedenbach, Business Manager Chris Harris and Board Secretary Sherrie Sobol were present. Superintendent Dale Davidsen was absent. Supervisor Mario Palmero was present for a portion of the meeting as was Pat Kaspari of GHD. Director Fuller left at 3:15 pm.

B. **FLAG SALUTE**

President Woo led the flag salute.

C. **ACCEPT AGENDA**

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

D. **MINUTES**

President Woo requested correction to a typo on page four. Director Latt requested clarification of a statement regarding Mitchell Law Firm on page two and Director Fuller requested a wording change on page six so that it was not a double negative. On motion by Director Latt, seconded by Director Fuller, the Board voted 4-0 to approve the Minutes of the April 16, 2019 Regular Meeting as amended.

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the Consent Agenda.

G. **CORRESPONDENCE**

District letter to County Planning re: Zoning Implementation Coastal Dependent Land Changes

Mr. Friedenbach discussed the letter sent to the County regarding the zoning implementation, coastal dependent land use changes on the Samoa Peninsula. He attended the public forum meeting and raised concerns when he realized the County thought the District had an unlimited supply of domestic water available for the Samoa Peninsula. The letter is a follow up to clarify the District has two autonomous water delivery system and when contemplating zoning and future development, potential limitations on water supply should be factored into discussion for potential projects.

Humboldt Coastal Resilience Project (formerly Dunes Climate Ready Project) Quarterly Update

Mr. Friedenbach stated this report is mostly informational. The District committed to \$2,000 a year for five years. This is the fifth and final year of the grant for the District's contribution. The District is hoping to get some scientific data on how different activities are affecting our pipeline at the dunes.

NCRP 2019 Proposition 1 IRWM Round 1 Priority Projects

Mr. Friedenbach shared that the District was successful in getting a \$600,000 grant for the Collector 2 Lateral Rehabilitation Project. He noted that Humboldt County projects received thirty percent of the available funding from the North Coast Resource Partnership (NCRP). Mr. Friedenbach noted that



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since he is on the NCRP Technical Peer Review Committee, he recused himself and left the room when the District's project was discussed. President Woo thanked Mr. Friedenbach and acknowledged the hard work and many hours invested working on both the grant and the committee.

Letters from District and Humboldt Baykeeper re: Glendale Cannabis Facility

Mr. Friedenbach stated he saw this issue as very similar to that of Mercer Fraser and submitted a comment letter. Independently, Humboldt Baykeeper submitted a more detailed letter. The public hearing was scheduled for tonight but was rescheduled to June. He suggested the District use Ms. Walker to draft a detailed letter on behalf of the District for the June meeting. He added that he has concerns regarding groundwater contamination. If they can mitigate the potential groundwater contamination and monitor it, he'd be ok with it. Director Latt added he is also concerned with the transportation of chemicals to and from the site and handling while on site. He does not understand how this was in the que for a mitigated negative declaration. Director Fuller suggested making Ms. Walker's letter "re-useable" for future similar situations.

H. CONTINUING BUSINESS

Water Resource Planning

Local Sales

Mr. Friedenbach stated that Nordic Aquafarms is hosting a town hall meeting on May 21st. If any Directors would like to attend this would be a pre-approved stipend event since they will be promoting WRP local sales.

Mr. Friedenbach and Mr. Davidsen met with Enviva regarding water for their proposed business on the Samoa Peninsula. They would like industrial water for fire suppression and domestic water for operations. The District can meet their water needs.

Director Rupp shared that he received an email from Nordic Aquaculture. Director Latt stated all Directors or at least the Committee should receive the email, not just an individual director. The Board concurred and Mr. Friedenbach stated he will let Nordic Aquafarms know. Director Rupp stated he believed that both he and Director Latt would have received the email if Director Latt had been able to attend the previous meeting with Nordic Aquafarms.

Transport

Mr. Friedenbach shared that Mr. Davidsen suggested that since one of the District's goals is transport, perhaps the District should consider building a clarifier to process the industrial surface water, then transport that clean water through the industrial line as well as a future transport pipeline. He shared the proposal, \$25,000 to conduct a Focused Engineering Study for a Mad River Water Clarifier Facility. After much discussion, the Board directed staff to move forward with the Focused Engineering Study. This project will be funded through the ReMAT reserve fund.

The Transport Committee met with Mr. TK Williams, the General Manager of Redway CSD. Mr. Williams was interested in exploring transport options. The meeting went well and Mr. Williams will conduct more research.

Instream Flow

The Instream Flow Committee met with the partner consultants on May 2nd and produced an agenda for the meeting with the State Water Resources Control Board (SWRCB). That meeting is in the process



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of being scheduled. President Woo, Mr. Friedenbach, and David Aladjem will attend in person at the SWRCB and the rest will attend via video conference to save money. Mr. Friedenbach stated he met Mr. Esquivel, the Chair of the SWRCB at the ACWA conference and Mr. Esquivel stated he was aware of the District's instream flow dedication project.

Cannabis Grows affecting Mad River Watershed

Mr. Friedenbach stated the article from the Times-Standard "Cannabis code enforcement up 700% in 2018, brought in \$2 million for Humboldt County" was presented as informational only.

Prevention Plan for Quagga and Zebra Mussels at Ruth Lake

Mr. Friedenbach announced the District now has a California Fish and Wildlife approved Quagga and Zebra Mussel Prevention Plan. Staff collaborated with CDFW staff to update our current plan to meet current plan standards. This was a new requirement in order to apply for a Department of Boating and Waterways Quagga Prevention Grant this year.

I. **NEW BUSINESS**

Supervisor Presentation - Industrial System Overview of Pump Station 6

Operations Supervisor Mario Palmero provided a presentation on the District's Industrial System. He discussed surface water diversion versus ground water diversion, the fish return facility, the work required to keep the facility functioning such as keeping the forebay clear and re-establishing the river channel as needed. River management is critical for Pump Station 6 to function properly. The Directors asked several questions about the pumps and Habitat Conservation Plan which Mr. Palmero responded too. The Board thanked him for presentation well done.

Peninsula Community Collaborative presentation re: appurtenance beautification

Ms. Emily Sinkhorn of RCAA presented the Peninsula Community Collaborative's idea to improve the District's six vaults in the Peninsula area by covering the graffiti on them with art murals. Originally, they planned on three vaults but after meeting with Dale Davidsen, agreed on six vaults. This would be similar to other art projects on local public infrastructure such as the public art on utility boxes in Eureka. The artists will provide the paint, UV-resistant varnish and painting supplies. The artists will receive a \$500 stipend per mural, paid by RCAA. RCAA will also provide liability insurance to cover the artist while they are painting on site. The PCC would maintain the murals from the fall of 2019 to the fall of 2020. After the fall of 2020, HBMWD would maintain them, however, the PCC could help out with minor defacing with the Tagster graffiti removal product or provide the product to HBMWD. Director Fuller noted the vaults to be painted increased from three to six. She inquired about the budget for the project given the increase. Ms. Sinkhorn stated RCAA is the fiscally reasonable party and they do have the budget for the six vaults to be painted. Directors asked other questions including what are themes for the artwork, and are there any ethical or artistic license issues with maintaining the artwork. The Board was supportive of the project overall. Mr. Friedenbach stated staff and operations is supportive as well. He recommended moving forward. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to move forward with RCAA and the PCC to craft an agreement for legal counsel's review regarding the vault beautification artwork and Board approval.



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J. **REPORTS (from Staff)**

1. **Engineering**

Collector 2 Cable Car Landslide

Mr. Kaspari shared project photos. He stated the hillside has been reinforced, the shed is nearly complete and the cable car has been re-hung. The project should be completed by next week.

Surge Tower Replacement (\$239,900 District Match)

Mr. Kaspari shared the project schedule. Letters will be sent to those affected prior to the demo of the surge tower. Work should be completed by the next regular Board meeting.

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

CalOES granted an extension until March 22, 2021. Work should be done by December 2020.

Collector Mainline Redundancy Hazard Mitigation Grants (\$763,000 District Match)

There is no update at this time.

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

CalOES has forwarded the project to FEMA for funding. This is a great first step. The project should be able to clear NEPA fairly easily.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Application (\$679,750 District Match)

There is no update at this time.

Matthews Dam Spillway Analysis Hazard Mitigation Grant Application (\$1,666,667 District Match)

There is no update at this time.

Essex Emergency Chlorine Scrubber Hazard Mitigation Grant NOI (\$335,000)

Mr. Kaspari stated the project has been submitted.

Mad River Crossing – American Society of Civil Engineers’ (ASCE) Project of the Year Submittal

The Mad River Crossing Pipeline Replacement Project won Project of the Year for the North Coast Branch of ASCE. President Woo and Mr. Nathan Stevens of GHD accepted the award on May 1 at the ASCE Awards Banquet.

Lazzar Development 27th Street

Mr. Friedenbach stated that Mr. Lazzar is now thinking about just doing a single residence with a mother-in-law unit on the site. No plans have been shared with the District at this point.

ASCE Report Card for California’s Infrastructure

The California ASCE 2019 Report Card provided an average grade of C- for infrastructure in general in California. Dams received a C- and drinking water received a solid C. Mr. Kaspari stated it was good to see it noted that regulatory fees are a burden on small dam owners. He also noted that the local ASCE branch did a local water infrastructure study in the last year or so and gave a grade of B+ locally. He added the District does a good job maintaining their infrastructure.



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2. **Financial**

Financial Report

Ms. Harris provided the April 2019 Financial Report. She stated general fund reserves are just over two million dollars. She also noted an error on page five. She stated this was a formula error, the accounting system is solid and this is a formatting report issue. Director Latt reviewed the bills and stated all was good. On motion by Director Rupp, seconded by Director Latt, the Board voted 4-0 to approve the April 2019 financial report and vendor statement in the amount of \$602,673.61.

FY 2019/20 Budget Presentation -Service & Supply and Salary and Employee Benefits budget

Ms. Harris provided an overview of the scheduled budget meetings through July 11th when the FY 2019-20 Budget will be considered and approved by the Board. The discussion for today's meeting includes the Service & Supply (S&S) budget and the Salary and Employee Benefits budget (SEB).

The Service and Supply Budget includes: operations expenses, maintenance expenses, administration expenses, and general expenses. The total proposed change to the S&S budget is an increase of \$43,400 or 2.9%. The largest factor in this is regulatory fees, an increase of \$25,000 or 21.9%. Other areas of increase include USGS station fees \$400, Travel and Conference \$3,000, Dues and Subscriptions \$7,000 and telephone expenses \$8,000.

The SEB Budget includes: all salary and wage expenses, longevity, step and COLA increases. The total proposed changes result in increase of \$146,700 or 4.2%. The proposed changes of \$112,500 in the salary and wage expense includes a new request for additional part-time help and a request for COLA.

In FY18 the Board approved a 35-Year longevity step. There are two employees that will be receiving this step increase totaling \$8,800. Three additional part-time positions are being requested; two for right-of-way clearing and one for grant organization and compliance totaling \$21,600. Miscellaneous step increases and other longevity increases total \$24,500. A proposed COLA of 2.7% total is \$57,300. The COLA request is based on CPI Index and what other local agencies/municipalities are doing. The West Region CPI is 2.7%. McKinleyville CSD is proposing a 3.45% COLA, HCSD a 3.3% COLA, City of Eureka a 1% COLA and Arcata is in contract negotiations.

The required changes in the Employee Benefit Expenses is \$34,200 and includes rate increases in CalPERS and Health Insurance. Increases in medical insurance premiums are the biggest contributor to the increased Employee Benefit budget this year.

Investment Policy

Ms. Harris stated state law requires 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 three investment options the District will utilize are the County Treasury and the State Local Investment Fund (LAIF) and an irrevocable, tax-exempt IRC Section 115 Trust designated for CalPERS Pension



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Stabilization. Staff recommends the Board re-adopt the policy. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to re-adopt the Investment Policy.

Audit proposal from R.J. Ricciardi, Inc

At the April 2019 Board meeting, the Board directed staff to request a fee proposal from R.J. Ricciardi, Inc. for an additional three years of audit services. Ms. Harris shared the new proposal. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve R. J. Ricciardi, Inc. for another three years of audit services.

3. Operations

Mr. Friedenbach provided the April Operational Report. The Air Quality Management District inspected the TRF standby generator to verify the generator installed matched the Authority to Construct permit and was installed per regulation. There were no issues. The 90-day crane inspections also took place. This is a regulatory requirement that all District cranes be inspected. There were no issues or concerns. The SB198 Safety meeting took place on April 9th, and April 17th safety meeting focused on confined space, gas detector use and heat illness prevention. The six-month chlorine system maintenance also took place.

K. MANAGEMENT

1. ACWA Conference

Mr. Friedenbach reported out on his attendance at the ACWA Conference. He shared several of the meetings he attended and stated he brought back lots of useful information. He thanked the Board for his attendance.

2. CSDA Legislative Update

Mr. Friedenbach stated he would like to follow CSDA in regards to opposing AB1184, SB518 and SB749. The Board concurred.

L. DIRECTOR REPORTS & DISCUSSION

1. General -comments or reports from Directors

Director Rupp stated at a future meeting he would like to discuss getting tablets for the Directors.

2. ACWA – JPIA

JPIA Forty Years Ago

The JPIA opened its doors forty years ago. They produced a fun flyer that listed trivia from 1979 and 2019.

H.R. LaBounty Award

The Maintenance Department won another award! The announcement was made at the ACWA Spring conference. It will be presented to staff at the May 30th Special Board meeting.

Contribution to Region 1 events

Mr. Friedenbach inquired if the District should financially support an AWCA event just because it is in our region. If we host, we should definitely help underwrite it. Director Rupp stated that ACWA provides a budget for the events. The Board agreed not to contribute just because an event is in our region.



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ACWA Conference

Director Rupp reported out on his attendance at the ACWA Conference. He noted that there will be no increase in the workers compensation insurance this year. The JPIA has expanded their membership and the voting took place for the ACWA JPIA Executive Committee. He was pleased to report that he was re-elected to the committee as was Jerry Gladbach. The District was asked to support Brent Haste and Fred Bockmiller and both of them were also elected to the Committee. Director Rupp shared the other meetings he attended and also stated he completed his ethics training at the ACWA Conference. He appreciates the opportunity to attend the conferences.

Director Latt reported out on his attendance at the ACWA Conference. He appreciated the opportunity to attend his first ACWA Conference. He also attended the CLE portion. He found some of the CLE sessions to be highly beneficial. He attended sessions on climate change, running a dam and cannabis water law workshop to name a few. He also completed his ethics training as well.

Safe Drinking Water Trust

Mr. Friedenbach discussed the ACWA sponsored Safe Drinking Water Trust. This is the counter to the proposed water tax. He inquired if the Board is still opposed to the drinking water tax. The Board confirmed they are opposed to the drinking water tax.

Region 1 Board call for candidates

Director Rupp stated he would like to be considered for the Region 1 Board. On motion by Director Latt, seconded by Director Rupp, the Board voted 3-0 to place in nomination Director Rupp as a Board Member of the ACWA Region 1 Board. (Director Fuller left prior to the vote)

4. Organizations on which HBMWD Serves: RCEA, RREDC

This item was not discussed due to lack of time.

ADJOURNMENT

The meeting adjourned at 3:45 pm.

Attest:

Sheri Woo, President

Neal Latt, Vice-President



HUMBOLDT BAY MUNICIPAL WATER DISTRICT



Minutes for Special Meeting of Board of Directors

Location: Essex Control- 7270 West End Road, Arcata

May 30, 2019

A. ROLL CALL

Vice President Latt called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Latt, and Rupp were present. President Woo was absent. General Manager John Friedenbach, Superintendent Dale Davidsen and Business Manager Chris Harris were also present. Operations Supervisor Mario Palmero, Maintenance Supervisor Ryan Chairez, Assistant Maintenance Supervisor Chris Merz and Operations Worker Ryan Murphy were present for a portion of the meeting.

B. ACCEPTANCE OF AGENDA

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

C. PUBLIC COMMENT

No public comment was received.

D. CONTINUING BUSINESS

FY 2019/20 Project Budget

Staff presented and the Board discussed the proposed Project Budget in line-item detail. The Board asked several detailed questions about various proposed projects which staff responded too. The Board toured the proposed site for the Chlorine Scrubber; viewed the Mad River weir at Station 6; storm damage at Collectors 4 and 2; and the proposed site for the 12kV relocation.

E. NEW BUSINESS

Presentation of H.R. LaBounty Safety Award

General Manager John Friedenbach presented the ACWA-JPIA H.R. LaBounty Safety Award to Ryan Chairez and Chris Merz and the entire maintenance department staff. Director Rupp commended them on their safety practices as a team. Mr. Friedenbach presented them with the \$250 cash prize.

Presentation of Jacket to Ryan Murphy

Vice President Latt presented the District's newest full-time employee, Ryan Murphy, with a District jacket and officially welcomed him to the HBMWD family. Mr. Murphy expressed appreciation for the jacket and stated he was happy to be with the District.

F. ADJOURNMENT

Vice President Latt adjourned the meeting at 1:15 pm and the employee barbeque began.

Attest:

Neal Latt, Vice President

Barbara Hecathorn, Assistant Secretary/Treasurer

CONSENT



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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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

June 4, 2019

The Honorable Phil Ting
California State Assembly
State Capitol
Sacramento, CA 95814

RE: Assembly Bill 1486 (Ting) – Oppose Unless Amended [As Amended May 16, 2019]

Dear Assembly Member Ting:

The Humboldt Bay Municipal Water District is respectfully opposed to Assembly Bill 1486 unless it is amended to address our concerns. AB 1486 would impose onerous new requirements on public agencies attempting to dispose of their land. We are a Municipal Water District that was formed in 1956 to develop a regional water system that provides a reliable water supply to customers in the greater Humboldt Bay area of Humboldt County. The District operates almost exclusively at the wholesale level. We supply drinking water to seven public agencies, who in turn, serve the residents, businesses and industries in our community comprising approximately 88,000 customers. Our source of water supply is Ruth Lake reservoir.

The Surplus Land Act (SLA) requires special districts and other local agencies to offer the right of first refusal to affordable housing developers, schools, and parks before selling their land. The new requirements imposed by AB 1486 would force public agencies to open up land currently preserved for public purposes to private development by applying a new definition to the requirements of the SLA limiting public agencies' flexibility in maximizing their land and facilities.

AB 1486 also would require a local agency to notice the availability of property prior to participating in any formal or informal negotiations to dispose of the land and would prevent local agencies from negotiating anything other than price in the disposition of surplus land. These provisions would make it difficult for an agency to get a good sense of the market value of their land and impossible to negotiate reserved rights and easements.

Finally, AB 1486 would invalidate any transfer or conveyance of land for value where a public agency did not comply with the requirements of the SLA. This provision would make public agencies' land less marketable when buyers are aware a purchase could be invalidated and would make it difficult for potential buyers to secure the financing and insurance necessary to make property purchases possible, costing public agencies and the communities they serve millions of dollars.

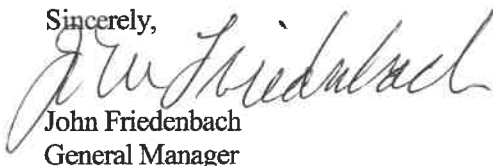
Our District owns and operates Ruth Lake and the R. W. Mathews Dam and Gosselin Hydroelectric Facility in Trinity County as well as substantial land holdings in Humboldt County for our pumping, treatment and water distribution operations. Our Trinity County holdings are in a rural area and much of our land is used for recreational purposes. We also have a "buffer strip" immediately adjacent to and surrounding our reservoir. As a condition of the Davis Grunsky Act grant funding that was received in the 1960's to build recreational facilities at the reservoir, ground leases have been let to promote summer time use and recreation. Providing recreational opportunities were conditions of the grant. As we understand it, your bill as proposed, will require our district to offer for sale all of this property.

Our district currently does not have this type of arrangement, but it is very possible that others have leased small portions of their district property to cellular telephone providers for cell towers to enhance their district's revenue abilities. As we understand it, your proposal would require these properties to be sold, thus negatively impacting the revenue stream from this activity.

We respectfully request AB 1486 be amended to address these issues. Our opposition is not a challenge to the need for affordable housing, but a validation of the need for local flexibility when it comes to proper governmental land use management.

For these reasons Humboldt Bay Municipal Bay Municipal Water District respectfully opposes AB 1486 unless it is amended.

Sincerely,



John Friedenbach
General Manager

cc:: Tara Gamboa-Eastman, Office of Assembly Member Phil Ting [Tara.Gamboa-Eastman@asm.ca.gov]
Assemblymember Jim Wood assemblymember.wood@assembly.ca.gov)
Senator Mike McGuire (thomas.witzel@sen.ca.gov)
Rylan Gervase, Legislative Representative, California Special Districts Association [advocacy@cdda.net]

*Mad River Union
5/22/2019*

Arcata raises water rates

MAD RIVER UNION

ARCATA – The Arcata City Council last week voted to increase water, sewer and storm-water service rates for the next five years. The 2.4 percent fee increase for the 2019/2020 fiscal year is tied to the Consumer Price Index (CPI) to keep pace with inflation.

In addition, wholesale water rate changes will be implemented by adjusting water charges commensurate with increases in the Humboldt Bay Municipal Water District's wholesale water rate.

Water costs Arcata consumers about a half-cent per gallon, and wastewater costs about 1.6 cents per gallon to process. "It's a very good deal," said City Engineer Doby Class. "Our water is very affordable."

Future inflation pass-through rate adjustments will also be made based on the CPI.

The city will conduct an in-depth rate and financial analysis this year to provide data for a likely rate adjustment to help fund the city's comprehensive wastewater treatment plant upgrade project. An additional rate hearing for water/wastewater will be held at some point over adjustments needed to support the plant renovation.

Some 19 written protests were received over the rate increase prior to the meeting, with another delivered at the council hearing. That's far short of the legally required "opposition threshold number" mandating reconsideration, based on the number of Arcata parcels served, is 2,556.

Got Water?

Lack of drinking water threatens Trinidad Rancheria hotel project

By Elaine Weinreb

newsroom@northcoastjournal.com

The planned 100-room Trinidad Rancheria hotel at Cher-Ae Heights Casino appears stalled at the state level because of an inability to come up with a definite source of drinking water for the facility.

Located on the bluffs of Scenic Drive, a mile south of city limits, the planned hotel is outside of Trinidad's water service area, which is designated by the city's General Plan. The city is in the process of studying its own limited water supply from Luffenholz Creek and does not yet know if there would be enough water to accommodate the hotel in addition to all present and future users within the existing service areas, especially during drought years.

Approval for the hotel is currently being considered by the Bureau of Indian Affairs (BIA) but it won't move forward until it receives "concurrence" from the California Coastal Commission that the project will not violate the California Coastal Act, which requires that developments in the coastal zone have a definite source of drinking water.

California Coastal Commission staff has found other problems with the plans for the five-story building, as well, including incongruity with the pristine ocean views around Trinidad Head, possible issues with wastewater disposal and its location upon an unstable bluff top. Coastal Commission staff has recommended it object to the project.

Although the commission was initially scheduled to hear the project in April, the BIA — acting on behalf of the Trinidad Rancheria — requested it delay holding a public hearing on the project to allow the Rancheria to provide additional information. The Coastal Commission responded by re-scheduling the project hearing from April to June, when it will meet in San Diego.

At the May 7 meeting of the Humboldt County Board of Supervisors, Fifth District Supervisor Steve Madrone made a motion asking the board to write a letter to the BIA requesting that the Coastal Commission's hearing on the hotel be further delayed to its August meeting in Eureka.

the hotel plans without traveling 750 miles south.

"We're not here today to discuss the project," Madrone said. "We're simply talking about a public process and asking that something so important be held locally."

Three representatives of the Trinidad Rancheria then spoke, urging the board not to request any further delays.

"The tribe's critical pathway to bring information before the Coastal Commission in June is crucial to the economic success of the project," said Trinidad Rancheria CEO Jacque Hostler-Carmesin. "We cannot delay this project."

David Tyson, interim CEO for the Trinidad Rancheria Economic Development Corporation, said the Rancheria had made a long-term effort to be transparent.

"It's important that this project move forward," he said. "Time kills deals and, in this case, time is money. The tribe is spending a great deal of its money in answering these questions and moving forward with the Bureau of Indian Affairs and the Coastal Commission. It's imperative that this be on the June meeting. Funding [for the project] is determined by that outcome. Loan guarantees are determined by that outcome."

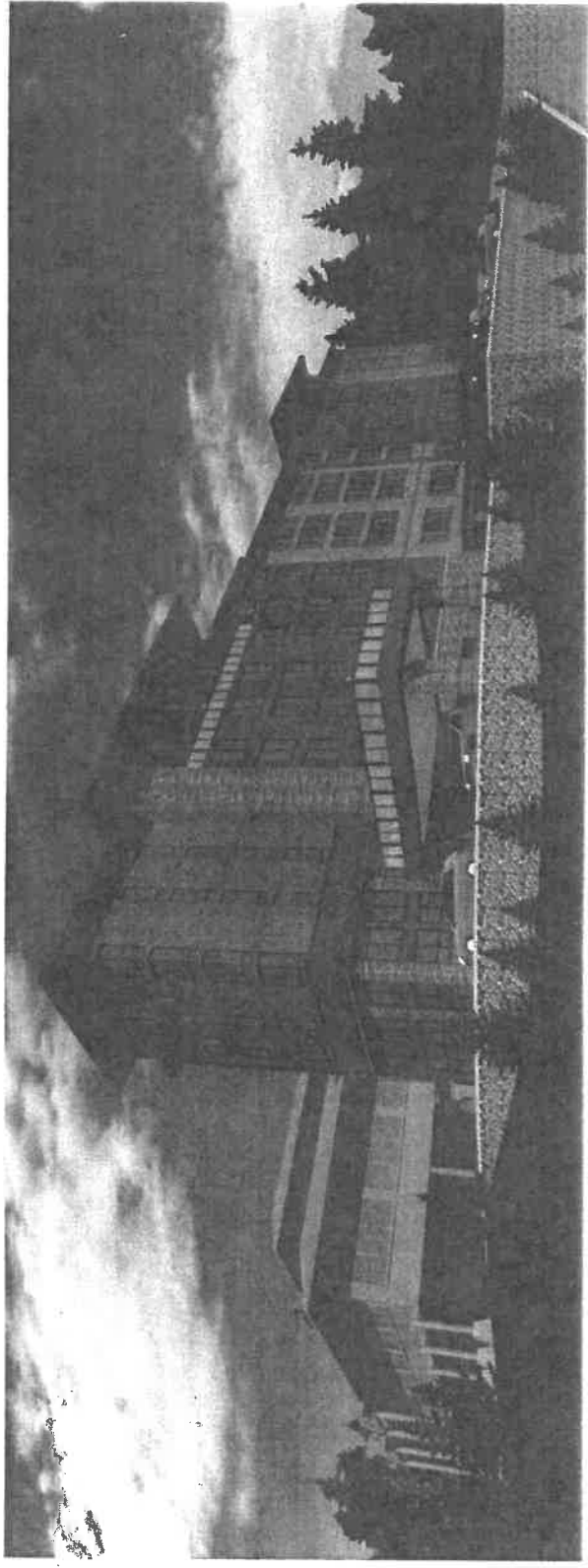
Tribal member Shirley Laos said there had already been plenty of opportunities for public comment and she did not understand why the Rancheria should have to endure further delays.

Kent Sawatsky, who is not a tribal member, said that he wants the meeting to be held locally and that he could not attend a meeting that was hundreds of miles away.

"This is a major issue," he said. "If it were held down there, only one or two people would go down there. But if it were held locally, 30 or 40 people might attend. We're all entitled to public participation. This is just a two-month delay on a project that has been going for 12 years."

He wondered if the Rancheria was "location shopping to have this meeting where we cannot participate."

Madrone noted that when the project was publicized by the Rancheria several



An artistic rendering of the proposed hotel project at Cherokee Heights Casino off Scenic Drive south of Trinidad. Submitted

five-story hotel.

"I don't know why one would not support a request to have the hearing locally and have the ability of the

community to engage" he said. "We're talking about a two-month delay when, in fact, over the past couple of months, the Rancheria themselves and the BIA have requested several delays when they submitted inadequate information for the project. ... The Coastal Commission staff was recommending denial of the project because of inadequate information, particularly about water, landslides, traffic and other impacts."

Although Third District Supervisor Mike Wilson thought Madrone's request was reasonable, the other three supervisors did not. Second District Supervisor Estelle Fennell expressed her support for the tribe's concerns and her confidence that the Coastal Commission would examine all the evidence rigorously. Fourth District Supervisor Virginia Bass said she did not think it was appropriate for the board as a whole to request a delay but that Madrone, as an individual supervisor, was welcome to do so.

A long and increasingly heated argument ensued, with the words "disrespect," "frustration," and "blackmail" thrown around. At one point, Madrone asked if there is some reason his fellow supervisors "don't want this project to be viewed by the community." But after 15 minutes of discussion, he

rescinded his motion. (Madrone later told the *Journal* he sent the BIA a letter as an individual after the meeting.)

The following evening, on May 8, the Trinidad City Council heard a highly technical report from City Engineer Steve Allen on the capacity of the city's water treatment plant. The study, however, shed little light on whether the city could serve the hotel with water. The report was limited to how many gallons of purified water per day the water treatment plant is capable of providing under current conditions.

The report noted that the treatment plant does produce enough water to supply the city's current residents and even produces a surplus. However, Allen emphasized that there were many questions the study did not address, including how many additional customers the city could serve. Further studies are needed to answer these questions, he said.

Trinidad's priorities for water usage are spelled out in its General Plan and its top priority is serving all customers, existing and future, within the boundaries of its water service area. The state's recent passage of a law permitting a secondary dwelling unit on most parcels could add considerable density to the town's popu-

lation. The city planner is currently working on a study to analyze the water demand that could result from the potential build-out.

In addition, state law requires that a certain amount of water be left in the stream to serve fish and wildlife. This means that in a drought year, the city might have to cut back on supplying water to existing residents to meet these flow requirements. Moreover, other landholders with properties outside city limits but that adjoin Luffenholz Creek already hold riparian rights on the creek's water, and these potential appropriations must be honored as well — if there is enough water to do so. Fourth on the priority list are existing visitor-serving facilities along Patrick Point Drive, a mandate created by regulations of the California Coastal Commission.

According to the report, "There is no known documentation indicating that the creek flow has previously decreased to the point that the city's intake rate needed to be reduced. However, periods of drought, long-term changes in the climate and increased extractions in the upstream watershed could result in restrictions in the future. It is important for the city to remain mindful of these future potential changes in creek flow and not over commit

the water supply, which could become restricted due to low flow in the creek at some point." The report aroused a lot of comment, both from the audience and council members. Several were quick to point out that simply having a surplus was meaningless without knowing how much of the surplus was likely to be needed in the future. Eventually, the council agreed that more studies are needed before making any kind of decision about future commitments of the town's water supply.

Editor's note: In the interest of full disclosure, Elaine Weinreb, who reported and wrote this piece, addressed the Trinidad City Council and wrote a letter to the Bureau of Indian Affairs in 2017 alerting both to the fact that while Environmental Assessment quantified the economic impact the proposed change would have on the county of Humboldt, it offered no such analysis on the impacts to Trinidad, an incorporated city. In both instances, she did not advocate for or against the proposal but argued the Environmental Assessment should accurately address the project's potential impacts.

This story was originally posted online May 10.

Times Standard – 5/22/2019

By [SHOMIK MUKHERJEE](#) | smukherjee@times-standard.com |

PUBLISHED: May 21, 2019 at 8:51 pm | UPDATED: May 21, 2019 at 8:53 pm

Humboldt County eyes role in Potter Valley project



Humboldt County wants to join the “two-basin solution” to the Potter Valley Project. (Ukiah Daily Journal file)

The Humboldt County Board of Supervisors voted unanimously today to investigate becoming a stakeholder in the Potter Valley project, a massive water development in the Eel and Russian river basins.

The county will inquire about joining a recently formed coalition of agencies championing a “two-basin solution” to the embattled water transfer system. The idea is to protect the Russian River’s water supply for Potter Valley residents while mitigating the effects of the Scott Dam on Eel River fish populations.

It’s unclear what would be expected of the county if it became involved in the effort. The supervisors voted to direct staff to come back next week with a proposal for what “potential participation” would mean.

“I think they want to know Humboldt County is making a contribution to the process,” said Craig Tucker, a natural policy consultant. “But the agreement is not a pay-to-play.”

Pacific Gas and Electric Co. has owned the project for decades, but since its bankruptcy declaration in January, the utility has been trying to get the complex system off its hands. In recent months, North Coast Rep. Jared Huffman formed a committee to brainstorm the project's future.

The organizations California Trout, Mendocino County Inland Water & Power Commission, and Sonoma Water have taken preliminary action to acquire the project and implement the two-basin solution.

While the details of the organizations' proposed fix are still yet to be determined, the goal is to find a "compromise" between the needs of the two rivers, a CalTrout attorney said last week.

Multiple supervisors noted they weren't all too pleased with how the solution came forward without outreach to Humboldt County first. Second District Supervisor Estelle Fennell noted that she received confused emails from state Sen. Mike McGuire's office after news of the solution emerged.

"I realize everything's amicable now, but this isn't the first time Humboldt's been screwed," said 1st District Supervisor Rex Bohn. "Every time we catch somebody, they say, 'Oh yeah, oh yeah, we're going to make it work for you.' It just didn't feel right. Lake County's in the same position."

More involvement is needed, especially from the local Native American tribes, Fennell noted at today's meeting.

"They mentioned working with some tribes but I don't think they were working with all of them," she said. "I just want to make sure that the Wiyot and everybody else is on those discussions."

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

Zero Waste Humboldt battles single-use plastic containers with Refill, Not Landfill

Community Featured May 9, 2019



Zero Waste Humboldt's Refill Not Landfill group: Sierra Jenkins, Jeff Raimy, Cena Marino, Gretchen Ziegler, Emily Benvie, Kate McClain, Cameron Mull, Maureen Hart.

Zero Waste Humboldt

HUMBOLDT – Zero Waste Humboldt supporters and partners in the Refill Not Landfill Project gathered around the Wharfinger Building lobby new water bottle refill station to celebrate on the Friday before Earth Day.

This is one of 10 water bottle refill stations that Zero Waste Humboldt (ZWH) awarded to northern Humboldt local governments and schools. ZWH's Refill Not Landfill project aims to reduce the ever-increasing number of single use plastic water bottles in Humboldt County's waste stream.

ZWH is the only organization on the Redwood Coast that specializes solely on waste reduction solutions.

Zero Waste Humboldt has awarded four water stations to the City of Eureka Parks & Recreation Department, and one each to Fortuna, Arcata, Blue Lake and McKinleyville Community Services District Parks and Recreation Departments. Arcata High School and McKinleyville High School campuses have also been awarded stations.

Each water station includes a counter to monitor use and the estimated number of single use water bottles prevented. ZWH's network of northern Humboldt partners have installed the water bottle refill stations in their buildings and will report periodically on the use indicated by the water station counter.

To date, the partners in the project report that their water bottle refill stations have saved a total of more than 25,000 single use plastic water bottles from Humboldt County's waste.

The ZWH Refill Not Landfill project water stations and ongoing public education have been funded by Coast Central Credit Union, the Footprint Foundation, Mad River Rotary Club and the Strong Foundation.

"The Refill Not Landfill project has been a win-win on several fronts," said ZWH President Sarai Lucarelli. "It's a model for keeping single use plastics out of our waterways, beaches, street gutters, and landfill; it benefits public health and fitness; and is developing the public infrastructure necessary to increase convenience for the "bring your reusable bottle" habit."

Cameron Mull, director of the City of Fortuna's Parks and Recreation Program, pointed out that, "As old drinking fountains are replaced and new buildings are built, we must remember to integrate new water bottle refill stations."

Blue Lake City Manager Amanda Mager emphasizes the importance for the water bottle refill stations to be accessible for children and for them to see their teachers, parents and other adults with the bring-your-own-water-bottle habit.

"We're not going to be able to recycle our way out of the proliferation of single use plastics," said ZWH Boardmember Maggie Gainer.

Berkeley Ecology Center Executive Director Martin Bourque, and Annie Leonard, executive director of Greenpeace USA, perfectly summarized the solutions for single use plastics in a recent *Los Angeles Times* op-ed piece: "If your bathtub was overflowing, you wouldn't immediately reach for a mop — you'd first turn off the tap. That's what we need to do with single-use plastics."

Gainer said, "The reusable bottle alternative is so much cheaper than buying water in plastic bottles. Now, we must make the reusable alternative more convenient with more water bottle refill stations, and convince local schools and parks and rec programs to stop selling water in single-use plastic water bottles!"

Public health

There is a popular misunderstanding that bottled water is better for your health than tap water.

In fact, the water supply for several brands of bottled water is an urban tap. The quality of the public water supply, like our local Humboldt Bay Municipal Water District is highly regulated. U.S. EPA regulates public tap water. Bottled water has very little regulation. Many brands have found traces of phthalates, mold, microbes, arsenic, and other contaminants in bottled water. (Many sources, including gopurepod.com/news-research.)

A recent World Health Organization study reported that 93 percent of popular bottled water brands have tested the water to find plastic fibers inside the bottle.

Energy and resources

Among significant environmental concerns are the resources required to produce the plastic bottles and to transport filled bottles to consumers, including both energy and water.

Producing the bottles for American consumption in 2006 required the equivalent of more than 17 million barrels of oil, not including the energy for transportation. Bottling water produced more than 2.5 million tons of carbon dioxide. It took 3 liters of water to produce 1 liter of bottled water. pacinst.org/publication/bottled-water-fact-sheet/, 2007

Ineffectual recycling

The U.S. used about 50 billion plastic water bottles in 2017. However, the recycling rate has been 23 percent, with 38 billion plastic water bottles wasted. (banthebottle.net/bottled-water-facts). One million single-use plastic water bottles are purchased per minute. 23 percent at best, are recycled. forbes.com/sites/trevornace/2017/07/26/million-plastic-bottles-minute-91-not-recycled/#1804e92f292c

One million single use plastic water bottles are purchased per minute. 23 percent at best, are recycled. forbes.com/sites/trevornace/2017/07/26/million-plastic-bottles-minute-91-not-recycled/#1804e92f292c

Extreme consumer costs

Bottled water is more expensive than gasoline and costs 2,000 times more than tap water—switching can save a lot of money! 5gyres.org/plastic-bottles

Americans purchase about 50 billion water bottles per year, averaging about 13 bottles per month for every person in the U.S.! That means by using a reusable water bottle, you could save an average of 156 plastic bottles annually. aiga.org/case-study-watershed

Consumers know that plastic water bottles are bad. A 2018 Mintel Water Insights study found that 29 percent of those who purchase and drink bottled water say that drinking it is bad for the environment, and one in four people have stopped purchasing bottled water because it is plastic.

Environmental harm

The Northcoast Environmental Center found that during 2018's Coastal Cleanup Day, 252 single use plastic water bottles and 162 bottle caps were found on Humboldt's beaches.

The extreme damage to the world's oceans, waterways, fish, other wildlife, and air quality from burning plastic has been well documented. Humboldt's regular beach clean ups are one way to assess the damage in Humboldt.

To learn more about prevention strategies for single use plastics, email contact@zerowastehumboldt.org.

The Washington Post

Judge approves \$105M fund for California wildfire survivors

By **Daisy Nguyen** | AP

May 22 at 6:13 PM

SAN FRANCISCO — Pacific Gas & Electric Corp. received approval on Wednesday to establish a \$105 million fund to help survivors of recent California wildfires started by the utility's equipment.

A federal judge overseeing PG&E's bankruptcy case approved the utility's wildfire assistance program to provide relief for people who lost property during the huge fires in 2017 and 2018.

Lawyers for wildfire victims argued PG&E could pay up to \$250 million to adequately help their clients and pointed out that the utility sought last month to pay \$235 million in bonuses for its employees.

U.S. Bankruptcy Judge Dennis Montali said he couldn't under the law impose a larger amount, and said the fund, created voluntarily by PG&E, was an "appropriate remedy." He said he wanted to see the fund up and running as quickly as possible and wanted both sides to name an independent third party to administer the program in five days.

"We are ready, willing and anxious to fund the \$105 million," Stephen Karotkin, an attorney for PG&E, told Montali.

The fund is intended to help victims who are uninsured, still need help with housing costs or have other urgent needs. Victims "most in need, including those who are currently without adequate shelter," would be prioritized, the utility said.

The fund's administration expenses will be capped at \$5 million, and PG&E said it will draw the entire \$105 million from its cash reserves.

PG&E said it will not seek any rate increases to pay for the fund.

The company filed for bankruptcy protection in January, saying that under California law it faced up to \$30 billion in wildfire liabilities. Its equipment is the prime suspect in the cause of October 2017 fires in Napa and Sonoma counties. Last week, state fire officials announced PG&E power lines sparked the Nov. 8 fire that killed 85 people and nearly destroyed the town of Paradise in the Sierra Nevada foothills.

Montali also on Wednesday gave PG&E four more months to file a plan to emerge from bankruptcy. The company had wanted six more months, but Gov. Gavin Newsom and others urged the court to make the company move faster.

PG&E said in a statement that the additional months "will help increase our chances of formulating and negotiating a plan ... that is feasible and agreeable to stakeholders."

The utility said the development of a successful plan may also depend on the outcome of proposed state laws limiting its future wildfire liabilities.

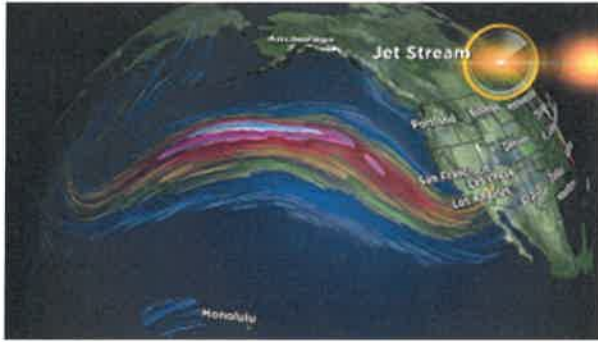
What's Up With All the Late-May Rain? Atmospheric Science Suggests Answers

by Darren Peck, KPIX Meteorologist May 19, 2019 at 12:01 pm

Filed Under: [Atmospheric River](#), [Bay Area Weather](#), [Jet Stream](#), [Meteorology](#), [Polar Vortex](#)

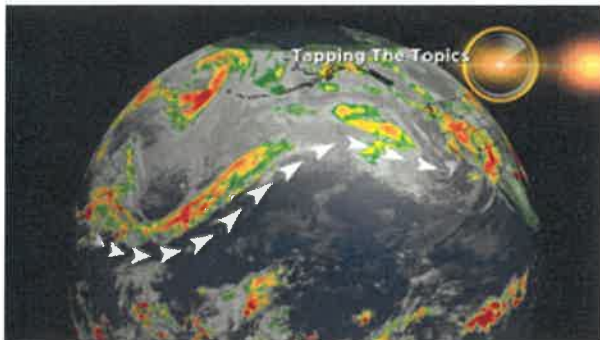
SAN FRANCISCO (KPIX) — What's up with all of this Bay Area rain in May?

For anyone fascinated with Bay Area weather, this has been a good week to do some questioning. If you've been wondering, there are some good explanations — some straight-forward, others a bit more complicated.



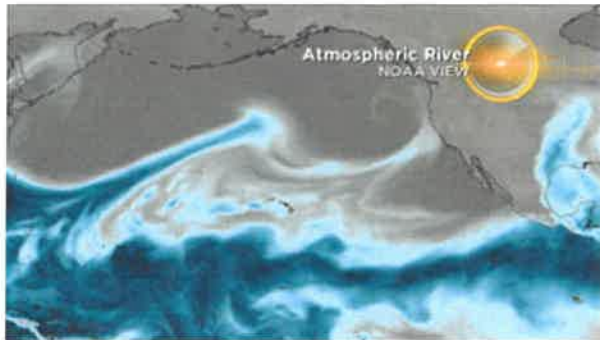
The first: an unusually strong jet stream racing across the Pacific is pointed directly at California. The jet stream is the fast-moving freeway of winds in the upper atmosphere which most of our storms ride in on.

The jet stream is currently behaving as if it's the dead of winter rather than late spring — it's well organized and tracking farther south than normal and is also aimed right at the West Coast.



At the same time, and on the other side of the Pacific, a large complex of thunderstorms is marching across the tropics. Those thunderstorms are part of a well known cycle called the Madden-Julien oscillation (or MJO). What matters most is that the current cycle places them in just the right location for our overzealous jet stream to reach down, rip the excess moisture off their tops and hurl it across the Pacific at California.

This process is an excellent way to create an atmospheric river storm system. We just got hit with two of them: Wednesday's soaker and now this weekend's repeat soaker. Atmospheric rivers are narrow regions of high water vapor content which occasionally get pulled out of the tropics and drawn into storms in the mid latitudes where we live.



Atmospheric rivers have only recently been recognized by the scientific community as significant players in California's water cycle. They provide over half of our winter precipitation and have been responsible for most major flooding events in state history. Fortunately the two ARs we just experienced were technically categorized as "weak" — more beneficial than menacing.

Now that we've got the basic explanation down, there is one large question hanging out there: What's causing the jet stream to behave like the depths of winter when it's actually the middle of spring?

In order to answer that question we begin to enter new and emerging fields of atmospheric science, where the answers — while tantalizing — are not necessarily as concrete as we might like them to be. Nevertheless, since there is enough reasonable insight being gained by leading academics in the field, let's head down that rabbit hole.

In case you hadn't heard, [the arctic has been experiencing a relentless grind](#) of well-above-average temperatures for the entire month of May.

One of the more interesting ideas to come out of the scientific community in recent years is the connection between a rapidly-warming arctic and the resulting exaggerated pattern in the jet stream across the rest of the globe.

The general thought is, with warm temperatures in the arctic, there is less of a temperature difference between the poles and locations to the south. Big differences in temperatures drive jet streams. As the poles warm, the polar jet weakens. You can think of the polar jet as the corral holding the colder air up north near the pole. When the winds weaken, the gates to the corral open and relatively cold air starts pouring south.

We've heard of this several times over recent winters as the over-hyped "polar vortex" made headlines. The same exaggerated swings in the atmosphere which unfold during one of those events in winter is actually playing out right now but on a less-exaggerated scale because we're well into spring.

So, in terms of explaining this week's intense jet stream, we're likely seeing the effects of a batch of runaway arctic air slinking far enough south to energize and reinvigorate the subtropical jet stream.

If true, we can thank the "relentless grind" of warmth in the Arctic this month for our unusually rainy May here in the Bay Area.

Of course, often the weather just does what it does and, for many people, that explanation will suffice. However, when the weather defies our expectations, it's only natural to wonder why.

That's what drives science forward.

DAN WALTERS, CALMATTERS 5/16/2019 SACRAMENTO

Key Conflicts Roil California's Ever-Evolving Waterscape



As 2018 was winding down, one of California's leading newspapers suggested, via a front-page, banner-headlined article, that the drought that had plagued the state for much of this decade may be returning.

Just weeks later, that same newspaper was reporting that record-level midwinter storms were choking mountain passes with snow, rapidly filling reservoirs and causing serious local flooding.

Neither was incorrect at the time, but their juxtaposition underscores the unpredictable nature of California's water supply.

The fickleness of nature has been compounded by a decades-long, multi-front struggle among hundreds of water agencies and other interested parties over allocations of the precious liquid, not unlike the perpetual religious and ethnic wars that consumed medieval Europe.

Adding another layer of complexity, the conflicts over California's water supply are often proxy wars for land-use disputes, involving such issues as whether the state's chronic shortage of housing should be addressed by continuing to carve farmlands into subdivisions or shift to a high-density mode that builds up rather than out. Water supply is very often the decisive factor in land-use decisions, thanks to state laws requiring developers to prove they can obtain enough water to serve their projects.

Even though the state doesn't seem to have a comprehensive approach to managing its water — although Gov. Gavin Newsom says he wants one — the big conflicts are deeply interconnected and appear to be reaching their climactic phases. How they are resolved over the next few years will write an entirely new chapter in California's water history, changing priorities and perhaps shifting water from agriculture to urban users and environmental enhancement. But how that diversion will occur and how much water will be affected are very much up in the air.

- As Southern California's population grows, it faces reduced supplies from the overused Colorado River, one of its main sources. The region's water agencies want more water, or at least more reliable water, from Northern California.
- More Northern California water may depend on capturing and storing more during wet periods such as this past winter, and on boring at least one tunnel beneath the Sacramento-San Joaquin Delta to convey the water to the California Aqueduct that sends it south.
- Tunneling under the environmentally damaged Delta would deprive it of some water. State officials are pressuring California's largest-in-the-nation agricultural sector to shore up flows through the Delta by reducing its use of San Joaquin River water.
- At the same time, those farmers also face new demands to reduce their pumping of underground water because overdrafting is causing land in the Central Valley to sink ominously.

California's basic water infrastructure of dams, reservoirs, canals and pipelines was constructed in the 20th century. At that time, water supply was seen largely as an engineering problem: catching winter rains and spring snow runoff by damming rivers; moving water from its source to where it was needed for farms and homes via canals and pipelines; and drilling wells to augment surface diversions. The federal

Bureau of Reclamation, the Army Corps of Engineers, the California Department of Water Resources and dozens of agricultural irrigation districts and city, county and regional water agencies built elements of the system.

The best known and most contentious — the inspiration for the movie “Chinatown” — was Los Angeles’ surreptitious acquisition of water rights in the Owens Valley, on the eastern slope of the Sierra Nevada range, and the draining of the valley to enable L.A.’s expansion into the country’s second-largest city.

However, just as the last of the state’s major water projects was completed in the 1960s, environmental consciousness arose, making what had been a linear exercise much more complicated. In the 1970s, new state and federal laws began compelling water managers to make allowances for the environmental effects of their diversions.

Meanwhile, California’s farmers opened vast new acreages of high-value crops, such as almonds, that demanded more reliable water. And the state’s population boomed to 40 million thirsty human beings.

During the first years of the 21st century, these and other trends coalesced into interrelated mega-issues that range the entire length of the state.

Divvying up the Colorado River

The west’s longest river touches seven states and forms the boundary between California and Arizona before flowing into Mexico and the Sea of Cortez. California has been legally entitled to 4.4 million acre-feet of Colorado River water, three-quarters of it for the Imperial Irrigation District in the state’s southeastern corner, which was among the river’s earliest diverters.

Historically, California drew more than its allotment. But Nevada and Arizona, with rapidly increasing populations, have sought more from the river. It is widely accepted that the Colorado simply cannot meet all demands, and after an extended drought, major reservoirs on the river, such as Lake Mead, are in danger of falling to unworkable levels.

The federal government stepped in, demanding that the affected states either voluntarily agree to reduce their draws or have Washington impose its own reallocation. Early this year, a short-term proposal was finally hammered out, but only after the Metropolitan Water District of Southern California agreed to provide most of the state’s reductions.

The Imperial Irrigation District was left out of the agreement after insisting that it would reduce its massive draw only if the federal government gave it \$200 million to

restore the rapidly shrinking Salton Sea, a saline inland lake created by an engineering mistake in 1905.



Without addressing the Salton Sea issue, a compromise Colorado River plan was approved by Congress and signed by President Donald Trump in April. With the short-term plan now in law, the affected states will turn to negotiating longer-term reductions in their use of the Colorado.

Whether those talks include Imperial and the Salton Sea remain uncertain. Responsibility for restoring the lake — if it can be restored — continue to ping-pong among federal, state and local agencies. Imperial is suing the Metropolitan Water District for leaving it and the Salton Sea issue out of California's portion of the multistate agreement, saying that action violates environmental-impact laws.

Meanwhile, the deserts of southeastern California are seeing another sharp conflict over water, involving huge aquifers beneath the Mojave.

Cadiz, Inc., an investor-owned, publicly traded company based in Los Angeles, wants to extract about 16 billion gallons, or 50,000 acre-feet, of water a year from the aquifers beneath land it controls in the Cadiz Valley, midway between Barstow and Needles. It wants to sell the water to Southern California water agencies, saying it will relieve cutbacks in supplies from the Colorado River and Northern California.

The proposal has drawn fire from environmental groups, and efforts have been made in the Legislature to block it. But Trump's administration has indirectly endorsed it by clearing the way for a pipeline to carry the water. The issue remains unresolved, however, and Trump's support may even damage the project's chances of ultimate approval.

The storage conundrum

More than 500 miles north of the Salton Sea, another big lake is being proposed: a reservoir on the west side of the Sacramento Valley that would, say its sponsors — both regional farmers and Southern California interests — ease California's chronic shortage of water.

Building more storage, whether in reservoirs or by replenishing underground aquifers, is attracting more support as a response not only to drought but also to forecasts that climate change will cause California to receive more precipitation as rain and less as snow. That change would degrade the natural reservoir of winter snowpacks in the Sierra and other mountain ranges.



The Sierra is a natural water reservoir. Photo of Yosemite Valley by bluejayphoto, istock.com

Sites Reservoir has been on the drawing boards of water managers for decades but now seems closer to reality. It would be an “off-stream” reservoir, similar in concept to the state-federal San Luis Reservoir in the Pacheco Pass west of Merced.

That is: As an alternative to damming, Sacramento River water would be pumped into Sites during high flows via a 14-mile-long pipeline — as much as 1.8 million acre-feet when full — and released back into the river as needed.

The idea has long been backed by agricultural interests. But most recently, Southern California’s Metropolitan Water District has weighed in with money to assist in its planning. The state is also a major booster, as is the federal Bureau of Reclamation.

The off-stream nature of Sites and the prolonged drought have reduced the traditional opposition of environmental groups to water-supply projects. So Sites stands a pretty good chance of becoming reality, although the \$5.2 billion cost has not yet been fully covered.

Sites is not the only storage project kicking around, however. Agricultural groups south of the Delta, facing cutbacks in both surface and underground supplies, have been trying to gain traction for what’s called Temperance Flat, a dam on the San Joaquin River just upstream from the river’s major storage facility, Friant Dam and its Millerton Lake.

As an on-stream project involving an already stressed river, however, Temperance Flat is much more controversial than Sites and less likely to make the cut.

A third project is the enlargement of the Los Vaqueros Reservoir in Contra Costa County, which draws water out of the Delta. It enjoys support from environmental groups and, as an off-stream project, is likely to eventually receive state construction funds.

As these proposals make their way through the political and regulatory thickets, with no outcome certain, there is one more big project in the talking stage: raising Shasta Dam on the Sacramento River north of Redding, increasing storage in what is already the state’s largest reservoir, with a current capacity of 4.5 million acre-feet.

Although the idea of raising the dam by 18 feet and increasing Lake Shasta’s storage by 600,000 acre-feet has kicked around for decades, Washington has made the \$1.3 billion project a priority as part of Trump’s pledge to help California farmers with water supplies.

It’s become one of dozens of conflicts between California and Trump. State officials, backed by environmental groups and Indian tribes, say the plan would destroy

sacred tribal sites and violate the state's Wild and Scenic Rivers Act protections for the McCloud River, one of the Sacramento River's major tributaries.

The bedeviled Delta

The Sacramento and San Joaquin Rivers, along with several lesser waterways, merge in the 1,100-square-mile Delta, originally a seasonal marsh. During the late 19th and early 20th centuries, the Delta was transformed by human labor into a maze of agricultural islands separated by about 1,000 miles of channels and sloughs that flow toward San Francisco Bay.

State and federal water systems push water into the Delta from dams and reservoirs, principally Shasta and Oroville, then pull water from the southern edge of the Delta for shipment via canals to San Joaquin Valley farms and Southern California's 20-plus million residents.

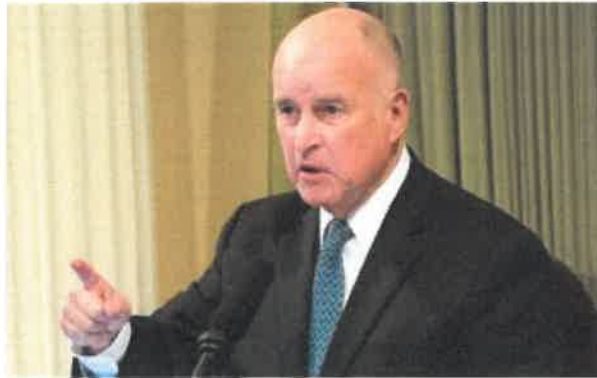
The pumps involved are so powerful that they grind up some small fish and can reverse flows in the Delta's channels, adversely affecting wildlife habitat.

Bypassing the Delta has been a bedrock of this system for more than a half-century. But making it happen has bedeviled governors and other politicians, as well as managers of delivery systems south of the Delta.

When Jerry Brown became governor for the first time in 1975, he hoped to complete the project that his father, Pat Brown, had begun by digging a "peripheral canal" that would draw water from the Sacramento River upstream from the Delta, near the tiny town of Hood. The water would have been transported 43 miles around the Delta to the head of the California Aqueduct near Tracy.

Actually, portions of the canal were already being informally dug as a source of dirt for the construction of the adjacent Interstate 5 freeway between Sacramento and Stockton. These "borrow pits," as they were called, still exist as elongated ponds used by farmers to water crops and livestock.

Although Brown devoted much of his first governorship to campaigns for reelection, president and U.S. senator, the peripheral canal was a high priority. After much arm-twisting, aided by pressure from Southern California water agencies, the Legislature authorized its construction.



Former Gov. Jerry Brown. Photo by Max Whittaker for CALmatters

However, two major interest groups, San Joaquin Valley farmers and environmental-protection advocates, remained opposed. Farmers thought it wouldn't deliver enough water to justify its cost, while environmentalists worried that putting in the needed plumbing would make it easier to build new river-killing dams.

The farmers and environmentalists formed an odd-bedfellows alliance that challenged the project via a referendum on the 1982 state ballot. Voters rejected the peripheral canal, putting the bypass approach to the Delta's problems on the shelf for more than two decades.

The Delta issue devolved into morass of political and legal conflicts. Federal judges became the de facto managers of the Delta's waters, ordering cutbacks on pumping to protect fish.

The bypass approach reemerged during action-movie star Arnold Schwarzenegger's improbable governorship, this time in the form of one or two tunnels beneath the Delta. A strategy was devised that would allow water agencies to bore the tunnels without direct authorization by the Legislature.

As Brown began his second governorship in 2011, succeeding Schwarzenegger, the planning process was well underway. Brown enthusiastically endorsed it, characterizing it as a way to save the Delta, and it acquired a new official name, "California WaterFix."

By the time Brown departed again in 2019, however, the project's fate was still uncertain. The huge Westlands Water District, which would be a major beneficiary, pulled out, saying, in essence, that it wasn't worth the cost. Southern California's Metropolitan Water District continued to push hard for its construction and pledged to meet much of the \$14 billion price tag.

Very quickly, Brown's successor, Gavin Newsom, changed course. Newsom had been skeptical of the tunnel project as lieutenant governor, and this month his Department of Water Resources formally abandoned the twin tunnels and relaunched the approval process for a single tunnel.

Whether one tunnel or two, WaterFix still faces daunting hurdles without a fixed timeline. Those include numerous regulatory and environmental reviews and a lack of commitment, so far, from the federal government to pick up some of its costs — even though Brown, as one of his last acts, negotiated a tentative deal to avoid outright opposition from the Trump administration.

A 300-mile flashpoint

If the Delta is the hydrologic flashpoint of California's troubled water system, the 300-mile-long San Joaquin Valley — the heart of California's huge agricultural industry — south of the Delta is its socioeconomic center.

As the Public Policy Institute of California puts it in one of its many water studies: "The valley is ground zero for many of California's most difficult water management problems — including groundwater overdraft, drinking water contamination, and declines in habitat and native species.

When the region was settled in the latter half of the 19th century, its chief agricultural product was wheat. Eventually, that gave way to fruits and vegetables. Refrigerated rail cars made it feasible to ship fresh produce to eastern markets, and canneries captured some of the bounty.

Cotton also became a major crop in the southern portion of the valley. But as cotton acreage has faded, high-value crops such as almonds and wine grapes have emerged to dominate the region, along with dairies.

Post-wheat agriculture required irrigation water. One by one, the streams flowing into the valley from the Sierra were dammed by federal and local water agencies to capture winter rains and spring snow runoff with elaborate systems of canals to deliver water to the fields.

The California Aqueduct, which runs down the western edge of the valley, made it possible to sharply expand agricultural production there, much of it served by the nation's largest irrigation district, Westlands. But the aqueduct became the focal point of political and legal conflicts that arose over the impact on the Delta, exacerbated by drought.



A portion of the California Aqueduct. Photo by iofoto, istock.com

As state and federal water managers reduced allotments to valley farmers and federal judges required more water to remain in the Delta to protect endangered species, farmers drilled thousands of wells to keep their valuable orchards and vineyards alive. But the depletion of underground aquifers led to subsidence — shrinking or sinking land — that threatened the viability of the valley’s complex water-delivery system.

The most striking example is what happened to the Friant-Kern Canal, a 70-year-old project that moves water from Friant Dam on the San Joaquin River northeast of Fresno 152 miles to Kern County. Near Porterville, subsidence from overdrafting in Tulare County altered the canal’s slope and sharply reduced its capacity.

Overdrafts persuaded Brown and the Legislature to do something in 2014 that would have been unthinkable in the past: regulate groundwater. The law they enacted requires local water agencies to decrease pumping to sustainable levels.

Farmers backed an \$8.9 billion bond issue on the 2018 ballot that included \$750 million to fix the Friant-Kern Canal, but it was rejected by voters. Efforts are now being mounted in the Legislature to provide \$400 million in state funds for repairs.

Subsidence has also exacerbated a San Joaquin Valley water-supply issue that carries a serious human health threat. Many small farming communities lack safe supplies due to pollution of their wells, even though the state has spent hundreds of millions of dollars on the problem.

Newsom is now proposing a dedicated tax on water and other agriculture-related activities to improve the substandard systems. But there's obvious reluctance among legislators to tax such a basic commodity as water, and efforts are underway in the Capitol to find other kinds of funds.

As the groundwater issues play out, a high-stakes battle has been waged on the state Water Resources Control Board over whether farmers should reduce their use of San Joaquin River water so more could flow to the Delta for habitat improvement.

Farmers saw it as a tradeoff connected to the twin-tunnel project being pushed by Jerry Brown. They were being asked, they complained, to give up water for their fields and orchards so that more could be sent to Los Angeles.

The issue is still unsettled. Politically, the outcome may be connected to what happens to legislation to repair the Friant-Kern Canal.

If nothing else, the situation illustrates how the ostensibly separate conflicts over water storage, the Delta tunnels, Delta water flows, subsidence and groundwater regulation are, in fact, deeply intertwined.

So where are we headed?

There are mismatches in California's water supplies and uses. The most obvious one is that agriculture generates just 2% of California's \$2.6 trillion economy but consumes three times as much water as all other human activities.

Shifting a relatively tiny amount of water from agricultural to non-agricultural use, say 2 million acre-feet a year, could meet much of the demand from the latter. Many of the specific conflicts seem to be moving in that direction.

But how would such a shift occur?

One way would be to reconfigure California's very complex welter of water-use rights, some dating back more than a century, that creates a pecking order for who gets water and who doesn't, especially during droughts.

It's why farmers north of Sacramento, with some of the oldest water rights, fare better than those south of the Delta, and why the Imperial Irrigation District has claimed ownership of most of the state's Colorado River water.

Agricultural groups would resist diminution of water rights, seeing them as their last line of defense. But farmers, who once dominated the state's politics, have also seen their political clout slipping away, so reconfiguring water rights could cause a major battle in the not-too-distant future.

Another way to shift water from farms to cities would be to expand what is now a relatively small water marketing system. Farmers and their water agencies have been trading water among themselves for decades, but only rarely have they sold water to non-agricultural users. A landmark example, which took many years, involved the Imperial Irrigation District and San Diego County's water agency, which was seeking to become less dependent on Southern California's Metropolitan Water District.

The fear among farmers is that however it may occur, shifting water from fields to cities will force them to take land out of production — “fallowing” in agricultural jargon — and further depress the industry's status.



Desalination plant, Carlsbad, Calif. Photo: San Diego County Water Authority.

Environmental groups contend that rather than pursue new supplies of water, California should do a better job of using and conserving what it has by changing how farmers and homeowners use water to grow crops and lawns, spurring the change by pricing water more realistically, which could raise rates.

Southern California has reduced its per-capita uses of water over the last several decades as its population grew but its water supplies didn't. But the big savings would have to come from agriculture because of its heavy use. In recent years, the shift to crops such as almonds has made farmers less able to cut back on water.

And then there's desalination — tapping the unlimited waters of the Pacific Ocean by stripping away their salts.

One big desalination plant is operating in northern San Diego County, producing 50 million gallons of water daily, enough for 400,000 people, according to the San Diego County Water Authority. A clone is proposed in Huntington Beach, and Santa Barbara has a small plant for its own use.

The technology of desalination is well established. The problem is that the machinery consumes large amounts of electricity, which makes the output relatively expensive — about \$2,000 an acre-foot. That's close to what San Joaquin Valley farmers were willing to pay to keep their trees and vines alive during the drought a few years ago but only on a short-term basis. It's a more acceptable price for households, which use about half an acre-foot a year.

During the state's countless water policy conferences, some desalination advocates envision coupling huge arrays of solar panels with a string of coastal desalination plants to provide unlimited supplies of carbon-free water — and ending California's water wars forever.

Is that a pipe dream? Possibly. But it may also be no more inconceivable than the world-class system of capturing and conveying water that transformed California from sparsely populated frontier into a state of 40 million people with the fifth-largest economy in the world.

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CALmatters.org is a nonprofit, nonpartisan media venture explaining California policies and politics.

Sierra snowpack is 202 percent of average for this time of year

By Amy Graff, SFGATE

Updated 9:31 am PDT, Friday, May 31, 2019

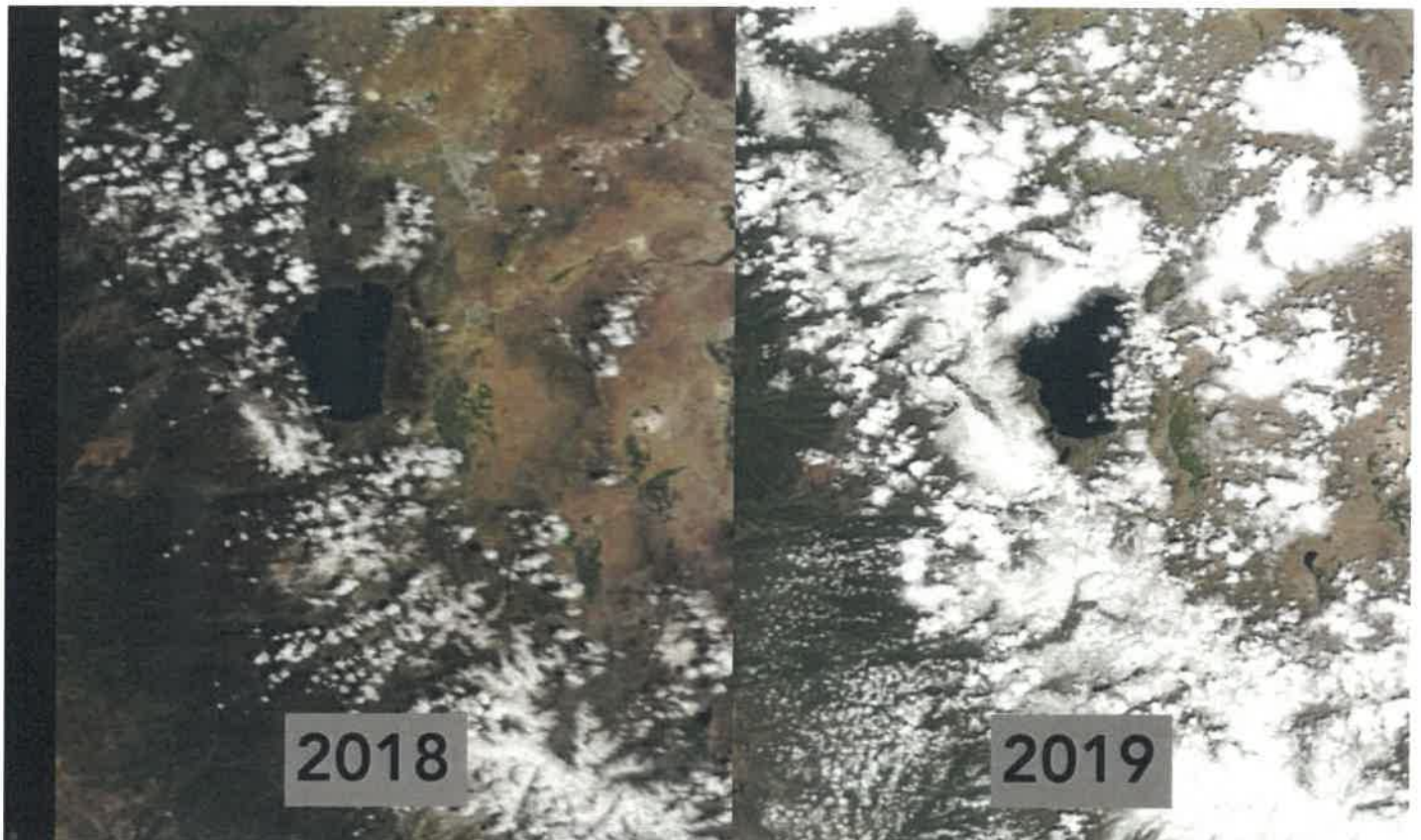


Photo: NASA

NASA satellite imagery shows the difference between the Sierra snowpack in 2018 when snow levels were below average and in 2019 when they were above average. In the left image from May 29, 2018, the snowpack

A nonstop parade of storms barreled across the Sierra Nevada in winter. Then, spring hit and winter weather persisted with unseasonably cold systems piling up snow all the way through Memorial Day weekend.

The marathon stretch of unsettled weather means the reservoirs are brimming, the rivers are rushing, the waterfalls are spectacular, and people are still skiing in fresh powder in Tahoe.

But perhaps the most noteworthy outcome is a remarkably gargantuan snowpack blanketing the mountain range straddling California and Nevada. Right now, it's even bigger than the 2017 snowpack that **pulled the state out of a five-year drought**. As of May 30, the snowpack measured 202 percent of average, according to the California Department of Water Resources which compiles data from about 100 stations across the range. At this time last year, it measured 6 percent of average, making this year's 33 times bigger than last year. In 2017, the snowpack measured 190 percent of average.

State officials consider the most important snowpack measurement to be the one taken around April 1 because that's when the sun is at its highest point, temperatures warm, and storm activity subsides.

"That's basically the measurement we look at because that's when the snowpack usually peaks," said Idamis Del Valle, a forecaster with the National Weather Service. "And then after that the sun's highest position in the sky contributes to rapid melting. This year, that didn't happen and we had late season snow."

This year's April 1 reading put the snowpack at 176 percent of average, making it the fifth-largest on that date, with records going back to 1950.

"I'd say it's not normal," said Chris Orrock, a spokesperson for the California Department of Water Resources. "But it's good for California."

The Sierra snowpack is one of California's most important water sources, with its spring and summer runoff feeding rivers and reservoirs, watering crops, filling bathtubs and water glasses. Mountain snowpack provides about 30 percent of the yearly fresh water supply for California. Orrock says this year's massive snowpack will help with the water supply and also outdoor recreation.

"The good news is there will be plenty of water for fishing, boating, white-water rafting, even skiing, all that stuff."

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EDITORIAL

It's unacceptable that many Californians lack clean, safe water

BY THE SACRAMENTO BEE
EDITORIAL BOARD

Water is a basic necessity of life, but more than 1 million Californians lack access to clean, safe and affordable drinking water, says Gov. Gavin Newsom. Six million Californians receive their water from operators who have been fined for violating the state's clean water laws in recent years, according to a 2018 investigation by McClatchy.

"In many communities, people drink, shower, cook and wash dishes with

water containing excessive amounts of pollutants, including arsenic, nitrates and uranium," according to a Sacramento Bee story by Dale Kasler, Phillip Reese and Ryan Sabalow.

Many of those affected by the lack of safe water live in poorer and more rural areas, and a big portion of those communities are here in the Central Valley.

The lack of clean drinking water seems like the kind of public health crisis that leaders in 21st-century California would tackle

fixes. In January, Newsom proposed a "water tax" to establish a \$140 million-a-year stream of funding for projects and ongoing operations to provide clean water in affected communities.

A tax, however, requires a two-thirds vote in the Legislature to pass — a feat not even Gov. Jerry Brown managed to pull off. Newsom's proposal also encountered strong resistance, and a state Senate budget subcommittee rejected it last month.

Mustering legislative votes for a new tax is always a tough sell. But it's especially difficult when state coffers are brimming with billions of dollars in surplus funds.

Acknowledging the lack of support for a tax, a state Senate budget subcommittee has proposed moving ahead with funding for Senate Bill 200 by Carmel Democrat Bill

Monning. SB 200, in combination with the budget subcommittee's proposal, would allocate \$150 million a year from the general fund for clean water.

While tax revenues are streaming into the state's general fund at record levels, why not channel some of it towards this major public health crisis? What's the value of an overflowing rainy day fund when your people can't even drink the water from their taps?

If SB 200 passes along with the Senate budget proposal for funding, it would provide \$150 million for clean water starting on July 1. If, by chance, a future Legislature finds the ever-elusive votes for water taxes, they can be substituted in for the general fund money.

The question isn't whether the glass is half-empty or half-full. The question is whether the water in the glass is clean

or poisonous. For too many Californians, the latter is true.

The health and safety of millions of Californians hangs in the balance. We urge the governor and the state's legislative leaders to figure out what's actually possible and stop kicking the water can down the road.

After all, it's been seven years since California passed the Human Right to Water Act, which declares that everyone "has the right to safe, clean, affordable and accessible water adequate for human consumption, cooking and sanitary purposes."

Of course, the lofty law — one page long — did not provide any funding for clean water. The SB 200 package will remedy this, and will also allow state leaders to finally address California's lack of clean drinking water with the urgency the issue deserves.

LETTERS

at Mintz's fingertips, but they didn't show up in his story. For instance, it took me 15 seconds to learn that, in Maine, the Sierra Club and other groups are trying to stop the same company, Nordic Aquafarms, from building a fish farm there.

Last year the Organic Consumers Association concluded that the Maine proposal, which differs little from the one proposed for Humboldt Bay, "will be a massive industrial factory fish farm, and qualifies as a "CAFO," a Concentrated Animal Feeding Operation. It will have the same types of environmental impacts effects as a Southern factory pig farm (or) a sprawling mid-west beef feedlot..." Why was this important information not in Mintz's story?

A proposal such as a fish farm in an area that is attempting to recover wild salmon and steelhead populations is an insult. In addition, the proposal could actually hinder salmonid recovery by contaminating Humboldt Bay and the ocean where outfall is expected. Then there's the general satisfaction of knowing that a bunch of "salmon" are being produced right here in Humboldt, so why are wild stocks needed? Yes, this happens.

Occasionally the question arises: What, then, do we do with all that unallocated water from the Mad River? Were the county willing to wrangle state water authorities, there is little doubt that that resource could be used to sustain one of California's last summer runs of wild steelhead.

Rather than further damaging local fish stocks with a demonstrably destructive aqua farm, we could turn that proposal around and instead support our diminishing wild fish populations. This is the rational and right thing to do.

Greg King
Executive Director
Siskiyou Land Conservancy
Arcata

Fish farm folly

Daniel Mintz's recent article in the Union, about the Norwegian company that wants to site a fish farm on Humboldt Bay, reads more like a press release than a news story. It favors a transnational corporation that seeks to exploit the grand tradition of colonizing Humboldt County's resources.

The problems with these fish farms (chemicals, disease, concentrated wastes, ocean outfall, etc.) are well known and were

CORRESPONDENCE



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GENERAL MANAGER

JOHN FRIEDENBACH

June 14, 2019

The Honorable Bob Wieckowski
California State Assembly
State Capitol
Sacramento, CA 95814

RE: Senate Bill 13 (Wieckowski) – Oppose [As Amended March 11, 2019]

Dear Senator Wieckowski:

The Humboldt Bay Municipal Water District is respectfully opposed to Senate Bill 13. SB 13 prohibits impact fees on Accessory Dwelling Units (ADUs) smaller than 750 square feet and significantly limits the impact fees that may be charged to larger ADUs. Our District provides safe drinking water for 88,000 residents in our rural community via our Municipal Customers.

Given that revenue for local governments is tightly restricted by the California Constitution, fees are one of the few ways that special districts can offset the indirect costs of growth. Impact fees are critical for park, fire protection, and other types of districts trying to recoup their costs for providing infrastructure and services to new accessory dwelling unit developments.

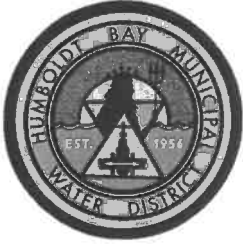
Our District is concerned that as written, SB13 could apply to water connection fees for ADU's. These fees are a long-standing mechanism for water districts to recover costs of infrastructure and services to newly developed ADU's. This loss of revenue could directly impact our maintenance services and infrastructure.

Impact fees are an important tool for special districts to provide services, infrastructure, and quality of life for local communities. The impact fee caps in SB 13 will reduce local government funding for public safety and quality of life investments. For these reasons, Humboldt Bay Municipal Water District joins the CSDA in respectfully opposing SB 13 unless it is amended.

Sincerely,

John Friedenbach
General Manager

cc:: Francisco Montes, Office of Senator Bob Wieckowski [francisco.montes@sen.ca.gov]
Assemblymember Jim Wood (assemblymember.wood@assembly.ca.gov)
Senator Mike McGuire (thomas.witzel@sen.ca.gov)
Rylan Gervase, Legislative Representative, California Special Districts Association [advocacy@csda.net]



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GENERAL MANAGER

JOHN FRIEDENBACH

June 14, 2019

The Honorable Ken Cooley
California State Assembly, State Capitol
Sacramento, CA 95814

RE: ACR 89 (Cooley) – Support [As Introduced May 6, 2019]

Dear Assembly Member Cooley:

Humboldt Bay Municipal Water District, is pleased to support ACR 89, which would establish Special Districts Week from September 22 to September 28. Our District provides safe and reliable drinking water to 88,000 residents in Humboldt County as well as industrial water to businesses as needed.

Special districts are formed by communities to provide a needed service, overseen by a local board, and funded by local revenue. By focusing on one service, or a small suite of services, these public entities are able to perform efficient, effective, sustainable service delivery and infrastructure development, while maintaining local accountability.

Special districts date back to 1887 and have a long, rich history of providing benefits to their residents. They vary in size to best meet local needs, ranging from servicing multi-county regions and sometimes millions of residents, to small rural communities.

The Humboldt Bay Municipal Water District was formed by an overwhelming majority vote of the people on March 13, 1956. Two specific needs generated interest in creation of the water district and development of a regional water system. The first was to provide a reliable municipal water supply for the City of Eureka and the City of Arcata. The second was to provide an abundant water supply for a pulp mill that would locate here. Since that time, the customer base has grown significantly and the District now serves three cities and four community service districts in the greater Humboldt Bay region.

Humboldt Bay Municipal Water District would like to thank the author for introducing this resolution recognizing and commending special districts for the important work that they do throughout California. Please feel free to contact me if you have any questions.

Sincerely,

John Friedenbach
General Manager

cc: advocacy@csga.net



SECTION G3, PAGE NO. 1
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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JOHN FRIEDENBACH

June 6, 2019

Board of Supervisors
Humboldt County
825 5th Street, Room 111
Eureka, CA 95501

RE: Humboldt County General Plan Update, Zoning Text Amendments

Dear Board of Supervisors,

This letter addresses the Humboldt Bay Municipal Water District's (District's) ongoing concerns with the General Plan Update, Zoning Text Amendments to be discussed at your June 11 and June 18, 2019 Board of Supervisors' Meetings. The District has raised concerns regarding the zoning text amendments in multiple prior correspondence with the Planning Department and/or Planning Commission, including comments submitted by email on March 21, 2019 and a comment letter on April 3, 2019. Nether correspondence was included in any of the three Planning Commission agendas for the zoning text amendments. Our April 3, 2019 letter is attached for reference as **Attachment A**.

The District operates four intake wells along the Mad River where it collects groundwater to provide drinking water to over 88,000 customers in Humboldt County. Immediately adjacent to the wells is APN 504-161-010-000, also known as the Mercer Fraser property, wherein mining, and other unpermitted activities such as processing and storage occur. These activities pose a continuing threat to our community's health and water security, and the District continues to be concerned that the zoning ordinance will be revised to summarily permit previously unpermitted activities or prior potentially illegal activities rather than be used as a forward-looking tool to adequately protect the health, safety, and welfare of your constituents.

The District understands that the Board will only be considering zoning text amendments at this point. However, to the extent that the zoning text amendments will affect the Mercer Fraser property and other properties along the Mad River watershed, the District continues to object to the proposed revisions for Sections 314-61.1 "Streamside Management Areas and Wetlands," 314-7.1 "AE – Agriculture Exclusive Zone," and 314.7.4 "TPZ – Timberland Production Zones," as discussed in further detail below.

1. The District Opposes Amendments to Section 314-61.1 “Streamside Management Areas and Wetlands,” Scheduled to be Reviewed at the June 11, 2019 Board of Supervisors’ Meeting

On April 4, 2019, the Planning Commission recommended that the Board of Supervisors adopt the zoning text amendments for Group 2. These include the proposed revisions to Section 314-61.1 “Streamside Management Areas and Wetlands.” For the reasons discussed below, the District continues to oppose the revisions to section 314-61.1.

As stated in the second bullet point under Section 314-61.2, the Purpose of establishing the standards are to:

- Implement portions of the County’s General Plan policies and standards pertaining to open space, conservation, housing, **water resources**, biological resources and public facilities. (Emphasis added)

Per the revisions, development and use limitations applicable to streamside management areas in 314-61.1 do not apply to mining operations. Added Section 61.1.9.2.5 provides “Development within Streamside Management Areas shall be limited to the following: ... Normal, usual and historical agricultural and surface mining practices and uses which are principally permitted within the SMA *shall not be considered development for the purposes of this standard.*” (Emphasis added.) There is no reason not to apply the streamside management protections to mining operations where, as a preliminary matter, the zone is established to abate erosion, runoff, and debris and encourage vegetation. These goals are at odds with this carte blanche permission to allow mining operations in the zone. Further, the term “historical” is vague; a plain reading shows that it would allow mining operations that operated at any time in the past on the site, whether permitted or not. Finally, there is no limitation on the size of such an operation, so any current or historic use could be expanded without any review. If mining operations are to be permitted in the zone at all, such use should be appropriately analyzed and permitted by the County via individual application. The District therefore opposes this change as currently drafted.

2. The District Opposes Amendments to Sections 314-7.1 “AE – Agriculture Exclusive Zone” and 314.7.4 “TPZ – Timberland Production Zones,” Scheduled to be Reviewed at the June 18, 2019 Board of Supervisors’ Meeting

Based on the District’s review of the Planning Commission’s recommendations during the March 21, April 4, and April 18, 2019 meetings, it appears no recommendation was made with respect to the proposed amendments to Sections 314-7.1 “AE – Agriculture Exclusive Zone” and 314.7.4 “TPZ – Timberland Production Zones.” The District requests that Planning Staff clarify what was actually considered and approved by the Planning Commission and, therefore, is under consideration for approval by the Board of Supervisors in the agendas for the June 11 and June 18, 2019 Board of Supervisors’ Meetings. The District continues to oppose the proposed revisions to Sections 314-7.1 “AE – Agriculture Exclusive Zone” and 314.7.4 “TPZ – Timberland Production Zones,” as discussed below, to the extent that the amendments are still being considered by either the Planning Commission or the Board of Supervisors.

Section 314-7.1 “AE – Agriculture Exclusive Zone” adds surface mining as a use permitted with a use permit in the AE zone. This is inconsistent with the Humboldt County General Plan Table 4-G. In approving the General Plan, the County determined that surface mining is not a use compatible with the

County's vision or interests and, thus, made the decision not to permit surface mining in AE. To approve the proposed zoning text amendment would be directly contrary to the County's General Plan. The District therefore opposes this change.

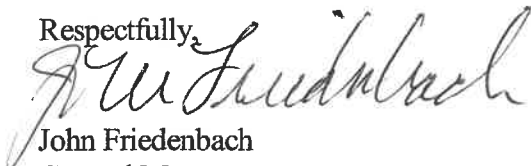
Section 314-7.4 "TPZ – Timberland Production Zones" adds oil and gas drilling and processing, mineral mining, and surface mining as uses permitted with a use permit in TPZ-Timberland Production Zones. It is unclear whether the impacts of allowing these uses were studied in the EIR. The District is concerned that the potential environmental impacts of oil and gas drilling in the Mad River watershed could negatively impact water quality and that those potential impacts have not been adequately analyzed or mitigated. The District therefore opposes this change as currently drafted.

3. The Zoning Text Amendments are not in the Public Interest

The zoning text amendments must be in the public interest to be adopted. (Humboldt County Code, § 312-50.3.1.) The finding that the proposed amendments are in the public interest is solely premised on the need to make the zoning ordinance consistent with the General Plan. However, to the extent the proposed revisions allow changes in uses that may detrimentally impact drinking water quality, they are not in the public interest. Accordingly, adopting revisions to the abovementioned sections would neither be in the public interest nor support a finding that the amendments are in the public interest.

We look forward to working with you on addressing these concerns before the zoning text amendments as currently drafted are approved. Thank you for considering our comments and concerns.

Respectfully,



John Friedenbach
General Manager

Cc: Anne L. Baptiste, Thomas Law Group
John Ford, Director, Humboldt County Planning & Building

Attachment A



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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GENERAL MANAGER

JOHN FRIEDENBACH

April 3, 2019

Humboldt County Planning Department

John Ford Director

Via Email: JFord@co.humboldt.ca.us

Re: Humboldt County Zoning Language Updates

Dear Mr. Ford,

This letter addresses the Humboldt Bay Municipal Water District's renewed concerns with the General Plan Update, Zoning Text Amendments to be discussed at your April 4, 2019 Planning Commission meeting. We operate four intake wells along the Mad River where we collect groundwater to provide drinking water to over 88,000 customers in Humboldt County. Immediately adjacent to the wells is APN 504-161-010-000, also known as the Mercer Fraser property, wherein mining, and other unpermitted activities such as processing and storage occur. This poses a continuing threat to our community's health and water security and the District continues to be concerned that the zoning ordinance will be used to summarily permit previously unpermitted activities or prior potentially illegal activities rather than being a forward-looking tool to adequately protect the health, safety, and welfare of your constituents.

We understand that you are only considering text amendments at this point. However, to the extent that the text amendments will affect the Mercer Fraser property and other properties along the Mad River watershed, we have the following objections and concerns.

1. Section 314-7.1 adds surface mining as a use permitted with a use permit in the AE zone. This is inconsistent with the Humboldt County General Plan Table 4-G. In approving the General Plan, the County determined that surface mining is not a use compatible with the County's vision or interests and, thus, made the decision not to permit surface mining in AE. To approve the proposed zoning text would be directly contrary to the County's General Plan. We oppose this change.
2. Section 314-7.4 adds oil and gas drilling and processing, mineral mining, and surface mining as uses permitted with a use permit in TPZ-Timberland Production Zones. It is unclear whether the impacts of allowing these uses were studied in the EIR. The District is concerned that the potential environmental impacts of oil and gas drilling in the Mad River watershed could negatively impact water quality. We oppose this change.
3. The limitations applicable to streamside management areas in 314-61.1 do not apply to mining operations. Section 61.1.9.2.5 provides "Development within Streamside Management Areas shall be limited to the following: ... Normal, usual and historical agricultural and surface mining practices and uses which are principally permitted within the SMA shall not be considered development for the purposes of this standard." There is no reason not to apply the streamside management protections to mining operations where, as a preliminary matter, the zone is established to abate erosion, runoff, and debris and encourage vegetation. These goals are at odds with the carte blanche permission to allow mining operations in the zone. Further, the term "historical" is vague; a plain reading shows that it would allow mining operations that operated at any time in the past on the site, whether permitted or not.

Finally, there is no limitation on the size of such an operation so any current or historic use could be expanded without any review. If mining operations are to be permitted in the zone at all, such use would be appropriately analyzed and permitted by the County via individual application. We oppose this change.

We have raised these concerns multiple times in previous correspondence with the Planning Department and/or Planning Commission. We specifically submitted written comments via email March 21, 2019, albeit the day of the meeting, comments that were excluded from the staff report prepared for your April 4th meeting on these issues.

We look forward to working with you on addressing these concerns before the text amendments are approved. Thank you for considering our comments and concerns.

Respectfully,



John Friedenbach
General Manager

Cc: Leslie Walker, Thomas Law Group
John Miller, Senior Planner, Humboldt County Planning & Building



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GENERAL MANAGER

JOHN FRIEDENBACH

June 6, 2019

Adam Jager
General Manager
Ruth Lake CSD
12200 Mad River Road
Mad River, CA 95552

Dear Adam,

The District (HBMWD) is very supportive of Ruth Lake CSD's efforts to secure law enforcement services from Trinity County Sheriff. We are extremely pleased to hear that this summer, there will be law enforcement on Ruth Lake.

Per our discussion earlier this week, enclosed is a check in the amount of \$5,000 to assist only with the costs of law enforcement on Ruth Lake, including enforcement of the Prevention Plan for Quagga and Zebra Mussels at Ruth Lake.

If you have any questions, please don't hesitate to contact me. Will see you at our Joint Board meeting on July 19th if not sooner.

Sincerely,

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

John Friedenbach
General Manager

CONTINUING BUSINESS

Times Standard 5/22/2019

By [RUTH SCHNEIDER](#) | rschneider@times-standard.com | Eureka Times-Standard
May 21, 2019 at 9:14 pm

Nordic Aquafarms: Humboldt County ‘best location on West Coast’ for fish farm

Company plans to create 80 local jobs



Nordic Aquafarms executive Marianne Naess talks about the treated water from a large land-based fish farm that would be pumped into the ocean offshore of Samoa during her presentation on Tuesday night in Eureka. (Shaun Walker -- The Times-Standard)

A Nordic Aquafarms executive was on hand this evening at the Wharfinger Building in Eureka to provide a look at what residents can expect from the first planned land-based fish farm on the West Coast.

The Norway-based company plans to build a fish farm at the site of the former Louisiana Pacific Sawmill on the Samoa Peninsula. The project is slated for 30 acres at the site and the company hopes to see the facility constructed in the next few years with a goal of fish heading to market in five years.

"We want to be here," said Nordic Aquafarms' Marianne Naess. "It's the best location on the West Coast."

While answering questions from some of the estimated 70 to 80 residents who showed up for the presentation, Naess described the scope of the project, its local impacts and the company's green goals.

Naess said with increasing populations over the next few decades, "there is a need for producing more sustainable protein."

"Consumption of fish in the United States grows 7% to 9% per year," she added, noting that even if the ocean ecosystems were restored that kind of quantity could not be produced by ocean fisheries. She also noted that 90% of fresh seafood in the U.S. is imported.

Nordic Aquafarms' answer is to "scale up aquaculture" with a goal of producing nearly 23,000 metric tons of fish at the farm planned for Humboldt County. A similar project based in Maine aims to supply a similar amount to East Coast consumers.

Naess said the end product is a fresh, good fish that is traceable from the time it hatches to the time it hits the market.

"As a European, it's a little scary going grocery shopping in the United States," said Naess, who is Norwegian. "You don't know what's in it. I don't know if there is GMO."

Nordic Aquafarms, she said, does not allow GMO in its fish foods; it also prohibits the use of pesticides, antibiotics and artificial colors. While the company is still considering what the product will be — either steelhead or salmon at the Humboldt County plant — "our strategy is to deliver fresh, high-quality fish with a minimal footprint."

During the presentation, the audience intermittently threw out questions. One frequent commenter, who did not identify himself, asked about environmental concerns and said the outflow pipe at the defunct sawmill was "broken" and "looked like Swiss cheese."

"We have video of the pipeline and receive annual reports," said Harbor District executive director Larry Oetker in response to the concern.

The same commenter later asked Naess whether she would drink the discharge water, to which she responded yes.

"It's pretty clean water," she said noting the only drawback is the salinity. "It's not wastewater; it's discharge."

Another person asked about partnerships with Humboldt State University and College of the Redwoods.

"That's one of the reasons we came here," Naess said. "There is a good scientific community here."

Naess said the overall project is a \$400 million investment in the community. She added that there will be the facility on 30 acres and another 20 acres is being looked at for a solar park that will cover about 15% to 20% of the facility's power needs.

She said the Samoa project will include about 80 local, full-time positions that range from vocational jobs to "fish geek" positions such as marine biologists that require undergraduate and graduate degrees.

"We will pay a good livable wage with benefits," she said.

This year, the company is working on engineering issues and beginning the permitting process. They hope to have the permitting completed by next year and a "construction-ready project" in 2021.

"From construction start to fish on the market takes about 3 to 3.5 years," she said.

Ruth Schneider can be reached at 707-441-0520.

Company rep: Fish farm grades high on 'environmental scorecard'

Daniel Mintz
MAD RIVER UNION

HUMBOLDT - A representative of a Norway-based aquaculture company described a land-based fish farm facility planned for Humboldt as one that will emit clean discharge, virtually eliminate the risk of escapes and disease, and won't use GMOs, antibiotics or hormones.

Humboldt County is poised to become the capital of aquaculture on West Coast, as the Nordic Aquafarms company is proceeding with an effort to build a fish farm on the Samoa Peninsula.

Last February, the county's Harbor District approved a lease with the company for use of 30 acres of the former Louisiana Pacific pulp mill site

for the aquaculture facility, with an option for an additional 20 acres for a solar energy park.

At a public meeting held at Eureka's Wharfinger Building on May 21, Marianne Naess, Nordic Aquafarms' commercial director, told an audience of about 40 people that the "environmental scorecard" for the project rates high in all categories.

"We are taking out 85 percent of the nitrogen in the discharge and 95 percent of the phosphorous, biological oxygen demand, and total suspended solids," she said. "So it's a fairly clean discharge."

She described the quality of the discharge treatment as "probably the highest you can find in this industry as of today" and said there will be "sev-

eral layers of treatment in our wastewater treatment plant to be able to achieve this."

Naess also said the risk of parasites and disease will be virtually eliminated. The possibility can't be completely ruled out, she added, but the company hasn't had any disease in its existing facilities and the level of disease elimination will be "99.9 percent."

The type of fish feed to be used will be based on best quality, she continued, and will contain no anti-biotics, GMOs or growth hormones. She said algae- or insect-based feed is in development and if possible, will be used instead of fish meal.

The company has three facilities in Norway and is building its first U.S.

FISH FARM ♦ **A2**

Mad River Union - Wed., May 29, 2019

Fish farm | Would produce 22,700 metric tons of fish,

create 80 jobs

❖ FROM A1

facility in Belfast, Maine. The Humboldt facility will be the company's fifth and like the others, will use a recirculating aquaculture system.

Naess said that the Humboldt facility will produce 22,700 metric tons of gutted fish per year and serve a West Coast market of 50 million customers. It represents a \$400 million investment.

The planned facility's discharges will be 1.5 miles offshore. Discharge content was a focus of audience ques-

tions.

After explaining that 85 percent nitrogen removal is a "fairly high number," Naess was asked, "Would you swim in the wastewater that you're making?"

"Yes, I would swim in it," she responded. "I could even drink it, except for the salinity."

When another audience member asked if the discharge could be compared to the water in an aquarium, Naess said that it's "way, way cleaner."

She described the facility's discharges to be too clean to be labelled as wastewater.

Audience questioning also focused on the type of fish species that will be produced. Naess ruled out production of GMO fish, saying she wouldn't eat it herself.

On species type, she said Atlantic salmon and steelhead salmon are being considered. There seems to be a public preference for steelhead, she continued, but market research is underway and a firm determination hasn't been made.

"It's going to be a long discussion" Naess said. "Ulti-

mately, we will produce what we get a permit for the market wants."

She added, "We will ensure that we are making choice for California and the West Coast, and the others."

The fish produced will be very high quality, so as currents will be constantly flowing through the holding areas. That will allow for "24/7 exercise firm-fleshed fish product."

Asked about its price per pound, Naess said the price for farmed fish is in the \$10 per pound and the price for wild-caught fish is \$16 to \$17 per pound. Nordic's fish will be priced "somewhere in between."

Former Humboldt State University President Richmond was in the audience and asked if the University and College of the Redwoods will be tapped for "economic, sociological and scientific advice."

Naess said they will be and the collaboration ready begun. "That's one of the reasons we came that there is a scientific community and a lot of graduates to work at the facility," she continued.

Earlier, Naess had said the Humboldt County best possible choice on the entire West Coast.

She outlined the project's potential schedule, with applications envisioned to be completed in 2020 and construction starting in 2021.

Naess said that the company hopes to begin in five years from now.

When fully operational, the facility will provide time jobs.

T|L|G Thomas Law Group

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NICHOLAS S. AVDIS
Of Counsel

May 29, 2019

Mr. John Ford, Director and
Planning Commissioners
Humboldt County Planning and Building Department
3015 H Street
Eureka, CA 95501

RE: Application by Michael Brosgart and Arielle Brosgart; APN 516-111-064

Dear Director Ford and Commissioners:

Thomas Law Group submits this letter on behalf of Humboldt Bay Municipal Water District (District) to express concern about the County's intent to approve the proposed Glendale Cannabis project (Project), to be located at APN 516-111-064, on the property known as 1691 Glendale Drive, McKinleyville, CA 95519, based on an environmental analysis contained in a mitigated negative declaration (MND). As discussed in detail below, the County must analyze the proposed Project in an environmental impact report (EIR) to properly understand the scope of impacts before it makes a determination on whether to approve the Project.

The Project proposes a cannabis wholesale nursery, indoor cultivation, processing, volatile and non-volatile extracting manufacturing, and distribution on a 1.77 acre site that lies approximately 550 feet from Hall Creek, which drains into the Mad River, and approximately 2,000 feet from the Mad River itself.

The District is a municipal water district, which supplies high quality water to the greater Humboldt Bay Area, including 88,000 residents of Humboldt County. It operates intake wells in the Mad River, which are located downstream of both the Project site and the point at which Hall Creek flows into the Mad River.

The District is concerned that Project construction and operation will result in contaminated soils and groundwater flowing into Hall Creek to the Mad River and, ultimately, into the District's downstream intake wells. An EIR is required because there is a fair argument that the Project may result in significant environmental impacts related to contaminated soil and groundwater. In addition, adoption of the MND at this time is improper because the County failed to provide proper notice to the District, as required by law.

1. The Project Improperly Relies on a Mitigated Negative Declaration Where There is a Fair Argument that the Project Will Result in Significant Environmental Impacts Related to Contaminated Soils and Groundwater.

A lead agency may not rely on an MND for project approval where substantial evidence supports a fair argument that the project may have a significant impact on the environment. (*Clews Land & Livestock, LLC v. City of San Diego* (2017) 19 Cal.App.5th 161, 183-184.) This standard sets a “low threshold” for preparation of an EIR, such that an EIR must be prepared if there is a “reasonable probability” that the project will result in a significant impact. (*Consolidated Irrig. Dist. v City of Selma* (2012) 204 Cal.App.4th 187, 207; *Sundstrom v County of Mendocino* (1988) 202 Cal.App.3d 296, 309, citing *No Oil, Inc. v. Los Angeles* (1974) 13 Cal.3d 68, 83, fn. 16.) Here, there is a reasonable probability that contaminated soil and groundwater will be disturbed during Project construction, which may result in a significant environmental impact.

Impacts Related to Potential Pentachlorophenol Contamination

The Project site is located on land that was used for timber processing for decades. The timber processing activities included the use of highly toxic pentachlorophenol (PCP) and tetrachlorophenol (TCP) wood preservatives. Use of these chemicals led to significant levels of contamination beneath and near the “green chain,” which was a conveyor system where lumber was moved, sorted, and submersed in solutions containing PCP and TCP. Figure 2 in the Phase II shows that the former “green chain” lies approximately 700 feet to the west of the Project site.

The MND suggests that the contaminated area near the green chain was remediated under DTSC oversight. In doing so, the MND improperly relies upon the 2003 Phase II and fails to address the fact that remedial measures have failed, such that PCP concentrations have skyrocketed above the maximum contaminant level (MCL) of 1 µg/L at numerous monitoring wells surrounding the former green chain. Grab groundwater samples in 2005 contained PCP and TCP concentrations as high as 16,000 µg/L and 1,500 µg/L, respectively. (Exhibit A [DTSC Decertification Letter, Dec. 28, 2018], p. 3.) DTSC explained that groundwater elevations rose approximately 15 feet since 2002 causing groundwater to come into contact with PCP- and TCP-impacted soil, which has resulted in “mobilizing hazardous substances from soil to groundwater.” (*Ibid.*) During the most recent groundwater sampling event of monitoring wells surrounding the former green chain area, PCP levels exceeded the MCL in 4 of 8 wells sampled, reaching as high as 570 µg/L, and the levels of PCP in each of those wells had increased since the prior sampling event in 2016. (Exhibit B [Second Quarter 2017 Groundwater Monitoring Report], p. 4-1, 5-1.) Significantly, PCP levels increased and exceeded the MCL at MW-11—the monitoring well closest to the Project site. (Exhibit B, Figure 3 & Table 2.) In December 2018, DTSC rescinded the prior Remedial Action Certification finding “soil and groundwater contamination at the Site is not under control and the implemented remedial actions are no longer protective of human health and the environment.” (Exhibit A, p. 1.)

The depth to groundwater at the Project site may be as little as 7 feet below ground surface. The MND states construction of the sewer line would require excavation to depths of 6-8 feet. Given

DTSC's finding that groundwater contamination is no longer under control and remedial actions are no longer protective of human health and the environment, it is possible that the groundwater under the site is contaminated with PCP and has contaminated the soil at the Project site as well. Therefore, it is possible that contaminated groundwater and soil will be encountered during excavation. Moreover, installing sewer lines will provide a preferential pathway likely to further exacerbate migration of any contaminants present in the soil or groundwater. Accordingly, further study is necessary to determine: (1) the extent of contamination at the Project site; (2) whether installing a sewer line will exacerbate the plume's migration; and (3) the environmental impact of excavating potentially contaminated soil and groundwater.

As the water provider for 88,000 residents of Humboldt County, the District is concerned that construction activities will result in PCP from contaminated groundwater and soil flowing into Hall Creek to the Mad River and, ultimately, into the District's downstream intake wells. At minimum, the fact that the PCP plume is migrating and may have contaminated the Project site constitutes substantial evidence to support a fair argument that the Project may result in a significant environmental impact.

Impacts Related to Potential Hydrocarbon Contamination

In addition, part of the Project will involve volatile extraction manufacturing, using hydrocarbon based solvents. The MND fails to analyze the potential environmental impacts related to potential hazardous material spills on site arising from the transport, storage, or use of the hydrocarbon solvents on the Project site. While the MND recognizes that a spill or accident involving the solvents is "foreseeable," it simply concludes, without analysis, that such a spill or accident would be unlikely to create a significant hazard to the public or environment. In particular, the MND fails to address the potentially significant impact to the District's water supply if a hazardous material release occurred on the Project site. Given that the MND admits hazardous material "spill or accident conditions" are "foreseeable," an EIR is required to analyze the impacts of such a spill or accident on the environment, particularly on the County's drinking water supply.

2. The County Failed to Comply with CEQA's Notice Requirements.

One of CEQA's primary purposes is to ensure informed decisionmaking and public participation. (*Clews Land & Livestock, LLC, supra*, 19 Cal.App.5th at p. 183.) "[N]oncompliance with the information disclosure provisions of [CEQA] which precludes relevant information from being presented to the public agency . . . may constitute a prejudicial abuse of discretion . . . regardless of whether a different outcome would have resulted if the public agency had complied with [the information disclosure] provisions." (Pub. Resources Code, § 21005(a).)

CEQA requires notice of the intent to adopt a mitigated negative declaration to individuals and organizations that previously submitted written requests for notice. (Pub. Resources Code, §§ 20192(b)(3), 21092.2(a); CEQA Guidelines § 15072(b).) On May 21, 2018, the District submitted a written request for notice of all development projects within the Mad River Watershed proposed under Industrial/Commercial related zoning. Despite its request, the District was not properly

notified of the County's intent to adopt the MND. Because the MND was sent to the State Clearinghouse, the statutorily required notice and comment period was to run 30 days. (CEQA Guidelines, § 15073(a).) Accordingly, the public notice and comment period was open from April 4 to May 3, 2019. However, the District was not provided notice until April 15, 2019, 11 days into the comment period. This constitutes a failure to provide proper notice pursuant to CEQA sections 21092(b)(3) and 21092.2(a) as well as Guidelines section 15072(b).

Additionally, CEQA Guidelines section 15073(c) requires a notice of intent to adopt a proposed MND be sent to every "public agency with jurisdiction by law over resources affected by the project." Given that the District is legally authorized to supply drinking water to the residents of Humboldt County and that the Project could impact drinking water supplies of over 80,000 customers, the District is unquestionably a public agency with legal jurisdiction over a resource affected by the Project. As discussed above, the County failed to provide timely notice to the District because it did not notify the District of the intent to adopt the MND until 11 days into the notice and comment period. Because the County provided less than 30 days' time to the District to comment on the Project, the County failed to comply with CEQA Guidelines section 15073. A failure to provide notice to public agencies listed in CEQA Guidelines section 15073 may constitute prejudicial error, warranting the MND to be set aside. (*Fall River Wild Trout Foundation v. County of Shasta* (1999) 70 Cal.App.4th 482, 493 [finding prejudicial abuse of discretion arising from lack of notice to relevant public agency]; see *Gentry v City of Murrieta* (1995) 36 Cal.App.4th 1359, 1387-1388 ["caution[ing] that the initial study is not necessarily the *only* basis for finding that a proposed negative declaration must be sent to another public agency" with jurisdiction over an affected resource and concluding that failure to notify a public agency as required under CEQA Guidelines section 15073(b) constituted an abuse of discretion] (emphasis original).) Had the required notice been timely provided to the District, the District would have lodged the above arguments in opposition to the MND within the notice and comment period. (See *Fall River Wild Trout Foundation, supra*, 70 Cal.App.4th at p. 493 [discussing prejudice to the public based on unavailability of comments from relevant agency due to lack of notice to the agency].)

In sum, adoption of the MND is improper on procedural and substantive grounds. The County failed to provide notice as required by CEQA, impairing informed decisionmaking and public participation. Furthermore, there is substantial evidence to support a fair argument that the Project may have significant environmental impacts related to contamination of soils and groundwater on the Project site. An EIR is required to adequately analyze these impacts and provide mitigation to prevent any potential contamination of District water.

Respectfully,



Anne Baptiste

cc: Humboldt Bay Municipal Water District

Exhibit A

Available at

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



Matthew Rodriguez
Secretary for
Environmental Protection



Department of Toxic Substances Control

Barbara A. Lee, Director
700 Heinz Avenue
Berkeley, California 94710-2721



Edmund G. Brown Jr.
Governor

December 28, 2018

Mr. Charles D. Aalfs
Blue Lake Forest Products, Inc.
4175 Cloverway Drive
Redding, California 96002
danaalfs@gmail.com

Ms. Jennifer Finch and Mr. Robert Schultz
P.O. Box 146
Arcata, California 95518
magnaws@gmail.com

**DECERTIFICATION, MCNAMARA AND PEEPE LUMBER MILL, GENDALE,
HUMBOLDT COUNTY, CALIFORNIA**

Dear Mr. Aalfs, Ms. Finch, and Mr. Schultz:

The Department of Toxic Substances Control (DTSC) issued a Remedial Action Certification on March 9, 1998 for McNamara and Peepe Lumber Mill (Site) upon implementation of the remedial actions pursuant to the December 4, 1994 Remedial Action Plan. However, subsequent soil and groundwater investigations have revealed that soil and groundwater contamination at the Site is not under control and the implemented remedial actions are no longer protective of human health and the environment. Therefore, DTSC rescinds the March 9, 1998 Remedial Action Certification and issues this Decertification based on the following findings:

Site Identification and Landowners: The Site is located in Glendale, an unincorporated community in Humboldt County, approximately 0.9 miles southeast of the City of McKinleyville and approximately 1.2 miles northwest of the City of Blue Lake, Humboldt County, California. The Site occupies approximately 26 acres with nine Assessor's Parcel Numbers (APNs). The current landowners of the Site are (a) Blue Lake Forest Products, Inc. and (b) Jennifer Finch and Robert Schultz.

Mr. Aalfs, Ms. Finch, and Mr. Schultz
December 28, 2018
Page 2

- Blue Lake Forest Products, Inc. owns seven parcels with APNs 516-091-020, 516-101-040, 516-101-060, 516-111-062, 516-111-063, 516-111-064, and 516-111-066 located on 1619 Glendale Drive.
- Jennifer Finch and Robert Schultz own two parcels with APNs 516-151-003 and 516-151-004 located on 1678 Glendale Drive.

1998 Remedial Action Certification: On December 5, 1994, DTSC approved the Remedial Action Plan with the following remedies for the Site:

- Consolidation of pentachlorophenol (PCP) and tetrachlorophenol (TCP) contaminated soils at the Green Chain area and installation of a new cap over such contaminated soils at areas encompassing APNs 516-101-060 and 516-111-063;
- Surface water and groundwater monitoring; and
- A land use covenant prohibiting any site activities which may compromise the integrity of the cap located at areas within APNs 516-101-060 and 516-111-063 and concrete slab located at an area within APN 516-151-003, as well as prohibiting development of these areas for uses for a residence, long-term care hospital, day-care facility, and school.

On March 9, 1998, DTSC issued the Remedial Action Certification stating that (a) all appropriate remedial actions have been completed, (b) a deed restriction was recorded the County's Recorder Office, and (c) long-term surface water and groundwater monitoring are necessary at the Site.

Subsequent Investigations and Contamination: During groundwater monitoring events conducted from 1997 through 2002, PCP concentrations were predominately below the cleanup goal of 1 µg/L and TCP concentrations were all below the laboratory reporting limit of 1 µg/L. In April 2002, Blue Lake Forest Products, Inc. declared bankruptcy and ceased groundwater pumping from an onsite lumber mill production well PW-1, which caused a rise of the groundwater elevation to approximately 15 feet higher than the previous groundwater elevation measured while the production well was operational. Since April 2002, groundwater has been in contact with the PCP- and TCP-impacted soil beneath the cap, thereby mobilizing hazardous substances from soil to groundwater.

Mr. Aalfs, Ms. Finch, and Mr. Schultz
December 28, 2018
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Grab groundwater samples collected in May 2005 at various Site locations contained PCP and TCP concentrations as high as 16,000 µg/L and 1,500 µg/L, respectively. From December 2003 through May 2017, PCP and TCP have been detected in groundwater monitoring wells at concentrations up to 2,200 µg/L and 120 µg/L, respectively.

On April 22, 2008, DTSC issued an Imminent and Substantial Endangerment Determination, Docket No. I&SED 07/08-009 for this Site, because there has been a release or a threatened release of hazardous substances at the Site.

The former saw mill area, located within APNs 516-111-062 and 516-111-063, is partially unpaved and located adjacent to the cap at the Green Chain area encompassing APNs 516-101-060 and 516-111-063. The former saw mill building at the former saw mill area was demolished in 2006. Portions of the building foundation, in poor condition, remain at the former saw mill area. In 2010 and 2011, DTSC conducted investigation at the former saw mill area and found PCP concentrations in soil ranging from 1.8 mg/kg to 40 mg/kg, above the PCP cleanup goal of 1.75 mg/kg established in the 1994 Remedial Action Plan.

Therefore, the remedy selected in the 1994 Remedial Action Plan is no longer protective because (a) rising groundwater level have mobilized PCP/TCP in soil beneath the Green Chain area cap due to cessation of production well pumping in 2002; (b) surface water can percolate through PCP/TCP-impacted soil present below the former saw mill area as this area is partially unpaved and/or covered with a building foundation in poor condition; and (c) PCP/TCP can migrate offsite in groundwater or surface water runoff across the former saw mill area. Since the former saw mill area is partially unpaved and the pavement is in poor condition, people also run the risk of coming into direct contact with the contaminants. Therefore, additional remedial action is necessary to prevent potential exposures and rainwater infiltration at the former saw mill area.

Remedial Action Plan Amendment: To address the contaminated soil and groundwater, DTSC plans to prepare a Remedial Action Plan Amendment and select the appropriate remedy or remedies necessary to mitigate the impact of hazardous substances at the Site. The Remedial Action Plan Amendment will evaluate a range of the alternatives including capping of the former saw mill area, enhanced biodegradation of chemicals in groundwater, long-term groundwater monitoring, and amending the land use covenant.

Mr. Aalfs, Ms. Finch, and Mr. Schultz
December 28, 2018
Page 4

If you have any questions, please contact Henry Wong of my staff at (510) 540-3770 or henry.wong@dtsc.ca.gov.

Sincerely,



Janet Naito
Branch Chief
Site Mitigation and Restoration Program

cc: Stephanie Lai
Senior Staff Counsel
DTSC - Office of Legal Counsel
stephanie.lai@dtsc.ca.gov

Garry Rees
Streamline Planning Consultants
garry@streamlineplanning.net

Chad Waters
CEO
Royal Gold LLC
chadwaters707@gmail.com

Exhibit B

Full Report available at

https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/8077635049/Groundwater%20Monitoring%20Report%2C%20May%202017%20%5BSGI%207-19-17%5D.pdf

**SECOND QUARTER 2017
GROUNDWATER MONITORING REPORT**

**McNamara and Peepe Lumber Mill
1619 and 1678 Glendale Drive
Arcata, California**

01-DTSC-006

Prepared For:

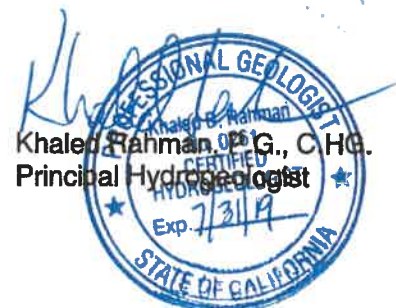
California Department of Toxic Substances Control
700 Heinz Avenue
Berkeley, California 94710
Contract No. 14-T3913

Prepared By:



The Source Group, Inc., A division of Apex Companies, LLC.
3478 Buskirk Avenue, Suite 100
Pleasant Hill, California 94523

July 19, 2017



Khaled Rahman, P.G., C.H.G.
Principal Hydrogeologist

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1.0 INTRODUCTION

The Source Group, Inc., a division of Apex Companies, LLC. (SGI-Apex), has prepared this *Second Quarter 2017 Groundwater Monitoring Report* (Report) for the McNamara and Peepe Lumber Mill located at 1619 and 1678 Glendale Drive in Arcata, California (hereinafter the Site, Figure 1). This Report and the scope of work presented herein were conducted for the California Environmental Protection Agency (Cal/EPA), Department of Toxic Substances Control (DTSC) under Contract No. 14-T3913.

This Report presents the results of the groundwater monitoring and sampling event conducted at the Site on May 8, 2017. The field activities were conducted in general accordance with the *Soil and Groundwater Investigation Work Plan* (Work Plan; URS Corporation [URS], 2011). This Report summarizes the monitoring and sampling field activities, laboratory analytical results for pentachlorophenol (PCP) and 2,3,4,6-tetrachlorophenol (TCP), water quality parameters, and quality assurance protocols. In response to a DTSC request, the concrete slab at the “new” dip tank building (Dip Tank Building), which is located at 1678 Glendale Drive, was also inspected during the May 2017 event.

2.0 SITE BACKGROUND

The Site is a former lumber mill located in an unincorporated area of Humboldt County, approximately one mile southeast of McKinleyville, California and five miles northeast of Arcata, California. The Site operated as a lumber mill under multiple owners from the 1940s until 2002 (URS Corporation [URS], 2011). A detailed summary of background information for the Site is presented in a *Five-Year Comprehensive Review* prepared by the DTSC (DTSC, 2014). The following section provides a brief overview of the Site.

2.1 Site and Vicinity Description

As shown on Figure 2, the Site totals approximately 21 acres located north and south of Glendale Drive (DTSC, 2014). The northern portion of the Site is located at 1619 Glendale Drive (Assessor Parcel Numbers [APNs]: 516-111-062 and 516-111-063) and consisted of the former Green Chain area, Saw Mill, Planer Chain, and a groundwater production well (URS, 2011). The 1619 Glendale Drive portion of the Site is currently leased to Royal Gold for storage and distribution of potting soil and compost. The southern portion of the Site is located at 1678 Glendale Drive (APNs: 516-151-003 and 516-151-004) and is the location of the Dip Tank Building. Based on the findings of our Site walk (see below), the 1678 Glendale Drive portion of the Site is currently owned by Gary Johnson and is used for equipment and vehicle maintenance storage.

The Site is surrounded by residential and commercial/light industrial properties to the west, north, east and south. The Mad River is located approximately 0.25 miles south of the Site.

2.2 Geological and Hydrogeological Setting

The Site is located in the Dows Prairie Subbasin, which is the northern portion of the Mad River Groundwater Basin (California Department of Water Resources [DWR], 2004). The Hookton Unit is the primary water-bearing unit in the Dows Prairie Subbasin and underlain by the Franciscan Formation (DWR, 2004). The Hookton Unit consists of fine-grained (clay) and coarse-grained (sand and gravel) intervals that are approximately 150-200 feet in depth (DWR, 2004).

Previous investigations conducted at the Site indicate that the shallow subsurface consists of alluvial and terrace deposits composed of fine-grained silts and clays, and coarse-grained sands and gravels. Based on previous investigations, groundwater was measured at depths of approximately 8.0 feet below ground surface (bgs) to 30 feet bgs and generally flows to the south-southwest toward the Mad River (URS, 2011).

2.3 Historic Land Use

McNamara and Peepe operated the lumber mill from 1969 until they filed for bankruptcy in 1985 (DTSC, 2014). Chemical fungicides containing PCP and TCP were applied to processed lumber at the Site in dip tanks or with spray applications from 1967 to 1984 (URS, 2011). Dip tanks were present near the Green Chain area on the 1619 Glendale Drive portion of the Site (Figure 3), and in

the Dip Tank Building on the 1678 Glendale Drive portion of the Site (Figure 2). Spray applications were conducted at the Planer Chain building (Figure 2). During this period, several incidents of improper storage, spills, and leaks are documented (DTSC, 2014). Blue Lake Forest Products leased and operated the mill without the use of PCP and TCP from 1986 until lumber mill operations ceased at the Site in 2002 (DTSC, 2014).

2.4 Regulatory Oversight

Regulatory oversight of the Site was conducted by the North Coast Regional Water Quality Control Board (NCRWQCB) from 1968 to 1984 and included establishment of waste discharge requirements (WDRs) for the Site (URS, 2011). In 1982, NCRWQCB adopted WDRs, issued a Cease-and Desist Order (Order No. 82-3; the Order), required the lumber mill operator to cease discharge of fungicide wastes, determine the source of the discharge, prepare a plan for eliminating discharges, and implement the plan according to the schedule outlined in the Order (URS, 2011). DTSC became the lead oversight agency for the Site in 1984 and issued a Remedial Action Order (RAO; No. 88/89-023), which was amended in 1996 (No. 95/96-072). In 2008, DTSC issued an Imminent and Substantial Endangerment Determination (ISED No. 07/08-009; DTSC, 2008).

2.5 Remedial Activities

DTSC approved a *Remedial Action Plan* (RAP) for the Site in 1994 (DTSC, 2014). The former Green Chain area and former Saw Mill building were identified as the source area for PCP and TCP in soil and groundwater (Figure 3). A concrete cap over the Green Chain area was selected as a remedy for the Site and was constructed in 1998 (DTSC, 2014). A land use covenant (LUC) was issued in 1998 to restrict use in two areas of the Site: the "Cap Restricted Area" on the former lumber mill property located at 1619 Glendale Drive and the "Concrete Slab Restricted Area" located in the Dip Tank Building located at 1678 Glendale Drive. Routine assessments of the concrete cap indicate the condition of the cap was excellent. Since construction of the concrete cap, the former Saw Mill building has been demolished.

Elevated PCP concentrations (>1,100 micrograms per liter [$\mu\text{g/L}$]) in groundwater were detected in Site monitoring wells during the 2003 annual monitoring event. A remedial investigation (RI) was conducted in 2005 to evaluate the source of the elevated PCP concentrations in groundwater (DTSC, 2014). The RI concluded that dissolution of PCP and TCP from soil into groundwater was due to a rise in groundwater elevations of up to 15 feet across the Site since 2001. The rise in groundwater elevations was attributed to cessation of groundwater extraction from production well PW-1 in the northern portion of the Site in 2002 (DTSC, 2014).

2.6 Groundwater Monitoring Well Network

The groundwater monitoring well network consists of wells MW-1, MW-5, MW-7, MW-8, MW-9, MW-11, and MW-12, which are located at 1619 Glendale Avenue, and well MW-10 offsite on Glendale Avenue (Figure 3). As summarized on the table below, well construction details indicate that the monitoring wells are screened to maximum depths of 25 feet bgs, except for well MW-7,

which is screened from 22 feet bgs to 37 feet bgs. Readily available groundwater monitoring well logs are included in Appendix A.

Well Name	TOC (feet amsl)	Screened Interval (feet btoc)
MW-1	90.92	19-23
MW-5	93.25	18-23
MW-7	98.90	22-37
MW-8	96.04	8.5-24
MW-9	99.65	21-25
MW-10	95.65	9-24
MW-11	91.70	9.5-24.5
MW-12	91.73	10-20

Notes:

TOC = top of casing
amsl = above mean seal level
btoc = below top of casing

2.7 Recent and Planned Activities

Groundwater monitoring events conducted in December 2016 were documented in the *Fourth Quarter 2016 Groundwater Monitoring Report*, which included supplemental analytical results collected to support an evaluation of remedial alternatives (SGI-Apex, 2017). A remedial alternative evaluation for PCP and TCP in groundwater is in preparation.

3.0 GROUNDWATER MONITORING ACTIVITIES

3.1 Groundwater Monitoring Wells

On May 8, 2017, eight (8) groundwater monitoring wells (MW-1, MW-5, MW-7, MW-8, MW-9, MW-10, MW-11, and MW-12) were gauged and sampled. Field data forms are included in Appendix B.

3.2 Groundwater Sampling Activities

Groundwater sampling activities were completed in accordance with the Groundwater Monitoring Well Low Flow Sampling Standard Operating Procedure (SOP-005) included in Appendix D of the Work Plan (URS, 2011). No deviations from the SOP were noted. Sampling activities consisted of the following:

- Depth to groundwater and total depth were gauged in each monitoring well to the nearest 0.01 foot using an electronic water level indicator;
- Low-flow sampling methods were used to collect samples from groundwater monitoring wells. Well purging and water quality parameters (pH, temperature, specific conductance, dissolved oxygen [DO], and oxidation-reduction potential [ORP], turbidity, and total dissolved solids [TDS]) using a water quality meter were recorded on groundwater sampling forms (Appendix B);
- One duplicate sample was collected from well MW-1 for quality assurance/quality control (QA/QC) purposes;
- Sample containers provided by the analytical laboratory were labeled with a unique sample identification number consistent with previous sampling events (e.g., MW-1), date and time of sample collection, sampler, preservation, and analytical method; and
- Samples were submitted to North Coast Laboratories of Arcata, California, a California State Environmental Laboratory Accreditation Branch (CA ELAP)-certified laboratory under standard chain-of-custody protocols.

3.3 Laboratory Analysis

Groundwater samples were analyzed for:

- PCP and TCP by Canadian Pulp Method (Chlorinated Phenols) National Council for Air and Stream Improvement (NCASI) 86.07.

Laboratory analytical reports are presented in Appendix C.

3.4 Investigation-Derived Waste Disposal

Purgewater and decontamination water produced during sampling activities were stored onsite in a Department of Transportation (DOT)-approved 55-gallon drum. The drum was transported to the

Woodward Drilling Company, Inc. wastewater treatment facility, in Rio Vista, California on May 9, 2017 (Appendix D).

3.5 Site Walk of 1678 Glendale Drive Dip Tank Building

A reconnaissance of the concrete slab floor of the Dip Tank Building located at 1678 Glendale Drive was completed in response to an April 21, 2017 DTSC email request. Prior to the monitoring event, contact information for the owner of this property was not readily available. During the monitoring event, an onsite facility representative indicated that Gary Johnson was the property owner. During a subsequent discussion, Mr. Johnson verbally approved access to the property for inspection.

The condition of the concrete slab floor of the Dip Tank Building appeared similar to DTSC's 2007 observations documented in the Annual Inspection Report (DTSC, 2007). The building is largely used to store vehicles and maintenance equipment. Localized oil staining and surface deterioration (e.g., chatter marks) were observed. No signs of cracking or settling were observed in the readily accessible areas. Photographs of the concrete slab floor of the Dip Tank Building are provided in Appendix E.

4.0 GROUNDWATER MONITORING RESULTS

4.1 Groundwater Elevations

During the May 2017 gauging event, depth to groundwater measurements ranged from 5.00 feet below top of casing (btoc) in well MW-1 to 11.38 feet btoc in well MW-7. The water levels are approximately 0.9 feet to 2.0 feet deeper than observed during the December 2016 monitoring event. Note that the depth to water in well MW-10, which was considered anomalous in December 2016, was more consistent with historic levels in May 2017.

Groundwater elevations ranged from 84.71 feet above mean sea level (msl) in well MW-10 to 90.66 feet above msl in well MW-9. Based on the groundwater elevation data collected during the May 2017 gauging event, horizontal hydraulic gradients are generally to the south-southwest. The May 2017 groundwater elevation data and contours are presented on Figure 4. Groundwater level measurements and elevation calculations are presented in Table 1.

4.2 Water Quality Parameter Data Summary

The water quality parameters measured in the field during the May 2017 monitoring event is summarized on Table 1. General findings for May 2017 water quality parameters are described below.

- DO concentrations ranged from 0.17 milligrams per liter (mg/L) to 1.47 mg/L. DO concentrations below 1 mg/L were measured in wells MW-1, MW-5, MW-8, MW-10, and MW-11;
- ORP levels ranged from 14.4 millivolts (mV) to 465.7 mV;
- pH ranged from 5.08 to 6.00. The prevalence of pH values below 7.0 indicates slightly acidic groundwater conditions beneath the Site;
- Conductivity measurements ranged from 0.094 millisiemens per centimeter (mS/cm) to 0.546 mS/cm; and
- TDS levels ranged from 62 mg/L to 355 mg/L.

4.3 PCP and TCP Groundwater Analytical Results

The PCP and TCP analytical results for groundwater samples collected during the May 2017 monitoring event are summarized on Table 2. Laboratory analytical reports are presented in Appendix C. General findings for PCP and TCP in groundwater are described below.

- PCP was detected above laboratory reporting limits in four of the eight monitoring wells sampled. Detected concentrations were reported at up to 570 µg/L in well MW-1, 81 µg/L in well MW-12, 46 µg/L in well MW-5, and 1.9 µg/L in well MW-11.
- TCP was detected above laboratory reporting limits in two of the eight monitoring wells sampled at a concentration of up to 8.4 µg/L in well MW-1 and 2.3 µg/L in well MW-5.

The May 2017 distribution of PCP and TCP in shallow water-bearing zone are depicted on Figure 4.

4.4 Groundwater Monitoring Quality Assurance/Quality Control

The groundwater analytical data collected during the May 2017 monitoring event were evaluated to ensure that the data quality objectives identified in the *Quality Assurance Project Plan* were met (URS, 2011). The results were reviewed for precision, accuracy, representativeness, completeness, comparability, and method detection limits. The laboratory reports were reviewed for data completeness, chain-of-custody, holding times, blanks, surrogates, and laboratory control samples and duplicates. In addition, QA/QC samples (field duplicate samples) were collected during the 2017 monitoring event. QA/QC analyses included the following:

- Method blank;
- Laboratory control spike (LCS)/laboratory control spike duplicate (LCSD);
- Surrogate recoveries; and
- Field duplicate samples for similarity.

The QA/QC findings indicate the following:

- No detections in the method blanks were noted;
- LCS/LCSD and surrogate recoveries were within control limits; and
- Field duplicates results were sufficiently similar (RPD < 30%) in PCP and TCP concentrations (Table 3).

Based on these findings, the overall data quality is considered acceptable.

5.0 FINDINGS

5.1 Water Levels

Findings of the water level data for May 2017 indicate:

- Groundwater elevations were approximately 1.0 to 2.0 feet lower than during the December 2016 monitoring event; and
- Horizontal hydraulic gradients to the south, in general, were consistent with historic observations.

5.2 PCP and TCP Distribution

PCP and TCP concentrations were detected in monitoring wells in the central area of the Site near the former Green Chain area and former Saw Mill building (Figure 4). For screening level purposes, the California maximum contaminant level (CA MCL) for PCP of 1 µg/L was used. There is no CA MCL for TCP. A summary of the May 2017 findings indicates:

- PCP concentrations exceed the CA MCL of 1 µg/L in wells MW-1, MW-5, MW-11, and MW-12, which are located hydraulically downgradient and south of the former Green Chain area and former Saw Mill building. The December 2016 and May 2017 data indicate PCP concentrations increased in each of these four wells. The PCP concentration in well MW-1 increased from up to 1.2 µg/L in December 2016 to 570 µg/L in May 2017. Concentration increases may be attributed to a dissolution of mass associated with observed higher groundwater elevations in the fourth quarter of 2016 across the Site;
- TCP was detected above laboratory reporting limits in wells MW-1 and MW-5. The December 2016 and May 2017 data indicate that the TCP concentration in well MW-1 increased but was similar to May 2016 concentration. TCP concentrations in well MW-5 were similar to previous results since 2002; and
- The May 2017 PCP and TCP distributions are similar and consistent with the historical distribution. As depicted on Figure 4, the absence of TCP in well MW-12, suggests PCP has a slightly larger distribution than TCP. The presence of a low concentration of PCP in well MW-11 was similar to intermittent low detections since 2010.

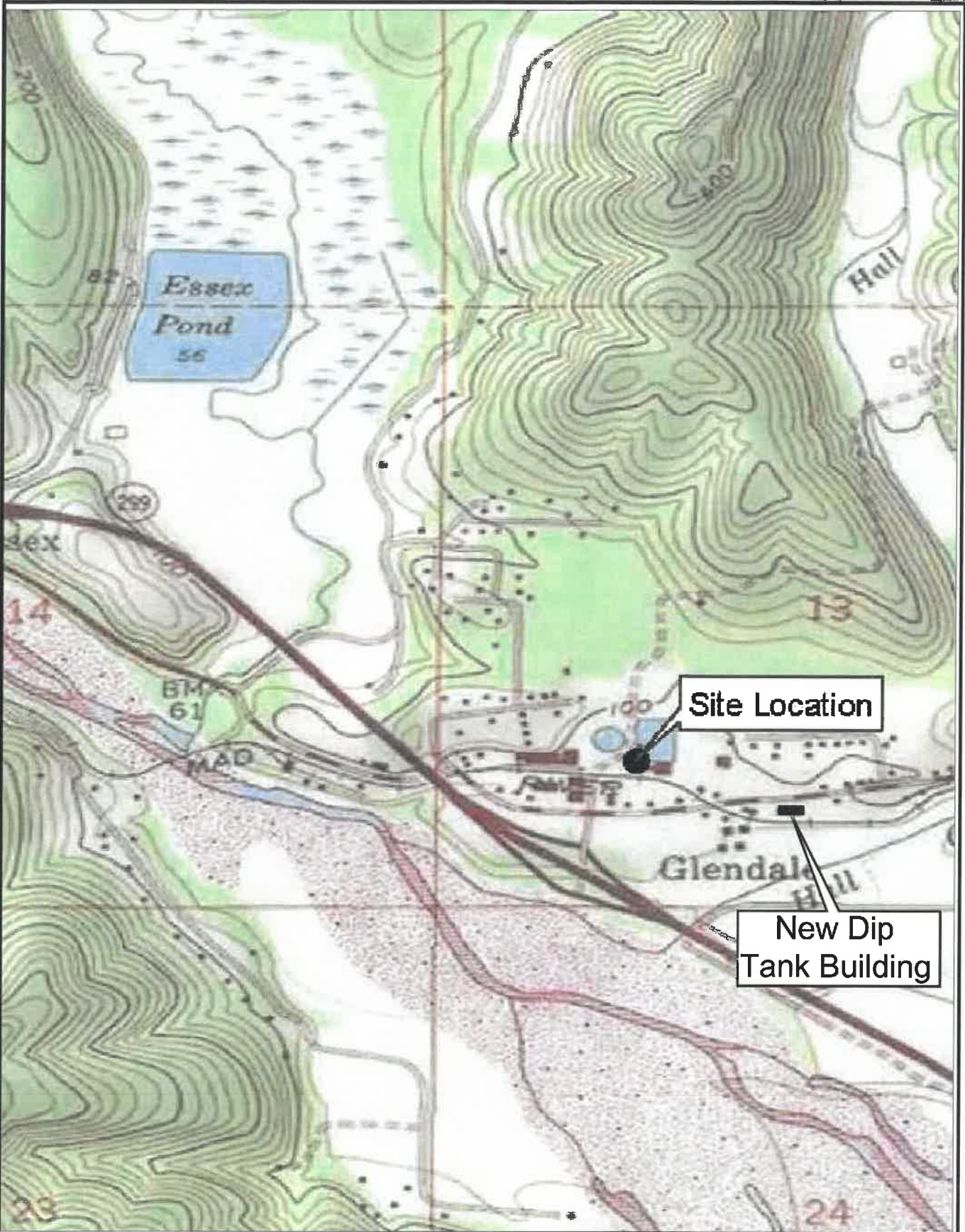
6.0 LIMITATIONS

This document was prepared for the exclusive use of the DTSC for the express purpose of complying with a client- or regulatory directive for environmental investigation or restoration. SGI-Apex and DTSC must approve any re-use of this work product in whole or in part for a different purpose or by others in writing. If any such unauthorized use occurs, it shall be at the user's sole risk without liability to SGI-Apex or DTSC. To the extent that this document is based on information provided to SGI-Apex by third parties, including DTSC, their direct contractors, previous workers, and other stakeholders, SGI-Apex cannot guarantee the completeness or accuracy of this information, even where efforts were made to verify third-party information. SGI-Apex has exercised professional judgment to collect and present findings and opinions of a scientific and technical nature. The opinions expressed are based on the conditions of the Site existing at the time of the field investigation, current regulatory requirements, and any specified assumptions. The presented findings and recommendations in this document are intended to be taken in their entirety to assist DTSC in applying their own professional judgment in making decisions related to the property. SGI-Apex cannot provide conclusions on environmental conditions outside the completed scope of work. SGI-Apex cannot guarantee that future conditions will not change and affect the validity of the presented conclusions and recommended work. No warranty or guarantee, whether expressed or implied, is made with respect to the data or the reported findings, observations, conclusions, and recommendations.

7.0 REFERENCES

- California Department of Toxics Substances Control (DTSC). 2007. Annual Inspection Report, Former McNamara and Peepe Lumber Mill. July 11.
- DTSC. 2008. McNamara and Peepe Lumber Mill, Docket Number I&SE 07/08-009, Imminent and Substantial Endangerment Determination. April 22.
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- California Department of Water Resources (DWR). 2004. California's Groundwater Bulletin 118. Updated February 27.
- The Source Group, Inc., a division of Apex Companies, LLC., (SGI-Apex). 2017. Fourth Quarter 2016 Groundwater Monitoring Report, McNamara and Peepe Lumber Mill, 1589 Glendale Drive, Arcata, California. January 27.
- URS Corporation (URS). 2011. Soil and Groundwater Investigation Work Plan, McNamara & Peepe Lumber Mill, 1589 Glendale Drive, Arcata, California. October 24.

FIGURES



S:\Clients A - FDTSC_McNamara_Peepe Corp - DTSC-006\Report - May 2017\Fig. 1-Site location Map.dwg, 7/19/2017 2:30:08 PM



3478 BUSKIRK AVENUE, SUITE 100
PLEASANT HILL, CA 94523

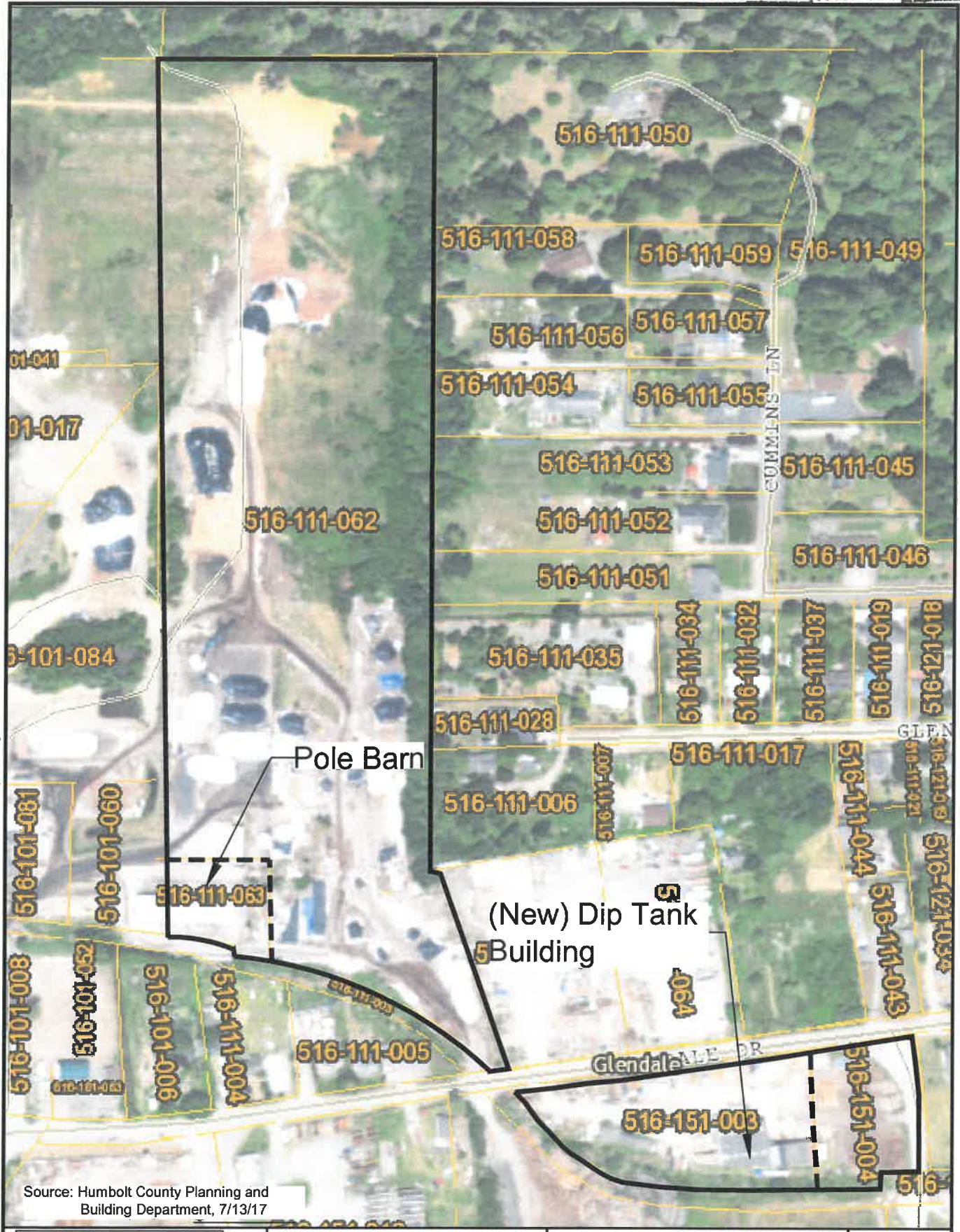
McNAMARA AND PEEPE
LUMBER MILL
ARCATA, CALIFORNIA

SITE LOCATION MAP



PROJECT NO.	DATE	DR. BY:	APP. BY:
01-DTSC-006	07/19/17	ZA	KR

FIGURE 1



Source: Humboldt County Planning and Building Department, 7/13/17

S:\Clients A - F\DTSC_McNamara_Peepe Corp - DTSC-006\Report - May 2017\Fig.2 - Site Layout.dwg, 7/19/2017 12:44:30 PM



McNAMARA AND PEEPE
LUMBER MILL
ARCATA, CALIFORNIA

SITE LAYOUT



3478 BUSKIRK AVENUE, SUITE 100
PLEASANT HILL, CA 94523

PROJECT NO. 01-DTSC-006	DATE 07/19/17	DR. BY. ZA	APP. BY. KR
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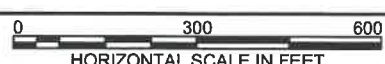
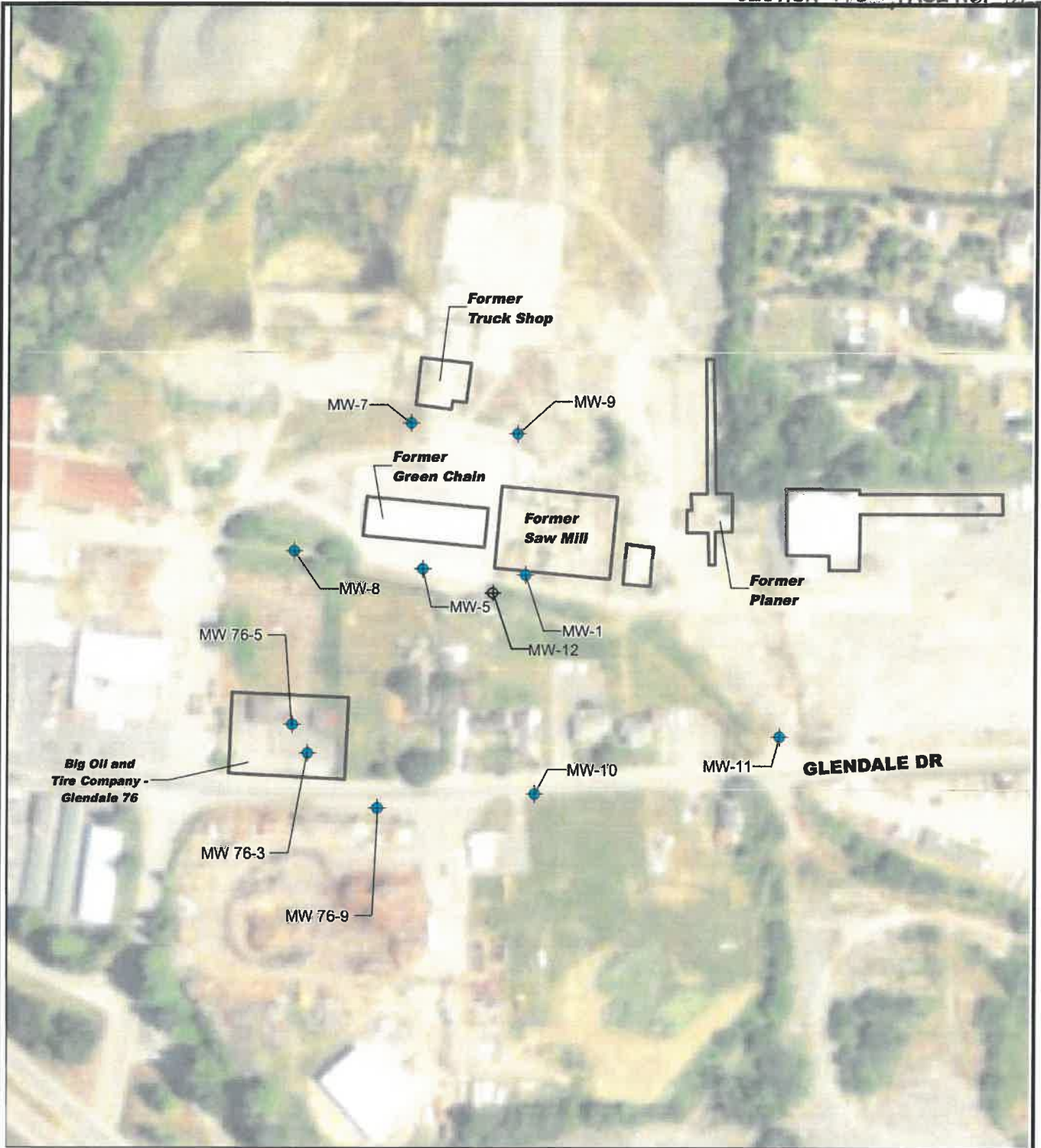




FIGURE
2



LEGEND

-  Monitoring well location
-  Building/former building

Source: URS, 2011 Soil and Groundwater Investigation Work Plan, October.

S:\Clients A - F\DTSC_McNamara_Peepe Corp - DTSC-006\Report - May 2017\Fig.3-Site Features.dwg, 7/19/2017 12:47:31 PM



3478 BUSKIRK AVENUE, SUITE 100
PLEASANT HILL, CA 94523

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LUMBER MILL
ARCATA, CALIFORNIA

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SITE FEATURES



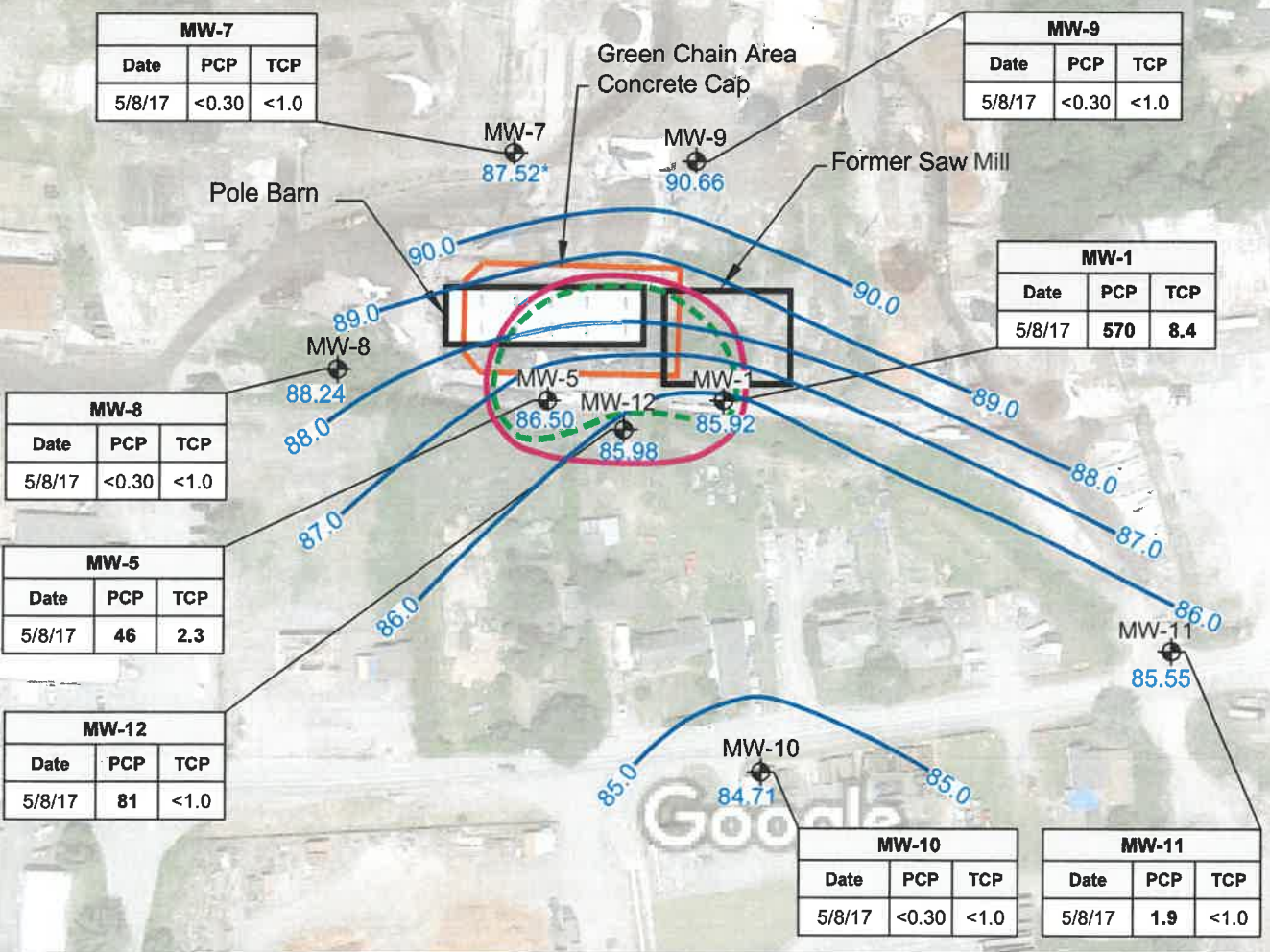
FIGURE 3

LEGEND

- MW-7 Monitoring Well Designation
- ⊕ Monitoring Well Location
- 87.52 Groundwater Elevation
- PCP Pentachlorophenol
- TCP 2,3,4,6-Tetrachlorophenol
- * Data Not Used in Contouring
- Groundwater Elevation Contour
- PCP Concentration Contour >1.0 µg/L
- TCP Concentration Contour >1.0 µg/L

All results in micrograms/liter (µg/L)
 Bolded results: Analyte concentration exceeds laboratory reporting limit

Basemap Source: Google, 2015
 URS, 2011



S:\Clients A - F\DTSC_McNamara_Peepo Corp - DTSC-006\Report - May 2017\Fig. 4-GW Elevation Contours, PCP & TCP Concentration in GW (from Servers).dwg, 7/19/2017 12:49:59 PM



McNAMARA AND PEEPE
 LUMBER MILL
 ARCATA, CALIFORNIA

GROUNDWATER ELEVATION CONTOURS,
 PCP AND TCP CONCENTRATIONS IN
 GROUNDWATER
 MAY 2017



3478 BUSKIRK AVENUE, SUITE 100
 PLEASANT HILL, CA 94523

PROJECT NO.	DATE	DR. BY:	APP. BY:
01-DTSC-006	07/19/17	ZA	KR

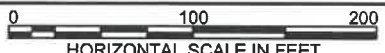


FIGURE 4

TABLES

Table 1
Groundwater Elevation and Field Parameters
 McNamara and Peepe Lumber Mill
 Arcata, California

Well	Screened Interval (feet btoc)	Date	Depth to Water (feet btoc)	TOC Elevation (feet msl)	Groundwater Elevation (feet msl)	Temperature (degrees C)	pH	DO (mg/L)	ORP (mV)	Conductivity (mS/cm)	Turbidity (NTU)	TDS (mg/L)
MW-1	19-23	11/2011	3.19	90.92	87.73	14.39	--	0.95	134	NR ⁽¹⁾	57.6	NR
		5/13/2015	7.32		83.60	15.51	5.42	0.75	70.7	0.279	3.9	NR
		11/10/2015	11.15		79.77	18.39	5.61	1.27	121.3	0.281	-3.8 ⁽²⁾	NR
		5/23/2016	6.87		84.05	16.37	6.25	0.80	-15.1	0.479	3.1	372
		12/14/2016	3.00		87.92	13.20	6.69	2.89	150.1	0.491	3.6	319
		5/8/2017	5.00		85.92	15.50	6.00	0.21	102.7	0.546	46.8	355
MW-5	18-23	11/2011	5.21	93.25	88.04	14.37	5.88	0.99	-22	NR ⁽¹⁾	121	NR
		5/13/2015	9.40		83.85	14.65	5.15	0.87	183.7	0.243	1.1	NR
		11/10/2015	12.15		81.10	16.62	5.13	1.32	170.1	0.205	1.1 ⁽²⁾	NR
		5/23/2016	8.90		84.35	15.68	5.44	0.54	22.7	0.250	48.5	200
		12/14/2016	5.20		88.05	16.20	5.28	0.05	176.9	0.275	3.3	178
		5/8/2017	6.75		86.50	15.30	5.17	0.17	155.8	0.302	68.3	197
MW-7	22-37	11/2011	9.67	98.90	89.23	15.17	5.55	1.67	119	0.062	104	NR
		5/13/2015	13.63		85.27	16.86	5.28	1.55	151.3	0.095	1.4	NR
		11/10/2015	17.90		81.00	15.33	5.50	1.43	223.7	0.089	-2.8 ⁽²⁾	NR
		5/23/2016	13.33		85.57	18.15	5.70	2.01	17.3	0.130	5.9	96
		12/14/2016	9.82		89.08	16.80	5.60	2.34	237.2	0.108	15.1	NR
		5/8/2017	11.38		87.52	14.80	5.31	1.32	264.8	0.111	50.3	72
MW-8	8.5-24	5/13/2015	8.48	96.04	87.56	15.55	5.96	0.70	26.6	0.476	2.0	NR
		11/10/2015	11.40		84.64	18.03	5.40	1.80	190.5	0.712	3.5 ⁽²⁾	NR
		5/23/2016	8.72		87.32	16.12	6.22	0.82	-137.4	0.392	6.7	302
		12/14/2016	5.90		90.14	14.10	6.16	0.71	103.1	0.321	7.1	NR
		5/8/2017	7.80		88.24	13.60	5.96	0.68	14.4	0.495	48.3	321

Table 1
Groundwater Elevation and Field Parameters
 McNamara and Peepe Lumber Mill
 Arcata, California

Well	Screened Interval (feet btoc)	Date	Depth to Water (feet btoc)	TOC Elevation (feet msl)	Groundwater Elevation (feet msl)	Temperature (degrees C)	pH	DO (mg/L)	ORP (mV)	Conductivity (mS/cm)	Turbidity (NTU)	TDS (mg/L)	
MW-9	21-25	11/2011	6.27	99.65	93.38	14.26	5.64	1.18	408	NR ⁽¹⁾	33.6	NR	
		5/13/2015	11.17		88.48	17.08	5.83	1.65	164.7	0.251	NR	1.5	NR
		11/10/2015	14.29		85.36	17.30	5.70	1.79	465.7	0.178	-4.2 ⁽²⁾	NR	NR
		5/23/2016	10.97		88.68	16.72	6.01	1.09	18.5	0.290	49.1	224	NR
		12/14/2016	8.09		91.56	16.60	6.00	4.82	241.2	0.207	3.4	NR	NR
		5/8/2017	8.99		90.66	14.40	5.69	1.47	465.7	0.301	70.3	196	NR
MW-10	9-24	11/2011	9.74	95.65	85.91	12.12	5.22	7.14	207	0.013	68.1	NR	
		5/13/2015	13.44		82.21	15.85	5.03	1.29	179.7	0.118	48.2	NR	NR
		11/10/2015	16.15		79.50	16.93	5.32	1.79	180.5	0.039	36.4 ⁽²⁾	NR	NR
		5/23/2016	13.36		82.29	15.28	5.37	2.91	57.1	0.094	48.3	74	NR
		12/14/2016	5.70		89.95	11.70	5.80	9.28	217.0	0.020	24.1	NR	NR
		5/8/2017	10.94		84.71	13.60	5.93	0.69	117.1	0.094	50.3	62	NR
MW-11	9.5-24.5	11/2011	5.20	91.70	86.50	14.00	5.12	1.37	155	0.048	29.8	NR	
		5/13/2015	7.80		83.90	16.88	5.04	0.78	202.8	0.086	1.5	NR	NR
		11/10/2015	9.97		81.73	17.28	5.07	1.40	252.7	0.079	-4.4 ⁽²⁾	NR	NR
		5/23/2016	7.25		84.45	16.42	5.16	1.74	64.8	0.145	0.3	111	NR
		12/14/2016	4.24		87.46	16.90	5.01	0.57	214.9	0.260	4.2	NR	NR
		5/8/2017	6.15		85.55	14.70	5.08	0.47	194.1	0.281	65.7	183	NR

Table 1
Groundwater Elevation and Field Parameters
 McNamara and Peepe Lumber Mill
 Arcata, California

Well	Screened Interval (feet btoc)	Date	Depth to Water (feet btoc)	TOC Elevation (feet msl)	Groundwater Elevation (feet msl)	Temperature (degrees C)	pH	DO (mg/L)	ORP (mV)	Conductivity (mS/cm)	Turbidity (NTU)	TDS (mg/L)
MW-12	10-20	11/2011	3.92	91.73	87.81	14.14	--	0.91	11	NR ⁽¹⁾	41.6	NR
		5/13/2015	8.20		83.53	14.69	5.28	0.81	167.3	0.189	31.7	NR
		11/10/2015	12.05		79.68	16.09	5.38	1.24	77.9	0.196	-1.1 ⁽²⁾	NR
		5/23/2016	7.75		83.98	15.19	5.55	1.01	10.1	0.230	4.1	184
		12/14/2016	3.80		87.93	14.40	5.42	0.52	240.2	0.228	4.3	NR
		5/8/2017	5.75		85.98	15.70	5.32	1.07	180.4	0.221	43.7	139

Notes:

Data prior to 2015 from URS (2011).

TOC = Top of casing

bgs = Below ground surface

btoc = Below top of casing

C = Celsius

DO = Dissolved oxygen

TDS - total dissolved solids

msl = mean sea level

mS/cm = Millisiemens per centimeter

mg/L = Milligrams per liter

mV = Millivolts

NTU = Nephelometric Turbidity Units

ORP = Oxidation Reduction Potential

NR = Not Recorded

⁽¹⁾ Conductivity not recorded due to equipment errors.

⁽²⁾ Negative turbidity readings during November 2015 considered suspect due to equipment errors.

Table 2
Groundwater Analytical Results - PCP and TCP
 McNamara and Peepe Lumber Mill
 Arcata, California

Well Name	Date	PCP	TCP
	CA MCL	1.0	NV
	Analytical Method	Canadian Pulp Method	
MW-1	7/31/1997	<0.30	<1.0
	1/12/1998	<0.30	<1.0
	4/8/1998	<0.30	<1.0
	7/8/1998	<0.30	<1.0
	10/10/1998	--	--
	1/26/1999	<0.30	<1.0
	7/14/1999	<0.30	<1.0
	4/13/2000	<0.30	<1.0
	10/19/2000	<0.30	<1.0
	6/7/2001	0.49	<1.0
	12/26/2002	<0.30	<1.0
	12/12/2003	1,100	19
	12/24/2003	720	11
	3/15/2004	1,100	15
	6/10/2004	900	19.8
	6/28/2005	890	11
	8/4/2005	890	14
	06/2010	0.34	<1.0
	10/2010	2,200	36
	11/2011	1,300	25
	4/2012	1,300	24
	5/13/2015	690	14
	5/13/2015 (FD)	560	12
	11/11/2015	610	120
	11/11/2015 (FD)	670	120
	5/23/2016	830	7.1
	5/23/2016 (FD)	1,100	8.0
12/14/2016	1.2	<1.0	
12/14/2016 (FD)	1.2	<1.0	
5/8/2017	570	8.4	
5/8/2017 (FD)	530	7.9	
MW-5	7/31/1997	<0.30	<1.0
	1/12/1998	<0.30	<1.0
	4/8/1998	<0.30	<1.0
	7/8/1998	<0.30	<1.0
	7/8/1998 (FD)	<0.30	<1.0
	10/10/1998	--	--
	1/26/1999	<0.30	<1.0
	7/14/1999	<0.30	<1.0

Table 2
Groundwater Analytical Results - PCP and TCP
 McNamara and Peepe Lumber Mill
 Arcata, California

Well Name	Date	PCP	TCP
	CA MCL	1.0	NV
MW-5 (Cont.)	4/13/2000	<0.30	<1.0
	10/19/2000	<0.30	<1.0
	10/19/2000 (FD)	<0.30	<1.0
	6/7/2001	<0.30	<1.0
	6/7/2001 (FD)	0.68	<1.0
	12/26/2002	<0.30	<1.0
	12/26/2002 (FD)	<0.30	<1.0
	12/12/2003	<0.30	<1.0
	12/12/2003 (FD)	<0.30	<1.0
	1/28/2005	<0.30	<1.0
	1/28/2005 (FD)	<0.30	<1.0
	8/4/2005	<0.30	<1.0
	06/2010	1.7	<1.0
	10/2010	1.6	<1.0
	11/2011	5.1	<1.0
	4/2012	54	2.2
	5/13/2015	35	4.3
	11/11/2015	65	3.3
5/23/2016	56	1.6	
12/14/2016	39	2.3	
5/8/2017	46	2.3	
MW-6	7/31/1997	<0.30	<1.0
MW-7	1/12/1998	<0.30	<1.0
	4/8/1998	<0.30	<1.0
	4/8/1998	<0.30	<1.0
	7/8/1998	<0.30	<1.0
	10/10/1998	<0.30	<1.0
	1/26/1999	<0.30	<1.0
	1/26/1999	<0.30	<1.0
	7/14/1999	<0.30	<1.0
	4/13/2000	<0.30	<1.0
	4/13/2000	<0.30	<1.0
	10/19/2000	<0.30	<1.0
	6/7/2001	0.36	<1.0
	12/26/2002	<0.30	<1.0
	12/12/2003	<0.30	<1.0
	1/28/2005	<0.30	<1.0
	8/4/2005	<0.30	<1.0
	8/4/2005 (FD)	<0.30	<1.0

Table 2
Groundwater Analytical Results - PCP and TCP
 McNamara and Peepe Lumber Mill
 Arcata, California

Well Name	Date	PCP	TCP
	CA MCL	1.0	NV
MW-7 (Cont.)	06/2010	<0.30	<1.0
	10/2010	<0.30	<1.0
	11/2011	<0.30	<1.0
	4/2012	<0.30	<1.0
	5/13/2015	0.39	<1.0
	11/11/2015	<0.30	<1.0
	5/23/2016	<0.30	<1.0
	12/14/2016	<0.30	<1.0
	5/8/2017	<0.30	<1.0
MW-8	1/12/1998	<0.30	<1.0
	4/8/1998	1.3	<1.0
	4/27/1998	<0.30	<1.0
	7/8/1998	<0.30	<1.0
	10/10/1998	--	--
	1/26/1999	<0.30	<1.0
	7/14/1999	<0.30	<1.0
	4/13/2000	<0.30	<1.0
	10/19/2000	<0.30	<1.0
	6/7/2001	<0.30	<1.0
	12/26/2002	<0.30	<1.0
	8/4/2005	<0.30	<1.0
	5/13/2015	<0.30	<1.0
	11/11/2015	<0.30	<1.0
	5/23/2016	<0.30	<1.0
	12/14/2016	<0.30	<1.0
5/8/2017	<0.30	<1.0	
MW-9	1/12/1998	<0.30	<1.0
	4/8/1998	<0.30	<1.0
	7/8/1998	<0.30	<1.0
	10/10/1998	<0.30	<1.0
	10/10/1998	<0.30	<1.0
	1/26/1999	<0.30	<1.0
	7/14/1999	<0.30	<1.0
	7/14/1999 (FD)	<0.30	<1.0
	4/13/2000	<0.30	<1.0
	10/19/2000	<0.30	<1.0
	6/7/2001	<0.30	<1.0
	12/26/2002	<0.30	<1.0
	8/3/2005	<0.30	<1.0

Table 2
Groundwater Analytical Results - PCP and TCP
 McNamara and Peepe Lumber Mill
 Arcata, California

Well Name	Date	PCP	TCP
	CA MCL	1.0	NV
MW-9 (Cont.)	06/2010	<0.30	<1.0
	10/2010	<0.30	<1.0
	11/2011	<0.30	<1.0
	4/2012	<0.30	<1.0
	5/13/2015	<0.30	<1.0
	11/11/2015	<0.30	<1.0
	5/23/2016	<0.30	<1.0
	12/14/2016	<0.30	<1.0
	5/8/2017	<0.30	<1.0
MW-10	06/2010	<0.30	<1.0
	10/2010	<0.30	<1.0
	11/2011	<0.30	<1.0
	4/2012	<0.30	<1.0
	5/13/2015	<0.30	<1.0
	11/11/2015	<0.60	<2.0
	5/23/2016	<0.30	<1.0
	12/14/2016	<0.30	<1.0
	5/8/2017	<0.30	<1.0
MW-11	10/2010	0.84	<1.0
	11/2011	<0.30	<1.0
	4/2012	1.6	<1.0
	5/13/2015	<0.30	<1.0
	11/11/2015	0.67	<1.0
	5/23/2016	<0.30	<1.0
	12/14/2016	<0.30	<1.0
		5/8/2017	1.9
MW-12	11/2011	24	<1.0
	04/2012	53	<1.0
	5/13/2015	52	<1.0
	11/11/2015	51	<1.0
	5/23/2016	120	<1.0
	12/14/2016	46	<1.0
		5/8/2017	81

Notes:

Data prior to 2015 from URS (2011).

All results in micrograms per liter

CA MCL = California Maximum Contaminant Levels

PCP = Pentachlorophenol

TCP = 2,3,4,6-Tetrachlorophenol

Table 2
Groundwater Analytical Results - PCP and TCP
 McNamara and Peepe Lumber Mill
 Arcata, California

Well Name	Date	PCP	TCP
	CA MCL	1.0	NV

Embolden values: Analyte concentration exceeds laboratory reporting limit

Shaded values: Analyte concentration exceeds MCL

< = indicates value is below the noted laboratory reporting limit

NV = No established value

FD = Field duplicate

Table 3
Comparison of Primary and Duplicate Sample Analytical Results
McNamara and Peepe Lumber Mill
Arcata, California

Well Name	Date	PCP	TCP
MW-1	5/8/2017	570	8.4
	5/8/2017 (FD)	530	7.9
	RPD	7%	6%

Notes:

Analytical results in micrograms per liter

PCP = Pentachlorophenol

TCP = 2,3,4,6-Tetrachlorophenol

RPD = relative percent difference

FD = Field duplicate

NA = Not applicable



May 3, 2019

Mr. John Ford, Director and
Planning Commissioners
Humboldt County Planning and Building
3015 H Street
Eureka, CA 95501

Director Ford and Commissioners,

On behalf of Humboldt Baykeeper's board, staff, and members, I submit these comments on the Glendale Cannabis Facility's Initial Study and Mitigated Negative Declaration, Conditional Use Permits, and Special Permits for APN 516-111-064, located at 1691 Glendale Drive in unincorporated Humboldt County near Blue Lake (Case Nos. CUP 16-1096, CUP 16-1127, SP 16-868, SP 16-870, SP 16-871, and SP 16-872; App Nos. 13312, 13319, 13328, 13339, 13346, and 13360).

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

One of Humboldt Baykeeper's priorities is remediation of former industrial sites that are contaminated with dioxins, which are extremely long-lived chemicals that bind to sediment and soil. Dioxins are some of the most toxic compounds ever manufactured. They are powerful carcinogens and reproductive toxins that magnify as they move up the food web. In aquatic and marine environments, dioxins accumulate in fish, birds, marine mammals, and other fish-eating wildlife - and humans. Lumber mills, boatyards, and other industrial sites that operated from the 1940s until the late 1980s frequently used a wood preservative called pentachlorophenol (known as "penta") which contained dioxins. Due to the hazards to human health and the environment from these dioxins, the U.S. EPA banned the use of penta in lumber treatment and most other uses in the late 1980s (today it is restricted to use on power poles). Potential dioxin contamination near important waterways poses a risk to human health and the environment, and must be fully characterized and remediated prior to ground-disturbing activities, including well construction and grading.

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

www.humboldt-baykeeper.org



Humboldt Baykeeper believes an EIR and Phase II Site Assessment should be prepared to address contamination related to former lumber mill operations on the site, which is poorly addressed in the Phase I Environmental Site Assessment. *See, City of Redlands v. County of San Bernardino* (2002) 96 Cal.App.4th 398, 406 ("The negative declaration is inappropriate where the agency has failed either to provide an accurate project description or to gather information and undertake an adequate environmental analysis.") The Mitigated Negative Declaration fails to disclose and analyze impacts to water quality, biological resources, and human health related to ground-disturbing activities that would be approved by the permits before you.

Any disturbance of contaminated soil cause by grading, excavation, and other heavy equipment use in or near an unremediated contamination site has the potential to have significant negative impacts to water quality, biological resources, and human health, which has not been adequately assessed, or mitigated to less than significant, in the MND.

The potential for contaminated groundwater to move off-site is especially concerning because of its proximity to the Mad River, which is the source of drinking water supplies for more than 80,000 people in Eureka, Arcata, McKinleyville, Blue Lake, Manila, Glendale, and Fieldbrook. The Mad River is also considered critical and/or essential habitat for salmonids, candlefish, and other aquatic species.

Pursuant to CEQA §15070(a), a Lead Agency shall prepare, or have prepared, a negative declaration or a Mitigate Negative Declaration when the Initial Study shows there is no substantive evidence, in light of the whole record before the agency, supporting a fair argument that the Project may have a significant effect on the environment.

Humboldt Baykeeper believes that the evidence clearly supports a fair argument that significant adverse impacts may occur due to the proposed Project, which is likely to substantially degrade the quality of the environment and cause substantial adverse effects on human beings, either directly or indirectly [CEQA Mandatory Findings of Significance §15065 (a)(1) and (a)(4)]. For these reasons, Humboldt Baykeeper strongly recommends that the Lead Agency prepare an EIR, and opposes the use of an MND for this proposed Project.

Humboldt Baykeeper believes that to avoid or mitigate potential impacts to groundwater, surface water, the Mad River, and human health and safety, it is necessary to conduct further analysis for the reasons enumerated below. Given the contaminants likely to be present on the site, the MND fails to ensure that construction and project-related ground disturbances will not result in the further spread of contamination. *See, Azusa Land Reclamation Co. v. Main San Gabriel Basin Watermaster* (1997) 52 Cal.App.4th 1165, 1200 ("It is the *possibility*, of a significant effect . . . which is at issue, not a determination of the actual effect, which would be the subject of a negative declaration or an EIR" [italics in original].)

The Mitigated Negative Declaration for this project is inadequate due to the failure to identify potential significant impacts to the environment, specifically impacts to water quality, biological resources, and human health and safety related to hazards and hazardous materials associated with the site history as described above.

In addition, the project as proposed fails to comply with Humboldt County's Commercial Cannabis Land Ordinance, which states that for proposed development of commercial cannabis facilities on existing commercial, business park, or industrial sites, "[I]f a Phase I ESA indicates the presence or likely presence of contamination, the applicant shall prepare a Phase II ESA, and recommendations of the Phase II ESA shall be fully implemented prior to ground disturbance, which will be made a condition of approval for the project." (CCLUO 2018, Mitigation Measure 3.7-2a)

I. Use of Pentachlorophenol on the Subject Site

The subject parcel was used for part of the operations of the former McNamara & Peepe Lumber Mill and Blue Lake Forest Products. Recent groundwater monitoring on nearby parcels has found elevated levels of cadmium, chromium, lead, and pentachlorophenol, a wood preservative used to prevent fungus. This fungicide, known as "penta," was used at the mill until 1984, shortly before it was banned for use on lumber due to its high dioxin content.

In October 1968, a penta spill from the Molalla-Arcata Lumber Mill caused a massive fish kill in the Mad River. State wildlife biologists reported that more than 10,000 steelhead were killed immediately following the spill. In January 1969, the McNamara & Peepe mill spilled the chemical into the Mad River.

According to the Initial Study/Mitigated Negative Declaration,

The project site is located on land that was part of a much larger parcel that has been used for lumber processing by multiple companies for decades. Some of those lumber processing activities included using wood preservatives and anti-staining compounds, specifically pentachlorophenol and tetrachlorophenol, which are hazardous materials according to the California Department of Toxic Substances Control (DTSC). These materials were not used on or in the immediate vicinity of the subject parcel. [p. 38]

We dispute the conclusion that these materials were not used on or in the immediate vicinity of the subject parcel based on our review of the 2003 Report of Findings for Phase II Investigation, Blue Lake Forest Products/Aalfs Property by Winzler & Kelly, which indicates that the project site was used for finished (treated) wood storage and sorter/planer operations (adjacent to the greenchain, where wood preservatives were applied (Winzler & Kelly 2003, Fig. 3: Historical Use Map, p. 17). According to the aerial images included in the report, these activities appear to have taken place from 1966-1988, when pentachlorophenol was used.

II. 1998 Remediation of Adjacent Contaminated Site has been Rescinded

The IS/MND goes on to state that “DTSC oversaw the remediation and monitoring of areas of the larger, former parcel that were found to have hazardous material contamination,” concluding that the site contamination has been remediated [p. 38]. However, DTSC rescinded the 1998 Remedial Action Plan in December 2018, declaring that the concrete cap has failed to contain groundwater contaminated with the highly toxic wood preservative pentachlorophenol. DTSC is developing a new plan to remediate and/or control the contamination. It is unclear at this time to what extent the plume of contaminated groundwater may have migrated beneath the subject parcel.

DTSC says that the failure of the cap is related to much higher groundwater levels, which are now 15 feet higher than in 2002, when Blue Lake Forest Products closed and stopped pumping from an on-site well. Due to the higher groundwater levels, the contaminated soil has been in contact with groundwater for years.

Further sampling must be conducted prior to ground disturbing activities associated with development of the site to ensure that soil and/or groundwater contamination will not be mobilized, potential endangering Hall Creek, the Mad River, and construction workers.

Reliance on limited soil and groundwater sampling conducted in 2003 is inadequate to ensure that human health and the environment will be protected if this project is approved without further sampling.

III. Cadmium Detections in Soil

The IS/MND asserts that “In 2003, Winzler and Kelley, Consulting Engineers, conducted a Phase 2 Investigation of the broader area. Their investigation did not detect hazardous materials on the subject parcel, nor did their investigation find evidence that suggested hazardous materials were ever used on the subject parcel.” [p. 38-39]

During the 2003 site assessment, soil and groundwater samples from the subject parcel were analyzed for contaminants associated with the former lumber mill operations on the site (Fig. 4, Boring Location Map, p. 19). Cadmium levels in three soil samples taken from the project area were found to be well above California Human Health Screening Levels (Table 1).

The California Human Health Screening Levels (CHHSLs) were developed by OEHHA on behalf of the California Environmental Protection Agency, pursuant to [Health and Safety Code Section 57008](#).

Cadmium is considered on the Proposition 65 list of toxic compounds; it is listed as known to the State to cause developmental toxicity and male reproductive toxicity. 'Cadmium and cadmium compounds' listed as known to the State to cause cancer.

Table 1. Cadmium levels in soil at the site of the proposed Glendale Cannabis Factory¹ relative to California Human Health Screening Levels (CHHSLs)² in parts per billion (ppb) at various levels below ground surface (bgs).

CHHSL Soil-Screening Number for Commercial/Industrial Uses ²	B-10 from 6" bgs	B-11 from 6" bgs	B-11 from 5' bgs
7500	47	45	150

IV. Absence of Site on State and Federal Lists

The IS/MND asserts that "The subject parcel does not appear on the Cortese List. The site is not shown as containing hazardous materials or being involved in any cleanup or monitoring programs on the U.S. Environmental Protection Agency (EPA) EnviroMapper¹⁰, The California Department of Toxic Substances Control EnviroStor mapper¹¹, or the State Water Resource Control Board Geotracker¹²." [p. 39]

Absence of a site on any of these lists cannot be used as evidence that a site is free of contamination; these are not "presence/absence" databases. Similarly, lack of comments from the Regional Water Quality Control Board and/or Department of Toxic Substance Control must not be regarded by the County as evidence that there is no contamination present, or that either of the agencies' concerns have been addressed by the County's analysis.

V. Inadequate Analysis Results in Erroneous Findings

Based on what we believe to be erroneous information, the IS/MND asserts the following findings:

- a) The project would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials. *Less than significant impact.*
- d) The project would not be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would not create a significant hazard to the public or the environment. *No impact.*

¹ Winzler & Kelly, Report of Findings for Phase II Investigation, Blue Lake Forest Products/AalFs Property 2003, Table 3.

² <https://oehha.ca.gov/chhsltable>

We dispute these findings based on our review of the 2003 Report of Findings for Phase II Investigation, Blue Lake Forest Products/Aalfs Property by Winzler & Kelly, for the reasons enumerated above.

For these reasons, we strongly urge Humboldt County to prepare an Environmental Impact Report and a thorough Phase II Site Investigation focused on the proposed project site prior to approval of the Conditional Use Permit to further identify the extent and magnitude of contamination in soil and groundwater on the site, which is necessary to incorporate the most effective means of avoiding, minimizing, and mitigating these impacts to human health and the environment.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Kalt".

Jennifer Kalt, Director

jkalt@humboldtkeeper.org

Humboldt Bay Municipal Water District

To: Board of Directors

From: John Friedenbach

Date: June 6, 2019

Re: Samoa Peninsula Concrete Vault Public Art Project

Background

As discussed during the May Board meeting, the Peninsula Community Collaborative (PCC) and Redwood Community Action Agency (RCAA) proposed creating art work on certain HBMWD appurtenant structures on the Samoa Peninsula. See attached map locations. The Board directed staff to proceed with the project and to bring back for Board consideration an agreement between the artist and the District. The cost of paint and stipend to the artist will be funded by the RCAA through a grant program. The content of the agreement was to address issues such as maintenance, safety, ownership of the artwork, etc.

Attached for your review and consideration is an Artist / District / RCAA agreement prepared by District Counsel.

Also attached is a copy of the Call for Artists and Application for this project. You will note that under the timeline for the project, a review panel meets and determines which artists and artwork will be allowed to participate. Would any of the Directors like to be part of the selection panel?

Recommendation and Action

Staff recommends the Board approve the draft Artist / District / RCAA agreement for artwork on certain District's appurtenant structures located on the Samoa Peninsula.

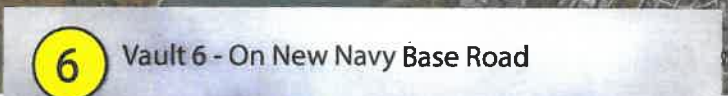
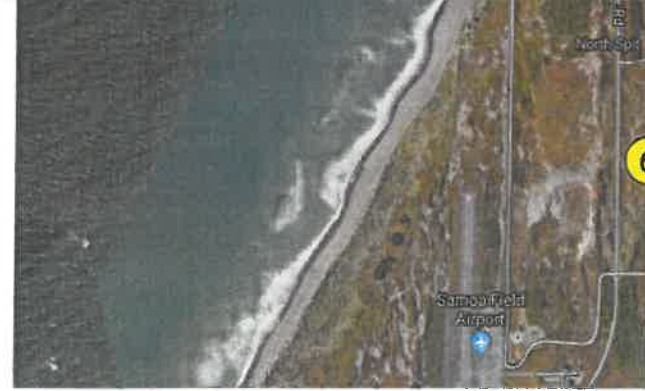
HBMWD concrete vaults, northern extent of project area
Highest priority vaults to repaint due to current condition



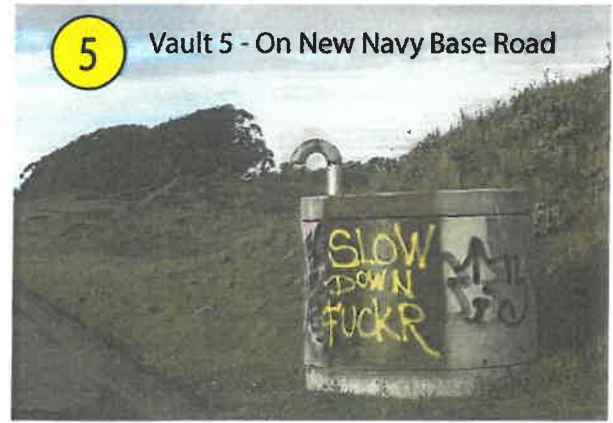
Vault 3 - on Bay Street **3**



4 Vault 4 - On New Navy Base Road



6 Vault 6 - On New Navy Base Road



5 Vault 5 - On New Navy Base Road



HBMWD concrete vaults, northern extent of project area

Highest priority vaults to repaint due to current condition

1

Vault 1 - At Samoa Power Poles Beach



2

Vault 2 - near former Pulp Mill



Samoa Peninsula Concrete Vault Public Art Project

Artist Agreement

Artist Name: _____ (“Artist”)

E-mail: _____

Mailing Address: _____

Phone: _____

This AGREEMENT is executed _____, 2019, between Artist, the Humboldt Bay Municipal Water District (“District”), and the Redwood Community Action Agency (“RCAA”). The purpose of this Agreement is to set forth the above-parties’ obligations with respect to the Samoa Peninsula Concrete Vault Public Art Project. A copy of the “Samoa Peninsula Concrete Vault Public Art Project, Call for Artists and Application” and Artist’s application are attached hereto as *Exhibit A*.

The Parties agree to the following terms:

1. **Timeframe:** Artist agrees to complete the “Work” (defined below) to satisfaction of the District. Artist will commence the Work after receiving approval from the District and complete the Work within thirty (30) days thereafter. It is estimated that the Work period will be July 9, 2019 through August 4, 2019.
2. **Artwork Location:** Artist has been assigned the vault located at: _____. Artist shall limit his or her work to the assigned vault and no other vault or District property.
3. **Compensation:** Upon successful completion of the Work, RCAA will compensate Artist \$500.00. Artist is not entitled to any further compensation from RCAA or District. Payment will be made to Artist within six (6) weeks of the completion of the Work. Artist shall submit a completed IRS form W-9 to RCAA before RCAA shall be obligated to compensate Artist.
4. **The Artist will provide the following (collectively, the “Work”):**
 - a. Artist will paint the assigned vault using high-quality outdoor paint, primer (if desired) and painting tools.
 - b. Artist will supply all paint, tools, primer, or anything else necessary to complete the Work at his or her own expense.
 - c. Artist will paint the Vault using the approved design without substantive changes.
 - d. Artist shall maintain the Work for a period of two-years after completion of the Work at Artist’s own expense. In the event graffiti is applied to the Vault, Artist shall remove the graffiti or otherwise fix the Work within thirty (30) days of notification by the District. If the Artist does not fix the Work within the thirty (30) day period, then the District may paint over the whole of the Work and any and all rights to the Work will immediately transfer to the District.
5. **Art Approval:** The Artist has submitted a rendering of their project to the District for approval. The rendering has been approved by the District and has been deemed appropriate for the assigned vault. The District reserves the right to remove the as-applied artwork in the event the as-applied art work materially deviates from the approved design. The District shall make this determination in its sole discretion and its decision shall be final.
6. **Duration of Artwork:** The Work shall remain on the Vault for a period of two (2) years after completion. Notwithstanding the foregoing, the District reserves the right to remove or paint over the Work if (i) the Work is materially different from the approved design, (ii) Artist fails to maintain the Work as required by this

Agreement, (iii) the Work reasonably interferes with District operations or causes a safety concern, or (iv) the District elects to remove or re-locate the Vault. Upon the conclusion of the two-year period, unless sooner removed in accordance with this section, the District reserves the right to maintain or remove the Work.

7. **Release; Indemnity:** In performing the Work, Artist releases the District and RCAA (including their respective Directors, employees and agents) from any claim of injury to Artist or from any claim relating to the condition of the Vault. Artist shall perform his or her Work at his or her own risk, cost, and expense. Artist understands and acknowledges that the Vault may be located in close proximity to a public right-of-way. Artist shall use due care to ensure his or her safety during the Work. Artist further agrees to indemnify, defend, and hold harmless the District and RCAA (including their respective Directors, employees and agents) from and against any and all claims for injury to person or property that arise from or are caused by Artist's performance of the Work, except to the extent such claim for injury to person or property is caused by the sole negligence of the District or RCAA or any of their respective Directors, employees or agents.
8. **Procedure for Modification:** Amendments to this Agreement must be signed by the District, RCAA, and the Artist.
9. This Agreement shall be governed by the laws of the State of California.
10. This Agreement shall not be effective unless and until approved by the Board of Directors of the District and signed by the District's authorized representative.

Signatures

For the District:

John Friedenbach, General Manager

For RCAA:

[INSERT NAME]

Artist:

Samoa Peninsula Concrete Vault Public Art Project *Call for Artists and Application*

Project description:

The Peninsula Community Collaborative (PCC) is a resident-led group of people seeking to improve health and well-being of community members on the Samoa Peninsula (including Manila, Samoa, Finnetown and Fairhaven). The PCC has grant funding from the St. Joseph Health Community Benefit Fund. The PCC, in partnership with Humboldt Bay Municipal Water District (District) and Friends of the Dunes, wishes to have public art painted on some of the District's most high-visibility concrete structures ("vaults") that line the roadway on the Peninsula. There are 7 vaults selected for this project. These vaults are visible from the road and/ or local trails frequented by residents and beach visitors alike. The project will be conducted using grant funds administered by Redwood Community Action Agency (RCAA), the non-profit fiscal sponsor and support agency for the PCC.

Information about the concrete structures:

Each vault that is considered for this project is a concrete cylinder that is approximately 5 feet tall and 5 feet across (circumference), though they vary slightly in size from vault to vault. The top of each vault will not be painted. The vaults sit in sand dunes, therefore, a portion of each vault has low-lying sand or vegetation around its base. At least the front-facing $\frac{3}{4}$ of each vault's side will be painted, and the entirety of each vault's side can be painted if the artist wishes.

This photo provides an example of one of the vaults:



How to apply:

Interested artists can fill out the attached application and submit by email (along with examples of work and their proposed design) in accordance with the timeline outlined below. Please see application for more information.

Project timeline and selection process:

The applications will be reviewed by a panel consisting of Peninsula residents/ stakeholders, RCAA project staff, and District board members. Preference will be given to designs that include themes appropriate to the landscape and use of the Peninsula, including nature themes, bay/ ocean/ water themes, recreation, et cetera. Other selection criteria and decisions to match up artists and vault location will be at the discretion of the community review panel.

The timeline for selection is as follows:

- May 31 – Call for artists and project information released.
- June 21 – Proposals due.
- June 24-28 – Review panel meets and makes their selections.
- July 1-5 – Artists notified of review panel’s decision.
- July 8 – August 4 – Artists paint the vaults. Please note: artists can choose to paint their vault during the Eureka Street Art Festival (July 27 – August 3) and provide the opportunity for community members and festival attendees to observe the painting process. The Festival will help to cross-promote this effort and encourage people to check out the art, regardless of whether it is painted during the festival or just prior to it.
- Mid-August – Project staff will hire a professional painter to apply 2 coats of UV-resistant clear coat using a paint sprayer.

All selected artists must, prior to and as a condition of painting any vault, execute and agree to comply with the terms of an Artist Agreement (in a form prepared by the District).

Artist compensation and expectations:

Artists will provide their own high-quality outdoor paint, primer (if desired) and painting tools at their own expense. The project staff will pay for a professional painter to apply a UV-resistant, protective clear coat to each vault once the artists are finished.

Each selected artist will be paid a stipend of \$500 to paint one cylindrical concrete vault, and must supply their own materials as well as arrange their own transportation to/ from the vault site. Artists must submit a W9 form and an invoice to receive payment, and payment will take 3-4 weeks on average, but could take up to 6 weeks. Submitting a W9 in advance and submitting an invoice quickly upon completion will greatly expedite payment.

Samoa Peninsula Concrete Vault Public Art Project Application

Please fill this out as completely as possible and submit by email to

Natalie@nrscaa.org and Emily@nrscaa.org by Friday, June 21, 2019 at 5 pm

1. Legal Name:
2. Alternate name/ artist moniker (if used):
3. Email:
4. Phone:
5. Address:
6. Instagram/ Social Media link(s):
7. Website:
8. Artist bio – If selected, this bio will be used in the press and elsewhere to promote this project. Please limit your answer to 200 words:
9. Artist experience – What is your experience in creating large-scale pieces of public art? Please limit your answer to 200 words:
10. Artist vision – What is your vision for the mural you are proposing? What materials/ paints will you use? Please limit your answer to 200 words:
11. Artwork samples – Please attach 2-4 images of artwork you have completed. If possible, at least one of the images should be a large scale piece of art, public art preferred. These images will be used to review applications.

12. Proposed design – Please attach a drawing/ depiction of what you propose to paint on the concrete vault. By submitting, you agree that the design you have submitted is what you will paint, with no substantive changes. You further acknowledge and agree that the District reserves the right to remove the as-applied artwork in the event the as-applied art work materially deviates from the proposed design. The District shall make this determination in its sole discretion and its decision shall be final.

Thank you very much for your interest!

New Business

Humboldt Bay Municipal Water District

To: Board of Directors

From: John Friedenbach

Date: June 6, 2019

Re: Industrial Water System – Customer Charge Discussion

Discussion

During the May Special Board meeting, the Board requested a discussion in June regarding customer charges for industrial water provided on the Samoa Peninsula.

As you are aware, Ordinance 16, delineates the framework for industrial vs municipal charges for our regional water system. Attached is a copy for your reference.

The recurring operating and maintenance costs have been kept artificially low because the industrial water system has basically been idle since 2009 when the last pulp mill closed and only used periodically by the Harbor District since they acquired the former LP Pulp Mill site. To foster the Board's discussion on this issue, staff has listed a series of issues/questions:

1. What will be the make up of the negotiating team with the Harbor District for determining contract terms and pricing?
2. What will the process be for negotiations?
3. How will the base cost for system availability be calculated?
 - a. Should there be a minimum availability cost?
 - i. If so, for discussion, should that be: \$2,000 / mo.; \$5,000 / mo.; \$10,000 / mo.?
 - b. Should there be a "phase in" of a minimum availability cost monthly charge?
4. How will the "Base Water Facility Cost Proration" under Section 4 of Ordinance 16 be determined prior to having a consistent volume consumer of industrial water?
5. What should be the duration of the contract for providing industrial water to the Harbor District given the potential for larger scale industrial customers on the peninsula?
6. How should the ReMAT funds factor into the pricing for industrial water service, if at all?
7. Other items / issues to consider?

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

**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.

- 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 1/12th 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, 2017, and subsequently every fifth anniversary thereafter (e.g. July 1, 2022). 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

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, 1/12th 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. 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.
- 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 31st 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, 2017 or after adoption by the HBMWD Board of Directors, whichever occurs later.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka



Minutes for Meeting of Board of Directors

January 12, 2017

letter, signed by 114 agencies that was sent to the State Water Resources Control Board. The SWRCB will conduct a hearing for final approval on February 7. Mr. Helliker also shared the District's letter to Governor Brown requesting he rescind the emergency proclamation on drought conditions.

Water Resource Planning

Transport

Mr. Helliker stated there is not much to report in regards to transport. He did send reports to the folks they met with at ACWA per their request.

Local Sales

Mr. Helliker met with Jack Crider of the Harbor District. They are pursuing a project to locate a data center at the former pulp mill site. The data center could require a significant amount of water for cooling purposes.

Instream Flow

Mr. Helliker stated staff is working on developing a schedule and workplan for revising the diversion rights at Essex to implement a dedication of an annual average of 20 million gallons per day of water to instream flow. The plan should be available next month for the Board's review.

Ordinance 16 and Contract Changes

Mr. Helliker highlighted the proposed changes to the ordinance. The changes include: 1) Adding a line to note amendments in 2017; 2) a sentence to note that the current cost allocation is 100% Municipal Customers; 3) revise the schedule for the quintennial revision of the Peak Rate Allocation to commence July 1, 2017 in order to address revenue changes in 2016 in the Manila CSD; 4) replace current limit on capital expenditures with a quintennial Capital Improvement Plan update process; and 5) revise the effective date of the ordinance to reflect new revision. Mr. Helliker attended the Municipal Customer's Board and Council meeting to address any questions or concerns. He stated the municipal customers, both staff and board, are aware of the proposed changes and have not expressed any concerns. On motion by Director Latt, seconded by Director Woo, the Board voted 5-0 to approve the changes to Ordinance 16.

New Board Member recruitment

The Board discussed the recruitment process for a new Board member. Only one applicant applied for the position. Director Hecathorn stated the applicant seemed good and is qualified, however she would like to see more than one applicant. She noted the vacancy announcement went out during the holiday season when people were focused elsewhere. Director Latt added that the Harbor District was also looking for a new commissioner during the time frame. The Board agreed it would be good for the community and District if the Board had a larger pool of applicants to select from. They requested additional advertising and extending the deadline until February 8th. The Board will have a Special Meeting on February 10 at 2pm to discuss appointing new Director.

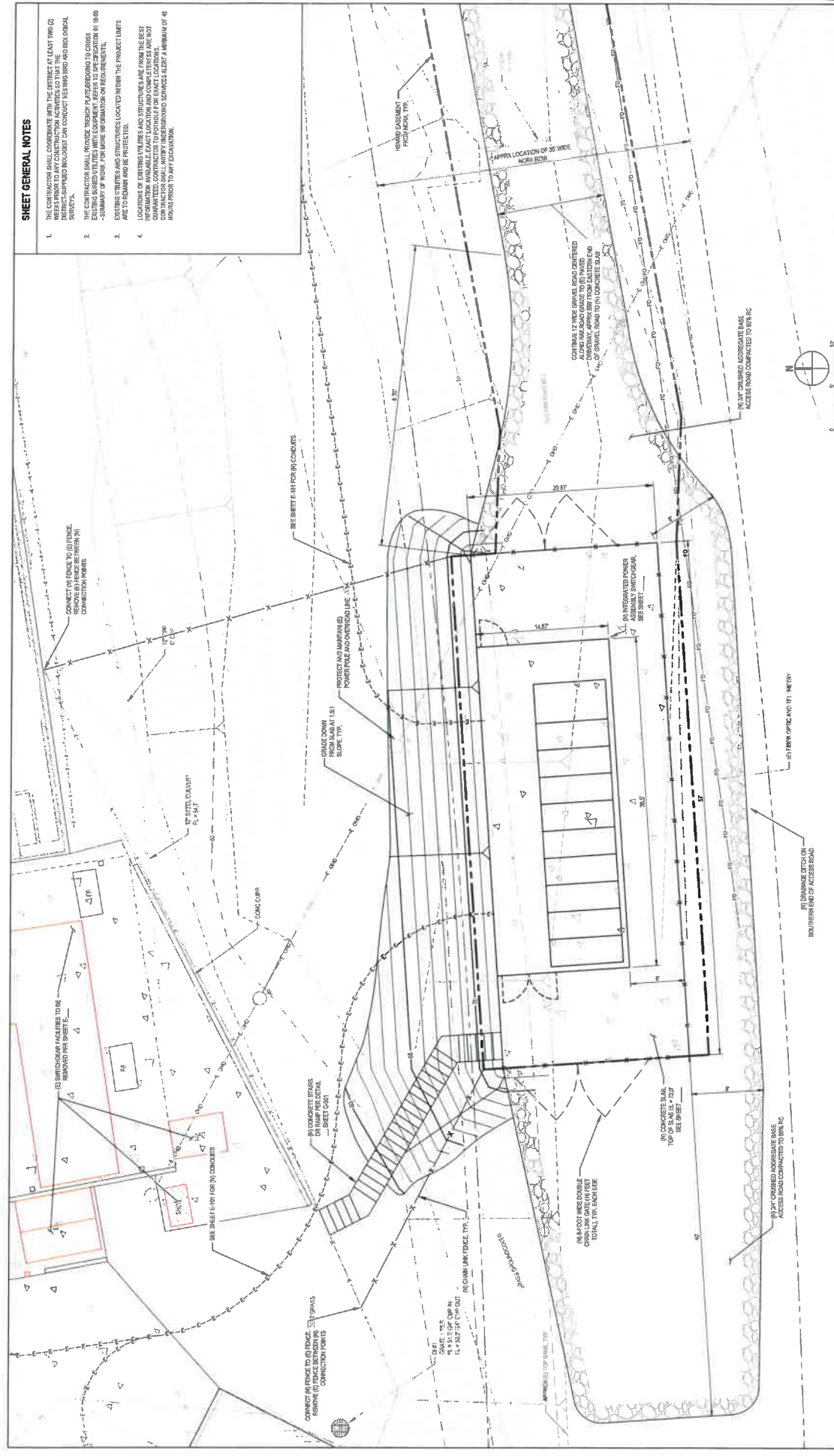
I. NEW BUSINESS

Officer and Committee Assignments

Engineering

SHEET GENERAL NOTES

1. THE CONTRACTOR SHALL COORDINATE WITH THE DISTRICT AT LEAST TWO (2) WEEKS PRIOR TO ANY COMMENCEMENT OF WORK. THE CONTRACTOR SHALL PROVIDE TRAFFIC PLATEWORKING TO CROSS DISTRICT-SUPPLIED BROADCAST CAN CONDUCT TESTING AND RECORD SURVEYS.
2. THE CONTRACTOR SHALL PROVIDE TRAFFIC PLATEWORKING TO CROSS DISTRICT-SUPPLIED BROADCAST CAN CONDUCT TESTING AND RECORD SURVEYS.
3. THE CONTRACTOR SHALL PROVIDE TRAFFIC PLATEWORKING TO CROSS DISTRICT-SUPPLIED BROADCAST CAN CONDUCT TESTING AND RECORD SURVEYS.
4. THE CONTRACTOR SHALL PROVIDE TRAFFIC PLATEWORKING TO CROSS DISTRICT-SUPPLIED BROADCAST CAN CONDUCT TESTING AND RECORD SURVEYS.



30% SUBMITTAL

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
12 kV SWITCHGEAR RELOCATION
CIVIL SITE PLAN

Owner	H. FLETCHER
Design	H. FLETCHER
Check	P. MARSH
Drawn	P. MARSH
Date	07/19/18
Scale	AS SHOWN

Project No. 1186575
 Project Name: 12 kV SWITCHGEAR RELOCATION
 Project Location: HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 Project Date: 07/19/18



Scale: 1" = 10'-0"

North Arrow



No.	Date	By	Check	Appr.	Date

Project No. 1186575
 Project Name: 12 kV SWITCHGEAR RELOCATION
 Project Location: HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 Project Date: 07/19/18



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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

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

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

Website: www.hbmwd.com

BOARD OF DIRECTORS
SHERI WOO, PRESIDENT
NEAL LATT, VICE-PRESIDENT
J. BRUCE RUPP, SECRETARY-TREASURER
BARBARA HECATHORN, DIRECTOR
MICHELLE FULLER, DIRECTOR

LOCAL MATCH FUND COMMITMENT LETTER

June 13, 2019

California Governor's Office of Emergency Services
Hazard Mitigation Grants Program Unit
3650 Schriever Avenue
Mather, CA 95655

RE: DR-4407-0310 Subapplication Funding Match Commitment Letter -TRF Generator

Dear State Hazard Mitigation Officer:

As part of the Hazard Mitigation Grant Program process, a local funding match of at least 25% is required. This letter serves as Humboldt Bay Municipal Water District's commitment to meet the local match fund requirements for the Hazard Mitigation Grant Program.

SOURCE OF NON-FEDERAL FUNDS:

LOCAL AGENCY FUNDING	OTHER AGENCY FUNDING	PRIVATE NON-PROFIT FUNDING	STATE AGENCY FUNDING
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NAME OF FUNDING SOURCE:

HBMWD

FUNDS AVAILABILITY DATE:

June 13, 2019

FEDERAL SHARE AMOUNT REQUESTED:

\$1,381,294.50

LOCAL SHARE AMOUNT MATCH:

\$460,431.50

FUNDING TYPE:

Cash from municipal customer water rates

Please contact Chris Harris at 707-443-5018, harris@hbmwd.com with questions.

Sincerely,

John Friedenbach
General Manager
707-443-5018 phone
707-443-5731 fax
friedenbach@hbmwd.com



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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

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BARBARA HECATHORN, DIRECTOR

MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

PROJECT MAINTENANCE LETTER

June 13, 2019

California Governor's Office of Emergency Services
Hazard Mitigation Grants Program Unit
3650 Schriever Avenue
Mather, CA 95655

RE: DR-4407-0310 Project Subapplication -TRF Generator

Dear State Hazard Mitigation Officer:

This is to confirm that Humboldt Bay Municipal Water District (HBMWD) is committed to perform the necessary maintenance for the entire useful life of this project (19 OF YEARS) once completed. The HBMWD is allocating an annual budget of \$1,000 which will allow maintenance to occur as needed to ensure the emergency generator and fuel tank remains in good repair and operational.

ENTITY RESPONSIBLE FOR THE MAINTENANCE:	Humboldt Bay Municipal Water District
PAST MAINTENANCE TASKS INVOLVED:	Fuel and testing existing emergency generator
FUTURE MAINTENANCE TASKS INVOLVED:	Maintain fuel supply, perform testing, oil changes of the new generator system.
FUTURE MAINTENANCE SCHEDULE:	Weekly testing, annual oil change, monthly topping off of fuel supply
FUTURE COST OF MAINTENANCE:	\$1,000/year
SOURCE OF FUTURE MAINTENANCE FUNDS:	HBMWD municipal customer water rates

Please contact Chris Harris at 707-443-5018, harris@hbmwd.com with questions.

Sincerely,

John Friedenbach
General Manager
707-443-5018 phone
707-443-5731 fax
friedenbach@hbmwd.com

FINANCIAL

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
STATEMENT OF FUND BALANCES

SECTION J2a PAGE NO. 1

<u>ACCOUNT BALANCES AT MONTH-END</u>	May 31, 2019	May 31, 2018
US BANK ACCOUNTS		
General Fund Account	1,739,192.58	293,817.97
Money Markey Account (DWR/SRF Account)	301,954.76	299,646.11
Money Market Account (DWR/SRF Reserve)	547,336.94	547,336.94
Trust Account (PARS/UAL CalPERS)	689,382.13	600,000.00
<i>Subtotal</i>	<i>3,277,866.41</i>	<i>1,740,801.02</i>
HUMBOLDT COUNTY INVESTMENT ACCOUNTS		
Investment Account	1,392,408.02	1,793,406.39
DWFP Reserve Account	237,004.31	233,368.21
MSRA Reserve Account	433,777.05	427,122.09
SRF Loan Payment Account	141,411.61	140,583.73
ReMat Account	436,426.89	219,681.44
1% Tax Account	678.28	397,600.25
<i>Subtotal</i>	<i>2,641,706.16</i>	<i>3,211,762.11</i>
OTHER ACCOUNTS		
L. A. I. F Account	1,666.80	1,629.83
ReMat Deposit - Mellon Bank	27,000.00	27,000.00
Principle Investment Account	27,538.38	-
Cash on Hand	650.00	650.00
<i>Subtotal</i>	<i>56,855.18</i>	<i>29,279.83</i>
TOTAL CASH	5,976,427.75	4,981,842.96
ENCUMBRANCES AND RESERVES		
Prior-Year Price Factor 2 Rebate	(3,157.40)	(36,207.42)
Prior-Year Restricted AP Encumbrances	-	-
1% Tax Credit to Muni's	(678.28)	(397,600.25)
Advanced Charges - 1MG Domestic Reservoir Roof	-	(88,661.37)
Advanced Charges - Bunkhouse	-	(403,365.00)
Advanced Charges - SCADA System Upgrade	-	(83,452.98)
Advanced Charges - Blue Lake/FGCSD River Crossing	-	-
Advanced Charges - Redundant Pipeline	(260,245.00)	-
Advanced Charges - Three Tank Seismic	(255,000.00)	-
DWR Reserve for SRF Loan	(547,336.94)	(547,336.94)
DWR Reserve for SRF Payment	(301,954.76)	(299,646.11)
Pension Trust Reserves	(689,382.13)	(600,000.00)
<i>Subtotal</i>	<i>(2,057,754.51)</i>	<i>(2,456,270.07)</i>
BOARD RESTRICTED		
Paik-Nicely Development	(4,158.00)	(4,158.00)
DWFP Reserves	(237,004.31)	(233,368.21)
MSRA Reserves	(433,777.05)	(427,122.09)
ReMat Deposit	(27,000.00)	(27,000.00)
ReMat Reserves	(446,312.71)	(219,681.44)
UNRESTRICTED RESERVES		
Accumulation for SRF Payment	(141,411.61)	(140,583.73)
Accumulation for Ranney/Techite Payment	14,055.39	29,446.79
Principle Investment Reserves	(27,538.38)	-
General Fund Reserves	(3,104,577.57)	(1,503,106.21)
<i>Subtotal</i>	<i>(4,407,724.24)</i>	<i>(2,525,572.89)</i>
TOTAL NET POSITION	(6,465,478.75)	(4,981,842.96)

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 REVENUE REPORT
 May 31, 2019

92% Of Budget Year

A. REVENUE RETURNED TO CUSTOMERS VIA PF2

	MTD RECEIPTS	YTD RECEIPTS	BUDGET	% OF BUDGET	PRIOR YEAR
Humboldt Bay Retail Water Revenue	36,677	415,547	318,394	131%	265,461
General Revenue					
Interest	209	22,248	30,000	74%	25,955
FCSD Contract (Maint. & Operations)	0	115,865	225,000	51%	209,026
Power Sales (Net ReMat)	27,597	115,583	220,000	53%	136,276
Tax Receipts (1% Taxes)	0	536,848	825,000	65%	914,616
Miscellaneous Revenue*	995	201,728	50,000	403%	103,987
<i>*Detail on following page</i>					
TOTAL PF2 REVENUE CREDITS	65,478	1,407,819	1,668,394	84%	1,655,323

B. DISTRICT REVENUE

	MTD RECEIPTS	YTD RECEIPTS	BUDGET	% OF BUDGET	PRIOR YEAR
Industrial Water Revenue					
Harbor District	73	73	0	0	612
Subtotal Industrial Water Revenue	73	73	0	0	612
Municipal Water Revenue					
City of Arcata	107,561	1,182,149	1,321,044	89%	1,005,605
City of Blue Lake	15,108	166,912	182,807	91%	142,057
City of Eureka	257,357	2,826,377	3,119,229	91%	2,385,590
Fieldbrook CSD	14,033	141,286	174,392	81%	131,353
Humboldt CSD	87,384	953,379	1,072,333	89%	786,623
Manila CSD	5,743	60,648	70,168	86%	47,212
McKinleyville CSD	86,475	953,352	1,066,249	89%	801,850
Subtotal Municipal Water Revenue	573,660	6,284,103	7,006,222	90%	5,300,291
TOTAL INDUSTRIAL & WHOLESALE REVENUE	573,734	6,284,177	7,006,222	90%	5,300,904
Power Sales					
Power Sales (ReMat Revenue)	45,658	220,794	300,000	74%	242,154
Interest (ReMat Revenue)	0	2,310	0		
TOTAL REMAT REVENUE	45,658	223,104	300,000	74%	242,154
Other Revenue and Grant Reimbursement					
BLFB Pipeline Crossing (FEMA/Prop 84 Grants)	0	511,925			
Quagga Grant (Pass-Through)	1,259	43,425			
Net Increase/Decrease PARS/Principle	10,148	35,345			
TOTAL OTHER/GRANT REVENUE	11,407	590,694			
GRAND TOTAL ALL REVENUE	696,276	8,505,795	8,974,616	95%	7,198,381

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MISCELLANEOUS REVENUE - DETAIL REPORT
 May 31, 2019

B. MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)

	MTD RECEIPTS	YTD RECEIPTS
Miscellaneous Revenue		
ACWA/JPIA HR LaBounty Safety Award	250	500
ACWA/JPIA Insurance Claim	-	4,261
ACWA/JPIA Retrospective Premium Adj.	-	36,113
ACWA/JPIA Wellness Grant	-	680
Dividend - Principal Life	-	849
Fees - Park Use	25	200
Fees - Right of Way	-	-
FEMA - January 2017 Storm Damage	-	143,065
Insurance - Special Event Liability	-	-
Memorandum of Assistance - MCSD	-	287
Rebate - CALCard	-	2,610
Refund - Diesel Fuel Tax	-	375
Refunds - Miscellaneous	-	277
Reimb - District Hats/Safety Apparel	-	230
Reimb. - Copies & Postage	31	47
Reimb. - Gas	0	195
Reimb. - Telephone	32	32
Rent - Parking Lot	25	250
Retirees' Health Ins./COBRA Reimb.	85	5,819
Sale - Scrap Materials/Metals	-	-
Sale - Surplus Equipment	0	3,212
UB - Bad Debt Recovery	266	363
UB - Hydrant Rental Deposit	-	256
UB - Mainline Connection Charge	-	-
UB - Meter Installations	-	-
UB - Retail Connection Charge	-	-
UB - Water Processing Fees	120	655
Ruth Area		
Fees - Buffer Strip ROW License	-	-
Fees - Buffer Strip/PG&E ROW	-	-
Lease - Don Bridge	0	768
Permit - RLCSO-Water System	-	-
Permit - Ruth Area Water Use	-	100
Rent - Ruth Cabin	160	405
Sale - Merchantable Timber	-	-
Sale - Surplus Gravel	-	180
TOTAL MISCELLANEOUS REVENUE	995	201,728

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 1 OF 3
 May 31, 2019

SECTION J2a, PAGE NO. 4

92% Of Budget Year

SALARY AND EMPLOYEE BENEFIT EXPENDITURES (S. E. B.)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
<i>Compensation</i>					
Wages - Regular	158,008.51	1,685,275.77	1,715,386.04		
Wages - Sick	2,869.98	24,735.82			
Wages - Vacation	9,273.96	39,801.56			
<i>Subtotal</i>	170,152.45	1,749,813.15	1,715,386.04	2,086,103.92	84%
Wages - Overtime	3,503.53	23,507.65	20,787.99		
Wages - Holiday	2,286.08	37,715.34	9,392.56		
<i>Subtotal</i>	5,789.61	61,222.99	30,180.55	30,000.00	204%
Wages - Part-Time	1,381.83	31,610.02	33,769.87	35,312.00	90%
Wages - Shift Diff	759.44	9,540.84	8,510.46	11,000.00	87%
Wages - Standby	6,026.02	73,018.06	70,873.62	81,000.00	90%
Director Compensation	2,960.00	20,720.00	20,880.00	26,000.00	80%
Secretarial Fees	262.50	2,625.00	2,887.50	3,200.00	82%
Payroll Tax Expenses	14,348.73	154,202.26	149,717.50	179,037.00	86%
<i>Subtotal</i>	25,738.52	291,716.18	286,638.95	335,549.00	87%
<i>Employee Benefits</i>					
Health, Life, & LTD Insurance	52,771.45	636,449.93	632,808.17	756,903.00	84%
HSA Expense	2,019.37	42,785.48	34,101.33	26,000.00	165%
Air Medical Insurance	-	1,875.00	-	2,149.00	87%
Retiree Medical Insurance	11,353.02	115,818.25	86,429.36	94,822.00	122%
Employee Dental Insurance	2,829.68	32,979.99	31,551.63	39,398.00	84%
Employee Vision Insurance	649.60	7,435.53	6,969.61	7,354.00	101%
Employee EAP	75.20	902.40	897.69	1,023.00	88%
457b District Contribution	2,750.00	28,950.00	28,200.00	30,600.00	95%
CalPERS Expenses	23,103.48	421,207.89	377,658.85	491,948.00	86%
Workers Comp Insurance	5,766.37	88,431.42	53,435.10	77,928.00	113%
<i>Subtotal</i>	101,318.17	1,376,835.89	1,252,051.74	1,528,125.00	90%
TOTAL S.E.B	302,998.75	3,479,588.21	3,284,257.28	3,979,777.92	87%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 2 OF 3
 May 31, 2019

92% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (S & S)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
Operations & Maintenance					
Auto Maintenance	2,864.82	40,930.89	34,857.02	40,000.00	102%
Engineering	1,620.75	43,085.95	58,437.50	75,000.00	57%
Lab Expenses	550.00	12,357.23	12,911.84	13,000.00	95%
Maintenance & Repairs					
General	5,891.61	72,953.42	200,502.58	45,000.00	162%
TRF	826.25	30,001.19	46,080.77	13,000.00	231%
<i>Subtotal</i>	<i>6,717.86</i>	<i>102,954.61</i>	<i>246,583.35</i>	<i>58,000.00</i>	<i>178%</i>
Materials & Supplies					
General	15,557.92	41,743.22	-	43,000.00	97%
TRF	16,013.29	43,331.70	-	42,000.00	103%
<i>Subtotal</i>	<i>31,571.21</i>	<i>85,074.92</i>	<i>-</i>	<i>85,000.00</i>	<i>100%</i>
Radio Maintenance	524.28	15,786.84	7,297.57	10,500.00	150%
Ruth Lake License	-	1,500.00	1,500.00	1,500.00	100%
Safety Equip./Training					
General	4,556.55	21,737.27	-	20,000.00	109%
TRF	32.16	1,828.10	-	2,000.00	91%
<i>Subtotal</i>	<i>4,588.71</i>	<i>23,565.37</i>	<i>8,797.57</i>	<i>22,000.00</i>	<i>107%</i>
Tools & Equipment	107.18	3,688.80	-	5,000.00	74%
USGS Meter Station	8,000.00	8,000.00	7,850.00	7,800.00	103%
<i>Operations Subtotal</i>	<i>56,544.81</i>	<i>336,944.61</i>	<i>369,437.28</i>	<i>317,800.00</i>	<i>106%</i>
General & Administration					
Accounting Services	4,724.00	20,350.00	16,355.00	25,000.00	81%
Bad Debt Expense	-	358.40	-	-	0
Dues & Subscriptions	-	25,843.73	24,232.51	19,000.00	136%
General Manager Training	-	1,506.06	1,904.52	3,000.00	50%
IT & Software Maintenance	2,316.23	24,005.95	-	29,000.00	83%
Insurance	-	39,911.25	88,698.75	105,000.00	38%
Internet	662.00	9,070.39	-	12,000.00	76%
Legal Services	421.50	34,495.25	60,454.94	28,000.00	123%
Miscellaneous	489.21	10,581.14	12,264.50	11,500.00	92%
Office Building Maintenance	737.43	11,938.28	23,989.07	16,500.00	72%
Office Expense	3,047.06	24,539.05	46,548.28	40,000.00	61%
Professional Services	8,592.00	10,961.94	3,645.36	20,000.00	55%
Property Tax	-	945.00	998.60	1,100.00	86%
Public Info/Education	1,000.00	16.28	-	-	0

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 MONTHLY EXPENDITURE REPORT - PAGE 3 OF 3
 May 31, 2019

92% Of Budget Year

SERVICE & SUPPLY EXPENDITURES (con't)

	Month-to-Date	Year-to-Date	Prior Year	Budget	% of Budget
Regulatory Agency Fees	34,439.00	118,886.17	123,555.90	114,000.00	104%
Ruth Lake Programs	-	-	-	5,000.00	0%
Safety Apparel	-	2,868.74	3,307.08	3,000.00	96%
Technical Training	2,708.10	7,655.59	6,317.89	14,500.00	53%
Telephone	4,405.43	48,562.09	54,613.21	41,000.00	118%
Travel & Conference	1,871.26	7,799.13	8,959.22	22,000.00	35%
<i>Gen. & Admin. Subtotal</i>	<i>65,413.22</i>	<i>400,294.44</i>	<i>475,844.83</i>	<i>509,600.92</i>	<i>79%</i>

Power

Essex - PG & E	45,438.90	560,515.95	\$532,564.81		
2Mw Generator Fuel	-	8,756.35	\$0.00		
<i>Subtotal Essex Pumping</i>	<i>45,438.90</i>	<i>569,272.30</i>	<i>532,564.81</i>		

All other PG & E	8,818.47	23,145.13	75,369.97	680,814.00	
<i>Subtotal All Power</i>	<i>54,257.37</i>	<i>592,417.43</i>	<i>607,934.78</i>	<i>680,814.00</i>	<i>87%</i>

Total Service and Supplies

incl. Power	176,215.40	1,329,656.48	1,453,216.89	1,508,214.92	88%
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PROJECTS, FIXED ASSETS & CONSULTING SERVICES

	Month-to-Date	Year-to-Date	Budget	% of Budget
	216,079.00	3,102,244.00	8,557,693.00	36%

GRAND TOTAL EXPENSES	695,293.15	7,911,488.69	4,737,474.17	14,045,685.83	56%
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Debt Service - SRF Loan	-	(273,668.48)	(273,668.48)	(547,336.96)	50%
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Debt Service - US Bank	-	(162,188.10)	(162,188.10)	(162,200.00)	100%
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TOTAL EXPENSES WITH DEBT SERVICE

	700,930.33	7,492,274.45	4,301,617.59	13,336,148.87	
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OTHER EXPENSES

ReMat Consultant Expenses	5,637.18	16,642.34	22,988.62		
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HUMBOLDT BAY MUNICIPAL WATER DISTRICT
 PROJECT PROGRESS REPORT
 May 31, 2019

92% Of Budget Year

A. CAPITAL PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Replace Collector 1 - Pump 1.2	0	178,829	214,500	83%
Collector Motors/Parts Inventory	0	83,853	103,500	81%
Collector Pump Oilers	3,348	5,321	0	0
Generator for Industrial Meter Building Comm. Equip.	0	3,676	4,750	77%
Essex Control Building Flooring Replacement	0	0	6,000	0%
Ruth Hydro Protective Relay Replacement - Phase 2	0	1,904	120,000	2%
Blue Lake/FGCSD River Crossing* <i>(Prop 84 Grant, FEMA Grant, & Adv. Charges)</i>	0	1,201,012	2,515,400	48%
Surge Tower Demolition* <i>(FEMA Grant, Adv. Charges, ReMat Reserve)</i>	4,519	42,973	960,000	4%
12KV -NEPA Process* <i>(FEMA Grant, Adv. Charges, and Current Muni Charges)</i>	0	35,550	2,032,050	2%
TOTAL CAPITAL PROJECTS	7,867	1,553,117	5,956,200	26%

B. FIXED ASSET PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Collector 1 Electrical Upgrade	4,654	38,104	185,500	21%
Essex- Two Admin. Computers	0	4,198	4,725	89%
Essex - Replace Control System Computers	0	1,738	2,500	70%
Essex - Replace Computer Server Cabinet	0	7,431	10,250	73%
Essex - Replace Operations Chairs	0	1,556	1,500	104%
Essex - Ops. Supervisor Ergonomic Desk	801	2,399	3,500	69%
Replace Unit 1 - Superintendent	0	40,463	50,000	81%
Boom Truck - Load Moment Indicator	0	13,831	14,250	97%
Boom Truck (Unit 5) Air-Ride Seat	0	754	1,500	50%
Portable Gantry System	0	3,227	4,000	81%
Fleet Servicing Equipment	0	1,292	2,500	52%
HEPA Filter Vacuum	0	1,140	1,500	76%
Electrical Testing & Calibration Equipment	0	10,000	11,500	87%
Utility Line Locator	0	6,250	6,250	100%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT - PAGE 2 OF 6

May 31, 2019

B. FIXED ASSET PROJECTS (con't)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Ruth HQ Washroom Remodel	0	0	2,500	0%
Ruth Bunkhouse Furnishings	4,476	5,529	4,000	138%
Hydro Wicket Gate Hydraulic Control Motor	0	2,082	2,500	83%
Ruth Hydro Oil & Paint Storage Lockers	0	0	2,750	0%
Eureka - Replace Two Admin. Computers	0	3,753	6,250	60%
Eureka - ADA Assisted Listening System	0	0	10,000	0%
Accounting and Financial Software	13,955	49,052	60,000	82%
Essex - Replace UPSs - Phase 1*	0	40,320	33,500	120%
<i>(Base Facility and Treatment Facility Project)</i>				
N-Poly Pump Skid Replacement*	0	0	12,250	0%
<i>(Treatment Facility Project)</i>				
Essex - Control & Admin Networks Backup*	0	13,984	15,500	90%
<i>(Treatment Facility Project)</i>				
TOTAL FIXED ASSET PROJECTS	23,885	247,104	448,725	55%

C. MAINTENANCE PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Collector 5 Security/Vandalism Protections	0	0	7,500	0%
Pipeline Maintenance	0	847	12,750	7%
12KV Electric System Maintenance	18,761	18,761	4,000	469%
Mainline Meter Flow Calibration	0	64	10,000	1%
Technical Support & Software Updates to Include Control System	8,055	15,398	19,000	81%
Generator Service	0	1,676	3,500	48%
Hazard & Diseased Tree Removal	0	0	6,500	0%
Cathodic Protection	2,979	4,017	6,500	62%
Maintenance Emergency Repair	9,000	38,344	50,000	77%
Fleet Paint Repairs	0	745	5,000	15%
Replace Expired Emergency Operations Center Products	0	2,164	2,500	87%
Replace Fleet Emergency Safety Beacons	0	1,678	2,000	84%
Lead Free Brass Inventory	0	0	2,500	0%
Replace 299 Cathodic Anode Well	0	0	172,000	0%
Ruth Lake - Brush Abatement	3,400	3,400	6,500	52%
Licensed Timber Operator	0	0	5,000	0%
Log Boom Inspection	0	0	1,000	0%
Ruth Spillway Maintenance	0	27,013	80,000	34%
Ruth HQ - Install Power Pole	0	0	3,750	0%
Ruth HQ & Surrounding Area - Remove Dead/Dying Trees	0	0	20,000	0%

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PROJECT PROGRESS REPORT - PAGE 3 OF 6

May 31, 2019

C. MAINTENANCE PROJECTS (con't)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Hydro - Repair PRV Discharge Pipe	0	2,392	5,500	43%
Howell Bunger Valve Inspection	0	0	1,110	0%
2019 Storm Damage	23,812	427,105	0	0
TRF - Generator Service* <i>(Treatment Facility Project)</i>	0	0	500	0%
TRF Limitorque Valve Retrofit - Phase 2* <i>(Treatment Facility Project)</i>	0	10,005	10,250	98%
TRF Water Quality Instr. Parts Inventory* <i>(Treatment Facility Project)</i>	0	6,918	7,250	95%
TRF Water Quality Instruments* <i>(Treatment Facility Project)</i>	0	5,326	14,750	36%
TRF Chemical System Back Pressure Valves* <i>(Treatment Facility Project)</i>	0	9,329	10,500	89%
TOTAL MAINTENANCE PROJECTS	66,006	575,183	469,860	122%

D. PROFESSIONAL & CONSULTING SERVICES

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Collector 2 Arc Flash Survey and Relay Test	0	0	4,000	0%
Collector 3 Monitoring Well Adndnmnt	0	16,000	26,100	61%
Crane Testing/Certification	0	6,889	7,500	92%
Control/SCADA Software Training	2,470	16,433	27,750	59%
Technical Training	0	1,316	10,500	13%
Backflow Tester Training	0	1,253	3,000	42%
Essex Mad River Cross-Sectional Survey	0	8,452	10,000	85%
Essex Gravel Bar Maintance and Survey	0	0	25,000	0%
Industrial Pipeline Evaluation	0	0	26,000	0%
Industrial and Domestic System Intertie	0	266	11,000	2%
GIS/Facilities Information System	0	0	12,000	0%
GIS/Facilities Information System - Ruth	0	0	4,600	0%
Dune Monitoring Program - Coastal	0	2,000	2,000	100%
Conservancy Climate Ready Grant	0	0	10,000	0%
Eureka - ADA Compliance Consultation	0	0	10,000	0%
Public Education	1,000	1,516	5,000	30%
SGMA - Groundwater Management Plan	0	256	5,000	5%
PARS Pension Trust Contribution	0	50,000	50,000	100%
Water Resources Planning	0	0	5,000	0%
Grant Applications	3,445	36,039	30,000	120%
Ruth Spillway Bridge Inspection	0	0	6,500	0%
Ruth Spillway Maintenance Assistance	0	0	15,000	0%

D. PROFESSIONAL & CONSULTING SERVICES (CONT)

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Hydro ReMat Electrical/Maintenance Insp.	0	0	2,050	0%
FERC EAP Tabletop Exercise-Planning	238	995	2,000	50%
FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12)	0	1,970	3,000	66%
FERC Chief Dam Safety Engineer	155	6,111	10,000	61%
Drone Training*	0	260	5,000	5%
<i>(Base Facility and Treatment Facility Project)</i>				
Chlorine System Maintenance*	2,706	17,363	16,750	104%
<i>(Treatment Facility Project)</i>				
In-Stream Flow*	8,592	89,312	693,408	13%
<i>(Wildlife Conservation Board Grant)</i>				
TOTAL PROF/CONSULTING SERVICES	18,606	256,431	1,028,158	25%

E. INDUSTRIAL SYSTEM PROJECTS

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
Maintain PS6 Water Supply During Low Flow	0	3,891	13,250	29%
Rebuild River Weir at PS6*	0	3,556	75,000	5%
<i>(ReMat Reserves)</i>				
TOTAL INDUSTRIAL SYSTEM PROJECTS	0	7,447	88,250	8%

F. CARRY-OVER PROJECTS FROM PRIOR YEAR

Superintendent Office Remodel	692	1,273	3,000	42%
Mainline Valve Replacement	0	0	130,000	0%
TRF Video Surveillance System* <i>(Treatment Facility Project)</i>	4,332	4,685	30,000	16%
Replace Ruth Bunkhouse* <i>(Advanced Charges)</i>	94,691	457,005	403,500	113%
CARRYOVER PROJECTS TOTAL	99,715	462,963	566,500	82%

	MTD EXPENSES	YTD TOTAL	BUDGET	% OF BUDGET
PROJECTS GRAND TOTAL	216,079	3,102,244	8,557,693	36%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	107,802	1,829,408	6,371,345	29%
PF2 Project Total Charged to Customers excluding Debt Service (US Bank)	108,277	1,272,837	2,186,348	58%

Total Project Budget:	8,557,693
Amount Charged to Customers:	2,186,348
Annual Debt Service Charges*:	162,200
Actual Customer Charges:	2,348,548
<i>*Ranney Collector 3 and Techite Pipeline Replacement Projects were partially funded with a 10-year loan. Only the annual debt service for these projects is charged to customers.</i>	

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 5/1/2019-5/31/2019Page: 1
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Vendor Name	Date Paid	Description	Amount Paid
101NETLINK			
101NETLINK	05/09/2019	Ruth Data Link/Internet	160.00
Total 101NETLINK:			160.00
ACWA/JPIA			
ACWA/JPIA	05/20/2019	RETIREE MEDICAL	11,353.02
ACWA/JPIA	05/20/2019	COBRA Dental	164.12
ACWA/JPIA	05/20/2019	COBRA Vision	55.68
ACWA/JPIA	05/20/2019	Director - Dental	33.72
ACWA/JPIA	05/20/2019	Director - Vision	18.56
ACWA/JPIA	05/20/2019	Director - EAP	2.35
Total ACWA/JPIA:			11,627.45
AirGas NCN			
AirGas NCN	05/30/2019	maintenance supplies	66.46
AirGas NCN	05/30/2019	Fall Protection Equipment	630.17
Total AirGas NCN:			696.63
Almquist Lumber			
Almquist Lumber	05/09/2019	Ruth Bunkhouse Furnishings	94.68
Almquist Lumber	05/30/2019	Superintendent office remodel	7.49
Total Almquist Lumber:			102.17
Arcata Stationers			
Arcata Stationers	05/30/2019	Superintendent Office Remodel	692.23
Arcata Stationers	05/30/2019	Operations Supervisor Ergonomic Desk	692.23
Arcata Stationers	05/30/2019	Operations Supervisor Ergonomic Desk	108.39
Total Arcata Stationers:			1,492.85
AT & T			
AT & T	05/20/2019	Eureka/Essex Land Line	35.05
AT & T	05/20/2019	Arcata/Essex Land Line	35.05
AT & T	05/20/2019	Samoa/Essex Land Line	235.02
AT & T	05/20/2019	Blue Lake Meter Signal Line	60.53
AT & T	05/20/2019	Eureka Office Modem Line	195.74
AT & T	05/20/2019	Eureka Office Alarm Line	109.94
AT & T	05/20/2019	Samoa Booster Pump Station	110.86
AT & T	05/20/2019	Valve Building Samoa	195.73
AT & T	05/20/2019	Eureka Office	451.94
AT & T	05/20/2019	Essex office	1,151.23
AT & T	05/20/2019	TRF	194.05
AT & T	05/20/2019	Ruth Hydro/Dataline	189.95
Total AT & T:			2,965.09
AT&T Advertising Solutions			
AT&T Advertising Solutions	05/30/2019	white page listing	21.00
Total AT&T Advertising Solutions:			21.00
AT&T Long Distance			
AT&T Long Distance	05/13/2019	Essex Control Long Distance	110.26

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 5/1/2019-5/31/2019

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Vendor Name	Date Paid	Description	Amount Paid
AT&T Long Distance	05/13/2019	<i>Essex Water Quality Long Distance</i>	21.97
AT&T Long Distance	05/13/2019	<i>Essex Office</i>	227.64
AT&T Long Distance	05/13/2019	<i>Eureka Office Long Distance</i>	6.63
AT&T Long Distance	05/13/2019	<i>Ruth Hydro/Dataline Long Distance</i>	141.72
AT&T Long Distance	05/15/2019	<i>Eureka Office Long Distance</i>	252.37
Total AT&T Long Distance:			760.59
ATS Communications			
ATS Communications	05/30/2019	<i>Control System Software Updates - Ruth Router</i>	383.00
ATS Communications	05/30/2019	<i>TRF Video Surveillance System</i>	4,414.32
ATS Communications	05/30/2019	<i>TRF Video Surveillance system</i>	82.50
Total ATS Communications:			4,714.82
Buckles-Smith			
Buckles-Smith	05/30/2019	<i>Technical Support and Software Updates</i>	7,671.60
Total Buckles-Smith:			7,671.60
Caselle, Inc			
Caselle, Inc	05/30/2019	<i>Monthly Support and Maintenance</i>	419.59
Caselle, Inc	05/30/2019	<i>Monthly Support and Maintenance</i>	147.42
Caselle, Inc	05/30/2019	<i>Monthly Support and Maintenance</i>	598.99
Caselle, Inc	05/31/2019	<i>Monthly Support and Maintenance 2019/20</i>	6,828.20
Caselle, Inc	05/31/2019	<i>Monthly Support and Maintenance 2019/20</i>	4,783.20
Caselle, Inc	05/31/2019	<i>Monthly Support and Maintenance 2019/20</i>	1,680.60
Total Caselle, Inc:			14,458.00
City of Blue Lake			
City of Blue Lake	05/15/2019	<i>Public Outreach - Earth Day Summit in Blue Lake</i>	1,000.00
Total City of Blue Lake:			1,000.00
City of Eureka			
City of Eureka	05/09/2019	<i>Eureka office water/sewer</i>	83.00
Total City of Eureka:			83.00
Coastal Business Systems Inc.			
Coastal Business Systems Inc.	05/13/2019	<i>Eureka office copy and fax machine</i>	940.53
Total Coastal Business Systems Inc.:			940.53
Coastal Tree Service			
Coastal Tree Service	05/30/2019	<i>Collector 2 Storm Damage - Tree removal</i>	7,556.25
Total Coastal Tree Service:			7,556.25
Crane Warning Systems Atlanta, Inc			
Crane Warning Systems Atlanta, Inc	05/30/2019	<i>Replace Crane Harness</i>	124.52
Total Crane Warning Systems Atlanta, Inc:			124.52
Cummins Pacific LLC			
Cummins Pacific LLC	05/30/2019	<i>TRF Generator Replacement</i>	88.29

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
Report dates: 5/1/2019-5/31/2019Page: 3
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Vendor Name	Date Paid	Description	Amount Paid
Total Cummins Pacific LLC:			88.29
Davidson Brothers Lock & Safe			
Davidson Brothers Lock & Safe	05/30/2019	Essex Building keys	24.41
Total Davidson Brothers Lock & Safe:			24.41
Dept Water Resources			
Dept Water Resources	05/30/2019	Annual Dam Fees	34,284.00
Total Dept Water Resources:			34,284.00
Drake Vegetation Management, Inc			
Drake Vegetation Management, Inc	05/30/2019	Ruth Hydro brush abatement	1,700.00
Drake Vegetation Management, Inc	05/30/2019	Ruth Hydro brush abatement	1,700.00
Total Drake Vegetation Management, Inc:			3,400.00
Eureka Oxygen			
Eureka Oxygen	05/15/2019	cylinder rental	108.20
Total Eureka Oxygen:			108.20
Eureka Readymix			
Eureka Readymix	05/09/2019	Corp Yard security upgrade	254.87
Eureka Readymix	05/30/2019	Emergency Repair - Collector 2 Pipeline	251.55
Eureka Readymix	05/30/2019	Emergency Repair - Collector 2 Pipeline	255.26
Eureka Readymix	05/30/2019	Emergency Repair - Collector 2 Pipeline	669.06
Total Eureka Readymix:			1,430.74
Fastenal Company			
Fastenal Company	05/09/2019	safety supplies	40.64
Fastenal Company	05/09/2019	safety supplies	9.34
Fastenal Company	05/30/2019	Annual Ruth Maintenance	19.16
Total Fastenal Company:			69.14
FEDEX			
FEDEX	05/30/2019	ACWA Conference	34.03
Total FEDEX:			34.03
FEDEX Freight West			
FEDEX Freight West	05/09/2019	shipping charges Collector 1 Electrical Upgrade materials	390.71
Total FEDEX Freight West:			390.71
Ferguson Waterworks			
Ferguson Waterworks	05/30/2019	Fieldbrook-Glendale CSD Radio Read Meters	6,243.85
Ferguson Waterworks	05/30/2019	Humboldt Bay Retail Radio Read Meter	876.62
Total Ferguson Waterworks:			7,120.47
Frontier Communications			
Frontier Communications	05/30/2019	Ruth HQ	53.84

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Frontier Communications	05/30/2019	Ruth Hydro/Ruth Dataline	172.77
Total Frontier Communications:			226.61
GEI Consultants, Inc			
GEI Consultants, Inc	05/30/2019	FERC Dam Safety Engineer	154.54
Total GEI Consultants, Inc:			154.54
GHD			
GHD	05/30/2019	Surge Tower Replacement	4,518.75
GHD	05/30/2019	12KV Switchgear Replacement -Grant	18,760.75
GHD	05/30/2019	Cathodic Protection System Evaluation	2,979.00
GHD	05/30/2019	General Engineering - Ruth	26.37
GHD	05/30/2019	General Engineering - Essex Control	379.75
GHD	05/30/2019	General Engineering - Essex	397.00
GHD	05/30/2019	General Engineering - Eureka	685.75
GHD	05/30/2019	General Engineering - Ruth Hydro FERC-EAP	131.88
GHD	05/30/2019	Storm Damage Collector 2 Repairs	21,991.75
GHD	05/30/2019	Assistance with Grant Application - TRF Generator	3,445.25
Total GHD:			53,316.25
Gutierrez Land Surveying			
Gutierrez Land Surveying	05/09/2019	Storm Damage - Collector 2 Road Slip Out	1,820.00
Total Gutierrez Land Surveying:			1,820.00
Harbor Freight Tools			
Harbor Freight Tools	05/30/2019	Annual Ruth Maintenance	24.58
Harbor Freight Tools	05/30/2019	Annual Ruth Maintenance	24.59
Total Harbor Freight Tools:			49.17
Health Equity Inc			
Health Equity Inc	05/20/2019	District HSA Contribution	1,986.92
Health Equity Inc	05/09/2019	HSA Admin Fee - 2 employees	5.90
Health Equity Inc	05/09/2019	HSA Admin Fee 9 employees	26.55
Total Health Equity Inc:			2,019.37
Hensel Hardware			
Hensel Hardware	05/30/2019	maintenance supplies	45.82
Hensel Hardware	05/30/2019	Annual Ruth Maintenance	83.46
Hensel Hardware	05/30/2019	Annual Ruth Maintenance	83.46
Hensel Hardware	05/30/2019	Annual Ruth Maintenance	10.80
Hensel Hardware	05/30/2019	Annual Ruth Maintenance	10.81
Hensel Hardware	05/30/2019	Storm Damage Collector 2 Pipeline Repair	52.51
Hensel Hardware	05/30/2019	Ruth Hydro Metering Building maint	24.28
Hensel Hardware	05/30/2019	maintenance supplies	41.20
Hensel Hardware	05/30/2019	maintenance supplies	16.26
Total Hensel Hardware:			368.60
Hensell Materials			
Hensell Materials	05/09/2019	maintenance supplies	17.25

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Total Hensell Materials:			17.25
Henwood Associates, Inc			
Henwood Associates, Inc	05/09/2019	Consultant Services Agreement	2,818.59
Total Henwood Associates, Inc:			2,818.59
Humboldt County Treasurer			
Humboldt County Treasurer	05/09/2019	Fund No 2712 Account 800870	43,514.29
Humboldt County Treasurer	05/30/2019	Fund No 3876 Account 800870	45,611.43
Total Humboldt County Treasurer:			89,125.72
Humboldt Fasteners			
Humboldt Fasteners	05/09/2019	Maintenance supplies	207.50
Total Humboldt Fasteners:			207.50
Humboldt Redwood Company, LLC			
Humboldt Redwood Company, LLC	05/17/2019	Mt Pierce Lease site	274.28
Total Humboldt Redwood Company, LLC:			274.28
Industrial Electric			
Industrial Electric	05/17/2019	TRF Repair	285.92
Industrial Electric	05/09/2019	Collector 3 Security upgrade	71.46
Industrial Electric	05/09/2019	Line Shed Security Project	71.45
Industrial Electric	05/09/2019	Corp Yard Security Project	178.32
Industrial Electric	05/09/2019	Collector 3 security upgrade	178.32
Industrial Electric	05/09/2019	Corp Yard Security Project	20.60
Industrial Electric	05/09/2019	Collector 3 security upgrade	20.61
Industrial Electric	05/30/2019	Collectors Pump Oiler	59.24
Total Industrial Electric:			885.92
Integra Chemical Company			
Integra Chemical Company	05/30/2019	dechlorination chemicals	4,319.11
Total Integra Chemical Company:			4,319.11
JTN Energy, LLC			
JTN Energy, LLC	05/09/2019	Consultant Services Agreement	2,818.59
Total JTN Energy, LLC:			2,818.59
Larry Raschein			
Larry Raschein	05/20/2019	Travel Advance - Ruth Hydro coverage	247.50
Total Larry Raschein:			247.50
Mad River Alliance			
Mad River Alliance	05/30/2019	Assistance with task related to WCB Prop 1 grant	8,592.00
Total Mad River Alliance:			8,592.00

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Matthews Paints, Inc.			
Matthews Paints, Inc.	05/30/2019	Annual Ruth Maintenance	9.01
Matthews Paints, Inc.	05/30/2019	Annual Ruth Maintenance	9.01
Total Matthews Paints, Inc.:			18.02
Mendes Supply Company			
Mendes Supply Company	05/30/2019	Eureka office supplies	137.95
Total Mendes Supply Company:			137.95
Miller Farms Nursery			
Miller Farms Nursery	05/09/2019	Maintenance shop repair	15.03
Miller Farms Nursery	05/30/2019	equipment maintenance	8.08
Total Miller Farms Nursery:			23.11
Mission Linen			
Mission Linen	05/09/2019	Uniform Rental	87.42
Mission Linen	05/09/2019	maintenance supplies	34.50
Mission Linen	05/09/2019	Uniform Rental	110.31
Mission Linen	05/09/2019	maintenance supplies	70.84
Mission Linen	05/09/2019	Uniform Rental	121.83
Mission Linen	05/09/2019	maintenance supplies	34.50
Mission Linen	05/09/2019	Uniform Rental	110.31
Mission Linen	05/09/2019	maintenance supplies	23.00
Mission Linen	05/09/2019	Uniform Rental	97.26
Total Mission Linen:			689.97
Mitchell, Brisso, Delaney & Vrieze			
Mitchell, Brisso, Delaney & Vrieze	05/13/2019	Legal Services- April 2019	46.50
Total Mitchell, Brisso, Delaney & Vrieze:			46.50
Napa Auto Parts			
Napa Auto Parts	05/09/2019	Unit 3 maintenance	45.08
Napa Auto Parts	05/30/2019	maintenance shop supplies	34.21
Napa Auto Parts	05/30/2019	Annual Ruth Maintenance	9.66
Napa Auto Parts	05/30/2019	Annual Ruth Maintenance	9.67
Napa Auto Parts	05/30/2019	Unit 12 maintenance	18.13
Total Napa Auto Parts:			116.75
Neal Latt			
Neal Latt	05/30/2019	ACWA Conference Expense Reimbursement	1,644.73
Total Neal Latt:			1,644.73
Network Management Services			
Network Management Services	05/30/2019	Essential Care Computer Service for Eureka office	1,086.19
Total Network Management Services:			1,086.19
North Coast Laboratories			
North Coast Laboratories	05/09/2019	lab tests	70.00
North Coast Laboratories	05/09/2019	lab tests	70.00

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
North Coast Laboratories	05/09/2019	lab tests	200.00
North Coast Laboratories	05/09/2019	lab tests	35.00
North Coast Laboratories	05/09/2019	lab tests	35.00
North Coast Laboratories	05/09/2019	lab tests	70.00
North Coast Laboratories	05/09/2019	lab tests	70.00
Total North Coast Laboratories:			550.00
Northern California Safety Consortium			
Northern California Safety Consortium	05/09/2019	monthly membership fee	75.00
Total Northern California Safety Consortium:			75.00
NTU Technologies, Inc			
NTU Technologies, Inc	05/09/2019	TRF chemical supplies	2,468.48
Total NTU Technologies, Inc:			2,468.48
Pacific Gas & Electric Co.			
Pacific Gas & Electric Co.	05/15/2019	Ruth Bunkhouse	73.32
Pacific Gas & Electric Co.	05/15/2019	Eureka Office	451.26
Pacific Gas & Electric Co.	05/15/2019	Jackson Ranch Rectifier	16.53
Pacific Gas & Electric Co.	05/15/2019	299 Rectifier	99.97
Pacific Gas & Electric Co.	05/15/2019	West End Road Rectifier	124.36
Pacific Gas & Electric Co.	05/15/2019	TRF	7,531.24
Pacific Gas & Electric Co.	05/15/2019	Ruth Hydro Valve Control	27.51
Pacific Gas & Electric Co.	05/15/2019	Ruth Hydro	22.60
Pacific Gas & Electric Co.	05/15/2019	Samoa Booster Pump Station	442.24
Pacific Gas & Electric Co.	05/15/2019	Samoa Dial Station	29.44
Pacific Gas & Electric Co.	05/15/2019	Essex Pumping 4/1 - 30/2019	45,438.90
Total Pacific Gas & Electric Co.:			54,257.37
Pacific Paper Co.			
Pacific Paper Co.	05/09/2019	Eureka office supplies	401.12
Total Pacific Paper Co.:			401.12
Picky, Picky, Picky, Inc			
Picky, Picky, Picky, Inc	05/30/2019	Safety Boots for new employee	131.82
Total Picky, Picky, Picky, Inc:			131.82
Pierson Building Center			
Pierson Building Center	05/09/2019	Line Shed 6 repairs	25.86
Pierson Building Center	05/09/2019	Ruth Bunkhouse Furnishings	49.11
Total Pierson Building Center:			74.97
Pitney Bowes			
Pitney Bowes	05/20/2019	refill postage meter	500.00
Total Pitney Bowes:			500.00
PitStop Cleaning`			
PitStop Cleaning`	05/30/2019	Eureka office cleaning	160.00

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Total PitStop Cleaning:			160.00
Platt Electric Supply			
Platt Electric Supply	05/09/2019	Collector 3 security upgrade	353.66
Platt Electric Supply	05/09/2019	Collector 3 security upgrade	304.29
Platt Electric Supply	05/09/2019	Collector 3 security upgrade	551.59
Platt Electric Supply	05/09/2019	Collector 3 security upgrade	79.94
Platt Electric Supply	05/09/2019	Collector 3 security upgrade	168.48
Platt Electric Supply	05/09/2019	Collector 3 security upgrade	763.13
Platt Electric Supply	05/09/2019	Collector 3 security upgrade	158.68
Total Platt Electric Supply:			2,042.81
Post Glover			
Post Glover	05/09/2019	Collector 1 Electrical Upgrade	4,263.00
Total Post Glover:			4,263.00
R.J. Ricciardi, Inc, CPAs			
R.J. Ricciardi, Inc, CPAs	05/09/2019	Annual Financial Audit FY18/19	4,724.00
Total R.J. Ricciardi, Inc, CPAs:			4,724.00
Recology Arcata			
Recology Arcata	05/15/2019	Essex Garbage Service	421.05
Total Recology Arcata:			421.05
Recology Humboldt County			
Recology Humboldt County	05/09/2019	Eureka office garbage/recycling service	90.72
Total Recology Humboldt County:			90.72
Renner Petroleum			
Renner Petroleum	05/09/2019	cardlock fuel - pumping & control	459.83
Renner Petroleum	05/09/2019	cardlock fuel - water quality	459.83
Renner Petroleum	05/09/2019	cardlock fuel - maintenance	459.82
Renner Petroleum	05/09/2019	cardlock fuel - customer service (Humboldt Bay Retail)	119.55
Renner Petroleum	05/09/2019	cardlock fuel - customer service (Fieldbrook-Glendale CSD)	340.27
Total Renner Petroleum:			1,839.30
Ruth Lake C.S.D.			
Ruth Lake C.S.D.	05/30/2019	Quagga Grant expense reimbursement - Pass Thru Reimburseme	1,258.86
Total Ruth Lake C.S.D.:			1,258.86
Ryan Schneider			
Ryan Schneider	05/09/2019	travel advance - Treatment Exam in Redding	368.73
Total Ryan Schneider:			368.73
Scraper's Edge			
Scraper's Edge	05/30/2019	Eureka office supplies	39.94

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Total Scrapper's Edge:			39.94
Sitestar Nationwide Internet			
Sitestar Nationwide Internet	05/09/2019	<i>Essex Internet</i>	52.90
Total Sitestar Nationwide Internet:			52.90
Staples			
Staples	05/30/2019	<i>Essex office supplies</i>	62.46
Staples	05/30/2019	<i>Essex office supplies</i>	54.90
Total Staples:			117.36
Statewide Traffic Safety & Signs			
Statewide Traffic Safety & Signs	05/30/2019	<i>Safety Equipment for new employee</i>	14.14
Total Statewide Traffic Safety & Signs:			14.14
Streamline			
Streamline	05/31/2019	<i>Website maintenance membership fee</i>	450.00
Total Streamline:			450.00
Sudden Link			
Sudden Link	05/09/2019	<i>Essex internet</i>	127.45
Sudden Link	05/09/2019	<i>TRF Internet</i>	22.56
Sudden Link	05/09/2019	<i>TRF Internet - Blue Lake SCADA Monitoring</i>	45.14
Sudden Link	05/09/2019	<i>TRF Internet - Fieldbrook-Glendale CSD</i>	45.14
Sudden Link	05/09/2019	<i>Eureka Internet</i>	207.45
Sudden Link	05/30/2019	<i>Fieldbrook-Glendale CSD Internet</i>	293.52
Total Sudden Link:			741.26
SWRCB			
SWRCB	05/15/2019	<i>Water Treatment T2 Renewal - Dale H Davidsen</i>	60.00
Total SWRCB:			60.00
SWRCB-DWOCP			
SWRCB-DWOCP	05/09/2019	<i>D4 Certification Exam Application</i>	130.00
Total SWRCB-DWOCP:			130.00
Telstar Instruments, Inc			
Telstar Instruments, Inc	05/30/2019	<i>Chlorine system maintenance</i>	2,706.14
Total Telstar Instruments, Inc:			2,706.14
Thatcher Company, Inc			
Thatcher Company, Inc	05/30/2019	<i>shipping charges for TRF chemicals</i>	2,555.28
Thatcher Company, Inc	05/10/2019	<i>replenish TRF chemicals</i>	3,447.63
Thatcher Company, Inc	05/30/2019	<i>replenish TRF chemicals</i>	7,463.89
Thatcher Company, Inc	05/30/2019	<i>replenish chlorine</i>	4,775.95
Thatcher Company, Inc	05/30/2019	<i>replenish chlorine - container credit</i>	2,000.00-

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
Total Thatcher Company, Inc:			16,242.75
The Mill Yard			
The Mill Yard	05/09/2019	Maintenance shop loft organization	198.45
The Mill Yard	05/30/2019	Maintenance supplies	51.95
The Mill Yard	05/30/2019	Storm Damage - Collector 2 Pipeline Repair	127.02
The Mill Yard	05/30/2019	Maintenance supplies	7.03
The Mill Yard	05/30/2019	maintenance supplies	2.81
The Mill Yard	05/30/2019	Collector Pump Oilers	49.64
Total The Mill Yard:			436.90
Thomas Law Group			
Thomas Law Group	05/13/2019	Legal Fees - April	375.00
Total Thomas Law Group:			375.00
Thrifty Supply			
Thrifty Supply	05/30/2019	TRF Hypochlorite system repair	540.33
Thrifty Supply	05/30/2019	Collectors Pump Oilers	1,403.51
Total Thrifty Supply:			1,943.84
Tim Farrell			
Tim Farrell	05/10/2019	expense reimbursement Ruth coverage	25.85
Tim Farrell	05/10/2019	expense reimbursement Ruth Hydro coverage	25.86
Tim Farrell	05/20/2019	Travel Advance for Ruth Hydro coverage	192.50
Total Tim Farrell:			244.21
Trinity County General Services			
Trinity County General Services	05/30/2019	Pickett Peak site lease	250.00
Total Trinity County General Services:			250.00
Trinity County Solid Waste			
Trinity County Solid Waste	05/15/2019	Ruth HQ dump fees	.50
Trinity County Solid Waste	05/15/2019	Ruth Hydro dump fees	.50
Trinity County Solid Waste	05/15/2019	Ruth HQ dump fees	7.12
Trinity County Solid Waste	05/15/2019	Ruth Hydro dump fees	7.13
Trinity County Solid Waste	05/15/2019	Ruth HQ dump fees	8.55
Trinity County Solid Waste	05/15/2019	Ruth Hydro dump fees	8.55
Total Trinity County Solid Waste:			32.35
True North Constructors, Inc			
True North Constructors, Inc	05/09/2019	Ruth Bunkhouse Remodel - Progress Payment 6	94,691.44
Total True North Constructors, Inc:			94,691.44
U.S. Bank Corporate Payment System			
U.S. Bank Corporate Payment System	05/09/2019	Customer Service iPad case and screen protector	63.85
U.S. Bank Corporate Payment System	05/09/2019	Eureka office supplies	14.00
U.S. Bank Corporate Payment System	05/09/2019	Dropbox	199.00
U.S. Bank Corporate Payment System	05/09/2019	ADA Equipment for Board Room	177.55
U.S. Bank Corporate Payment System	05/09/2019	Association of State Dam Safety Officials (FERC) annual membe	55.00

Humboldt Bay Municipal Water District

--Monthly Expenses by Vendor Detail Report--
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Vendor Name	Date Paid	Description	Amount Paid
U.S. Bank Corporate Payment System	05/09/2019	Lodging for SCADA/Control Software Training	2,470.08
U.S. Bank Corporate Payment System	05/09/2019	Spray container for tank disinfection	17.35
U.S. Bank Corporate Payment System	05/09/2019	Essex office supplies	128.60
U.S. Bank Corporate Payment System	05/09/2019	maintenance shop supplies	35.78
U.S. Bank Corporate Payment System	05/09/2019	Containers to transfer TRF chemicals	78.01
U.S. Bank Corporate Payment System	05/09/2019	Collector 3 Security Upgrades	133.75
U.S. Bank Corporate Payment System	05/09/2019	lab supplies	17.95
U.S. Bank Corporate Payment System	05/09/2019	backflow equipment maintenance	43.05
U.S. Bank Corporate Payment System	05/09/2019	backflow equipment maintenance	122.51
U.S. Bank Corporate Payment System	05/09/2019	Office Wise Purchase Order Software	39.95
U.S. Bank Corporate Payment System	05/09/2019	Travel to Oroville for FERC EAP Tabletop training	238.02
U.S. Bank Corporate Payment System	05/09/2019	Chlorine Leak Response Tools	107.18
U.S. Bank Corporate Payment System	05/09/2019	Collector Pump Oilers	124.25
U.S. Bank Corporate Payment System	05/09/2019	Ruth Annual Maintenance	560.26
U.S. Bank Corporate Payment System	05/09/2019	Ruth Bunkhouse Furnishings	3,649.95
U.S. Bank Corporate Payment System	05/09/2019	Ruth Bunkhouse Furnishings	32.53
U.S. Bank Corporate Payment System	05/09/2019	Essex office supplies	31.80
U.S. Bank Corporate Payment System	05/09/2019	Ruth Bunkhouse Furnishings	237.62
U.S. Bank Corporate Payment System	05/09/2019	TRF safety signage	32.16
U.S. Bank Corporate Payment System	05/09/2019	Ruth Bunkhouse Furnishings	460.94
U.S. Bank Corporate Payment System	05/09/2019	Annual Ruth Maintenance	404.55
U.S. Bank Corporate Payment System	05/09/2019	Annual Ruth Maintenance	32.91
U.S. Bank Corporate Payment System	05/09/2019	Collector Pump Oilers	1,711.50
Total U.S. Bank Corporate Payment System:			11,220.10
U.S. Bank Corporate Trust Services			
U.S. Bank Corporate Trust Services	05/09/2019	SRF Quarterly Account Maint Fee (Jan - Mar 2019)	175.00
Total U.S. Bank Corporate Trust Services:			175.00
U.S. Geological Survey, WRD			
U.S. Geological Survey, WRD	05/15/2019	USGS Gauging Station Maintenance	8,000.00
Total U.S. Geological Survey, WRD:			8,000.00
US Security Supply			
US Security Supply	05/30/2019	District locks maintenance	598.43
Total US Security Supply:			598.43
Valley Pacific Petroleum Servi, Inc			
Valley Pacific Petroleum Servi, Inc	05/30/2019	Ruth bulk fuel	481.15
Valley Pacific Petroleum Servi, Inc	05/30/2019	Ruth bulk fuel	481.16
Total Valley Pacific Petroleum Servi, Inc:			962.31
Verizon Wireless			
Verizon Wireless	05/13/2019	General Manager	37.30
Verizon Wireless	05/13/2019	Customer Service - Humboldt Bay	14.37
Verizon Wireless	05/13/2019	Customer Service - Fieldbrook-Glendale CSD	40.91
Verizon Wireless	05/13/2019	Operations 2	.77
Verizon Wireless	05/13/2019	Customer Service IPad-Humboldt Bay	9.88
Verizon Wireless	05/13/2019	Customer Service IPad - Fieldbrook-Glendale CSD	28.13
Verizon Wireless	05/13/2019	Electrician	.18
Verizon Wireless	05/13/2019	Unit 6 - Ruth Area	24.21
Verizon Wireless	05/13/2019	Unit 6 - Ruth Hydro	24.22

Humboldt Bay Municipal Water District

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Vendor Name	Date Paid	Description	Amount Paid
Verizon Wireless	05/13/2019	<i>Operations 1</i>	.18
Total Verizon Wireless:			180.15
Wes Green Landscaping			
Wes Green Landscaping	05/30/2019	<i>green waste disposal - Essex</i>	33.00
Wes Green Landscaping	05/30/2019	<i>green waste disposal - Essex</i>	33.00
Total Wes Green Landscaping:			66.00
Wienhoff & Associates Inc			
Wienhoff & Associates Inc	05/15/2019	<i>Pre-Employment Exam</i>	70.00
Total Wienhoff & Associates Inc:			70.00
William B. Newell			
William B. Newell	05/10/2019	<i>Expense Reimbursement - Mail Hydro Oil Sample</i>	5.53
William B. Newell	05/10/2019	<i>Expense Reimbursement - HQ Building Maintenance</i>	82.44
William B. Newell	05/10/2019	<i>Expense Reimbursement - Annual Ruth Maintenance</i>	74.97
William B. Newell	05/10/2019	<i>Expense Reimbursement - Annual Ruth Maintenance</i>	74.97
William B. Newell	05/10/2019	<i>Expense Reimbursement - Annual Ruth Maintenance</i>	300.15
William B. Newell	05/10/2019	<i>Expense Reimbursement - Annual Ruth Maintenance</i>	300.15
Total William B. Newell:			838.21
WREGIS			
WREGIS	05/30/2019	<i>Annual ReMat Requirement</i>	100.00
Total WREGIS:			100.00
Grand Totals:			486,714.37

Humboldt Bay Municipal Water District

--Monthly Overtime Report--
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Position Title	2-01 Overtime Emp Hrs	2-01 Overtime Emp Amt	2-02 Doubletime Emp Hrs	2-02 Doubletime Emp Amt
Actg/HR Spec	1.75	\$118	.00	\$0
Total ADMIN:	1.75	\$118	.00	\$0
Operations Spec	4.00	\$248	.00	\$0
Elec & Ins Tech	10.00	\$523	.00	\$0
Elec & Ins Tech	11.00	\$620	.00	\$0
Customer Srvc	.00	\$0	7.50	\$510
Maint Worker	10.00	\$270	.00	\$0
Oper & Mnt Tech	17.50	\$893	.00	\$0
Total ESSEX:	52.50	\$2,554	7.50	\$510
Hydro Oper Ruth	11.00	\$653	.00	\$0
Total RUTH:	11.00	\$653	.00	\$0
Grand Totals:	65.25	\$3,325	7.50	\$510

Humboldt Bay Municipal Water District

To: Board of Directors
From: Chris Harris
Date: June 13, 2019
Re: Resolution for Annual Limit for Appropriations (Resolution 2019-07)

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 FY2019/20.

Recommendation and Action

Staff is recommending Board adoption of the attached Resolution 2019-07 to establish the required appropriations limit for the 2019/20 fiscal year.

Attachment

Resolution 2019-07
Dept. of Finance Letter & Attachments

Resolution 2019-07
Limit for Appropriations from Taxes
Resolution of the Humboldt Bay Municipal Water District
Board of Directors

WHEREAS, Article XIII (b) of the State Constitution limits the amount of appropriations from taxes to a certain base level plus annual increases based on per capita income and population increases and;

WHEREAS, the Humboldt Bay Municipal Water District has received annual updates from the State as to the allowed increase levels and;

WHEREAS, Section 7910 of the California Government Code requires formal adoption, by resolution, of the annual appropriations limit.

NOW, THEREFORE, BE IT RESOLVED:

That the appropriations from taxes limit for fiscal year 2019/2020 is hereby set at \$1,279,697.00; and

That this resolution shall become effective 45 days from the date of its adoption.

Passed, approved and adopted this 13th day of June 2019 by the following votes:

Ayes:
Nays:
Absent:

Attest:

Sheri Woo, President

Barbara Hecathorn, Assistant Secretary/Treasurer

Limit for Appropriations from taxes (Prop 4 Calculation)

Article XIII (b) of the State Constitution limits the amount of appropriations from taxes.

California State Department of Finance, Demographic Research Unit (DRU) provides Price and Population information
Information will be available on website after May 1st <http://www.dof.ca.gov/Research/Research.asp>

Calculation of 19/20 Limit

$$\$ 1,380,508.32 \quad \times \quad 1.03289 \quad = \quad \$1,425,916.14$$

Instructions: Multiply prior year limit by current year factor

Humboldt County

$$-0.54 \quad + \quad 100 \quad \text{divided by} \quad 100 \quad = \quad 0.99460$$

$$1.0385 \quad \times \quad 0.99460 \quad = \quad 1.03289$$

$$\$ 1,238,945.89 \quad \times \quad 1.03289 \quad = \quad \$1,279,697.42$$

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).

Fiscal Year 2019-20

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2018 to January 1, 2019 and Total Population, January 1, 2019

County City	Percent Change 2018-2019	--- Population Minus Exclusions ---		Total Population
		1-1-18	1-1-19	1-1-2019
Humboldt				
Arcata	0.13	18,054	18,078	18,078
Blue Lake	-0.80	1,253	1,243	1,243
Eureka	-0.80	27,195	26,977	26,977
Ferndale	-0.67	1,344	1,335	1,335
Fortuna	-0.49	12,144	12,084	12,084
Rio Dell	-0.75	3,351	3,326	3,326
Trinidad	-0.83	363	360	360
Unincorporated	-0.60	72,177	71,746	71,930
County Total	-0.54	135,881	135,149	135,333

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

DEPARTMENT OF
FINANCE

GAVIN NEWSOM - GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 2019

Dear Fiscal Officer:

Subject: Price Factor and Population Information**Appropriations Limit**

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2019, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2019-20. 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 2019-20 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2019.**

Please Note: The 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.

KEELY BOSLER

Director

By:

Vivek Viswanathan
Chief Deputy Director

Attachment

May 2019

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 2019-20 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2019-20	3.85

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2019-20 appropriation limit.

2019-20:

Per Capita Cost of Living Change = 3.85 percent
 Population Change = 0.47 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.85 + 100}{100} = 1.0385$

Population converted to a ratio: $\frac{0.47 + 100}{100} = 1.0047$

Calculation of factor for FY 2019-20: $1.0385 \times 1.0047 = 1.0434$

To: Board of Directors

Date: June 13, 2019

From: Chris Harris

RE: FY2018/19 Project Budget Reallocation

Review

As the Board is aware, the District has a multi-year Capital Improvement Plan (CIP). Implementation of the CIP requires significant financial resources. In order to minimize the impact in any one fiscal year, staff uses a combination of funding mechanisms including grants, loans, and Advance Charges. The **Project Budget Reallocation** is a means to supplement the Advanced Charges, using funds already collected from the Municipal Customers.

Each year as part of the budget process, staff completes a thorough analysis of the status of funds “**allocated and spent**” or “**allocated and unspent**” on budgeted Projects for the current fiscal year. Staff identifies projects that either have funds remaining or projects that will not be completed during this fiscal year. Funds “allocated and unspent” are then available to be *reallocated* as Advanced Charges to other large capital projects – thus the term “*Project Budget Reallocation.*”

Staff has communicated the concept and process of the Project Budget Reallocation to the Municipal Customers, and they have agreed to the process as a means of enhancing the Advance Charges funding mechanism for our larger CIP projects. This minimizes potential large fluctuations in the Municipal Customer charges and the upward pressure on retail sales.

Discussion

The District has multiple FEMA-grant applications in various stages of the Federal grant-approval process. All of these grant applications are for large construction projects, and require a District match (FEMA match=25%). Staff has created a tentative timeline to spread the projects over the next 3-4 years and to also permit funding of the required matches. In addition to FEMA Grants, the District has already been awarded a NCRP Prop 1 Grant to fund \$600,000 of the Collector 2 Rehabilitation Project (\$1.2M project cost, District match \$600,000)

Tentative Timeline	Grant Project	Total Project	Remaining District Match
FY19/20	12kV Relocation Project (FEMA)	\$2M	\$0.00 (Fully Funded)
FY20/21	Chlorine Scrubber Project (FEMA)	\$1.3M	\$335,000
FY20/21	TRF Emergency Generator (FEMA)	\$1.9M	\$475,000
FY21/22	Collector 2 Rehabilitation (NCRP Prop1)	\$1.2M	\$600,000
FY22/23	3x Seismic Tank Retrofit (FEMA)	\$3.5M	\$915,000
TOTALS		\$9.9M	\$2.3M

Therefore staff recommends that any allocated and unspent funds determined available in the Project Budget Reallocation from the current fiscal year be first reallocated to authorized but unbudgeted projects by the Board, and the net remainder be reallocated to Advance Charges as defined under Ordinance 16 for major construction projects and large equipment. Specific details will be presented at the Board meeting.

Due to the short timeframe, staff will provide the list of these projects and the corresponding budget revision early next week, prior to the board meeting.

Recommendation

Staff will present the recommendation that the Board consider and approve modifying our current FY2018/19 Project Budget at the Board Meeting.

Humboldt Bay Municipal Water District

To: Board of Directors
From: Chris Harris
Date: June 13, 2019
Re: FY2019/20 Budget Summary

Review

Over the past month staff has presented the *Service & Supply Budget*, *Salaries & Wages Budget*, *Employee Benefits Budget* (May 16th), as well as the *Special Projects Budget* (May 30th). This Board meeting, staff will provide an additional PowerPoint presentation summarizing the entire DRAFT Budget and the potential impact on wholesale customer charges. The Board will be provided a hard copy of the PowerPoint slides at the board meeting.

Service & Supply Budget

- No changes since presentation May 16th.

Salaries & Wages Budget

- Part-Time Wage Rates increased based on new minimum wage requirements for January 2020 (Increase of \$6,726)

Employee Benefits Budget

- No changes since presentation May 16th.

Special Projects Budget

- Funding for "Rebuild River Weir" (\$75,000) changed from "Customer Charges" to "ReMat Reserves."
- "Hazardous Atmosphere Monitoring Equipment" (\$7,000) has been shifted to be included with the "Chlorine Scrubber Grant Project."
- Advanced Charges Funding for "Collector 2 Rehabilitation" increased by \$95,000 (Total Customer Charges \$240,000).
- Advanced Charges Funding for "3x Tank Seismic Retrofit" increased by \$95,000 (Total Customer Charges \$175,000).
- Advanced Charges Funding for "18,000lb Excavator" increased by \$36,000 (Total Customer Charges \$70,000)
- There may be some slight changes in Carryover Projects based on the final June financials. This will be addressed in the final Budget meeting on July 11th.

Discussion

Previously, the Board has asked how the Districts' budget impacts the retail customers serviced by the wholesale customers of the District. Since individual agencies use similar but different billing methodologies, the impacts of changes in the District's budget are difficult to determine. The significance of the impact is further complicated since not all of the District's necessary funding is provided by the Wholesale Municipal Customers.

The following charts include:

- Percentage of water consumption charges as compared to *total water charges* for a residential customer as charged by the various agencies.
- Percentage of water consumption charges as compared to the *total water and sewer charges* for a residential customer as charged by the various individual agencies.

The "Water Consumption Charges" charts below reflect charges to residential customers, using 5HCF (+/- 3,740 gallons/month). In theory, since HBMWD supplies water for consumption for these residential customers, any changes in rates based on the District's budget would be reflected in the "Water Consumption Charges."

The different agencies use various thresholds for water consumption "included with base rate." Some agencies also use a tiered rate for water consumption, with rates increasing the more water used. Lastly, most agencies have moved to a "Pass-Through" method, with changes in HBMWD rates reflected in that portion of the consumption charges.

Water Consumption Charges as a Percent of Total Water Charges
--

	Water Base Charge	Water Consumption Charges	Total Water Charges	Water Consumption as % of Total Water Charges
FBGD-CSD	\$48.33	\$0.00*	\$48.33	0.00%
Humboldt CSD (Pass-Through, FY18 Rates)	\$23.19	\$17.80	\$40.99	43.00%
City of Eureka (Pass-Through)	\$27.60	\$11.80	\$39.40	29.95%
City of Blue Lake (Pass-Through)	\$25.01	\$8.91	\$33.92	26.27%
City of Arcata	\$13.43	\$21.18	\$34.61	61.20%
Manila CSD	\$25.37	\$3.65	\$29.02	14.39%
McKinleyville CSD (Pass-Through)	\$16.47	\$7.85	\$24.32	32.28%
AVERAGE	\$25.63	\$10.17	\$35.80	28.41%

*FBGD-CSD Base Rate includes 10HCF

The following chart shows the impact of water consumption charges to the entire water/sewer bill for a resident (using 5HCF (+/- 3,740 gallons/month). On average, total water charges comprise 38% of residential water/sewer utility bills.

Water Consumption Charges as a Percent of Total Charges

	Water Base Charge	Water Consum. Charge	Sewer Charges	Total Bill*	Water Consum. As % of Total Bill
FBGD-CSD	\$48.33	\$0.00**	\$110.01	\$158.34	0.00%
City of Arcata	\$13.43	\$21.18	\$60.90	\$95.51	22.18%
Humboldt CSD (Pass-Through – FY18 Rates)	\$23.19	\$17.80	\$45.46	\$86.45	20.59%
City of Blue Lake (Pass-Through)	\$25.01	\$8.91	\$45.41	\$79.33	11.23%
City of Eureka (Pass-Through)	\$27.60	\$11.80	\$66.17	\$105.57	11.18%
Manila CSD (FY18 Rates)	\$25.37	\$3.65	\$38.33	\$67.35	5.42%
McKinleyville CSD (Pass-Through)	\$16.47	\$7.85	\$43.22	\$67.54	11.62%
AVERAGE	\$25.63	\$10.17	\$58.50	\$94.30	11.35%

*Does not include UUT, if applicable

**FBGD-CSD Base Rate includes 10HCF

Another aspect to the question regarding the impact of the HBMWD budget on residential customers is the percentage of funding provided to the District by the wholesale customers. The following charts show the current DRAFT budget total as well as the implications to the different funding sources.

	Total FY2018/19 Budget	Total FY2019/20 <i>DRAFT</i> Budget	\$ Change	% Change
Project Budget – Resulting Customer Charges	\$2,348,548	\$2,339,910	<\$8,638>	<.37%>
Employee Benefits	\$1,647,903	\$1,683,835	\$35,932	2.18%
Service & Supply	\$1,508,214	\$1,551,600	\$43,386	2.88%
Salaries & Wages	\$2,272,615	\$2,407,375	\$134,760	5.93%
Total	\$7,777,280	\$7,982,720	\$205,440	2.64%

Funding Source	Total FY2018/19 Budget		Total FY2019/20 <i>DRAFT</i> Budget	
	\$ Funds	% Funds	\$ Funds	% Funds
Grants	\$5.4M	35.1%	\$7.6M	42.5%
City of Eureka	\$3.1M	20.5%	\$3.2M	17.7%
Other Revenue	\$1.6M	10.4%	\$1.6M	9.0%
City of Arcata	\$1.3M	8.7%	\$1.3M	7.5%
HCSD	\$1.0M	7.0%	\$1.0M	6.1%
MCSD	\$1.0M	6.9%	\$1.0M	6.0%
Advance Charges	\$652k	4.9%	\$1.0M	5.6%
Reserves	\$266k	1.7%	\$112k	0.6%
FBGD-CSD	\$174k	1.1%	\$174k	1.0%
Manila CSD	\$70k	0.5%	\$71k	0.4%
City of Blue Lake	\$182k	1.2%	\$186k	1.0%

Comparison of March Budget Projection to Current DRAFT Budget			
	<u>Budget Projection</u> <u>(March)</u>	<u>Current FY19/20 DRAFT</u> <u>Budget</u>	<u>Difference</u>
City of Eureka	\$3,221,977	\$3,214,994	<\$6,983>
City of Arcata	\$1,361,708	\$1,357,348	<\$4,360>
Humboldt CSD	\$1,110,083	\$1,108,882	<\$1,201>
McKinleyville CSD	\$1,093,452	\$1,090,565	<\$2,887>
City of Blue Lake	\$189,971	\$189,561	<\$410>
Fieldbrook-Glendale CSD	\$178,178	\$177,644	<\$534>
Manila CSD	\$72,515	\$72,571	\$56
Totals	\$7,226,884	\$7,211,565	<\$16,319>

Next Steps

The finalized budget will be presented for consideration and adoption at the July 12, 2019 Board meeting.

OPERATIONS

Memo to: HBMWD Board of Directors
From: Dale Davidsen, Superintendent
Date: June 5, 2019
Subject: Essex/Ruth May 2019 Operational Report

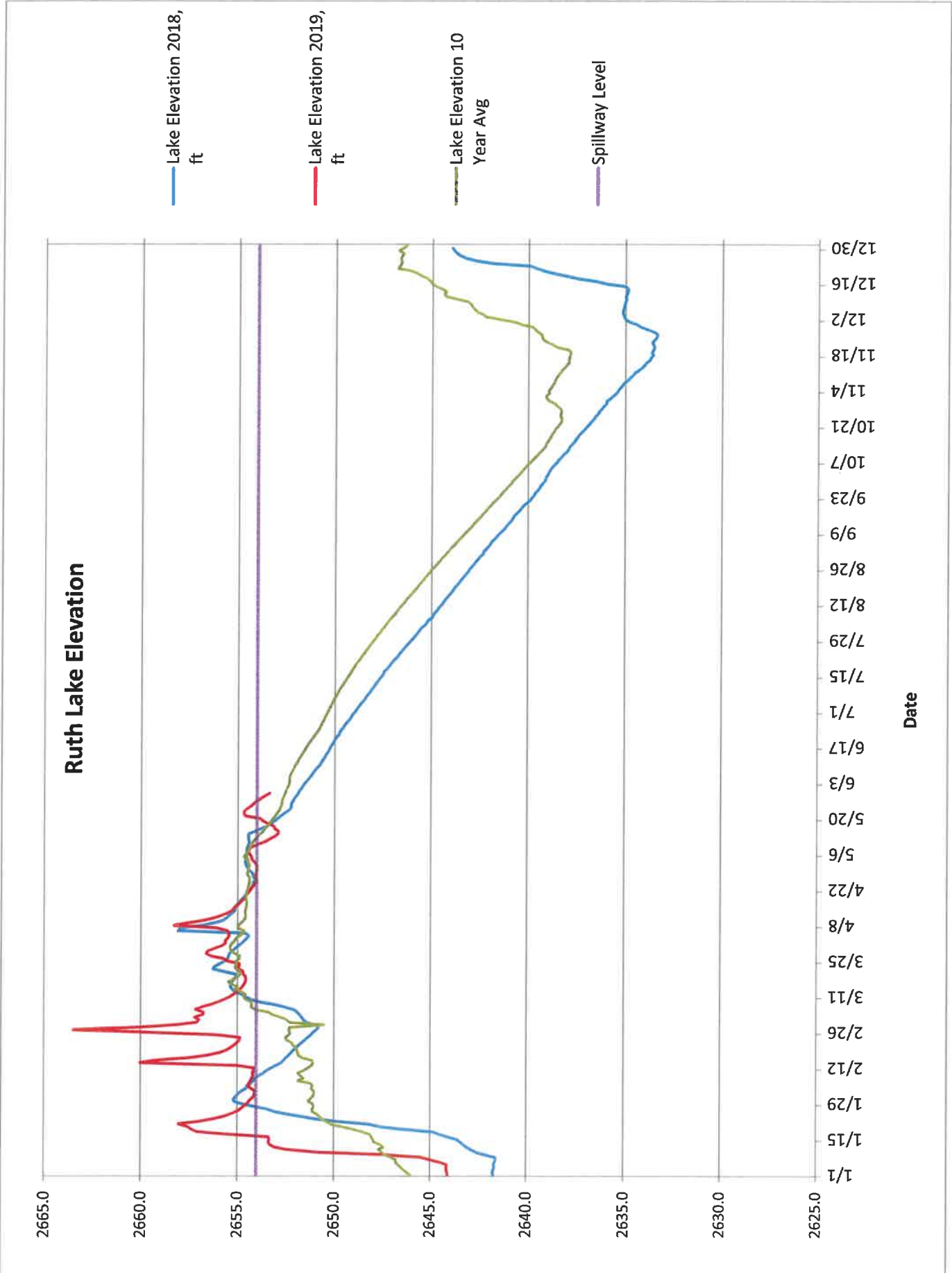
Upper Mad River, Ruth Lake, and Hydro Plant

1. The flow at Mad River above Ruth Reservoir (Zenia Bridge) averaged 124 cfs. The low flow of 44 cfs was on May 15th and the high flow of 397 cfs was on May 22nd.
2. The conditions at Ruth Lake for the month of May were as follows:
 - a. The lake level on May 31st was 2653.37 feet which is:
 1. 0.66 feet lower than April 30th, 2019
 2. 1.48 feet higher than May 31st, 2018
 3. 0.66 feet higher than the ten year average
 4. 0.61 feet below the spillway
3. There was 5.95 inches of recorded rainfall for May at Ruth Headquarters.
4. Ruth Hydro produced 668,295 KWh in May. The hydro plant ran all month with two shutdowns due to annual maintenance and one PG&E outage with 37,482kw lost.
5. In May the discharge from the lake averaged 184 cfs with a high of 399 cfs on the 23rd.

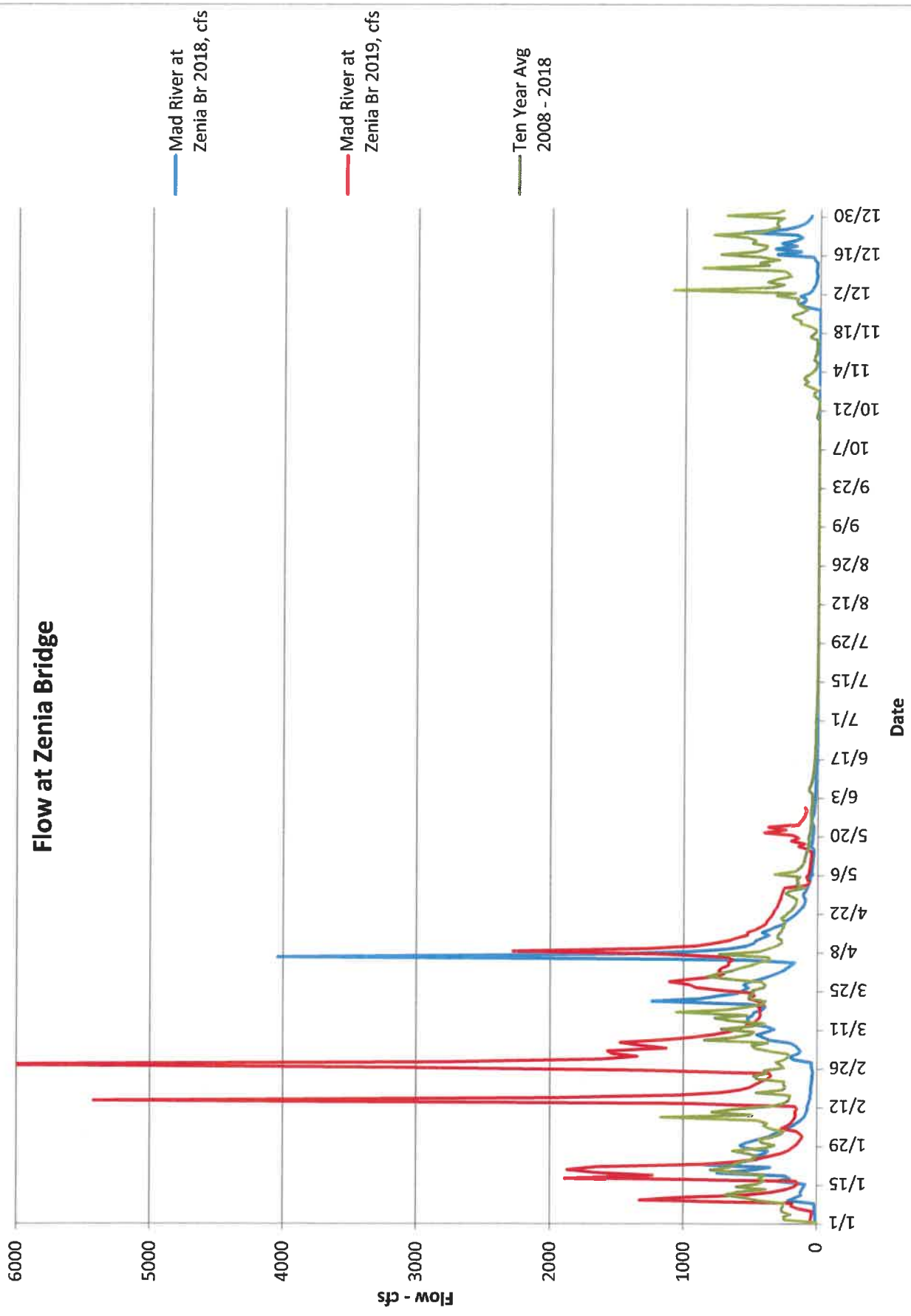
Lower Mad River, Winzler Control, and TRF

6. The river at Winzler Control Center for May had an average flow of 969 cfs. The river flow reached a high flow of 5,510 cfs on May 22nd.
7. The domestic water conditions were as follows:
 - a. The monthly turbidity average was 0.08 NTU, which meets Public Health Secondary Standards.
 - b. For the month of May, we pumped 227,302 million gallons at an average of 7.301 MGD.
 - c. The maximum metered daily municipal customer use was 8.174 MGD on May 12th.
8. The Turbidity Reduction Facility ran 31 days in May. The conditions were as follows:
 - a. Average monthly source water turbidity was 0.54 NTU.
 - b. Average monthly filtered water turbidity was 0.08 NTU.
 - c. We did 39 backwashes on the TRF filters in the month of May.

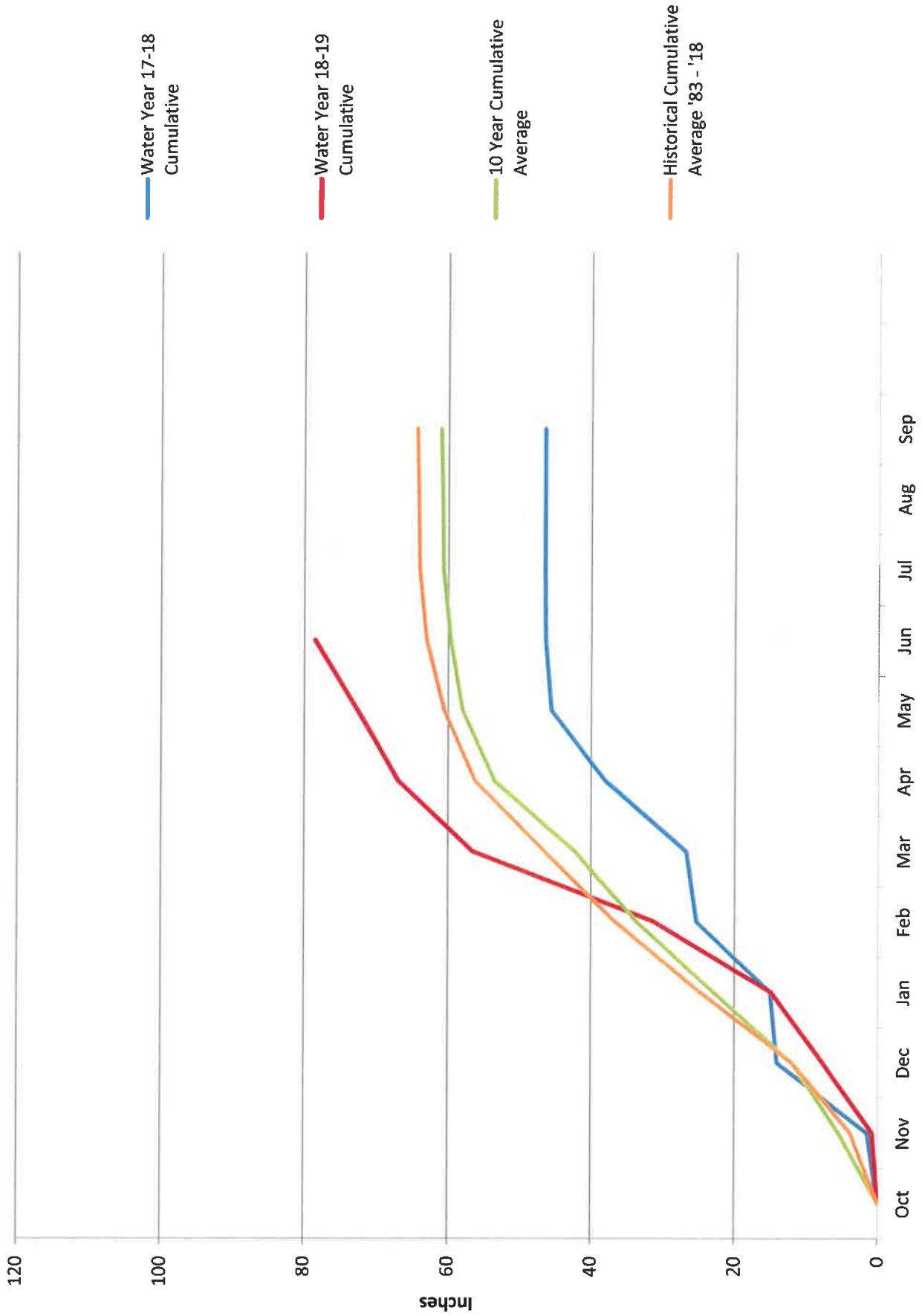
9. May 2nd, - Electrical staff turned off all cathodic rectifiers in prep for cathodic survey
10. May 6th – 10th – Full maintenance crew went to Ruth for annual maintenance.
11. May 6th – Contractor started repairs to Collector 2 line in West End Rd. This went all night to 0500 Tuesday morning.
12. May 7th – Went to Ruth for DSOD inspection of Dam. Met with Lakhbir Singh.
13. May 8th – Contractor started on second leak on Collector 2 line in West End Rd. We worked until 2130 Wednesday night.
14. May 9th – Contractor came back and repaired asphalt at both leak locations and center stripe
15. May 10th – Met with Natalie Arroyo regarding proposal to paint scenic art on our concrete A/R vaults on Highway 255.
16. May 13th & 14th - Contractor on site removing 2 cypress trees under Cable Car 2 cable and power lines and one dead fir tree near power lines.
17. May 15th – Safety Meetings
 - a. Traffic Control
 - b. Slip, Trips & Falls
18. May 17th – One staff member went to Redding for his Treatment test on Saturday.
19. May 18 & 19th – Operations started draining the 2 Mg reservoir for annual inspection next week.
20. May 20th & 22nd - Maintenance inspected and completed minor paint repairs to 2 Mg Reservoir
21. May 23rd – 27th – Operations filled, disinfected and tested 2 Mg reservoir. Mario came in on Memorial Day to put tank back online.
22. May 29th – Contractor started prep to remove Surge tower.
23. May 30th – Board meeting at Essex for Project Budget presentation and BBQ.
24. May 31st – Contractor fell Surge tower and started clean up.
25. Current and Ongoing Projects
 - a. Cable Car 2 shed complete. Maintenance is painting the building.
 - b. Ruth Bunkhouse remodel – Construction complete. Trinity County finally did their final inspection. They want us to add a handrail to the front steps and to the ADA ramp. We have decided to build the handrails with District staff instead of doing a change order. We will take photos of the completed handrails and send them to Trinity County and the contractor so the project can be closed out. The Contractor has also finished the punch list items.
 - c. Maintenance is working on 3 large valve replacements and 1 new valve installation. 3 – 30” valves and 1-24” valve.

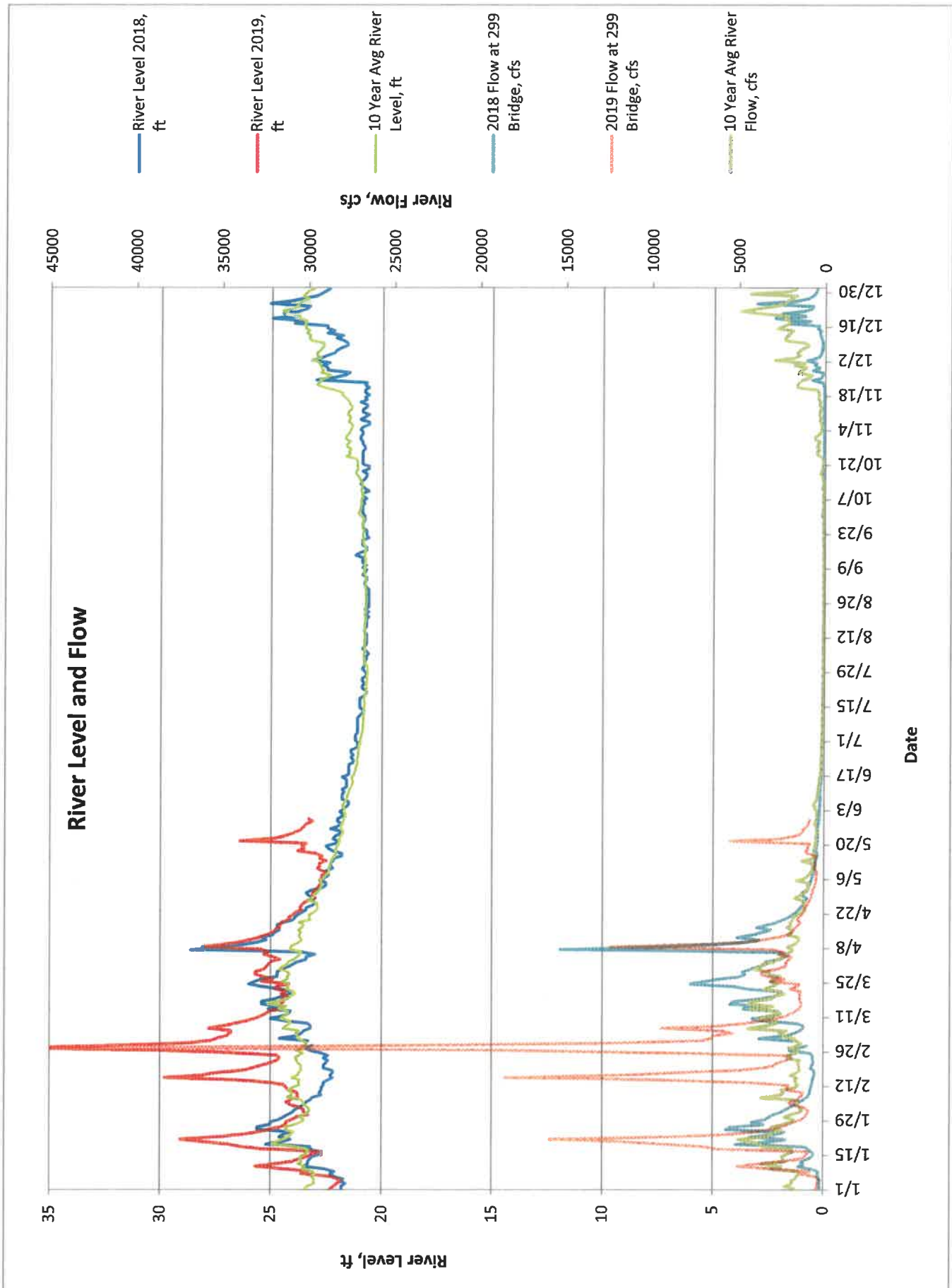


Flow at Zenia Bridge

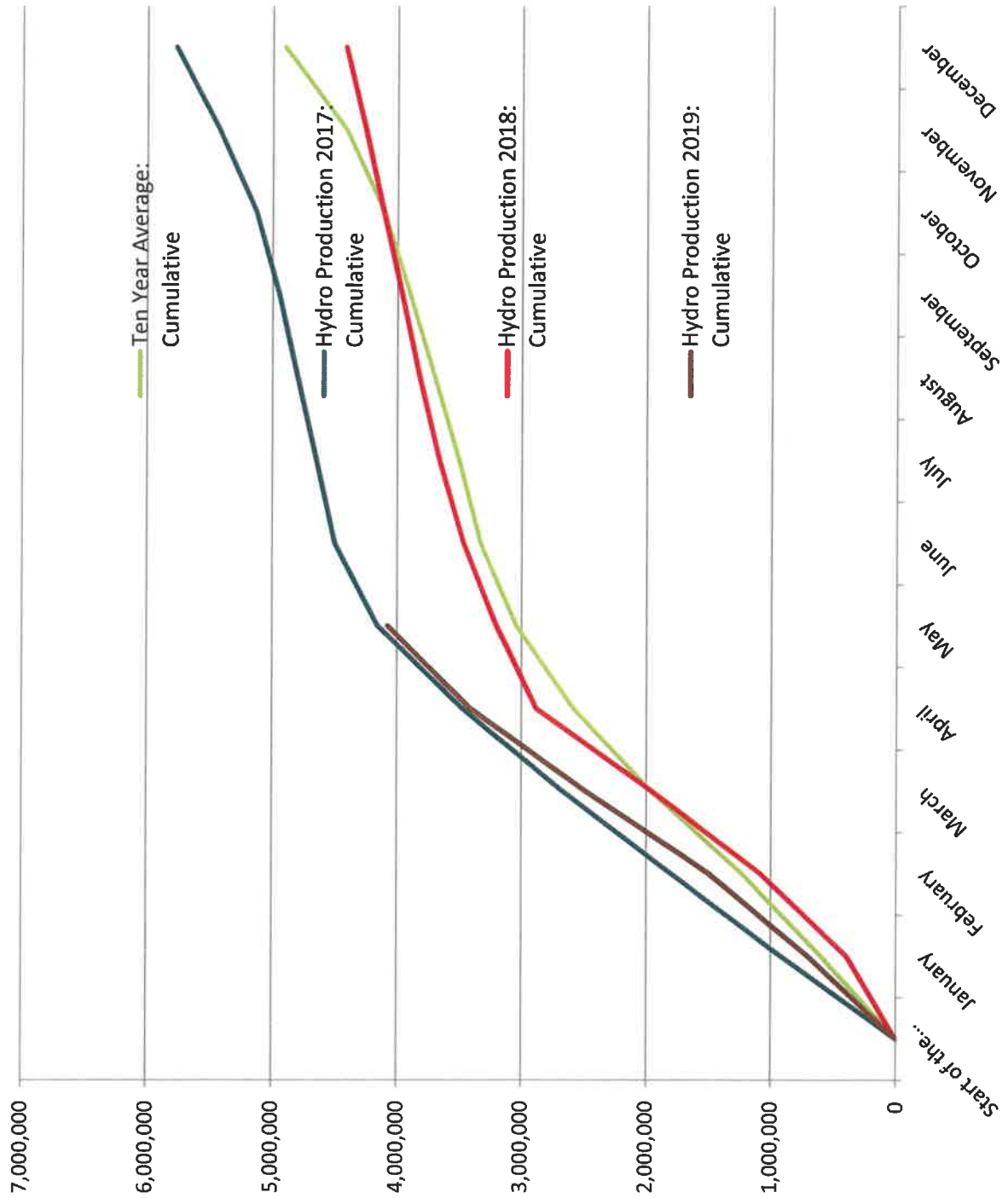


Ruth Rainfall - Water Year 2018-2019





Ruth Hydro Production: kW per Month



MANAGEMENT

**California Special
Districts Association***Districts Stronger Together***Humboldt Area Chapter**

June 4, 2019

Karen Paz Dominguez, Auditor-Controller
County of Humboldt
825 5th St. Room 126
Eureka, CA 95501

RE: Ad Valorem for Humboldt County Special Districts

Dear Ms. Paz Dominguez,

Over the past few months, the Humboldt Area Chapter of the California Special Districts Association had been notified of multiple reports that special districts in Humboldt County had not had their December ad valorem made readily available. A survey was circulated to special districts within the Humboldt area to verify, and if credible, quantify the extent to which this is occurring.

Of the responses received, approximately half stated that their ad valorem funds were not provided timely. Of the special districts who reported a delay in funds and eventually received funds, it was noted that the delay was anywhere between two and four weeks.

A local fire protection district has not been able to get accurate reports from the second tax deadline of April 10th. A report of funds in their trust account was requested and received, however none of the parcel tax funds had yet been allocated to the account.

In conclusion, as many special districts rely on the funds received from the ad valorem tax to operate, a delay of any length or a complete lack of funds has the potential to cause serious hardship. A delay of funds causes cash flow issues and results in districts having to dip into reserves which has an impact on public moneys and funding. Please let us know how your department intends to resolve the present issue allocating funds in a timely manner.

Sincerely,

Gregory Orsini
Humboldt Area Chapter
California Special Districts Association
mcsdgm@mckinleyvillecsd.com
(707) 839-3251

cc Kathy Hayes, Humboldt County Board of Supervisors



Office of the Auditor-Controller
COUNTY OF HUMBOLDT
 825 5th Street, Room 126, Eureka, CA 95501-1153
 Telephone (707) 476-2452 Fax (707) 445-7449

June 5, 2019

Gregory Orsini
 Humboldt Area Chapter
 California Special Districts Association
 RE: Ad Valorem for Humboldt County Special Districts

Dear Mr. Orsini,

Thank you for your letter dated June 4, 2019. I sincerely appreciate being made aware of the experiences special districts have with the office of the Auditor-Controller. I welcome any and all feedback your organization can provide to me regarding our services to special districts so that we may address inconsistencies and improve upon our communications and services.

I personally was out of office for maternity leave in the months of October, November, and December of 2018 and that resulted in significant delays across several processes in our offices. When I formally took office on January 7th of this year, I was made aware of several tax issues that had been left unresolved. This was not done out of malice or neglect; it was purely lack of capacity. The office of the Auditor-Controller has been inadequately staffed for some time now and only 1 person had the knowledge required to process property tax transactions. This, of course, has led to the negative impacts on special districts that you referenced in your letter. Our office was also tasked with new responsibilities related to payroll following the restructuring of payroll staff ordered by the board of supervisors. This restructuring was not well-developed and our office was forced to attend to those immediate priorities at the expense of our other tasks.

I certainly understand the importance and urgency of processing and delivering the ad valorem funds in a timely manner. Our county residents depend on our special districts who depend on us and we, at the Auditor-Controller's office, take that responsibility very seriously.

You asked for me to let you know how the department intends to resolve the present issue of allocating funds in a timely manner. I have made it a priority in this office to train and cross-train all staff so that multiple people can, at any point in time, take charge of a task and ensure it is completed in the case that other staff are unavailable. Since taking office in January, I have sent 3 staff members to 5 different trainings related to Megabyte (the software we use to process property tax transactions.) I have also enrolled those staff members in the Northern Region Property Tax Managers group from the California State Association of Auditor-Controllers. This group meets twice a year and they explore property tax issues that impact the northern region counties. The feedback I've received from the staff that attended the most recent meeting is that the group provides relevant and beneficial information directly related to property tax and ad valorem tax that will improve the services we provide to residents and special districts. In addition to attending trainings and meetings related to tax collection and distribution, our office is familiarizing ourselves with the "Special District Uniform Accounting and Reporting Procedures" provided by the State Controller's Office. The link to this manual is https://www.sco.ca.gov/Files-ARD-Local/SPD%20Manual_2019.pdf

I hope that the clarification provided in my letter is sufficient to address your immediate concerns. We might face struggles in the upcoming months as we do clean-up work in the issues of property tax and financial statements but I can assure you that our intention is and will continue to be to provide excellent customer service to all of our customers (county departments, special districts, outside agencies, schools, and the general public).

If you have suggestions for how we can improve our services to special districts, please do not hesitate to forward those to me. I am also available and willing to meet with your organization in person on a regular basis to establish open lines of communication and develop a positive working relationship.

Again, thank you.

Sincerely,

Karen Paz Domínguez
Auditor-Controller
County of Humboldt

Cc: Kathy Hayes, Humboldt County Board of Supervisors
Amanda Loftis, Assistant Auditor-Controller



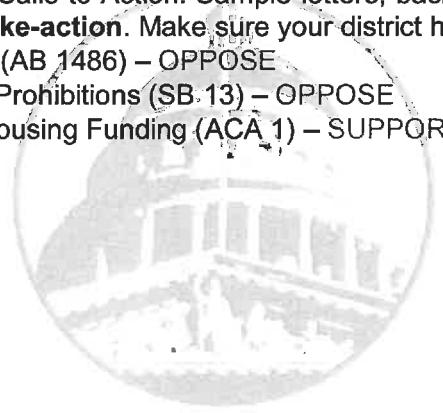
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES
TAKE ACTION BRIEF

.....
June 2019

It's crunch time for the State Budget, with a June 15 Constitutional deadline for the State Legislature to send Governor Gavin Newsom a balanced budget in time for the July 1 fiscal new year. Also, in June, policy committees will reconvene for legislation that made it to the second house. Therefore, Senate policy committees will begin hearing Assembly Bills and vice-versa.

CSDA currently has three active Calls-to-Action. Sample letters, background information, and more can be found on each one at csda.net/take-action. Make sure your district has submitted your letter on all three:

- Surplus Land Restrictions (AB 1486) – OPPOSE
- Development Impact Fee Prohibitions (SB 13) – OPPOSE
- Local Infrastructure and Housing Funding (ACA 1) – SUPPORT



Inside this edition of the Take Action Brief:

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Email Retention Mandate Passes the Assembly3

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2019 Student Video Contest Open.....6

Learn More, Utilize Resources, Join Today, and Stay Informed.....7

Contact a local CSDA representative near you!

Dane Wadlé	Northern & Sierra Networks	danew@csda.net
Colleen Haley	Bay Area Network	colleenh@csda.net
Cole Karr	Central Network	colek@csda.net
Steven Nascimento	Coastal Network	stevonn@csda.net
Chris Palmer	Southern Network	chrisp@csda.net



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES

TAKE ACTION BRIEF

➤ REVENUE, FINANCES, AND TAXATION

CSDA's long range policy priority on revenue, finances, and taxation is to ensure adequate funding for special districts' safe and reliable core local service delivery. Protect special districts' resources from the shift or diversion of revenues without the consent of the affected districts. Promote the financial independence of special districts and afford them access to revenue opportunities equal to that of other types of local agencies.

CSDA Supported Local Infrastructure and Housing Funding Action Needed!

Assembly Constitutional Amendments (ACA) 1 (Aguilar-Curry) will create a new constitutional vote threshold of 55 percent for both General Obligation (G.O.) bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing. The bill also specifies requirements for voter protection, public notice, and financial accountability.

CSDA strongly supports the measure and encourages special districts to voice their support by sending in a letter of support. Additional information and a sample letter are available on the [CSDA Take Action page](#)

ACA 1 defines "public infrastructure" to include, but not be limited to, projects that provide the following:

- Water or protect water quality, sanitary sewer, treatment of wastewater, or reduction of pollution from storm water runoff
- Protection of property from impacts of sea level rise
- Open space, parks and recreation facilities
- Improvements to transit and streets and highways
- Flood control
- Broadband internet access service expansion in underserved areas
- Local hospital construction
- Public safety buildings or facilities and equipment
- Public library facilities

Currently, the California Constitution requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of how the city, county, or special district proposes to use the funds.

Under current law, local officials propose a local bond or special tax and then the voters in that community decide whether or not they support the idea. Under ACA 1, voters would still need to overwhelmingly (with 55 percent of the vote) support a bond or special tax in order for it to be approved. ACA 1 will level the playing field and create parity between school districts and special districts, cities, and counties, so that all local governments have a viable financing tool to address community needs.

Cities, counties, and special districts face numerous challenges in securing funding for important local public infrastructure projects. ACA 1 would provide viable financing options while providing robust public accountability. If ACA 1 passes both houses of the Legislature with two-thirds of the vote, it would then be placed on a statewide ballot in 2020 for voter approval.

After securing amendments to include special districts in the new vote threshold for G.O. bonds, CSDA moved to full support of this measure and all special districts are encouraged to submit letters of support. You can find a sample letter on the Take Action page at csda.net/take-action.

Should you have any questions about the bill, please contact CSDA Legislative Representative Anthony Tannehill at anthonyt@csda.net.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION/PRIORITIES

TAKE ACTION BRIEF

CSDA Advocates to Protect Property-Related Rates and Fees in CA Supreme Court

On May 29, CSDA joined the Association of California Water Agencies, California Association of Sanitation Agencies, California State Association of Counties, and League of California Cities in a brief to the California Supreme Court in the *Wilde v. City of Dunsmuir* case. The case involves a city's water rate plan resolution that was adopted for an extensive water upgrade project, and whether the resolution is subject to a referendum by voters, or if it can only be changed through the initiative process.

California voters adopted Proposition 218 to add article XIII C to the California Constitution by which they expressly reserved their right to challenge local taxes, assessments, fees, and charges by initiative. At issue in this case is whether the electorate (i.e. voters) can use the referendum power (Cal. Const., art. II, § 9) to challenge a city's resolution increasing water fees or is such a challenge expressly limited to the power of initiative (Cal. Const., arts. XIII C & XIII D, § 6).

Appeals Court Rules Prop 218 Rate Plan Subject to Referendum

Last year, the Third District Court of Appeal held that voters' adoption of Proposition 218 did not repeal the right to challenge local resolutions and ordinances by referendum, and that a public agency's adoption of a water rate plan is a legislative decision subject to referendum. The court's decision would allow referenda against property-related fees and may serve to destabilize the finances of districts that provide water, sewer, and solid waste services, among others.

The Court of Appeal decision reverses previous precedent that exempted local taxes, fees, and other property-related revenue measures from referendum (but not an initiative, as permitted by Article XIII C, section 3 of the California Constitution). The distinction between a referendum and an initiative is important for special districts to consider. A referendum is a challenge by voters to an enactment already made by the legislative body, whereas an initiative is a legislative proposal by the people placed on the ballot by voters to be decided by voters. Both qualify for the ballot through submission of a petition signed by a designated percentage of the electorate. Most importantly, an initiative operates prospectively and is less disruptive to municipal finances than a referendum, which automatically suspends the resolution the moment signatures are certified until and unless the voters reject the referendum when it is later taken up at the ballot.

CSDA Action

The brief recently filed with the California Supreme Court on behalf of special districts and other local governments argues four main points:

- 1) The article II, section 9 prohibition on the use of referenda to challenge certain tax levies or appropriations applies here;
- 2) Property-related rates and fees are subject to initiative, but exempt from referendum;
- 3) Nothing in the text of article II, section 9 or article XIII A, XIII C, or XIII D suggests assessments, charges, or fees are subject to referendum; and
- 4) Public policy supports allowing majority protests and initiatives, but not referenda, on water rates.

CSDA will continue to monitor this case and provide updates as the case proceeds in the California Supreme Court.

If you have any questions about this case or how it impacts your district, contact Legislative Analyst – Attorney Mustafa Hessabi at mustafah@csda.net.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES

TAKE ACTION BRIEF

➤ GOVERNANCE AND ACCOUNTABILITY

CSDA's long range policy priority on governance and accountability is to enhance special districts' ability to govern as independent, local government bodies in an open and accessible manner. Encourage best practices that avoid burdensome, costly, redundant, or one-size-fits all approaches. Protect meaningful public participation in local agency formations, dissolutions, and reorganizations, and ensure local services meet the unique needs, priorities, and preference of each community

Email Retention Mandate Passes the Assembly

In the final week of May, the California State Assembly passed AB 1184 (Gloria) on a vote of 59-8. The bill places a new requirement in the California Public Records Act (CPRA) that requires all public agencies to retain ALL emails related to the business of the agency for two-years.

While this bill is being promoted by the author as a transparency measure, it simply isn't; it is, however, a data retention measure. This bill creates no new record disclosure requirements, nor does it provide any new exemptions. AB 1184 does not provide the public with any greater access to records than is already available to them, yet public agencies will be on the hook for the costs of storing the emails because the author is purposefully trying to avoid having the State reimburse public agencies for this new mandate by placing it in the CPRA. The retention requirements of AB 1184 would be the only retention requirements in the CPRA; all other record retention requirements are in other areas of the Government Code.

CSDA, along with a growing coalition of public agencies are opposing AB 1184, but we need your help. We are looking for examples of email and record retention policies from districts that we can use as an example of why this bill isn't needed. If your district has a written email and or records retention policy, please email it to CSDA Senior Legislative Representative, Dillon Gibbons at dillong@csda.net. Any examples you provide CSDA will not be shared with your district's name without your express permission.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITY

TAKE ACTION BRIEF

➤ INFRASTRUCTURE, INNOVATION, AND INVESTMENT

CSDA's long range policy principal regarding infrastructure, innovation, and investment is to encourage prudent planning for investment and maintenance of innovative long-term infrastructure. CSDA supports the development of fiscal tools and incentives to assist special districts in their efforts to meet California's changing demands, ensuring the efficient and effective delivery of core local services.

Surplus Land and Impact Fee Legislation Reaches the Second House

CSDA is asking members to take action by submitting or updating letters in opposition to AB 1486, which places costly restrictions on surplus land, and SB 13, which imposes prohibitions on certain special district fees. To download a template please visit the [Take Action Page](#) on CSDA's website. If your district previously submitted a letter in opposition to [AB 1486](#), please submit an updated version, as the bill has been significantly amended.

Surplus Land Restrictions (AB 1486)

Prior to the first house deadline, the Assembly took up [AB 1486 \(Ting\)](#), which would expand the Surplus Land Act (SLA) to cover all land owned by public agencies. AB 1486 passed the Assembly Floor on a mostly party line vote and now advances to the Senate for consideration in policy committees.

Previously, AB 1486 generated intense opposition from a coalition of public agencies, including CSDA. Over 40 CSDA members submitted letters of opposition to the bill and called members of the Committee. Thanks largely to this grassroots effort, the author was compelled to accept amendments in order to keep AB 1486 moving through the Legislature as other concerns are addressed. Unfortunately, CSDA has been unable to resolve remaining concerns, and we must now call upon our membership to renew opposition as we continue our attempts to work with the author in good faith.

Items remaining to be addressed include:

- Allowing agencies discretion to determine what land is actually surplus to their mission/purpose.
- Allowing agencies to conduct informal and formal negotiations to determine the market value of their land without triggering the requirements of the SLA.
- Removing provisions that would invalidate land transfers where an agency did not follow the SLA when required.

Development Impact Fee Prohibitions (SB 13)

The Senate passed [SB 13 \(Wieckowski\)](#) on a 34-2 vote prior to the first house deadline. The bill now awaits referral to a policy committee and will likely be heard some time in June.

SB 13 prohibits impact fees for ADUs smaller than 750 square feet and limits impact fees for ADUs larger than 750 or more square feet to 25 percent of the impact fees otherwise charged for a new single-family dwelling on the same lot. The legislation does not define the term "impact fee", so this prohibition applies to developer fees charged by recreation and park districts, fire protection districts, flood control districts, and other non-enterprise services, as well as potentially applying to capacity and connection fees charged by sewer, water, and utility districts.

Given that revenue for local governments is tightly restricted by the California Constitution, fees are one of the few ways that special districts can fund the infrastructure needs of those moving into a community. Impact fees are critical for park and fire protection districts trying to recoup their costs for serving the residents of new accessory dwelling unit developments.

If you have any questions about AB 1486 or SB 13, please contact CSDA Legislative Representative Rylan Gervase at rylang@csda.net.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PIONEERS

TAKE ACTION BRIEF

➤ HUMAN RESOURCES AND PERSONNEL

CSDA's long range policy priority on human resources and personnel is to promote policies related to hiring, management, and benefits and retirement that afford flexibility, contain costs, and enhance the ability to recruit and retain highly qualified, career-minded employees to public service. As public agency employers, support policies that foster productive relationships between management and employees, both represented and non-represented.

Sexual Harassment Prevention Training Requirements Being Updated

In 2018 the Legislature passed SB 1343 (Mitchell), which requires employers with 50 or more employees to provide all employees with sexual harassment prevention training. Unfortunately, the bill that was signed had some drafting errors, SB 778 (Committee on Labor, Public Employment and Retirement) fixes those errors. Under AB 1343, as interpreted by the Department of Fair Employment and Housing, employees that receive sexual harassment prevention training in 2019, would be required to also receive the training in 2020. However, the intent of the legislation was to allow employees to receive the training every two years. SB 778 corrects the drafting error to allow employees receiving training in 2019 to not be required to receive the training again until 2021. This bill includes an urgency clause and will become effective as soon as it is signed by the Governor.

Human Resources Bills Amended, Died, and Held-Over During House of Origin Deadline

The California State Legislature is a deadline driven Legislature. May 31 was one of those deadlines; the House of Origin deadline. By May 31, all bill must pass the house that they are introduced in (Senate or Assembly) or they are held over in their current location until the following year and referred to as "two-year bills." Below are a few of the bills that were acted on just prior to the House of Origin deadline:

AB 555 (Gonzalez) – Paid Sick Leave – Oppose

Status: *2-Year Bill on the Assembly Floor*

This bill, which would extend the current 3-day minimum sick leave allowance for employees to 5-days, was placed on the Assembly Inactive File. No further action can be taken on AB 555 until January 2020.

AB 628 (Bonta) – Sexual Harassment Leave – Oppose

Status: *Failed passage on the Assembly Floor (36-15)*

Current law allows employees that are victims of domestic violence, sexual assault, or stalking to take time off to access related services or counseling, without fear of retaliation from their employers (25 or more employees). This bill, similar to AB 2366 (Bonta, 2018), would have allowed this time off for victims of sexual harassment and immediate family members of victims of sexual harassment.

AB 639 (Carillo) – Penalties for Failure to Pay Wages – Oppose

Status: *Passed Assembly Floor as amended and is now in Senate Rules Committee*

This bill which would have created a new civil liability for employers by allowing an employee to directly bring a civil suit against an employer for failure to pay wages, rather than go through the Office of the Labor Commissioner, has been significantly amended and removed the new civil action provision from the bill. With the amendment CSDA anticipates joining the California Chamber of commerce in removing our opposition to the bill.

Should you have any questions or comments about these bills, please contact CSDA Senior Legislative Representative Dillon Gibbons at dillong@csda.net.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PRIORITIES

TAKE ACTION BRIEF

➤ DISTRICTS MAKE THE DIFFERENCE

Districts Make the Difference was created to increase public awareness and understanding of special districts across California. The campaign website, www.districtsmakethedifference.org provides a public place to learn more about special districts and the positive effect they have on their communities, while also serving as a resource for districts to download useful materials, collateral, and information.

2019 Student Video Contest Launches

Districts Make the Difference has launched the 2019 Student Video Contest! The new submission period is open now until **September 30** to allow more students to participate.

Students are encouraged to be as creative as possible when making their 60-90 second videos. That's correct, the length of the videos has also been extended! Students can now create videos up to 90 seconds long.

Do you know a student who may be interested? Do you know a teacher, principal, superintendent, or school board member that can help promote the contest? Resources are available on the Districts Make the Difference website to help you promote the student video contest on your website, social media, or in your office.

Start spreading the word using these resources available at DistrictsMakeTheDifference.org/video-contest:

- Flyer/Poster
- Contest Scholarships Graphic
- Contest Scholarships Banner
- Steps to Enter Graphic
- Statewide Voting Graphic
- Sample Newsletter/Website Content

Chapters are also encouraged to hold a local contest in conjunction with the statewide competition. A toolkit detailing how to facilitate a local contest is now available. Last year, the Alameda County Special Districts Association, Contra Costa Special Districts Association, and Santa Clara County Special Districts Association all held local contests and selected a local student winner from their communities. Contact your public affairs field coordinator for more information.

Hosting a local contest is a wonderful way for students to learn about your special district and potentially win a scholarship! Promotional materials including a flyer and the social media graphics are also available on the Districts Make the Difference website at www.DistrictsMakeTheDifference.org/video-contest.

For more information about the contest and to watch last year's winning videos, visit the [Districts Make the Difference](http://DistrictsMakeTheDifference.org) website.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION PIONEERS
TAKE ACTION BRIEF

➤ **OTHER WAYS TO TAKE ACTION**

Learn More

2019 CSDA Award Nominations are now open! Deadline July 17, 2019

Each year, CSDA presents various awards during the CSDA Annual Conference & Exhibitor Showcase. There are several different categories to enter your district, chapter, and/or an individual. All nominations must be received by July 17, 2019. Nominate your candidate and learn more here:

<https://www.csdanet.org/about-csda/get-involved/awards>.

Utilize Resources

CSDA has partnered with the government surplus auction, GovDeals, to provide special districts and other government agencies with an easy-to-use, transparent web-based platform for buying and selling surplus items online. Visit the [Surplus Marketplace](#) to check out items listed by government agencies across the USA. Browse through a wide selection of pre-owned vehicles, office furniture, tools and equipment, storage sheds, and much more. Contact Jason Weber at jweber@govdeals.com or 310.600.3651 for more information.

Join Today

Join an Expert Feedback Teams to provide CSDA staff with invaluable insights on policy issues. Email marcusd@csda.net to inquire about joining one of the following teams:

- Budget, Finance and Taxation
- Environment
- Formation and Reorganization
- Human Resources and Personnel
- Governance
- Public Works and Contracting

Stay Informed

In addition to the many ways you can **TAKE ACTION** with CSDA's advocacy efforts, CSDA offers a variety of tools to keep you up-to-date and assist you in your district's legislative and public outreach. Make sure you're reading these resources:

- CSDA's weekly e-Newsletter
- Districts in the News
- CSDA's CA Special District Magazine

Email advocacy@csda.net for help accessing these additional member resources.

ACWA

Resolution 2019-08

A Resolution of the Board of Directors of the Humboldt Bay Municipal Water District Placing in Nomination J. Bruce Rupp as a Board Member of the Association of California Water Agencies Region 1 Board

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HUMBOLDT BAY MUNICIPAL WATER DISTRICT AS FOLLOWS:

WHEREAS, The Board of Directors of the Humboldt Bay Municipal Water District (HBMWD) does encourage and support the participation of its members in the affairs of the Association of California Water Agencies (ACWA); and

WHEREAS, J. Bruce Rupp currently serves as the Vice Chair of the ACWA Finance Committee; and

WHEREAS, J. Bruce Rupp currently serves as a Board Member for the ACWA Region 1; and

WHEREAS, J. Bruce Rupp has indicated a desire to continue to serve as a Board Member for ACWA Region 1.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Humboldt Bay Municipal Water District places its full and unreserved support in the nomination of J. Bruce Rupp for Board Member of ACWA Region 1.

BE IT FURTHER RESOLVED, that the Board of Directors of HBMWD does hereby determine that the expenses attendant with the service of J. Bruce Rupp in ACWA Region 1 shall be borne by the HBMWD.

PASSED and ADOPTED at a Regular Meeting of the Board of Directors of the Humboldt Bay Municipal Water District this 13th day of June 2019, by the following roll call vote:

AYES:

NOES:

ABSENT:

Attest:

Sheri Woo, Board President

Barbara Hecathorn, Assistant Secretary/Treasurer



WATER TAX BILL MOVES TO APPROPRIATIONS SUSPENSE CALENDAR

BY HEATHER ENGEL MAY 8, 2019 WATER NEWS

The Assembly Appropriations Committee today moved AB 217 (E. Garcia), which proposed a water tax on public water systems, to the Suspense Calendar. The author waived presentation so there was no public testimony on the bill.

AB 217 proposes a water tax equivalent to 50-cents per connection per month, which would be passed along to public water agency customers. It is one of two proposals for a statewide water tax, along with the Newsom Administration's budget trailer bill.

"The state can solve the funding gap for drinking water solutions in disadvantaged communities without a water tax," said ACWA Deputy Executive Director for Government Relations Cindy Tuck. "With a record budget surplus for the 2019-'20 fiscal year, it is the perfect time to create and fund a Safe Drinking Water Trust as a durable funding solution."

SB 669 (Caballero), the Safe Drinking Water Trust bill sponsored by ACWA and the California Municipal Utilities Association, would be funded with an infusion of General Fund dollars during a budget surplus year. The state would invest the principal, and the net income would provide the needed ongoing revenue stream for drinking water solutions in disadvantaged communities.

ACWA and a large coalition of supporters believe the Trust is a better approach than a statewide water tax that would tax a resource that is essential to life and work against water affordability throughout the state. SB 669 passed two Senate policy committees in April and is pending in the Senate Appropriations Committee. It is expected to be heard by Appropriations on May 13.

For questions about the proposals for a statewide water tax or ACWA/CMUA-sponsored SB 669, please contact ACWA Deputy Executive Director for Government Relations Cindy Tuck at cindyt@acwa.com or (916) 441-4545.

SENATE AND ASSEMBLY APPROPRIATIONS COMMITTEES TAKE ACTION ON SB 669, OTHER PRIORITY WATER BILLS

BY MATT VEEH MAY 16, 2019 WATER NEWS

With a May 17 deadline for fiscal committees to meet and report to the floor bills introduced in their house, the Senate and Assembly Appropriations committees today took action on a number of priority bills that were on each committee's suspense file.

The following summary provides an update on some of the bills that were acted upon today that are important to ACWA member agencies:

SB 669 (Caballero) – Safe Drinking Water Trust

Co-sponsored by ACWA and the California Municipal Utilities Association, this bill would create the Safe Drinking Water Trust in order to fund safe drinking water projects in disadvantaged communities.

Position: ACWA is a co-sponsor of this bill.

Action: Held in Senate Appropriations, which means it will no longer move forward this year. The action follows Senate Budget Subcommittee No. 2 taking action May 15 to reject Gov. Gavin Newsom's budget trailer bill with its proposed water tax and instead approve \$150 million in General Fund dollars be continuously appropriated (annually) to the Safe and Affordable Drinking Water Fund.

AB 217 (E. Garcia) – Safe Drinking Water for All Act

This bill would create a water tax on public water systems of fifty cents per month per service connection. The bill, which would set the precedent for a statewide water tax, would require public water systems to send the funds to the State Water Board to fund the Safe and Affordable Drinking Water Fund. The bill also proposes agricultural assessments on fertilizer sales and confined animal operations.

Position: ACWA has an oppose-unless-amended position on this bill, seeking an amendment that would remove the water tax language from the bill.

Action: The bill was passed to the Assembly floor with amendments. The new amendments include removing the Trust provisions from the bill and increasing the amount of agricultural assessments. The bill still proposes a water tax.

AB 557 (Wood) – Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program

This bill would appropriate \$9.25 million from the General Fund to the Department of Water Resources in the 2019–2020 fiscal year to operate the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program.

Position: ACWA supports this bill and strongly supports funding for programs of this nature.

Action: Held in Assembly Appropriations, however there is a possibility that a separate budget request could provide funding for the program.

AB 658 (E. Garcia) – Water Rights: Water Management

This bill seeks to create a five-year permit that would allow groundwater recharge projects to divert water during high-flow events. The intent of the bill is to increase groundwater recharge when specific conditions exist.

Position: ACWA supports this bill.

Action: The bill was passed by Assembly Appropriations and now moves to the Assembly floor.

SB 332 (Hertzberg) – Wastewater Treatment: Recycled Water

This bill would declare the discharge of treated wastewater from ocean outfalls a waste and unreasonable use of water. The bill would additionally require each National Pollutant Discharge Elimination System (NPDES) permit-holder and affiliated water supplier to reduce ocean discharges by 50% by 2030 and 95% by 2040:

Position: ACWA opposes this bill

Action: Held in Senate Appropriations.

AB 841 (Ting) – Drinking Water: Contaminants: Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

This bill proposes an approach to PFAS that relies on the existing regulatory framework for identifying and monitoring harmful contaminants. The bill would simply establish deadlines for the Office of Environmental Health Hazard Assessment to perform an assessment of PFAS risk to human health by Jan. 1, 2022.

Position: ACWA supports this bill.

Action: The bill was passed by Assembly Appropriations and now moves to the Assembly floor.

For questions about SB 669, the Senate Budget Subcommittee No. 2 action or AB 217, please contact Deputy Executive Director for Government Relations Cindy Tuck at cindyt@acwa.com or (916) 441-4545. For questions about any of the other bills, please contact State Legislative Director Adam Quiñonez at adamq@acwa.com or (916) 441-4545.

Updated and Sent June 4, 2019
Originally Sent May 30, 2019

The Honorable Holly J. Mitchell, Chair
Conference Committee on the Budget
State Capitol, Room 5050
Sacramento, CA 95814

The Honorable Philip Ting, Vice-Chair
Conference Committee on the Budget
State Capitol, Room 6026
Sacramento, CA 95814

Re: Senate Safe Drinking Water Plan: SUPPORT

Dear Chair Mitchell and Vice-Chair Ting,

The below-listed organizations **SUPPORT** the Senate Safe Drinking Water Plan with its General Fund solution:

Amador Water Agency
Association of California
Water Agencies
Bella Vista Water District
Building Owners and
Managers Association of
California
CalDesal
California Business
Properties Association
California Municipal Utilities
Association
Calleguas Municipal Water
District
Carmichael Water District
Centerville Community
Services District
Citrus Heights Water District
City of Compton
City of Fairfield
City of Fresno
City of Lakewood
City of Shasta Lake
Contra Costa Water District
Crestline-Lake Arrowhead
Water Agency
Cucamonga Valley Water
District
Dublin San Ramon Services
District
East Valley Water District

Eastern Municipal Water
District
El Dorado County Joint
Chambers Commission
El Toro Water District
Elk Grove Chamber of
Commerce
Elsinore Valley Municipal
Water District
Florin Resource
Conservation District/Elk
Grove Water District
Folsom Chamber of
Commerce
Humboldt Bay Municipal
Water District
Indian Wells Valley Water
District
International Council of
Shopping Centers
Irvine Ranch Water District
Kern County Water Agency
Kinneloa Irrigation District
Lake Hemet Municipal
Water District
Las Virgenes Municipal
Water District
League of California Cities
Long Beach Water
Department
Mesa Water

Mojave Water Agency
Monterey Peninsula Water
Management District
Municipal Water District of
Orange County
National Association of
Industrial and Office
Properties – California
Chapters
North Marin Water District
Northern California Water
Association
Olivenhain Municipal Water
District
Orange County Water
District
Otay Water District
Padre Dam Municipal Water
District
Palmdale Water District
Placer County Water Agency
Rainbow Municipal Water
District
Rancho Cordova Chamber of
Commerce
Regional Water Authority
Rincon del Diablo MWD
Rio Alto Water District
Riverside Public Utilities
Roseville Area Chambers of
Commerce

The Honorable Holly J. Mitchell and the Honorable Philip Ting
Page 2

Sacramento Suburban Water District	Santa Clarita Water Agency	Valley Center Municipal Water District
San Bernardino Valley Municipal Water District	Santa Margarita Water District	Vista Irrigation District
San Diego County Water Authority	Scotts Valley Water District	Walnut Valley Water District
San Francisco Public Utilities Commission	South Tahoe Public Utility District	West Basin Municipal Water District
San Gabriel County Water District	Southern California Water Coalition	Western Canal Water District
San Gabriel Valley Economic Partnership	Tahoe City Public Utility District	Western Municipal Water District
San Juan Water District	Three Valleys Municipal Water District	Westlands Water District
Santa Ana Watershed Project Authority	Twain Harte Community Services District	Yorba Linda Water District
		Yuba Water Agency
		Zone 7 Water Agency

The above-listed organizations support the action that the Senate Budget Subcommittee No. 2 took regarding safe drinking water for the following reasons:

- The Senate Safe Drinking Water Plan proposes a \$150 million continuous appropriation from the General Fund that **would solve the safe drinking water funding problem.**
- The Plan includes the enactment of SB 200 (Monning) which **would create the Safe and Affordable Drinking Water Fund** and set forth the program requirements for how the funding could be spent.
- The Fund program requirements in SB 200 are similar to those in the Governor's trailer bill language, but SB 200 **does not propose a water tax.** SB 200 would provide that moneys in the fund are available upon appropriation by the Legislature.
- This is a **durable solution.**
- This solution is **as secure** as the proposal for a water tax in AB 217 (E. Garcia).

If you have questions, please contact Cindy Tuck, Deputy Executive Director for Government Relations at the Association of California Water Agencies at (916) 441-4545 or cindy@acwa.com.

cc: The Honorable Jim Nielsen
The Honorable Richard D. Roth
The Honorable Nancy Skinner
The Honorable John M.W. Moorlach
The Honorable Kevin McCarty
The Honorable Chad Mayes
The Honorable Jay Obernolte
The Honorable Shirley N. Weber

May 21, 2019

****ASSEMBLY FLOOR ALERT******AB 217 (E. GARCIA)
OPPOSE UNLESS AMENDED
PROPOSED STATEWIDE WATER TAX**

The coalition listed below of over 128 public water agencies, water associations, cities, and business organizations **urges the Assembly to REJECT AB 217 – a proposed statewide water tax.**

AB 217 would require public water systems to send a water tax to the State Water Resources Control Board based on a system's number of connections. California households and businesses that purchase water from a public water agency would be paying for this state tax. Following are examples of concerns with this approach:

- AB 217 proposes a ***tax on water – a resource that is essential to life.***
 - The proposed “system charge” based on the public water system’s number of connections would be a tax under Article XIII A of the California Constitution.
- AB 217 would set the ***precedent*** for a statewide water tax.
 - For more than a decade, there have been various legislative or Administration proposals that have proposed to tax water for a wide range of purposes. These proposals have been consistently rejected.
 - There are state agencies and other entities with documented interest in using a water tax to fund various programs. AB 217 would be the first in the line.
- The human right to water in State law is to both safe and ***affordable water. Taxing water would work against keeping water affordable.***
- The proposed tax in AB 217 would be ***regressive*** – with the lowest-income customers paying the same amount as high-income customers.
- The proposed ***regional distribution split (20 percent) is unnecessary - and has been rejected in the past.***

The amendment that would remove our opposition would be to remove the proposed water tax.

On May 15, the Senate Budget Subcommittee No. 2 **rejected** the budget trailer bill language that proposed a water tax. The Subcommittee voted for a General Fund appropriation that would be continuously appropriated. The safe drinking water problem can be solved without a water tax.

We urge your NO vote on AB 217

ORGANIZATIONS OPPOSED UNLESS AMENDED (OR OPPOSED) TO AB 217 (E. Garcia)

- | | | |
|--|--|--|
| Amador Water Agency | East Orange County Water District | International Council of Shopping Centers |
| Antelope Valley East Kern Water Agency | East Valley Water District | Jarupa Community Services District |
| Bella Vista Water District | Eastern Municipal Water District | Kern County Water Agency |
| Building Owners and Managers Association of California | El Dorado County Joint Chamber Commission | Kinneloa Irrigation District |
| Calaveras County Water District | El Dorado Irrigation District | Lake Hemet Municipal Water District |
| CalDesal | El Toro Water District | Lake Tahoe South Shore Chamber of Commerce |
| California Business Properties Association | Elk Grove Chamber of Commerce | Las Virgenes Municipal Water District |
| California Municipal Utilities Association | Elk Grove Water District | League of California Cities |
| California Special Districts Association | Elsinore Valley Municipal Water District | Long Beach Water Department |
| Calleguas Municipal Water District | Fallbrook Public Utility District | Los Angeles County Business Federation |
| Carmichael Water District | Folsom Chamber of Commerce | Malaga County Water District |
| Citrus Heights Water District | Fontana Chamber of Commerce | Mammoth Community Water District |
| City of Corona | Fremont Chamber of Commerce | Mariana Ranchos County Water District |
| City of Fairfield | Georgetown Divide Public Utilities District | McKinleyville Community Services District |
| City of Fresno | Glendora Chamber of Commerce | Mesa Water District |
| City of Lakewood | Glenn-Colusa Irrigation District | Mid-Peninsula Water District |
| City of Newport Beach | Greater Riverside Chambers of Commerce | Mojave Water Agency |
| City of Oceanside | Hawthorne Chamber of Commerce | Monte Vista Water District |
| City of Riverside | Helix Water District | National Association of Industrial and Office Properties – California Chapters |
| City of Roseville | Hidden Valley Lake Community Services District | National Federation of Independent Business |
| City of Santa Rosa | Humboldt Bay Municipal Water District | North Marin Water District |
| City of Shasta Lake | Humboldt Community Services District | North Tahoe Public Utility District |
| City of Torrance | Idyllwild Water District | Northern California Water Association |
| Coastside County Water District | Indian Wells Valley Water District | Oakdale Irrigation District |
| Contra Costa Water District | | Olivenhain Municipal Water District |
| Crestline – Lake Arrowhead Water Agency | | |
| Cucamonga Valley Water District | | |
| Culver City Chamber of Commerce | | |
| Desert Water Agency | | |
| Dublin San Ramon Services District | | |

We urge your NO vote on AB 217

Orange County Water District	San Diego Regional Chamber of Commerce	Tahoe City Public Utility District
Orchard Dale Water District	San Dimas Chamber of Commerce	Three Valleys Municipal Water District
Otay Water District	San Gabriel County Water District	Tulare Lake Basin Water Storage District
Padre Dam Municipal Water District	San Gabriel Valley Economic Partnership	Tuolumne Utilities District
Palm Ranch Irrigation District	San Gabriel Valley Regional Chamber of Commerce	Twaine Harte Community Services District
Palmdale Water District	San Juan Water District	United Chamber Advocacy Network
Placer County Water Agency	Santa Clarita Valley Water Agency	Valley Center Municipal Water District
Rainbow Municipal Water District	Santa Margarita Water District	Valley County Water District
Rancho Cordova Chamber of Commerce	Santa Ynez River Water Conservation District, ID No. 1	Vista Irrigation District
Regional Water Authority	Scotts Valley Water District	Walnut Valley Water District
Rincon del Diablo Municipal Water District	South Tahoe Public Utility District	West Hollywood Chamber of Commerce
Rio Alto Water District	Southern California Water Coalition	Western Canal Water District
Roseville Area Chamber of Commerce	Stockton East Water District	Western Municipal Water District
Rowland Water District	Sunnyslope County Water District	Westlands Water District
Sacramento Suburban Water District		Yorba Linda Water District
San Bernardino Valley Municipal Water District		Yuba Water Agency
San Diego County Water Authority		Zone 7 Water Agency

If you have questions, please contact Cindy Tuck, Deputy Executive Director for Government Relations at the Association of California Water Agencies at (916) 441-4545 or cindy.t@acwa.com.

cc: The Honorable Eduardo Garcia
 Mr. Carlos Gonzalez, Chief of Staff, Office of Assembly Member E. Garcia
 Mr. Josh Tooker, Chief Consultant, Assembly Environmental Safety and Toxic Materials Committee
 Mr. Gregory Melkonian, Consultant, Assembly Republican Caucus

We urge your NO vote on AB 217

RREDC/RCEA



BOARD OF DIRECTORS MEETING AGENDA

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

May 23, 2019
Thursday, 3:30 p.m.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Clerk of the Board at the phone number, email or physical address listed above at least 72 hours in advance.

Pursuant to Government Code section 54957.5, all writings or documents relating to any item on this agenda which have been provided to a majority of the Board of Directors, including those received less than 72 hours prior to the RCEA Board meeting, will be made available to the public in the agenda binder located in the RCEA lobby during normal business hours, and at www.redwoodenergy.org.

PLEASE NOTE: Speakers wishing to distribute materials to the Board at the meeting are asked to provide 12 copies to the Clerk of the Board.

OPEN SESSION Call to Order

1. REPORTS FROM MEMBER ENTITIES

2. ORAL COMMUNICATIONS

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral and 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.

3. 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.

3.1 Approve Minutes of April 25, 2019, Board Meeting.

3.2 Approve Disbursements Report.

3.3 Accept Financial Reports.

4. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

5. OLD BUSINESS

5.1 Offshore Wind Project Investment

Approve RCEA investment in the Redwood Coast Offshore Wind Project, not to exceed \$300,000 in FY19-20 and \$250,000-500,000 per year in subsequent years up to total maximum investment not to exceed \$2.5million.

5.2 Comprehensive Action Plan for Energy and County Climate Action Plan Update (Information only)

5.3 Salary Schedule Update and New Deferred Compensation Plan

Approve 1) the proposed revised salary schedule, effective July 1, 2019, and 2) the addition of a 457(b) deferred compensation plan with 4% employer contribution to RCEA employee benefits package.

5.4 Airport Microgrid Project – USDA Loan Requirements

Adopt Resolution No. 2019-2, A Resolution of the Board of Directors of the Redwood Coast Energy Authority Approving an Interconnection of Distributed Resources Policy.

6. NEW BUSINESS

6.1 FY18-19 Budget Update and Proposed Revision

Approve proposed revisions to the FY18-19 Annual Budget.

6.2 Draft FY19-20 Annual Budget

Provide input and direction to staff and the Finance Subcommittee on the draft budget.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS (Confirm CCE Quorum)

Items under this section of the agenda relate to CCE-specific business matters that fall under RCEA's CCE voting provisions, with only CCE-participating jurisdictions voting on these matters with weighted voting as established in the RCEA joint powers agreement.

7. OLD CCE BUSINESS

7.1. Residential Time-of-Use Rate Transition

Direct staff to transition flat-rate residential customers to the TOU rate in June of 2021 in partnership with PG&E.

Direct staff to offer bill protection to appropriate rate-transition customers for the first year.

Direct staff to maintain CCA residential customer rates consistent in structure with PG&E's residential customer rates through the transition period to residential time-of-use rates.

8. NEW CCE BUSINESS

8.1 CCE Customer Programs

Approve Community Advisory Committee and staff-recommended CCE customer programs and associated 2019-20 funding allocations.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

- 9.1 Auditor Selection Update by Executive Director Matthew Marshall.
- 9.2 Community Choice Energy Updates on Feed-In Tariff, Rate Change, Net Energy Metering Payout and Electric Vehicle Rate Migration by Power Resources Director Richard Engel and Account Services Manager Mahayla Slackerelli.

10. FUTURE AGENDA ITEMS

11. ADJOURNMENT

NEXT REGULAR MEETING
Thursday, June 27, 2019, 3:30 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501