



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Board of Directors Meeting

July 2018



MINUTES



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

SECTION D PAGE NO. 1



Minutes for Special Joint Meeting of HBMWD Board of
Directors with the Ruth Lake Community Services District
Board of Directors
June 08, 2018

The HBMWD and RLCSD Board of Directors held a Joint Board Meeting to discuss issues and events of mutual interest regarding Ruth Lake and the buffer strip. President Woo called the meeting to order at 1:00 pm. HBMWD Directors Fuller, Hecathorn, Latt, Rupp and Woo were present. General Manager John Friedenbach, Superintendent Dale Davidsen, Business Manager Chris Harris, Hydro-plant Operators Brian and Lisa Newell and Dave Perkins, Regulatory and Program Analyst Samantha Ryan and Board Secretary Sherrie Sobol were also present. Ruth Lake CSD Directors Gordon, Johnson, and Nicholson were present. General Manager Mike Francesconi and Business Manager Cynthia Lofthouse were also present. Guests from Trinity County Volunteer Fire Department, STAR, and Ruth Lake Leaseholders Association were also in attendance. See attached sign in sheet.

1. **Public Comment**

No public comment was received.

2. **Introductions**

Everyone introduced themselves and the agency they worked with.

3. **Updates from Guests:**

Trinity County - 5th District Supervisor and Staff

No representatives were present.

US Forest Service

Representatives were not available due to a training.

Trinity County Volunteer Fire Department and /or STAR

STVFD staff stated there were no updates to report. Shirley Dillion of STAR stated locals might want to call STAR direct at 574-6421 in case of emergency since response time will be quicker than calling 911. When calls are made to 911, it often ends up being rerouted more than once before ending with STAR.

Trinity County Sheriff/OES

No representatives were present.

Ruth Lake Leaseholders Association (RLLA)

Dave Saunderson stated the RLLA have not met the past few years.

4. **Ruth Lake CSD Topics**

Aquatic Invasive Species

2017 Annual Report

Mr. Francesconi reported out the 2017 boat inspections for Quagga mussels and other invasive species. This was the ninth year of watercraft inspections and 1503 watercraft were inspected. He stated they are off to a good start this year as 591 watercraft have been inspected so far. The Marina, Campground and Old Ruth launch sites are operational.

Dept. of Boating and Waterways Quagga Prevention Grants



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Mr. Friedenbach provided a brief recap of the grants the Quagga Prevention grants the District has received. The first grant was for the 2015/16 season in the amount of \$9,150 to help cover Quagga inspection supply costs and new gate arms at the Marina. The 2016/17 grant in the amount of \$63,500 was for supplies and to convert Old Ruth to a restricted key card access public launch site. The newest grant was approved for 2017/18 year for \$7,480 to help offset the cost of supplies for the Quagga inspection.

Director Rupp inquired about the configuration for the newly converted Old Ruth launch site. He noted that the design is not what was previously discussed with the prior manager and submitted in the grant application. He expressed concerns including that power for the site is coming from a leaseholder's private utility pole. The design is different from that submitted on the grant application and there could be potential issues. He also expressed concern over the fact that changes were not communicated with our District. Good communication is key to a good working relationship. Mr. Francesconi agreed that communication is important and he explained the reasons for the changes. The Board thanked him for the explanation.

Lease Lot Improvement Requests

Mr. Friedenbach reviewed the process for tree removal on leaseholder lots. He reinforced that the leaseholders need permission to remove the trees and they must be removed under one of our existing timber harvest exemptions by Lynn Dillion, as he is the licensed timber operator for HBMWD.

Mr. Francesconi stated that he noticed some dock improvements today that did not go through Proper channels. He also noticed some docks that need be improved or removed. He will be notifying those leaseholders.

Financial Report

Mr. Francesconi shared the Ruth Lake CSD total gross revenues for 2017. He stated they received \$590,449. Director Latt inquired about the expenses and Mr. Francesconi said he did not bring that information. He stated they did not have an operating budget for the current fiscal year, however, they do have money in the bank.

5. HBMWD Topics

Water Resource Planning

Mr. Friedenbach provided an update on the Water Resource Planning process. He shared that the District received a \$700,000 grant for Instream Flow analysis to ultimately modify HBMWD's water rights permit. Some people expressed concern that this means the lake level would be dropping and impact recreation. Mr. Friedenbach explained that the impact would be minimal if any, and that we are currently releasing flow. If the beneficial use of instream flow is permitted, this will help secure our rights when our permit expires in 2029. Mr. Davidsen added that at this same time last year, the lake was actually just a little bit lower than it is now.



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Timber Management

Mr. Friedenbach stated the District's current and past practice has been to the use one of three exemptions: Dead Dying and Diseased; Drought Mortality; and Public Agency, Public & Private Utility Right-of-Way. Last month, our Board agreed to take a more proactive approach to timber management and staff applied for grant funding to prepare a Timber Management Plan.

Algae bloom

Mr. Davidsen stated there was some blueish algae in Ruth Lake last year and he had it tested. It tested negative for cyanobacteria which is a good thing. The negative side is that the state is now requiring any algae bloom in the lake to be reported. They will either get a sample themselves or ask us to provide one. Mr. Davidsen requested that any algae bloom sightings be reported to HBMWD.

Cannabis Cultivation in the Mad River Watershed

Mr. Friedenbach was asked to provide an update on the status of the MCMP request for permit near the Mad River near our Ranney Collectors. He shared that MCMP pulled their request for the project at the site.

ADJOURNMENT

The meeting adjourned at 2:16 pm.

Attest:

Sheri Woo, President

J. Bruce Rupp, Secretary/Treasurer

June 8, 2018 Joint Board Meeting

<u>Name</u>	<u>Agency</u>
Dale Davidsen	HBMWD
Chris Harris	HBMWD
Sherrie Sobol	HBMWD
Kae Richardson	STVFD
Shirley Dillon	STAR
Lynn P. Dillon	STVFD
Carlene Richardson	STAR
Cynthia Lottthouse	RLCSD / STVFD
Bruce Rupp	HBMWD
Dave Sanderson	RLLH
Rosa Jordan	RLCSD
John Friedenbach	HBMWD
Brian Nicholson	RLCSD
DENNIS JOHNSON	RLCSD
BARBARA McCATHORN	HBMWD
Michelle Fuller	HBMWD
BRIAN Newell	HBMWD
Lisa Newell	HBMWD
David Perkins	HBMWD
Neal Latt	HBMWD
Debbie Tinkelenberg	STAR
Mike Francesconi	RLCSD
Sheri Woo	HBMWD
Samantha Ryan	HBMWD



Minutes for Meeting of Board of Directors

June 14, 2018

A. **ROLL CALL**

President Woo called the meeting to order at 9:01 am. Director Rupp conducted the roll call. Directors Fuller, Hecathorn, Rupp and Woo were present. Director Latt was absent. Director Rupp left the meeting at 2:35 pm. General Manager John Friedenbach, Business Manager Chris Harris and Board Secretary Sherrie Sobol were also present. Superintendent Dale Davidsen was absent. Nathan Stevens and John Winzler of GHD were present for a portion of the meeting.

B. **FLAG SALUTE**

President Woo lead the flag salute.

C. **ACCEPT AGENDA**

Mr. Friedenbach requested Item H1 b be deleted as it is a duplicate item. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to accept the agenda as amended.

D. **MINUTES**

President Woo noted a typo on the May 15th, 2018 minutes. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the Minutes of the May 15, 2018 Regular Board Meeting and the May 30, 2018 Special Board Meeting.

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

Director Rupp requested Item 2 be pulled. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 approve the Consent Agenda, less Item 2.

Mussel-infested boat stopped at Lake Mendocino

Director Rupp stated he pulled the item to highlight the importance of the Quagga prevention. This is a real threat to our water source, Ruth Lake. He requested staff share the article with Ruth Lake CSD and emphasize with them the importance of inspections to prevent the introduction of Quagga or Zebra Mussels into the lake.

Drinking Water Tax

Director Hecathorn inquired about the new water mandates. Mr. Friedenbach replied the state will issue new regulations for the law. This will affect our retail customers. New laws include: establishing an indoor, per person water use goal of 55 gallons per day until 2025, 52.5 gallons from 2025 to 2030 and 50 gallons beginning in 2030; Creating incentives for water suppliers to recycle water; and Requiring both urban and agricultural water suppliers to set annual water budgets and prepare for drought. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 approve Consent Item 2.

G. **CORRESPONDENCE**

Letter from District to Humboldt County Board of Supervisors re: Mad River Watershed

Mr. Friedenbach shared the letter from the District to the Board of Supervisors notifying them of the District's request to the Planning Department to be included in the notification process for Plan Checks, Notice of Application/Public Hearings and CEQA. Director Rupp inquired if the District received any response from the Board of Supervisors. Mr. Friedenbach stated he has not heard from the Board of Supervisors however, the Planning Department has been sending us more referrals regarding cannabis projects in the Blue Lake area.



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Letter from District's Legal Counsel to Humboldt Planning Department re: Withdrawal of SP 16-015 and ZR -16-000 (MCMP withdrawal letter)

Previously, the Board provided input on the response letter to the MCMP withdrawal letter to the Planning Department. Mr. Friedenbach shared the final version that was sent to the Planning Department. Director Rupp stated Ms. Walker did a good job on the letter and he is glad it is on record.

Letter from District to CDFW re: Long-Term Streambed Alteration Agreement (LTSAA)

Mr. Friedenbach stated the District has an approved LTSAA. One of the requirements in the agreement is to provide notification for Authorized Activities. This letter is the required notification of Planned Activities in the river. Although the District also has an approved Habitat Conversation Plan, three of the planned work items require an Incidental Take Permit since the Foothill Yellow-Legged Frog is being considered for the Endangered Species list.

Letter from District to CDFW re: Request for Incidental Take Permit

The District submitted a Request for Incidental Take Permit (ITP) to the CDFW and sent in the required application fee of \$7,739.25. Staff was informed by CDFW that our request is fifth in line and it generally takes 120 days to review an ITP request. The District's LTSAA allows for work in the river generally from June through October 15th and we will be past the deadline by the time our ITP request is reviewed. Mr. Friedenbach learned that our ITP request might proceed quicker if we provided mitigation measures. In an effort to fast track the review process, Mr. Friedenbach worked with Dennis Halligan on the mitigation measures to benefit the Foothill Yellow-Legged Frog. The proposed mitigation was sent to CDFW and the District is awaiting a response. The Board asked questions regarding the proposed mitigation and noted that Mr. Halligan has and continues to do good work for the District.

Letter from District to SWRCB re: 2017 Electronic Annual Reporting (eAR)

Last month, the Board discussed new reporting requirements being imposed on the 2017 eAR and agreed to join a coalition of water utilities to express comments related to the new requirements that were included without the benefit of an open and transparent stakeholder process. Mr. Friedenbach shared the letter that was sent to the State Water Resources Control Board. He noted that the City of Eureka and Humboldt Community Services District were also signers as well as Paul Helliker of San Juan Water District. Mr. Friedenbach added that staff did submit the required 2017 eAR and has not yet received a response.

Letter from FERC re: receipt of 2016-17 DSSMR reports

Mr. Friedenbach shared the May 2018 letter from FERC stating they received our 2016 and 2017 Dam Safety Surveillance and Monitoring Reports for R. W. Matthews Dam. They reviewed the Reports and have no comments.

Mr. Friedenbach added that last month the DSOD conducted their annual inspection of R.W. Matthews Dam and found no issues. FERC will be conducting their annual inspection in August.



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H. CONTINUING BUSINESS

Water Resource Planning - re: water-use options under consideration (local sales, transport, and in-stream flow dedication)

Local Sales

No significant activity has occurred in the past month. The District continues to receive requests to Issue "Will Serve" letters for new cannabis enterprises.

Transport

Mr. Tavares continues to move his project forward regarding ocean transport of water, however the project remains in the fact-finding stages.

Instream Flow Dedication WCB Grant Agreement

Mr. Friedenbach stated the District received the Grant Agreement from the California Wildlife Conservation Board (WCB) for the "Streamflow enhancement for benefit of salmonids and other special status species, on the Mad River in Humboldt and Trinity Counties". Mr. Friedenbach highlighted areas of the grant agreement and recommended approval of the grant. On motion by Director Hecathorn, seconded by Director Fuller, the Board voted 4-0 to approve the WCB grant agreement for Streamflow Enhancement and authorize the General Manager to execute the Grant Agreement.

Cannabis Grows affecting Mad River Watershed

Nothing new to report.

I. NEW BUSINESS

LAFCo letter re: Proposed Langlois Lane Annexation to the Humboldt Community Services

District-discuss District letter of Support

Mr. Friedenbach shared the Notice of Filing from LAFCo for the HCSD Langlois Lane Annexation. The notice stated that HCSD currently provides water service to four of the five parcels in the proposed annexation area. Additionally, the proposal has 100% property owner consent. LAFCo is requesting we respond to the proposal with any comments, conditions or recommendations.

Director Rupp stated the real question is do we have adequate water to supply HCSD with the annexation. We shouldn't view this as are we supportive of the annexation or not. Mr. Friedenbach stated one of the Water Resource Planning objectives is to increase local sales. HCSD is a customer and this annexation would be increasing local sales. He suggested sending a letter to LAFCo notifying them that we can provide water and have no concerns given that 100% of the property owners are in favor of the annexation. The Board concurred. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to send the letter to LAFCo as suggested.

2. DWR Sustainable Groundwater Management Act Change in Mad River Basin ranking

The DWR ranking for the Mad River Basin was previously designated as a "very low priority" and no Groundwater Sustainability Plan was required. This year, the revised ranking is listed as "medium priority" by one point and will therefore require a Groundwater Sustainability Plan. Mr. Friedenbach stated staff is working with the County, McKinleyville CSD and the City of Arcata to review the scoring criteria as they believe it was scored incorrectly and is still a low priority basin. Director Fuller agreed that there are flaws in the data and noted the scoring shows that the Mad River Basin is similar to the Eel River Basin which is not accurate.



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J. **REPORTS (from Staff)**

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

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

Nathan Stevens stated the project kick off meeting the previous Monday went well. The project is currently scheduled to be completed on September 14th which is well ahead of the grant deadline of October 21, 2018. The meetings at Fieldbrook and Blue Lake councils went well. Public meetings will be scheduled for the end of June to provide updates on the project and answer questions.

Surge Tower Replacement/12kV Replacement

Nothing new to report on the Surge Tower Project.

Mr. Friedenbach shared the letter from FEMA notifying the District that the 12kV Switchgear Relocation grant was approved. He stated that the name has been corrected from Humboldt Bay Flood Control District to Humboldt Bay Municipal Water District. Mr. Friedenbach was going to request approval of the license agreement with NCRA for use of land for 12kV site, however will defer that given the recent legislation regarding the dissolution of the North Coast Railroad Authority.

Collector Mainline Redundancy Hazard Mitigation Grants

Nothing to report.

Reservoir Structural Retrofit Hazard Mitigation Grant Application

Nothing to report.

Single Line Industrial Slough Crossing Hazard Mitigation Grant Notice of Interest (NOI)

The NOI was submitted and approved. The full application is due September 4, 2018.

Axel Property Development

Mr. Friedenbach expressed his concerns regarding the Axel plans submitted to the City of Arcata. He shared the letter provided to the Arcata Community Development Department outlining the concerns and reiterating the District's easements over the property.

Status report re: other engineering work in progress

Nothing to report.

2. **Financial**

Financial Report

Ms. Harris provided the May 2018 financial report. Director Fuller reviewed the bills. On motion by Director Rupp, seconded by Director Fuller, the Board voted 4-0 to approve the May financial report and vendor statement in the amount of \$176,440.63.

Limit for Appropriations from Taxes

The California Constitution 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 capita income and population increases. The State Department of Finance provided the District with the annual price and population figures for fiscal year 2018/19. Ms. Harris noted that they are using a cost



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of living change of 3.67%. Staff recommends the Board adopt Resolution 2018-08 to establish the required appropriations limit for the 2018/19 fiscal year. Director Rupp read the resolution and the Board voted 4-0 by roll call vote adopt Resolution 2018-08.

FY 2017/18 Project Budget Reallocation

Each year, staff conducts a mid-year project budget analysis for projects that are charged to the Municipal Customers. Ms. Harris shared the process by which the budget reallocation is determined. She reviewed the budget reallocation spreadsheet and identified projects that have money left over or cannot be completed during the current fiscal year. The amount available from these projects this year is \$578,565. Staff recommends the Board consider modifying the 2017/18 year project budget to include the following additional budget line items: Upgrade to Accounting System \$28,845; FERC Spillway PF \$25,150; and FERC Geologic Spillway Assessment \$9,325. The remainder of the reallocation will go to advance charges for two specific authorized projects under Ordinance 16 for: Redundant Pipeline, \$260,245; and 3x Tank Seismic Retrofit, \$255,000. The net change to the budget is zero with no impact on total Municipal Customer costs. Director Hecathorn stated the report was very well laid out and nicely done. On motion by Director Rupp, seconded by Director Hecathorn, the Board voted 4-0 to approve the reallocation.

FY 2018/19 Budget

Ms. Harris presented the proposed total budget and revenue estimates and recapped the May meeting presentation. She reviewed items with proposed changes in Service and Supply. There are sixteen accounts with no change, five accounts with decreased budget and six accounts with increased budgets. The total Service and Supply budget is \$1,508,200 which is an increase of \$25,835 or 1.74%. The largest factor is power expense at \$13, 335.

Ms. Harris discussed the Salary and Employee Benefits (S&EB) budget. New additions to the proposed budget include a new O&M Tech position and Air Med coverage. Ms. Harris stated that recent SWRCB regulation changes has impacted training of necessary staff. Currently, the District does not have enough staffing to allow for a "floater" position for coverage due to sickness or vacations. This coverage is currently accomplished by adjusting all operations staff schedules. This can result in very short notice for staff and overtime expenses. The AirMedCare Flight Insurance coverage will cost \$2,200. She also provided a comparison of the District's salary and wage rates compared to other local agencies and East Bay MUD. Staff is requesting a 3% COLA based on the Consumer Price Index and comparison with local agencies. A 3% COLA represents .46% of the total budget. The total proposed S&EB budget is \$3,930,475. This is an increase of 5.03% compared to FY 17/18 budget.

The proposed Service and Supply, Salary and Employee Benefits and Project budgets total \$13,297,960. This is an increase over FY 17/18 of \$509, 829 or 3.99%. This is within the range communicated to the Municipal Customers and contained within the CIP Financial Plan.

3. Operations

Mr. Friedenbach stated that Mr. Davidsen is attending an AWWA Conference and is co-presenting a talk on the Ranney System with Henry Hunt. Mr. Friedenbach provided the May Operational Report. The maintenance crew conducted the annual Ruth Maintenance, including confined space operations for the penstock inspection. The new transformer has also been installed at the hydro plant. Staff began shutting down the TRF for the season. Training included CPR/AED and First Aid training as well as Traffic Control Safety.



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Industrial System Overview

Mr. Friedenbach provided an overview of the Industrial Water System. Although there is no current industrial customer, he shared reasons to keep the channel open, including regulatory and the potential use for town of Samoa and fire suppression system use on the peninsula. The Board asked several questions with good discussions following. Director Fuller inquired if all of the deferred maintenance and improvements were included in the CIP. Mr. Friedenbach stated yes however, it is further out on the timeline.

K. MANAGEMENT

California Special Districts Association (CSDA)

Mr. Friedenbach stated the CSDA has officially recognized the Humboldt Area Chapter as an affiliated chapter. The chapter meets every other month. The most recent meeting took place on June 4, 2018 and he shared highlights from the meeting.

ACWA Spring Conference

Mr. Friedenbach reported out on his attendance at the ACWA Conference. He shared a list of meetings he attended and provided a brief description of them.

Letter to Humboldt County Planning and Building

Mr. Friedenbach shared a copy of the letter sent to the Humboldt County Planning and Building Department regarding a project referral received for a cannabis project. He explained that this was his first attempt to provide a somewhat standardized letter response to the County. Going forward he would like to receive input from our legal counsel and District engineer. Director Fuller stated it's important to consider the cumulative impacts on the watershed. She felt that oversight and enforcement in this area is lacking regarding the use of pesticides, rodenticides, nitrogen, etc. The other Directors also expressed concern. They did acknowledge that this particular applicant seemed to be taking the right steps.

L. DIRECTOR REPORTS & DISCUSSION

1. General

No topics were discussed here.

2. ACWA

Spring Conference

Directors Rupp and Woo reported out on their attendance. Director Rupp attended some of the same sessions as Mr. Friedenbach. He stated Governor Brown was a surprise guest speaker and was actually quite funny. Director Rupp also renewed his ethics training, is now on the Region 1 membership committee and worked the JPIA booth for a few hours. Director Rupp left the meeting at 2:25 pm after reporting out. President Woo reported she also attended the Region 1 meeting along with Director Rupp and Mr. Friedenbach as well as other sessions. She stated that Mr. Mayo is doing a good job as Vice-Chair of Region 1 and putting a lot of effort into it. She attended a session on the water fix and learned a new phrase "Reconciliation Ecology".

4. Organizations on which HBMWD Serves: RCEA, RREDC

President Woo provided an update on the RCEA meetings. She stated the Offshore Wind Development Partnership negotiations are going well and there are companies willing to underwrite this. In regards to biomass, they still have members of the public showing up to each meeting to express their unhappiness with the alternative energy source.



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ADJOURNMENT

The meeting adjourned at 2:40 p.m.

Attest:

Sheri Woo, President

J. Bruce Rupp, 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

July 5, 2018

Dennis Johnson, Chair
Ruth Lake CSD
PO Box 192
Mad River, CA 95552-0192

Subject: News on quagga mussels at Lake Mendocino

Dear Dennis:

One of the things we discussed at our joint HBMWD and RLCSD meeting was the need for better communication between our boards and staff. In that spirit, I'm sending you this bit of news. For your convenience, I'll also "cc" Mike Francesconi, so you don't have to.

The news (attached) is that a boat carrying quagga mussels was intercepted and prevented from contaminating Lake Mendocino on June 2, 2018. The detection was via a mussel-sniffing Labrador dog. The dog is part of a service provided by Mussel Dogs, who is permitted by the California Department of Fish and Wildlife.

When items affecting Ruth Lake and the leaseholders come up on HBMWD's agenda, I will try to keep you informed on the issue and discussion about it. Question: is letter the best way to convey information to you, or do you prefer telephone or email?

Thanks for your service to the Ruth Lake community,

A handwritten signature in cursive script, appearing to read "Sheri Woo".

Sheri Woo
President, HBMWD Board

cc w/attachment:

Mike Francesconi, RLCSD General Manager

John Friedenbach, HBMWD General Manager

Mussel-infested boat stopped at Lake Mendocino

MARY CALLAHAN

THE PRESS DEMOCRAT | June 3, 2018

A specially trained dog named Noah is receiving well-deserved praise after preventing a mussel-infested watercraft from launching Saturday in Lake Mendocino — a frighteningly close call that public officials say underscores the need for long-delayed, full-time measures to protect regional reservoirs and critical infrastructure from exposure to the destructive organisms.

The blond Labrador retriever is one of several mussel-sniffing dogs deployed at lakes Sonoma and Mendocino on summer weekends to suss out tiny quagga or zebra mussels — related species of thumbnail-sized bivalves that, once introduced, reproduce in such abundance they can quickly wreak havoc on lakes or reservoirs.

It's the first time since the dogs came into use in the region five years ago that one of the mussels has been detected, a result Sonoma County Water Agency spokesman Brad Sherwood termed "bittersweet."

"It was bad news that we found mussels," Sherwood said Sunday, "but it was good news that we found them."

Extremely lucky, as well — "a big wake-up call," Mendocino County Supervisor Carre Brown said.

The Army Corps of Engineers, which operates the dams at the two reservoirs, has \$725,000 in county and state startup funding set aside for a mussel inspection and prevention program that has been in development since at least 2014.

But it has yet to implement a plan, prompting what state Sen. Mike McGuire described as "growing frustration" among public officials and stakeholders.

"Thank goodness for Noah the mussel-sniffing dog," said McGuire, D-Healdsburg. "He saved the day over the weekend, but we need permanent protection."

The Sonoma County Water Agency has contracted with Central Valley-based Mussel Dogs to provide a bridge to a more permanent program, but the boat easily could have launched when the Noah and his colleagues were off duty, Sherwood said.

The dogs only work during the warm months of the year and then only three days a week, when the boat ramps are at their busiest, sniffing around arriving vessels and trailers for the scent of the crescent-shaped shellfish or their microscopic juvenile form, when they are called veligers.

The 2018 program just started Memorial Day weekend, so Noah and his handler, Lisa Cheli, were on Day 4 of this year's season when a large group of dads and their daughters arrived at Lake Mendocino to camp and ply the waters of the reservoir in three boats they towed north from the Bay Area, including one borrowed from a Marin County resident, Cheli said.

It's still unclear where or when the boat was last launched, but it was wet when it came through the boat ramp line at Lake Mendocino around 9:30 a.m. Saturday, and Noah immediately hit on a problem.

Once she looked for herself, Cheli said, she was shocked to find what local officials had long feared.

Mussels were visible on the transom, the motor mount and in the thru-hull fittings, among other places, she said.

A state Fish and Wildlife warden and many others who responded, including Sherwood, identified the mollusks as one of the two related invasive species, though a Fish and Wildlife biologist will make the final determination, officials said.

The two mussel species, native to eastern Europe and neighboring countries, arrived in California a decade ago after spreading across the United States beginning in 1989, with catastrophic results in places like the Great Lakes and Lake Mead.

They have since spread to 43 California water bodies, reaching as far north as San Benito County.

Microscopic in juvenile form, they travel easily in ballast water, live bait, mud and with aquatic plant life, and can survive outside of water for five days in warm weather and much longer when it's cold.

Once mature, they leave their free-floating state and begin clinging to any exposed surface, encrusting watercraft and motor parts, as well as dams, turbines and water distribution pipes.

The females produce 5 million eggs in their lifetimes, spawning infestations that transform native ecological systems and clog or destroy machinery.

"If introduced into Lake Mendocino," Sherwood said, "the mussels could attach themselves to any and all infrastructure in the lake, so that means dam infrastructure, hydro infrastructure, fishery hatchery infrastructure, recreational boats. The shoreline would become unusable because these things just multiply by the millions per year. Further, they would essentially ruin the ecosystem for fish and, yes, they can survive in river systems so they could potentially spread into the Russian River watershed."

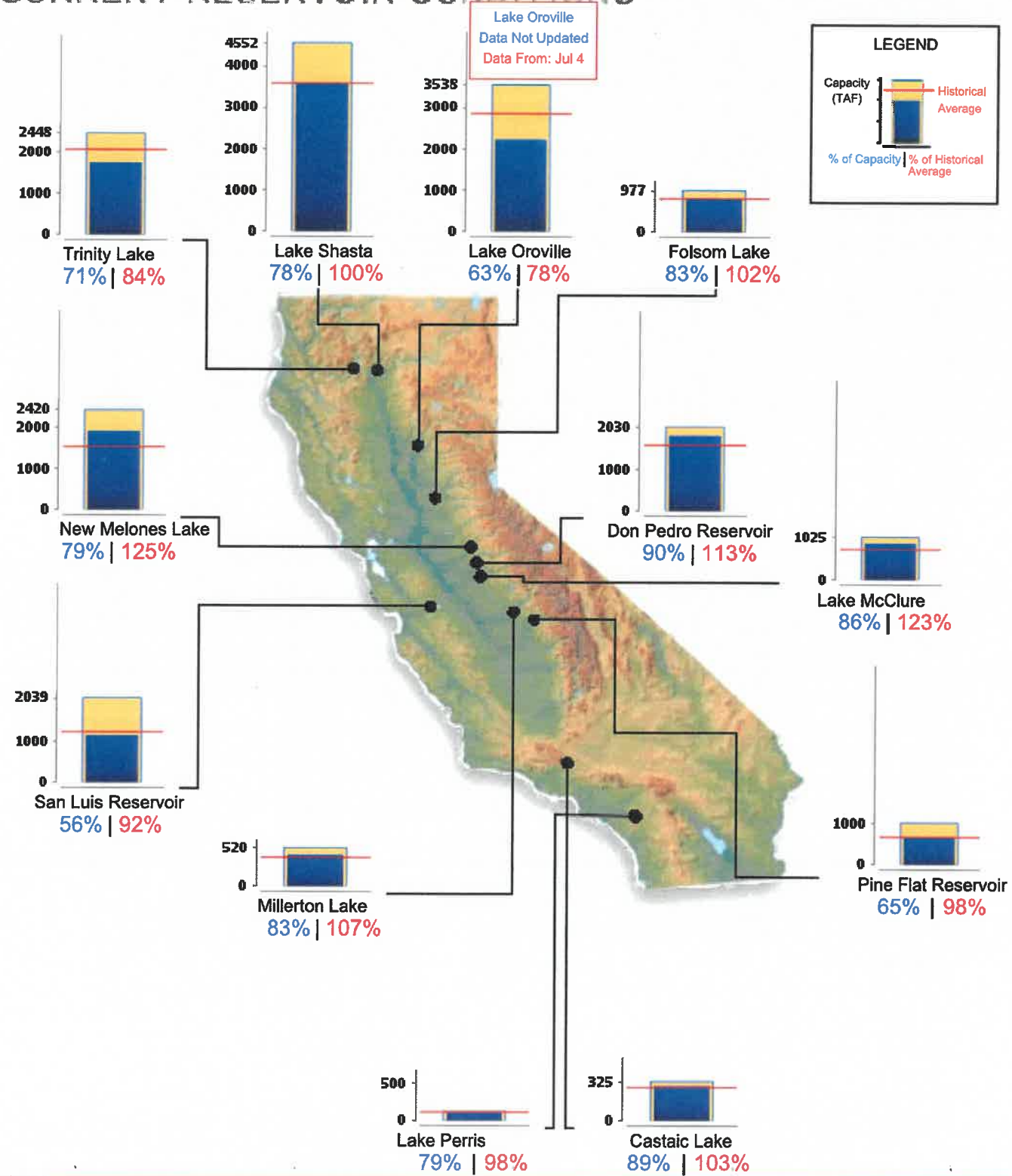
Lake County developed a robust mussel-prevention program 10 years ago to protect its tourism economy. It includes mandatory risk assessments on up to 17,000 vessels each year, inspections and operation of three county-owned decontamination stations, including one in Lakeport, where the boat from Lake Mendocino was taken, said Mark Miller, who coordinates the program for the Lake County Water Resources Department.



Reservoir Conditions

Ending At Midnight - July 5, 2018

CURRENT RESERVOIR CONDITIONS



THIS JUST IN ... Senate Passes Energy and Water Appropriations Bill

June 25, 2018 [Maven](#) [Breaking News](#)

From Senator Feinstein's office:

Senator Dianne Feinstein (D-Calif.), ranking member of the Energy and Water Development Appropriations Subcommittee, today issued the following statement after the Senate passed the fiscal year 2019 Energy and Water Development appropriations bill:

"This bill reflects the needs of our nation, making key investments in our water infrastructure, preventing and mitigating the effects of drought, important scientific research and developing clean energy alternatives to combat climate change.

"I want to thank Chairman Alexander for working closely with me to draft this bipartisan legislation. This is a balanced bill that includes priorities from all sides."

California Water

The bill provides \$575 million for Army Corps of Engineers and Bureau of Reclamation water infrastructure and drought resilience programs in California.

"As California continues to recover from a historic drought, we also need to recognize the fact that climate change is increasing the potential for more severe droughts in the future. Smart investments in water conservation and storage are necessary to mitigate the effects of any future droughts. This bill continues our efforts in recent years to make those necessary investments and fund additional water programs throughout the state."

The bill:

- Provides an additional \$196 million to fund California and Western drought programs under the WIIN Act, including \$134 million for water storage, \$20 million for water recycling, \$12 million for desalination and \$30 million for environment and science projects.
- Provides \$34 million for WaterSMART grants and almost \$55 million for the Title XVI Water Reclamation and Reuse program.
- Increases funding for desalination research and development by almost 35 percent.
- Provides \$35 million for the San Joaquin River Restoration project.
- Requires an independent risk analysis of Oroville Dam. It also requires the Federal Energy Regulatory Commission to report to the committee on recommendations from an independent panel charged with reviewing the agency's dam safety practices.

New Nuclear Weapon

The bill includes \$65 million requested by the Trump administration to begin to modifying the existing W-76 warhead to create a new low-yield weapon. If fully funded, this new nuclear capability will be completed in just two years.

"We don't need to build any new nuclear weapons, especially not low-yield weapons that dangerously increase the likelihood that they'll be used. President Trump claims these weapons are needed to fight a 'limited' nuclear war against Russia. There is no such thing as a 'limited' nuclear war. Once a nuclear weapon is used – by any country against any target – that's the end of us."

Nuclear Waste

The bill directs the Department of Energy to create a pilot program for interim storage of spent commercial nuclear fuel.

"Our nation needs a realistic plan for removing spent nuclear fuel from places like San Onofre and Diablo Canyon. Creating this interim storage pilot program would allow us to begin the critical step of consolidating the 80,000 metric tons of spent fuel and preparing it for long-term disposal."

Additional Projects

California Ports: The bill provides \$50 million for ports like Los Angeles and Long Beach that get shortchanged by the current disbursement formula of the Harbor Maintenance Trust Fund.

Energy Efficiency and Renewable Energy Programs: The bill provides \$2.3 billion for energy efficiency and renewable energy programs. This funding supports sustainable transportation programs that develop new fuels, lightweight materials, and vehicle engines; energy efficiency programs that develop standards and technologies to reduce energy bills; and renewable energy programs that work to lower the cost of solar, wind, geothermal, and water power technologies.

Basic Scientific Research: The bill provides \$6.65 billion for the Office of Science, \$390 million more than last year. Nearly all Office of Science programs see significant increases, and the bill fully funds the requested operational levels of scientific facilities at the national laboratories.

Environmental Cleanup: The bill provides nearly \$6 billion for cleanup of Cold War and other nuclear sites. This program addresses a legacy of radioactive and hazardous contamination at sites across the country and the bill addresses many of the highest environmental risks posed by these sites.

EXECUTIVE DIRECTOR'S COLUMN • TIMOTHY QUINN

New Water Use Efficiency Laws Mark Progress in Making Water Conservation a Way of Life in California



Recently, Gov. Jerry Brown signed into law two water-use efficiency bills. From ACWA's perspective, this allows us to check the box next to "conservation as a way of life in California" and take another key step forward in implementing the governor's California Water Action Plan.

This also marks the end of a major debate on long-term water efficiency and conservation. This debate was never about whether we should conserve, but how we should conserve. ACWA member agencies have been on the forefront of water-use efficiency efforts for decades. We advocated for key amendments to these bills and, although not all of them were accepted, the final legislation is much improved compared to the initial drafts. This includes more recognition of local autonomy and authority, and incentives for recycled water use.

Now that SB 606 and AB 1668 have been signed into law, ACWA is working closely with member agencies to ensure they can assess how the new requirements will affect them, including the timeline for implementation. One key issue that is widely misunderstood needs to be clarified. The new requirements do not restrict daily water use by individual customers, as has been

erroneously reported by some. Instead it requires water agencies to develop agency-wide water budgets, with local agencies determining how best to keep aggregate water use in their communities below agency-wide efficient water use targets.

This is a far cry from a few years ago when the state mandated across-the-board, one-size-fits-all water reductions throughout the state on a percentage basis, ignoring regional differences in supply, climate and geography. What we have now is a far more sophisticated system that recognizes differences between agencies and provides them with some leeway to meet goals through target setting. As an added benefit, the legislation also establishes incentives for recycled water use, which is a key element of an "all of the above" strategy for our sustainable water future.

California continues to rise to our water management challenges, and local water agencies will continue to lead the way. This new law and the process to implement it deserves the full cooperation of the water community as we continue making water conservation a way of life in California. ♡

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WATER DEEPLY:

The state's new per capita limit on indoor water use is groundbreaking, but there is no practical way to enforce it. Rather, it is intended to inspire more conservation and guide larger efforts by water utilities.

WRITTEN BY Matt Weiser

PUBLISHED ON June 20, 2018

READ TIME Approx. 4 minutes

CALIFORNIA HAS ALWAYS been America's leader on environmental policy, and water is no exception. So it was hardly surprising when the state made headlines across the nation in early June with a new policy on residential water use: Californians will be limited to 55 gallons per person per day for their indoor water needs.

The rule is apparently the first of its kind in the nation. But lost in the excitement is the fact that water agencies have no way to measure how much water their customers use indoors. Homes have only one water meter, and it provides no information about where water is used or for what purpose.

In reality, it turns out, the 55-gallon limit is not a limit at all. It is merely an aspirational target meant to motivate customers to conserve.

"The statewide indoor water use standard is not enforceable on individual water users," said Dave Bolland, director of state regulatory relations at the Association of California Water Agencies. "There is no provision [in the law] that requires individual households to meet a specific water use target."

The pair of new laws that enacted the 55-gallon target, Assembly Bill 1668 and Senate Bill 606, set it as a goal that water utilities must meet by averaging across all their customers. Water agencies must create a "water budget," aggregated across their entire service area, that includes indoor water consumption, water applied for landscape irrigation, commercial and industrial use and water lost due to system leakage.

The overarching goal is to create a culture of permanent water conservation, and to sustain the progress made by emergency measures during California's five-year drought.

But even in the new aggregated water budgets, utilities have no way to know for sure how much total water is being used indoors by their customers. They'll be guessing.

And water agencies are not required to ensure indoor water use hits the 55-gallon target, even as a system-wide average. Utilities only face a threat of fines by the state if they fail to live within their total water budget.

"It will be up to the local urban water suppliers to determine how to meet these aggregate water budgets," Bolland said.

So if the 55-gallon limit is not really a limit, and nobody even knows if it's being met, what good is it?

Environmental groups supported the 55-gallon target as a public education tool.

"I think the reason the number is important is because it does provide a barometer against which to measure water usage," said Sara Aminzadeh, executive director of the California Coastkeeper Alliance. "There's a public awareness benefit. But I still would say the legislation is somewhat of a missed opportunity to make some deeper water conservation and efficiency gains."

One reason, she said, is that 55 gallons is probably too generous.

During California's recent five-year drought, a number of cities reduced total residential water consumption well below 55 gallons per person per day. And that included landscape irrigation. Examples include San Francisco and Santa Cruz. Granted, these are coastal cities with mild climates, well-established water conservation campaigns and receptive citizens.

But per person indoor water use, by itself, probably doesn't vary much across the state. Everyone needs more or less the same amount of water for bathing, cooking and cleaning. This is especially true with the broad adoption of water-efficient appliances and fixtures.

What does vary a lot is outdoor water use, because it depends on individual landscaping choices and local microclimate.

"We feel that [55 gallons] is a standard that 90 percent of water suppliers are likely already meeting," Aminzadeh said. "I don't want to diminish the benefit of this legislation. It's great to see permanent water conservation legislation. But at the same time, I'm looking at a climate emergency around water scarcity issues, and really asking: Did we go far enough, and could we go further?"

The new legislation does require the target to be ratcheted downward, to 52.5 gallons in 2025, then 50 gallons in 2030. It also requires the state's Department of Water Resources and Water Resources Control Board to analyze progress on indoor water conservation, and report back to the legislature in 2021 with any recommendations to shrink the standard. So, if progress indicates the target should be lower, there's a process to make it happen.

Another issue overlooked in the excitement about the 55-gallon target is the fact that water budgets create a new record-keeping headache for water utilities. This is one reason

the Association of California Water Agencies and a number of individual water utilities opposed the legislation. They support continued conservation progress, Bolland said, but they don't want the state telling them how to conserve water, because every region has unique conservation priorities.

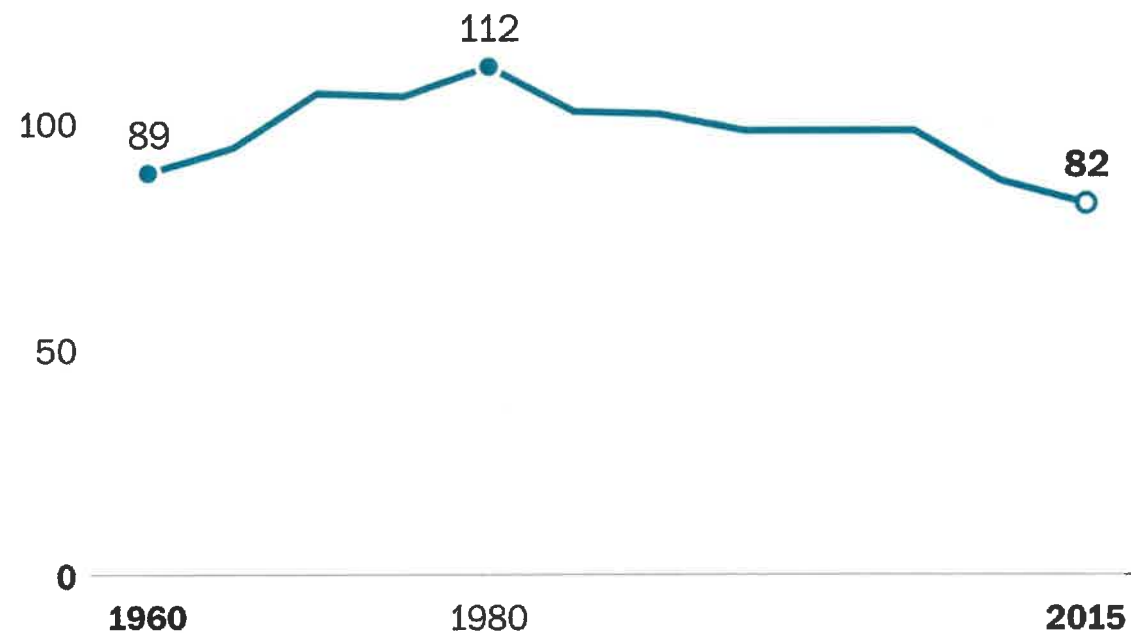
For the San Diego County Water Authority, which opposed the legislation, one priority is economic growth. Dana Frieauf, the utility's water resources manager, said her agency was concerned draconian conservation rules handed down by the state could discourage commercial and industrial businesses from locating in the area.

She said the aggregated water budgets, rather than a strict indoor or commercial requirement, give water agencies the flexibility they need to comply. But it still won't be easy, she said.

"We wanted to make sure whatever this objective is, it doesn't harm the continued economic growth within our region," she said. "It's up to the water agency to decide how they want to achieve the savings. They could decide they want to achieve all the savings outdoors. It just depends."

*The Washington Post***Americans are conserving water like never before, according to the latest federal data**By **Christopher Ingraham** June 25 at 7:00 AM [Email the author](#)**Per-capita home water consumption falls to lowest level in a half century**

Daily per-capita domestic water consumption, in gallons. Includes indoor and outdoor home water use.



Source: USGS, "Water use in the U.S., 2015"

THE WASHINGTON POST

Americans are conserving water in their homes like never before, according to [a U.S. Geological Survey \(USGS\) report released this month](#).

In per capita terms, domestic water use has plummeted from 112 gallons per day in 1980 to just 82 gallons in 2015, a 27 percent decrease. Take 30 gallon-sized milk jugs, fill them up with water and set them aside — that's how much water you're saving, every day, relative to the average American in 1980. For a typical family of four that means about a half-ton of water saved, or eight cubic feet, every single day relative to 1980.

For the purposes of the USGS data, domestic water use encompasses everything we do with water at home. "Common indoor water uses are drinking, food preparation, washing clothes and dishes, bathing, and flushing toilets," the report explains. "Common outdoor uses are watering lawns and gardens or maintaining pools, ponds, or other landscape features in a domestic environment."

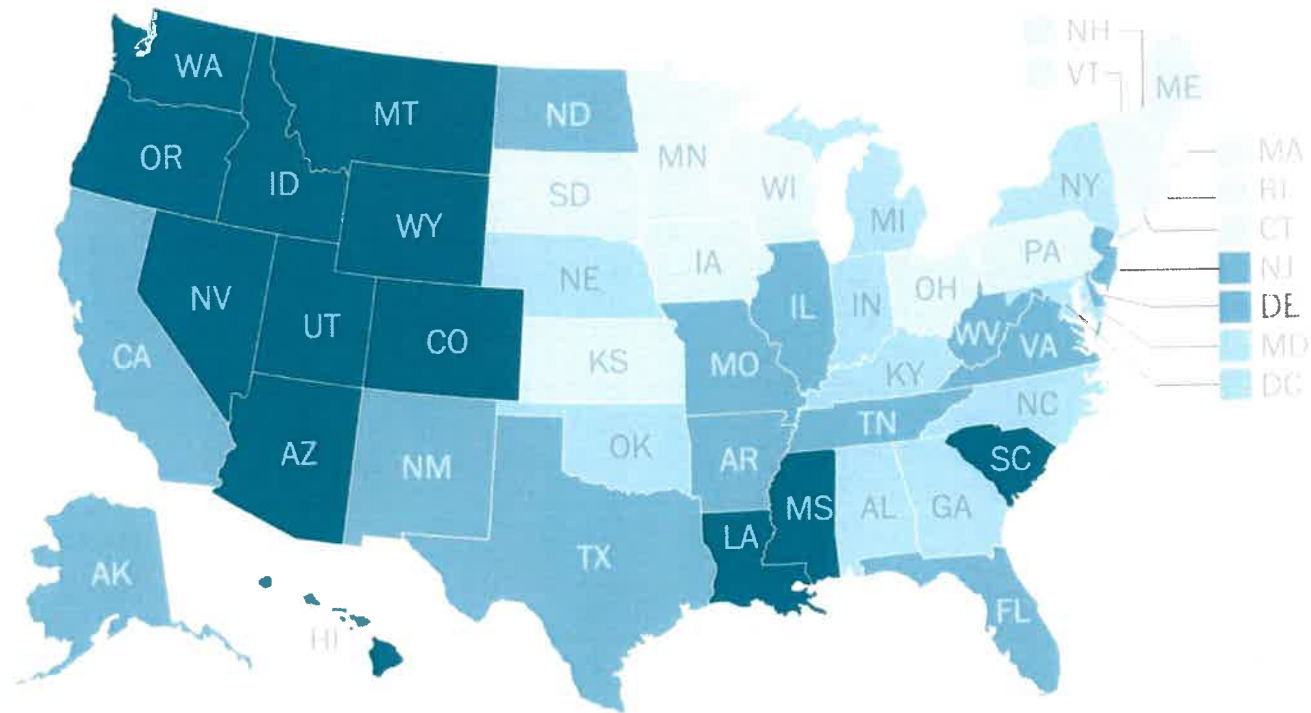
The report credits a number of federal policy interventions with reducing home water use. The **National Energy Policy Act of 1992** is a big one. It **established efficiency standards** for toilets (the now ubiquitous 1.6 gallons per flush), bathroom faucets (2.2 gallons per minute at 60 psi) and shower heads (2.5 gallons per minute at 80 psi). The legislation **passed with overwhelming bipartisan support** and was signed into law by President George H.W. Bush. Further amendments to the bill, passed in 2005, improved efficiencies for water-using appliances, such as dishwashers and washing machines.

The EPA estimates that 70 percent of our total home water consumption happens indoors, **with the remainder going to outdoor uses**. But these numbers vary considerably by region, with households in arid Western states **devoting 50 percent or more of their annual water budget** to maintaining lawns and landscaping. As a result, per capita domestic water use varies greatly at the state level, ranging from 35 gallons per day in Connecticut to 184 gallons in Idaho.

Home water consumption by state

Domestic water consumption in gallons per person per day, 2015

Up to 67 67-80 80-100 100 or more

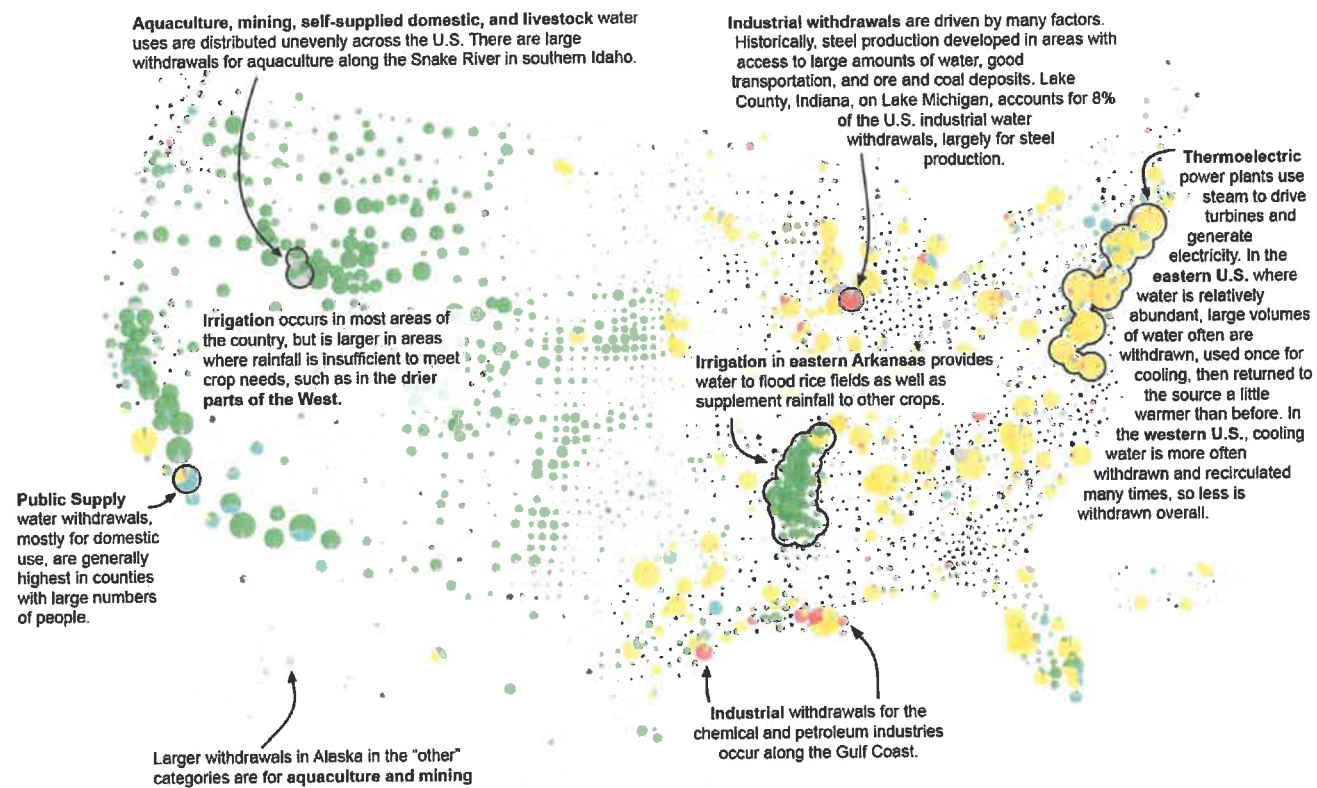


Source: USGS

WAPO.ST/WONKBLOG

It's worth pointing out that domestic water use accounts for just a tiny fraction of overall American water consumption, on the order of about 1 percent. **Thermoelectric power** (e.g., steam-driven electric turbines) accounts for 41 percent of all water use, while irrigation for crops eats up another 37 percent.

As part of its report, the USGS published this nifty map, breaking down the different water use categories at the county level.



USGS

While our average per capita home water use is declining, it remains **much higher than in other wealthy nations**, including the United Kingdom (37 gallons per day) and Germany (32 gallons). Part of the issue is that water in the United States remains **very cheap relative to other countries**, which has led some economists to call for **smarter, more flexible pricing schemes** in America's water markets.

While higher prices may hurt in the short term, there's good reason to take a long view on the issue. A **2014 Government Accountability Office** report found, for instance, that water managers in 25 states expected to deal with regional or statewide water shortages over the coming decade, along the lines of what much of California **experienced during its recent drought**.

The era of cheap water, in other words, **may be coming to an end**, whether we plan for it or not.



'Water Tax' Debate Continues After California Budget Passage

• Ben Bradford

Monday, June 18, 2018 | Sacramento, CA | [Permalink](#)

The California budget doesn't include it, but Gov. Jerry Brown is not done pushing for a new charge on water users, which would fund clean drinking water in rural areas of the state that currently have unsafe tap water.

About a dollar a month for most users would help pay for clean tap water for 200,000 Californians in such communities. Passage of the charge would require approval by two-thirds of state lawmakers.

Community groups, the agriculture industry, and major companies like Coca-Cola have lined up in favor of the proposal, while the state's larger water districts say it's a bad precedent to tax a necessity such as water, and that the state's booming general fund can easily cover the cost.

"The Legislature has indicated a commitment to the administration to continue discussions this summer," says H.D. Palmer of the state Department of Finance. "They recognize it's a very important issue that's going to take more time than the budget timeline to work through."

The budget does include one-time set-aside of \$24 million, which lawmakers also must vote on how to spend.

Republican lawmakers oppose the charge, as do some Democrats, particularly in an election cycle where last year's gas tax increase is shaping up as a major campaign issue.

DRINKING WATER TAX UPDATE

State Budget Package Does Not Include Budget Trailer Bill with Statewide Water Tax, But the Issue Remains Volatile

ACWA staff and member agencies' advocacy and educational efforts are having a positive impact in advancing alternative safe drinking water funding solutions and creating awareness about the proposed statewide tax on drinking water.

During the week of June 6, the 2018-'19 Legislative Budget Conference Committee (Conference Committee) discussed the statewide water tax budget trailer bill. Every legislator who spoke wanted to solve the problem. However, not one legislator who spoke supported the budget trailer bill, and legislators on both sides of the aisle spoke against the proposed water tax. Part of the discussion was on the fact that the legislature can prioritize general fund dollars for this issue.

On June 8, the Conference Committee approved a compromise package on safe drinking water funding that did not include the proposed statewide drinking water tax budget trailer bill. The approved package that is part of the budget agreement for Fiscal Year 2018-'19 sets aside \$23.5 million in general fund

revenue for allocation to safe drinking water actions later in this legislative session. The action also provides \$5 million in general fund revenue for the State Water Resources Control Board to provide lead testing remediation and technical assistance for child care centers.

"We were pleased that the legislature recognized that there are viable alternatives to a water tax for funding this critical issue," said ACWA Deputy Executive Director for Government Relations Cindy Tuck. "ACWA's growing coalition of partners — now at 200 entities — agrees with the need to ensure safe drinking water for all Californians and will continue to advocate for funding solutions that do not involve a tax on drinking water."

Safe drinking water funding remains a volatile issue. The Brown Administration and Sen. William Monning (D-Carmel) may try to advance the water tax through SB 623 or another vehicle. The final outcome may not be decided until the end of the legislative session in late August. ACWA members should stay tuned for advisories and outreach alerts.



California voters earlier this month approved ACWA-supported Proposition 68 with \$250 million in general obligation bonds for safe drinking water prioritized for disadvantaged communities. ACWA also supports the November water bond, which would authorize \$500 million in general obligation bonds for safe drinking water prioritized for disadvantaged communities. In addition, ACWA continues to support AB 2050 (Caballero) which would enact a governance tool regarding small system water authorities, which would help reduce the number of noncompliant systems. ♦

ACWA Moves to An Oppose Position on Water Service Shut-Off Bill SB 998

ACWA's State Legislative Committee on June 8 voted to adopt an oppose position on SB 998, authored by Sen. Bill Dodd (D-Napa), which would change existing water service shut-off policy although there is no current in-state data to indicate that this issue is a large problem in California.

ACWA members are urged to contact their local state legislators to express opposition to SB 998. Legislator contact information and a sample letter were distributed to ACWA members mid June.

As amended on May 7, 2018 the bill would replace current water district service shut-off processes that are already tailored by local water districts to meet the needs of their agency customers. A new one-size-fits-all statewide program would be created instead that would, among other things, prevent discontinuation of service for at least 60 days for delinquent customers, create a cap on reconnection fees that may or may not cover the actual cost of these physical reconnections and trigger Proposition 218 concerns for public water agencies, along with

expanding authority to both the State Water Resources Control Board and the Attorney General to enforce provisions of the bill.

While the author has accepted previous amendments, including deleting language which would have required a public health officer to determine via a physical visit that a water shutoff would not pose a grave threat to the health and safety of the residents, the bill still contains provisions that continue to complicate current water district policy and create cost-shift probability as outlined above. ♦



FEDERAL LEGISLATION INTRODUCED TO ENSURE ACCESS TO AFFORDABLE CLEAN WATER FOR WORKING FAMILIES

BY EMILY ALLSHOUSE JUN 8, 2018 WATER NEWS

U.S. Sen. Kamala D. Harris (D-Calif.) on June 6 introduced the Water Affordability Act of 2018, legislation that would help low-income families across the country pay for rising sewer and water bills.

“No family should have to choose between paying for safe, clean drinking water and putting food on the table. Access to affordable clean water is a fundamental right,” said Senator Harris in a statement. “In California alone, rates for water have risen by as much as 71% in Los Angeles and as much as 127% in San Francisco within the past decade. That places a huge burden on families just trying to make ends meet, and it’s our responsibility to act.”

The Water Affordability Act of 2018 would direct the U.S. Environmental Protection Agency to establish a pilot program, named the Low Income Sewer and Water Assistance Program, to award grants for public water utility companies to assist low-income households with bill repayment. Eligibility for grant assistance would consider environmental risk factors and inequitable environmental burdens as part of the eligibility criteria.

“ACWA is pleased to support The Water Affordability Act by U.S. Senator Kamala Harris,” said ACWA Executive Director Timothy Quinn. “This bill establishes a grant based pilot project to help those most in need pay their sewer and drinking water bills. ACWA represents 440 public water agencies that together supply over 90% of the water delivered in California for residential, agricultural, and industrial uses. Ensuring access to safe, reliable water is a priority for ACWA member agencies.”

Text of the bill is available [here](#).

115TH CONGRESS
2D SESSION

S. _____

To amend the Federal Water Pollution Control Act to establish a low-income sewer and drinking water assistance pilot program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. HARRIS introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Federal Water Pollution Control Act to establish a low-income sewer and drinking water assistance pilot program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Water Affordability
5 Act".

6 **SEC. 2. LOW-INCOME SEWER AND DRINKING WATER AS-**
7 **SISTANCE PILOT PROGRAM.**

8 Title I of the Federal Water Pollution Control Act
9 (33 U.S.C. 1251 et seq.) is amended by adding at the end
10 the following:

1 **“SEC. 124. LOW-INCOME SEWER AND DRINKING WATER AS-**
2 **SISTANCE PILOT PROGRAM.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
5 tity’ means a municipality, or a public entity that
6 owns or operates a public water system (as defined
7 in section 1401 of the Safe Drinking Water Act (42
8 U.S.C. 300f)), that is affected by a consent decree
9 relating to compliance with this Act.

10 “(2) ENVIRONMENTALLY AT-RISK HOUSE-
11 HOLD.—The term ‘environmentally at-risk house-
12 hold’ means—

13 “(A) a household located within 5 miles of
14 an environmentally hazardous site, including
15 waste disposal, manufacturing, and energy pro-
16 duction facilities; and

17 “(B) as indicated by the EJScreen tool of
18 the Environmental Protection Agency, a house-
19 hold located in an area with—

20 “(i) a high minority population; and

21 “(ii) a high environmental indicator.

22 “(3) HOUSEHOLD.—The term ‘household’
23 means any individual or group of individuals who
24 are living together as 1 economic unit.

25 “(4) LOW-INCOME HOUSEHOLD.—The term
26 ‘low-income household’ means a household—

1 “(ii) an amount equal to 60 percent of
2 the median income for that State.

3 “(5) SANITATION SERVICES.—The term ‘sanita-
4 tion services’ has the meaning given the term in sec-
5 tion 113(g).

6 “(b) ESTABLISHMENT OF PILOT PROGRAM.—

7 “(1) IN GENERAL.—The Administrator shall es-
8 tablish a pilot program to provide grants to not less
9 than 10 eligible entities to assist low-income house-
10 holds and environmentally at-risk households in
11 maintaining access to sanitation services and drink-
12 ing water.

13 “(2) LOWER INCOME LIMIT.—For purposes of
14 the pilot program under this section, an eligible enti-
15 ty may adopt an income limit that is lower than the
16 limit described in subsection (a)(4)(B), except that
17 the eligible entity may not exclude a household from
18 eligibility in a fiscal year solely on the basis of
19 household income if that income is less than 110
20 percent of the poverty level for the State.

21 “(c) REPORT.—Not later than 1 year after the date
22 of enactment of this section, the Administrator shall sub-
23 mit to Congress a report on the results of the pilot pro-
24 gram under this section.”.

Intercepted Lake Mendocino boat had invasive quagga mussels aboard

MARY CALLAHAN

THE PRESS DEMOCRAT | June 28, 2018, 9:47PM

DNA analysis confirmed this week that stowaway shellfish intercepted at the Lake Mendocino boat ramp early this month were invasive quagga mussels, as initially feared.

The finding by state Fish and Wildlife personnel validates just how close the region came to confronting a destructive scourge. Infestation by the nonnative bivalve could have had profound implications for wildlife and recreation in the lake, as well as water-supply infrastructure serving more than 600,000 residents in Sonoma and northern Marin counties, officials said.

But for the moment, it appears the crisis was averted, thanks to a sweet-faced, blond Labrador named Noah. The mussel-sniffing dog and his handler have been showered with gratitude from recreational boaters since they detected tiny quagga mussels aboard a vessel about to be launched into Lake Mendocino on June 2.

"It's been amazing, the community response," said Brad Sherwood, a spokesman for the Sonoma County Water Agency, which contracts with Central Valley-based Mussel Dogs for weekend boat inspections at both lakes Sonoma and Mendocino. "The mussel inspection team has gotten nothing but praise and support from the community."

Fish and Wildlife personnel still are trying to determine where the vessel, owned by a Marin County man, had been used before Lake Mendocino, and if any other water bodies may inadvertently have been exposed, said Martha Volkoff, environmental program manager for the agency's habitat conservation planning branch.

The boat was on loan to a group of fathers planning to camp and explore the lake with their daughters when it was intercepted at the launch and escorted to a sanitation station in Lake County, officials said.

Quagga mussels, like their cousins, zebra mussels, breed at a high rate and exist as juveniles in a larval state that spreads readily in water. The mussels also can survive for days outside water, enabling them to hitchhike on unwashed or undried boats to otherwise uninfected waters.

Once introduced, they are virtually impossible to get rid of and quickly out-compete and overcome other aquatic wildlife. Infestation typically leads to infrastructure damage as well, including clogged water pipes, tunnels and turbines.

Asked Thursday to size up the potential threat of exposure, Nicholas Malasavage, chief of operations and readiness for the Army Corps of Engineers' San Francisco District, which oversees lakes Mendocino and Sonoma, replied, "I have a tough time finding words."

"There is the threat to environmental security, and then there is the threat to just infrastructure and the gates at the dam, the boat ramp itself," Malasavage said. "But it is hard to capture that in words, which kind of speaks to the heightened urgency to keep it from happening in the first place."

The freshwater mussels are native to eastern Europe but have spread across the U.S., beginning around 1989 with their introduction to the Great Lakes, reportedly through ballast water. They've caused catastrophic and expensive damage at places like the Great Lakes and Lake Mead and eventually found their way to California, where they were first discovered in 2007.

Since then, quagga or zebra mussels have been confirmed in 43 waterways around the state, mostly in Southern California. The northernmost discovery was in San Benito County.

But despite the enormity of a potential infestation and a \$600,000 state grant, the Army Corps is still working out permanent boat inspection plans for the two local reservoirs. That's in part because of incompatible administrative requirements between state and federal agencies and a need to balance investment in direct inspection, outreach and education, Malasavage said.

"We can't reverse it after it happens; we know that the impacts will be significant. They're not going to be benign," he said. "So that kind of focuses us on preventing it from happening in the first place."

In the absence of a permanent inspection regime, the Water Agency has funded Mussel Dogs on summer weekends for the past six years. After this weekend, it will have the teams posted Friday through Sunday at Lake Sonoma and all week next week at both lakes, Sherwood said.

The Water Agency also reclaimed \$125,000 it contributed two years ago to the Army Corps for inspection startup costs to apply to its own programming, likely allowing for sniffer-dog inspections on additional days.



A vote for three Californias is a vote for endless water wars

L.A. Times Op-Ed

By BARTON H. THOMPSON, MATT KLINE and HEATHER WELLES
JUN 21, 2018 | 4:15 AM

Californians will vote this fall on a radical proposal to split the state into three: Northern California, Southern California and just plain California.

The plan obviously raises a myriad of policy issues. But anyone inclined to vote for the initiative should be particularly concerned with the implications for the state's most critical resource: water.

As Mark Twain reputedly quipped, water is for fighting over.

Dividing California into three states is certain to cause a fracas unprecedented in our already contentious water history.

Some intrastate rivers would suddenly become interstate rivers, raising the question of how much of these rivers would be owned by which state. Southern California and Northern California would share the San Joaquin River, for instance, which flows northwest from the southern Sierra. Would one of the states get the bulk of the water, or would they share halvesies?

Although the two states could agree on an allocation, perhaps based on historical use, such agreements face tough political headwinds. Increasingly, states are suing each other over interstate rivers, and only the U.S. Supreme Court can hear such disputes. Resolution can take many years and cost millions of dollars in legal fees.

After more than a decade of litigation, the Supreme Court determined in 1963 that California is entitled to 4.4 million acre-feet from the Colorado River, whose water is shared with six other states and Mexico. Coastal cities from San Diego to Ventura rely on this water, as do a handful of desert water agencies. If California splits, which state gets this entitlement?

Los Angeles and Ventura would be part of the new, entirely coastal state of California, which would not about the Colorado River. (The river flows along the border of what would become Southern California.) Neither city lies within the Colorado's watershed. States generally cannot claim a right to part of a distant river to which they have no geographical connection, raising possible questions regarding L.A.'s and Ventura's right to Colorado River water.

The proposal also raises the question of how groundwater would be regulated. In 2014, California became the last state in the West to adopt statewide groundwater regulations. Previously, many regions of the state overdrew from their groundwater aquifers, lowering water tables, drawing in coastal salt water and risking subsidence.

If California were divided into three, each new state would presumably be free to decide whether to stick with the new law or return to old profligate ways. Some groundwater basins would become interstate. If Northern and Southern California shared a basin, Southern California could conceivably pump it dry while Northern California looked on helplessly. Mississippi is currently suing Tennessee for stealing groundwater in just this kind of scenario. Northern California vs. Southern California could be next.

What's more, states own the water *within* their borders. Right now, parts of Southern California enjoy contractual rights to water from the State Water Project. But under the new regime, that water would belong to Northern California, because that is where the water comes from. The two states would have to determine whether Northern California would abide by the old contract and continue to ship water to Southern California. Northern California could decide that sending its water south is unreasonable.

It's not clear how the State Water Project would even operate. Its infrastructure would sit in all three states. Under the initiative, each state would get the "assets" within its borders, unless the current Legislature determines otherwise. Northern California might try to refuse Southern California use of the Orville Dam, the State Water Project's main storage facility. Or perhaps the three states would manage the project jointly, bickering endlessly over a system that benefits Southern California far more than Northern California.

Californians have approved water bonds to pay for new infrastructure and conservation measures. Under the proposal — again, unless the Legislature decides otherwise — California's current debt would be divided proportionately by population. Northern Californians could end up paying for water projects in California and Southern California, or vice versa. It's unclear who would get to spend the funds that are not yet committed.

In the 1870s, the federal scientist and explorer John Wesley Powell urged Congress to organize Western states by watershed. Powell's approach would have shaped each political unit around a river rather than splitting rivers into multiple parts, thereby limiting interstate rivers and the disputes they create. Instead, Congress drew arbitrary political lines across the West, generating decades of interstate water disputes.

It's too late to fix that mistake. But we can avoid drawing new political boundaries that will saddle future generations with even worse water wars.

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*Sacramento Bee***This one issue could make splitting California into three states virtually impossible**

BY DALE KASLER
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Splitting California into three new states would scramble nearly every segment of government that touches residents' lives, from taxes to Medi-Cal to driver's licenses.

New agencies would have to be created to operate prisons, highways and universities. CalPERS, CalSTRS, Cal Fire and the California Highway Patrol, to name a few, would have to be reconfigured and replaced.

But of all the gargantuan tasks facing Californians should they choose to divide themselves by three — a proposal that has qualified for the November ballot — none is arguably more daunting than carving up the state's water supply.

California has spent more than a century crafting one of the world's most elaborate — and interdependent — networks for storing, allocating and delivering its water. Billions of dollars have been poured into reservoirs, pumping stations and aqueducts, mostly to move water from the rainy north to the arid and densely populated south.

The entire apparatus is governed by two state agencies, one federal agency, hundreds of local districts and a convoluted pecking order of water rights, contracts and court rulings.

Separating this intricate and almost hopelessly tangled web into three workable parts? Go ahead and try.

"In a word, it would be a nightmare from a water standpoint," said Sacramento water lawyer Kevin O'Brien. "You have got multiple questions about how the different water-related assets would be divided. That would include water rights, reservoirs, conveyance facilities like the California Aqueduct. ... How exactly you would carve those assets up would be extremely complicated."

The plan to split up California is the brainchild of venture capitalist Tim Draper, who argues that the state is so large that it has become ungovernable. If the plan is approved by voters and Congress gives its OK — hardly a sure thing — California would be replaced by Northern California, which would include Sacramento and the Bay Area; Southern California, covering much of the San Joaquin Valley along with San Diego and Orange counties; and the state known

simply as California, a slimmed-down coastal area stretching from Monterey to Los Angeles.

The implications for water supply are staggering. For instance: Could the new state of Northern California, blessed with ample water and the mechanism for delivering it as far away as San Diego, decide to shut off the spigot?

Probably not, legal experts say, but no one really knows for sure. It's no secret that many Northern Californians resent the fact that much of the region's water winds up irrigating the south part of the state and would love to withhold or curtail deliveries.

"People in Northern California have always been very protective of water and water rights and always will be," said David Guy of the Northern California Water Association, an alliance of mostly agricultural water agencies in the Sacramento Valley. "We don't know what that means if you start splitting the state."

At the very least, the idea of a standoff with Northern California is unnerving for people like Jeff Kightlinger, general manager of the Metropolitan Water District of Southern California. Metropolitan's 19 million customers get a quarter of their water from Northern California through a decades-old contract with the State Water Project.

"I would think you would have to somehow respect the pre-existing rights and contracts," said Kightlinger, whose own agency would be split in two by the Draper initiative.

If the new Northern California tried playing hardball, "we would sue them," Kightlinger said.

Right now, every drop of water in California is property of the state; it doesn't belong to one region or another. If the state gets dissolved into three parts, the question of ownership obviously becomes complicated. But water-law experts agree with Kightlinger: It's doubtful Northern California could simply hoard its supply and refuse to do business with the other two states.

'Three Californias' would likely mean four more Democrats in U.S. Senate
Even so, the prospect of chaos looms.

"Every time you turn around, there's a new question that faces you, and none of them have ever been addressed before," said Barton Thompson, a water law expert at Stanford University.

Draper says his "Cal 3" plan would remedy much of what ails the current state, including its almost chronic water shortages. But so far he hasn't offered many details about how California's water woes would be alleviated.

"Cal 3 would allow for innovative solutions to California's current water crisis that empowers each region to cooperate more effectively than the current state system," his initiative's website says. Calls to Draper's public relations team went unanswered.

Of course, states can and do cooperate with one another, even on water issues. California shares the Colorado River with six other states. But the arrangement, originally brokered in 1922 by then-U.S. Commerce Secretary and future President Herbert Hoover, is more of an uneasy truce than an olive-branched armistice, and the states periodically have engaged in major legal and political tussles over the river.

Two major systems move much of California's water from north to south: the federal government's Central Valley Project and California's own State Water Project. They work in concert with one another, especially in the Sacramento-San Joaquin Delta, the hub of the two systems. How they would be affected by Draper's plan is unclear. But they have so many moving parts that dividing up the state seems like a huge complicating factor.

Look at the State Water Project. Built in the 1960s by Gov. Pat Brown, the project takes water largely stored in Lake Oroville in Butte County and runs it down the Sacramento River to the Delta. From there it's pumped via the 444-mile California Aqueduct to parts of the Bay Area, a few coastal regions like San Luis Obispo County, the southern San Joaquin Valley and the vast urban stretches of Southern California.

It's complicated enough as it is. Now the water would have to wend its way from the new Northern California, home to Oroville and the Delta pumps, to the mostly inland state called Southern California and the coastal entity known as California.

"It's fraught with politics. Just imagine Southern California and Northern California, two new states, trying to figure out how much each would get," said Thompson, the Stanford law professor. "There's no easy way of doing it."

Courthouse News Service

Judge Kills Cities' Climate Change Suits

June 25, 2018 NICHOLAS IOVINO

SAN FRANCISCO (CN) – San Francisco and Oakland cannot hold five of the planet's largest oil companies liable for climate change, a federal judge ruled Monday.

"The issue is not over science," U.S. District Judge William Alsup wrote in his motion to dismiss ruling. "The issue is a legal one – whether these producers of fossil fuels should pay for anticipated harm that will eventually flow from a rise in sea level."

Oakland and San Francisco sued the oil giants last year, asking the court to make them pay billions of dollars for sea walls and other projects needed to combat rising sea levels.

The twin lawsuits accuse BP, Chevron, ConocoPhillips, Exxon Mobil and Royal Dutch Shell of organizing massive disinformation campaigns designed to deceive the public about the dangers



of fossil fuels.

Alsup called the scope of the cities theory of liability "breathtaking," saying it would make nearly every supplier of fossil fuels in every corner of the world liable for rising sea levels.

"Their theory rests on the sweeping proposition that otherwise lawful and everyday sales of fossil fuels, combined with an awareness that greenhouse gas emissions lead to increased global temperatures, constitute a public nuisance," Alsup wrote in his 12-page ruling.

The judge wrote that it would be unfair to ignore the benefits of oil and gas in powering the Industrial Revolution and enabling modern development.

It would be equally unfair to place all the blame for global warming on the shoulders of oil companies, who merely "supplied what we demanded," Alsup added.

He found that imposing liability on companies for overseas conduct would "undoubtedly implicate the interests of countless governments, both foreign and domestic."

Alsup concluded that the president, Congress, and international community are better suited than judges to address the global challenges of climate change and rising sea levels.

"The dangers raised in the complaints are very real. But those dangers are worldwide. Their causes are worldwide. The benefits of fossil fuels are worldwide. The problem deserves a

solution on a more vast scale than can be supplied by a district judge or jury in a public nuisance case," the judge wrote.

Alsup previously denied the cities' motions to remand the cases back to state court, finding that their public nuisance claims must be governed by federal law, rather than state law, due to the international nature of the alleged wrongdoing.

Lawsuits brought by three other California municipalities – San Mateo County, Marin County, and the city of Imperial Beach – were remanded back to state court earlier this year. The oil companies are appealing that decision.

A federal judge in Manhattan is also considering a motion to dismiss the New York City's lawsuit against the same five oil companies.

San Francisco City Attorney's Office spokesman John Cote said although this was not the ruling the city wanted, "this doesn't mean the case is over."

"We're pleased that the court recognized that the science of global warming is no longer in dispute," Cote said in an email. "Our litigation forced a public court proceeding on climate science, and now these companies can no longer deny it is real and valid. Our belief remains that these companies are liable for the harm they've caused."

Cote said the city was still reviewing the order and deciding on its next steps.

"Reliable, affordable energy is not a public nuisance but a public necessity," said R. Hewitt Pate, Chevron's vice president and general counsel in a statement. "Tackling the difficult international policy issues of climate change requires honest and constructive discussion. Using lawsuits to vilify the men and women who provide the energy we all need is neither honest nor constructive."

Officials with the Oakland City Attorney's Office did not immediately return emails and phone calls seeking comment after hours on Monday.

Warming drives spread of toxic algae,

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researchers say

By Tom James
The Associated Press

SALEM, ORE. » The words blasted to cellphones around Oregon's capital city were ominous: "Civil emergency. prepare for action."

Within half an hour, a second official alert clarified the subject wasn't impending violence but toxins from an algae bloom, detected in Salem's water supply.

Across the U.S., reservoirs that supply drinking water and lakes used for recreation are experiencing similar events with growing frequency. The trend represents another impact of global warming and raises looming questions about the effects on human health, researchers say.

"When water bodies warm up earlier and stay warmer longer ... you increase the number of incidents," said Wayne Carmichael, a retired Wright State University professor specializing in the organisms. "That's just logical, and it's being borne out."

Technically called cyanobacteria, the ancient class of organisms that create the blooms are present nearly everywhere water is found but thrive in warm, still bodies like lakes and ponds. They also create a unique class of toxins, the impact of which on humans is only partly understood.

Long linked to animal deaths, high doses of the toxins in humans can cause liver damage and attack the nervous system. In the largest outbreaks, hundreds have been sickened by blooms in reservoirs and lakes, and officials in some areas now routinely close water bodies used for recreation and post warnings when blooms occur.

But less is known about exposure at lower doses, especially over the long term.

Small studies have linked exposure to liver cancer — one toxin is classified as a



RICK EGAN — THE SALT LAKE TRIBUNE FILE

A potentially toxic blue-green algae bloom in Provo Bay in Provo, Utah.

carcinogen, and others have pointed to potential links to neurodegenerative disease. But definitively proving those links would require larger studies, said Carmichael, who helped the World Health Organization set the first safe exposure standards for the toxins.

"It's absolutely certain in my mind that warming temperatures are going to end up causing more of these algal blooms," said Steven Chapra, an environmental engineering professor at Tufts University.

Chapra led a team including scientists from the Massachusetts Institute of Technology and the U.S. Environmental Protection Agency in one of the most comprehensive studies of the interplay between global warming and the blooms, published in 2017.

Because they prefer warm water, higher summer temperatures and more frequent heat waves help the organisms. More frequent droughts also cause reservoirs to be shallower in summer, causing them to warm faster.

And more intense rainstorms, also conclusively linked to climate change,

can wash more nutrients into lakes and reservoirs, especially from farms where nitrogen and phosphorus-rich fertilizers are used, Chapra said.

In Utah, a 2016 algae bloom in a recreational-use lake sickened more than 100. When the story made national headlines, other

states reached out.

"We started getting calls from other health departments all over the country saying, 'Hey, we're dealing with an algal bloom in a lake that has never ever had one before,'" said Aislynn Tolman-Hill, Utah County Health Department spokeswoman.

James Stanaland
6/23/2018

Officials only recently started carefully logging the blooms, but they seem to be becoming more intense, said Ben Holcomb, a biologist for Utah's environmental agency. "They're starting earlier, they're lasting longer, and their peaks seem to be getting bigger," Holcomb said. "I don't think any state is isolated."

In Lake Erie, a major bloom in 2014 caused authorities to warn against drinking tap water in Toledo, Ohio, for more than two days, cutting off the main water source for more than 400,000 people.

Now blooms happen every year in Utah and Ohio. Officials in both states say they've largely been able to stop them from toxifying drinking water. But the blooms can still sicken people and pets that go in the water, and often hit recreation businesses that depend on lake access.

Other blooms, including flare-ups affecting drinking water, have been logged in recent years in New York, Florida and California.

In Oregon, officials lifted

Salem's drinking water advisory after several days, but then had to re-issue the warning. The water supply serves a population of just over 150,000 in the city, along with residents outside city limits.

Officials also warned that dozens of other water supplies could be vulnerable; and indeed, when workers from the city of Cottage Grove inspected another reservoir, they found a bloom, according to a report by Oregon Public Broadcasting.

Testing for the blooms isn't required by either federal or state law, officials noted.

Researchers say that needs to change because blooms are likely to become more common, including in states where low temperatures previously provided a buffer against them.

"These things like you're seeing in Lake Erie and in Oregon are kind of like the canary in the coal mine," said Chapra, the Tufts researcher.

"It's going to get worse, and it's going to get worse in a big way."

California's forests are choking

Sickly trees in the Sierra Nevada are coughing up CO2—not storing it

By **Howard Hardee**
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This article was published on **06.21.18**.

Roadside trailers and cottages sweep by as two windy lanes plunge into the Plumas National Forest. It's early summer in Yuba County, and the sky is an endless blue. These sparsely populated foothills of the Sierra Nevada are marked by meadows, waterfalls and canyons carved by rushing water—in fact, the surrounding 1.2 million acres are the source of half the water used by Californians. Here, some 150 miles north of the worst of the bark-beetle epidemic, the forest is lush and impressive; the ponderosa pines towering in the overstory are 100 to 140 years old.

A sign for Challenge Experimental Forest marks the turnoff to a decades-old research area. Jianwei Zhang, a researcher for the U.S. Forest Service, leads on foot along a row of power lines. He gestures toward some low-lying shrubs and says, "Follow me and you probably won't touch the poison oak."

This 3,520-acre research area was set aside to study a range of forest management issues from wildfire fuels reduction to sustainable harvesting. In his forest lab, Zhang observes how tree density relates to tree health and, therefore, carbon storage.

Which is a problem as vast as California's forests. The Sierra Nevada Conservancy, an agency concerned with the growing forest-carbon imbalance, estimates 200 million trees have been killed by drought, fires and bark beetles since 2010, meaning the wildlands of the Sierra Nevada are releasing carbon dioxide on an enormous scale. That's right:

California's forests are polluting the atmosphere.

Like one big CO2 bomb

Picture smoke from the wildfire billowing in a thick column, shading the sun a reddish orange: That's a lot of carbon dioxide, or CO2, escaping at once, like the detonation of one big carbon bomb.

It happened five summers ago, when a hunter lost control of his campfire in the Stanislaus National Forest and started the largest forest fire ever recorded in the Sierra Nevada. When the ash finally settled in October, the Rim Fire had burned 257,000 acres in and around Yosemite National Park. Media coverage of the disaster justly focused on the potential evacuation of 15,000 residents and destruction of homes, but the fire had other, largely unreported consequences.

Specifically, it released as much CO2 as the annual emissions of 2.57 million cars.

Catastrophic fires such as the Rim Fire also release black carbon, a short-lived but acutely potent climate pollutant produced by burning biomass and the incomplete combustion of fossil fuels.

Less dramatically, when trees die and decompose rather than burn, they release CO2—along with more potent greenhouse gases like methane—over several decades, invisibly.



A swath of forest charred by the Rim Fire, which burned 257,000 acres in Stanislaus National Forest from August 2013 to November of the following year.

PHOTOS BY HOWARD HARDEE

This story was made possible by a grant from Tower Cafe.

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Ideally, trees take CO₂ emitted by our cars, factories and faces and store it in their branches, trunks and foliage through a process known as sequestration. Old-growth forests sequester carbon for centuries, or even millennia in the case of giant redwoods and sequoias.

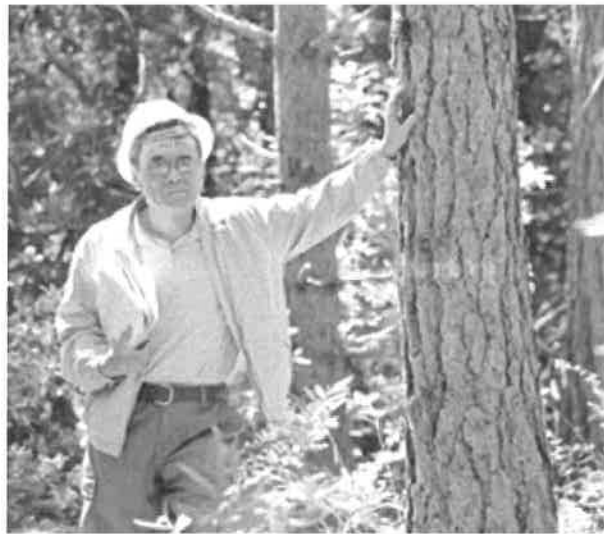
But these climate benefits are faltering.

According to Zhang, most of California's forested public land—some 19 million acres, including parts of all 18 national forests—are overstocked and must be "treated." Due to our history of interference, the forests have become "anthropogenic," or heavily altered by people. Now, ironically, the only way out is through further interference. We can no longer trust the forest to heal itself.

"Humans are already a component of the ecosystem," he says. "You have to consider that. I understand why you wouldn't want to treat a natural stand [a small, delineated area of the forest]. But you have to treat a stand in order to save it."

Carbon is the new black

Carbon science is a relatively new way to understand our relationship with trees. As recently as 15 years ago, wildfire assessments focused on potential loss of life, property and watersheds, not how much carbon escaped into the sky. As wildfires have increased in both frequency and intensity throughout western North America, however, the field of forestry has shifted to account for CO₂.



Jianwei Zhang, a researcher for the U.S. Forest Service, maintains that humans are a major component of the forest ecosystem in California.

"It is a big deal, this role of wildlands breathing in carbon and holding it into the landscape," said Bruce Goins, a retired California forester. "And it's not just carbon management: You're protecting the water; you're providing habitat for wildlife; you're providing habitat for fisheries; you're providing beautiful aesthetic areas where people can hike and recreate. Carbon sequestration is just one attribute of a healthy, resilient forest."

Goins' personal perspective on humanity's connection with conifers changed when Gov. Arnold Schwarzenegger signed Assembly Bill 32, the Global Warming Solutions Act of 2006, mandating a statewide reduction in heat-trapping pollution to 1990 levels by 2020. State officials began looking at the role forests play in capturing CO₂, and Goins helped set the rules for tracking forest carbon under the law.

The concept of forests acting as the state's lungs can be difficult to absorb, Goins said: "To this day, lots of people understand fire risk, but very few people understand forest carbon."

Indeed, carbon scientists come armed with jargon-heavy talking points and graphs, but that tends to make people go cross-eyed. It doesn't help that scientists don't agree on the

extent of the problem.

For example, the authors of a 2015 paper published in the journal *Forest Ecology and Management* concluded that, between 2001 and 2010, California's forests emitted more CO₂ than they sequestered. And some experts say that we probably can't count on carbon-capturing conifers to have our backs on climate change anymore—that they are, in fact, doomed to recede from the slopes of the Sierra Nevada and make way for scrubby brushland as rain and snow becomes more scarce and average temperatures rise. If climate models prove accurate in the coming decades and centuries, the Sierra Nevada backcountry we know from hiking, camping and beer-can labels may transform into a hardly recognizable landscape.

Others say that is not coming to pass quite yet. Andrew Gray, an Oregon-based USFS research ecologist, likes to keep the discussion simple, so he talks about walking in the woods and counting trees. By revisiting plots every decade or so and noting the differences, his team records how forest carbon changes over time (obviously, dead trees no longer pull CO₂ from the atmosphere). Looking at the latest 10-year averages, the number of trees growing in California well outpaced the number of trees dying despite the severe drought from 2011 to 2016, suggesting the carbon balance is still positive overall.

"Given the high levels of growth we have, California's forest are still probably a net carbon sink," Gray said. "You'd have to keep killing trees for quite a while to actually change the overall trajectory. It's a big state. There are a lot of trees. I don't see them becoming a net source of carbon yet."

But another research forester with the Forest Service, Jeremy Fried, believes the tree inventory alone paints an incomplete picture: "Overall, we're growing more than we're losing, and if you just focus on that, you think, 'We're OK!' And, yeah, it's better than if we were carbon-negative. But there's a lot of room for improvement if your objective really is to keep carbon out of the atmosphere."

That's why Fried talks about "gross growth," or how much CO₂ is turned into live wood, foliage, bark, roots, cones and flowers—as he put it, "the total productive capacity of an acre of forest."

In California's reserved wilderness areas, trees are dying as fast as they are growing, which means the gross growth is zero. It's Fried's professional opinion that all of those logs rotting on the forest floor are a lost opportunity to store carbon long term. Here's his thinking: Whether it takes 15 or 50 years to totally decompose, a dead tree is going to release its carbon back into the atmosphere eventually. But if that tree becomes lumber used to build houses, other buildings and furniture, it's locked up for decades.

"If you're talking about climate benefits," he said, "you need to look at the harvest, and recognize that some of that harvest is producing significant benefits for a long time."

Dominick DellaSala, on the other hand, doesn't think we can chainsaw our way out of this. He's the president of the Geos Institute, an environmental consulting group based in Ashland, Ore., that works on climate solutions up and down the west coast.

Citing research overseen by the Oregon Global Warming Commission's Forest Carbon Task Force, DellaSala said that wood products such as furniture store about 36 percent of the source material's carbon—meaning that nearly two-thirds of it escapes into the sky. And that's not accounting for emissions from logging trucks and overseas shipping, manufacturing, damage to soils and the reduced sequestration potential of the forest itself.

"Most of that carbon is becoming a global warming pollutant," he said. "It doesn't pencil out. When you compare this to the scale at which thinning needs to take place to influence fire behavior—even if you could do that—you would be sending out more emissions in the process of thinning the forest than what you're preventing."

Burning the hard way

So, yeah. It's complicated. But there is little debate about what's causing the problem: The forests are too dense.

The phenomenon is rooted in 150 years of post-European settlement activity. Previously, Native Americans used fire to convert shrubland to promote grassland for deer-hunting, protect themselves from predators and as a tool of intertribal warfare, and lightning started fires throughout the West for many thousands of years, clearing away dense underbrush and unhealthy trees and naturally regenerating the landscape.

The introduction of Euro Americans to California profoundly changed the role fire plays in forest ecology, especially following the railroad expansion. Locomotives spewing cinders and sparks ignited piles of slash—unmillable limbs and branches left behind by loggers—which, combined with unrestrained fires to clear land for animal grazing, corrosive mining practices and the lumber harvest, threatened to strip the West bare.

In 1891, California's forest reserves were established in the name of conservation. The U.S. Forest Service was created in 1905 and Gifford Pinchot, considered the grandfather of modern forest management, was appointed head of the new agency. "Today," he declared at the time, "we understand that forest fires are wholly within the control of men." The era of fire suppression was born.

In recent decades, California has spent billions on airplanes, fire engines, chemical deterrents and heavy machinery to fight wildfires, and it has worked too well. Whereas most stands used to be touched by fire every 10 to 20 years, some areas haven't burned in a century. As a result, the forests have become overloaded with fuel, said Jeff Webster, a senior forester with the Jefferson Resource Co., a consulting firm based in Weed.

"The forest needs a certain level of disturbance," he said. "We haven't been disturbing the forests hardly at all, especially for the last two decades. ... We're loving our forests to death."

Now, when wildfires rip through the forest, they are bigger and hotter than ever before, consuming even healthy old-growth trees and leaving only scorched earth and skeletal snags. As California's population encroaches deeper into the woods, we cannot afford to let wildfires run unchecked. More than 11 million people live in the Sierra Nevada's wildland-urban interface, and, in addition to health concerns about air quality, the risk to life and property is enormous. For example, the October 2017 Northern California wildfires killed 44 people and caused \$9.5 billion in insured damages.

And so our culture has come to pray for rain and demonize fire, two equally critical ecological processes, said Craig Thomas, conservation director of Sierra Forest Legacy. He's been beating the drum to strategically reintroduce fire onto the landscape for many years.

"Frequent fire is California," he said.

However, the state hadn't committed to ecologically significant prescribed burning programs until recently. During Gov. Jerry Brown's state of the state address in January, he said, "Trees in California should absorb CO₂, not generate huge amounts of black carbon and greenhouse gas as they do today when forest fires rage across the land."

Last month, Brown signed a multipronged executive order which, among other actions, will double the area of forestland actively managed through vegetation thinning, controlled fires and reforestation from 250,000 acres to 500,000 acres. The order coincides with the release of the state's 2018 Forest Carbon Plan, which recognizes that the forests "will become a source of overall net greenhouse gas (GHG) emissions if actions are not taken to enhance their health and resilience" and that "these conditions threaten progress toward meeting the state's long-term climate goals."

To that end, fiscal year 2017-18 marked a dramatic increase in the state budget for forest health programs through an appropriation of \$220 million from the California Climate Investment Fund, and there are several fire-related bills currently working through the Legislature, including Senate Bill 1260 by Santa Barbara Democrat Hannah-Beth Jackson. And significant action has already been taken: More than 1.2 million dead or dying trees have been removed from the state's forests since California established a Tree Mortality Task Force in 2015.

Thomas is greatly encouraged by the action from the state's highest office and efforts by foresters, firefighters and air regulators to step up prescribed burning statewide. "They're pulling it together and realizing we don't have a no-fire option in California," he said. "There's a general, broad acceptance of that across the board, and it's pretty stunning. ... To me, it's a cultural phenomenon I really didn't expect a couple of years ago."

With state agencies mostly on the same page, now it's a matter of actually removing enough trees to save the forests—and fighting fire with fire.

If these trees could cough

Oak trees gradually give way to evergreens as Highway 50 rises from the Sacramento Valley floor to the mountain community of Pollock Pines, just west of Placerville. An exit leads to Jenkinson Lake at Sly Park Recreation Area, a



From left: Jim Branham and Brittany Covich of the Sierra Nevada Conservancy, and Mark Egbert, manager of El Dorado County Resource Conservation District.

reservoir that serves as one of the primary water sources for the residents of rural El Dorado County. It's a brisk morning and a gaggle of geese calls overhead, unseen in the overcast sky.

On the scene are Jim Branham, the executive officer of the Sierra Nevada Conservancy, and Mark Egbert, manager of El Dorado County Resource Conservation District, or RCD. Overlooking the glass-smooth lake, the pair explains that the 3,724 acres of surrounding forestland are encompassed by the Sly Park Vegetation Management Project, an example of proactive forest management in action.

In March, the Sierra Nevada Conservancy awarded the RCD \$500,000 to create a fire-resistant landscape around Sly Park. Now, multiple agencies—including Cal Fire, the Forest Service, the El Dorado Irrigation District and others—are working to avoid a disaster on the magnitude of the 2014 King Fire, which consumed nearly 100,000 acres of nearby forest and a dozen homes. Workers hand-thin brush and small trees, in addition to employing mechanical removal, with the goal of using prescribed fire to mimic natural processes.

The alternative isn't pretty, Egbert says. He subscribes to the philosophy that excess trees either leave the forest as lumber or wood chips, or burn. "The trees in the King Fire, they're not sequestering carbon anymore," he says. "They've burned up. They're dead."

The strategy remains hard to sell to the public. "It's somewhat counterintuitive to say we need to cut a bunch of these green, live trees to make the forest healthy," Branham says. "It's not the easiest message to deliver to people who've grown up thinking more trees are better." But there's been a shift in public perception since the King Fire, Egbert says. Now, residents regularly thank them for their work; they understand that it benefits forest health, air quality and their own safety.

Count Branham and Egbert among those who are optimistic that full restoration is still achievable, despite the daunting scale of California's forest-carbon problem. They say reducing stand density promotes growth, and therefore carbon storage; and bigger trees are generally more resilient to fire, insects and disease.

That's why Jenkinson Lake can be a model for proactive forest management throughout the Sierra Nevada, Branham says: "This is exactly what we need to be doing if we want to store carbon long term."

With another fire season heating up, it's a good time to remember that forests provide more than lumber for our homes, recreational settings and pretty backgrounds for our profile pictures. Our dependence on trees is as basic as breathing. And if Mother Nature keeps coughing up carbon like this, we're pretty much on our own with this whole climate change thing.

Construction contract to raise height of Shasta Dam expected next year

[Damon Arthur](#), Redding Record Searchlight Published 3:57 p.m. PT June 20, 2018 | Updated 6:17 p.m. PT June 20, 2018

Scenes from Shasta Dam on Friday. Jim Schultz



(Photo: Damon Arthur/Record Searchlight)

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After years of environmental studies, feasibility reports and stalled plans, federal officials are once again moving forward with plans to raise the height of Shasta Dam and intend to award the first construction contract next year.

The U.S. Bureau of Reclamation plans to advertise for bids on a construction contract in September 2019 and award a bid by December 2019, said Todd Plain, a spokesman for the agency.

So far, Congress has only allocated \$20 million for the project, well short of the total \$1.4 billion projected cost. Building the concrete, 18 1/2-foot tall structure on top of the dam is expected to cost \$350 million, Plain said.

With a higher dam, the lake level could rise as much as 20 feet higher when the lake is full, forcing the bureau to move numerous roads, bridges, campgrounds, buildings and resorts.

Construction to raise the height of the dam would begin sometime in late spring or summer 2020, Plain said. Construction would take about five years, according to an environmental impact report done on the project.

While the bureau has its construction timelines set, opposition to the project has also been well established for years and hasn't gone away.

The state of California, environmental groups and the Winnemem Wintu Tribe remain opposed to the project.

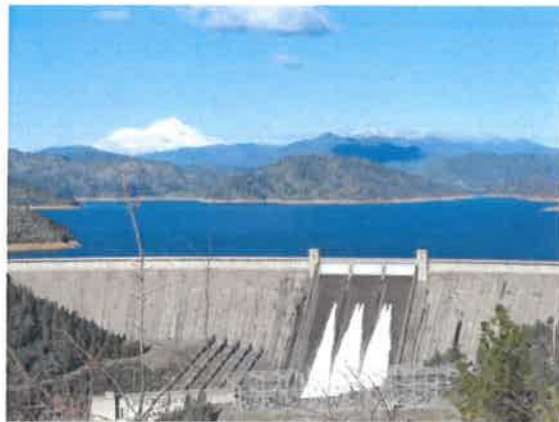
State officials say raising the height of the dam would violate state law because it would inundate a portion of the McCloud River, a protected river under state law.

Plain said the federal government is trying to resolve that problem.

"We are currently working with the state regarding the path forward for the project," Plain said.

But Lisa Lien-Mager, a spokeswoman for the California Natural Resources Agency, said state officials were unaware of any talks or agreements regarding the McCloud River.

John Laird, the state's Secretary for Natural Resources, sent a letter to congressional leaders in March urging them not to include funding for the dam raise in the budget.



Federal officials are moving forward with plans to raise the height of Shasta Dam. (Photo: Damon Arthur/Record Searchlight)

"As you may be aware, the Shasta Dam enlargement project would violate California law due to the adverse impacts that project may have on the McCloud River and its fishery," the letter said.

Laird urged Congress to seek other ways to increase water storage in the state.

State and federal officials are pushing plans to build Sites Reservoir in Colusa County west of Maxwell. That project is eligible for a portion of the \$2.7 billion set aside for water storage under Proposition 1 bond funds.

Under state law, California also could not dedicate funds toward efforts to raise the dam because of the McCloud River, Laird noted in his letter.

Steve Evans, a water policy consultant for Friends of the River, said the organization will go to court if necessary to prevent the bureau from raising the height of the dam.

"We intend to uphold state law, even if the Trump administration doesn't," Evans said, referring to restrictions on further inundating the McCloud River.

Evans said Friends of the River is against the dam raise for several other reasons as well. He said the dam would not provide the drought relief and benefits to the environment that bureau officials claim it would.

A higher dam would allow greater water reliability for drinking water and agriculture during drought years, especially as the water demand grows along with the state population, bureau officials have said.

Raising the dam's height would increase the reservoir's capacity by about 14 percent, the bureau said.

More water in the lake would also benefit Chinook salmon downstream of the dam in the Sacramento River because a deeper pool would provide more of the cold water the fish need for spawning in the river, the bureau said.

But Evans said the U.S. Fish and Wildlife Service has said the higher dam would provide little benefit to salmon living downstream of the dam in the Sacramento River.

He also pointed out the effect raising the height of the dam would have on the Winnemen Wintu Tribe, which once lived along the McCloud River, but were forced to move when the dam was first built in the late 1930s and early 1940s.

Caleen Sisk, chief and spiritual leader of the Winnemem, said there are numerous ceremonial and sacred sites along the McCloud River Arm of the lake that would be inundated if the dam were raised.

The bureau will work to "identify significant sites and measures to avoid, minimize or mitigate effects on those sites will be considered through the National Historic Preservation Act process," Plain said.

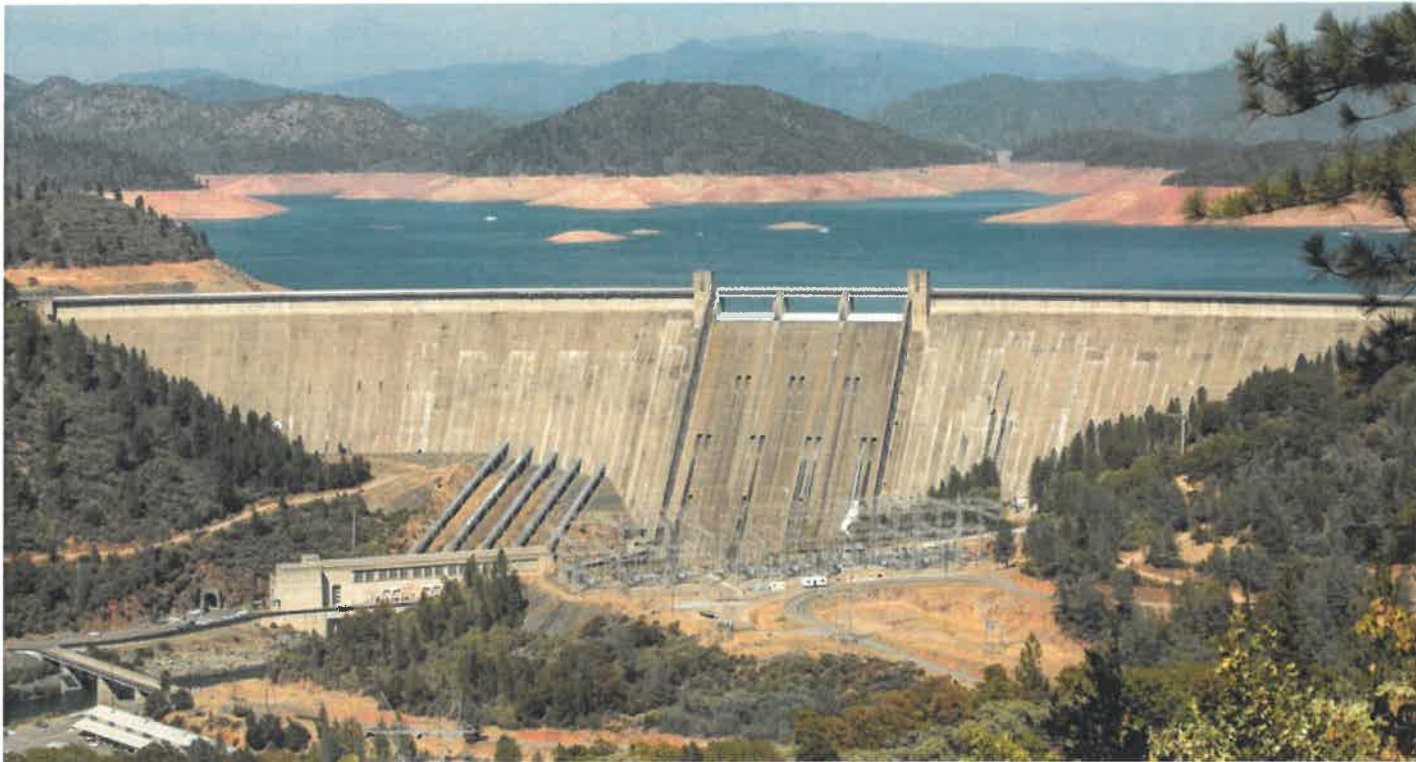
Sisk said she doubts whether all of the Winnemem sites could be protected along the McCloud Arm of the lake.

"Even if that's possible, it's going to be expensive," she said.

*June 12, 2018
Kathleen Ronayne
Associated Press*

THE CALIFORNIA REPORT

Federal Report Cites 'Insider' Security Risk at Critical Western Dams



Shasta Dam is among five major U.S. Bureau of Reclamation dams that the Department of Homeland Security has designated as critical infrastructure. A Department of the Interior inspector general's report says two unnamed dams among the five could be at risk from insider attacks. (Dan Brekke/KQED)

Two dams classified as critical to U.S. national security are at high risk for "insider threats" because of poor computer security practices, according to a new federal report.

Too many employees having access to administrator accounts and failures to routinely change passwords have left the dams vulnerable to attacks that could impair operations, [an evaluation](#) released Monday by the U.S. Department of the Interior inspector general's office says.

The report doesn't name the two dams, and spokeswoman Nancy DiPaolo cited national security concerns in withholding those specifics.

But the two are among five dams operated by the U.S. Bureau of Reclamation that the Department of Homeland Security has categorized as "critical infrastructure." That designation means their destruction or impairment could hurt national security. The five dams are Shasta and Folsom dams in California, Glen Canyon Dam in Arizona, Grand Coulee Dam in Washington and Hoover Dam, which straddles Nevada and Arizona.

SPONSORED BY

The United States and other countries [have accused](#) Russian hackers of trying to infiltrate critical infrastructure such as power plants, elevating the sensitivity around making sure U.S. systems are secure.

The inspector general's report, however, found the two dams are at low risk of outside cyber infiltration but at high risk of threats from within. They're run remotely through a computer system that controls generators, valves and gates at the dams from a U.S. Bureau of Reclamation operations center.

Among the factors cited as security risks: Too many people have access to administrative accounts, employees aren't changing their passwords often enough, account access isn't always revoked when employees leave, and the agency isn't conducting robust enough background checks for employees with high-level privileges. For example, the evaluation found nine of 30 administrator accounts hadn't been used in more than a year.

The report characterized the issues as "significant control weaknesses that could be exploited by insiders."

Administrative access would give an employee the ability to compromise the system by installing malware to disrupt dam operations, installing back-door access for others, deleting or modifying crucial programs, revoking access for others and deleting or modifying control logs to "conceal malicious activity," according to the report.

The inspector general offered five recommendations, including eliminating the use of group accounts that allow multiple workers access and conducting more rigorous background checks on certain employees.

The U.S. Bureau of Reclamation disputed several of the findings. It said the number of people with privileged administrative access is necessary to provide 24/7 support to the dams and that system administrators are required to log their use of group accounts. The bureau said it follows federal guidelines for conducting background checks.

The inspector general conducted interviews with operations center and dam staff in April 2017.


THIS JUST IN ... Commission Completes Final Round of Scoring for Water Storage Projects

June 28, 2018 [Maven](#) [Breaking News](#)



Proposition 1 Funds Will Be Awarded to Expand State's Water Storage Capacity

From the California Water Commission:

The California Water Commission approved final application scores over the past two days for eight proposed water storage projects, clearing the way to award nearly \$2.7 billion in Proposition 1 funds to help expand the state's water storage capacity. The Commission also made a series of determinations required for each project to move forward in the process. A summary is available [here](#).

Today's actions set the stage for the Commission to conditionally award the Proposition 1 funds at its July 24-26 meeting, when it also will consider requests from four applicants for early funding to help complete feasibility studies and environmental reviews.

"We are now on the doorstep of awarding funding from Proposition 1 to water storage projects across California," Commission Chair Armando Quintero said. "We eagerly look forward to next month when we can make preliminary awards to these diverse projects that collectively will add 4.3 million acre-feet of water storage capacity to California."

The component scores adopted today are combined to create a cumulative Total Return on Public Investment Score for each project, as required by Proposition 1 and Water Storage Investment Program regulations.

Commission staff will use the cumulative scores to rank the projects in tiers, which will guide the preliminary funding decisions in July. Applicants will then need to complete remaining requirements in Proposition 1, including feasibility studies and environmental reviews, before the Commission can make a final funding award for each project.

The projects were scored by a team of scientists, engineers, hydrologists and other subject matter experts from the California Water Commission, California Department of Fish and Wildlife, the California Department of Water Resources and the State Water Resources Control Board. The team's recommendations were released on May 25 and were the subject of public meetings with applicants June 20-21.

Additional detail on the scoring process is available in an FAQ [here](#).

Below is a summary of the final scores adopted by the Commission for each project, along with each applicant's funding request and maximum funding eligibility as determined in May. Additional details are available [here](#).

Commission Determinations for Final Scores

Project	Commission- Approved Expected Return for Public Investment Score (Maximum 100)	Commission- Approved Eligible Amount, \$ Million May 2018	Applicant Request, \$ Million May 2018
Chino Basin Conjunctive Use Program	70	\$206.90	\$206.90
Kern Fan Groundwater Storage Project	54	\$85.66	\$85.70
Los Vaqueros Reservoir Expansion Project	76	\$459.00	\$459.00
Pacheco Reservoir Expansion Project	82	\$484.55	\$484.55
Sites Project	61	\$1,008.28	\$916.62
South County Ag Program	77	\$280.53	\$280.50
Temperance Flat Reservoir Project	73	\$171.33	\$171.33
Willow Springs Water Bank	53	\$123.29	\$123.29

Proposition 1, approved by 67 percent of California voters in 2014, created a competitive process for funding projects based on their public benefit. The projects are being evaluated and ranked on criteria established in the Water Storage Investment Program regulations.

Proposition 1 dedicated \$2.7 billion for the Water Storage Investment Program. As noted at the beginning of the application process, 2 percent of that amount is set aside for bond financing and 2.5 percent is set aside for state administrative costs over the life of the program, so the total funding available is \$2.582 billion.



Water Storage Investment Program Determinations Summary

This document presents background information and a summary of the nine determinations the Commission must make in the next step of the California Water Commission's Water Storage Investment Program (WSIP) project evaluation process.

Background

Prior to determining each project's maximum conditional eligibility for funding, WSIP regulations require the Commission to make a series of determinations for each project based on technical review and appeal information. All nine determinations must be made for any project to move forward in the process. Specifically, the Commission must determine that each project:

1. Is cost effective;
2. Improves the operations of the State water system;
3. Provides a net improvement in ecosystem and water quality conditions;
4. Provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta;
5. Would have a Program cost share that is less than or equal to 50 percent of the proposed project's total capital costs, with the exception of conjunctive use projects and reservoir reoperation projects;
6. Would have Program-funded ecosystem improvement benefits that make up at least 50 percent of the total public benefits funded by the Program;
7. Appears to be feasible;
8. Will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta; and
9. Is consistent with all applicable laws and regulations.

To make the determinations, the Commission may consider technical reviews already completed by the Department of Fish and Wildlife, the Department of Water Resources and the State Water Resources Control Board, as well as input from applicants and the public during a public meeting held in accordance with the Bagley-Keene Act.

Staff Recommendation Regarding Determinations

Commission staff has assessed the technical reviews and appeal information for each project and finds the nine determinations can affirmatively be made for each project. Though the Commission is required to make the determinations before the projects have completed all formulation steps specified in the regulations, staff finds there is generally sufficient information available for the Commission to make affirmative determinations for the projects. Staff also recommends that the Commission discuss with applicants at its June 27-29 meeting any additional information that can inform the determinations.

Through remaining process steps, the Commission will have the opportunity to consider whether all required feasibility studies, permits and environmental documentation have been completed prior to determining each project's final funding award. All applicable laws and regulations must be met to receive and maintain WSIP funding.

California 
WATER COMMISSION
FAQ on the Water Storage Investment Program
Final Application Scores
June 28, 2018

1. Q: Where are we in the Water Storage Investment Program process and what are the next steps?

A: The California Water Commission will meet June 27-28 to make decisions on final application scores for eight water storage projects competing for nearly \$2.7 billion in Proposition 1 funding through the Water Storage Investment Program. The Commission will consider staff recommendations for three component scores – Relative Environmental Value, Resiliency, and Implementation Risk – that were released on May 25.

The final scores will be combined with previously determined public benefit ratios to create a final score on each project's overall expected return on investment. After the final scores are determined, the projects will be ranked in tiers, which the Commission will then use to make preliminary funding awards in July.

Also at the June 27-28 meeting, the Commission will make a series of determinations for each project based on technical reviews and appeal information. All nine determinations must be made for any project to move forward in the process.

In addition to making preliminary funding awards at its July 24-26 meeting, the Commission will consider requests for early funding from four applicants to help with activities such as feasibility studies and environmental reviews.

2. Q: What are the component scores and how are they weighted?

A: Proposition 1 requires the Commission to rank potential projects based on the expected return on the public's investment. To do that, the Commission will determine a Total Return on Public Investment Score for each project using four component scores. The Total Return on Public Investment Score is worth a maximum of 100 points and is composed of:

- Public Benefit Ratio (33 points)
- Relative Environmental Value (27 points)
- Resiliency (25 points)
- Implementation Risk (15 points)

3. Q: What is Normalization and how does it affect scores?

A: Some raw scores must be adjusted to the point scale specified in the regulations. This process is similar to grading on a curve. The final Commission-determined PBRs, for example, range from 1.00 to 2.92. The normalization function translates these ratios to point values and assigns 33 points to the application with the highest PBR. Remaining PBRs receive point values that reflect their distance from the highest PBR. The raw scores for Public Benefit Ratio (PBR), Relative Environmental Value (REV) and Implementation Risk component scores are normalized to the range of point values specified in the regulations using the formula contained in the regulations, section 6009(c)(1).

4. Q. How is the Public Benefit Ratio and Non-Monetized Benefit score determined?

A: The final PBRs were established following the May 1-3 Commission meeting. benefits by the applicant's funding request, and then normalized. The normalized PBR score is worth Each project's PBR was calculated by dividing the monetized value of the project's public a maximum of 33 points.

Applicants could also claim Non-Monetized Benefits (NMB) for recreation, emergency response or flood control benefits. If an applicant claimed any NMBs, and the project's normalized PBR score was under 33 points, then up to four points could be added to the PBR score. The total of the PBR and NMB points cannot exceed 33. If an applicant claimed non-monetized ecosystem or water quality benefits, they were scored within another component score, the Relative Environmental Value.

5. Q. How is the Relative Environmental Value (REV) score determined?

A: The Relative Environmental Value (REV) score reflects how a project meets the ecosystem priorities established by the Department of Fish and Wildlife and the water quality priorities established by the State Water Resources Control Board. These priorities and the associated evaluation criteria are specified in section 6007(c) of the WSIP regulations.

If a project provides both ecosystem and water quality improvements, the REV score is weighted 70 percent for ecosystem improvements and 30 percent for water quality improvements. If a project does not provide water quality improvements, then the ecosystem improvements are 100 percent of the REV score.

6. Q: How is the Resiliency score determined?

A: The Resiliency score has two components: 1) project flexibility and the ability to integrate into the State water system, and 2) ability to respond to an uncertain future, including the potential for extreme climate change.

Commission staff evaluates flexibility and integration using information from each project application. The evaluation of a project's response to an uncertain future is based on the applicant analysis of how a project may be affected by future climate extremes, future water management actions and drought. The future extreme climate conditions are provided by the Commission. Applications that showed a high quality of analysis and high level of integration and system flexibility score higher than those that show a low quality of analysis or low levels of integration and added system flexibility. Applications with a good quality of analysis, demonstrating that their project would provide water during a drought, score higher than applications with a low quality of analysis, or reduced public benefits or low performance during a drought.

7. Q: How is the Implementation Risk score determined?

A: The Implementation Risk reflects four measures of feasibility: technical, environmental, economic and financial. Each measure of feasibility is worth one to five points, depending on whether the information provided in the application shows a high or low risk of the project being built or operated, as well as whether the information was or was not well supported. The raw scores of the four measures are summed and then normalized to a point scale with a maximum of 15 points.

8. Q. What are the Nine Determinations?

A: Prior to deciding each project's maximum conditional eligibility for funding, WSIP regulations require the Commission to make a series of determinations for each project based on technical review and appeal information. All nine determinations must be made for any project to move forward in the process. Specifically, the Commission must determine that each project:

1. Is cost effective;
2. Improves the operations of the State water system;
3. Provides a net improvement in ecosystem and water quality conditions;
4. Provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta;
5. Would have a Program cost share that is less than or equal to 50 percent of the proposed project's total capital costs, with the exception of conjunctive use projects and reservoir reoperation projects;
6. Would have Program-funded ecosystem improvement benefits that make up at least 50 percent of the total public benefits funded by the Program;
7. Appears to be feasible;
8. Will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta; and
9. Is consistent with all applicable laws and regulations.

Commission staff released their recommendations for the nine determinations on June 15 and public meetings to answer questions about the determinations were held on June 20 and 21.

9. Q: Can the Commission change the component scores from the scores recommended by staff?

A: Yes. The Commission has the discretion to change scoring for the Non-Monetized Benefits added to the PBR score, as well as the Resiliency and Implementation Risk scores. The Commission may accept staff recommendations, adjust scores by up to 25 percent of the maximum value per category, or send the scores back to the staff for re- evaluation.

10. Q. Who is part of the technical team reviewing the applications?

A: The review team consists of subject matter experts from the Commission, the Department of Fish and Wildlife, the Department of Water Resources and the State Water Resources Control Board. Each agency's review focuses on their respective subject matter, such as a type of physical benefit or water operations.

11. Q: What are Agency Findings and how do they fit into the program?

A: Proposition 1, Chapter 8 requires applicants to enter into a contract with the state agency responsible for administration of the public benefit produced by the project to receive funding. The agency must make a finding that the benefit meets the requirement of Chapter 8 before entering into a contract with the applicant (Water Code Section 79755 (a)(3)).

12. Q: How much funding is available to award through the WSIP?

A: Proposition 1, Chapter 8 allocates \$2.7 billion for the Water Storage Investment Program. As noted at the beginning of the application process in 2016, 2 percent of that amount is set aside for bond financing costs and about 2.4 percent is set aside for state administrative costs over the life of the program, bringing the total funding amount to \$2.5816 billion.

13. Q: Where can I find the updated Public Benefit Ratios and Eligible Funding for each of the projects?

A: The information can be found on the Commission website and a link to a summary table can be found here: <https://cwc.ca.gov/Documents/2018/WSIP/PBRtable051018.pdf>

14. Q: How can I stay up to date with decisions being made by the Commission?

A: Please visit the website at www.cwc.ca.gov or sign up for the listserv by emailing cwc@water.ca.gov.

CORRESPONDENCE



Date: June 21, 2018

To: Chair and Clerk to the Boards of:

Arcata Fire Protection District
Humboldt Bay Municipal Water District
Humboldt Bay Harbor, Recreation and Conservation District
North Humboldt Recreation and Park District
Fortuna Fire Protection District
Fortuna Cemetery District
Rohner Community Recreation and Park District

From: Colette Metz, LAFCo Administrator

Subject: Notice of Election Results - Special District Appointment to Humboldt County Consolidated Redevelopment Agency (RDA) Oversight Board

Previously, a call for nominations was sent to the above referenced Special Districts on February 14, 2018, which provided the opportunity to nominate candidates to fill a seat on the Humboldt County Consolidated Redevelopment Agency (RDA) Oversight Board. The nomination period ended on March 30, 2018, with two (2) nominations received by the deadline. Subsequently, an official ballot was mailed on April 11, 2018, which provided each eligible Special District the opportunity to vote for a candidate. The deadline to return ballots was June 15, 2018, provided that ballots were received from a quorum of eligible Special Districts in order for the election to be valid.

Tabulation of the ballots was conducted on Monday, June 18, 2018 with four out of the seven eligible Special Districts submitting ballots. No specific term is designated for RDA Oversight Board members, rather, per Health and Safety Code Section 34179(g), "Each member of an oversight board shall serve at the pleasure of the entity that appointed such member". The results of the ballot count are listed below.

Candidate	District	Votes
J. Bruce Rupp	Board Member, Humboldt Bay Municipal Water District	3
Larry Oetker	Executive Director, Humboldt Bay Harbor, Recreation and Conservation District	1

The successful candidate for the Special District Representative of the Humboldt County Consolidated RDA Oversight Board is J. Bruce Rupp. The first meeting of the Humboldt County Consolidated RDA Oversight Board will be scheduled in coming months by the Humboldt County Auditor-Controller, which administers the RDA Oversight Board.

Thank you to all that participated in the Special District election. Please feel free to contact LAFCo staff at (707) 445-7508 if you have any questions about the special district selection process.

Cc: Cheryl Dillingham, Humboldt County Auditor-Controller
Amanda Loftis, Senior Accountant-Auditor



SECTION G2 PAGE NO. 1
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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

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

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

Website: www.hbmwd.com

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BARBARA HECATHORN, DIRECTOR
MICHELLE FULLER, DIRECTOR

GENERAL MANAGER
JOHN FRIEDENBACH

June 21, 2018

Humboldt Local Agency Formation Commission
1125 16th Street, Suite 202
Arcata, CA 95521
Attn: Colette Metz, LAFCo Administrator

RE: Proposed Langlois Lane Annexation to the Humboldt Community Services District

Dear Ms. Metz,

Thank you for the opportunity to provide comments on the above-referenced proposal. As the wholesale water provider to Humboldt Community Services District, we have enough water to supply the proposed annexed parcels. We are supportive of the Langlois Lane annexation to the Humboldt Community Services District.

If you have any questions, please contact me.

Sincerely,

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



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

SECTION G3 PAGE NO. 1

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

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BARBARA HECATHORN, DIRECTOR
MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

June 29, 2018

via email: staff@oal.ca.gov

OAL Reference Attorney
300 Capitol Mall, Suite 1250
Sacramento, CA 95814

RE: Comments on emergency rulemaking action currently under OAL review – Re-adoption of Emergency Regulations for Dam Inundation Maps into California Code of Regulations, Title 23, Division 2, Chapter 1, Article 6

Gentlemen,

Our District respectfully submits the following for your consideration prior to adoption of the proposed Dam Inundation Map regulations.

Dam Owners who are currently regulated by the FERC and who have approved inundation maps in place within their Dam Failure Emergency Action Plan (EAP), should be allowed to submit those maps without modification for review and approval by DWR/DSOD, provided the existing inundation maps comply with the spirit of the law being promulgated by DWR/ DSOD. Minor technical differences between the proposed DSOD inundation map requirements and existing FERC requirements should be reconciled by the first revision to the DSOD maps at the ten (10) year map update anniversary.

California dams that produce hydroelectric power were required to have inundation maps by the Federal Energy Regulatory Commission (FERC) prior to the California Department of Water Resources (DWR) proposed "Emergency Regulations for Dam Inundation Maps."

The regulations on inundation maps for the FERC and the DWR are similar but not identical. However, none of the differences materially affect the implementation of the Emergency Action Plan of the dam owner or the response of emergency personnel and safety of residents downstream of dams. The proposed requirement by DWR to revise existing inundation maps is overly burdensome, unnecessarily redundant and costly for dam owners with existing FERC compliant inundation maps.

As stated in section 335.18 of DWR's proposed inundation map regulations: "DSOD may approve inundation maps upon a demonstration of compliance with Water Code sections 6160 and 6161 and substantial compliance with this article." The DSOD should review and approve existing Inundation Maps that meet FERC guidelines and requirements.

Sincerely,

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

John Friedenbach
General Manager

Cc: Kristen Martin, DWR, DSOD

Ruth Lake Community Services District

Telephone: (707) 574- 6332

Fax: (707) 574-6080

E-mail: ruthlakecsd@yahoo.net

12200 Mad River Road

Mad River, CA 95552

2017 QUAGGA INSPECTION REPORT

In our 9th year of watercraft Registrations and inspections, the required inspections are generally understood and accepted with boaters utilizing the lake. The “clean, drain and dry” policy is understood and compliance to this procedure is generally adhered to.

This year, 1664 watercraft registrations and inspections were completed between the Ruth Rec. Campground and Marina inspection facilities. See Attachment.

**Mike Francesconi
District Manager
Ruth Lake CSD**

QUAGGA INSPECTION SUMMARY

January 1, 2017 to December 31, 2017

	Marina	Campground	Total
Resident registrations (yellow)	138	130	268
Non-resident inspections (red)	557	338	895
Non-trailer watercraft (blue)	185	303	501
Total registrations/inspections	880	771	1664
Craft that failed inspection	0	0	0

INSPECTIONS:

Banded from 2016

74

Inspections done at other locations:

Reynolds RV (Fortuna) 0

Bayleys (Hayfork) 0

Browns Sporting (Garberville) 0

Lorin Fleming (Bass tournaments) 0

Mick Foley and Jackie Branham (Hobart) 13

CONTINUING BUSINESS



SECTION H1 PAGE NO. 1
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

June 20, 2018

Alyssa Persau
Wildlife Conservation Board
PO Box 944209
Sacramento, CA 94244-2090

RE: Grant Agreement Number WC-1739BC


Dear Alyssa,

Enclosed are two signed original grant agreements. Kindly return one fully executed agreement to us. I have also enclosed two copies of the resolution regarding the grant as well.

We are looking forward to working with you on this project.

If you have any questions, or need any additional information, please do not hesitate to contact us.

Respectfully,


John Friedenbach
General Manager

Humboldt County to allow cannabis farm 'hoop houses' in flood hazard areas

Planners: Temporary use will make industry more competitive

By Will Houston, Eureka Times-Standard

Tuesday, June 26, 2018



Humboldt County will now allow cannabis producers to temporarily put up "hoop houses" in flood hazard areas, a move county staff say will address the permitting backlog and make the industry more competitive.

Under the previous county rules, structures like hoop houses had to be anchored to the ground with foundation, be elevated above the base flood elevation and must have flood resistive materials. The changes adopted Tuesday would allow farmers to construct temporary hoop houses for up to 180 days between April 16 and Oct. 15. The Humboldt County Board of Supervisors adopted the change in a unanimous vote Tuesday. Third District Supervisor Mike Wilson was

absent.

"That would accommodate the need out there that has been expressed by some of these cannabis cultivators," Supervising Planner Michael Richardson said to the board. "What's happening now is that instead of building these temporary structures, they're building more permanent structures that meet all of the requirements and that has been, kind of, a waste of everybody's time. ... I think this change will make the industry more efficient."

The county staff report says that hoop houses are often used because they are cost-effective for producing cannabis and therefore make them more competitive in the statewide market.

Hoop houses are often removed anyway during the winter months to prevent damage, according to the county. First District Supervisor Rex Bohn said by comparison, permanent structures have the potential of being washed away in a flood and polluting the water.

"So I think the whole idea of this is to alleviate a problem of downstream waste during high waters," Bohn said.

Second District Estelle Fennell said there is a famous area along the Eel River where remains of a greenhouse float along the edge of the river. She said she wanted to ensure that cultivators be held accountable for whether or not they remove their hoop houses. Board Chairman and 5th District Supervisor Ryan Sundberg questioned whether the county could [use its new satellite imagery capabilities](#) during the latter part of the year to check whether farmers are complying. Planning and Building Department Director John Ford said that is a possibility, as is requiring the cultivator to submit evidence such as a photo that the structure was removed.

"And that could be done by email so we wouldn't have to go out to the site," Ford said.

Will Houston can be reached at 707-441-0504.

Water Deeply

Efforts to Regulate California's Cannabis Capital Spark Legal Fight

In Humboldt County, a conservation group is suing the government, arguing that a new ordinance regulating the local marijuana industry doesn't adequately address the environmental impact of an estimated 15,000 cannabis grow operations.

WRITTEN BY Tara Lohan

PUBLISHED ON June 25, 2018

READ TIME Approx. 7 minutes

A forest fragmented by cannabis cultivation in Rancho Sequoia, above the main stem of the Eel River, Humboldt County, California. Scott Greacen/Friends of the Eel River

WHEN CALIFORNIANS VOTED to legalize recreational cannabis in 2016, the new law left room for municipalities to decide if, and how much, of the industry they wanted in their jurisdictions.



That reckoning is happening now up on the rugged northern coast of the state in Humboldt County – part of the heralded “Emerald Triangle” – where (mostly unregulated) cannabis cultivation has been a key driver of the local economy for decades.

Imposing new regulations on an existing industry comes with challenges, and in Humboldt, environmental concerns are among them.

Earlier this month, the environmental nonprofit Friends of the Eel River, which works to protect fisheries and watersheds in the region, filed a lawsuit against Humboldt County's Board of Supervisors. The suit alleges the environmental review prepared for the county's new land-use ordinance permitting commercial cannabis operations fails to adequately address the industry's impacts on watersheds and endangered wildlife.

“What we need to acknowledge is that moving from 30 years of a black market industry to a legal one is no easy task,” says Stephanie Tidwell, executive director of Friends of the Eel River.

“But this is our one shot, our one opportunity to permit a market that the land and the economy can bear.”

Cumulative Impacts

The county’s new land-use ordinance, approved in May, would permit 3,500 commercial cannabis operations, which includes some that were previously permitted under an ordinance regulating medicinal cannabis operations. Rough estimates have put the number of existing, unpermitted outdoor operations in the county at a staggering 15,000.

The county’s ordinance included an **Environmental Impact Report** on the effects of the regulations, but Friends of the Eel River says it falls far short in one crucial area: assessing existing impacts from the industry.

“The big thing we are worried about at its core is the county’s failure to even figure out what the cumulative effects on the landscape already are and how the permits they are proposing to issue would affect those impacts,” says Scott Greacen, conservation director at Friends of the Eel River.

The county still hasn’t done its “homework to definitely say what each individual watershed [in the county] can support,” adds Tidwell. “What we’re asking the county to do is to knowledgeably permit a sustainable industry rather than come up with some arbitrary numbers for how many permits they’ll give out.”

Humboldt County officials declined to comment on the lawsuit, but Ryan Sundberg, chair of the board of supervisors, said, “Humboldt County has been diligent in protecting water and our cannabis programs make the environment better. For instance, we have policies that forbear water withdrawal in the summer months and require [water] storage.”

Friends of the Eel River say the critical area of concern for them is the cannabis industry’s impact on the watersheds and fisheries. Coho salmon and steelhead are both listed as threatened under the federal Endangered Species Act and in some watersheds in Humboldt County are clinging to survival due to a host of issues, including development, dams, timber extraction and now cannabis cultivation. “It becomes a death by a thousand cuts for our salmon,” says Tidwell.

Over the years, numerous cannabis cultivators on private land or with “trespass” grows on public and tribal lands have caused a **host of environmental impacts** – land clearing, road building, water diversions, wildlife poisoning from pesticide use, water contamination and other impacts from lights and noise.

From a watershed and fisheries perspective, Friends of the Eel River says it’s concerned about the impacts from development of cultivation sites and roads on the steep, highly erosive hillsides in the county that result in sediment being dumped into rivers and streams, threatening critical fish species. “Spawning beds can get covered in sediment. And to feed successfully – salmon find food by smell – when the water’s too dirty they can’t smell anything except dirt,” says Greacen.

Another concern is water withdrawals for irrigation that can reduce flows in rivers and de-water small upstream creeks. Water quality can also be impacted by poor sanitation and pesticides and rodenticides that are used by some operations.

Road to Compliance

Scott Bauer, a senior environmental scientist supervisor with California's Department of Fish and Wildlife's Watershed Enforcement Team, has seen first-hand some of the worst environmental impacts from unregulated cannabis grows, but he's optimistic that regulations are moving things in the right direction.

His department had a number of concerns with Humboldt County's draft Environmental Impact Report, but he says most of those were addressed in the final report, including an important provision to prohibit permits for new operations in some critical watershed areas.

Hezekiah Allen, the executive director of the California Growers Association, advocates for the interests of a few hundred cannabis growers and businesses, and says that among his membership, growers have been in favor of legalization and the environmental regulations that come along with that.

But, he notes, not all Humboldt growers are the same. "They run a pretty diverse spectrum from some of the best stewards in the world to folks who [couldn't] really care less about anything other than reducing costs and maximizing returns," he says.



A cannabis grow and a water diversion next to a stream in Humboldt County, California. (California Department of Fish and Wildlife)

He says he doesn't think the Friends of the Eel River's lawsuit is productive. "Right now what we need to be doing, especially with the folks that have come into the system, is working on compliance, working on implementation, making sure that the regulations are working in the way they are supposed to," he says, "And we should be putting a clearer focus on those operating in the unregulated market who are making no attempt to be better stewards. More barriers in the way of permitting right now seems like a bad idea."

Bauer says that ultimately how well the regulations are enforced will be the key. "The focus so far has been writing the ordinance, giving permits, getting people in the system, working to get an industry into compliance," he says. "So the enforcement part hasn't really kicked in on a level that it needs to be yet. It's coming though, there's no doubt about it, but it takes time to get the regulatory structure and people in place."

And while Bauer says he can't comment on the pending lawsuit, he does agree that a better understanding of the cumulative impacts from the industry is crucial.

"Figuring out how many industrial activities you have taking place across a forested landscape before you get impaired habitat, that kind of information hasn't really been done," he says. Although numerous agencies are working hard to assess a range of environmental impacts, "This kind of research takes time," he says.

Humboldt County contains a diverse landscape, from coastal redwood forests to oak woodlands to grasslands. And it has a diversity of species, too. "It's an abundance of rare and sensitive plants, fish and wildlife species that are all right here," Bauer says. Most research on the impact of water diversions, for instance, have focused on large rivers, but many areas of critical concern in Humboldt are small headwater streams and springs that have the ability to influence downstream flow and fisheries, as well as upstream habitat for wildlife, such as amphibians. "We know they're being impacted but we just don't know to what degree," Bauer adds.

Enforcement and Economics

How regulations like Humboldt's ordinance will impact the watershed also depends on how many growers from the black market will come into the fold. And it won't solve problems related to some of the most egregious environmental offenders, such as large trespass grows.

Frankie Myers, from the Office of Tribal Heritage Preservation at the neighboring Yurok Tribe, has spent six years helping to eradicate destructive trespass grows from the tribe's reservation and ancestral territories where he says he's seen the "full array of watershed impacts," including septic systems emptying directly into a rivers and one operation that was pumping water simultaneously from three separate creeks.

"The vast majority that we deal with don't fit the model that the ordinance was written for," Myers says. He's seen growers in the area "who treat the landscape with respect and are growing in a positive way for the betterment of the economy," he says. But those aren't the individuals he and his tribe have had to deal with the most – those growers are largely from out of the state or



A screech owl caught in netting placed around a cannabis plant in Humboldt County, California. (California Department of Fish & Wildlife)

country and chose the Humboldt hills to avoid any regulation or enforcement.

The county will need to contend with cracking down on those kinds of illegal operations and holding regulated operations accountable to new rules at the same time. And all of this will be taking place in a county where cannabis is a large and well-established part of the economy.

But legalization across the state already seems to be changing the economics of the industry, driving prices down, which may help reduce the number of growers in Humboldt that are operating in remote locations and causing some of the most severe watershed impacts. "It's pretty expensive to grow in the hills, if you're trucking in soil, maybe even water, you're traveling to get to town, you're bringing workers in, your expenses add up," says Greacen.

From an environmental perspective, that could mean less cumulative impacts over time, but also more abandoned operations that haven't been properly cleaned up.

What it all comes down to are two issues, says Greacen. "Are the rules good enough, and then, will they be enforced?" His organization's lawsuit addresses only the first part, but the second issue looms large.

"It tends to undermine the overall theory that by legalizing the industry we're going to easily usher in a new era of prosperity and low-impact pot agriculture," he says. "It's not working out that way."

New Business

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

SECTION 12, PAGE NO. 1

To: Board of Directors

Date: July 12, 2018

From: Chris Harris

RE: City of Arcata Agreements

Background

In the 1970's, there were three meters installed at 4200 West End Road, Arcata for the then Flakeboard Plant and Simpson Timber (now Alves Construction and Figas Construction). These meters (8" fire meter, 1" bypass meter, and a 2" meter) are connected directly to the HBMWD transmission line.

These meters are (and have been) handled differently than other meters connected directly to District lines. Based on an agreement between the District and the City of Arcata, HBMWD includes any water used through these meters on the City of Arcata monthly wholesale invoice. In turn, the City includes charges for fire service on their domestic water bills to these customers. Copies of the limited documentation of these agreements are included.

Recently these meters became an issue of concern due to the fire suppression line being used as a regular source for water. While this has been resolved with the City of Arcata, this issue, as well as the next item under "New Development" below, has highlighted the need for a more formal agreement.

New Development

A new project on Alder Grove Road is requiring the installation of a fire line. Based on the proximity of the existing HBMWD line and the desire of the City of Arcata not to trench OVER the District line, the City of Arcata has asked to connect this new fire line directly to the HBMWD line (photo of area will be provided during the meeting).

HBMWD management staff has discussed this and is supportive.

HBMWD would again include any water consumption on the monthly wholesale invoice, and the City of Arcata would again be responsible for billing their retail customer for the additional fire service line. After review and discussion, management staff is supportive of the City of Arcata completing the required work, with HBMWD staff onsite to observe. All materials, labor and equipment would be provided by the City of Arcata. The City of Arcata would furthermore be responsible for any repairs or issues that arise from this installation.

Recommendation

Staff requests permission to draft an agreement to be reviewed by the District Attorney outlining the Districts position for these meters on HBMWD lines. The agreement would delineate the Districts position on including any water usage through these meters with the monthly wholesale invoice for the City of Arcata, as well as give the

responsibility of billing these retail customers to the City of Arcata (these are currently City of Arcata domestic water customers).

Once drafted and reviewed, Staff requests board approval to enter into an agreement with the City of Arcata regarding these three fire meters.

Attachments

Picture of one of the 4200 West End Road meters

Letter from R. Molloy – General Manager, August 22, 1978

Letter from A. Bolli - General Manager, April 6, 1979

Letter from Dale Stoveland – Production/Services Supervisor, July 1, 1983



HBMWD

SECTION 12 PAGE NO. 4

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, P. O. BOX 95 - EUREKA, CALIFORNIA 95501
OFFICE 707-443-5019 ESSEX 707-822-1111

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WALTER J. WARREN
W. A. ROBINSON

GENERAL MANAGER
ROBERT K. MOLLOY
SUPERINTENDENT
EDWARD H. HENLEY

AUGUST 22, 1978

MR. FRANK KLOPP
CITY OF ARCATA
CITY HALL
736 F STREET
ARCATA, CA 95521

DEAR FRANK:

ENCLOSED ARE COPIES OF THE TITLE PAGE AND PAGE 154 OF AN EXCERPT FROM THE CALIFORNIA ADMINISTRATIVE CODE TITLE 17 - PUBLIC HEALTH. UNDOUBTEDLY, YOU ARE VERY FAMILIAR WITH THE STATED REQUIREMENTS.

I ASSUME YOU WILL HAVE THE SIMPSON TIMBER COMPANY - MAD RIVER PLANT AND THE HUMBOLDT FLAKEBOARD PLANT METER BACKFLOW DEVICES CHECKED AS NOTED UNDER PARAGRAPH 7605 ON PAGE 154. **THE CITY OF ARCATA SELLS WATER DIRECTLY TO THESE TWO FACILITIES.**

JUST A REMINDER. PERHAPS YOU ARE AHEAD OF ME AND THE MATTER HAS BEEN TAKEN CARE OF ALREADY.

YOURS TRULY,

ROBERT K. MOLLOY
GENERAL MANAGER

RKM:FAA

ENCLOSURE

HBMWD

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

SECTION 12 PAGE NO. 5

828 SEVENTH STREET, P. O. BOX 95 - EUREKA, CALIFORNIA 95502

OFFICE 707-443-5018 ESSEX 707-822-291

BOARD OF DIRECTORS

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W. A. ROBINSON

GENERAL MANAGER
ARTHUR BOLLI

SUPERINTENDENT
EDWARD H. HENLEY

APRIL 6, 1979

MR. FRANK KLOPP
DIRECTOR OF PUBLIC WORKS,
CITY OF ARCATA
736 "F" STREET
ARCATA, CA. 95521

DEAR FRANK:

AS YOU WILL SEE FROM THE ATTACHED METER READINGS
SIMPSON TIMBER CO. AND HUMBOLDT FLAKEBOARD (L/P)
SEEM TO HAVE DRASTICALLY REDUCED THEIR WATER USAGE.
**THESE ACCOUNTS ARE BILLED BY THE CITY, WE ONLY
READ THE METERS.**

WHEN I SPOKE TO YOU BY TELEPHONE, YOU INDICATED THAT
YOU WOULD CHECK THE METERS AND ALSO INVESTIGATE THE
EFFECT OF THE NEW 2" LINE TO SIMPSON. UNTIL WE HEAR
FROM YOU, WE WILL CONTINUE TO SEND OUT METER READ-
INGS TO ARCATA "AS-IS", WITH ANY NEEDED CORRECTIONS
TO BE MADE LATER.

SINCERELY,

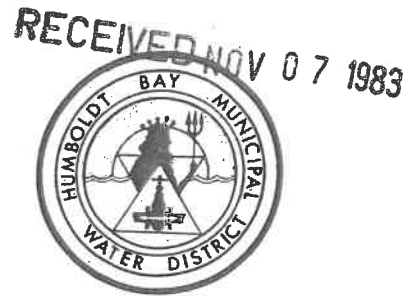


ARTHUR BOLLI,
GENERAL MANAGER

✓ COPY: ED HENLEY-DISTRICT SUPERINTENDENT

AB/SAR

WD 021496



SECTION 17 PAGE NO. 6
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

B28 SEVENTH STREET, P. O. BOX 95 - EUREKA, CALIFORNIA 95501
OFFICE 707-443-5018 ESSEX 707-822-2918

RECEIVED

JUL 5 1983

CITY OF ARCATA
DEPT. OF PUBLIC WORKS

JULY 1, 1983

BOARD OF DIRECTORS
HERBERT O. URBAN, PRESIDENT
LESTER L. LARSEN, VICE-PRESIDENT
WALTER J. WARREN, SECRETARY-TREASURER
JOHN G. BAURIEDEL, DIRECTOR
LLOYD L. HECATHORN, DIRECTOR

GENERAL MANAGER
ARTHUR BOLLI
SUPERINTENDENT
DONALD C. REED
MR. FRANK KLOPP
CITY OF ARCATA
736 "F" STREET
ARCATA, CA 95521

THE HUMBOLDT BAY MUNICIPAL WATER DISTRICT HAS BEGUN
ITS ANNUAL INSPECTION OF BACKFLOW PREVENTION DEVICES
AS REQUIRED BY SECTION 7605 OF TITLE 17 OF THE CALIFORNIA
ADMINISTRATIVE CODE.

THE SERVICES(S) DESCRIBED BELOW BELONG TO CUSTOMERS
WHICH YOU SERVE BUT ARE ATTACHED TO OUR PIPELINE. WOULD
YOU, THEREFORE, INSPECT THE BACKFLOW PREVENTION DEVICE
ON THE SERVICE(S) AND SEND US NOTICE OF THE RESULTS.

THE SERVICE(S) REFERRED TO IS (ARE):

SIMPSON TIMBER-MAD RIVER PLANT
LOUISIANA-PACIFIC-HUMBOLDT FLAKEBOARD PLANT

SINCERELY,
Dale J. Stoveland (DJS)
DALE J. STOVELAND
PRODUCTION/SERVICES SUPERVISOR

DJS/SAR

9-14-83

Louisiana-Pacific Backflow Prevention Device - OK
Simpson Timber Backflow Prevention Device - OK

L.B.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

SECTION I3, PAGE NO. 1

To: Board of Directors

Date: July 12, 2018

From: Chris Harris

RE: District Conflict-of-Interest Code (Ordinance 12, Amended August, 2014)

Background

The Humboldt County Office of Elections & Voter Registration and the Political Reform Act requires local government agencies to review their conflict of interest code biennially.

This is to determine if the current code is accurate and meets all current requirements. This also provides all agencies an opportunity to amend the code.

Discussion

The District has received notification that it is time to complete the "2018 Local Agency Biennial Notice". It is due to the Office of Elections and Voter Registration by September 7, 2018 (included). The Office of Elections receives all local agency forms and presents them to the Board of Supervisors for approval.

Staff reviewed the website www.fppc.ca.gov for new releases or changes to our code as amended on August 2014. At this time, since there are no recommendations for any amendments to Conflict-of-Interest Code, the District's Ordinance 12, Conflict-of-Interest Code is current.

Recommendation

Staff recommends that the Board approve the District's "2018 Local Agency Biennial Notice" with a response of "No amendment is required."

Attachments

2018 Local Agency Biennial Notice

2018 Local Agency Biennial NoticeName of Agency: HUMBOLDT BAY MUNICIPAL WATER DISTRICTMailing Address: 828 7th ST., EUREKA CA 95501Contact Person: CHRIS HARRIS Phone No. 707-443-5018Email: HARRIS@HBMWD.COM Alternate Email: _____

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.

Signature of Chief Executive Officer

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2018**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

Engineering

Activity ID	WBS	Activity Name	Original Duration	Total Float	Start	Finish	June 2018				July 2018				August 2018				September 2018				October 2018			
							03	10	17	24	01	08	15	22	29	05	12	19	26	02	09	16	23	30	07	14
Project: Mad River Crossing			112	17	24-Apr-18 A	26-Sep-18	26-Sep-18, Project																			
WBS: Connections and Testing			52	17	02-Jul-18	11-Sep-18	11-Sep-18, WBS: Connections and																			
A1040	HBMWD.3	Pothole Tie in sta. 22+93	1	20	27-Aug-18	27-Aug-18	Pothole Tie in sta. 22+93																			
A1050	HBMWD.3	Excavate for new tie in sta. 10+00	1	53	10-Jul-18	10-Jul-18	Excavate for new tie in sta. 10+00																			
A1060	HBMWD.3	Excavate for new tie in sta. 22+93	1	20	28-Aug-18	28-Aug-18	Excavate for new tie in sta. 22+93																			
A1070	HBMWD.3	Trench and install PVC pipe to tie in 10+00	2	17	31-Aug-18	03-Sep-18	Trench and install PVC pipe to tie in 10+00																			
A1080	HBMWD.3	Trench and install PVC pipe to tie in 22+93	1	18	31-Aug-18	31-Aug-18	Trench and install PVC pipe to tie in 22+93																			
A1090	HBMWD.3	Flush and test new pipe section	3	17	04-Sep-18	06-Sep-18	Flush and test new pipe section																			
A1160	HBMWD.3	Shutdown and tie Sta. 22+93	1	17	07-Sep-18	07-Sep-18	Shutdown and tie Sta. 22+93																			
A1180	HBMWD.3	Install water service at Sundberg Connection	2	0	02-Jul-18*	03-Jul-18	Install water service at Sundberg Connection																			
A1190	HBMWD.3	Cap and abandon line on Warren Creek	1	17	10-Sep-18	10-Sep-18	Cap and abandon line on Warren Creek																			
A1200	HBMWD.3	Cap and abandon line at GRS yard	1	17	11-Sep-18	11-Sep-18	Cap and abandon line at GRS yard																			
A1240	HBMWD.3	Pothole Tie In Sta. 10+00	1	0	09-Jul-18*	09-Jul-18	Pothole Tie In Sta. 10+00																			
A1250	HBMWD.3	Shutdown and Tie in sta. 10+00	1	53	11-Jul-18	11-Jul-18	Shutdown and Tie in sta. 10+00																			
WBS: Boring			55	17	15-Jun-18	30-Aug-18	30-Aug-18, WBS: Boring																			
A1000	HBMWD.2	Setup Drill	2	-12	12-Jul-18	13-Jul-18*	Setup Drill																			
A1010	HBMWD.2	Drill and Pull Pipe	30	17	16-Jul-18	24-Aug-18	Drill and Pull Pipe																			
A1020	HBMWD.2	Clear and Grade Exit Pit	1	3	15-Jun-18	15-Jun-18	Clear and Grade Exit Pit																			
A1030	HBMWD.2	Weld and De-Bead Pipe	5	22	02-Jul-18	06-Jul-18	Weld and De-Bead Pipe																			
A1100	HBMWD.2	Pressure Test HDPE Pipe	1	17	30-Aug-18	30-Aug-18	Pressure Test HDPE Pipe																			
A1110	HBMWD.2	Install Flange Adapter	1	17	29-Aug-18	29-Aug-18	Install Flange Adapter																			
A1210	HBMWD.2	Pull Conductor Casing	1	17	24-Aug-18	24-Aug-18	Pull Conductor Casing																			
A1220	HBMWD.2	Grout Pipe	1	17	27-Aug-18	27-Aug-18	Grout Pipe																			
A1230	HBMWD.2	Mandrel Pipe	1	17	28-Aug-18	28-Aug-18	Mandrel Pipe																			
WBS: Mobilization Phase			57	-8	24-Apr-18 A	11-Jul-18	11-Jul-18, WBS: Mobilization Phase																			
Submittals	HBMWD.1	Mobilize Drill and Equipment	3	-12	09-Jul-18*	11-Jul-18	Mobilize Drill and Equipment																			
Submittals	HBMWD.1	Submittals	5	5	24-Apr-18 A	15-Jun-18	Submittals																			
Submittals	HBMWD.1	Pipe Delivery	5	0	25-Jun-18*	29-Jun-18	Pipe Delivery																			
Submittals	HBMWD.1	Mobilize Equipment	1	0	14-Jun-18*	14-Jun-18	Mobilize Equipment																			
WBS: Restoration and Cleanup			11	17	12-Sep-18	26-Sep-18	26-Sep-18, WBS: F																			
A1120	HBMWD.4	Patch Pave Warren Creek Road	1	17	12-Sep-18	12-Sep-18	Patch Pave Warren Creek Road																			
A1130	HBMWD.4	Install final erosion control at warren creek slope	2	17	13-Sep-18	14-Sep-18	Install final erosion control at war																			
A1140	HBMWD.4	Final grading and restoration at GRS yard	2	17	17-Sep-18	18-Sep-18	Final grading and restoration																			
A1150	HBMWD.4	Valve collars	1	17	19-Sep-18	19-Sep-18	Valve collars																			
A1170	HBMWD.4	Punchlist and Cleanup	5	17	20-Sep-18	26-Sep-18	Punchlist and Clean																			

█ Actual Work
 █ Critical Remaining Work
 Summary
 Remaining Work
 ◆ Milestone



SECTION J1a PAGE NO. 2
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

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MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

June 18, 2018

Mr. Devin Theobald
Senior Environmental Analyst
County of Humboldt
1106 2nd Street
Eureka, CA 95501-0531

RE: Agreement 4600009714, Humboldt Bay Municipal Water District
Blue Lake Fieldbrook Pipeline Support Retrofit

Dear Devin,

The purpose of this letter is to certify the Humboldt Bay Municipal Water District as CEQA Lead for the following activities, received no comments for the following Notice of Determination:

Blue Lake Fieldbrook Pipeline Support Retrofit, SCH#2017072029

To the best of my knowledge, there were no legal challenges to this Notice of Determination.

Respectfully,


John Friedenbach
General Manager

cc: Pat Kaspari, GHD



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

SECTION 11a PAGE NO. 3

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

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BARBARA HECATHORN, DIRECTOR
MICHELLE FULLER, DIRECTOR

GENERAL MANAGER
JOHN FRIEDENBACH

June 5, 2018

WARREN CREEK ROAD RESIDENTS

<txtCustomerName>
<txtCustomerAddress>

RE: Blue Lake Fieldbrook-Glendale Pipeline Crossing Project

Dear <txtCustomerName>,

As previously communicated to you, the Humboldt Bay Municipal Water District will be replacing our 14" water supply pipeline that is presently supported by the old North Coast Railroad Authority (NCRA) trestle across the Mad River. The existing trestle has not been maintained for decades and is at risk during a large earthquake or flood event. The pipeline is the main water supply to the communities of Blue Lake and Fieldbrook-Glendale. We will replace and relocate the pipeline under the Mad River using a horizontal directional drilling method. This will necessitate the complete shut-down of the water supply to all residents of Warren Creek Road as well as all Fieldbrook-Glendale residents. The shut-down may be for up to two days. **It is strongly recommended that you plan in advance to store enough water to supply your household for up to two days. Do not forget to plan for your pets and livestock as well.**

The Blue Lake, Arcata and Fieldbrook Fire Departments have been given this information as well as Arcata Mad River Ambulance, Humboldt County Sheriff's Office, California Highway Patrol, City Ambulance, the Arcata Police Department, Humboldt County Office of Emergency Services and the North Coast Air Quality Management District (NCAQMD). We will be asking that the NCAQMD declare NO BURN DAYS.

Please note: If you have a water pump beyond your water meter, you may want to consider acquiring a protective device that you can install on your side of the meter to avoid damage to your pump.

Warren Creek Road may be subject to controlled traffic and limited delays during the construction phase of this project.

We would like to invite our neighbors who would like more information and a better understanding of impacts the construction may have to come to an informational meeting at our Essex facility located at **7270 West End Road, at 5:30 pm on Monday June 18th**.

We hope to see you on June 18th at our Winzler Control Center but if you are unable to make it and have questions or concerns, please call our office at 707-443-5018.

Sincerely,

John Friedenbach
General Manager



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

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GENERAL MANAGER

JOHN FRIEDENBACH

June 18, 2018

City of Blue Lake Residents
and

Fieldbrook Glendale Community Service District Residents

RE: Blue Lake Fieldbrook-Glendale Pipeline Crossing Project

Dear Water Customers,

During this summer, the Humboldt Bay Municipal Water District will be replacing our 14" water supply pipeline that is presently supported by the old North Coast Railroad Authority (NCRA) trestle across the Mad River. The existing trestle has not been maintained for decades and is at risk during a large earthquake or flood event. The pipeline is the main water supply to the communities of Blue Lake and Fieldbrook-Glendale.

We will replace and relocate the pipeline under the Mad River using a horizontal directional drilling method. This will necessitate the complete shut-down of the water supply transmission line to all residents of Blue Lake and Fieldbrook-Glendale. The shut-down may be for one full day at two different times. **With conservation measures from all residents, it is anticipated that there will be no loss of water to residents during the supply interruption, and that the storage tanks of each municipality will be sufficient.** The current construction schedule anticipates this shutdown to occur during August and September. We will notify you again, in advance of the actual shut-down once the dates are known. **It is strongly recommended that you plan in advance to conserve and store enough water to supply your household for up to one day. Do not forget to plan for your pets and livestock as well.**

The Blue Lake, Arcata and Fieldbrook Fire Departments have been given this information as well as Arcata Mad River Ambulance, Humboldt County Sheriff's Office, California Highway Patrol, City Ambulance, the Arcata Police Department, Humboldt County Office of Emergency Services and the North Coast Air Quality Management District (NCAQMD). We are asking that the NCAQMD declare NO BURN DAYS.


Please note: If you have a water pump beyond your water meter, you may want to consider acquiring a protective device that you can install on your side of the meter to avoid damage to your pump.

We would like to invite our neighbors who would like more information and a better understanding of impacts the construction may have, to come to an **informational meeting at 7:00 pm at the Skinner Store located at 111 Greenwood Road, Blue Lake (behind Blue Lake City Hall). This is a joint meeting for Fieldbrook Glendale CSD and City of Blue Lake residents.**


We hope to see you on June 28th at Skinner Hall, but if you are unable to make it and have questions or concerns, please call Blue Lake City Hall at 707-668-5655 or FGCS D at 707-443-5018. If you encounter issues during the construction, you may contact the contractor, Mercer-Fraser, at 707-443-6371.

Sincerely,


John Friedenbach


General Manager
HBMWD

Rick Hanger


General Manager
FGCS D

Mandy Mager


City Manager
City of Blue Lake

Humboldt Bay Municipal Water District

To: Board of Directors
From: John Friedenbach
Date: July 5, 2018
Re: License Agreement with North Coast Rail Authority for 12kV Switch Gear Relocation Hazard Mitigation Grant

Background

In August 2016 the District submitted a Hazard Mitigation Grant (HMG) application to FEMA through CalOES to relocate our 12kV Switch Gear at Essex. The Switch Gear is original equipment from the District's inception and is located within the flood plain of the Mad River. The project proposes to relocate to the abandon railroad grade which is located adjacent to Essex just below West End Road, but at a higher elevation than Essex and above the flood plain. Two site alternatives were considered in the grant application. The first and preferred site is located on the railroad grade which is owned by the North Coast Rail Authority (NCRA). See attached. [pages J1b 24, 25] The second site is on District property which is located near Essex but at a lower elevation and would require more costly site preparation. See attached. [pages J1b 26]

As a condition to accept the District's grant application, assurances that the District could locate the new facility on the NCRA property had to be obtained. Discussions and negotiations resulted in a proposed lease agreement that was approved by our Board in October 2016, with the condition that it would be contingent upon the District receiving the FEMA HMG for the project. See attached. [pages J1b 27, 28, 29]

In May of 2018, the District received the grant award letter from FEMA. See attached. [pages J1b 30]

In June of 2018 District staff became aware of proposed legislation SB 1029 sponsored by California State Senator Mike McGuire. SB 1029 proposes to abolish the NCRA and replace it with the Sonoma-Marin Area Rail Transit District (SMARTD) and the Great Redwood Trail Agency (GRTA). The SMARTD would operate south of mile post 142.5 located near Willits.

GRTA would receive the "rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its [NCRA] right-of-way north of mile post 142.5. The bill would also "to the extent funding is available, require the agency [GRTA] to, among other things, inventory any parcel, easement, or contract related to the northern portion of the right-of-way, complete an environmental assessment of the conditions of the northern portion of the right-of-way, plan, construct, operate, and maintain a trail in, or next to, the northern portion of the right-of-way, and complete a railbanking process,

if and where appropriate. The bill would also provide that the agency has certain enumerated rights and powers, including to fix and collect fees, make grants, acquire interests in real property, and to enter into contracts and joint power agreements.

See attached. [pages J1b 31, 32, 33]

Discussion

Given the timing of the grant award in May and the potential for the NCRA to be dissolved, staff thought it prudent to revisit the initially approved easement agreement with NCRA for the proposed site of the 12kV project and to investigate if NCRA would be amenable to some modifications. The agreement provisions that were of most concern were: 1) the term of 30 years; 2) the escape clause of 180 days; and 3) the definition of what would constitute cause for termination of transit activities.

Staff participated in a NCRA Properties Committee conference call meeting on June 21st. During that meeting, staff proposed the following modifications to the original agreement: 1) term of 50 years; 2) escape clause of 60 months (5 years); and 3) defining "transit activities" to be "rail transit activities". See attached. [pages J1b 3]

Staff also was provided the opportunity to speak with Senator McGuire, author of SB 1029, about several current legislative items. One of which was SB 1029. Senator McGuire was understanding of the District's concerns relative to the relocation of our 12kV switch gear and was provided information about the project.

Action

Staff is requesting approval of the revised NCRA Commercial License agreement. See attached. [pages J1b 3 to 23]

NCRA COMMERCIAL LICENSE

THIS COMMERCIAL LICENSE ("License") is entered into as of the 15 day of July, 2018 by and between the NORTH COAST RAILROAD AUTHORITY, a legislatively created state agency ("Licensor"), and, HUMBOLDT BAY MUNICIPAL WATER DISTRICT, a California Municipal Corporation ("Licensee").

Premises

Subject to the terms and conditions set forth herein Licensor hereby Licenses to Licensee, and Licensee Licenses from Licensor, the real property and any improvements thereon located near the Cities of; Arcata, County of Humboldt, State of California ("Premises") consisting of a 57' x 25' area of land located at APN 504-201-004, together with a non-exclusive access area approximately 550' x 20' located along the Kobel/Annie Mary Branch Lead, on or near 7270 West End Road, consisting of land for the purpose of installing and maintaining an electrical switchgear facility with surrounding housing and fencing, and access, as depicted on Exhibit A, attached to this License and incorporated into it by this reference.

Effective Date

This License shall take effect on July 15, 2018 ("Effective Date"), and supersedes any prior License existing between the parties or their predecessors.

Term

This License shall be for a of term fifty (50) years ("License Term") from the Effective Date, and shall automatically renew for successive five (5) year terms thereafter, as provided in Section 11 hereof, unless sooner terminated as provided herein.

Termination for Rail Transit Activities

Either party may terminate this License by giving a sixty (60) calendar months written notice. Licensor may require Licensee to remove any or all of Licensee's Alterations upon termination, pursuant to the Section 24 below. LICENSEE HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO RECEIVE BENEFITS UNDER FEDERAL AND STATE UNIFORM RELOCATION ACTS (UNITED STATES CODE, SECTION 7260, ET SEQ.) AS A RESULT OF LICENSOR'S USE OR POSSESSION OF ANY PORTION OF THE PREMISIS.

Licensee

1. Use

The Premises shall be used by Licensee solely and exclusively for installing and maintaining an electrical switchgear facility with surrounding housing and fencing, and access, *as specified on Exhibit "A"* ("permitted Use"). Licensee shall not use the Premises for any other use other than the Permitted Use without Licensor's prior written consent, which consent may be withheld by Licensor in its sole discretion.

Restriction on Use

Licensee shall not permit any damage, nuisance or waste on the premises; nor permit to be placed upon the Premises any gasoline, diesel fuel, oil, other petroleum products, or any hazardous or explosive material, waste or substance.

Regulatory Approvals

Licensee, at Licensee's expense, shall arrange for the filing of any map required under any subdivision map act and of any environmental impact report required, or other requirements imposed by any governmental body having jurisdiction in the matter. If any governmental body seeks to impose any condition on approval of Licensee's use of the Premises, Licensor may terminate this License forthwith if any such condition shall effect any other property of Licensor or shall affect the Premises after this License is no longer in effect.

Compliance with Laws

Licensee at Licensee's expense, shall at all times during the Term comply with all applicable laws, regulations, rules and orders with respect to Licensee's use and/or improvement of the Premises, regardless of when they become or became effective, including, without limitation, those relating to construction, grading, signage, health, disability accommodation (including the Americans with Disabilities Act), safety, noise, environmental protection, waste disposal, and water and air quality. Licensee shall furnish satisfactory evidence of such compliance upon request of Licensor.

Prior Rights

This License is made subject to all licenses, easements, restrictions, conditions, covenants, encumbrances, liens, and claims of title that may affect the Premises in effect as of the Effective Date of the License. The word "License" shall not be construed as a covenant against the existence of any of these.

2. Condition of Premises

"AS IS" Rental. Licensor Licenses the Premises to Licensee on an "AS IS" basis, and Licensee acknowledges that Licensor has made no representations of any kind in connection with soils, improvements, or physical conditions on the Premises, or bearing on the use of the Premises, whether express or implied.

3. Inspections

Licensee shall be solely responsible for conducting any inspections it may deem necessary or appropriate in determining whether to enter this License. Prior to the Effective Date, Licensee may examine and inspect all matters with respect to taxes, operating expenses, insurance costs, bonds, permissible uses, historical uses, zoning, covenants, conditions and restrictions and all other matters which in Licensee's judgment might bear upon the value and suitability of the Premises for Licensee's purposes or Licensee's willingness to enter into this License. Licensee acknowledges that Licensor has made no representations and warranties regarding these matters, whether express or implied, and the Licensee has relied on its own inspections and examinations contemplated in this Section 3 and Licensee be deemed to have accepted the Premises "AS IS" with all faults.

4. Rent

Commencing as of the Effective Date, Licensee shall pay to Licensor as for the Premises the sum of One Thousand Two Hundred dollars (\$1,200.00) per year ("Rent"), subject to adjustment as provided in Section 5 below. Rent shall be payable annually, in advance, to Licensor on or before each anniversary of the Effective Date during the License Term, as it may be extended, in lawful money of the United States, at the address set forth in Section 9 below, without deduction, setoff, prior notice or demand of any kind.

5. Rental Adjustments

Beginning one year following Effective Date, and continuing thereafter on each anniversary of the Effective Date during the License Term, as it may be extended ("Anniversary Date"), Rent shall be increased by the increase in the Consumer Price Index or three percent (3%), whichever is greater, provided that in no event shall the rent be decreased. The increase in the Consumer Price Index means the percentage increase from the last preceding Anniversary Date to the current Anniversary Date of the Consumer Price Index - US all urban consumers, as published by the United States Department of Labor, Bureau of Labor Statistics.

6. Security Deposit

Licensee shall not be required to provide a Security Deposit to Licensor.

7. Late Charges; Interest

A. Late Charges

If any installment of rent or other sum due from Licensee is not received by Licensor within ten (10) days of the date it is due, then Licensee shall pay to Licensor a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such a late charge represents a fair and reasonable estimate of the costs Licensor will incur by reason of late payment by Licensee which are impracticable to estimate. Acceptance by Licensor shall in no event constitute a waiver of Licensee's default or breach with respect to such overdue amount or prevent Licensor from exercising any other rights and remedies granted herein.

B. Interest

Any monetary obligation due Licensor hereunder, other than late charges, not received by Licensor within ten (10) days of the date it is due, shall bear interest from the date due at the current Prime rate plus four percent or the then prevailing maximum rate permitted by applicable law, whichever is less ("Interest Rate").

8. Taxes

Licensee shall pay, before they become delinquent, all taxes, charges, and assessments, which are levied upon, or assessed against any improvement or personal property, placed upon the Premises by Licensee. Licensee shall pay, before they become delinquent, any and all property taxes and/or possessory interest taxes, assessments and/or supplemental taxes which are levied or assessed by any local public entity or government on the Premises or Licensee's possession and/or use thereof. In addition to the taxes and assessments specified above, Licensee shall pay to Licensor any privilege, sales, gross income or other tax (not including federal or state income tax), if any, imposed upon the Rent received by Licensor by an agency having the authority to do so.

9. Notices

All notices, payments, or other communications by either party to the other under this License shall be in writing and shall be deemed to have been given or made on the date of service if served personally or on the second business day after mailing if mailed to the party whom notice is given by first class mail, registered or certified, postage prepaid and properly addressed as follows:

Payments

To Licensor: North Coast Railroad Authority
419 Talmage Rd. Ste. M
Ukiah, CA 95482
Attn: Hiedy Torres

Notices:

To Licensor: North Coast Railroad Authority
419 Talmage Rd. Ste. M
Ukiah, CA 95482
Attn: Executive Director

With a copy to: Christopher J. Neary
Attorney at Law
110 S. Main St. Ste. C
Willits, CA 95490

And a copy to: FEC ROW LLC
7411 Fullerton Street, Suite 301
Jacksonville, FL 32256

To Licensee: Humboldt Bay Municipal Water District
828 7th Street
Eureka, CA 95501
Attn: Becky Moyle, Accounting/HR Specialist

Either party may change its address by providing written notice to the other as provided herein.

10. Alterations

Licensee may at its sole cost and expense complete the Alterations generally described in Exhibit A to this License. Other than these improvements, Licensee shall not make or suffer to be made any alterations, additions or improvements (collectively "Alterations") in on or to the Premises without the prior written consent of Licensor, which consent shall not be unreasonably withheld or delayed. Any Alterations Licensee is permitted to make shall be made at Licensee's sole cost and expense except as the parties may otherwise expressly agree in writing. Prior to commencement of construction of the Alterations, Licensee shall deliver to Licensor, and obtain Licensor's approval of, a detailed construction plan for the Alterations at least thirty (30) days prior to the intended date of commencement of construction, which approval shall not be unreasonably withheld or delayed. Prior to commencement of construction, Licensee shall also obtain and deliver to Licensor copies of all city, county, and/or other regulatory permits required for construction of the Alterations. Licensee shall keep the Premises free and clear of all liens of any kind. Licensee shall give the Licensor at least ten (10) days' prior written notice of commencement of any kind of work on Alterations, so that Licensor may post appropriate notices of non-responsibility, and Licensee hereby grants permission to Licensor to enter onto Premises for that purpose. Licensee at its cost shall provide to Licensor a performance bond equal to 125% of the total estimated cost of any proposed Alterations prior to commencement of work thereon. All work on Alterations shall be performed in a workman like manner and shall comply with all applicable governmental permits, laws, ordinances and regulations, including, but not limited to, any procedures promulgated by Licensor. All work on Alterations shall be completed by contractors licensed in the State of California which shall have in place prior to commencement of work the policies of insurance required of Licensee by Section 18 below, as evidenced by a certificate of insurance delivered to and approved by Licensor. Licensor shall have the right to enter onto the Premises and to inspect construction of the Alterations during construction. All Alterations and fixtures, whether temporary or permanent in character, made in or upon or added to the Premises by Licensee shall be Licensor's property at the end of the License Term without compensation to Licensee, subject to the provisions of Section 25 below.

11. Option to Renew

Subject to the terms and conditions set forth in this Section, and provided that Licensee has complied with all terms and conditions of the License prior to the date of exercise; and, Licensee is not at the time of exercise in default under the License, the License shall automatically renew for additional five (5) year terms ("Renewal Term") subject to Section 5 Rental Adjustments and continue until such time the License is terminated pursuant to Section 13.

12. Utilities

Licensee shall arrange and pay for all utilities, if any, including without limitation, water, electric, gas, garbage, communications and sewer services, to be used in connection with this License. If Licensor is required to contract with a utility to provide access for the service to Licensee at the Premises for Licensee's sole use, Licensee shall pay to Licensor the sum of \$200.00 upon receipt of a bill therefore to partially defray administrative costs.

13. Termination

This Agreement may not be terminated, except as provided in the section titled "Termination for Transit Activities" of this License, or except by written agreement signed by all parties, their successors or assigns hereto. At the request of either party hereto, the parties shall reasonably cooperate in the preparation of such agreement, which shall be executed and delivered by each party to the other.

14. Maintenance and Repair

Licensee shall keep the Premises, including any improvements located thereon, in safe condition and in good order, condition and repair at all times during the License Term at Licensee's sole cost and expense. Licensee shall, at Licensee's sole expense repair any area damaged by Licensee, Licensee's agents, employees and visitors. Licensee acknowledges that Licensor is under no duty to repair or make improvements to the Premises. If Licensee fails to perform Licensee's obligations under this Section, Licensor may enter upon the Premises after ten (10) days prior written notice to Licensee (except in the case of an emergency, in which case no notice shall be required) and perform such obligations on Licensee's behalf and expense as provided in Section 22(a) of this License. At the end of the License Term, Licensee shall surrender the Premises to Licensor in the same condition as when received, ordinary wear and tear accepted.

15. Liens

Licensee shall not permit any mechanics' or material men's liens, stop orders or other liens (collectively, "Liens") to be filed against the Premises nor against the Licensee's License hold interest therein by reason of such labor or materials furnished to the Premises at Licensee's instance or request. If any such liens are filed against the Premises, Licensee shall cause the same to be discharged of record either by payment of the claim or by posting and recording the bond contemplated by California Civil Code Section 3143, within twenty (20) days after demand by Licensor. Licensee shall indemnify, hold harmless, and defend Licensor from and against any such liens.

16. Indemnification

Licensee shall indemnify, defend and hold harmless Licensor, the North Coast Railroad Authority, the successors and assigns of any of them, any railroad company operating on the premises, and their respective directors, officers, employees, agents, contractors (including but not limited to, any person that may be operating Licensor's railroad tracks and services) and any other person acting on Licensor's behalf and all liabilities, penalties, losses, damages, costs, loss of rent, expenses, demands, causes of action, claims, penalties, losses, judgments (collectively,

“Liabilities”) arising out of or in connection with (a) the use, maintenance, occupation, alteration, or improvement of the Premises by Licensee, (b) any act, omission, or neglect of Licensee, Licensee’s officers, employees, agents, servants, sub Licensees, concessionaires, contractors or visitors, and/or (c) any breach or default by Licensee of any of the terms, covenants or conditions of this License; provided, however that with respect to any Liability under sub-sections (a) and/or (b) above, Licensee shall not be obligated to indemnify any Indemnities for any Liability caused by the gross negligence or willful misconduct of that Indemnities. The duty to defend established herein shall include payment of all legal costs and charged, including reasonable or willful misconduct by Licensee against any Indemnities. Licensee waives any and all rights to any type of express or implied indemnity against Licensor, its directors, officers or employees. The provisions of this Section shall survive the expiration or termination of this License.

17. Environmental Provisions

(a). Definitions. As used in this Section. The following terms have the following definitions:

“Agencies” means any federal, state, or local governmental authorities, agencies or other administrative bodies with jurisdiction over Licensee or the Premises.

“Environmental Laws” means any federal, state, or local environmental, health, or safety-related laws, regulations, standards, court decisions, ordinances, rules, codes, orders, decrees, directives, guidelines, permits, or permit conditions, currently existing and as amended, enacted, issued or adopted in the future that are or become applicable to Licensee or the Premises, including, but not limited to the Consent Decree in *Hight v. North Coast Railroad Authority*, Mendocino County Superior Court, case No. 80240, a true and correct copy of which is posted at NCRA’s website, <http://www.northcoastrailroad.org>, and is incorporated herein by this reference.

“Existing Environmental Conditions” means the conditions disclosed in the report entitled *Phase II and Phase III Program Findings, Northwestern Pacific Railroad, Novato to Willits, dated March 1996*, prepared for Licensor by Geomatrix Consultants, a true copy of which is available for inspection at the NCRA’s office.

“Hazardous Material” means any chemical, substance, material, controlled substance, object, condition, waste, living organism, or combination that is or may be hazardous to human health or to the safety of the environment due to its radioactivity, flammability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness, or other harmful or potentially harmful properties or effects, including, without limitation. Petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCB’s and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms, or combinations that are now or become in the future listed, defined, or regulated in any manner by any Environmental Law based upon, directly or indirectly, their properties or effects.

“Licensee’s Parties” means Licensee’s employees, agents, customers, visitors, invitees, licensees, contractors, designees, or sub Licensee’s.

(b) Use of Hazardous Materials.

Licensee will not use or allow the use of the Premises in a manner that may cause “Hazardous Materials” to be released or to become present on, under, or about the Premises or other properties in the vicinity of the Premises.

(c). Environmental Compliance.

(i). Licensee and Licensee's parties will not at any time during the Term, cause or permit any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed, or used on, under, or about the Premises for any purpose, except as specifically approved in writing by Licensor (Permitted Hazardous Materials"), as amended from time to time. Any material change to the Permitted Hazardous Materials must be approved in advance in writing by Licensor, whose approval will not be unreasonably withheld.

(ii). During the Term, Licensee will take reasonable steps to protect against intentional or negligent acts or omission of third parties that might result directly or indirectly in the release, disposal, or other placement of Hazardous Materials on or under the Premises.

(iii). No asbestos-containing materials will be manufactured or installed for any purposes on or as part of the Premises, whether as part of Licensee's Parties' business operations or as Licensee improvements, unless approved in advance in writing by Licensor, whose approval will not be unreasonably withheld.

(iv). Licensee will keep, operate, and maintain the Premises in compliance with all, and will not cause or permit the Premises to be in violation of any, Environmental Laws.

(d). Underground Storage Tanks.

(i). Neither Licensee nor any of Licensee's Parties will install or use any underground storage tanks on the Premises unless specifically approved in advance in writing by Licensor, which approval may be withheld in Licensor's sole discretion. If Licensor approves Licensee's installation or use of underground storage tanks, Licensee will be responsible for compliance with all applicable requirements and environmental Laws, including, but not limited to, financial assurance requirements, and must furnish evidence satisfactory to Licensor of that compliance. Licensee will also test soil for settling and conduct appropriate tests of the tank and associated piping and equipment at the time of installation to assure that the tank has been properly installed.

(ii). At Licensor's option, upon the termination of this Lease at any time and for any reason, Licensee will, within forty-five (45) days from the date of the termination, remove all Hazardous Materials in, on, under, and about the Premises, in accordance with the requirements of all Environmental Laws and to the satisfaction of the Agencies (defined in Section 16(A)) and Licensor, and deliver to Licensor a copy of a certificate of closure issued for the tanks by the Agencies.

(e). Licensor's Right of Entry and testing. Licensor and Licensor's representatives have the right, but not the obligation, at any reasonable time to enter onto and inspect the Premises and to conduct reasonable testing, monitoring, sampling, digging, drilling, and analysis to determine if Hazardous Materials are present on, under, or about the Premises and to review and copy any documents, materials, data, inventories, financial data, or notices or correspondence to or from private parties or governmental authorities (collectively, "Inspection"). If the Investigation indicates the presence of any environmental condition that occurred during the term as a result of Licensee or Licensee's Parties activities, or failure to act where Licensee had a duty to act, in

connection with the Premises, Licensee will reimburse Licensor for the cost of conducting the tests.

(f) Environmental Assessment. Licensor may require Licensee to retain a duly licensed environmental consultant acceptable to Licensor that will perform an environmental compliance audit of the Premises and Licensee's and Licensee's Parties' business activities and compliance with the provisions of this Lease. Licensor may require Licensee to cause the environmental compliance audit to be conducted on an annual basis, the cost of which will be the sole responsibility of Licensee. If the results of the environmental compliance audit indicate that Licensee is or may be in violation of Section 16, Licensee will be responsible for the cost of any additional testing required by Licensor. Licensee must promptly provide a copy of the report from the consultant to Licensor upon receipt, and upon request must promptly provide to Licensor a copy of all data, documents, and other information gathered in connection with the report. Licensee acknowledges that Licensee has been provided and adequate opportunity to conduct Licensee's own environmental investigation of the Premises with independent environmental experts and consultants.

(g) Notification.

(i) Licensee must give immediate written notice to Licensor of:

(A). any enforcement, remediation, or other regulatory action or order, taken or threatened, by any Agency regarding, or in connection with, the presence, release, or threat of release of any Hazardous Material on, under, about, or from the Premises, or any tanks on the Premises, or otherwise resulting from Licensee's use of the Premises;

(B). all demands or claims made or threatened by any third party against Licensee or Licensee's Parties or the Premises relating to any liability, loss, damage, or injury resulting from the presence, release, or threat of release of any Hazardous Materials on, under, about, or from the Premises or otherwise resulting from Licensee's use of the Premises;

(C). any significant spill, release, or discharge of a Hazardous Material on, under, about, or from the Premises, including, without limitation, any spill, release, or discharge required to be reported to any Agency under applicable Environmental Laws; and

(D). all incidents or matters where Licensee and Licensee's Parties are required to give notice to any Agency pursuant to applicable Environmental Laws.

(ii). Licensee must promptly provide to Licensor copies of all materials, reports, technical data, Agency inspection reports, notices and correspondence, and other information or documentation relating to incidents or matters subject to notification under this Lease. Also, Licensee must promptly furnish to Licensor copies of all permits, approvals, and registrations Licensee receives or submits with respect to Licensee's operations on the Premises, including, without limitation, any underground storage tank registrations, installation permits, and closure permits.

(h). Remediation.

(i) If any Hazardous Materials are released or found on, under, or about the Premises arising out of Licensee's or Licensee's Parties' activities, or failure to act where Licensee had a duty to act, in connection with the Premises, Licensee must promptly take all action, at Licensee's sole expense, necessary to investigate and remediate the release or presence of Hazardous Materials on, under, or about the Premises in accordance with Environmental Laws and the requirements of all Agencies. However, unless an emergency situation exists that requires immediate action, Licensor's written approval of these actions will first be obtained, and the approval will not be unreasonably withheld. Licensor's right of prior approval of these actions includes, but is not limited to, the selection of any environmental consultant to perform work on or related to the Premises, the scope of work, and sampling activities to be performed by the consultant before the report is final. Licensee will provide Licensor with at least three (3) business days' advance notice of any sampling, and upon request of Licensor, will split samples with Licensor. Licensee will also promptly provide Licensor with the results of any test, investigation, or inquiry conducted by or on behalf of Licensee or Licensee's Parties in connection with the presence or suspected presence of Hazardous Materials on, under, about, or from the Premises. Licensee must notify Licensor in advance and give Licensor the right to participate in any oral or written communications with regulatory agencies concerning environmental conditions in or arising from the Premises. Licensor has the right, but not the obligation, to assume control of any required remediation on the Premises at Licensee's expense if Licensee fails to notify Licensor and obtain Licensor's approvals as required under Section 16(h). Within thirty (30) days after Licensee's completion of any remediation of the Premises, Licensee must deliver to Licensor a letter from the applicable Agency stating that the remediation was undertaken in accordance with all applicable Environmental Laws and that any residual contamination remaining after the remediation does not pose a threat to human health or the environment.

(ii) If Licensee or Licensee's Parties have caused or permitted a release of Hazardous Materials that results in or threatens to result in Hazardous Materials becoming present in, under, or about the Premises, threatens public health or safety or the environment, or is in noncompliance with any applicable Environmental Laws or requirements of Section 16, Licensor may demand that Licensee promptly take action in accordance with Section 16 (h)(i). If Licensee does not respond within thirty (30) days (unless there is an emergency, in which case Licensee must respond as soon as practicable, but not less than three (3) days), Licensor has the right, but not the obligation to enter onto the Premises and take all actions reasonably necessary to investigate and fully remediate the release or noncompliance at Licensee's sole expense, which sums will be immediately due and payable upon receipt of an invoice and will constitute additional rent under this Lease.

(i) Annual Certification

On the date that is one year from the commencement of the Term and annually after that, Licensee must provide Licensor with a letter certifying that Licensee has complied with all applicable Environmental Laws and the requirements of all applicable Agencies and that no soil or groundwater contamination has occurred in or originated from the Premises.

(j). Expiration and Termination Procedures.

Upon expiration or termination of this Lease and upon the request of Licensor, Licensee will perform all of the following activities at Licensee's sole expense:

(i). an environmental assessment of the Premises to evaluate the environmental condition of the Premises and potential environmental liabilities and in accordance with Section 16(e);

(ii). all remedial or other work identified in the environmental assessment in accordance with Section 16(h) and all applicable Environmental governmental agency; and

(iii). all corrective, remedial, repair or other work necessary to correct any alleged violations, deficiencies, or hazards noted by any environmental, governmental agency; and

(iv). all steps necessary to terminate, close, or transfer all environmental permits, licenses, and other approvals or authorizations for the Premises or for activities, equipment, or conditions on the Premises, in accordance with all environmental Laws. Licensee will also obtain and provide to Licensor the written approval or verification of the satisfactory completion of the termination, closure, or transfer from each Agency with jurisdiction over the Environmental permit, license, or other approval.

(k). Indemnification.

(i) Licensee will indemnify, protect, defend, and hold harmless Licensor and Licensor's directors, officers and employees, agents, and each of their respective successors and assigns (individually and collectively "Licensor Indemnities") from all claims, judgments, caused of action, damages, penalties, fines, taxes, costs, liabilities, losses, and expenditures (the "Environmental Response Costs") arising (directly or indirectly) as a result of or in connection with Licensee's or Licensee's Parties breach of any prohibition or provision of this Lease, or the presence of any Hazardous Materials on or under the Premises during the Term or any Hazardous Materials that migrate from the Premises to other properties, as a result (directly or indirectly) of Licensee's or Licensee's Parties' activities, or failure to act where Licensee had a duty to act, on or in connection with the Premises.

(ii) This obligation by Licensee to indemnify, protect, defend and hold harmless Licensor Indemnities includes, without limitation, costs and expenses incurred for or in connection with any investigation, cleanup, remediation, monitoring, removal, restoration, or closure work required by the Agencies because of any Hazardous Materials present on, under, or about the Premises; the costs and expenses of restoring, replacing, or acquiring the equivalent of damages; all reasonable attorney fees; litigation, arbitration, and administrative proceeding costs; and reasonable expert consultant and laboratory fees.

(iii) Neither the written consent of Licensor to the presence of Hazardous Materials on or under the Premises, nor the strict compliance by Licensee with all Environmental Laws, will excuse Licensee from the indemnification obligation. This indemnity will survive the expiration or termination of this Lease. Further, if Licensor detects a deficiency in Licensee's performance under this indemnity and Licensee fails to correct the deficiency within ten (10) days after receipt of written notice from Licensor, Licensor has the right to join and participate in any legal proceedings or actions affecting the Premises that are initiated in connection with any Environmental Laws. However, if the correction of the deficiency takes longer than ten (10) days, Licensor may join and

participate if Licensee fails to commence corrective action within the ten (10) day period and after that diligently proceeds to correct the deficiency.

(iv) In that the NCRA has been a passive owner of the Premises and the Licensee has greater knowledge concerning the past and present uses of the Premises the parties specifically intend that NCRA's risk for environmental issues be limited to the maximum permitted by law, except as expressly limited in this Section. Accordingly, the foregoing indemnity shall apply to the above Environmental Response Costs arising out of or in connection with (1) Licensee's violation of this Section 16; (2) Licensee's willful misconduct, or negligence (notwithstanding any active or passive negligence of NCRA); or (3) any other cause, other than the willful misconduct or sole negligence of NCRA, irrespective of whether occurring prior, or after the commencement of the Term hereof.

(A). Licensee's Release of Licensor. Licensee on behalf of Licensee and Licensee's successors, assigns, and successors-in-interest waives, releases, remises, acquits, and discharges Licensor Indemnities from all claims, actions, causes of actions, demands, rights, damages, costs, expenses, or compensation, direct or indirect, known or unknown, foreseen or unforeseen, that Licensee now has or that may arise in the future on account of the physical condition of the real property; the Environmental Laws, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C.A. §§9601 et seq., or their application to the Premises; or the existence or condition of any fill, excavation, or filled ground on the real property that may affect the use, maintenance, monitoring, or otherwise of any underground storage tanks or related equipment installed by Licensee or Licensee's Parties. Also, Licensee waives the benefit of Civil Code § 1542, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

18. Insurance

Policies of Insurance. Licensee shall maintain in full force and effect during the term of this Lease and any extension hereof, the following insurance:

Workers Compensation. As required by Section 1860 of the California Labor Code (Chapter 1000, Statutes of 1965), or any subsequent amendments or successor acts thereto governing the liability of employers to their employees, the Licensee shall secure Workers' Compensation coverage with an Employer's Liability limit of \$2,000,000. Licensee shall insure the procurement and maintenance of such insurance by all contractors or subcontractors engaged on the Premises.

Commercial General Liability. Licensee shall, at its own cost and expense, procure and maintain Commercial General Liability insurance. The policy shall include as additional insured the Licensor, the North Coast Railroad Authority, the successors and assigns of any of them, any railroad company operating on the Premises, and their respective directors, officers, employees, brokers and agents (collectively, "Insured"). The policy shall be primary and contain cross liability and severability of interest clauses.

The policy shall have a combined single limit of One Million Dollars (\$1,000,000.00) for bodily injury and property damage per occurrence. This insurance shall include but not be limited to

premises and operations; contractual liability covering the indemnity provisions contained in this Agreement; personal injury; explosion, collapse and underground coverage; products and completed operations and broad form property damage. The insurance shall include Automobile Bodily Injury and Property Damages Coverage including owned, hired and non-owned vehicles, on or off the Premises of Licensor.

If food or alcoholic beverages are to be served on the Premises, the policy shall include coverage of any claims founded upon the use of food or food products and liquor law liability with limits of not less than Two Million Dollars (\$2,000,000.00)

Personal Property Insurance Licensee shall obtain and maintain insurance coverage on all of Licensees personal property, trade fixtures and Licensee owned alterations and utility installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$2,500 per occurrence. The proceeds from any such insurance shall be used by Licensee for the replacement of personal property, trade fixtures and Licensee owned alterations and utility installations.

Railroad Protective Liability Insurance Upon request from Licensor, Licensee shall obtain and maintain, with respect to the operations it or any subcontractors perform above the railroad tracks or within fifty (50) feet horizontally of the railroad tracks, Railroad Protective Liability Insurance with the Insurance Services Office (ISO)/Railroad Insurance Management Association (RIMA) form with pollution coverage for job site fuels and lubricants. The Insured shall be named as additional insured on said policy. The policy shall have limits of liability of not less than Two Million dollars (\$2,000,000) per occurrence, combined single limit, for losses arising out of injury to or death of all persons and for physical loss of or damage to or destruction of property, including the loss of use thereof, and a Five Million Dollars (\$5,000,000) annual aggregate shall apply.

Regulatory Compliance In addition to the requirements described above, Licensee shall maintain any other insurance that may be required by law, statute or governmental regulations.

Evidence of Insurance Prior to entering onto the Premises, Licensee shall file a Certificate(s) of Insurance with the Licensor evidencing the required coverage and endorsement(s) and upon request, a certified duplicate original of any of those policies. Said Certificate(s) shall stipulate:

The insurance company(ies) issuing such policy(ies) shall give written notice to the Licensor of any material alteration, cancellation, non-renewal, or reduction in aggregate limits, if such limits apply, and provide at least thirty (30) days notice of cancellation, Licensee shall, at least thirty (30) days prior to the expiration of such policies furnish Licensor evidence of renewal or insurance binders evidencing renewal thereof.

That the policy(ies) is Primary Insurance with respect to any policy of insurance maintained by any Insured, and the insurance company(ies) providing such policy(ies) shall be liable there under for the full amount of any loss or claim up to and including the total limit of liability, without right of contribution from any other insurance effected or which may be effected by the Insured.

The policy(ies) shall also stipulate: Inclusion of the Insured as additional insured shall not in any way affect rights of Insured either as respects any claim, demand, suit, or judgment made, brought or recovered against the Licensee. Said policy shall protect Licensee and the Insured in the same manner as though a separate policy had been issued to each, but nothing in said policy

shall operate to increase the insurance companies' liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been named as an insured.

The insurance policy(ies) shall be written by an insurance company or companies acceptable to the Licensor. Such insurance company shall be authorized to transact business in the State of California.

19. Noise Levels Near Railroad Tracks

Licensee hereby recognizes and acknowledges that railroad tracks are located on or adjacent to the Premises, and that the operation of trains over the tracks does and shall produce noise levels, which may be considered objectionable by Licensee or employees, agents, sub Licensees, or invitees of Licensee. Therefore, Licensee agrees that no legal action or complaint of any kind whatsoever shall be instituted against Licensor on Licensee's behalf as a result of such noise levels including any claims of nuisance or trespass. Licensee shall indemnify and save harmless Licensor against any loss, damage, liability or expense either might incur as a result of such action being taken by Licensee's employees, agents, sub Licensees or invitees.

20. Reservations

Licensor hereby excepts and reserves the right, to be exercised by Licensor or by any other person who has obtained or may obtain permission or authority from Licensor, to (a) operate, maintain, review and relocate any and all existing pipe, track (if any), power, signal and/or communication (including without limitation fiber optic) lines and appurtenances and other facilities of like character upon, over or under the surface of the Premises, and (b) construct, operate, maintain, review and relocate such additional facilities of the same character on a manner that does not reasonably interfere with Licensee's use of the Premises.

21. Mineral Rights

Licensor also reserves for itself and those whom it grants such right the title and exclusive right to all of the minerals and mineral ores of every kind and character now known to exist or hereafter discovered upon, within or underlying the Premises, or that may be produced there from, including, without limiting the generality of the foregoing, all petroleum, oil, natural gas, and other hydrocarbon substances and products derived there from, together with the exclusive and perpetual right thereto, without, however, the right to use or penetrate the surface of, or to enter upon the Premises within five hundred feet (500') of the surface thereof to extricate or remove the same.

22. Default

- a. **Defaults.** The occurrence of any of the following shall constitute a material breach and default ("Default") of this Lease by Licensee:
- (1) Any failure by Licensee to pay when due any of the Rent or other charges payable by Licensee;
 - (2) A failure by Licensee to observe or perform any other provision of this Lease to be observed or performed by Licensee when such failure is not corrected within ten (10) days after written notice thereof from Licensor; or if such failure cannot be cured within this ten (10) day period, as determined by Licensor in its reasonable discretion, if such cure is not commenced within thirty (30) days of Licensor's written notice and thereafter diligently pursued to completion;

- (3) The abandonment or the vacation of the Premises by Licensee for a period of more than fifteen (15) consecutive days;
- (4) The happening of any of the following events;
- a. The filing or institution by Licensee of any proceeding under the Bankruptcy Act and any amendment thereto, or any other federal or state act now or hereafter relating to the subject of bankruptcy, insolvency, arrangement, reorganization, or other form of debtor relief,
 - b. the institution or filing of any involuntary proceeding against Licensee under any of the aforementioned laws unless such proceeding is dismissed within thirty (30) days thereafter,
 - c. an adjudication of bankruptcy or a finding or judgment of insolvency of Licensee,
 - d. an assignment for the benefit of creditors by Licensee,
 - e. the levy of a writ of execution of the business of Licensee or the assets of Licensee located on the Premises which is not discharged within ten (10) days after the date of said levy,
 - f. or the appointment of a receiver to take possession of any property of Lease.

23. Remedies

In the event of a default by Licensee, Licensor may, at any time thereafter:

- (a) Cure said Default by Licensee at Licensee's expense. Licensee shall upon demand, immediately reimburse Licensor for the cost of such cure together with interest at the Interest Rate from the date of the expenditure therefore by Licensor until such reimbursement is received by Licensor.
- (b) Maintain Licensee's right to Possession in which case this Lease shall continue in effect whether or not the Licensee shall have vacated or abandoned the Premises, in which event Licensor shall be entitled to enforce all of Licensor's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder as provided in California Civil Code Section 1951.4. Acts of maintenance or preservation, efforts to re-let the Premises, or the appointment of a receiver upon the termination of Licensee's right to possession. No act by Licensor other than giving written notice to Licensee will terminate this Lease.
- (c) Terminate Licensee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Licensee shall immediately surrender possession of the Premises to Licensor. In such event Licensor shall be entitled to recover from Licensee the sum of all amounts set forth in California Civil Code Section 1951.2 (a), including without limitation, the worth at the time of award of the amount by which all unpaid rent for the balance of the term of this Lease after the time of award excludes the amount of such rental loss that Licensee proves could be reasonably avoided, and all other damages incurred by Licensor by reason of Licensee's default including, without

limitation, the cost of recovering possession of the Premises, and expenses of re-letting such as renovation of the Premises, and real estate commissions and finder's fees actually paid for such re-letting. The "worth at the time of award" shall be computed in the manner provided in California Civil Code Section 1951.2(b) or its successor statute. For the purpose of determining unpaid rent under this paragraph, the rent reserved in this Lease shall be deemed to be the sum of all then unpaid monetary obligations owed under this Lease.

- (d) Pursue any other remedy now or hereafter available to Licensor under the laws of California.

Termination of this Lease under this section or for any reason whatsoever shall not release either party from any liability or obligation hereunder resulting from an event which may have occurred before termination (including, but not limited to payment of all rent due but unpaid as of the date of termination), or thereafter in case by the terms of this Lease it is provided that certain things shall or may have to be done after termination hereof.

24. Surrender of the Premises; Holding Over

- (a) Upon termination of this Lease, Licensee shall leave the Premises in a neat and clean condition satisfactory to Licensor and free of all personal property of Licensee. All repairs, Alterations and/or other improvements made by Licensee shall become the property of Licensor, provided that Licensor may, by written notice given to Licensee on not less than (10) days prior to the expiration of the Lease, require Licensee to remove any such Alterations and improvements from the Premises and to restore the Premises to their original condition (normal wear and tear excepted) prior to termination of this Lease. If Licensee fails to do so, Licensor may perform such removal and restoration work in which case Licensee shall pay Licensor within thirty (30) days after demand therefore an amount equal to the rent (as in effect immediately before termination) for the period during which such removal is accomplished to compensate Licensor for the loss of rent to Licensor resulting from the unavailability of the Premises for leasing to another Licensee during such time and (2) the cost of removal of such improvements. Licensor shall use reasonable diligence on the removal of such improvements.
- (b) If Licensee, without Licensor's written consent, remains in possession of all or part of the Premises after termination or expiration of this Lease, such occupancy shall be construed to be a tenancy from month-to-month, subject to the terms and conditions of this Lease, except that the Base Rent shall automatically increase to 200% of the Base Rent in effect immediately prior to such termination or expiration.

25. Condemnation

If all or part of the Premises is acquired by eminent domain or by purchase in lieu thereof, Licensee shall have no claim to any compensation awarded for the taking of the Premises or any portion thereof, including Licensee's leasehold interest therein or any bonus value of this Lease, or to any compensation paid as severance damages, or for loss of or damaged to Licensee's Alterations or improvements, except as may be expressly provided in this Lease.

26. Assignment and Subletting

Licensee shall not assign or encumber or otherwise Transfer, as defined below, its interest in this Lease without the prior written consent of Licensor. Licensor shall not unreasonably withhold consent to any Transfer in the event the proposed sub Licensee or assignee meets Licensor's

credit, business/qualification and reputation requirements and the proposed occupancy is consistent with the general character of the use permitted by this Lease. With respect to any such approved transfer, Licensor shall be entitled as additional rent for the duration of the Transferee's occupancy to an amount equal to fifty percent (50%) of the difference between the rent charged by Licensee to the proposed Transferee the then current Base Rent hereunder. For purposes of this Lease, the term "Transfer" means any assignment, encumbrance, transfer or subletting, change in more than 50% ownership interest or control of Licensee, or a reorganization or merger of Licensee by operation of law. As a condition to Licensor's consideration of any Transfer, Licensee will pay to Licensor, whether or not consent is ultimately given, Licensor's reasonable attorney's fees incurred in connection with each request for such consent. No Transfer, even with Licensor's written consent thereto, shall release Licensee from its obligations hereunder. Licensor's consent to one transfer shall not constitute its consent to any other Transfer, or a waiver of Licensor's rights hereunder. Licensee's Transferee shall agree in writing to be bound by all of the terms and conditions of this Lease that are to be performed by Licensee. Any purported Transfer in violation of this Section shall be void and constitute a default hereunder, and at the option of Licensor, terminate this Lease.

27. Damage

Scope of Damage Licensee shall notify Licensor in writing immediately upon the occurrence of any damage to the Premises, which makes the Premises untenable (a "Casualty"). Such damage shall be deemed partial if it can be repaired and the Premises made tenantable within 180 days and does not occur during the last year of the Term ("Partial Damage"). All damage other than Partial Damage shall be deemed to be total destruction ("Total Destruction").

Total Destruction In the event of Total Destruction, the Lease shall terminate as of the date of the Casualty ("Casualty Date").

Partial Damage In the event of Partial Damage, Licensor shall elect in a written notice to Licensee within sixty (60), days of the Casualty Date whether to restore the Premises, at Licensor's expense, to their condition prior to the Casualty Date. If Licensor elects to restore the Premises, Licensor shall diligently pursue such restoration to completion at Licensor's sole cost and expense, provided that Licensee shall be responsible for the restoration, at Licensee's expense of Licensee's fixtures, equipment and other improvements installed by Licensee. Upon such an election, this Lease will remain in effect. If Licensor elects not to restore the Premises, Licensee shall elect within thirty (30) days of receipt of Licensor's election whether to restore the Premises at Licensee's sole cost and expense. If Licensee elects to restore the Premises, Licensee shall diligently pursue such restoration to completion in compliance with the provisions of Section 10 above. Upon such election, this Lease will remain in effect. If Licensee elects not to restore the Premises, this Lease shall terminate as of the date of Licensee's election.

Licensee's Costs If Licensor restores the Premises, Licensee shall reimburse Licensor for the deductible or self insured retention under any of Licensor's Insurance and, if the Casualty was caused or contributed to by the Licensee or Licensee's Invitees, the excess of the costs to restore the Premises over the amount of the insurance proceeds from the Licensor's Insurance. Licensee shall have no right to any insurance proceeds other than proceeds that Licensee obtained with respect to Licensee's personal property and fixtures. If this Lease is not terminated, the Base Rent shall abate in proportion to the Premises damage until the Premises are restored.

28. Barricades

Licensee agrees to install and maintain around the Premises the barricades, fences, and fence gates of a size and form satisfactory to Licensor at Licensor's request such locations as may be designated by Licensor at any time while this Lease is effect, all at Licensees expense and to Licensor's satisfaction.

29. Costs

Licensee shall pay the costs for review of the lease application, design and construction plans, preparation of the agreement, and any inspection of construction, including, but not limited to, expenses incurred by Licensor, which costs Licensee agrees to pay upon demand.

30. Attorney Fees

If either party brings any action against the other to enforce any provisions of this Lease or collect any sum due hereunder or if Licensor brings an action for unlawful detainer of the Premises, the prevailing party shall be entitled to recover its costs, including reasonable attorney's fees, in addition to any other remedies to which it may be entitled.

31. Miscellaneous Provisions

- a. **Non Waiver.** Licensor's failure to enforce or exercise its rights with respect to any provision hereof shall not be construed as a waiver of such rights or of such provisions. Acceptance of rent or any other sum shall not be a waiver of any preceding breach by Licensee of any provision hereof, regardless of Licensor's knowledge of such preceding breach at the time of acceptance of such rent; nor shall such acceptance be a waiver in any way of Licensor's right to terminate this Lease for any reason.
- b. **Time of Essence.** Time is of the essence of each provision of this Lease. Any reference to "days" shall mean calendar days except as otherwise expressly provided in this Lease.
- c. **Entire Agreement and Amendment.** This Lease sets forth the entire agreement between the Parties with respect to the leasing of the Premises and supersedes all prior and/or contemporaneous agreements, communications, and representations, oral or written, express or implied, since the parties intend that this be an integrated agreement. This Lease shall not be modified except by written agreement of the parties.
- d. **Successors and Assigns.** Subject to the provisions of this Lease relating to assignment, mortgage and subletting, this Lease shall bind the heirs, executors, administrators, successors and assigns of any and all of the parties hereto.
- e. **Authority.** Each individual executing this Lease on behalf of Licensee represents and warrants that he or she is duly authorized to execute and deliver this lease on behalf of Licensee, and that this Lease is binding upon Licensee in accordance with its terms. Licensor, as a condition precedent to this Lease, may require corporate or partnership resolutions as are reasonably necessary to establish the authority of Licensee to execute this Lease.
- f. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of California as applied to contracts that are made and performed entirely in California.
- g. **Captions.** All captions and headings in this Lease are for the purposes of reference and convenience and shall not limit or expand the provisions of this Lease.

- h. Third Party Beneficiaries. The Indemnities specified in Section 9 who are not expressly parties to this Lease shall be deemed third party beneficiaries under this Lease for purposes of enforcing any rights to indemnification and insurance granted in Sections 14, 15, 16, and 17 of this Lease, and shall be entitled to seek attorney's fees and costs as provided in Section 29 above and dispute arising from the enforcement of said rights.
- i. Brokers. Licensor and Licensee are separately responsible for payment of any broker's commission or finder's fee incurred by that party's engagement or acceptance of the services of a broker or agents by said party. Licensor and Licensee agree to indemnify, defend and hold the other party harmless from and against any claims and suits made by any broker, agent or other person claiming a commission or other form of compensation against the other party by virtue of having dealt with Licensor or Licensee, as the case may be, with regard to this Lease.
- j. Counterparts. This Lease may be entered into in counterparts, each of which shall be deemed an original but both of which together shall be deemed a single agreement.

IN WITNESS WHEREOF, the parties hereto have executed, or have caused to be executed, this Lease on the day and year first above written.

Licensor:

Licensee:

North Coast Railroad Authority

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

By: _____
Mitch Stogner Executive Director NCRA

By: _____
Print Name: _____

Date: _____

Title: _____
Date: _____

*By: _____

Print Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:
Christopher Neary
Attorney for Authority:

**If Licensee is a corporation, two corporate officers must sign on behalf of the corporation as follows: (1) the chairman of the board, president or vice-president; and (2) the secretary, assistant secretary, chief financial officer, or assistant treasurer.*

EXHIBIT A

(page 1 of 3)

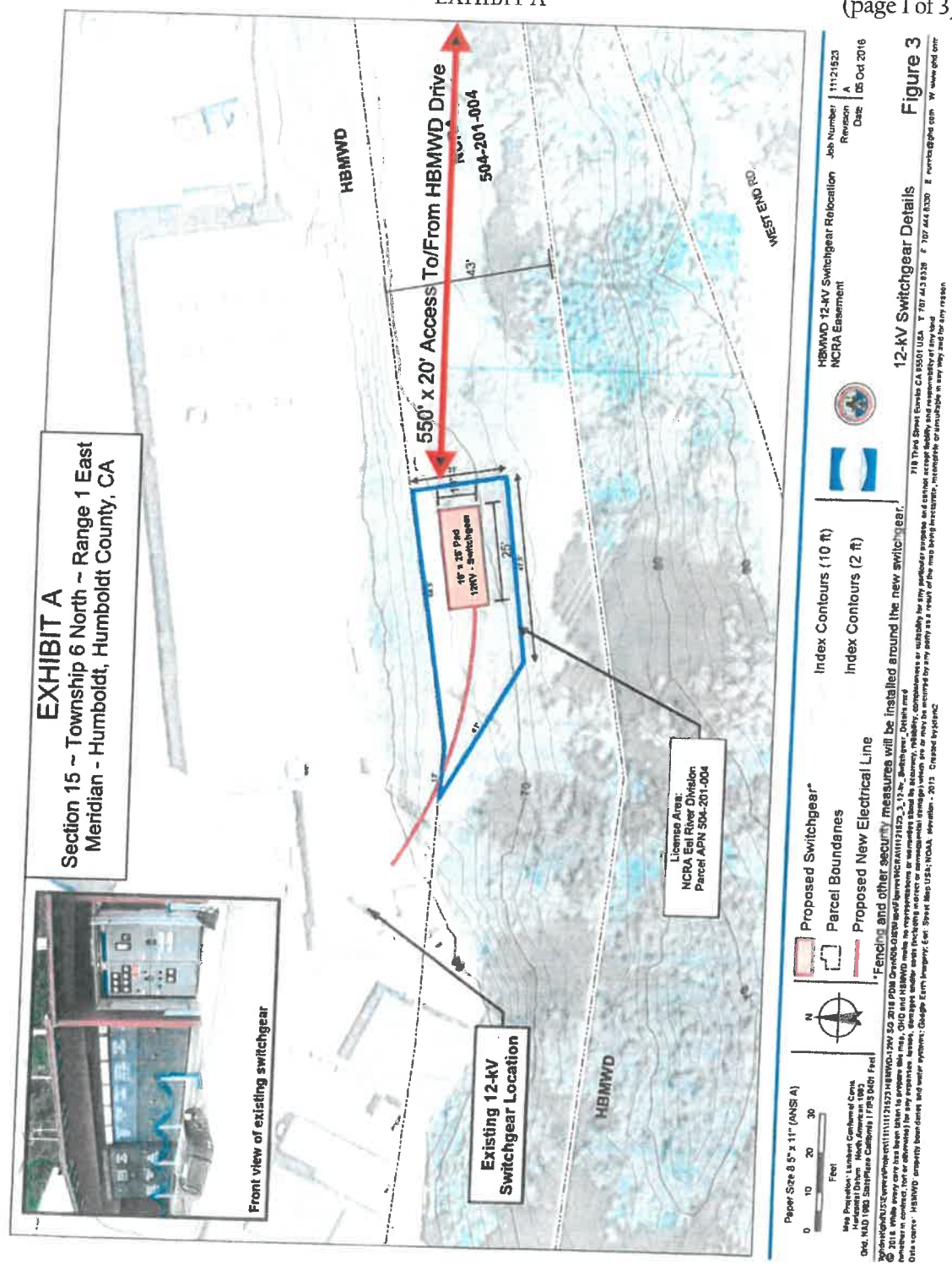
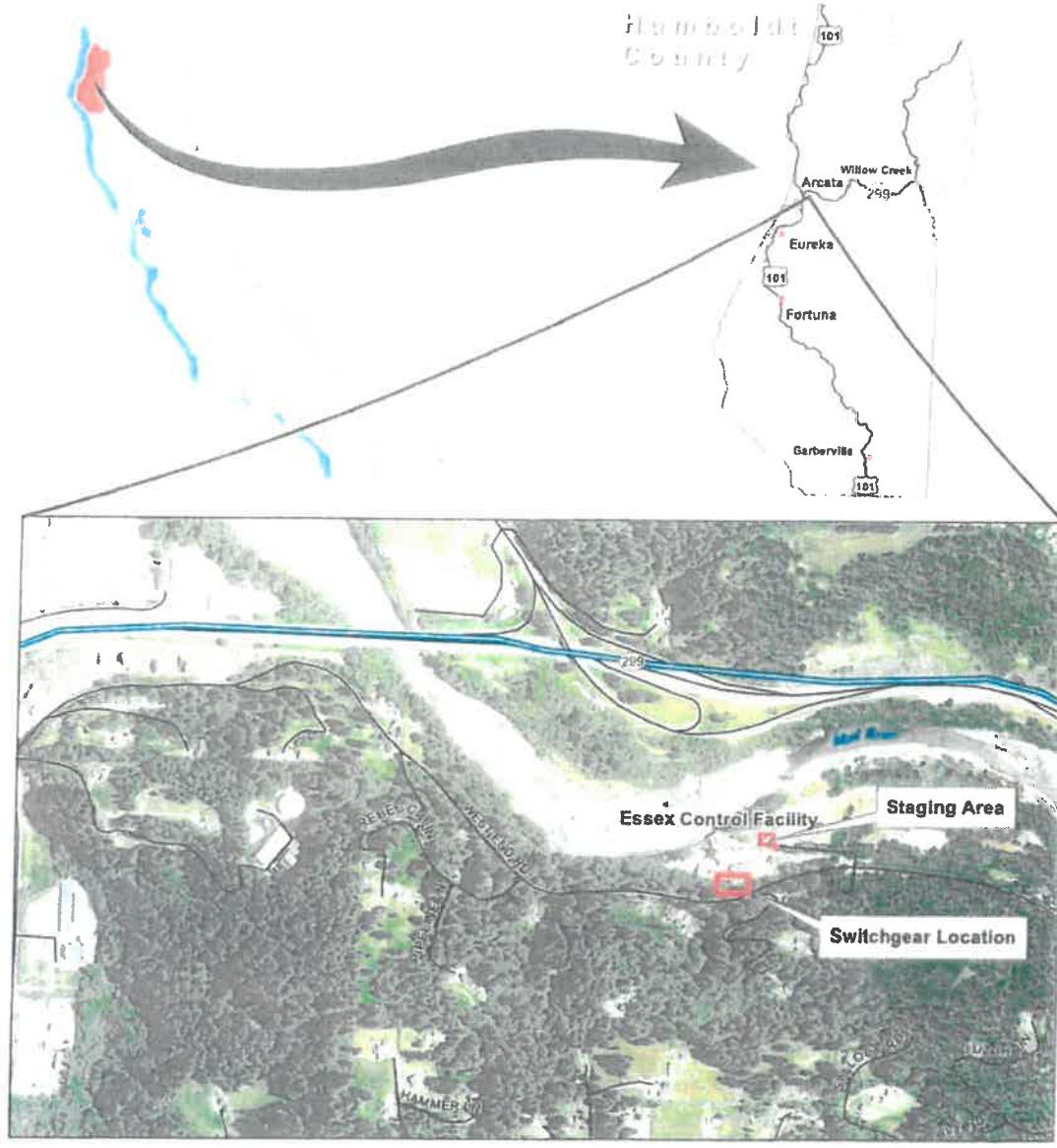


EXHIBIT A

(page 2 of 3)



-  Staging Area
-  Project Area
-  Roads
-  Limited Access Highway

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 Map Projection: Mercator Auxiliary Sphere
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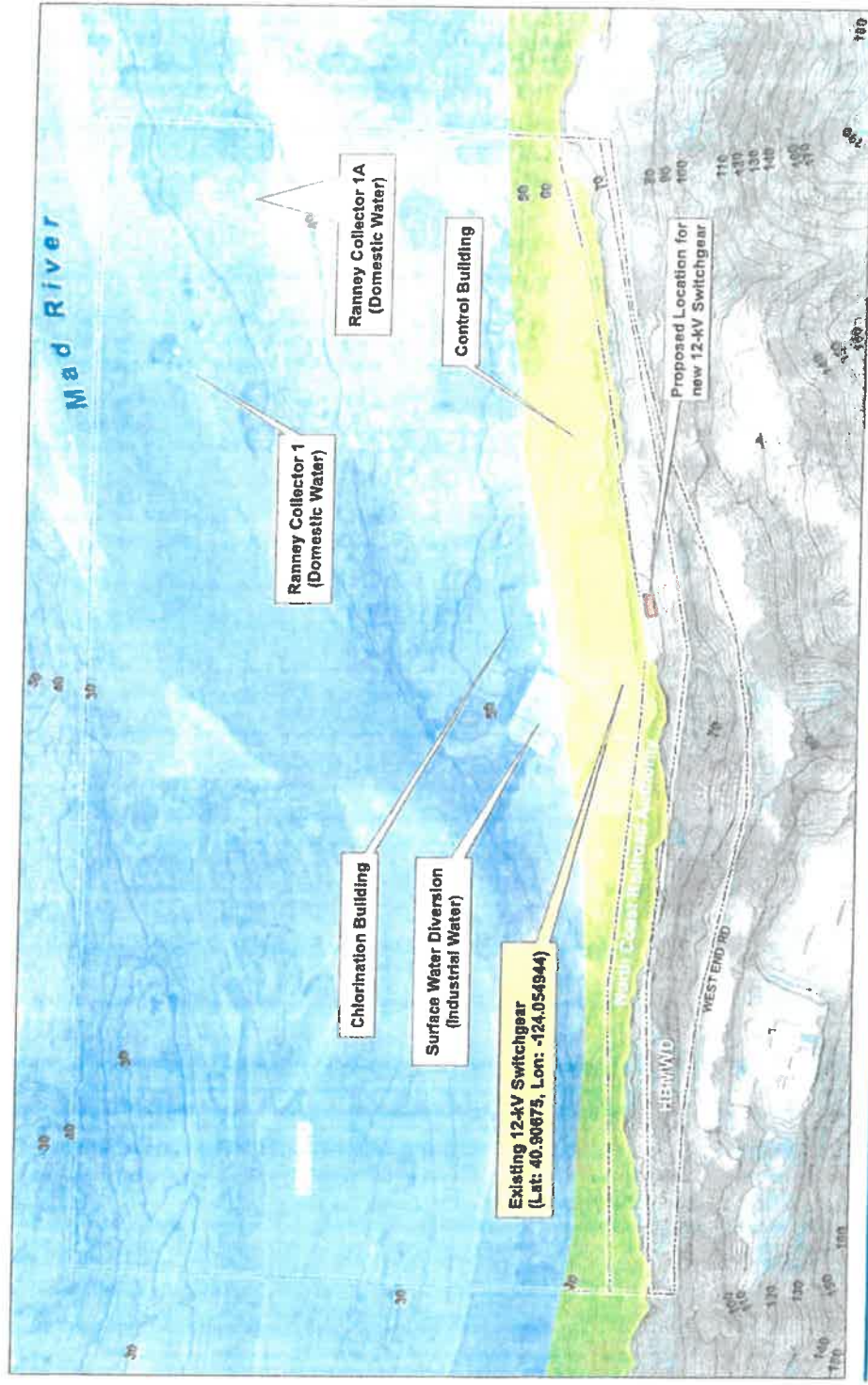
HBMWD 12-kV Switchgear Relocation
 NCRA Easement
 Job Number | 11121523
 Revision | 1
 Date | 20 May 2016

12-kV Switchgear Vicinity Map Figure 1

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EXHIBIT A

(page 3 of 3)



Paper Size 6.5" x 11" (ANSI A)
 0 40 80 120 160 200 Feet
 City of Humboldt, Licensed Professional Engineer
 Humboldt Bay Municipal Water District
 Humboldt Bay, California 95521
 Date: 06/06/2016
 Job Number: 11121523
 Revision: A
 Date: 06/06/2016

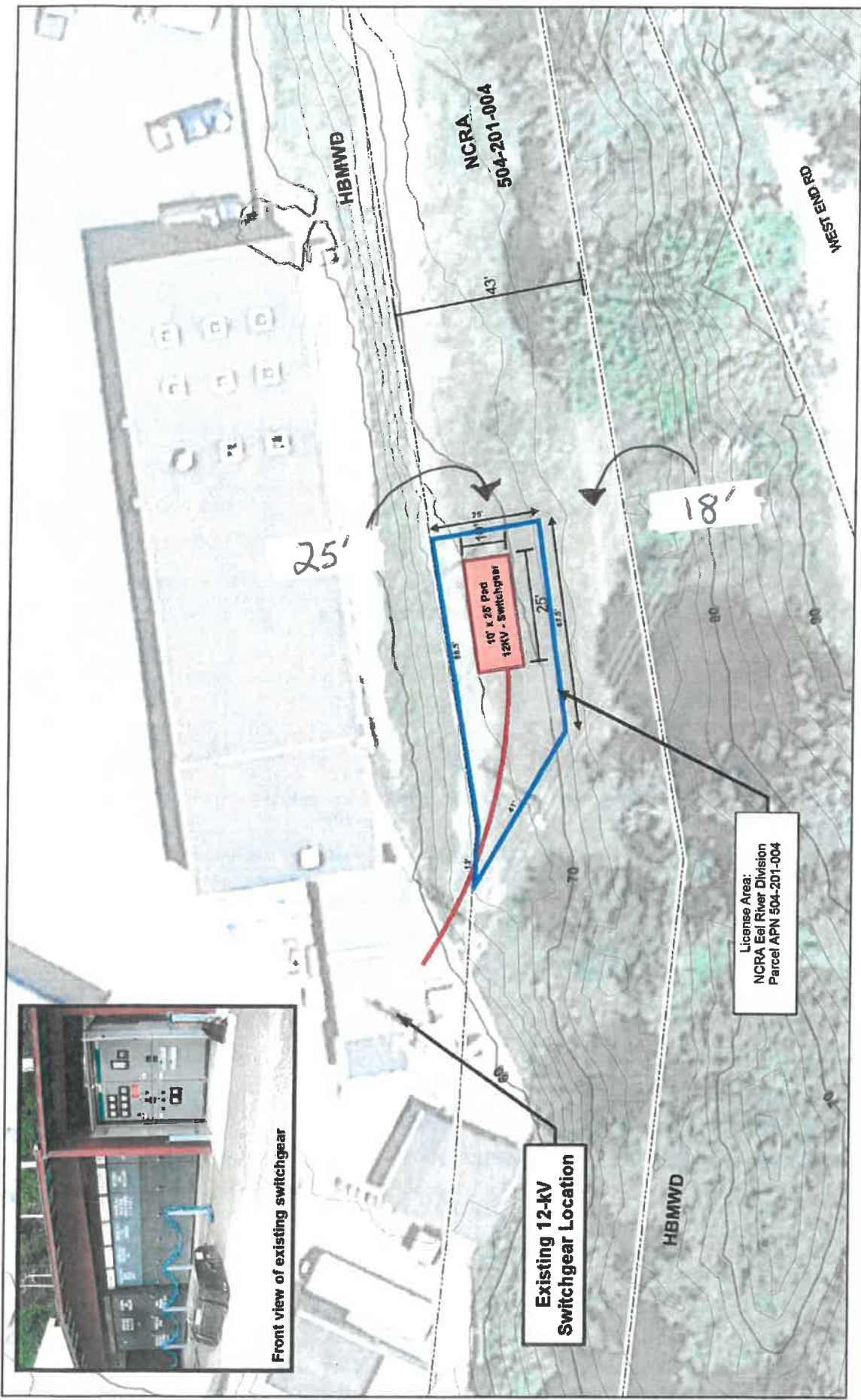
HBMWD 12-kV Switchgear Relocation
 NCRA Easement

Proposed Switchgear
 Index Contours (10 ft)
 Index Contours (2 ft)

Parcel Boundaries
 100-year Flood Inundation
 Dam Break Inundation (66 ft elevation)

12-kV Switchgear Site Map
 Figure 2

718 Third Street Eureka, CA 95501 USA T: 707.443.6326 F: 707.443.6320 E: service@hbmwd.com W: www.hbmwd.com
 HBMWD does not warrant the accuracy or reliability of any data or information provided in this map or any other map or information provided by HBMWD. HBMWD is not responsible for any damage or injury resulting from the use of this map or any other map or information provided by HBMWD.



Paper Size 8.5" x 11" (ANSI A)
 0 10 20 30 Feet
 Map Projection: Lambert Conformal Conic
 Horizontal Datum: North American 1983
 GDA: NAD 1983 StatePlane California 1 FIPS 0401 Feet
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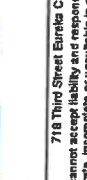


Proposed Switchgear*
 Index Contours (10 ft)
 Parcel Boundaries
 Index Contours (2 ft)
 Proposed New Electrical Line

*Fencing and other security measures will be installed around the new switchgear.

Job Number | 11121523
 Revision | A
 Date | 05 Oct 2016

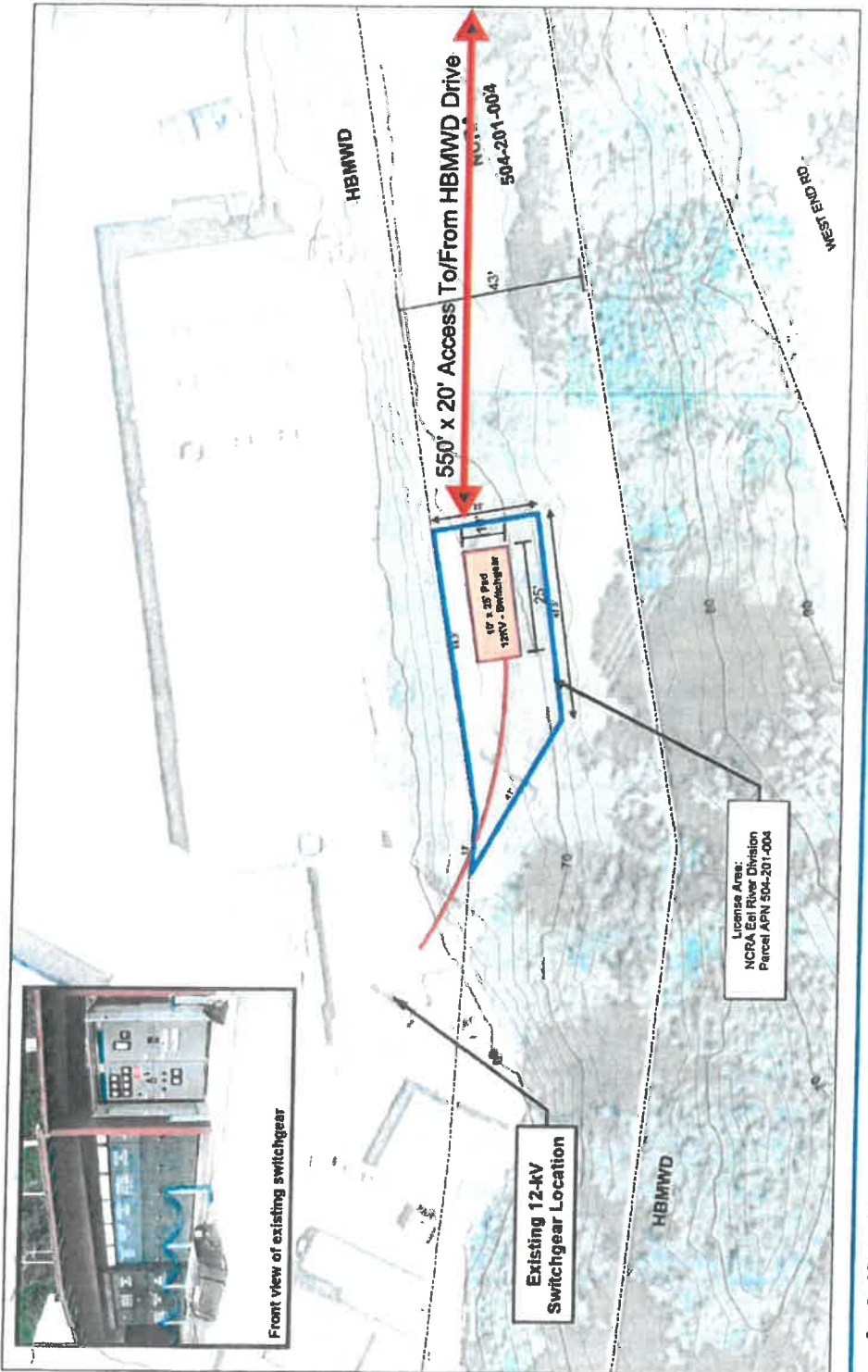
HBMWD 12-kV Switchgear Relocation
 NCRA Assessment



12-kV Switchgear Details
 Figure 3

718 Third Street Eureka CA 95501 USA T 707 443 8328 F 707 444 8330 E eureka@ghd.com W www.ghd.com

718 Third Street Eureka CA 95501 USA T 707 443 8328 F 707 444 8330 E eureka@ghd.com W www.ghd.com



Paper Size 8 1/2" x 11" (ANSI A)

Scale: 0 10 20 30 Feet

North Arrow

Proposed Switchgear*
Parcel Boundaries
Proposed New Electrical Line

*Fencing and other security measures will be installed around the new switchgear.

License Area:
NCRA East River Division
Parcel APN 504-201-004

Existing 12-kV Switchgear Location

550' x 20' Access To/From HBMWD Drive

12-kV Switchgear

10' x 25' Pad
12kV - Switchgear

Index Contours (10 ft)
Index Contours (2 ft)

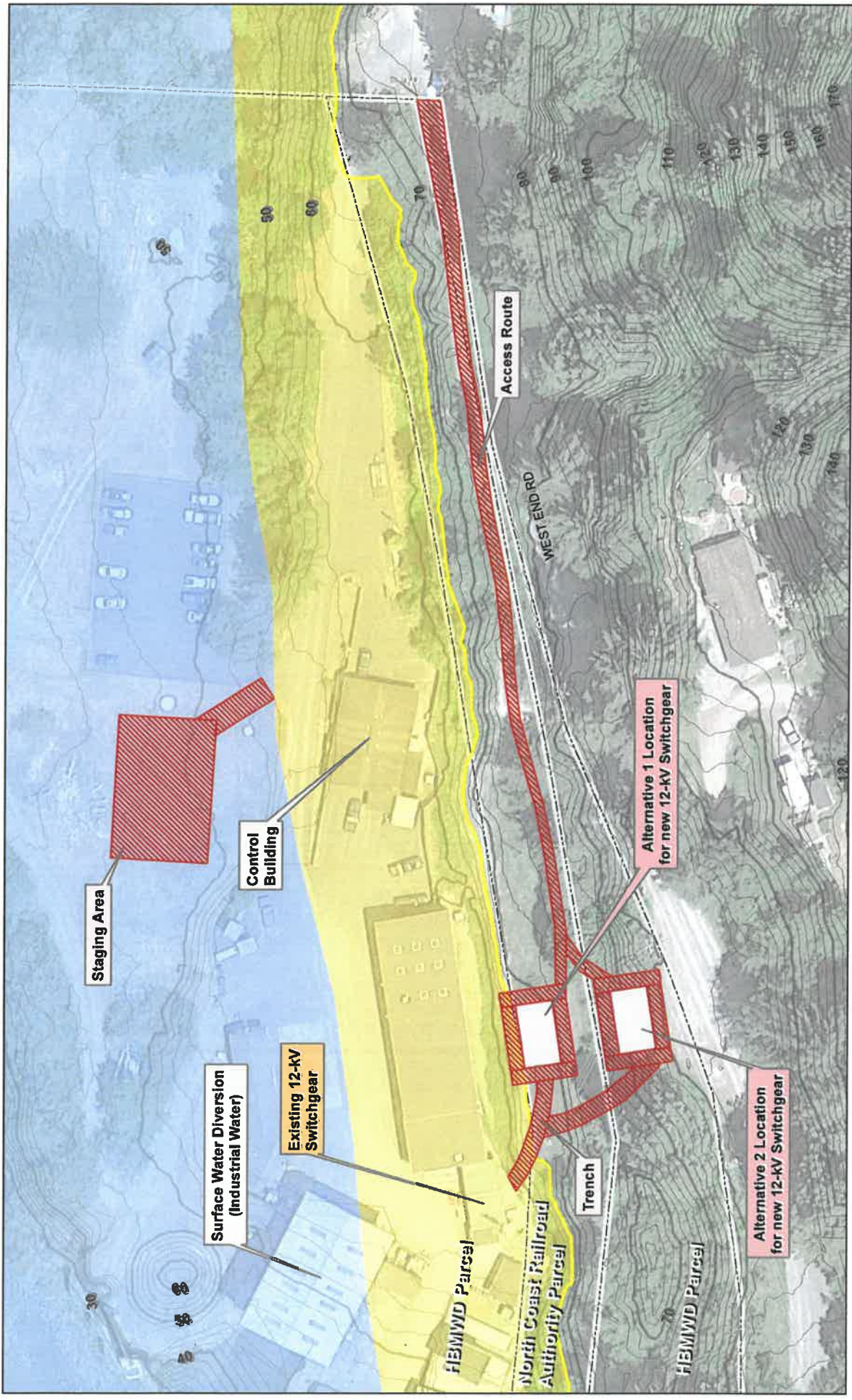
HBMWD

HBMWD 12-kV Switchgear Relocation - NCRA Easement

Job Number | 1121523
Revision | A
Date | 05 Oct 2016

12-kV Switchgear Details Figure 3

718 Third Street, Suite 200, CA 95013, USA | T 916 443 8326 | F 916 443 8320 | E info@ghd.com | W www.ghd.com



Paper Size 8.5" x 11" (ANSI A)
 0 20 40 60 80 100 Feet

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

Vegetation Clearing / Ground Disturbance
 Index Contours (10 ft)
 Index Contours (2 ft)

Parcel Boundaries
 100-year Flood Inundation
 Dam Break Inundation (66 ft elevation)

Legend:
 [Red hatched box] Staging Area
 [Red hatched rectangle] Control Building
 [Blue hatched area] Surface Water Diversion (Industrial Water)
 [Yellow area] Existing 12-kV Switchgear
 [Red hatched area] HBMWD Parcel
 [Blue area] North Coast Railroad Authority Parcel
 [Red hatched line] Trench
 [Red hatched line] Access Route
 [Red hatched rectangle] Alternative 1 Location for new 12-kV Switchgear
 [Red hatched rectangle] Alternative 2 Location for new 12-kV Switchgear

Job Number | 11121523
 Revision | A
 Date | 20 May 2016

HBMWD 12-kV Switchgear Relocation
 Hazard Mitigation Grant Application

GHD

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Vegetation Clearing and Ground Disturbance
 Figure 3

Data source: HBMWD; property boundaries and water systems, Google Earth Imagery; Esri; Street Map USA; NOAA; elevation - 2013. Created by: GBlak.

MapInfo: H:\GIS\Projects\11121523_HBMWD-12KV_SG_2016_PDM_Grant\GIS\MapInfo\Hazard Mitigation Grant\F3_VegetationClearing_GroundDisturbance.mxd
 HBMWD makes no representations or warranties about the accuracy, reliability, completeness or suitability for any particular purpose and cannot accept liability and responsibility of any kind for any errors or omissions, whether in contract, tort or otherwise, which are or may be incurred by any party as a result of the map being inaccurate, incomplete or unsuitable in any way and for any reason.

NCRA COMMERCIAL LEASE

THIS COMMERCIAL LEASE ("Lease") is entered into as of the ____ day of _____, 2016 by and between the NORTH COAST RAILROAD AUTHORITY, a legislatively created state agency ("Lessor"), and, HUMBOLDT BAY MUNICIPAL WATER DISTRICT, a California _____ ("Lessee").

Premises

Subject to the terms and conditions set forth herein Lessor hereby leases to Lessee, and Lessee leases from Lessor, the real property and any improvements thereon located near the Cities of; Arcata, County of Humboldt, State of California ("Premises") consisting of a 57' x 25' area of land located at APN 504-201-004, together with a non-exclusive access area approximately 550' x 20' located along the Kobel/Annie Mary Branch Lead, on or near 7270 West End Road, consisting of land for the purpose of installing and maintaining an electrical switchgear facility with surrounding housing and fencing, and access, as depicted on Exhibit A, attached to this Lease and incorporated into it by this reference.

Effective Date

This Lease shall take effect on _____, 2016 ("Effective Date"), and supersedes any prior lease existing between the parties or their predecessors.

Term

This Lease shall be for a term thirty (30) years ("Lease Term") from the Effective Date, and shall automatically renew for successive five (5) year terms thereafter, as provided in Section 11 hereof, unless sooner terminated as provided herein.

Termination for Transit Activities

Either party may terminate this Lease by giving one hundred eighty (180) calendar days written notice. Lessor may require Lessee to remove any or all of Lessee's Alterations upon termination, pursuant to the Section 24 below. LESSEE HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO RECEIVE BENEFITS UNDER FEDERAL AND STATE UNIFORM RELOCATION ACTS (UNITED STATES CODE, SECTION 7260, ET SEQ.) AS A RESULT OF LESSOR'S USE OR POSSESSION OF ANY PORTION OF THE PREMISIS.

Lessee

1. Use

The Premises shall be used by Lessee solely and exclusively for installing and maintaining an electrical switchgear facility with surrounding housing and fencing, and access, *as specified on Exhibit "A"* ("permitted Use"). Lessee shall not use the Premises for any other use other than the Permitted Use without Lessor's prior written consent, which consent may be withheld by Lessor in its sole discretion.

Restriction on Use

Lessee shall not permit any damage, nuisance or waste on the premises; nor permit to be placed upon the Premises any gasoline, diesel fuel, oil, other petroleum products, or any hazardous or explosive material, waste or substance.

Regulatory Approvals

Lessee, at Lessee's expense, shall arrange for the filing of any map required under any subdivision map act and of any environmental impact report required, or other requirements imposed by any governmental body having jurisdiction in the matter. If any governmental body seeks to impose any condition on approval of Lessee's use of the Premises, Lessor may terminate this lease forthwith if any such condition shall effect any other property of Lessor or shall affect the Premises after this Lease is no longer in effect.

Compliance with Laws

Lessee at Lessee's expense, shall at all times during the Term comply with all applicable laws, regulations, rules and orders with respect to Lessee's use and/or improvement of the Premises, regardless of when they become or became effective, including, without limitation, those relating to construction, grading, signage, health, disability accommodation (including the Americans with Disabilities Act), safety, noise, environmental protection, waste disposal, and water and air quality. Lessee shall furnish satisfactory evidence if such compliance upon request of Lessor.

Prior Rights

This Lease is made subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens, and claims of title that may affect the Premises in effect as of the Effective Date of the Lease. The word "Lease" shall not be construed as a covenant against the existence of any of these.

2. Condition of Premises

"AS IS" Rental. Lessor leases the Premises to Lessee on an "AS IS" basis, and Lessee acknowledges that Lessor has made no representations of any kind in connection with soils, improvements, or physical conditions on the Premises, or bearing on the use of the Premises, whether express or implied.

3. Inspections

Lessee shall be solely responsible for conducting any inspections it may deem necessary or appropriate in determining whether to enter this Lease. Prior to the Effective Date, Lessee may examine and inspect all matters with respect to taxes, operating expenses, insurance costs, bonds, permissible uses, historical uses, zoning, covenants, conditions and restrictions and all other matters which in Lessee's judgment might bear upon the value and suitability of the Premises for Lessee's purposes or Lessee's willingness to enter into this Lease. Lessee acknowledges that Lessor has made no representations and warranties regarding these matters, whether express or implied, and the Lessee has relied on its own inspections and examinations contemplated in this Section 3 and Lessee be deemed to have accepted the Premises "AS IS" with all faults.

4. Rent

Commencing as of the Effective Date, Lessee shall pay to Lessor as for the Premises the sum of One Thousand Two Hundred dollars (\$1,200.00) per year ("Rent"), subject to adjustment as provided in Section 5 below. Rent shall be payable annually, in advance, to Lessor on or before each anniversary of the Effective Date during the Lease Term, as it may be extended, in lawful money of the United States, at the address set forth in Section 9 below, without deduction, setoff, prior notice or demand of any kind.

5. Rental Adjustments

Beginning one year following Effective Date, and continuing thereafter on each anniversary of the Effective Date during the Lease Term, as it may be extended ("Anniversary Date"), Rent shall be

increased by the increase in the Consumer Price Index or three percent (3%), whichever is greater, provided that in no event shall the rent be decreased. The increase in the Consumer Price Index means the percentage increase from the last preceding Anniversary Date to the current Anniversary Date of the Consumer Price Index - US all urban consumers, as published by the United States Department of Labor, Bureau of Labor Statistics.

6. Security Deposit

Lessee shall not be required to provide a Security Deposit to Lessor.

7. Late Charges; Interest

A. Late Charges

If any installment of rent or other sum due from Lessee is not received by Lessor within ten (10) days of the date it is due, then Lessee shall pay to Lessor a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such a late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee which are impracticable to estimate. Acceptance by Lessor shall in no event constitute a waiver of Lessee's default or breach with respect to such overdue amount or prevent Lessor from exercising any other rights and remedies granted herein.

B. Interest

Any monetary obligation due Lessor hereunder, other than late charges, not received by Lessor within ten (10) days of the date it is due, shall bear interest from the date due at the current Prime rate plus four percent or the then prevailing maximum rate permitted by applicable law, whichever is less ("Interest Rate").

8. Taxes

Lessee shall pay, before they become delinquent, all taxes, charges, and assessments, which are levied upon, or assessed against any improvement or personal property, placed upon the Premises by Lessee. Lessee shall pay, before they become delinquent, any and all property taxes and/or possessory interest taxes, assessments and/or supplemental taxes which are levied or assessed by any local public entity or government on the Premises or Lessee's possession and/or use thereof. In addition to the taxes and assessments specified above, Lessee shall pay to Lessor any privilege, sales, gross income or other tax (not including federal or state income tax), if any, imposed upon the Rent received by Lessor by an agency having the authority to do so.

9. Notices

All notices, payments, or other communications by either party to the other under this Lease shall be in writing and shall be deemed to have been given or made on the date of service if served personally or on the second business day after mailing if mailed to the party whom notice is given by first class mail, registered or certified, postage prepaid and properly addressed as follows:

Payments

To Lessor:

North Coast Railroad Authority
419 Talmage Rd. Ste. M
Ukiah, CA 95482
Attn: Hiedy Torres



FEMA

May 25, 2018
RIX-NR-18-8
News Desk: 510-627-7006

News Release

PROJECT WILL ENSURE CLEAN WATER DELIVERY DURING FLOODS

Oakland, Calif. –A \$1.7 million Humboldt Bay Municipal Water District hazard mitigation project will ensure 88,000 Humboldt County area customers have reliable access to clean and safe water during and after flooding of the Mad River.

The Federal Emergency Management Agency (FEMA) awarded \$1.325 million to the District to upgrade and relocate its aging high-voltage switch system that routes power to its water pumps. The grant will also allow the District to relocate and elevate the critical switchgear well above the current identified flood and dam inundation zones. These two actions will help two-thirds of Humboldt County residents recover faster after major flooding by reducing the risk to its water delivery system. The District will contribute \$441,750 to the project.

FEMA's Hazard Mitigation Grant Program helps States, territories, federally-recognized tribes, local communities and certain private non-profit organizations become more resilient to potential infrastructure damage and reduce future disaster costs.

###

FEMA's mission is helping people before, during, and after disasters.



SB-1029 North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marín Area Rail Transit District. (2017-2018)

SHARE THIS:  

Date Published: 06/20/2018 09:00 PM

AMENDED IN ASSEMBLY JUNE 20, 2018
AMENDED IN SENATE MAY 25, 2018
AMENDED IN SENATE APRIL 30, 2018
AMENDED IN SENATE APRIL 16, 2018
AMENDED IN SENATE APRIL 05, 2018
AMENDED IN SENATE MARCH 15, 2018

CALIFORNIA LEGISLATURE—2017–2018 REGULAR SESSION

SENATE BILL

No. 1029

Introduced by Senator McGuire

February 08, 2018

An act to add Chapter 4 (commencing with Section 93030) to Title 12 of, and to add and repeal Section 14533.4 of, the Government Code, to add Chapter 14 (commencing with Section 5880) to Division 5 of the Public Resources Code, and to amend Sections 105001, 105003, 105012, 105020, and 105095 of, to add Sections 105032.5 and 105088 to, and to repeal Sections 105104, 105105, and 105180 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1029, as amended, McGuire. North Coast Railroad Authority: right-of-way: Great Redwood Trail Agency: Sonoma-Marín Area Rail Transit District.

(1) Existing law creates the North Coast Railroad Authority with various powers and duties relating to rail service in the north coast area of the state, including the authority to acquire, own, operate, and lease real and personal property reasonably related to the operation and maintenance of railroads.

Existing law establishes in state government the California Transportation Commission with specified powers and duties relative to the programming of transportation capital improvement projects and other related matters.

This bill would require the commission to conduct an assessment of the authority's preexisting liabilities related to debt, litigation, or contractual obligations and report that information to the Legislature before July 1, 2019.

This bill would require the authority, before April 1, 2019, to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to ~~both~~ its right-of-way south of ~~a point in the City of Willits~~ mile post 142.5, its licenses and certificates of public convenience and necessity, common carrier obligations held by the authority or an associated freight operator, and the railroad assets the authority owns to the Sonoma-Marin Area Rail Transit District, and would require the authority, before July 1, 2019, to transfer its rights, privileges, and responsibilities, excluding any preexisting liability related to debt, litigation, or contractual obligations, relating to its right-of-way north of ~~that point in the City of Willits~~ mile post 142.5 to the Great Redwood Trail Agency. The bill would abolish the authority after those transfers are made.

This bill would create the Great Redwood Trail Agency, and provide for the appointment of its board of directors. The bill would, to the extent funding is available, require the agency ~~to~~ *to, among other things,* inventory any ~~parcel~~ parcel, easement, or contract related to the northern portion of the right-of-way, complete an environmental assessment of the conditions of the northern portion of the right-of-way, ~~create~~ plan, construct, operate, and maintain a trail in, or next to, the northern portion of the right-of-way, and complete ~~the~~ a railbanking ~~process on a portion of the northern right-of-way, and authorize the agency to contract with an operator to operate freight or excursion rail service on the remaining portion of the northern right-of-way, as specified.~~ process, if and where appropriate. The bill would also provide that the agency has certain enumerated rights and powers, including to fix and collect fees, make grants, acquire interests in real property, and to enter into contracts and joint powers agreements.

This bill would create the Great Redwood Trail Program Fund, and would require certain moneys to be deposited into the fund and to be available for certain purposes.

(2) Existing law creates, within the Counties of Sonoma and Marin, the Sonoma-Marin Area Rail Transit District, which is governed by a 12-member board of directors, with specified duties and powers. Existing law requires the district to work with specified authorities to achieve a safe, efficient, and compatible system of passenger and freight rail service and authorizes the district to own, operate, manage, and maintain a passenger rail system within the territory of the district.

This bill would authorize the district to consider the need and financing for employee workforce housing, and would add a member to the district's board of directors, to be appointed by the Mendocino County Board of Supervisors. The bill would require the district to conduct a freight rail study incorporating the southern portion of the right-of-way transferred to the district as described in paragraph ~~(1)~~. (1), and would require the district to create and maintain a trail that begins at mile post 142.5, runs in, or parallel to, the southern portion of the right-of-way, as appropriate, and connects to the district's bicycle and pedestrian pathways to the extent feasible. The bill would also make various conforming changes to the district's provisions relating to the abolishment of the North Coast Rail Authority. The bill would repeal the requirement that the district obtain coverage for itself and its employees under certain federal laws.

(3) Because this bill would impose new requirements on local entities, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. This bill shall be known, and may be cited, as the Great Redwood Trail Act.

SEC. 2. It is the intent of the Legislature to do all of the following:

(a) Create a systemwide hiking, biking, and riding trail along or parallel to the North Coast Railroad Authority's railroad tracks on the north ~~east~~ coast, which will be known as the Great Redwood Trail.

(b) Ascertain all liabilities, debts, contractual obligations, and leasehold interests held by the Northwestern Pacific Railroad Company, and other legal obligations of the North Coast Railroad Authority, transfer the authority's

assets and the right-of-way as provided for in this act, and abolish the North Coast Railroad Authority, which was established by statute in 1989.

(c) (1) Transfer the North Coast Railroad Authority's real property, rail assets, rail easements, licenses and certificates of public convenience and necessity, common carrier obligations, and right-of-way south of mile post 142.5 ~~in Willets, California,~~ to the Sonoma-Marín Area Rail Transit District.

(2) *To the extent funding is available from nonlocal sources, the Sonoma-Marín Area Rail Transit District will be responsible for creating and maintaining a trail that begins at mile post 142.5, runs in, or parallel to, the southern portion of the right-of-way, as appropriate, and connects to the district's bicycle and pedestrian pathways to the extent feasible.*

(d) (1) Create the Great Redwood Trail Agency, which will be responsible for constructing and maintaining a hiking, biking, and riding trail ~~in, or parallel to,~~ the northern portion of the right-of-way, from mile post 142.5 to mile post 300.5.

~~(e)~~

(2) Transfer the northern portion of the North Coast Railroad Authority's right-of-way, from mile post 142.5 to mile post 300.5, to the Great Redwood Trail Agency.

(3) *Authorize the Great Redwood Trail Agency to work with landowners and fishing organizations to locate and provide appropriate fishing access sites along the northern portion of the right-of-way.*

~~(f)~~

(e) Ensure each portion of the right-of-way not used for rail is railbanked or otherwise used as a trail.

~~(g)~~

(f) Ensure each portion of the right-of-way used for rail also has a trail created and maintained in, or ~~next parallel to,~~ it.

~~(h)(1) Provide~~

(g) *As the right-of-way runs through working ranch lands and farms, much of it very remote, the Sonoma-Marín Area Rail Transit District and the Great Redwood Trail Agency should take special concern to work with landowners and businesses to mitigate concerns raised by the changes to the right-of-way.*

(h) *For the portion of the right-of-way from mile post 85 at the Cloverdale Depot to mile post 300.5:*

(1) *Provide for the creation of ~~the trail~~ the Great Redwood Trail as a multiuse trail wherever practical, provide a safe, ~~continuous contiguous~~ alignment with appropriate and flexible design standards for site conditions, and support the intended uses of the trail. To the extent possible, trail alignments should promote connectivity between communities adjacent, or in close proximity, to established ~~right-of-ways~~ rights-of-way in order to link populations and population centers and to provide enhanced recreation and commuter opportunities. As such, it is the intent of the Legislature to authorize the applicable ~~successor agencies~~ entities to identify nodes that promote connectivity along the route.*

(2) Provide for the specific trail use types, including hiking, biking, and equestrian uses, to be determined by site specific studies and a broad community engagement process.

SEC. 3. Section 14533.4 is added to the Government Code, to read:

14533.4. (a) The commission shall conduct an assessment of the North Coast Railroad Authority's preexisting liabilities related to debt, litigation, or contractual obligations and report that information to the Legislature before July 1, 2019.

(b) *The commission may request the Department of Finance, or contract with another entity, to perform the work the commission deems necessary to carry out the duties described in subdivision (a).*

~~(b)~~

(c) (1) The report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795.



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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

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

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EMAIL OFFICE@HBMWD.COM

Website: www.hbmwd.com

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MICHELLE FULLER, DIRECTOR

GENERAL MANAGER

JOHN FRIEDENBACH

June 27, 2018

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

RE: Confirmation of BCA Assumptions and Facts

The Humboldt Bay Municipal Water District (District) was formed in 1956 pursuant to the Municipal Water District Act of the California Water Code. The District completed construction of the regional water system in 1961, after which potable and industrial water service commenced. Currently, a total of seven municipalities or wholesale customers are served by the regional system: City of Arcata, City of Blue Lake, City of Eureka, Fieldbrook-Glendale Community Services District, Humboldt Community Services District, Manila Community Services District, and the McKinleyville Community Services District. The District also provides potable water to approximately 200 retail customers. In total, 88,000 residents of Humboldt County receive potable water treated and distributed by the District.

The District operates two separate and distinct water systems: an industrial system, and a domestic system. The district operates three major reservoirs, both a 1 Million Gallon (MG) and 2MG tank on Korblex Hill at the Turbidity Reduction Facility for potable water storage and chlorine contact time, and a 1MG raw water tank on the Samoa Peninsula (Peninsula) to provide industrial process and firefighting water for the Peninsula, including the Samoa Peninsula Fire Protection District, the U.S. Coast Guard Station Humboldt Bay, and Fairhaven Power. Both of the 1MG reservoirs were constructed in 1967 and the 2MG reservoir was constructed in 1996.

Failure or damage to the 1 MG or 2MG reservoirs on Korblex Hill would interrupt service to all of the District's customers and prevent delivery of water to 88,000 residents of Humboldt County. The reservoir on the Peninsula is immediately adjacent to the domestic waterline to the Peninsula and the Humboldt Community Services District (HCSD). The failure of the 1MG Samoa reservoir would likely damage the domestic waterline and prevent water delivery to approximately 7,400 people.

Each reservoir is regularly inspected, maintained, and repainted by District staff and consulting engineers, a practice which will continue for the projects lifespan.

Kindly contact us if you have any questions or need any additional information.

Respectfully,

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

John Friedenbach
HBMWD General Manager



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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 MICHELLE FULLER, DIRECTOR

GENERAL MANAGER
 JOHN FRIEDENBACH

**LOCAL MATCH FUND
 COMMITMENT LETTER**

June 27, 2018

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

RE: DR-4344-0040 Subapplication Funding Match Commitment Letter

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

NAME OF FUNDING SOURCE:

FUNDS AVAILABILITY DATE:
PROVIDE EXACT MONTH/DATE/YEAR OF AVAILABILITY OF FUNDS

FEDERAL SHARE AMOUNT REQUESTED:
MUST MATCH \$ AMOUNT PROVIDED IN SUBAPPLICATION

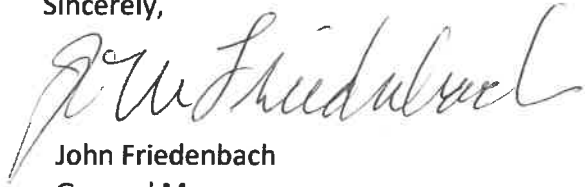
LOCAL SHARE AMOUNT MATCH:
MUST EQUAL A MINIMUM OF THE 25% FEDERAL SHARE REQUESTED

FUNDING TYPE:
EXAMPLES: ADMINISTRATION, CASH, CONSULTING FEES, ENGINEERING FEES,
 FORCE ACCOUNT LABOR, AGENCY PERSONNEL, PROGRAM INCOME, ETC.

If additional federal funds are requested, an additional local match fund commitment letter will be required.

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

Sincerely,

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

John Friedenbach
General Manager
Phone: 707-443-5018
Fax: 707-443-5731
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

ORIGINAL

LOCAL MATCH FUND COMMITMENT LETTER

April 27, 2018

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

RE: DR-4344-0040 Subapplication Funding Match Commitment Letter

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:

FUNDS AVAILABILITY DATE:
PROVIDE EXACT MONTH/DATE/YEAR OF AVAILABILITY OF FUNDS

FEDERAL SHARE AMOUNT REQUESTED:
MUST MATCH \$ AMOUNT PROVIDED IN SUBAPPLICATION

LOCAL SHARE AMOUNT MATCH:
MUST EQUAL A MINIMUM OF THE 25% FEDERAL SHARE REQUESTED

FUNDING TYPE:
EXAMPLES: ADMINISTRATION, CASH, CONSULTING FEES, ENGINEERING FEES, FORCE ACCOUNT LABOR, AGENCY PERSONNEL, PROGRAM INCOME, ETC.

If additional federal funds are requested, an additional local match fund commitment letter will be required.



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

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GENERAL MANAGER

JOHN FRIEDENBACH

July 6, 2018

Saskia Burnett
City of Arcata
Community Development Department
736 F Street
Arcata, CA 95521

RE: Continue to Oppose

Project: 178-067-DR Axel (Phase 4)

Assessor Parcel Number: 507-251-020

Address: 5550 West End Road

Dear Ms. Burnett,

Our District respectfully submits the following additional information and comments for consideration in regards to the above referenced project. This letter is to follow up and supplement our prior communications, including our letters of December 2, 2016 and our recent June 11, 2018 letter. Our District has a major water transmission line with corresponding easements across the parcel **507-251-020**. Our District has a right of way and related easement rights over the subject parcel. We have previously communicated to the City of Arcata our concerns with development on this property.

The District appreciates the Applicant's attempt to modify the project based on our previous comments, however, the modifications do not adequately address the District's concerns with the proposed project. In the interest of time, money and efficiency, perhaps it would be best that the City of Arcata Planning Staff, the Applicant, and the District meet to discuss a mutually agreeable resolution to our conflicts.

Until that time, the District submits the following comments.

1. The setback of the walls of Building 4 by approximately two feet from the edge of the District's 30-foot easement corridor was apparently intended to avoid an actual physical encroachment into the easement area by the footings of the building. However, detailed plans of the footings for the building were not included. Unfortunately, this two foot setback does not adequately address the District's primary concerns. Moreover, as detailed on sheets: A-6, A-14, A-15, A-16, and A-17, it appears that the roof overhang is 4 feet to 4.5 feet wider than the footprint of the building. This would mean that the roof overhangs and encroaches into our easement by approximately 2 feet or more. Encroachment into our pipeline easement by any permanent structure infringes upon our easement rights.
2. As we have documented to the Applicant and the City of Arcata previously, the District's easement rights have two primary components: 1) A 30-foot wide right of way for the actual placement of water lines; **and** 2) Other rights to use portions of the entire parcel for "...free

right of ingress and egress to, over, across and from said lands, together with the right to use such portion of said land **adjacent to and along such right of way as may be reasonably necessary in connection with the installation, repair and replacement of such pipeline or line.**” Emphasis added.

The project as currently proposed violates the District’s easement rights that are in addition to the 30-foot wide right of way itself, including the right to use the property to access the 30-foot right of way and to use land adjacent to the 30-foot right of way for installation, repair and replacement of lines.

Specifically, the location of Building 4--and Building 6--to the western edge of the District’s 30-foot right of way would eliminate or greatly reduce the District’s ability to use land “adjacent to and along” the western edge of the right of way for the purposes of installation, repair and replacement of the District’s facilities located in the right of way.

As mentioned in prior correspondence, the District’s facilities in the right of way include a very large (51 inch) water transmission line. A break in the line in the vicinity of the proposed improvements would likely result in a large area of flooding and severe soil erosion. It is unlikely that such a break could be adequately addressed and repaired with only access from the eastern side of the 30-foot right of way which is owned by a third party.

3. In addition, the location of “Lot 4” includes encroachment into the District’s 30-foot right of way, with a “loading zone” in close proximity. The District is concerned with interference to access of its facilities in the 30-foot right of way and possible overburden and damage to the District facilities. It is unknown from the Applicant’s drawings whether this “loading ramp” has a subsurface gradient or not. Furthermore, the loading ramp structure as proposed intersects the “drainage easement” causing any drainage to flow into our pipeline easement. This flow of drainage water could weaken the fill covering our pipelines and thereby compromise our pipelines. See previous comment in June 11, 2018 letter item 2.
4. Although some of the proposed vegetation has been removed from the District’s 30 pipeline easement, there are several large trees proposed in the landscaping adjacent to the District’s 30-foot pipeline right of way. Any landscaping of the area should include provisions that will not unreasonably reduce or increase the coverage of the District’s facilities and not incorporate trees or plants that may have invasive roots or otherwise threaten the District’s facilities or its access to those facilities. Therefore, the large trees proposed adjacent to our pipeline easement should be eliminated. See previous comment in June 11, 2018 letter item 5.

As indicated in prior communications, the District is not opposed to development. However, any development must adequately recognize and protect the District’s easement rights. Limitations on the District’s ability to adequately access, address and repair facilities—particularly a major transmission line such as that involved in the easement in question—pose a significant threat to the health, safety and welfare of numerous local residents, both those in the immediate area of any break and for those whose water service depends on these transmission facilities.

We reiterate our previous comments that continue to be relevant.

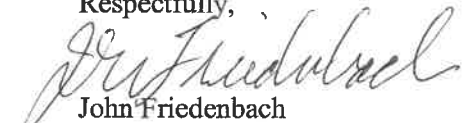
We plan to continue to access our pipeline through this property.

Kindly refer to our letter of December 2, 2016 and June 11, 2018 for our previous comments which continue to apply to the most recent development plan modifications. In addition, we are concerned about the proposed drainage improvements (improve swale, LID swale) located on the east property line in the vicinity of our pipeline right of way. The drainage swale must not impede access of vehicles and equipment to our pipeline Right-of-Way. We oppose the removal of any cover material within our right of way as this could compromise our pipelines. Moreover, we oppose the use of heavy equipment in this vicinity of our right of way and pipelines for similar reasons.

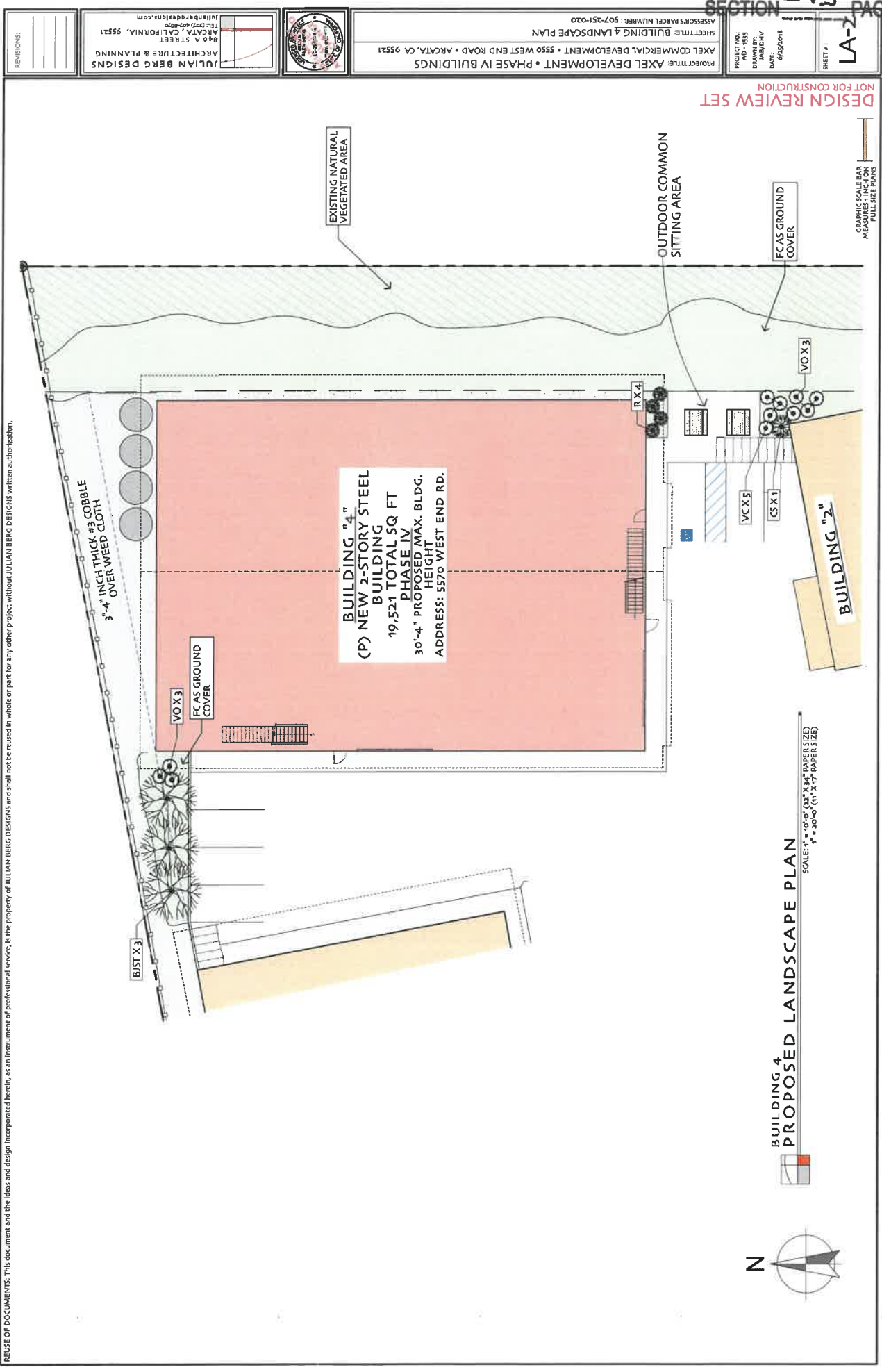
Based on the above items and contents of our previous comments, our District continues to be opposed to this development as proposed. We respectfully request that you keep us informed of any public hearings on this project.

If you have any questions, please do not hesitate to contact us.

Respectfully,


John Friedenbach
General Manager

Cc: Paul Brisso, esq.
Pat Kaspari, GHD
Dale Davidsen, HBMWD



REUSE OF DOCUMENTS: This document and the ideas and design incorporated herein, as an instrument of professional service, is the property of JULIAN BERG DESIGNS and shall not be reused in whole or part for any other project without JULIAN BERG DESIGNS written authorization.

REVISIONS:

JULIAN BERG DESIGNS
ARCHITECTURE & PLANNING
846 A STREET
ARCATA, CALIFORNIA, 95521
TEL: (707) 497-8870
Julianbergdesigns.com



PROJECT TITLE: AXEL DEVELOPMENT - PHASE IV BUILDINGS
AXEL COMMERCIAL DEVELOPMENT • 5550 WEST END ROAD • ARCATA, CA 95521
SHEET TITLE: PROPOSED SITE PLAN
ASSESSOR'S PARCEL NUMBER: 507-251-020

PROJECT NO.: AD - 1535
DRAWN BY: JAB/DHV
DATE: 6/25/2018

SHEET #: A-1

PARKING ANALYSIS (BUILDINGS 1,2,3,&4)

BUILDING #	TOTAL BUILDING SQ FT	TOTAL REQUIRED PARKING	TOTAL REQUIRED BICYCLE SPACES
BUILDING 1	17,277	17,277 SQ FT/800 SQ FT = 22 PARKING SPACES (MIN.) 17,277 SQ FT/500 SQ FT = 35 PARKING SPACES (MAX.)	SPACES: 11
BUILDING 2	2,400	2,400 SQ FT/800 SQ FT = 3 PARKING SPACES (MIN.) 2,400 SQ FT/500 SQ FT = 5 PARKING SPACES (MAX.)	SPACES: 3
BUILDING 3	24,847	24,847 SQ FT/800 SQ FT = 31 PARKING SPACES (MIN.) 24,847 SQ FT/500 SQ FT = 50 PARKING SPACES (MAX.)	SPACES: 16
BUILDING 4	19,521	19,521 SQ FT/800 SQ FT = 24 PARKING SPACES (MIN.) 19,521 SQ FT/500 SQ FT = 39 PARKING SPACES (MAX.)	SPACES: 12
TOTAL:	64,513	MINIMUM PARKING SPACES REQUIRED: 80 MAXIMUM PARKING SPACES REQUIRED: 129 TOTAL PROPOSED: 82 MINIMUM MOTORCYCLE SPACES REQUIRED: 5 (1 SPACE FOR EVERY 20 VEHICLE SPACES) TOTAL PROPOSED: 5	SPACES REQUIRED: 42 TOTAL PROPOSED: 43 MINIMUM BICYCLE SPACES REQUIRED: 42 (50% OF VEHICLE PARKING SPACES)

PARKING ANALYSIS (BUILDINGS 5 & 6)

BUILDING #	TOTAL BUILDING SQ FT	TOTAL REQUIRED PARKING	TOTAL REQUIRED BICYCLE SPACES
BUILDING 5	12,123	12,123 SQ FT/800 SQ FT = 15 PARKING SPACES (MIN.) 12,123 SQ FT/500 SQ FT = 24 PARKING SPACES (MAX.)	SPACES: 8
BUILDING 6	9,287	10,739 SQ FT/800 SQ FT = 12 PARKING SPACES (MIN.) 10,739 SQ FT/500 SQ FT = 21 PARKING SPACES (MAX.)	SPACES: 6
TOTAL:	21,410	MINIMUM PARKING SPACES REQUIRED: 27 MAXIMUM PARKING SPACES REQUIRED: 45 TOTAL PROPOSED: 28 MINIMUM MOTORCYCLE SPACES REQUIRED: 2 (1 SPACE FOR EVERY 20 VEHICLE SPACES) TOTAL PROPOSED: 2	SPACES REQUIRED: 14 TOTAL PROPOSED: 14 MINIMUM BICYCLE SPACES REQUIRED: 14 (50% OF VEHICLE PARKING SPACES)

MULTI-TENANT SITES:
WHERE JOINT PARKING FACILITIES ARE PROVIDED FOR TWO OR MORE NONRESIDENTIAL USES IN A SINGLE DEVELOPMENT, OR TWO ADJOINING DEVELOPMENTS, THE MINIMUM REQUIREMENT MAY BE REDUCED TO 75 PERCENT OF THE SUM OF THE REQUIREMENTS FOR THE VARIOUS USES COMPUTED SEPARATELY, WHEN THE COMBINED REQUIREMENTS TOTAL FOUR OR MORE SPACES, THE SPACES SHALL BE AVAILABLE TO ALL USERS OF ALL THE DEVELOPMENTS BENEFITING FROM THIS PROVISION.

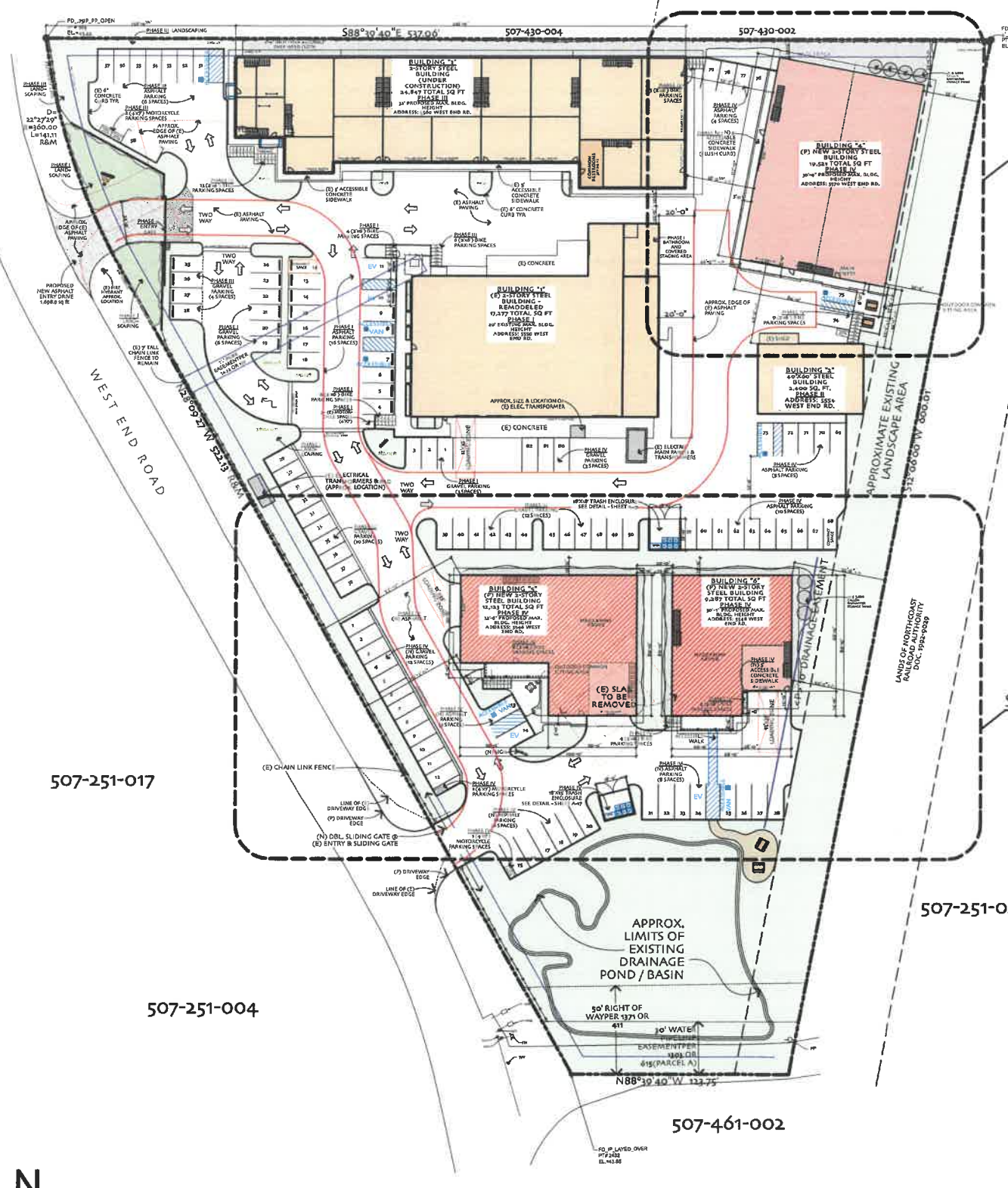
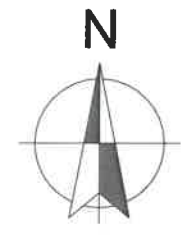
MINIMUM NUMBER OF MOTORCYCLE SPACES:
A PARKING LOT WITH 20 OR MORE VEHICLE PARKING SPACES SHALL PROVIDE MOTORCYCLE PARKING SPACES CONVENIENTLY LOCATED NEAR THE MAIN ENTRANCE OF A STRUCTURE AND ACCESSED BY THE SAME AISLES THAT PROVIDE ACCESS TO THE VEHICLE PARKING SPACES IN THE LOT. A MINIMUM OF ONE MOTORCYCLE PARKING SPACE SHALL BE PROVIDED FOR EACH 20 VEHICLE SPACES OR FRACTION THEREOF. (PER CITY OF ARCATA ZONING CODE, SECTION 9.36.070)

NUMBER OF PARKING SPACES REQUIRED PER FLOOR AREA:
(PER CITY OF ARCATA ZONING CODE SECTION 9.36.040 TABLE 3-6):
MINIMUM: 1 PER 800 SQ FT
MAXIMUM: 1 PER 500 SQ FT

MINIMUM NUMBER OF BICYCLE SPACES:
A MINIMUM OF 100% OF VEHICLE PARKING SPACES IS REQUIRED FOR LOTS WITH 3-10 CARS. A MINIMUM OF 50% OF VEHICLE PARKING SPACES IS REQUIRED FOR LOTS WITH 11+ CARS. (PER CITY OF ARCATA ZONING CODE, SECTION 9.36.060 TABLE 3-7)

TOTAL NUMBER OF ACCESSIBLE PARKING SPACES REQUIRED FOR BUILDINGS 1, 2, 3, & 4:
3 SPACES (PER SECTION 11B-208.2 TABLE 21A)

TOTAL NUMBER OF ACCESSIBLE PARKING SPACES REQUIRED FOR BUILDINGS 5 & 6:
2 SPACES (PER SECTION 11B-208.2 TABLE 21A)



SEE SITE PLAN DETAIL "A"
SHEET A-1.1

SEE SITE PLAN DETAIL "B"
SHEET A-1.2

PROPOSED SITE PLAN

SCALE: 1" = 40'-0" (22" X 34" PAPER SIZE)
1" = 80'-0" (11" X 17" PAPER SIZE)

GRAPHIC SCALE BAR
MEASURES 1 INCH ON
FULL SIZE PLANS

DESIGN REVIEW SET
NOT FOR CONSTRUCTION

FINANCIAL

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Statement of Fund Balances at May 31, 2018

SECTION J2a PAGE NO. 1

Account Fund Balance at Month End	AT 6-30-18	AT 6-30-17
U.S. BANK ACCOUNTS		
- Commercial Account - General Fund Account	505,984.55	967,035.67
- Money Market Account (DWR Contract for SRF Loan)	① 162,991.76	161,334.46
- Certificate of Deposit (DWR Contract for SRF Reserve)	② 547,336.94	547,336.94
- CalPERS (UAL) Pension Trust	⑧ 605,177.20	0.00
Subtotal	<u>1,821,490.45</u>	<u>1,675,707.07</u>
HUMBOLDT COUNTY:		
- Investment Account	1,802,284.64	2,545,334.00
- DWFP Reserve (in accordance with Ordinance 16)	④ 234,232.42	472,301.09
- MSRA Reserve (Municipal Supplemental Reserve Account)	⑤ 428,703.81	422,976.28
- SRF Loan Payment	⑥ 49,556.92	48,785.07
- ReMat Account	⑦ 259,473.00	0.00
- 1% Tax Account	③ 773.59	0.00
Subtotal	<u>2,775,024.38</u>	<u>3,489,396.44</u>
L.A.I.F.	1,629.83	1,610.80
Cash on Hand	650.00	650.00
TOTAL CASH	<u>\$ 4,598,794.66</u>	<u>\$ 5,167,364.31</u>
Less: Encumbrances & Reserves (Funds Dedicated for Specific Purposes and Projects)		
RESTRICTED		
Municipal Customers PF2 Prior Year Reconciliation	In Process*	(434,489.00)
1% Tax Account	③ (773.59)	0.00
Municipal Customer Adv. Chrg. - Ranney Collector 1 & 1A Rehabilitation	0.00	0.00
Municipal Customer Adv. Chrg. - Collector 1 Pump Motors	0.00	(100,000.00)
Municipal Customer Adv. Chrg. - 1MG Domestic Reservoir Roof	0.00	(625,000.00)
Municipal Customer Adv. Chrg. - Replace Ruth Bunkhouse	(403,365.00)	(403,500.00)
Municipal Customer Adv. Chrg. - SCADA System Upgrade	0.00	(401,000.00)
Municipal Customer Adv. Chrg. - Blue Lake/FGCSD River Crossing	0.00	(200,000.00)
Municipal Customer Adv. Chrg. - Surge Tower Replacement	0.00	(36,345.00)
Municipal Customer Adv. Chrg. - FEMA HMG - Redundant Pipeline	(260,245.00)	0.00
Municipal Customer Adv Chrg - FEMA HMG - Three Tanks Seismic Retrofits	(255,000.00)	0.00
DWR Reserve Fund for SRF Loan	② (547,336.94)	(547,336.94)
DWR Contract Payment for SRF Loan for DWFP (Drinking Water Filtration Plant-PF1 Charges from Munis)	① (162,991.76)	(161,334.46)
CalPERS (UAL) Pension Trust	⑧ (605,177.20)	
SUBTOTAL RESTRICTED RESERVES (Net Position)	<u>(2,234,889.49)</u>	<u>(2,909,005.40)</u>
UNRESTRICTED:		
Board Restricted:		
Paik-Nicely Development	(4,158.00)	(4,158.00)
DWFP Reserve	④ (234,232.42)	(472,301.09)
MSRA Reserve (Municipal Supplemental Reserve Account)	⑤ (428,703.81)	(422,976.28)
PG&E REMAT Deposit	(27,000.00)	(27,000.00)
PG&E REMAT Reserve (County Fund)	⑦ (259,473.00)	0.00
Unrestricted Reserves		
SRF Loan Payment	⑥ (49,556.92)	(48,785.07)
Municipal Customer Accumulation for Debt Service for US Bank Ranney & Techite Project Loan Payment	88.59	(209.15)
General Fund Reserve	(1,360,869.61)	(1,282,929.32)
SUBTOTAL UNRESTRICTED RESERVES (Net Position)	<u>(2,363,905.17)</u>	<u>(2,258,358.91)</u>
Total Net Position	<u>(4,598,794.66)</u>	<u>(5,167,364.31)</u>

* In Process Updated Page may be available at Board Meeting

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
AT JUNE 30, 2018 (12 MONTH - 100%)

SECTION J2a PAGE NO. 2

	JUNE RECEIPTS	YTD TOTAL AT 6-30-18	BUDGET	% OF BUDGET	YTD TOTAL AT 6-30-17
MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)					
RETAIL WATER SALES	\$ 26,392.61	\$ 291,854.08	\$312,151	93%	\$ 358,141.36
SUBTOTAL RETAIL WATER SALES	\$ 26,392.61	\$ 291,854.08	\$312,151	93%	\$ 358,141.36
GENERAL REVENUES					
INTEREST (1)	8,878.25	34,833.27	\$12,000	290%	39,915.84
FCSD CONTRACT FOR MAINT. & OPERATIONS	0.00	209,026.36	175,000	119%	234,894.67
POWER SALES NET REMAT	9,678.65	145,954.59	197,000	74%	259,094.31
MISCELLANEOUS (SEE NEXT PAGE)	\$3,519.38	\$107,506.82	50,000	215%	\$ 66,553.10
SUBTOTAL GENERAL REVENUES	\$ 22,076.28	\$ 497,321.04	\$434,000	115%	\$ 600,457.92
TAX RECEIPTS					
1% TAXES (1)	773.59	915,390.05	775,000	118%	837,624.20
TOTAL PF 2 CREDIT	\$ 49,242.48	\$ 1,704,565.17	\$1,521,151	112%	\$ 1,796,223.48
WHOLESALE CONTRACT RECEIPTS					
INDUSTRIAL / HARBOR DISTRICT	\$0.00	\$612.40	\$10	6124%	\$1,108.28
TOTAL INDUSTRIAL	\$0.00	\$612.40	\$10	6124%	\$1,108.28
CITY OF ARCATA	\$ 89,380.23	\$ 1,094,985.65	\$1,162,728	94%	\$ 1,147,983.21
CITY OF EUREKA	213,758.81	2,599,348.96	2,768,065	94%	2,752,098.85
HUMBOLDT CSD	69,768.12	856,391.08	923,496	93%	925,372.60
MANILA CSD	0.00	47,212.34	74,513	63%	74,504.37
MCKINLEYVILLE CSD	70,866.11	872,716.58	935,846	93%	929,514.50
FIELDBROOK CSD	11,543.20	142,896.27	151,117	95%	151,433.88
BLUE LAKE	12,665.09	154,722.05	164,116	94%	162,806.87
TOTAL MUNIS	\$ 467,981.56	\$ 5,768,272.93	\$6,169,881	93%	\$ 6,143,714.28
REMAT REVENUE less Consultant fee (3)	14,367.46	256,521.51	300,000	86%	0
TOTAL RECEIPTS	\$ 531,591.50	\$ 7,729,972.01	\$7,691,042	101%	\$ 7,941,046.04

(1) Humboldt County Investment Account \$8,878.25 & 1% Taxes \$773.59 Interest Jan - Mar 2018

MISCELLANEOUS RECEIPTS

	JUNE	YEAR TO DATE
Administrative		
Parking Lot Rent	\$25.00	\$325.00
Employee Telephone	0.00	357.52
Employee Gas	21.26	569.40
Retirees' Reimbursement of Health Insurance Premium	2,814.03	32,572.25
COBRA Vision Ins & Admin Fee - Retiree	18.93	416.46
COBRA Dental Ins & Admin Fee - Retiree	34.39	1,514.37
Water Processing Fees	30.00	480.00
Hydrant Rental Deposit	0.00	525.00
Meter Installations	0.00	0.00
Retail Connection Charge	0.00	0.00
Mainline Connection Charge	0.00	0.00
Right of Way Fees	0.00	0.00
Special Event Liability Insurance	0.00	514.75
ACWA/JPIA Retrospective Premium Adjustment	0.00	45,846.22
ACWA/JPIA Insurance Claim	0.00	0.00
Dividend Check (Principal Life)	0.00	1,030.62
Bad Debt Recovery	0.00	81.20
Miscellaneous Payments for Copies &/or Postage Costs	1.15	259.00
Diesel Fuel Tax Refund	0.00	106.24
Park Use Fees	0.00	100.00
Sale of Surplus Equipment	0.00	8,000.00
Reimbursement for District Coffee Mugs	0.00	97.39
Reimbursement for personal charge on District credit card	0.00	103.00
Reimbursement for safety apparel	0.00	88.00
Reimbursement for District Hats	0.00	283.00
Lithia Dodge - Refund - Overpayment of DMV Fees	0.00	81.00
Scotia CSD - Reimbursement for emergency chemical supplies	0.00	112.20
County of Humboldt - Refund of Inspection Fees for Techite Pipeline Replacement Project	0.00	599.58
ACWA/JPIA HR LaBounty Safety Award		100.00
McKinleyville CSD - Equipment Rental/Operator Assistance	286.62	286.62
Ruth Area		
Use of Ruth Cabin	30.00	240.00
RLCSD-Water System Permit Fees	0.00	2,050.00
Ruth Area Water Use Permit	100.00	200.00
Buffer Strip Right of Way License Fee	0.00	0.00
Ruth Buffer Strip PG&E Right of Way Fees	0.00	100.00
Ruth Sale of Merchantable Timber	158.00	558.00
Ruth Sale of Surplus Gravel	0.00	0.00
Don Bridge Lease	0.00	768.00
FEMA Storm Damage Claim - Ruth Area	0.00	9,142.00
Miscellaneous		
Other	0.00	0.00
Total Miscellaneous Receipts	\$3,519.38	\$107,506.82
OTHER RECEIPTS or GRANTS		
Prop 84 - Ranney Collector 1	0.00	159,577.77
CalEMA Blue Lake/Fieldbrook Pipeline Crossing	0.00	0.00
Quagga Grant 2015/16 on behalf of RLCSD*	0.00	915.00

* Not included in PF2 Credits. No charges were expended by HBMWD.
Claim for expenditures was submitted by HBMWD on behalf of RLCSD.

-4-
HUMBOLDT BAY MUNICIPAL WATER DISTRICT
TOTAL EXPENDITURES
AT JUNE 30, 2018 (12 MONTHS - 100%)

	JUNE EXPENSES	YTD TOTAL 6/30/2018	BUDGET	% OF BUDGET	TOTAL 6/30/2017
PAYROLL: See next page for detail					
Total Compensation	\$181,113.75	\$2,178,884.86	\$ 2,273,365	96%	\$2,119,747.98
Taxes/Benefits	120,226.38	1,481,350.37	1,468,911	101%	1,393,236.36
TOTAL PAYROLL	\$301,340.13	\$3,660,235.23	\$ 3,742,276	98%	\$3,512,984.34
SERVICE & SUPPLY					
O & M					
Engineering	\$2,824.68	\$61,262.18	\$ 75,000	82%	\$44,354.25
Maint., Repairs, Supplies	16,950.68	217,453.26	115,000	189%	123,747.84
TRF Maint, Repairs, Supplies	4,305.56	50,386.33	62,000	81%	54,100.18
Lab	1,650.00	14,561.84	13,000	112%	11,704.70
Auto Maintenance	3,753.30	38,610.32	46,000	84%	30,220.82
Radio Maintenance	1,849.80	9,147.37	10,500	87%	12,510.58
USGS Meter Station	0.00	7,850.00	7,800	101%	7,260.00
Ruth Lake License	0.00	1,500.00	1,500	100%	1,500.00
A&G					
Accounting Services	0.00	16,355.00	\$ 25,000	65%	20,640.00
Legal	6,981.25	67,436.19	28,000	241%	4,684.43
Professional Services	1,564.47	5,209.83	20,000	26%	5,214.66
Insurance	0.00	88,698.75	105,000	84%	86,387.24
Telephone/Internet	5,122.57	59,735.78	51,000	117%	59,303.02
Office Building Maintenance	1,958.74	25,947.81	18,500	140%	19,547.28
Office Expense	7,098.66	53,646.94	54,000	99%	59,335.76
Travel & Conference	2,543.44	11,502.66	22,000	52%	7,362.99
Dues & Subscriptions	0.00	16,193.51	11,300	143%	15,363.78
CSDA Dues	0.00	8,039.00	5,200	155%	0.00
Technical Training	2,978.59	9,296.5	14,500	64%	9,266.80
General Manager Training	7.38	1,911.90	5,000	38%	0.00
Safety Apparel	0.00	3,307.08	3,000	110%	0.00
County Tax Fee	0.00	19,418.00	21,000	92%	19,044.00
County Property Taxes	0.00	998.60	1,100	91%	998.60
LAFCO	0.00	5,790.07	7,000	83%	7,447.28
Regulatory Agency Fees	2,152.50	100,500.33	76,000	132%	84,632.16
Ruth Lake Programs	0.00	0.00	5,000	0%	0.00
Miscellaneous	905.71	13,170.21	11,500	115%	23,873.27
TOTAL SERVICE/SUPPLIES W/OUT POWER	\$62,647.33	\$907,929.44	\$814,900	111%	\$708,499.64
POWER					
Essex Pacific Gas & Electric	\$53,894.30	\$586,459.11			\$595,666.63
Fuel For 2 MW Generator	0.00	0.00			2,513.59
Subtotal Essex Pumping	\$53,894.30	\$586,459.11	\$595,803	98%	\$598,180.22
All Other Pacific Gas & Electric	10,567.88	85,937.85	71,662		91,667.42
POWER EXPENSE SUBTOTAL	\$64,462.18	\$672,396.96	\$667,465	101%	\$689,847.64
TOTAL SERVICE/SUPPLIES WITH POWER	\$127,109.51	\$1,580,326.40	\$1,482,365	107%	\$1,398,347.28
PROJECTS, FIXED ASSETS & CONSULTING SERVICES					
	\$702,814.91	\$2,916,442.04	\$7,563,490	39%	\$4,575,738.53
TOTAL OPERATING	\$1,131,264.55	\$8,157,003.67	\$12,788,131	64%	\$9,487,070.15
DEBT SERVICE - SRF LOAN (1)	\$273,668.48	\$547,336.96	\$547,337	100%	\$547,336.96
TOTAL EXPENDITURES	\$1,404,933.03	\$8,704,340.63	\$13,335,468	65%	\$10,034,407.11
DEBT SERVICE - US Bank	\$0.00	\$162,188.10	\$162,200	100%	\$162,188.10

Humboldt Bay Municipal Water District
Salary & Employee Benefit Expenditures

June 2018

	Jun 18	Budget	% of Budget	Jul '17 - Jun 18	YTD Budget	% of Budget	Annual Budget
Ordinary Income/Expense							
Expense							
SALARIES & EMPLOYEE BENEFITS							
00 - PAYROLL EXPENSE							
11 - Salaries & Wages	162,323.34	165,993.50	97.8%	1,877,709.38	1,991,922.00	94.3%	1,991,922.00
01 - Wages-Regular	6,172.59	5,150.00	119.9%	39,942.46	53,600.00	74.5%	53,600.00
02 - Wages-Part-time	1,783.11	1,800.00	99.1%	22,571.10	24,000.00	94.0%	24,000.00
03 - Wages-Overtime	6,415.25	7,500.00	85.5%	77,288.87	90,000.00	85.9%	90,000.00
04 - Wages-Standby	782.40	800.00	97.8%	10,174.96	11,000.00	92.5%	11,000.00
05 - Wages-Holiday	814.56	1,000.00	81.5%	9,325.02	12,000.00	77.7%	12,000.00
07 - Shift Differential	2,560.00	2,170.83	117.9%	23,440.00	26,050.00	90.0%	26,050.00
08 - Director Compensation	262.50	262.50	100.0%	3,150.00	3,150.00	100.0%	3,150.00
09 - Secretarial Fees							
Total 11 - Salaries & Wages	181,113.75	184,676.83	98.1%	2,063,601.79	2,211,722.00	93.3%	2,211,722.00
220 - Employer P/R Tax Expense	14,022.37	14,725.59	95.2%	163,739.87	177,137.00	92.4%	177,137.00
Total 00 - PAYROLL EXPENSE	195,136.12	199,402.42	97.9%	2,227,341.66	2,388,859.00	93.2%	2,388,859.00
158 - EMPLOYEE BENEFITS							
E.B. - Medical & Life	52,607.26	56,231.33	93.6%	685,415.43	674,776.00	101.6%	674,776.00
162 - Employee Medical & Life	2,021.22	416.67	485.1%	36,122.55	5,000.00	722.5%	5,000.00
173 - HSA	8,439.86	5,825.67	144.9%	91,291.39	69,908.00	130.6%	69,908.00
162a - Retiree Medical							
Total E.B. - Medical & Life	63,068.34	62,473.67	101.0%	812,829.37	749,684.00	108.4%	749,684.00
E.B. - Dental	2,860.50	3,370.50	84.9%	34,446.52	40,446.00	85.2%	40,446.00
E.B. - Vision	649.23	631.00	102.9%	7,637.77	7,572.00	100.9%	7,572.00
E.B. - Retirement Benefits							
164 - 457b District Contributi...	2,600.00	2,550.00	102.0%	30,800.00	30,600.00	100.7%	30,600.00
PERS Expenses	35,583.21	36,345.83	97.9%	413,157.47	436,150.00	94.7%	436,150.00
Total E.B. - Retirement Benefits	38,183.21	38,895.83	98.2%	443,957.47	466,750.00	95.1%	466,750.00
E.B. - Other Benefits							
159 - Workers' Comp. Ins.	0.00	0.00	0.0%	53,435.10	70,572.00	75.7%	70,572.00
168 - Long-Term Disability Ins.	1,367.53	1,442.92	94.8%	16,069.61	17,315.00	92.8%	17,315.00
172 - Employee EAP	75.20	89.83	83.7%	972.89	1,078.00	90.2%	1,078.00
Total E.B. - Other Benefits	1,442.73	1,532.75	94.1%	70,477.60	88,965.00	79.2%	88,965.00
Total 158 - EMPLOYEE BENEFITS	106,204.01	106,903.75	99.3%	1,369,348.73	1,353,417.00	101.2%	1,353,417.00
Total SALARIES & EMPLOYEE BEN...	301,340.13	306,306.17	98.4%	3,596,690.39	3,742,276.00	96.1%	3,742,276.00
Total Expense	301,340.13	306,306.17	98.4%	3,596,690.39	3,742,276.00	96.1%	3,742,276.00
Net Ordinary Income	-301,340.13	-306,306.17	98.4%	-3,596,690.39	-3,742,276.00	96.1%	-3,742,276.00

Humboldt Bay Municipal Water District
Overtime Pay

June 2018

	54TRF		51		52		54		56		58		TOTAL	
	Hours	Jun 18	Hours	Jun 18	Hours	Jun 18	Hours	Jun 18	Hours	Jun 18	Hours	Jun 18	Hours	Jun 18
Employee Wages, Taxes and Adjustments														
Gross Pay	10	602.20	1	55.32	14	843.08	4	180.12	0.75	47.07	1	55.32	30.75	1,783.11
Overtime	10	602.20	1	55.32	14	843.08	4	180.12	0.75	47.07	1	55.32	30.75	1,783.11
Total Gross Pay	10	602.20	1	55.32	14	843.08	4	180.12	0.75	47.07	1	55.32	30.75	1,783.11
Adjusted Gross Pay	10	602.20	1	55.32	14	843.08	4	180.12	0.75	47.07	1	55.32	30.75	1,783.11
Net Pay	10	602.20	1	55.32	14	843.08	4	180.12	0.75	47.07	1	55.32	30.75	1,783.11
Employer Taxes and Contributions		0.00		0.00		0.00		0.00		0.00		0.00		0.00

I. CAPITAL PROJECTS	JUNE		YTD TOTAL		BUDGET	REVISED BUDGET	% OF BUDGET
	EXPENSES	6/30/2018	6/30/2018	BUDGET			
A. Projects Charged to All Customers via Price Factor 2 (BWF)							
Ranney Collectors Communication Upgrade	\$0.00	\$4,144.22	\$3,250	\$3,250	\$3,250	\$3,250	128%
Collector 1, Pump 3 & 4 Isolation Valve & Expansion Joint Replacement *	0.00	6,481.02	7,750	7,750	6,480	6,480	100%
Collector 1, Replacement of Pressure Relief Valve *	0.00	8,247.90	6,000	6,000	8,250	8,250	100%
Replace Collector 1 - Pump 1.1 Funded by Current Budget *	0.00	118,392.86	134,000	134,000	118,395	118,395	100%
Replace Collector 1 - Pump 1.4 Funded by Current Budget *	0.00	122,020.80	110,000	110,000	122,025	122,025	100%
Collector 4 Replacement of Check Valves for 4-1, 4-2	0.00	30,350.97	30,250	30,250	30,250	30,250	100%
Redundant Pipeline - Advanced Charge *	260,245.00	260,245.00	260,245	260,245	260,245	260,245	100%
Three Tank Seismic Retrofit - Advanced Charge *	255,000.00	255,000.00	255,000	255,000	255,000	255,000	100%
Purchase Vehicle Lift *	16.00	14,759.03	17,250	17,250	14,745	14,745	100%
Superintendent Office Remodel *	2,516.18	2,559.58	6,000	6,000	2,460	2,460	104%
Ruth Hydro Protective Relay Replacement - Phase 1	36,167.45	37,518.15	42,000	42,000	42,000	42,000	89%
Ruth Dam Access Road Culvert System	0.00	4,321.56	4,750	4,750	4,750	4,750	91%
SUBTOTAL A:	\$553,944.63	\$864,041.09	\$361,250	\$361,250	\$867,850	\$867,850	100%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)							
TRF Video Surveillance System *	\$16,143.74	\$16,143.74	\$23,000	\$23,000	\$15,000	\$15,000	108%
TRF Work Area - Phase 2 *	0.00	3,132.94	5,500	5,500	3,135	3,135	100%
TRF Storage Area Slab & Drainage System *	239.16	239.16	7,500	7,500	4,000	4,000	6%
SUBTOTAL B:	\$16,382.90	\$19,515.84	\$36,000	\$36,000	\$22,135	\$22,135	88%
C. Projects Funded by Other Sources (BWF)							
Blue Lake/FGCSD River Crossing Funded by Prop 84 & FEMA Grants & Adv. Charges	\$13,022.02	\$381,038.38	\$3,579,750	\$3,579,750	\$3,579,750	\$3,579,750	11%
Surge Tower Replacement - CEQA, Bidding & Construction Assistance] Funded by FEMA Grant & Adv. Charges	0.00	52,283.50	960,000	960,000	960,000	960,000	5%
1 Mg Domestic Water Reservoir Roof & Painting] Funded by Advanced Charges *	0.00	536,338.63	625,000	625,000	536,340	536,340	100%
Replace Collector 1 - Pump 1.1 Funded by Advanced Charges	0.00	50,000.00	50,000	50,000	50,000	50,000	100%
Replace Collector 1 - Pump 1.4 Funded by Advanced Charges	0.00	50,000.00	50,000	50,000	50,000	50,000	100%
SUBTOTAL C:	\$13,022.02	\$1,069,660.51	\$5,264,750	\$5,264,750	\$5,176,090	\$5,176,090	21%
TOTAL CAPITAL PROJECTS:	\$583,349.55	\$1,953,217.44	\$5,662,000	\$5,662,000	\$6,066,075	\$6,066,075	32%

* Per Board Mid-Year 2017/18 Budget Review and Modifications 6/14/2018

While the total projects expenditures are budgeted at \$7,563,490, the actual customer charges are \$1,550,945. Capital Projects C, Professional & Consulting Services C and Industrial System Projects C is the listing of Projects Funded by Other Sources. In addition the Ranney Collector 3 and Techite Pipeline Replacement projects have been partially funded with financing over 10 years. Only the annual debt service for these financed projects are being charged to the wholesale customers.

I. FIXED ASSETS	JUNE		YTD TOTAL		BUDGET	REVISED BUDGET	% OF BUDGET
	EXPENSES	6/30/2018	BUDGET	6/30/2018			
A. Projects Charged to All Customers via Price Factor 2 (BWF)							
Essex- Replace Two Administrative Computers *	\$0.00	\$4,966.05	\$6,250	\$4,970		100%	
Spare Bottles for SCBAs	0.00	1,580.00	1,500	1,500		105%	
Wall Mounted EyeWash Station	0.00	2,001.83	2,250	2,250		89%	
Fall Protection Equipment	0.00	4,034.46	4,000	4,000		101%	
Electrical Safety Equipment *	0.00	1,751.76	3,000	1,750		100%	
Control System Computer Backup Devices *	0.00	1,917.39	3,250	1,920		100%	
Customer Service - Metal Detector	0.00	1,097.66	1,250	1,250		88%	
Customer Service - Dewatering Equipment	0.00	1,282.21	1,500	1,500		85%	
Replace Unit 7 *	31,776.49	31,776.49	43,000	32,100		99%	
Replace Unit 9 *	414.99	52,464.77	70,500	52,050		101%	
Replace District Portable Radios	0.00	4,352.03	4,750	4,750		92%	
Parts Cleaner - NonToxic Environmental Safe	0.00	2,168.92	2,000	2,000		108%	
Purchase Drone *	2,501.42	2,501.42	3,000	2,600		96%	
Chlorine System PLC *	3,892.98	3,892.98	6,000	3,500		111%	
AED Ruth Hydro	0.00	1,213.95	1,500	1,500		81%	
Eureka - Replace Computer	-29.99	2,479.01	3,000	3,000		83%	
Replace Business Manager Desk	0.00	3,323.27	3,000	3,000		111%	
Replace/Upgrade Eureka Computer Main Server *	0.00	19,232.18	30,000	20,730		93%	
Screens for Board of Directors *	0.00	0.00	15,000	0		0%	
SUBTOTAL A:	\$38,555.89	\$142,036.38	\$204,750	\$144,370		98%	
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)							
TRF Spare Parts Inventory	\$0.00	\$4,196.65	\$4,500	\$4,500		93%	
Chemical Transfer Pump	0.00	1,602.63	1,500	1,500		107%	
SUBTOTAL B:	\$0.00	\$5,799.28	\$6,000	\$6,000		97%	
TOTAL FIXED ASSETS PROJECTS:	\$38,555.89	\$147,835.66	\$210,750	\$150,370		98%	

* Per Board Mid-Year 2017/18 Budget Review and Modifications 6/14/2018

II. MAINTENANCE PROJECTS		JUNE	YTD TOTAL	BUDGET	REVISED BUDGET	% OF
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	6/30/2018	BUDGET	REVISED BUDGET	BUDGET
Collector 2 Meter Calibration *		\$1,775.04	\$1,775.04	\$2,000	\$0	1775%
Pipeline Maintenance *		284.40	4,390.79	13,500	4,110	107%
12KV Electric System Maintenance *		0.00	0.00	4,000	0	0%
Mainline Meter Flow Calibration *		0.00	1,462.61	4,000	1,465	100%
Replace HCSD Meter *		0.00	6,590.90	8,250	6,595	100%
Technical Support & Software Updates to Include Control System *		7,410.60	16,928.94	21,000	17,520	97%
Generator Service *		0.00	710.22	3,500	715	99%
Hazard & Diseased Tree Removal *		0.00	0.00	6,250	0	0%
Catholic Protection *		0.00	0.00	6,500	0	0%
Maintenance Emergency Repair		27,957.89	52,800.13	50,000	50,000	106%
Fleet Paint Repairs *		0.00	1,223.73	5,000	2,720	45%
Lead Free Brass Inventory		0.00	7,387.01	7,500	7,500	98%
Essex Fire Alarm System Upgrade		0.00	7,722.63	8,000	8,000	97%
Essex Office Single Pane Windows Replacement *		1,240.92	1,240.92	2,750	2,000	62%
Samoa Booster Pump Station Expansion Joint Replacement *		0.00	5,061.09	6,000	5,065	100%
Construction Equipment Tire Replacement *		1,671.51	1,671.51	3,750	2,900	58%
Asphalt Repair *		305.35	3,680.91	7,000	3,380	109%
Ruth Lake - Brush Abatement *		3,400.00	3,400.00	5,540	3,700	92%
Licensed Timber Operator		0.00	3,102.45	5,000	5,000	62%
Picketts Peak Radio System Modifications *		0.00	7,617.21	9,000	7,620	100%
Ruth Spillway Review & Improvement *		0.00	55,903.20	50,000	55,910	100%
Ruth Hydro - Repair PRV Discharge Pipe *		0.00	4,441.02	7,500	4,445	100%
SUBTOTAL A:		\$44,045.71	\$187,110.31	\$ 236,040	\$ 188,645	99%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
TRF - Generator Service		\$0.00	\$189.40	\$500	\$500	38%
TRF Limitorque Valve Retrofit Supplies - Phase 1 *		0.00	16,210.06	16,750	16,215	100%
TRF- Removal of Sodium Hydroxide and waste Aluminum Sulfate		0.00	0.00	14,750	14,750	0%
SUBTOTAL B:		\$0.00	\$16,399.46	\$ 32,000	\$ 31,465	52%
TOTAL MAINTENANCE PROJECTS:		\$44,045.71	\$203,509.77	\$ 268,040	\$ 220,110	92%

* Per Board Mid-Year 2017/18 Budget Review and Modifications 6/14/2018

III. PROFESSIONAL & CONSULTING SERVICES	JUNE		YTD TOTAL		% OF	
	EXPENSES	6/30/2018	BUDGET	REVISED BUDGET	BUDGET	BUDGET
A. Charged to All Customers via Price Factor 2 (BWF)						
Collector 2 Underground Power & Fiber Optic Line *	\$0.00	\$0.00	\$24,000	\$0	\$0	0%
Collector 1 Transformer & Electrical Evaluation *	0.00	0.00	5,000	0	0	0%
Collector 1 Pump & Motor Upgrades *	0.00	0.00	6,000	0	0	0%
Essex Control Building Expansion Plans & Specifications *	0.00	0.00	44,000	0	0	0%
Crane Testing/Certification *	0.00	6,793.69	7,500	6,790	6,790	100%
Control/SCADA Software Training *	0.00	31,673.00	30,250	31,675	31,675	100%
Technical Training	0.00	7,422.94	7,500	7,500	7,500	99%
Backflow Tester Training	0.00	2,370.00	2,000	2,000	2,000	119%
HazMat Training	0.00	5,073.00	5,500	5,500	5,500	92%
Transformer Oil Testing	0.00	4,044.00	4,500	4,500	4,500	90%
GIS/Facilities Information System *	0.00	0.00	12,000	0	0	0%
GIS/Facilities Information System - Ruth *	0.00	0.00	4,750	0	0	0%
Essex Mad River Cross-Sectional Survey *	0.00	9,345.75	10,000	9,350	9,350	100%
Essex Protective Relay Testing *	0.00	11,195.00	12,000	11,200	11,200	100%
Mad River Watershed Regulatory Compliance *	706.42	8,984.42	50,000	8,280	8,280	109%
Dune Monitoring Program - Component of Coastal Conservancy Climate Ready Grant	0.00	2,000.00	2,000	2,000	2,000	100%
Grant Applications	2,107.30	20,121.05	20,000	20,000	20,000	101%
Public Education	0.00	5,000.00	5,000	5,000	5,000	100%
Water Resources Planning *	0.00	1,345.50	5,000	1,350	1,350	100%
Upgrade Accounting System *	0.00	28,843.00	5,000	28,845	28,845	100%
Ruth Protective Relay Testing	0.00	11,565.00	12,000	12,000	12,000	96%
FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12)	0.00	3,608.68	3,000	3,000	3,000	120%
FERC Chief Dam Safety Engineer *	137.50	3,025.00	10,000	7,890	7,890	38%
FERC Matthews Dam Monument Survey *	0.00	7,771.00	9,000	7,775	7,775	100%
FERC Matthews Dam Spillway Wall Survey *	0.00	9,700.00	11,000	9,700	9,700	100%
FERC Matthews Dam Left Abutment Monitoring Survey *	0.00	9,580.50	11,000	9,585	9,585	100%
Matthews Dam River Cross-Sectional Survey *	0.00	3,843.50	5,000	3,840	3,840	100%
FERC Spillway Probable Failure *	0.00	25,146.32	25,150	25,150	25,150	100%
FERC Geologic Spillway Assessment *	0.00	9,321.50	9,325	9,325	9,325	100%
SUBTOTAL A:	\$2,951.22	\$227,772.85	\$ 318,000	\$ 225,465	\$ 225,465	101%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
Chlorine System Maintenance *	\$45.00	\$10,196.40	\$16,100	\$10,150	\$10,150	100%
SUBTOTAL B:	\$45.00	\$10,196.40	\$ 16,100	\$ 10,150	\$ 10,150	100%
C. Projects Funded by Other Sources (BWF)						
Quagga Grant/RLCSD] CA Dept of Boating & Waterways	\$0.00	\$0.00	9,150	9,150	9,150	0%
Industrial System Single Line Mad River Slough Assessment] District Reserves	0.00	0.00	24,000	24,000	24,000	0%
Industrial & Domestic System Intertie] District Reserves	0.00	0.00	11,000	11,000	11,000	0%
SUBTOTAL C:	\$0.00	\$0.00	\$ 44,150	\$ 44,150	\$ 44,150	0%
TOTAL PROFESSIONAL & CONSULTING SERVICES	\$2,996.22	\$237,969.25	\$ 378,250	\$ 279,765	\$ 279,765	85%

* Per Board Mid-Year 2017/18 Budget Review and Modifications 6/14/2018

IV. INDUSTRIAL SYSTEM PROJECTS						
A. Charged to All Customers via Price Factor 2 (BWF)						
	JUNE EXPENSES	YTD TOTAL 6/30/2018	BUDGET	REVISED BUDGET	% OF BUDGET	
- Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months *	\$28.34	\$3,074.66	\$13,250	\$3,050	101%	
SUBTOTAL A:	\$28.34	\$3,074.66	\$13,250	\$3,050	101%	
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
SUBTOTAL B:	\$0.00	\$0.00	0	0	0%	
C. Projects Funded by Other Sources (BWF)						
Industrial Reservoir Painting, Specs, Bidding & Construction Management] District Reserves	\$0.00	\$0.00	\$64,000	\$64,000	0%	
SUBTOTAL C:	\$0.00	\$0.00	64,000	64,000	0%	
TOTAL INDUSTRIAL SYSTEM PROJECTS:	\$28.34	\$3,074.66	\$77,250.00	\$67,050.00	5%	

* Per Board Mid-Year 2017/18 Budget Review and Modifications 6/14/2018

CARRY-OVER PROJECTS FROM 2016/17						
I. CAPITAL PROJECTS						
	JUNE EXPENSES	YTD TOTAL 6/30/2018	BUDGET	REVISED BUDGET	% OF BUDGET	
A. Charged to All Customers via Price Factor 2 (BWF)						
Mainline Valve Replacement *	\$0.00	\$0.00	\$100,000	\$0	0%	
New Valve below 1 Mg Domestic Reservoir *	0.00	0.00	30,000	0	0%	
SUBTOTAL A:	\$0.00	\$0.00	130,000	0	0%	
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)						
SUBTOTAL B:	\$0.00	\$0.00	0	0	0%	
C. Projects Funded by Other Sources (BWF)						
SCADA System Upgrade - Phase 2] Advanced Charges *	\$33,839.20	\$127,949.84	\$301,000	\$127,950	100%	
Replace Ruth Bunkhouse] Advanced Charges	0.00	135.00	403,500	403,500	0%	
SUBTOTAL C:	\$33,839.20	\$128,084.84	704,500	531,450	24%	
C. Projects Funded by Other Sources (DWTF)						
TRF SCADA System Upgrade - Phase 2] Advanced Charges *	\$0.00	\$223,436.38	\$100,000	\$223,445	100%	
SUBTOTAL C:	\$0.00	\$223,436.38	100,000	223,445	100%	
TOTAL CAPITAL PROJECTS	\$33,839.20	\$351,521.22	934,500	754,895	47%	

Carryover Projects continued									
I. FIXED ASSETS									
A. Projects Charged to All Customers via Price Factor 2 (BWF)									
Purchase Shop Manual & Diagnostic Equipment to service Heavy Fleet Vehicles	\$0.00	\$5,098.42	\$5,000	\$5,000	\$5,000			\$5,000	102%
SUBTOTAL A:	\$0.00	\$5,098.42	5,000	5,000	5,000			5,000	102%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)									
SUBTOTAL B:	\$0.00	\$0.00	0	0	0			0	0%
TOTAL FIXED ASSETS	\$0.00	\$5,098.42	5,000	5,000	5,000			5,000	102%
II. MAINTENANCE PROJECTS									
A. Charged to All Customers via Price Factor 2 (BWF)									
Repair/Upgrade Line Shed 6 *	\$0.00	\$4,848.01	\$15,000	\$15,000	\$4,850			\$4,850	100%
SUBTOTAL A:	\$0.00	\$4,848.01	15,000	15,000	4,850			4,850	100%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)									
SUBTOTAL B:	\$0.00	\$0.00	0	0	0			0	0%
TOTAL MAINTENANCE PROJECTS	\$0.00	\$4,848.01	15,000	15,000	4,850			4,850	100%
III. PROFESSIONAL & CONSULTING SERVICES									
A. Charged to All Customers via Price Factor 2 (BWF)									
CIP Financial Plan Update *	\$0.00	\$3,383.88	\$7,500	\$7,500	\$3,385			\$3,385	100%
SUBTOTAL A:	\$0.00	\$3,383.88	7,500	7,500	3,385			3,385	100%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)									
SUBTOTAL B:	\$0.00	\$0.00	0	0	0			0	0%
TOTAL PROFESSIONAL & CONSULTING SERVICES	\$0.00	\$3,383.88	7,500	7,500	3,385			3,385	100%
IV. INDUSTRIAL SYSTEM PROJECTS									
A. Charged to All Customers via Price Factor 2 (BWF)									
- Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months	\$0.00	\$5,983.73	\$5,200	\$5,200	\$5,200			\$5,200	115%
SUBTOTAL A:	\$0.00	\$5,983.73	5,200	5,200	5,200			5,200	115%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)									
SUBTOTAL B:	\$0.00	\$0.00	0	0	0			0	0%
TOTAL INDUSTRIAL SYSTEM PROJECTS:	\$0.00	\$5,983.73	5,200	5,200	5,200			5,200	115%
2016/17CARRYOVER PROJECTS TOTAL	\$33,839.20	\$370,835.26	967,200	967,200	773,330			773,330	48%
PROJECTS GRAND TOTAL:	\$702,814.91	\$2,916,442.04	\$7,563,490	\$7,563,490	\$7,556,700			\$7,556,700	39%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	\$46,861.22	\$1,421,181.73	\$6,174,745	\$6,174,745	\$6,039,135			\$6,039,135	24%
PF2 Project Total Charged to Customers excluding Debt Service (US Bank)	\$655,953.69	\$1,495,260.31	\$1,388,745	\$1,388,745	\$1,517,565			\$1,517,565	99%

* Per Board Mid-Year 2017/18 Budget Review and Modifications 6/14/2018

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

07/06/18

Memo	Amount
101Netlink	
Ruth Data Link/Internet	-160.00
Total 101Netlink	-160.00
Acrison, Inc	
TRF chemical pumps maintenance	-118.15
Total Acrison, Inc	-118.15
Advanced Security Systems	
Essex office Quarterly Alarm System Monitoring	-356.46
Eureka office Quarterly Alarm System Monitoring	-159.96
Total Advanced Security Systems	-516.42
AirGas NCN	
maintenance supplies	-34.94
Total AirGas NCN	-34.94
Almquist Lumber	
Superintendent Office Remodel	-1,517.94
Total Almquist Lumber	-1,517.94
Asbury Environmental Services	
dispose of waste oil, waste solvent, absorbent pads and used oil filters	-457.51
Total Asbury Environmental Services	-457.51
AT & T	
Ruth HQ	
TRF	
Essex office	
Eureka office	-178.21
Ruth Hydro	
Valve Building Samoa	
Ruth HQ	-8.76
TRF	-6.68
Essex office	-411.06
Eureka office	-6.48
Ruth Hydro	-215.41
Valve Building Samoa	-101.47
Total AT & T	-928.07
AT&T	
Eureka/Essex Landline	-35.14
Arcata/Essex Landline	-35.14
Samoa/Essex Landline	-235.66
Blue Lake Meter Signal	-60.68
Eureka Office Modem	-153.04
Eureka Office Alarm	-39.74
Samoa Booster Pump	-88.11
Valve Building-Samoa	-153.04
Eureka Office	-356.20
Essex Office	-955.94
TRF	-149.15
Ruth Dataline	-148.62
Total AT&T	-2,410.46
AT&T Advertising Solutions	
white page listing	-21.00
Total AT&T Advertising Solutions	-21.00
ATS Communications	
TRF Video Surveillance System	-15,549.01
Total ATS Communications	-15,549.01
Bigfoot Crane Company, Inc	

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

07/06/18

Memo	Amount
Self Dumping Bin	-2,060.92
Total Bigfoot Crane Company, Inc	-2,060.92
Buckles-Smith	
Essex Phone Network repair	-171.35
SCADA Technical Support and Software Updates	-7,410.60
Chlorine System PLC	-3,892.98
Total Buckles-Smith	-11,474.93
Carpet Depot	
Superintendent Office Remodel	-415.00
Total Carpet Depot	-415.00
Citi Cards	
Joint RLCSD/HBMWD meeting	-140.09
Annual Renewal	-120.00
Total Citi Cards	-260.09
City of Eureka	
Eureka office water/sewer	-74.46
Total City of Eureka	-74.46
Coastal Business Systems Inc.	
Eureka office copy and fax machine	-908.73
Total Coastal Business Systems Inc.	-908.73
Corey Borghino	
expense reimbursement for Special Board Meeting and BBQ	-63.79
auto mileage reimbursement April - June 2018	-71.61
Total Corey Borghino	-135.40
Dave Perkins	
auto mileage reimbursement	-151.02
Total Dave Perkins	-151.02
Dilling Machine Works	
machine work for chlorine system maintenance	-45.00
Total Dilling Machine Works	-45.00
Drake Vegetation Management, Inc	
Ruth Hydro brush abatement	-3,400.00
Total Drake Vegetation Management, Inc	-3,400.00
Electrical Reliability Services, Inc	
Ruth Hydro Protective Relay Replacement - Progress Payment 1	-7,233.30
Ruth Hydro Protective Relay Replacement	-28,934.15
Total Electrical Reliability Services, Inc	-36,167.45
ERIKS North America, Inc	
maintenance supplies	-273.71
Pump 1.2 installation	-462.90
Total ERIKS North America, Inc	-736.61
Eureka-Humboldt Fire Ext.,Co, Inc	
Essex Fire Extinguisher Service	-1,641.57
TRF Fire Extinguisher Service	-135.00
Fieldbrook-Glendale CSD Fire Extinguisher Service	-79.00
Total Eureka-Humboldt Fire Ext.,Co, Inc	-1,855.57
Eureka Oxygen	
cylinder rental	-111.64

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

07/06/18

Memo	Amount
welding supplies	-118.72
Total Eureka Oxygen	-230.36
Fastenal Company	
safety supplies	-127.86
maintenance supplies	-100.13
Collector 2 Meter Calibration	-97.42
new Unit 9 tools	-124.51
maintenance supplies	-72.53
Total Fastenal Company	-522.45
FEDEX Freight West	
ship Collector 2 meter for calibration	-216.00
Total FEDEX Freight West	-216.00
Fernbridge Tractor & Equipment Company	
John Deere 110 repair	-324.00
Total Fernbridge Tractor & Equipment Company	-324.00
FleetPride	
vehicle maintenance	-7.60
Total FleetPride	-7.60
Forbusco Lumber	
Replace Essex single pane windows with double pane	-1,240.92
Total Forbusco Lumber	-1,240.92
Frontier Communications	
Ruth HQ	-51.12
Ruth Hydro/Ruth Dataline	-161.13
Total Frontier Communications	-212.25
GEI Consultants, Inc	
Ruth Hydro FERC DSSMT Review/OSDE Training	-137.50
Total GEI Consultants, Inc	-137.50
GHD	
(101079) Blue Lake/Fieldbrook River Crossing	-12,912.25
(101076) General Engineering - Groundwater Conference	-256.50
(101076) General Engineering - Essex	-1,284.00
(101076) General Engineering - Eureka	-1,011.18
(101076) General Engineering - Inundation Mapping Regulations	-273.00
(101077) Ruth Spillway Investigation & Retrofit HazMat Grant	-1,999.80
(101078) Slough Crossing-Single Retrofit HazMat Grant	-107.50
Total GHD	-17,844.23
Hensel Hardware	
backflow maintenance	-12.98
maintenance shop supplies	-55.44
TRF maintenance supplies	-43.32
Total Hensel Hardware	-111.74
Henwood Associates, Inc	
Consultant Services Agreement	-2,561.73
Total Henwood Associates, Inc	-2,561.73
Hilfiker Co.	
Essex yard drain system	-135.41
Total Hilfiker Co.	-135.41
Humboldt Waste Management Authority	
dispose of TRF waste	-70.12

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

07/06/18

Memo	Amount
Total Humboldt Waste Management Authority	-70.12
Industrial Electric	
TRF video surveillance system	-536.15
Total Industrial Electric	-536.15
Jerry's Electric Inc	
Collector 2 Transformer Repair	-19,490.00
Total Jerry's Electric Inc	-19,490.00
John Friedenbach	
expense reimbursement for travel back from CSDA General Manager Tra...	-7.38
autop mileage reimbursement Channel Control meetings	-28.34
auto mileage reimbursement Fieldbrook-Glendale CSD/Blue Lake River ...	-65.40
auto mileage reimbursement Yellowed Legged Frog survey	-14.17
auto mileage reimbursement to attend Trinity County Collaborative meeting	-149.33
auto mileage reimbursement District business meetings	-1,099.28
Total John Friedenbach	-1,363.90
Journey's End	
meals for Annual Ruth Maintenance work crew	-839.53
meals for Annual Ruth Maintenance work crew	-839.54
Total Journey's End	-1,679.07
JTN Energy, LLC	
Consultant Services Agreement	-2,561.73
Total JTN Energy, LLC	-2,561.73
Kent Davidsen	
expense reimbursement for safety boots	-50.00
Total Kent Davidsen	-50.00
Kernen Construction	
Fieldbrook-Glendale CSD Anker Tank Seismic Upgrade	-368.78
Essex yard drainage improvements	-305.35
Total Kernen Construction	-674.13
Lisa Newell	
auto mileage reimbursement	-9.70
auto mileage reimbursement	-9.70
auto mileage reimbursement - log boom inspection	-11.77
Total Lisa Newell	-31.17
Lithia Chrysler Jeep Dodge	
Purchase new Unit 7	-30,252.15
Total Lithia Chrysler Jeep Dodge	-30,252.15
Lubrication Engineers	
Collectors motor oil	-1,700.26
Total Lubrication Engineers	-1,700.26
Matthews Paints, Inc.	
pressure washer repair	-126.83
pressure washer repair	-135.83
Total Matthews Paints, Inc.	-262.66
McMaster-Carr Supply	
Ruth Hydro hydraulic oiling systems	-56.66
Total McMaster-Carr Supply	-56.66
Mendes Supply Company	
Essex office maintenance	-411.90

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

SECTION J20 PAGE NO. 17

Memo	Amount
Eureka office maintenance	-82.60
Total Mendes Supply Company	-494.50
Miller Farms Nursery equipment maintenance	-35.79
Total Miller Farms Nursery	-35.79
Mission Linen maintenance supplies Uniform Rental	-108.10 -567.07
Total Mission Linen	-675.17
Munnell & Sherrill, Inc. gasket cutter suction line repair	-249.27 -45.44
Total Munnell & Sherrill, Inc.	-294.71
Napa Auto Parts maintenance shop supplies seat covers & bed liner for new unit 7	-25.04 -524.34
Total Napa Auto Parts	-549.38
Network Management Services Essential Care Server Support Service for Eureka office Essential Care Computer Support Service for Eureka office Guard-IT Security Service for Eureka office Recover-IT Backup Solution Domain Management Eureka office Computer assistance Replace Eureka office computer	-214.20 -291.00 -139.99 -438.00 -3.00 -364.47 29.99
Total Network Management Services	-1,420.67
North Coast Laboratories lab tests lab tests	-1,030.00 -620.00
Total North Coast Laboratories	-1,650.00
North Coast Unified Air Quality Mangement TRF Emergency Generator Permit Application Fee Essex Portable Emergency Generator Permit Application Fee Essex Portable Emergency Diesel Generator - Annual Permit Fee	-1,048.00 -720.50 -384.00
Total North Coast Unified Air Quality Mangement	-2,152.50
Northern California Safety Consortium membership fee	-50.00
Total Northern California Safety Consortium	-50.00
Pacific Gas & Electric Co. Ruth Bunkhouse Eureka office Jackson Ranch Rectifier 299 Rectifier West End Road Recifier TRF Ruth Hydro Valve Control Ruth Hydro Samoa Booster Pump Station Samoa Dial Station Essex Pumping 5/1 - 5/31/2018 Ruth Bunkhouse Eureka office Jackson Ranch Rectifier 299 Rectifier West End Road Recifier	-51.27 -455.89 -16.86 -106.66 -135.07 -8,464.88 -26.75 -242.10 -949.35 -36.22 -53,894.30 -82.83

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

07/06/18

June 2018

Memo	Amount
TRF	
Ruth Hydro Valve Control	
Ruth Hydro	
Samoa Booster Pump Station	
Samoa Dial Station	
Essex Pumping 5/1 - 5/31/2018	
Total Pacific Gas & Electric Co.	-64,462.18
Pacific Paper Co.	
Fieldbrook-Glendale CSD/Blue Lake River Crossing notice of public meet...	-44.37
Eureka office supplies	-509.19
Total Pacific Paper Co.	-553.56
Peterson Tractor Co.	
rental of generator for TRF	-2,667.89
Total Peterson Tractor Co.	-2,667.89
Picky, Picky, Picky, Inc	
Safety Boots for new employee	-375.93
Total Picky, Picky, Picky, Inc	-375.93
Pitney Bowes	
refill postage	-601.00
refill postage	-1,000.00
postage meter lease	-209.54
Total Pitney Bowes	-1,810.54
PitStop Cleaning	
Eureka office cleaning	-160.00
Total PitStop Cleaning	-160.00
Platt Electric Supply	
Ruth Hydro exterior light maintenance	-201.14
Total Platt Electric Supply	-201.14
RazurSharp Saw Chain Service	
Ruth HQ mower maintenance	-50.51
Total RazurSharp Saw Chain Service	-50.51
Rebecca J. Moyle	
RLCSD/HBMWD Joint meeting	-56.23
Special Board of Directors Project meeting	-30.00
auto mileage reimbursement January - June 2018	-59.73
Total Rebecca J. Moyle	-145.96
Recology Arcata	
Essex Garbage Service	-383.07
Total Recology Arcata	-383.07
Recology Humboldt County	
Eureka office garbage/recycling service	-85.40
Total Recology Humboldt County	-85.40
Redwood Electrical Services	
Remove rental transformer and install rebuilt transformer on Collector 2	-2,800.00
Annual Electrical and maintenance inspection Ruth Hydro Plant	-1,200.00
Total Redwood Electrical Services	-4,000.00
Renner Petroleum	
cardlock fuel - Pumping & Control	-452.94
cardlock fuel - Water Quality	-452.93
cardlock fuel - Maintenance	-452.93

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

07/06/18

Memo	Amount
cardlock fuel - Customer Service	-452.94
maintenance supplies	-87.10
Total Renner Petroleum	-1,898.84
RESA Power, LLC	
Transformer Rental Collector 2 months	-3,000.00
Total RESA Power, LLC	-3,000.00
RMI Outdoors	
Air Compressor trailer maintenance	-92.21
Total RMI Outdoors	-92.21
Ruth Lake C.S.D.	
Boat rental for log boom inspection	-154.50
Total Ruth Lake C.S.D.	-154.50
Scrapper's Edge	
Eureka office supplies	-20.40
Total Scrapper's Edge	-20.40
Sequoia Gas	
Ruth HQ Tank Rental	-69.25
Refill Ruth Bunkhouse propane	-110.85
Total Sequoia Gas	-180.10
Sheri Woo	
auto mileage for Joint RLCSD/HBMWD meeting	-87.23
Total Sheri Woo	-87.23
Sitestar Nationwide Internet	
Essex Internet	-52.90
Total Sitestar Nationwide Internet	-52.90
Six Rivers Communications	
Ruth Hydro antenna repair	-1,224.80
install radio new Unit 7	-1,000.00
inspect and repair radio equipment at Picketts Peak	-375.00
Total Six Rivers Communications	-2,599.80
Staples	
Essex office supplies	-69.44
Total Staples	-69.44
Stillwater Sciences	
professional assistance - Fish habitat/biologist consultation - yellow legge...	-692.25
Total Stillwater Sciences	-692.25
Streamline	
Website maintenance membership fee	-450.00
Total Streamline	-450.00
Sudden Link	
TRF Internet	-105.34
Eureka Office Internet	-204.95
Fieldbrook-Glendale CSD Internet	-271.02
Essex Internet	-124.95
Total Sudden Link	-706.26
SWRCB-DWOC	
Treatment Certification Request T1	-70.00
Distribution Certification Renewal D4	-105.00
Application for T4 Certification	-105.00

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

07/06/18

Memo	Amount
D4 Distribution Certification Renewal	-105.00
Total SWRCB-DWOCF	-385.00
TechnoFlo Systems Collector 2 Meter Calibration	-1,559.04
Total TechnoFlo Systems	-1,559.04
Tehama Tire Service tires for John Deere 110 Backhoe	-1,671.51
Total Tehama Tire Service	-1,671.51
Telstar Instruments, Inc Final Payment - SCADA Upgrade Project	-33,839.20
Total Telstar Instruments, Inc	-33,839.20
Thatcher Company, Inc replenish TRF chemicals replenish chlorine	-3,785.07 -2,333.45
Total Thatcher Company, Inc	-6,118.52
The Mill Yard Collector 2 Maintenance Right of Way maintenance Pump 1.2 installation Utility marking paint TRF video surveillance system	-48.26 -13.00 -54.86 -37.04 -58.58
Total The Mill Yard	-211.74
Thomas Law Group Legal Fees - May	-6,981.25
Total Thomas Law Group	-6,981.25
Thrifty Supply Pipeline Maintenance Fieldbrook-Glendale CSD meter box lids TRF storage area srap and drainage system	-284.40 -850.64 -239.16
Total Thrifty Supply	-1,374.20
Times Printing envelopes HBMWD and Fieldbrook-Glendale CSD	-290.89
Total Times Printing	-290.89
Transene Company TRF chemical supplies	-153.90
Total Transene Company	-153.90
Trinity County General Services Pickett Peak site lease	-250.00
Total Trinity County General Services	-250.00
Trinity County Solid Waste Ruth HQ dump fees Ruth Hydro dump fees	-21.87 -21.88
Total Trinity County Solid Waste	-43.75
U.S. Bank Corporate Payment System Essex office supplies Water Treatment course enrollment - R. Schneider Purchase Drone training for use of vehicle lift equipment Annual Ruth Maintenance - Lock out equipment Annual Ruth Maintenance - Lock out equipment	-43.37 -161.53 -2,501.42 -16.00 -128.84 -128.84

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

June 2018

Memo	Amount
Employee Recognition - Administrative Professionals	-327.84
Special Board Meeting - Conference Call	-8.66
Meeting with Legal Counsel	-45.97
ACWA/JPIA Conference	-45.78
New Employee Jacket	-57.45
ACWA/JPIA Conference	-1,320.85
AWWA Conference for Dale Davidsen	-45.35
Tools for New Unit 9	-290.48
Essex Office Supplies	-116.14
Eureka Office Computer Monitor Stands	-206.14
Eureka Office Supplies	-3.69
Water Audit Validator Course	-2,000.00
Water Audit Validator Course	-331.29
ebay listing surplus equipment	-169.60
Computer Network Maintenance	-157.31
RCAC Security & ERP Training	-100.77
ACE Conference - D. Davidsen	-371.46
safety signs and product labels	-75.20
Superintendent Office Remodel	-323.24
Essex office supplies	-131.65
Computer Network Tools	-53.86
Eureka office supplies	-137.68
Special Board Meeting - Project Budget & BBQ	-60.71
Essex office supplies	-273.55
ACE Conference Registration - D. Davidsen	-760.00
Intuit General Fund Checks and Deposit Slips	-562.00
Unit 1 Service	-220.00
Ruth Hydroplant Fuses	-799.61
Total U.S. Bank Corporate Payment System	-11,976.28
USTI, Inc	-3.68
Humboldt Bay retail eBills	-8.16
Fieldbrook-Glendale CSD eBills	-8.16
Total USTI, Inc	-11.84
Verizon Wireless	-38.35
General Manager	-47.49
Customer Service	-0.51
Operations 2	-0.22
Electrician	-21.16
Unit 6	-21.17
Unit 6	-0.22
Operations 1	-0.22
Total Verizon Wireless	-129.12
Wahlund Construction	-260.00
dispose of asbestos floor tiles- Superintendent Office Remodel	-260.00
Total Wahlund Construction	-260.00
Wes Green Landscaping	-55.00
pallets and waste wood disposal	-55.00
Total Wes Green Landscaping	-55.00
William B. Newell	-37.40
expense reimbursement gasoline for Honda portable generator	-37.40
expense reimbursement gasoline for Honda portable generator	-5.50
expense reimbursement for mailing Ruth Hydro oil samples	-32.29
expense reimbursement - Unit 6 service	-32.30
expense reimbursement - Unit 6 service	-32.30
Total William B. Newell	-144.89
TOTAL	-319,349.83

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

Date: July 12, 2018

From: Chris Harris

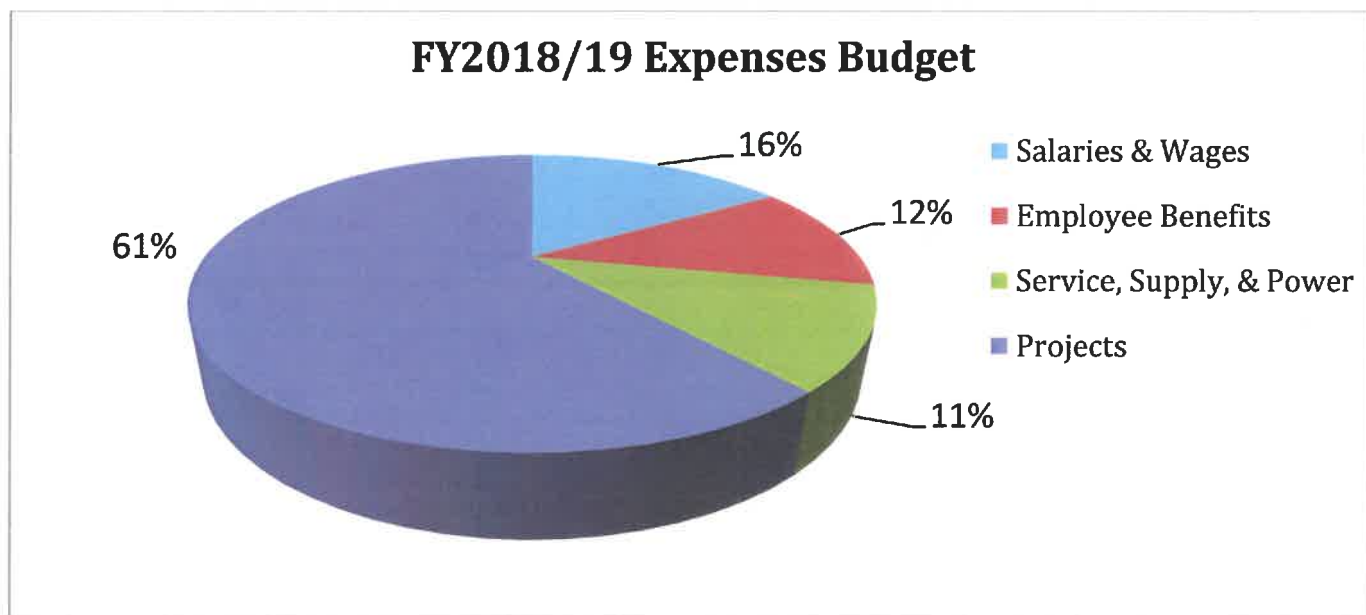
RE: Final Budget for FY2018/19

FY2018/19 Budget Meetings	
May 15, 2018	FY2018/19 Service & Supply and Salaries & Employee Benefits Budgets
May 30, 2018	FY2018/19 Project Budget
June 14, 2018	Review Draft of Entire FY2018/19 Budget
July 12, 2018	Consideration & Approval of FY2018/19 Budget

Review of Proposed FY2018/19 Budget

During the June 14th Board Meeting, staff presented the complete draft FY2018/19 budget for review and discussion. Based on feedback during that meeting, staff is presenting the proposed final version of the FY2018/19 budget with minimal changes.

At the time of printing, the finalized health insurance rates are not available from JPIA. Once those are made available (early next week), that information will be forwarded to the Board. The Employee Benefits data referred to in this report uses the estimated rate increases provided previously by JPIA.

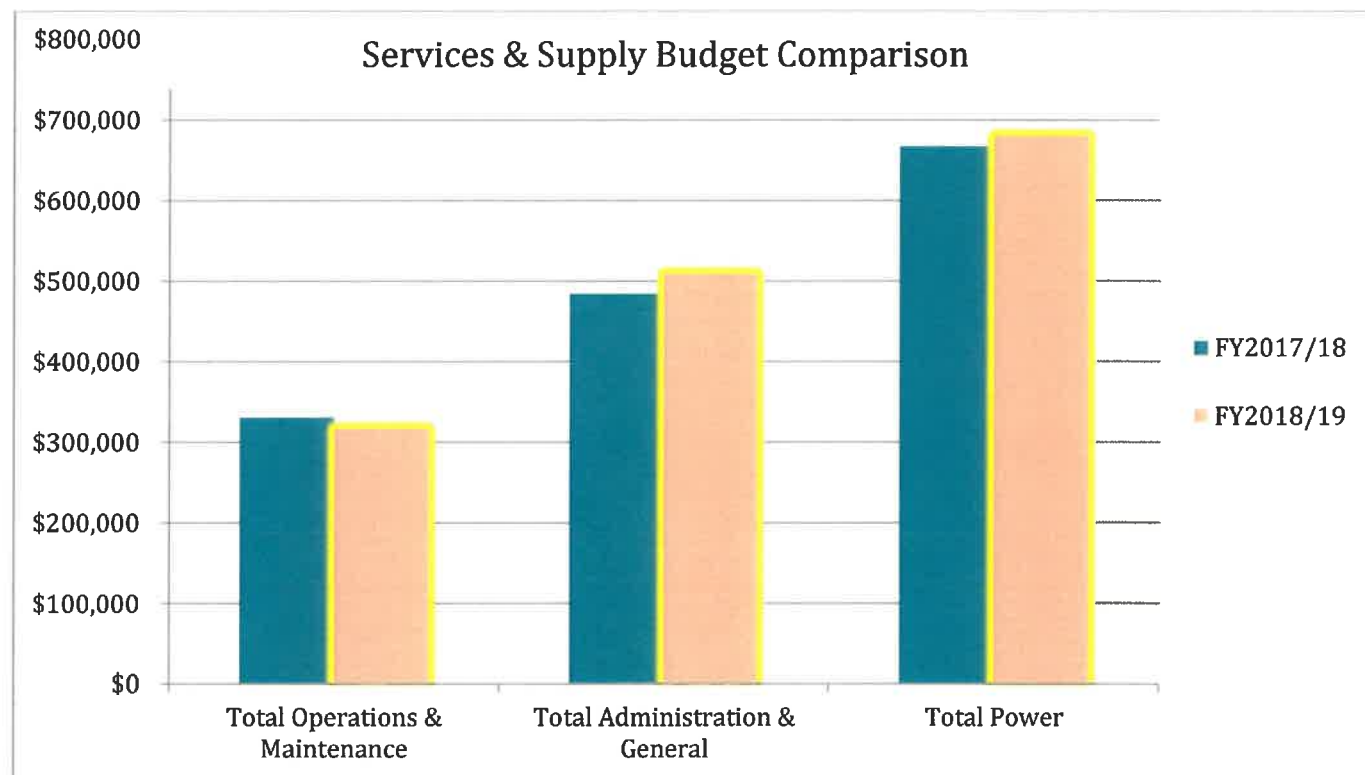


- **Service & Supply Budget** – No changes from June presentation.

- Total Service & Supply Budget including Power ≈ \$1,508,200

- Increase of \$25,849 or 1.74% over FY2017/18 Budget

- Sixteen Accounts = No change in funding
 - Five Accounts = Reduction in funding
 - Six Accounts = Increased funding
- Largest Increases:
 Power – \$13,349
 Regulatory Agency Fees - \$9,000



- **Salary & Wages Budget** – No changes from June presentation.

- Total Salary & Wages Budget: \$2,252,362 with 2.0% COLA
 \$2,262,488 with 2.5% COLA
 \$2,272,635 with 3.0% COLA (Staff Recommendation)

- Includes savings attributed to staffing changes/review of special pay ≈ <\$93,200>
- Includes requested additional O&M Tech Position ≈ \$59,700
- Includes longevity/step increases ≈ \$11,600

• Salary & Wages Budget – (con't)

	<u>FY2017-18</u> 2.5% COLA	<u>FY2018/19</u> 2.0% COLA	<u>FY2018/19</u> 2.5% COLA	<u>FY2018/19</u> 3.0% COLA
Salaries & Wages Budget	\$2,174,641	\$2,211,855	\$2,211,855	\$2,211,855
COLA	\$59,121	\$40,507	\$50,633	\$60,780
Total Salaries & Wages Budget	\$2,233,762	\$2,252,362	\$2,262,488	\$2,272,635
\$ Change From Prior	\$112,176	\$18,600	\$28,726	\$38,873
% Change From Prior	5.31%	0.83%	1.29%	1.74%

2018 Consumer Price Index Overview	
U. S. City Average	2.1%
West Region (Urban areas in one of four US Regions)	3.1%
West Region Size Class B/C (Cities with population 50,000 – 1.5 Million)	2.8%
San Francisco-Oakland-San Jose	3.6%

COLA - What are Others Doing?		
Agency	COLA for FY19	Comments
McKinleyville CSD	2.75%	Employee Association MOU Two-Year Contracts
Humboldt CSD	2.80%	Employee Association MOU
City of Arcata	2.50%	Three Different MOU's Two-Year Contracts
City of Eureka	1% January '18 1% January '19	Two different MOU's Three-year Contracts

- **Employee Benefit Budget** – At the time of printing, the final health insurance rate changes are not available from JPIA. The final rate adjustments and the impact on the FY2018/19 budget will be provided to the Board as soon as possible.

- **Project Budget** – Minor adjustments since June meeting listed below. Net budget impact is zero.

Adjustments to FY 2018/19 Project Budget			
Project	Budget Amount	Funding Source	Comment
In-Stream Flow Grant	\$693,408	Grant Funding	No impact to Muni's
Licensed Timber Operator (LTO) Insurance	<\$5,000>	Credited to Muni Customers	Duplicate as discussed during Project Budget Meeting
SGMA - Groundwater Management Plan	\$5,000	Charged to Muni Customers	Discovered/added after Project Budget Meeting

Incorporating the above changes into the Project Budget results in no additional charges to the Municipal customers.

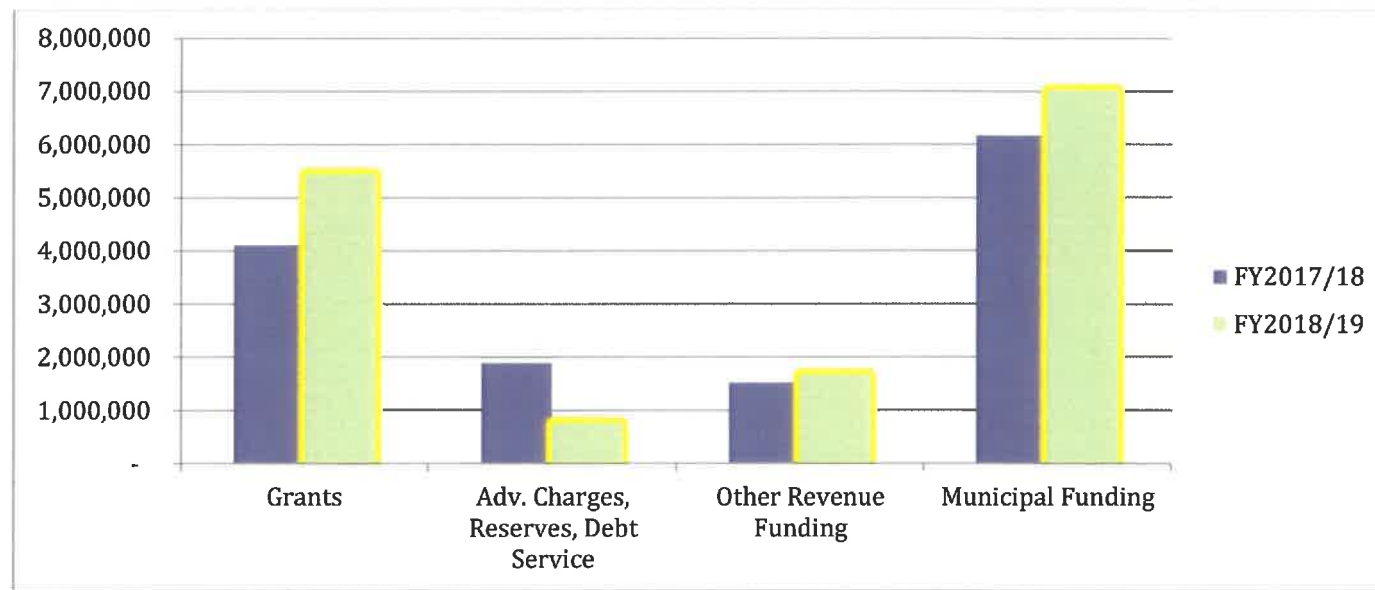
The Board may recall that during the Capital Improvement Plan (CIP) revision, the District received a request from both HCSD and the City of Eureka to defer some of the District's scheduled maintenance and capital projects. The intent was to reduce Muni funding requirements while both agencies worked through their Utility Rate Analysis Projects. The District was able to accommodate this request, and the CIP was adjusted to account for the deferred items. All Muni's benefitted from a reduction in required funding for last year (FY2017/18).

The requested maintenance and capital project deferral (and reduction in Muni funding) results in the difference (increase) between FY2017/18 and FY2018/19 being greater than it would have been, had there been no deferrals.

FY 2018/19 PROJECT BUDGET TOTALS					
Budgeted Expenditures FY 2018/19					
	Treatment	Base Facility	Total Projects	Debt Service	Total Budgeted Expenditures
FY2018/19	\$116,750	\$8,440,943	\$8,557,693	\$162,200	\$8,719,893
FY2017/18	\$190,100	\$7,373,390	\$7,563,490	\$162,200	\$7,725,690
Difference	<\$73,350>	\$1,067,553	\$994,203	\$0.00	\$994,203 (12.9%)
Funding Sources for Project Budget FY 2018/19					
	Advance Charges (Collected)	Grant Funding	Reserves	Customer Charges	Total Funding Sources
FY2018/19	\$652,345	\$5,452,845	\$266,155	\$2,348,548	\$8,719,893
FY2017/18	\$1,765,845	\$4,108,900	\$300,000	\$1,550,945	\$7,725,690
Difference	\$1,113,500	\$1,343,945	<\$33,845>	\$797,603 (51.4%)	\$994,203 (12.9%)

- **Revenue & Funding Budget** – *Additional Grant Funding included since June meeting (\$693,408 In-Stream Flow Grant).*
 - Grant Funding – Increased by \$1,343,946 (32.7%) from FY2017/18
 - Advance Charges, Reserves, and Debt Service – Decreased by <\$1,129,426> (<59.9%>) from FY2017/18
 - Largest factor = \$1,470,845 in Advance Charges carried forward in FY2017/18
 - Other Revenue – Increased by \$147,243 (9.7%) from FY2017/18
 - Other Revenue includes: Interest Income, Property Tax Revenue, Power Sales, Retail Water Sales, FCSD Maintenance & Operations Services, and other misc. income
 - Wholesale Contract Funding
 - 13.8% increase from FY2017/18 (see Project Budget comments)
 - 4.1% increase from FY2016/17

Funding Source Comparison



• Complete Budget Summary

COMPLETE FY2018/19 BUDGET SUMMARY				
	FY 2017/18 Budget	FY 2018/19 Budget	Difference	
Budgeted Expenditures			\$	%
Salaries & Wages	\$2,233,762	\$2,272,615**	\$38,853	1.74%
Employee Benefits*	\$1,508,514	\$1,665,124	\$156,610	10.38%
Service & Supply	\$814,900	\$827,400	\$12,500	1.5%
Power	\$667,465	\$680,814	\$13,349	2.0%
Projects	\$7,563,490	\$8,557,693	\$994,203	13.1%
Debt Service	\$547,337	\$547,337	\$0.00	0.0%
Charges for Reserves	\$350,000	\$350,000	\$0.00	0.0%
Total Expenditures	\$13,685,468	\$14,900,983	\$1,215,515	8.9%
*Based on prior rate estimates		**Includes 3.0% COLA		
Budgeted Revenues			\$	%
Wholesale Contract Funding	\$6,169,891	\$7,023,444	\$853,553	13.8%
Grant Funding	\$4,108,900	\$5,452,846	\$1,343,946	32.7%
Other Revenue Funding	\$1,521,151	\$1,668,394	\$147,243	9.7%
Adv. Charges Collected, Reserves, Debt Service	\$1,885,526	\$756,299	<\$1,129,227>	59.9%
Total Funding Sources	\$13,685,468	\$14,900,983	\$1,215,515	8.88%

Total FY2018/19 Budget - \$14.9M*		
Funding Source	\$ Funds	% Funds
Grants	\$5.45M	36.6%
City of Eureka	\$3.13M	21.0%
Other Revenue	\$1.67M	11.2%
City of Arcata	\$1.32M	8.9%
HCS D	\$1.08M	7.2%
MCS D	\$1.06M	7.2%
Advance Charges, Reserves & Debt Service	\$756k	5.1%
City of Blue Lake	\$183k	1.2%
FBGD-CSD	\$175k	1.2%
Manila CSD	\$70k	0.4%
Totals	\$14.9M	100%

*Includes 3% COLA

Staff Recommendation

SECTION J2b, PAGE NO. 7

Final Employee Benefit Budget amounts will be provided once medical rate information has been received.

Staff recommends Board approval of the FY2018/19 budget as presented and described in both this memo and the additional information to be provided to the Board.

H.B.M.W.D. JUN 27 2018
Via email

SECTION J2C PAGE NO. 1



COUNTY OF HUMBOLDT

JOHN BARTHOLOMEW
TREASURER-TAX COLLECTOR

825 FIFTH STREET ROOM 125
EUREKA, CALIFORNIA 95501

PHONE: 707-476-2450
FAX: 707-445-7608
TOLL FREE: 877-448-6829
EMAIL: taxinfo@co.humboldt.ca.us

Subject: Interest Apportionment Rate and Other Considerations

June 20, 2018

Honorable Board Members,

Your fund balances in the County Treasury from January through March 2018 (Fiscal 17/18 3rd Quarter) earned an annualized interest rate of 1.50%. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was 1.51%.


As expected the Federal Open Market Committee (FOMC) voted unanimously to raise the fed funds target rate by 25 basis points to a range of 1.75% to 2.00% at their June 13 meeting. The increase was the second this year and the seventh since the end of the Great Recession. The last time the rate went over 2 percent was in the summer of 2008. Jerome Powell was quoted as saying "The decision you see today is another sign that the US economy is in great shape." Slow wage growth in relation to the strengthening economy is a "bit of a puzzle" said Powell. In a statement released at the end of the two-day meeting, Fed officials noted that economic activity had been rising "at a solid rate" — a change from their May statement, when they called the rate "moderate."

The flip-side to the above positive economic commentary is that there is contentious global trade rhetoric due to President Trump threatening hundreds of billions of dollars of tariffs against China, Canada, Mexico, the European Union, and potentially any other trading partner he believes is getting a better deal than the United States. The stock market has so far remained relatively stable but that rhetoric, and now reality in some instances, is having an effect as is reflected by the fact that roughly 70% of S & P 500 companies are now trading below where they were at the market peak back in January; and the increase in short term interest rates has made investing in cash (money market funds) more attractive than the dividend yield available in equities. The point being that there are significant headwinds building that may portend economic difficulty ahead.

As always our goals are Safety, Liquidity and Yield; with a laddered portfolio of maturity schedules for stable, consistent, returns and low volatility.

Let us know how we may be of service.

Sincerely,


John Bartholomew
Treasurer Tax Collector

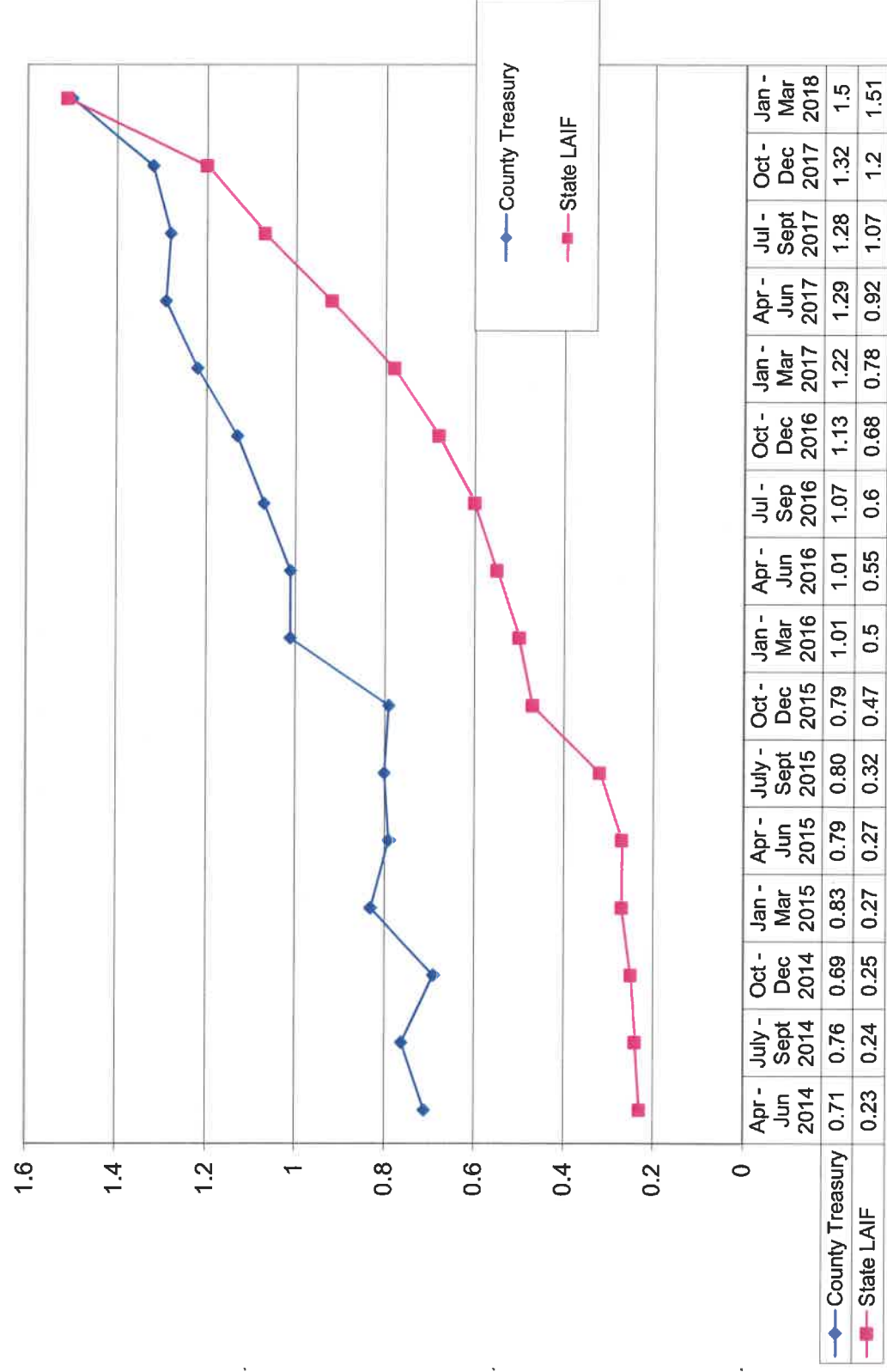
Humboldt County Treasury Team:
Whitney Morgan – Treasury Assistant
Amy Christensen – Treasury Assistant

FUND BALANCES
Allocation Account Activity
April 1, 2018 - April 1, 2018

Interest Jan - Mar 2018

Account	Fund	Security ID	Current Transaction	Date	Receipt	Trans. Type	Contributions / Transfer In	Disbursements / Transfer Out / Fees	Allocated Earnings	Balance
Fund Participant										
2710	2710	SYS								5,069.86
			1.502	04/01/2018		Alloc/Fee			773.59	5,843.45
	Subtotal and Ending Balance		1.502				0.00	0.00	773.59	5,843.45
2711	2711	2711								427,122.09
			1.502	04/01/2018		Alloc/Fee			1,581.72	428,703.81
	Subtotal and Ending Balance		1.502				0.00	0.00	1,581.72	428,703.81
2712	2712	2712								135,828.34
			1.502	04/01/2018		Alloc/Fee			387.40	136,215.74
	Subtotal and Ending Balance		1.502				0.00	0.00	387.40	136,215.74
3873	3873	3873								2,393,436.39
			1.502	04/01/2018		Alloc/Fee			8,878.25	2,402,314.64
	Subtotal and Ending Balance		1.502				0.00	0.00	8,878.25	2,402,314.64
3874	3874	3874								233,368.21
			1.502	04/01/2018		Alloc/Fee			864.21	234,232.42
	Subtotal and Ending Balance		1.502				0.00	0.00	864.21	234,232.42
3876	3876	3876								3,749.44
			1.502	04/01/2018		Alloc/Fee			226.05	3,975.49
	Subtotal and Ending Balance		1.502				0.00	0.00	226.05	3,975.49

Comparison of County Treasury and State LAIF Investment Earning Rates
 April 2014 - March 2018



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

Date: July 12, 2018

From: Chris Harris

RE: Water Loss Audit Reports and Validation

Background

Since Governor Brown declared a "State of Emergency – Drought" on January 17, 2014, there has been an increase in legislative and regulatory items that have impacted water use and reporting in California. One area – **water conservation by means of identification and reduction of both real¹ and apparent² water losses through urban water distribution systems** has become a major focus as a means to improve the efficiency of the state's water systems and "build a drought resilience"³ that did not exist in the past.

- September 19, 2014 - **SB1420** was amended to include a requirement that as part of their Urban Water Management Plans, water suppliers with more than 3,000 service connections or that produce more than 3,000 acre-feet annually must also submit a report that quantified water losses within their distribution systems. This new requirement is now known as the "Water Loss Audit Report."
- October 9, 2015 - **SB555** required the State Water Resources Control Board (SWRCB) to develop water loss performance standards for all urban retail water suppliers. As a result, SWRCB established *Validated Water Loss Audit Requirements* for the submittal of the annual Water Loss Audit Reports. All impacted urban retail water suppliers are required to submit a completed and **validated** water loss audit by October 1st of each year to the Division of Water Resources (DWR).
 - October 1, 2016 – Completion of "practice" Water Loss Audit, submitted to DWR
 - October 1, 2017 – Completion of first "official" Water Loss Audit, reviewed/validated by DWR
 - October 1, 2018 – Third-party validation of Water Loss Audit required prior to submission to DWR
- Executive Orders **B-40-17** (April 7, 2017) and **B-37-16** (May 9, 2016), terminated the "State of Emergency – Drought" in all but four California counties (Fresno, Kings, Tulare, and Tuolumne) and among other things, further directed the SWRCB and DWR to minimize water waste through system leaks via direct regulation. "Making Water Conservation a California Way of Life."
- May 31, 2018 - **SB606** and **AB1668** established indoor, per-person, water use goals of 55 gal/day until 2025, 52½ gal/day from 2025-2030 and 50 gal/day in 2030. These bills also added incentives for water suppliers to recycle water and require both urban and agricultural water suppliers to set annual water budgets and prepare for drought. Fines and penalties are outlined for both citizens and agencies that fail to comply with water conservation. These bills also require the governing body of a water supply to declare a water shortage emergency (the prior bill *authorizes* the governing body).

¹ As defined by SWRCB: *Real water losses* are the physical water losses in the water distribution system between the treatment facility and delivery to customer (leaks).

² *Apparent water losses* are due to unauthorized consumption and/or nonphysical (paper) losses attributed to inaccuracies associated with customer metering or systematic handling errors.

³ SWRCB - *Fact Sheet*, November 11, 2015

Discussion

Beginning with the Water Loss Audit Report due October 1, 2018, all agencies that are required to complete this report have the additional requirement of having it reviewed and validated by a third party Water Loss Audit Validator (WAV). It is anticipated that most of the validations will be completed by sub-contractors from the private sector and that the charge for this validation services will be ≈\$2,000 to \$3,000 per validation. At this time, there are nearly 500 Water Loss Audit Reports that are completed on an annual basis and 70 individuals that have been certified to validate the data prior to it going to DWR.

This new third-party validation regulation directly impacts HBMWD and four of the seven municipalities that the District services. American Water Works Association (AWWA) has been tasked with certifying Water Loss Audit Validators on behalf of the SWRCB. Certification requires familiarity with the Water Loss Audit Reporting Software, the components required to complete the audit, as well as completion of required validation training and a certification exam. Staff (Business Manager) has recently completed the required training and exam and is a now certified "Water Loss Audit Validator (WAV)." This will allow HBMWD to have it's Water Loss Audit validated "in-house" and save the District ≈ \$2,000-\$3,000 annually.

With this certification, there is also the potential for staff to validate other municipalities. Any revenue generated (if any) from this service would be refunded to the Districts' Municipal customers via Price Factor 2 reconciliation at the end of the fiscal year.

Staff has waited for Board direction prior to communicating with other agencies regarding this possibility. Currently it is unknown if any of the Muni's would take advantage of this service.

Recommendation

Staff requests guidance and approval from the Board from either one of the following options, or another option provided by the Board:

- 1) Board requests staff does not validate the Water Loss Audit of any other agencies
- 2) Board approves of Staff validating **only other agencies currently being serviced by HBMWD** (time allowing) at no charge, based on the PF2 reconciliation.
- 3) Board approves of Staff validating **any other agencies** Water Loss Audits (time allowing) for a fee (currently undetermined).
- 4) Board approves of Staff validating other agencies Water Loss Audits (time allowing):
 - a. Agencies outside the HBMWD service area for a fee (currently undetermined).
 - b. Agencies within the HBMWD service area for no fee.

Attachments

IWA/AWWA Water Audit Method
Fact Sheet - State Water Resources Control Board
Water Audit Loss Certificate – Chris Harris

IWA/AWWA Water Audit Method

What is a Water Audit?

An audit has been defined as an examination of records or financial accounts to check their accuracy. The *water audit* typically traces the flow of water from the site of water withdrawal or treatment, through the water distribution system, and into customer properties. The water audit usually exists in the form of a worksheet or spreadsheet that details the variety of consumption and losses that exist in a community water system.

The *water balance* summarizes the components and provides accountability, as all of the water placed into a distribution system should – in theory – equal all of the water taken out of the distribution system.

The IWA/AWWA Water Audit Method

AWWA participated in a five-country task force formed by the International Water Association (IWA) to develop a best practice water audit structure for drinking water utilities. The Task Force published its results in the 2000 IWA publication *Performance Indicators for Water Supply Services*.

AWWA's Water Loss Control Committee advocated use of the IWA/AWWA Water Audit Method in its 2003 Committee Report "Applying Worldwide Best Management Practices in Water Loss Control", published in the *Journal AWWA*.

How does the IWA/AWWA Water Audit Method work?

The IWA/AWWA Water Audit Method is effective because it features sound, consistent definitions for the major forms of water consumption and water loss encountered in drinking water utilities. It also features a set of rational performance indicators that evaluate utilities on system-specific attributes such as the average pressure in the distribution system and total length of water mains. The format of the water balance of this method is given in **Table 1** with definitions for the terms included in **Table 2**.

The performance indicators, shown in **Table 3**, allow water utilities to make a meaningful assessment of their water loss standing, benchmark themselves with other water utilities and set performance targets. The water audit tells us how much of each type of loss occurs and how much it is costing the water utility. The key concept around this method is that all water is quantified – via measurement or estimate – as either a form of beneficial consumption or as wasteful loss. A cost is placed on each volume component in order to assess its financial impact to the water utility.



Photo courtesy of Hughes Supply - Utilities Services Group.



Table 1. IWA/AWWA Water Balance (All data in volume for the period of reference, typically one year)

System Input Volume (corrected for known errors)	Authorized Consumption	Billed Authorized Consumption	Billed Metered Consumption (including water exported)	Revenue Water
			Billed Unmetered Consumption	
		Unbilled Authorized Consumption	Unbilled Metered Consumption	Non-Revenue Water (NRW)
			Unbilled Unmetered Consumption	
	Water Losses	Apparent Losses	Unauthorized Consumption	
			Customer Metering Inaccuracies	
			Systematic Data Handling Errors	
		Real Losses	Leakage on Transmission and Distribution Mains	
			Leakage and Overflows at Utility's Storage Tanks	
			Leakage on Service Connections up to point of Customer metering	

Table 2. Components and Definitions of the IWA/AWWA Water Balance

Water Balance Component	Definition
System Input Volume	The annual volume input to the water supply system
Authorized Consumption	The annual volume of metered and/or unmetered water taken by registered customers, the water supplier and others who are authorized to do so
Water Losses	The difference between System Input Volume and Authorized Consumption, consisting of Apparent Losses plus Real Losses
Apparent Losses	Unauthorized Consumption, all types of metering inaccuracies and systematic data handling errors
Real Losses	The annual volumes lost through all types of leaks, breaks and overflows on mains, service reservoirs and service connections, up to the point of customer metering.
Revenue Water	Those components of System Input Volume which are billed and produce revenue
Non-Revenue Water (NRW)	The difference between System Input Volume and Billed Authorized Consumption

Table 3. Performance Indicators for Non-revenue Water and Water Losses

Performance Indicator	Function	Comments
Volume of Non-revenue water as a percentage of system input volume	Financial - Non-revenue water by volume	Can be calculated from a simple water balance; good only as a general financial indicator
Volume of Non-revenue water as a percentage of the annual cost of running the water system	Financial - Non-revenue water by cost	Allows different unit costs for Non-revenue water components
Volume of Apparent Losses per service connection per day	Operational - Apparent Losses	Basic but meaningful indicator once the volume of apparent losses has been calculated or estimated
Real Losses as a percentage of system input volume	Inefficiency of use of water resources	Unsuitable for assessing efficiency of management of distribution systems
Normalized Real Losses - Gallons/service connection/day when the system is pressurized	Operational: Real Losses	Good operational performance indicator for target-setting for real loss reduction
Unavoidable Annual Real Losses (UARL)	$\text{UARL (gallons/day)} = (5.41L_m + 0.15N_c + 7.5L_p) \times P$ <p>where</p> <p>L_m = length of water mains, miles</p> <p>N_c = number of service connections</p> <p>L_p = total length of private pipe, miles = $N_c \times$ average distance from curbstop to customer meter</p> <p>P = average pressure in the system, psi</p>	<p>A theoretical reference value representing the technical low limit of leakage that could be achieved if all of today's best technology could be successfully applied. A key variable in the calculation of the Infrastructure Leakage Index (ILI)</p> <p>It is not necessary that systems set this level as a target unless water is unusually expensive, scarce or both</p>
Infrastructure Leakage Index (ILI)	Operational: Real Losses	Ratio of Current Annual Real Losses (CARL) to Unavoidable Annual Real Losses (UARL); good for operational benchmarking for real loss control.



Water Loss Control in California: Role of the State Water Resources Control Board

Water Loss Control as a Key Piece of California's Water Conservation Policies

Faced with increasing stresses from climate change and population growth, California has committed to strengthening water conservation and efficiency. The [California Water Action Plan](#) commits Californians to making water conservation a way of life as a key implementation strategy to address water supply reliability. The State Water Resources Control Board (State Water Board) and Department of Water Resources (DWR) are developing standards, providing guidance, and developing technical assistance to enhance conservation and drought resilience.

Water systems can conserve large volumes of water by reducing the amount of water lost through leaks. Typical causes of water loss from leaks and bursts are aging infrastructure, external stresses such as high traffic loads or corrosive soil quality, or operational factors such as high pressure variation or corrosive water quality. Another form of water loss is lost revenue due to theft, inaccurate meter-reading, or billing errors. Reducing water loss helps build drought resilience, saves energy, and can delay or avoid the need for new supplies and infrastructure. Executive Orders [B-37-16](#) (May 9, 2016) and [B-40-17](#) (April 7, 2017) direct the State Water Resources Control Board and Department of Water Resources (DWR) to minimize water system leaks through direct regulation along with financial and technical assistance.

California Senate Bills [1420](#) and [555](#) (Wolk), passed in 2014 and 2015, respectively, set statutory requirements for monitoring for identifying, and reducing water waste in urban water distribution systems. The initial focus of these bills is to develop reliable water loss estimates through validated water loss auditing. Beginning in 2017, SB 555 requires urban retail water suppliers to submit a validated water loss audit report for the previous calendar or fiscal year to DWR on October 1 every year. DWR has a [rulemaking](#) for these reports and their validation. After obtaining reliable water loss estimates, water suppliers can determine the rate of leakage in distribution systems and develop cost-effective leak reduction and infrastructure replacement programs.

A water loss audit estimates distribution system losses due to leaks, bursts, billing or meter inaccuracies and theft, using the system's total water supply and actual consumption volumes. State law requires that urban water retailers conduct a water loss audit. State law also sets standards for how that audit is conducted, and requires that retailers use the M36 Manual for Water Audits and Loss Control Program and [Free Water Audit Software](#) by the



Fact Sheet

American Water Works Association. The accuracy of water loss estimates from these audits depends on the quality of entered data. The process of assessing the quality of data entered in the audit by using billing and metering records and practices is called Validation. Water audit validation also identifies operational practices that need improvement, for example, inadequate meter testing or record-keeping. By prioritizing effective monitoring, water loss auditing and validation together form the primary step in water loss control.

New Regulatory Requirements

The State Water Board will analyze data collected from urban retail water suppliers through the annual water loss audit submissions beginning in 2017. As required by SB 555, the State Water Board will develop performance standards for reducing water loss between January 1, 2019 and July 1, 2020. During this process, the State Water Board is required to consider life cycle costs of complying with these standards. The improved water loss estimates from the collected audits will be a crucial input to the State Water Board's process in developing feasible, yet robust water loss performance standards.

State-funded Water Loss Technical Assistance Program for 2016-17

The State Water Board approved funding of \$3.2 million in January 2016 for the California Water Loss Collaborative, which is executing a [Technical Assistance Program \(TAP\)](#) and Water Audit Validator (WAV) Certificate Program to aid water suppliers in producing validated water audits. The TAP was made available to all water suppliers at no cost for the year 2016-17. The objective of these programs is to improve state-wide water loss monitoring by urban water retailers and wholesalers, and educate smaller suppliers about water loss auditing and validation.

The TAP was conducted in four 'waves' consisting of workshops and teleconferencing sessions between water suppliers and water auditing experts. This program was partly modeled on a successful statewide water loss control program in Georgia. The TAP has registered an average enrolment from about 91% of all urban water retailers in the state.

A subcommittee of the CA-NV AWWA Water Loss Control Committee is developing the Water Audit Validator (WAV) certificate program to increase the availability of qualified validators in California. This program is planned to be launched in early 2018. This program will train participants to independently and effectively conduct the primary level of validation for water loss audits. This program is currently in the development stage.

Supporting Water Loss Control for Small and Disadvantaged Suppliers

The Governor's Executive Orders B-37-16 and B-40-17 order the State Water Board to utilize the Drinking Water State Revolving Fund for local projects to reduce water systems losses, after first addressing projects safeguarding public health. The Division of Financial Assistance at the State Water Board administers [funding](#) from the Drinking Water State Revolving Fund for planning or construction projects for leak investigation and repair, water auditing, and distribution system rehabilitation; such as installing or upgrading regular or advanced water meters, replacing pipes, or installing tanks and wells. After eliminating health risks in water distribution, priority is given to systems in disadvantaged communities with high



Fact Sheet

water loss or that are un-metered. The Division of Financial Assistance also conducts outreach activities for Small Water Systems to provide technical assistance in implementing successful drinking water projects.

DWR provides leak detection equipment for short term lease to all water suppliers at the [DWR Regional Offices](#) and will provide technical assistance for water loss detection programs, such as techniques for metering, pressure management, condition assessment for pipelines, and use of water loss detection devices to urban retail water suppliers.

Additional Information

All Urban Water Suppliers, including wholesalers, have been required by [SB 1420](#) to quantify and report their annual distribution system water loss through [Urban Water Management Plans](#) every five years since 2015. . They are required to provide a narrative describing the implemented or proposed demand management measures for water audits, leak detection and repair and the effectiveness of these measures reported in these plans.

Detailed concepts of water auditing, the top-down water balance, audit validation and loss control are available through the [American Water Works Association](#), [International Water Association](#), [U.S. Environmental Protection Agency](#), and [Water Research Foundation](#).

(This fact sheet was last updated on November 15, 2017)



Water Audit Validator Certificate

Chris Harris

Has completed the training and examination requirements for validating water loss audits, which have been compiled following the principles and terminology laid out by the American Water Works Association, according to the Level 1 Water Audit Validation methods set forth by the Water Research Foundation; and is hereby granted this Certificate of completion as a

CALIFORNIA WATER AUDIT VALIDATOR

William E. Penn
Director of Educational Programs

Valid through June 6, 2021



OPERATIONS

Memo to: HBMWD Board of Directors
From: Dale Davidsen, Superintendent
Date: July 2, 2018
Subject: Essex/Ruth June 2018 Operational Report

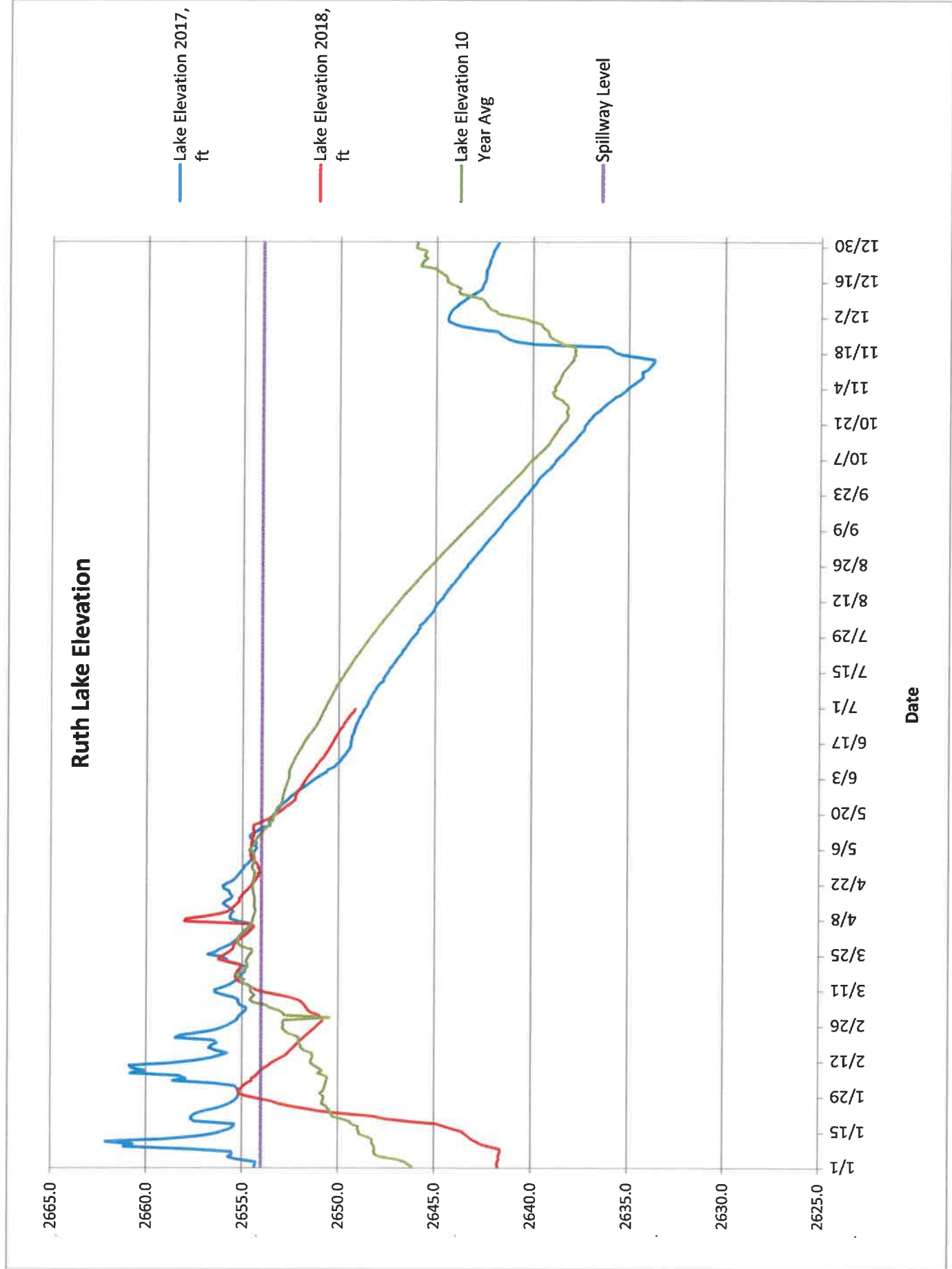
Upper Mad River, Ruth Lake, and Hydro Plant

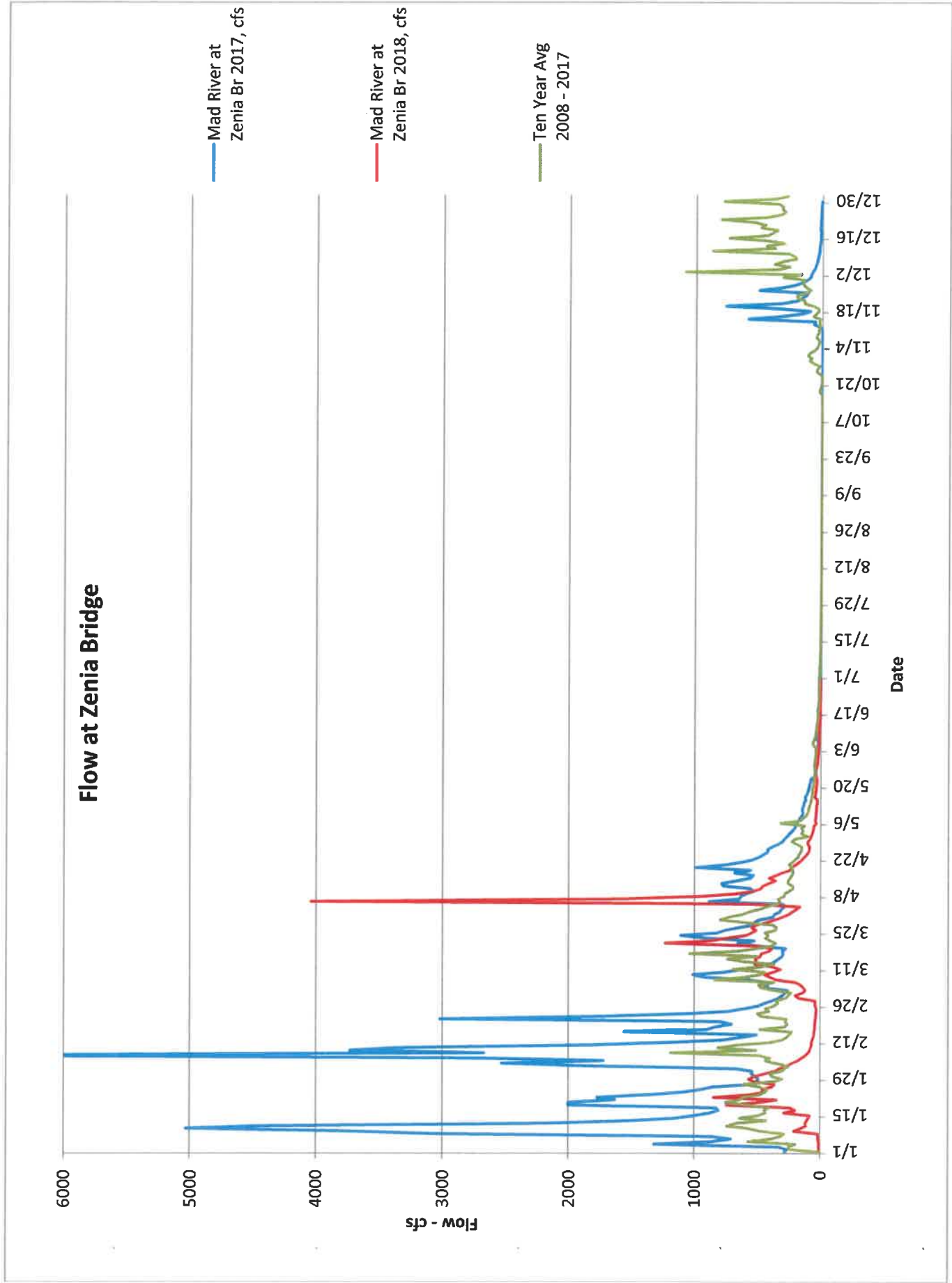
1. The flow at Mad River above Ruth Reservoir (Zenia Bridge) was 23 cfs on June 1st and flow steadily decreased all month to 3 cfs on June 30th.
2. The conditions at Ruth Lake for the month of June were as follows:
 - a. The lake level on June 30th was 2649.15 feet which is:
 1. 2.74 feet lower than May 31st, 2018
 2. 0.48 feet higher than June 30th, 2017
 3. 1.58 feet lower than the ten year average
 4. 4.85 feet below the spillway
3. There was 0.09 inches of recorded rainfall for June 2018 at Ruth Headquarters.
4. Ruth Hydro produced 266400 KWh in June. The hydro plant was online all month with no KWh lost.
5. On June 1st the discharge from the lake was 83 cfs which was the high for the month. The low flow was 46 cfs on June 12th.

Lower Mad River, Winzler Control, and TRF

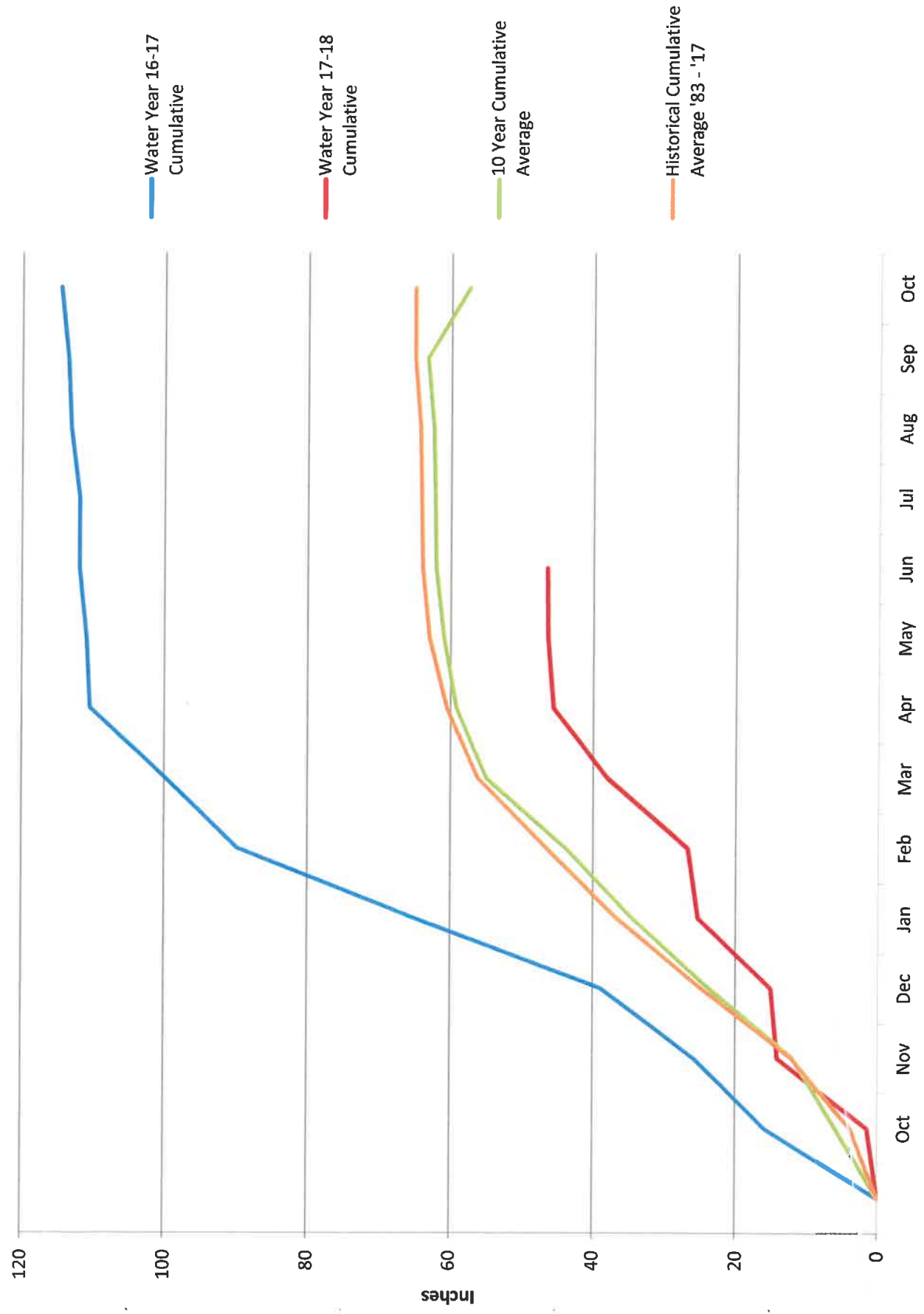
6. The river at Winzler Control Center reached a high recorded flow of 262 cfs and a level of 21.8 feet on June 1st. Over the month, the river flow decreased to 112cfs on June 30th.
7. The domestic water conditions were as follows:
 - a. The monthly turbidity average was 0.21 NTU, which meets Public Health Secondary Standards.
 - b. For the month of June, we pumped 279.981 million gallons at an average of 9.371 MGD.
 - c. The maximum metered daily municipal customer use was 10.619 MGD on June 30th.
8. The Turbidity Reduction Facility was offline for the summer in June.

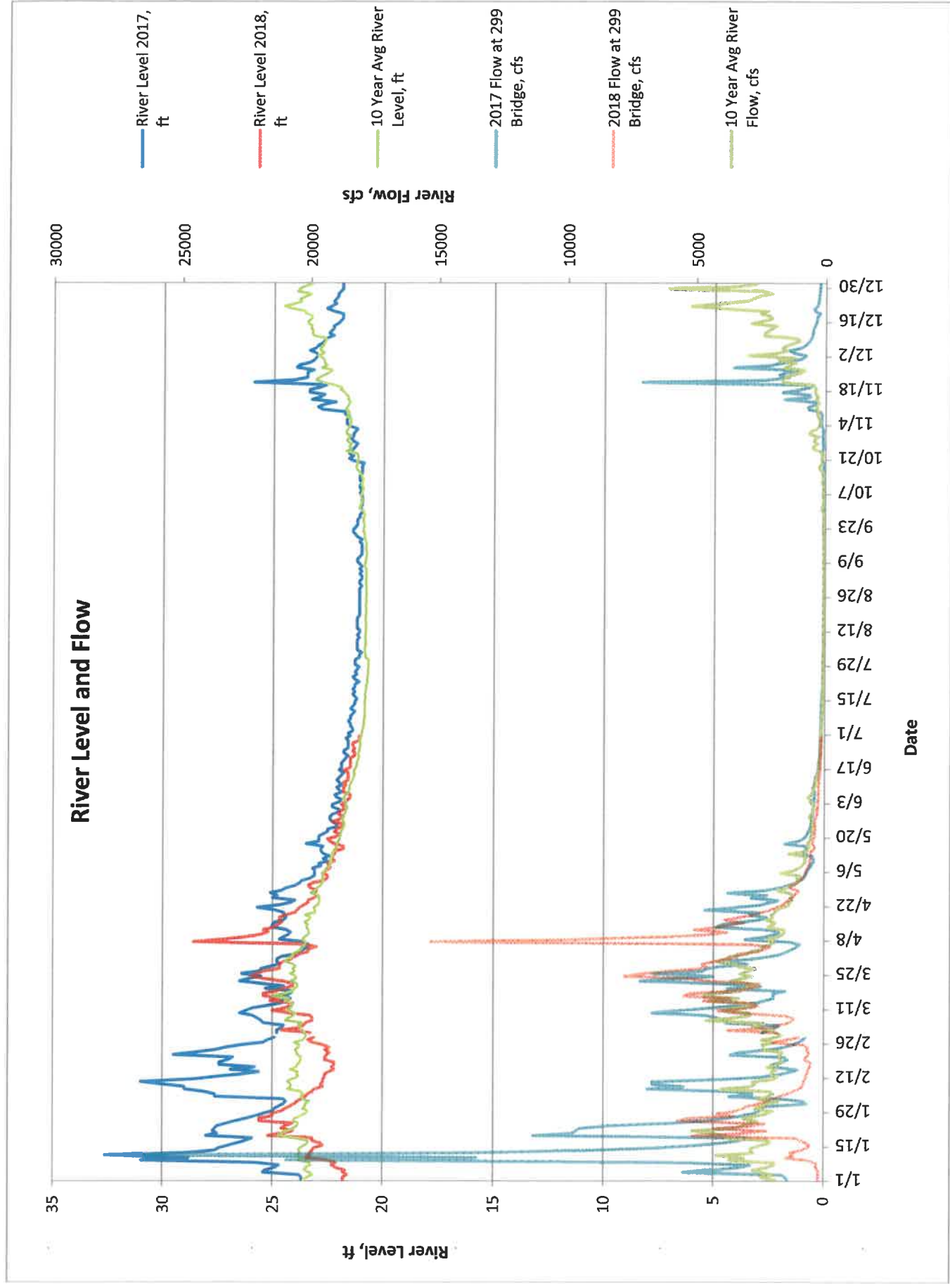
9. June 6th – 5 maintenance personnel and I attended a Water Systems Security class in Crescent City, put on by RCAC.
10. June 7th – Dean Adams from Humboldt County, Hazardous Materials Unit came out to do the annual inspection. He found everything in good order and no violations
11. June 11th-14th – I attended the AWWA annual conference. This was a good opportunity to meet with others in the water industry and vendors. I also attended a number of training sessions on a variety of subjects such as, Decontamination of pipelines, Cyanotoxin risk communication, Solving problems with Sodium Hypochlorite systems, The Future of water treatment certification and Impacts of Cyber attacks. I also spent a bit of time with Craig Thompson (the TRF process and filter engineer.) I also Co-presented a session with Henry Hunt about Ranney well lateral replacement. Henry used our Collector 1 -1A rehabilitation project as his presentation project. I would like to thank you and John for supporting my attendance to these events.
12. June 11th – The maintenance crew removed the Collect 2 meter for calibration
13. June 13th - Safety meeting – Forklift safety and practical test
14. June 14th – 15th & 18th - Ryan inspected the log boom and spillway at Ruth.
15. June 18th – A number of staff went to First Aid, CPR/AED training at NCSC.
16. June 19th – Installed new expansion joints (2) on manifold at Samoa Booster Station
17. June 20th -21st – Maintenance staff and Contractor removed the rented transformer from Collector 2 and installed the rebuilt transformer.
18. June 25th - 27th – Maintenance crew removal of Pump 1-2 and started clean-up of pump columns.
19. Current and Ongoing Projects
 - a. Installation of pump 1-2.
 - b. Ruth hydro protective relay project – Phase 1
 - c. Ruth Bunkhouse remodel – Waiting for bid from contractor
 - d. Assist with Mad River Crossing Project as needed.
20. Surplus Equipment -see attached list



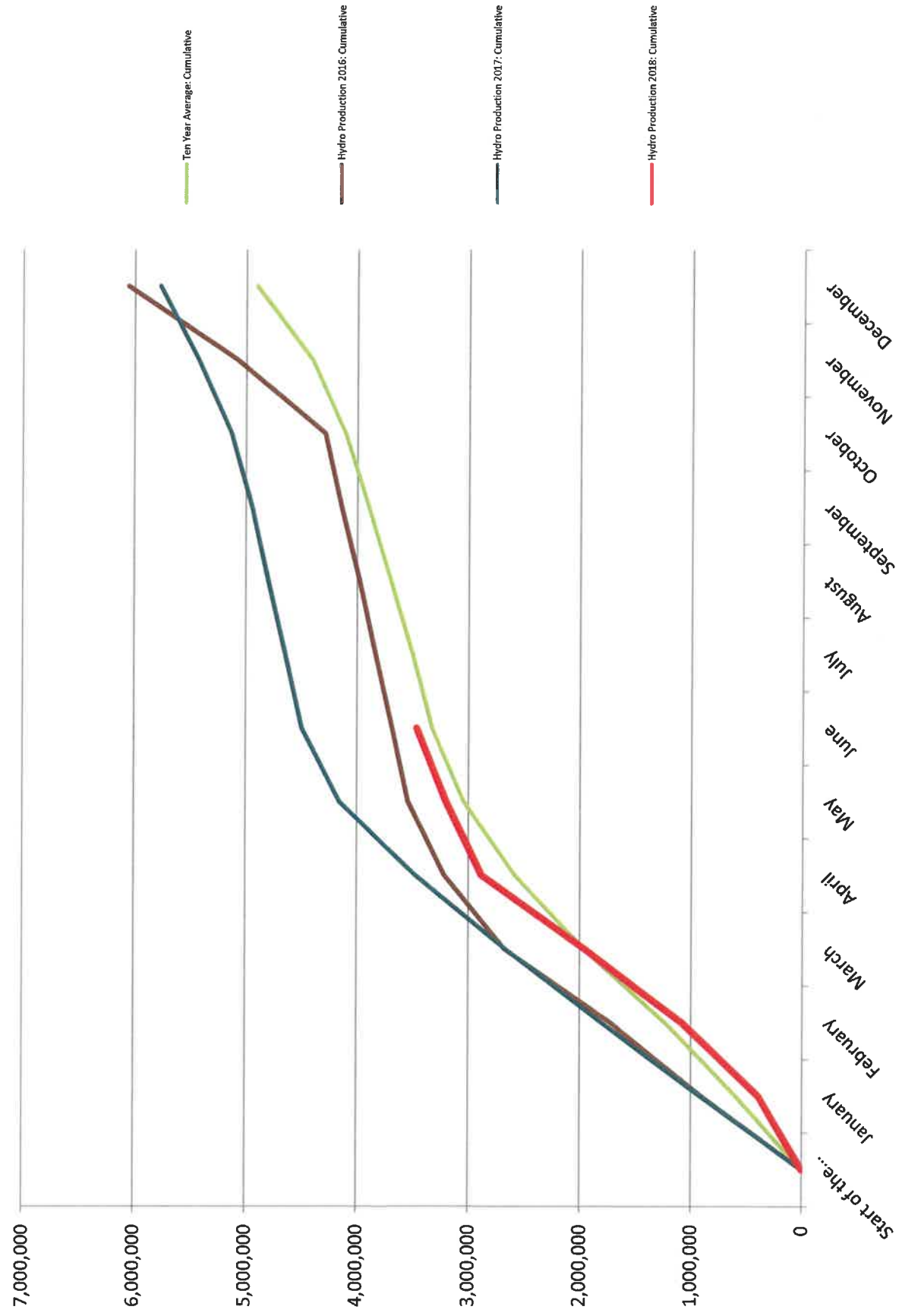


Ruth Rainfall - Water Year 2017-2018





Ruth Hydro Production: kW per Month





Humboldt Bay Municipal Water District Ruth Hydro Production Report – Since June 1983

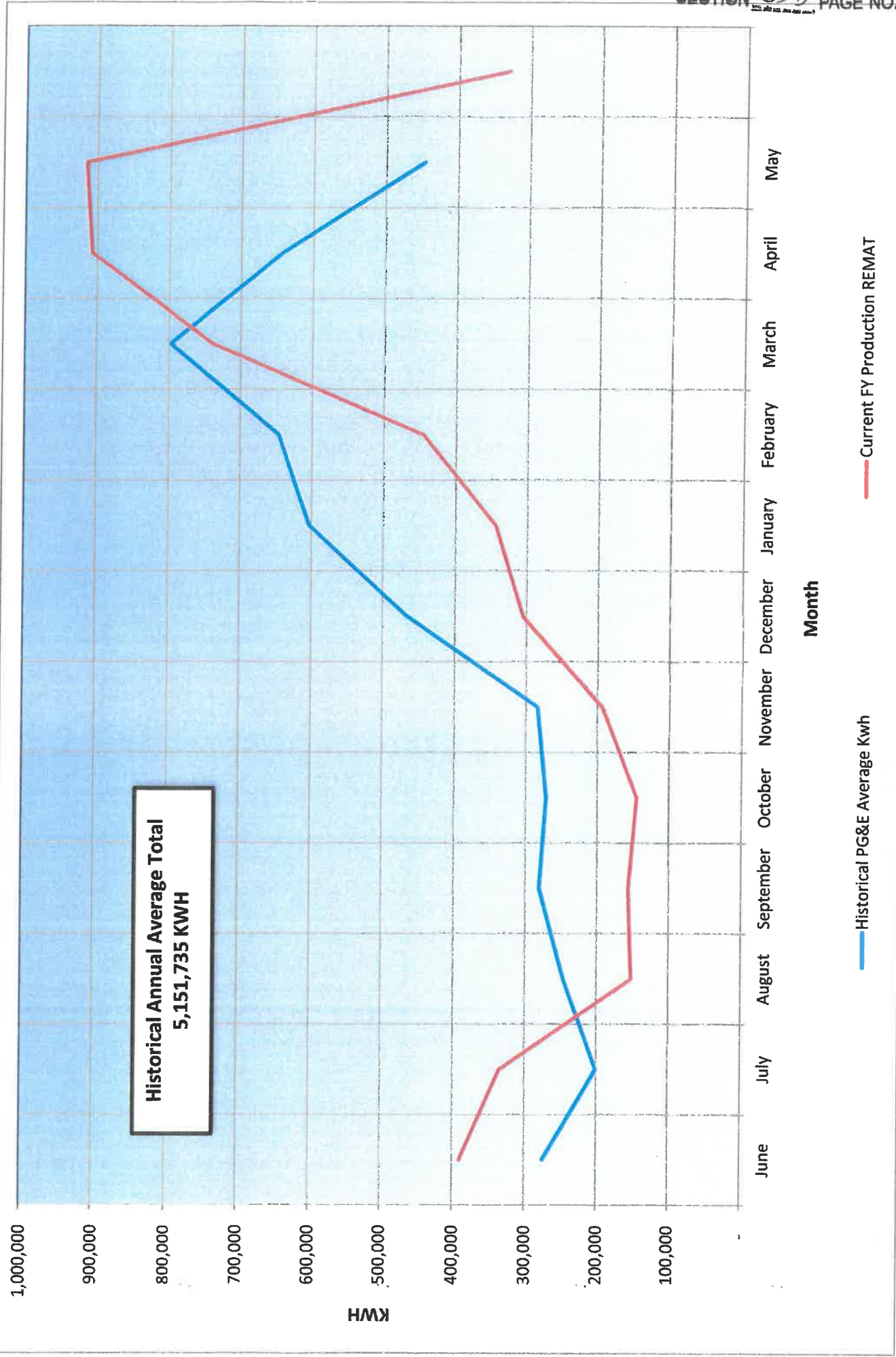
PG&E June 1983 through May 14, 2017

	Total KWH Production	Average Monthly KWH Production
On Peak	11,630,086	28,575
Part Peak	58,575,072	143,919
Off Peak	83,856,378	206,035
Super Off Peak	26,796,680	65,840
Grand Total	180,858,216	444,369
	Pre REMAT Total Revenues	\$8,790,377.99
	No. of Months of Operation	407.5
	Average \$/Kwh	0.0486

REMAT May 15, 2017 to May 2018

2017/2018	Production KWH			Totals		REMAT #of Mos	Total No. of Months of Operation	Cumulative REMAT Revenues	Grand Total Revenues to Date	Ave\$/KWH Remat
	Month	Day	Shoulder	Night	Total KWH					
May	96,070.1	113,974.6	179,458.6	389,503.3	\$30,388.07	.05	407.5	\$30,388.07	\$8,820,766.06	\$0.0932
June	81,535.2	96,802.0	155,848.2	334,185.4	\$26,120.87	1	408	\$56,508.94	\$8,846,886.93	\$0.0932
July	37,839.9	43,978.6	69,926.9	151,745.4	\$14,146.42	2	409	\$70,655.36	\$8,861,033.35	0.0932
August	39,075.2	45,418.9	71,539.6	156,033.7	\$14,543.49	3	410	\$85,198.85	8,875,576.84	\$0.0932
September	36,363.2	42,226.0	66,220.2	144,809.4	\$13,497.57	4	411	\$98,696.42	\$8,889,074.41	\$0.0932
October	48,570.2	56,566.9	87,605.6	192,742.7	\$18,457.96	5	412	\$117,154.38	\$8,907,532.37	\$0.0958
November	77,434.5	88,110.3	138,532.3	304,077.1	\$29,180.65	6	413	\$146,335.03	\$8,936,713.02	\$0.0960
December	83,746.8	10,034.0	158,937.6	242,684.4	\$32,775.44	7	414	179,110.47	\$8,969,488.46	\$0.1351
January	115,215.3	130,408.9	198,873.2	444,497.4	\$42,647.97	8	415	\$221,758.44	\$9,012,136.43	\$0.0959
February	180,500.0	214,085.6	343,849.9	738,435.5	\$70,673.06	9	416	\$292,431.50	\$9,082,809.49	\$0.0957
March	228,557.2	265,473.5	412,331.2	906,361.9	\$70,797.29	10	417	\$363,228.79	\$9,153,606.79	\$0.0781
April	225,414.8	266,539.0	422,950.4	914,904.2	\$71,453.02	11	418	\$434,682.04	\$9,225,060.03	\$0.0781
May	84,193.8	93,770.3	150,906.1	328,870.3	\$25,887.78	12	419	\$460,569.82	\$9,250,947.81	\$0.0787

Historical vs. Actual Cumulative Production
Gosselin Hydroelectric Plant at Ruth lake



Electric Statement

SELLER:
 Humboldt Bay Municipal Water District
 828 7th Street
 Eureka, CA 95501
 Attention: General Manager

Invoice prepared	2018-06-19 23:01:31
Invoice period	2018-05
Contract reference	33R403RM
Executed	2016-10-16
Payment due	2018-06-30
Meter id	LOWGAP_7_QFUNTS
Channel	WH3_REC
Project	Matthews Dam Hydro

PURCHASER:
 Pacific Gas and Electric Company
 P.O. Box 770000
 Mail Code N12E
 San Francisco, CA 94177
 Attention: Azmat Mukhtar
 (ASM3@pge.com), Mgr. Bilateral
 Settlements

Summary Invoice

Charge	Gen (kWh)	Sold (kWh)	TOD factor	TOD \$/kWh	Energy (\$)
Day	84,193.8	84,193.8	1.270	0.11332210	9,541.02
Shoulder	93,770.3	93,770.3	0.280	0.02498440	2,342.80
Night	150,906.1	150,906.1	1.040	0.09279920	14,003.97
Totals	328,870.3	328,870.3	0.882	0.07871731	25,887.79

0

Calculation of PG&E ReMat & Muni Funds FY2017/18
 May 1-31, 2018

PERIOD	KWH	\$/KWH	ReMat Payment Received	Muni PG&E Base Rate	Rebate To Muni's	JTN Energy	Henwood Assoc., Inc.	Balance To ReMat Fund (County)
DAY/PEAK	84,193.80	0.11332210	9,541.02	0.02943	9,678.65	920.84	920.84	14,367.46
SHOULDER/MID-DAY	93,770.30	0.0249844	2,342.79					
NIGHT	150,906.10	0.09279920	14,003.97					
	328,870.20		\$ 25,887.79					

Professional Services related to ReMat Contract \$0.0056 Contract is split 50/50*

Verify

Current Blended Rate Per Kwh \$ 0.08

*Separate checks are issued to JTN Energy & Henwood Associates, Inc. AFTER payment for month is received from PG & E G/Accounting/ReMat Analysis/ReMat Revenue & Payment

Confidential: Documents submitted under D.06-06-066 and/or PU Code §454.5(g), and PU Code §583

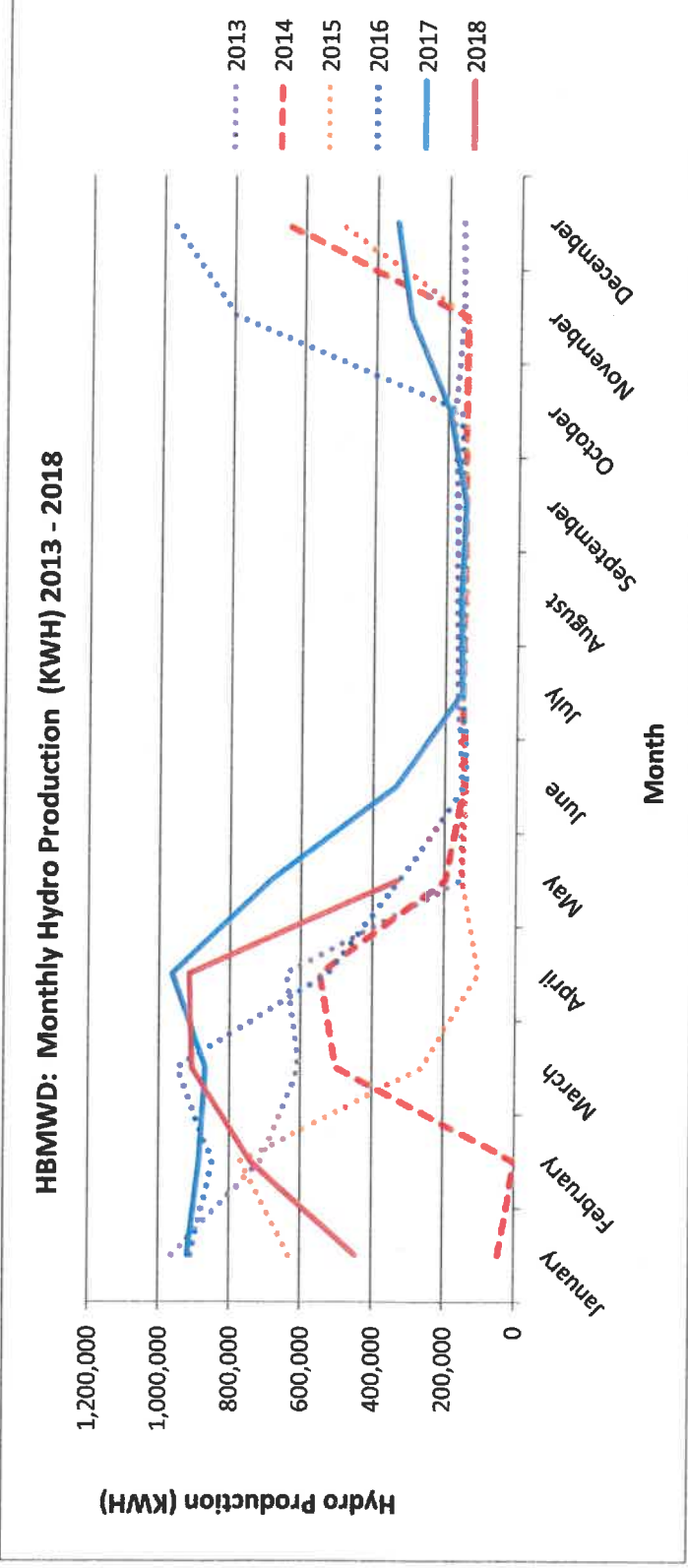
 <p>Pacific Gas and Electric Company Purchase / Sales Invoice Invoice Number: 122338</p> <p>Delivery Period Start: 05/01/2018 Delivery Period End: 05/31/2018 Invoice Date: 06/21/2018 Due Date: 06/29/2018</p> <p>Log Number: 33R403RM Account Code: 2320311 Meter Channel: R403RT Contract Start: 05/15/2017</p>	<p>From: Pacific Gas and Electric Company 77 Beale Street San Francisco, CA 94105</p>	<p>To: HUMBOLDT BAY MUNICIPAL WATER DISTRICT P. O. Box 95 Eureka, CA 95501</p>
	<p>Contract Manager: Kristy Leung Phone: 415-973-7657 Email: kell@pge.com</p> <p>Settlement Analyst: Marshall Hutzelman Phone: 415-973-8032 Fax: 415-973-9505 Email: MKHi@pge.com</p>	<p>Project Name: MATTHEWS DAM HYDRO Payment Method: CHECK Vendor Number: 1024538</p> <p>Contact: Steve Marshall Phone: 707-822-2918 Fax: Email: ops@hbmwd.com</p>

Payment Name	Quantity	Unit	Amount
Energy Payment 05/01/2018 - 05/14/2018	0.000	MWh	\$0.00
Deemed Delivered Payment	0.000	MWh	\$0.00
Annual Excess Energy Payment	0.000	MWh	\$0.00
GEP Penalty	0.000	MWh	\$0.00
Energy Payment 05/15/2018 - 05/31/2018	328.870	MWh	-\$25,887.78
Deemed Delivered Payment	0.000	MWh	\$0.00
Annual Excess Energy Payment	0.000	MWh	\$0.00
GEP Penalty	0.000	MWh	\$0.00
CAISO Pass Thru T+12	0.000	MWh	\$0.00
CAISO Pass Thru T+55	0.000	MWh	\$0.00
CAISO Pass Thru T+194	0.000	MWh	\$0.00
Net Total			-\$25,887.78

Total Amount Due to HUMBOLDT BAY MUNICIPAL WATER DISTRICT on Due Date: 06/29/2018 USD \$ 25,887.78

Humboldt Bay Municipal Water District
 Monthly Hydro Electric Production (KWH) for CY2013 - 2018

Month	2013	2014	2015	2016	2017	2018
January	962,724	47,002	632,611	907,103	916,562	444,497
February	713,055	0	769,170	848,575	884,477	738,436
March	605,327	501,812	261,555	950,250	866,400	906,362
April	642,402	545,893	106,258	523,573	962,033	914,904
May	152,795	196,968	151,803	323,636	682,547	328,870
June	152,044	147,630	143,055	142,248	334,185	
July	164,775	149,503	150,599	147,564	151,745	
August	168,428	148,220	140,977	147,531	156,034	
September	169,768	145,020	145,468	148,770	144,809	
October	178,812	148,715	147,574	159,930	192,743	
November	157,195	148,816	145,196	793,097	304,077	
December	160,936	665,823	510,915	978,889	342,718	
Total Annual	4,228,261	2,845,402	3,305,181	6,071,166	1,801,039	1,182,933



Memo to: Board of Directors
From: Dale Davidsen, Superintendent
Date: July 5, 2018
Subject: Request to surplus equipment.

The following list of pump motors is no longer needed due to upgrades we have done in our system.

Motor Manufacture	HP Rating	Model #	Serial Number	From location
General Electric	350	5K6326XC247A	FBJ608010	1-1
General Electric	350	5K6344XC25A	RWJ420007	1-2
The Louis Allis Co.	200	COGX	1285068001	1-3
The Louis Allis Co.	200	COGX	1285068002	1-4
General Electric	350	5K6344XC25A	RWJ420008	2-1
General Electric	350	5K6328XC119A	FBJ608017	2-2
General Electric	350	5K6337XC27A	RWJ420003	3-1
General Electric	350	5K6328XC119A	FBJ608014	3-2
General Electric	350	5K6337XC27A	RWJ427010	4-1
General Electric	350	5K6337XC27A	RWJ427009	4-2

MANAGEMENT

Subject: Save the Date: CSDA Sponsored Training for Sexual Harassment

CSDA Humboldt County Members,
-SAVE THE DATE-

Sexual Harassment Prevention Training
Presenters: Traci Park and Kelly Trainer, Burke Williams Sorensen

AB 1825 and AB 1661 makes sexual harassment prevention training mandatory for supervisory employees and officials receiving any compensation. This legislation requires employers to ensure that all supervisors and officials receive at least two hours of sexual harassment prevention training every two years. Receive your AB 1825/AB 1661 compliance training for special districts with this workshop.

\$25 CSDA member
\$40 Non-member

WHEN:
8/6/2018 9:00 AM - 1:00 PM

WHERE:
McKinleyville Community Services District, Azalea Hall
1620 Pickett Road
McKinleyville 95519

AGENDA:
9:00 – 9:30 a.m. Registration
9:30 – 10:00 a.m. Grassroots Outreach and Legislative Updates for Special Districts
10:00 a.m. – 12:00 p.m. Professional Development Harassment Prevention Program (with Q&A)
12:00 - 1:00 p.m. Network discussion and lunch sponsored by the California Special Districts Alliance
Immediately Following
1:00 – 3:00 p.m. Humboldt Area Chapter of CSDA Meeting

Gregory P. Orsini
General Manager
mcsdgm@mckinleyvillecsd.com
p 707.839.3251 c 707.616.3176

Minutes of June 4, 2018
Humboldt Area Chapter of CSDA Board Meeting
(AQMD District office: 707 L St. Eureka)

1. Welcome 3:00 pm
2. Introductions

Members present:

- Greg Orsini, Mck CSD
- Steve Edmiston, RCEA
- Julie Thomas, Scotia CSD
- Justin Robbins. Resort Improvement District #1
- Colette Metz, Humboldt LAFCO
- Dane Wadle, CSDA
- John Friedenbach, HBMWD
- Susan O’Gorman, WCCSD
- Heather Bitner, NCUAQMD
- Richard Swisher, Westhaven CSD

Others Present:

- Mike Avcollie, guest speaker from RCEA

3. Review Minutes

m/s/c Friedenbach/O’Gorman with adjustments

4. Treasurer’s Report

- Coast Central requires a Tax ID #. Susan will fill out the paperwork.

5. Check in

- Heather noted that anyone who would like to be added to the Wildfire Air Quality Alerts to let her know. Also, there is a state grant for WoodSmoke changeout and she would appreciate anyone who would let us put up a poster to advertise this grant.

6. Old Business

- a. Suggestions for Guest Speakers:

- i. Sen. McGuire’s Rep-Rob. (Dane will reach out for August speaker)
- ii. North Coast Resource Partnership (John will reach out for Oct. 1 meeting)
- iii. CAO-Amy Nielson
- iv. Planning Dept.-John Ford
- v. Suggestion was made that a Google Doc be created that we can all access for speaker suggestions

- b. CSDA input from Dane Wadle

- i. Legislative updates: anything with a fiscal impact had to be out of committee last week. Priority items: AB 3037 (resurrected redevelopment agencies) which did not get out of appropriations committee. New governor next year may be another chance to bring this bill back.
 - ii. AB 2065 (Districts trying sell/lease District property, a first right of refusal is to be given to low income property or schools. etc. (this one is dead for 2018)
 - iii. SB 929 (small District website requirement legislation) has moved out of appropriations committee
 - iv. SB 623 (water tax) was not included in conference committee process and may be finished
 - v. SB 998 (shut off ability for non-payment of water services) Watching this one.
- c. Reaching out to special districts that aren't HAC members.

7. New Business

- a. Approve Scotia CSD request as regular member of the Humboldt Area Chapter of CSDA
 - i. Insurance certificate
 - ii. Resolution approving membership
 - iii. m/s/c: O'Gorman/Metz
- b. CSDA Legislative Days debriefing
 - i. CSDA Sacramento conference allowed opportunity to speak to Sen. McGuire's and Assemblyman Wood's staff members to discuss sponsored legislation and hear guest speakers on a variety of topics. It was a positive experience and Greg encourages all of us to attend in the future.
 - 1. Steve mentioned that \$90 M in taxes in Eureka were redirected to redevelopment agencies and another \$210 M in bonded debt. He can't see where any of that money had been spent. The concept seems sound but the tax base was dropped and never came back in practice. He recommends an aggressive stand against the return of redevelopment agencies.
 - 2. Collette added that Fortuna and Arcata were also redevelopment agencies and they were all three consolidated and will have one representative.

8. Guest Speaker-Mike Avcollie, Project Manager, RCEA

The Public Agency Solar Pilot Project is about reinvesting Community Choice Provider profits (which is currently running at a loss for RCEA) into help with public agency projects in the way of staff time to run energy efficiency evaluations, project

feasibility studies, coordinating with PG&E third party services, etc. Public agencies have hurdles for infrastructure investments and staff time from RCEA will go to help with reducing carbon footprints, battery backup and storage issues, etc. The largest savings have been found with CSD's and office run electricity.

Additionally, RCEA staff can help with acquiring CEC loans at 1% with a 17-year payback schedule. RCEA would do the loan application, bid proposals for contractors, and peer reviews. Projects have a 25-year life with a 10-17-year payoff. They've had 12 public agencies this year, with five wait-listed for the pilot year.

Question: Can you time the solar array to run when the energy usage is highest?

Answer: Most solar arrays are now tied to a grid and run on credits and debits through net energy meters.

Question: Do we have to wait until there's a new funding cycle to get on the wait list?

Answer: No, the wait list is first come, first served.

9. Upcoming 2018 CSDA Events

- a. GM Leadership Summit- June 24-26 in Olympic Valley
- b. SDLA Conference-July 8-11 in Napa
- c. Annual Conference and Exhibitor Showcase-Sept. 24-27 in Palm Springs
- d. Board Secretary/Clerk Conference-Oct 22-24 in South Lake Tahoe

10. Wrap – Up/Questions/Next Meeting Place and Time

Next Meeting: Aug 6 at Azalea Hall in McKinleyville at 9am with Chapter meeting to follow training. October 1 meeting will follow, with location to be decided at the next meeting.

11. Adjourn –4:42 p.m.

Attest: _____

Heather Bitner, Board Secretary

Minutes of the March 8, 2018

Board of Directors Meeting

I. Call to Order

A. Flag Salute

- B. The meeting was called to order at 4:05 PM by Chairman, Dennis Johnson.
- C. Board Members present: Dennis Johnson, Susan Gordon, John Wise, Brian Nicholson and Debbie Sellman
- D. Board Members Absent: None
- E. Others present; Mike Francesconi and Margaret Kiser

II. Approval of the Agenda

A. Consider Approval of the Agenda.

- 1. **Motion:** Gordon/Wise to approve the Agenda for February 8, 2018 with **Correction to also approve minutes of the January 11, 2018.**
Motion carried: Sellman, Johnson, Nicholson, Wise and Gordon.

III. Approval of Minutes.

- A. Consider approval of the minutes for the Regular Board Meeting January 11, 2018
Motion: Gordon / Wise to approve the minutes of the January 11, 2018 with the correction that the Conference was to be paid with excess Quagga money not from **Humboldt Bay Water District.**
Motion carried: Johnson, Nicholson, Sellman , Gordon and Wise
- B. Consider approval of the minutes for the Regular Board Meeting February 8, 2018.
Motion: Gordon/Wise to approve the minutes of the February, 8, 2018.
Motion carried: Sellman, Gordon, Nicholson, Wise and Johnson.

V. Supervisors Report

- A. None

VI. Correspondence

- A. None

VII. Items for Board action and investigation.

- A. Southern Trinity Volunteer Fire Department.
 - 1. Nothing
- B. Future development of Ruth Lake Community Services District holdings.
 - 1. Update on district projects at Old Ruth.
 - 1. Gate is in and the rocks are in place.
 - 2. Waiting for final word from PG&E to hook up electricity for gate.
- C. Consider and/or approve payment of \$32,100 to Blankenship Construction for Quagga Gate Project.
Motion: Gordon/Sellman to approve payment of \$32,100 to Blankenship Construction.

Motion carried: Nicholson, Johnson, Gordon, Wise and Sellman.

D. Consider and/or approve transfer of Lease #97A from Bowen to Thompson and #98 from Ponnay to Ziegenbein.

Motion: Wise/Nicholson to approve the transfer of Lease #97A from Bowen to Thompson and to put Ponnay to Ziegenbein until we get more information.

Motion carried: Johnson, Gordon, Sellman, Nicholson and Wise.

E. Trailer at Barlow that is still for sale. Asking \$3500.

Board not interested in purchasing trailer.

F. Employee Wage Sheet.

Tabled.

G. Hiring Personnel Update.

1. Megan Smith is returning as outside help at Ruth Rec.

2. Randy Sherwood hired as of March 12, 2018.

3. Board requested job description for Ruth Rec Camp Host position.

VII. Managers report and update.

A. Financial report

A. Board viewed check register.

B. Closed Scott Valley Bank account and transferred to Coast Central, ~~\$22,000.00~~ \$2,000.⁰⁰

B. Community Hall

A. Lights in the hallway at the Community Hall are not working, Board Instructed to call Peter to have them fixed.

C. Marina

A. Marina is closed until April.

D. Leases

A. First installments of the lease payments are scheduled to be mailed March 22, 2018, along with letter from District Manager.

E. Campgrounds

A. Clean up will be starting March 12, 2018.

B. Sue has been coming in to keep up with reservations. We have Done approximately \$61,000.00 in reservations already this year.

C. Fishing Derby May 19, 2018.

F. Buffer Strip

A. Nothing to report

VIII. Cash Disbursements.

A. Approve/Acknowledge Campground/Marina /General Fund expenditures.

1. Reviewed check register.

IX. New Matters for Board Consideration.

1. Nothing.

X. Closed Session

1. Closed session began at 5:46 PM.

2. Closed session adjourned a 6:16 PM.


A. **Motion: Gordon/Nicholson** to accept terms and condition of the Service Fee Agreement from the Sacramento Attorney Group, Liebert Cassidy Whitmore.

Motion carried: Sellman, Johnson, Wise, Nicholson and Gordon.

XI. Adjournment.

1. The meeting was adjourned at 6:16 PM.

Maryann Kiser 4/12/18
Submitted by Date

 4/12/18
Approved by Date

Minutes of the April 12, 2018
Board of Directors Meeting

I. Call to Order

- A. **Flag Salute**
- B. The meeting was called to order at 4:01 PM by Chairman, Dennis Johnson.
- C. Board Members present: Dennis Johnson, Susan Gordon, John Wise, Brian Nicholson and Debbie Sellman
- D. Board Members Absent: None
- E. Others present; Mike Francesconi, Margaret Kiser, Patsy Lewis, Jack Branham, Mike Frasier, Ken Richardson, Melony Higgins and Brooke Entsminger.

II. Approval of the Agenda

- A. **Consider Approval of the Agenda.**
 - 1. **Motion:** Gordon/Wise to approve the Agenda for March 8, 2018
Correction to also approve agenda to include transferring lease #98
Motion carried: Sellman, Johnson, Nicholson, Wise and Gordon

III. Approval of Minutes.

- A. Consider approval of the minutes for the Regular Board Meeting March 8, 2018
Motion: Gordon / Nicholson to approve the minutes of the March 8, 2018
Motion carried: Johnson, Nicholson, Sellman , Gordon and Wise
- B. Consider approval of the minutes for the Regular Board Meeting March 8, 2018.
Motion: Gordon/Wise to approve the minutes of the February, 8, 2018, with Correction of Scott Valley Bank transfer from \$22,000.00 to 2,000.00.
Motion carried: Sellman, Gordon, Nicholson, Wise and Johnson.

V. Supervisors Report

- A. None

VI. Correspondence

- A. None

VII. Items for Board action and investigation.

- A. Southern Trinity Volunteer Fire Department.
 - 1. Nothing
- B. Future development of Ruth Lake Community Services District holdings.
 - 1. Update on district projects at Old Ruth.
 - 1. Gate is in and the rocks are in place and we need to have old gate removed.
 - 2. Cards need to be reprogrammed so they work at all three places.
- C. Consider and/or approve transfer lease #44E from Jerry L. and Sandra Carson to Brooke Raven Sandberg and Josh Sandberg and Lease #98 from Trini Ponnay to Ron Ziegenbein.

F. Buffer Strip

A. Nothing to report

VIII. Cash Disbursements.

A. Approve/Acknowledge Campground/Marina /General Fund expenditures.

1. Reviewed check register and profit and loss.

IX. New Matters for Board Consideration.

1. Board wants lists of things that can be done to improve our campgrounds and Marina.
2. Special Board Meeting for Monday, April 16, 2018 at 3:00 P. M. to discuss Salaries.
3. STAR donation.

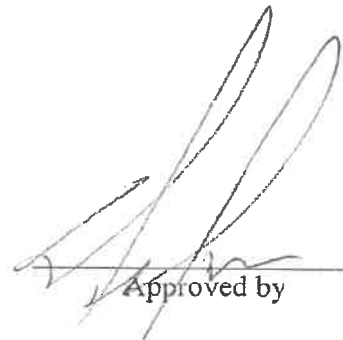
X. Closed Session

1. Discussed money from Lease Payments

XI. Adjournment.

1. Came out of close session at 6:00 P M and adjourned at 6:12 P M.

Margaret Kiser 5/10/18
Submitted by Date

 5/10/18
Approved by Date

Minutes of the April 16, 2018

Board of Directors Special Meeting

1. Call to Order

1. Flag Salute
2. Meeting was called to order at 3:10 PM by Chairman, Dennis Johnson
3. Board Members present: Debbie Sellman, Susan Gordon, and John Wise
4. Board Members absent: Brian Nicholson

2. Approval of the Agenda

1. Motion Sellman/Gordon to approve agenda for the Special Board of Directors Meeting. Motion carried Wise, Johnson, Sellman and Gordon.

3. Public Comment: None

4. Items for Board Action and Investigation

1. Salary Schedules

1. District Manager \$42,000.00 per year.
2. Assistant Manager \$36,000.00 per year.
3. Marina Manager \$2800 .00 per month for 7 months.
4. Campground Hosts \$2672.00 per month for 7 months.
5. Campground Hosts and Marina Hosts \$500.00 per month for 5 Months plus \$100.00 electricity allowance
6. Trainer \$27.50 per hour

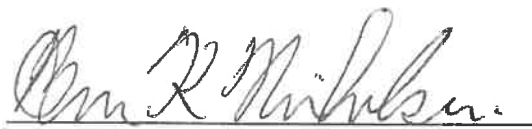
Ruth Lake CSD
PAY SCHEDULE
2018

MINMUM WAGE (until 18 years of age)	\$11.00
STARTING WAGE RUTH REC, MARINA & HALL	\$12.50
After 6 months employment	\$13.00
After 12 months employment	\$13.50
After 4 seasons employment	5% increase-\$14.18
After 8 seasons employment	5% increase-\$14.88
After 12 seasons employment	5% increase-\$15.62
STARTING WAGE RUTH REC STORE MANAGER	\$15.50
After 1 st season	\$16.00
After 2 seasons	\$16.50
After 4 seasons employment	5% increase- \$17.32
After 8 seasons employment	5% increase- \$18.19
After 12 seasons employment	5% increase -\$19.10
CAMP GROUND HOSTS 7 MONTHS	\$18,704.00
After 4 years employment	5% increase
After 8 years employment	5% increase
After 12 years employment	5% increase
MARINA MANAGER 7 MONTHS	\$19,600.00
After 4 years employment	5% increase
After 8 years employment	5% increase
After 12 years employment	5% increase
DISTRICT MANAGER	\$42,000.00
ASSISTANT MANAGER	\$36,000.00
ASSISTANT TO MANAGERS PER HOUR	\$27.50

The Board approves and acknowledges the expenditures from Coast Central Credit Union
Marina/Campground Fund Acct. #S52

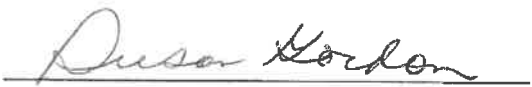
Dated From: 04/09/2018

To: 05/04/2018



Director

Director



Director



Director



Director



Date

Submitted By Margaret Kiser

John Friedenbach

From: Stan A. Fandrich <Stan_Fandrich@us.crawco.com>
Sent: Wednesday, June 20, 2018 9:09 AM
To: John Friedenbach
Cc: 'Jennifer Nogosek'; Chris Harris
Subject: RE: ACWAJPIA / Humboldt Bay Municipal Water District / JPIA Claim # 18-0493 / Crawford GTS # 3200089

Good morning John,

Please find an extract from the policy that defines the deductible that applies to this generator claim.

We encourage you to confirm the deductible amount with Jennifer Nogosek.

Best regards,

Stan

D. Deductibles

There shall first be deducted the amount(s) shown below for the applicable coverage parts from a loss for which the **Authority** becomes liable under this BOILER AND MACHINERY COVERAGE ADDENDUM:

1. Property Covered:

a. **Turbine Units** and Associated Equipment, including **Electrical Generators**, Electrical Power Distribution and Turbine Controls - \$50,000 or \$5 per kilowatt, whichever is greater.

b. **Internal Combustion Engines** and Driven Engines - \$25,000 or \$10 per horsepower, whichever is greater.

c. **Electrical Generators** driven by **Internal Combustion Engines** - \$50,000 or \$5 per kilowatt, whichever is greater.

We specifically direct your attention to the definition "c." which would apply to this diesel powered backup generator which is a 200 horsepower model. Based on the above definitions we see that the deductible amount should be \$50,000.

Stan A. Fandrich
National General Adjuster
Global Technical Services
Crawford & Company
3100 Oak Road, Suite 207
Walnut Creek CA 94597
Office: 925.945.6175
Mobile: 209.210.7362
email: stan_fandrich@us.crawco.com
web: www.crawfordgts.com

RREDC/RCEA



Redwood Coast Energy Authority
633 3rd Street, Eureka, CA 95501
Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777
E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

BOARD OF DIRECTORS MEETING AGENDA

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

June 18, 2018
Monday, 3:15 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 May 21, 2018, 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 Development

- a. Establish Offshore Wind Project Phase 1 Board Subcommittee.
- b. Provide input and direction on proposed next steps.
- c. Approve Offshore Wind Energy Development Cooperation Agreement with EDPR Offshore North America, Principle Power, and Aker Solutions, and

authorize the Executive Director to execute the agreement and any other associated documents as necessary, contingent on final review and approval by RCEA Legal Counsel and the Board Offshore Wind Project Phase 1 Subcommittee.

- d. Authorize staff to submit an outer-continental shelf offshore wind unsolicited lease request to the Bureau of Ocean Energy Management, contingent on final review and approval by RCEA Legal Counsel and the Board Offshore Wind Project Phase 1 Subcommittee.

6. NEW BUSINESS

6.1 Fiscal Year 2018-19 Budget

- a. Adopt RCEA Fiscal Year 2018-19 Budget.
- b. Establish FY18-19 Board Finance Subcommittee.

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 – None

8. NEW CCE BUSINESS

- 8.1 PG&E and RCEA Joint Rate Comparison Mailer (information only, no action)

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

- 9.1 Executive Director
 - Terra-Gen Monument Ridge Wind Project

10. ADJOURNMENT

NEXT REGULAR MEETING
Monday, July 16, 2018, 3:15 p.m.
Humboldt Bay Municipal Water District Office
828 7th Street, Eureka, CA 95501



Redwood Coast Energy Authority

633 3rd Street, Eureka, CA 95501

Phone: (707) 269-1700 Toll-Free (800) 931-RCEA Fax: (707) 269-1777

E-mail: info@redwoodenergy.org Web: www.redwoodenergy.org

SECTION L4 PAGE NO. 3

DRAFT BOARD OF DIRECTORS MEETING MINUTES

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

May 21, 2018
Monday, 3:15 p.m.

A regular meeting of the Board of Directors of the Redwood Coast Energy Authority was held on the above date at 3:16 p.m. with Chair Woo presiding. Notice of this meeting was posted on May 17, 2018.

Present: Chair Sheri Woo, Vice Chair Michael Winkler, Directors Bobbi Ricca, Frank Wilson, Michael Sweeney, Dwight Miller
Absent: Directors Austin Allison, Estelle Fennell, Dean Glaser

1. REPORTS FROM MEMBER ENTITIES

Chair Woo attended an Association of California Water Agencies conference. Many water agencies are beginning to install solar energy systems with batteries because it is cost effective due to the high energy requirements of water treatment and pumping.

Vice Chair Winkler reported that the California Energy Commission mandated photovoltaic panels for all new residential construction beginning in 2020.

2. ORAL COMMUNICATIONS

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

3. CONSENT CALENDAR

- 3.1 Approve Minutes of April 16, 2018, Board Meeting.
- 3.2 Approve Disbursements Report.
- 3.3 Accept Financial Reports.
- 3.4 Approve Contract Addendum No. 2 "Scope of Services – Peak Day Pricing Alerting Services Pilot" to Professional Services Agreement Between Calpine Energy Solutions, LLC and Redwood Coast Energy Authority, and Authorize Board Chair to Execute the Agreement Addendum and any Associated Documents.
- 3.5 Adoption Resolution No. 2018-5 of the Redwood Coast Energy Authority Authorization for Electronic Submission of Any and All Data Required by RDApplly Intake System.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

M/S: Miller, Wilson: Approve consent calendar items.

The motion passed on a unanimous voice vote. Ayes: Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Allison, Fennell, Glaser. Abstentions: None.

4. REMOVED FROM CONSENT CALENDAR ITEMS - None.

5. OLD BUSINESS

5.1 FY 17-18 Budget Revisions

Director Fennell arrived at 3:21 p.m. Director Allison arrived at 3:26 p.m.

Executive Director Matthew Marshall reported on adjustments to the fiscal year 2017-2018 budget.

In response to requests for more detailed information from Directors Wilson and Fennell, Executive Director Marshall stated that community choice aggregators (CCAs) often appoint a finance committee to analyze wholesale power supply budgets which may contain information that, if revealed to parties with whom the agency might later negotiate, could work against ratepayers' interests.

Directors Fennell, Wilson and Woo expressed interest in creating a finance committee.

Director Fennell requested that The Energy Authority's Jeff Fuller repeat his overview presentation of CCA credits, cash flow, and energy distribution for the entire board.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

M/S: Miller, Sweeney: Approve the following adjustments to the FY17-18 RCEA Annual Budget expense categories:

1. Electricity Sales Revenue – decrease to \$46,430,000.
2. CAISO Energy Charges – decrease to \$2,600,000.
3. CAISO Non-Energy Charges – decrease to \$1,200,000.
4. Resource Adequacy – decrease to \$1,900,000.
5. Energy Hedges Notional Value – increase to \$20,660,000.
6. Humboldt Redwood Company – increase to \$6,570,000.
7. DG Fairhaven – add to “Local Power Purchase Agreements” at \$960,000.
8. Reserve Requirement Contributions – decrease to \$3,000,000.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler, Woo. Noes: None. Absent: Glaser. Abstentions: None.

5.2 Update on Offshore Wind Development Partnership Negotiations

Executive Director Marshall reported that RCEA and its three offshore wind project partners would like to list RCEA as the applicant on the federal Bureau of Ocean Energy .

Management (BOEM) lease application, rather than first creating a new project company then submitting the application. Counsel Nancy Diamond clarified that the lease would acknowledge the underlying agreement between RCEA and its partners that is currently being negotiated. Executive Director Marshall added that transferring the lease from RCEA to a joint venture entity later is not a difficult process but negotiating a four-way joint venture agreement in a short timeframe is.

Director Winkler requested a draft timeline identifying milestones and rough estimates of each phase's duration. Executive Director Marshall stated that RCEA and its partners' goal is to submit the BOEM lease application this summer. The underlying agreement will be brought before the Board for approval and will identify project scope, phases, a timeline and funding sources. Counsel Diamond confirmed that the initial agreement would serve as an umbrella agreement and address the details of the initial phase of the project and will be supplemented with future agreements for the different project phases. Future phases and agreements will be contingent on reaching milestones in prior phases.

Chair Woo commended Executive Director Marshall on representing RCEA well in the project's press coverage.

Chair Woo opened the public comment period.

Member of the public Jim Zoellick of Schatz Energy Research Center inquired about who is paying for the BOEM application. Executive Director Marshall explained that Herrera Environmental Consultants, and H.T. Harvey and Associates are preparing the application and Principle Power is covering this expense.

Chair Woo closed the public comment period.

6. NEW BUSINESS

6.1 Preliminary FY 18-19 Budget Presentation

Executive Director Marshall presented a report on the draft fiscal year 2018-2019 budget.

Executive Director Marshall recommended creating a Board finance subcommittee to maintain transparency with the agency's decision-making body.

Director Fennell requested informing residents about local and renewable elements of RCEA's energy portfolio. Executive Director Marshall stated that RCEA does a mandated mailing with that information to ratepayers annually. He will present additional options to inform residents at the next Board meeting.

Upon inquiry by Director Wilson, Executive Director Marshall explained that RCEA only designates customer account information as confidential. He stated public power entities generally consider power purchase agreements to be proprietary information. Executive Director Marshall and Counsel Diamond will investigate whether other CCAs or municipal utilities have adopted proprietary information policies and what information

RCEA as a utility would be exempt from producing under the Public Records Act. Director Miller requested that a confidential business information policy be included on a future agenda.

Chair Woo requested comparisons with other CCAs on different budget items such as communications and outreach. Executive Director Marshall stated he would provide the Board with that information.

Director Fennell requested further discussion of solar electricity at a subsequent Board meeting. Executive Director Marshall reported RCEA received inquiries from local agencies, companies, and tribes about solar power generation. Director of Business Development and Planning Lori Biondini stated that staff often found that meeting onsite load demand often served organizations better than pursuing wholesale solar electricity production, and the public agency solar program was developed as a result. She and Director of Power Resources Richard Engel are developing a feed-in tariff program to standardize terms and conditions for small solar power generators. Director Winkler requested including a draft large-scale community solar contract in a future agenda. Staff Director Engel pointed out the Community Choice Energy (CCE) program's goal of allocating resources equitably among customers. Executive Director Marshall reiterated the Board's guidelines to generate 15 MW of solar energy locally within the first five years. He requested future discussion on whether supporting fewer large, wholesale solar power projects or many customer-focused solar programs is more beneficial to the community.

Chair Woo opened the public comment period.

Member of the public Ellen Golla stated that people care very much about how much of their electric bill goes to local biomass. Director Wilson clarified that he stated people do not understand their electric bills. Executive Director Marshall explained that local biomass is projected to make up in the range of 20% of the 2018 power mix.

Chair Woo closed the public comment period.

COMMUNITY CHOICE ENERGY (CCE) BUSINESS

Chair Woo determined there was a quorum present to conduct CCE business.

7. OLD CCE BUSINESS

7.1 Approve Revisions to CCE Program Guidelines

Adopt Resolution 2018-6 Approving Revisions to the Community Energy Program Launch-Period Strategy and Targets.

Executive Director Marshall suggested discussing support for solar goals at a future meeting.

Chair Woo invited public comment. No one came forward to speak. Chair Woo closed public comment.

M/S: Fennell, Allison: Adopt Resolution 2018-6 Approving Revisions to the Community Energy Program Launch-Period Strategy and Targets.

The motion passed on a unanimous voice vote. Ayes: Allison, Fennell, Miller, Ricca, Sweeney, Wilson, Winkler. Noes: None. Absent: Glaser. Abstentions: Woo (non-voting).

8. NEW CCE BUSINESS – None.

END OF COMMUNITY CHOICE ENERGY (CCE) BUSINESS

9. STAFF REPORTS

9.1 Director Demand-Side Management
• PG&E Partnership Update

Director of Demand-Side Management Lou Jacobson provided an overview of past, current and potential future partnership agreements with PG&E for providing energy efficiency services. He stated RCEA will likely begin focusing PG&E funded work on public agencies and seek different ways to support continuing residential and small business services. He stated the PG&E contracting process for the next several years is expected to begin soon.

Staff Director Jacobson clarified that PG&E's changes did not involve infrastructure maintenance, only home-energy efficiency upgrades. Director Winkler inquired if the defunded programs could be funded through Community Choice Energy programs revenues. Executive Director Marshall confirmed that they could, adding that staff is also evaluating becoming an energy efficiency program administrator to directly access CPUC funding.

Chair Woo opened the public comment period.

Member of the public Jim Zoellick recounted that RCEA was founded because rural communities were not well-served by energy efficiency programs. Mr. Zoellick hoped RCEA would continue providing services locally, especially to seniors and low-income residents. He reminded the Board that 70% of Humboldt County's building stock was built before the California Energy Code was implemented, and that it is difficult to cost-effectively upgrade this building stock.

Chair Woo closed the public comment period.

Directors Fennell, Allison and Winkler expressed concern over the changing partnership agreement and inquired about what action the Board could take to support the energy efficiency programs. Executive Director Marshall stated the CPUC was aware of RCEA and other local government partnerships' position on the issue. Further action will be determined when PG&E's proposals are known.

10. ADJOURNMENT

Chair Woo adjourned the meeting at 4:55 p.m.

Respectfully Submitted,

Lori Taketa
Clerk of the Board



Redwood Region Economic Development Commission
Prosperity Center 520 E Street, Eureka, California 95501
Phone 707.445.9651 Fax 707.445.9652 www.rredc.com

REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION
Regular meeting of the Board of Directors
At the Prosperity Center 520 E Street, Eureka
June 25, 2018 at 6:30 pm
AGENDA

- I. **Call to Order & Flag Salute**
- II. **Approval of Agenda and Minutes**
 - A. Approval of Agenda for June 25, 2018
 - B. Approval of Minutes of the Board of Directors Meeting April 23, 2018
- III. **Public Input for non-agenda items**
- IV. **Program – Michael Kraft, Senior Project Manager & Consultant, Sequoia Personnel Services – The Humboldt Workforce and Economic Growth**
- V. **Consent Calendar**
 - A. Acceptance of Agency-wide Financial Reports: April 30, 2018 and May 31, 2018
- VI. **Reports – No Action Required**
 - A. Loan Portfolio Report: April 2018 and May 2018
 - B. Executive Director's Report
- VII. **Old Business**
 - A. Update on the Redwood Region Housing Forum
 - B. Update on Development of Humboldt County Comprehensive Economic Development Strategy
- VIII. **New Business**
 - A. Discussion of CALED Rural Summit and RREDC Response to Solicitation for Venue
- IX. **Member Reports**
- X. **Agenda/Program Requests for future Board of Directors Meetings**
- XI. **Adjourn**

The Redwood Region Economic Development Commission will, on request, make agendas available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the Board Secretary at (707) 445-9651. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements for accommodations.



Cities Arcata · Blue Lake · Eureka · Ferndale · Fortuna · Rio Dell · Trinidad
Community Services Districts Humboldt · Manila · McKinleyville · Orick · Orleans · Redway · Willow Creek
Humboldt Bay Harbor, Recreation and Conservation District · Humboldt Bay Municipal Water District
County of Humboldt · Hoopa Valley Tribe · Redwoods Community College District