

Minutes



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

SECTION D PAGE NO. 1



Minutes for the Meeting of Board of Directors

December 10, 2015

A. **ROLL CALL**

President Hecathorn called the meeting to order at 9:00 a.m. Director Rupp conducted the roll call. Directors Hecathorn, Laird, Rupp, Sopoci-Belknap and Woo were present. General Manager Paul Helliker and Board Secretary Sherrie Sobol were present. Superintendent Dale Davidsen arrived later and Business Manager John Friedenbach was absent. Rebecca Crow, Pat Kaspari and John Winzler of GHD were present for a portion of the meeting.

B. **FLAG SALUTE**

Director Hecathorn led the flag salute.

C. **ACCEPT AGENDA**

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

D. **MINUTES**

Director Laird requested a wording change on page 4 of the minutes to clarify the management policy he was suggesting. On motion by Director Rupp, seconded by Director Sopoci-Belknap, the Board voted 5-0 to approve the minutes as amended.

E. **PUBLIC COMMENT**

No public comment was received.

F. **CONSENT AGENDA**

On motion by Director Sopoci-Belknap, seconded by Director Woo, the Board voted 5-0 to approve the Consent Agenda.

G. **CONTINUING BUSINESS**

1. **Retail rate adjustment**

Mr. Helliker introduced the retail rate analysis and provided background on why a rate adjustment is necessary to cover cost-of-service. The District last conducted a retail rate study in 2009. For the current study, in order to determine the retail system's revenue requirement, the District's retail customer usage data, retail revenue, retail specific expenses and a portion of wholesale costs were analyzed. The results show a current shortfall of \$93,600. He introduced Ms. Crow of GHD who provided a detailed Power Point presentation on the retail rate study.

Ms. Crow stated a retail rate study is necessary to ensure that revenues cover costs. Typically, a rate study is done every five years. Components of the rate study include developing a cost-of-service, evaluating rate design options to fully recover the cost-of-service, Consumer Price Index annual adjustment and a wholesale cost pass through annual adjustment. She noted that capital costs for the current rate study are based on current dollar replacement costs of the distribution grid for the Fairhaven area. For the 2009 rate study, historical costs from the 1970's were the basis for the capital cost



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calculations.

The customer accounts were separated out into four groups: non-Fairhaven (domestic), Fairhaven (Business and Domestic), Fire and Large Business in order to better evaluate the rate impacts. The capital improvement plan analysis for the Fairhaven distribution grid and meters resulted in an annual capital replacement cost increase of \$31.15/connection/ month. Director Rupp inquired if a new rate study would be required if a Samoa Peninsula Community Service District is formed. Ms. Crow stated no, it is not an issue given that the customer groups are separated out.

Ms. Crow discussed the two components of water rates: Base and Consumption and stated multiple alternatives were analyzed and considered. She shared the top six rate alternatives with staff recommendation of option 2C to address the high increases. Option 2C will phase in capital replacement costs over five years. Other Board considerations are: incorporating a wholesale pass thought into the retail rate ordinance; a provision to increase rates on July 1st by the change in the annual consumer price index; and if a conservation rate charge should be implemented. Mr. Helliker stated staff will be updating its Urban Water Management Plan next year and recommended not adding the conservation charge at this time.

The Board discussed the options and on motion by Director Rupp, seconded by Director Sopoci-Belknap, the Board voted 5-0 to select rate structure 2C, continue with the CPI rate adjustment and incorporate the wholesale pass through and directed staff to proceed with implementation of retail rate increase.

Next steps include deciding on final rates to adopt, conducting a Prop 218 rate change process and outreach, and holding a Prop 218 hearing to adopt the rates at the March meeting with the new rates going into effect April 1, 2016.

2. Water Conservation Regulations

Mr. Helliker stated last August, the State Water Resources Control Board (SWRCB) began meeting with a select number of water agencies to discuss possible extension of the water conservation regulations and possible changes to it should the drought continue into 2016. In November, Governor Brown issued another executive order directing the SWRCB to extend the conservation regulations, with potential modifications to reflect local conditions, should the drought persist through January. On December 7th, the SWRCB held a workshop that he attended. He shared with them a letter from the District and its seven Municipal Customers providing comments and requesting an exemption from an any conservation regulations given that even with conservative assumptions, our current demand would never exceed supply. The letter also recommended the SWRCB delay their final decision on conservation regulations until after the DWR completes its analysis of the 2015-2016 hydrologic conditions in mid-April. He noted that other agencies are also advocating the SWRCB recognize local supply and demand situations. The SWRCB is likely to have more hearings on the topic. Mr. Helliker added that since the rains began, 10.2 inches have fallen at Ruth and the Lake should be full by mid-January.



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3. Watershed Issues: Letter to Boards of Supervisors on cannabis regulations, ACWA Headwaters workgroup and Mountains and Rivers proposal

Cannabis Regulations

The Humboldt County Planning Commission recommended changes to the county's draft medical marijuana commercial cultivation ordinance. One major change is that the County's original draft required grows more than 2,000 square feet to obtain and conditional use permit. The Planning Commission raised the threshold to allow grows between 100 square feet and 20,000 square feet to only require a special permit from the county Planning and Building Department.

Mr. Helliker shared the letters he wrote to Humboldt and Trinity Board of Supervisors regarding a Medical Marijuana Land Use Ordinance. The letters encouraged the County to incorporate requirements into its regulations that mandate that County land use permits issued require the cultivators to comply with environmental protection regulations.

Mr. Helliker also shared that he spoke with Dave Feral who is working on putting a workshop together for cannabis growers. Mr. Feral will provide a budget for the Board's consideration.

ACWA Headwaters Workgroup

Mr. Helliker shared the ACWA Headwaters framework. The framework focuses on issues of catastrophic wildfires and their impact on water resources, and the need for fuel reduction and changes to forest management practices to protect the watershed. He noted the framework focuses on upstream practices and water quality. He also noted that good practices are already taking place locally. Humboldt State University and Green Diamond are working together on thinning trees and use of the product.

Mountains and Rivers Proposal

Mr. Helliker stated the Wilderness Society is working with Congressman Huffman to develop legislation to address forest management practices, and to propose the additional designation of wilderness and wild and scenic rivers in Northwestern California. The Wilderness Society is asking for letters of support for their concept. Mr. Helliker inquired if the Board would like staff to prepare a letter. Director Rupp stated RREDC discussed this also and they plan to send a letter of support to Congressman Huffman subject to review of the legislation. RREDC supports the concept in general, not particular legislation. The Board concurred they need more information about the legislation. No action was taken regarding a letter of support.

4. Appointing New Director

The Board previously stated they would like to have a new Director ready to start at the April 2016 Board meeting since March is the last meeting for outgoing Director Sopoci-Belknap. Mr. Helliker stated the vacancy notice must be posted in January and interviews held in February and March in order to make this happen. The Board requested an announcement be available at their January meeting for approval and agreed to have a Special Meeting for interviews on February 29, 2016. They plan to



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appoint the new Director at the March 10, 2016 meeting. Director Sopoci-Belknap will recuse herself from the appointment process.

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

Mr. Helliker provided a memo summarizing WRP activities since 2011. Also included were the chart from the Implementation Plan describing short, mid and long-term actions, and the summary of planning work prepared by Director Woo in 2013. He noted that a great deal of work has gone into the process. Director Rupp stated the District's mission is to provide the best quality drinking water at the lowest possible cost. The WRP is a way to do this.

Mr. Helliker stated not much is going on in regards to local sales. On the transport front, the average price per acre foot of water is \$600. It has been as high as \$800 during the drought. Our numbers are 2-3 times higher since potential buyers do not need water year round but during the transfer window or as needed. Director Laird noted it seems we are only competitive with desalination costs. In regards to instream flow, this might still be a viable option. The District could do a 1707 enhanced summer flow and receive compensation under Proposition 1. The District could support instream flow up to 45,000 acre feet. The Board had several questions regarding compensation. Mr. Helliker stated he will summarize it all in writing and bring it back in January. Mr. Helliker suggested it might be time to get the Advisory Committee together and provide an update. The Board requested a meeting be scheduled in February.

H. REPORTS (from Staff)

1. Engineering

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

Mr. Kaspari received report confirming that bedrock in the area is shallow and solid. It is also on the edge of a fault zone and this will impact directional drilling. He forwarded the report to a trenchless drilling company for review. If it turns out the best option is for an overhead crossing, it is important to note that maintenance costs will be higher. Mr. Kaspari stated all aspects will be reviewed and a feasibility report provided.

Director Laird stated if the overhead crossing is the best option, he would like it to include the possibility of a pedestrian trail. Mr. Kaspari stated changes will have to be made to the design to include decking, railing, etc if it will be open to the public. Director Rupp confirmed that we are currently in the feasibility phase. Once a decision is made regarding an over or under crossing, then we can decide if a pedestrian trail is an option. If yes, then we can ask an interested group to pay the extra costs to accommodate the pedestrian trail. Mr. Winzler inquired if a pedestrian trail was also be adding a security problem. Mr. Helliker responded yes, it would as well as liability issues. Mr. Kaspari stated he would include this in the feasibility



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study and note that it is not precluding a pedestrian trail option.

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

Mr. Kaspari stated Layne Christensen submitted the only bid for the project. The bid is over budget by half a million dollars. He contacted Layne Christensen and inquired about some of the costs. They stated costs were higher since they lost money on the Collector 3 project and Collector /1A requires more work. Mr. Kaspari stated the District has three options: accept the bid; renegotiate the scope and cost with Layne Christensen; or reject the bid and re-bid in six months to a year. He noted that Mr. Friedenbach believed the project was doable financially, but needed more time to finalize the numbers. Director Rupp inquired what other projects are at risk if money is found to do Collector 1/1A? If the project is scaled back to just 1A, then there is no concern of other projects not being done. After a brief discussion, the Board requested Mr. Kaspari go back to Layne Christensen and see what costs could be lowered or renegotiated if the District were to take on some of the work.

Surge Tower Demo

Mr. Kaspari stated plans should be finalized by February and he will bring them to the Board when completed.

Facilities Plan

This is still a work in progress. There is nothing to report at this time.

1 MG Reservoir

Mr. Kaspari stated now that a stable platform is available in the tank, an engineer will go in and determine if the roof can be repainted or if it needs to be replaced.

2. **Financial**

Financial Report

Director Rupp provided the Financial Report. Director Woo reviewed the bills and stated all was good. Director Laird temporarily left the room. On motion by Director Rupp, seconded by Director Woo, the Board voted 4-0 to approve the November 2015 financial statement and the vendor detail report in the amount of \$169,721.62.

Director Rupp stated this year's audit will be late due to a change in auditing personnel. He noted there are no issues it is just a matter of personnel changes.

3. **Operations**

Mr. Davidsen stated given the recent rains, Ruth Lake is starting to fill which is good news. Staff conducted the annual Ruth EAP drill exercise. They made phone and radio calls to other agencies they would contact in the event of a dam failure to verify operability and that all contacts are current. Topics covered at the November Safety meeting included personal protective equipment, MSDS/SDS and Harassment. Mr.



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Davidson also stated that staff started the prep and de-watered Collector 2 to install new valves and check the valves on the manifold. During this process, they discovered the manifold was under stress and had actually moved. Upon startup, one motor failed. Staff replaced the motor with a spare used motor from Collector 3 and it is running again.

Director Laird inquired about the status of the Ruth Lake bunkhouse. Mr. Davidson stated since no bids were received, nothing has happened yet. He plans on getting an asbestos report then putting the project back out for bid. President Hecathorn asked about the projected timeframe for completion of the project. Mr. Davidson stated he expects two to three months, however, it will vary depending on the size of the crew.

4. Management

Mr. Helliker reported out on his attendance at the JPIA/ACWA Conference. Felicia Marcus, chair of SWRCB was one of the guest speakers at a session on water conservation. He attended many other interesting sessions, including the Region 1 meeting.

I. DIRECTOR REPORTS & DISCUSSION

1. ACWA-JPIA

Director Rupp reported out on his attendance at the JPIA/ACWA Conference. He attended the Finance Committee, Employee Benefits Committee and Board meeting. The good news from the Finance Committee meeting is that they are doing well financially and are on the positive side. They also asked him to be the Vice-Chair of the committee and he accepted. At the Employee Benefits committee, Castlight was the main topic. For those with PPO or HSA plans, this program allows users to do a cost comparison and read reviews, etc for different providers. The JPIA Executive Committee dealt with similar items. They also lined up several vendors to help with El Nino remediation and clean up. This was a good, proactive step to help members. Other sessions attended included water rights, smart grid utilities and El Nino. He also attended the Region 1 meeting and stated he is very supportive of Director Woo or Mr. Helliker getting more involved with Region 1 and serving on that Board.

2. Organizations on which HBMWD Serves: RCEA, RREDC, LAFCo

RCEA

Director Woo attended the meeting. The discussed the Community Choice Aggregate (CCA) and most of the municipal customers signed on. The City of Blue Lake did not. The Board working with the Executive Director on performance improvement.

RREDC

Director Rupp shared that Mr. Marshall from RCEA was a guest speaker and provided a presentation on the CCA.



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ADJOURNMENT

The meeting adjourned at 3:02 pm

Attest:

Barbara Hecathorn, President

J. Bruce Rupp, Secretary/Treasurer

Consent

FEDERAL ENERGY REGULATORY COMMISSION
Office of Energy Projects
Division of Dam Safety and Inspections – San Francisco Regional Office
100 First Street, Suite 2300
San Francisco, CA 94105-3084
(415) 369-3300 Office – (415) 369-3322 Facsimile

December 14, 2015

H.B.M.W.D. DEC 21 2015

In reply refer to:
Project No. 3430-CA
NATDAM No. 00833

Mr. Paul Helliker
General Manager
Humboldt Bay Municipal Water District
828 Seventh Street
P.O. Box 95
Eureka, CA 95502-0095

Re: 2014-15 DSSMR Matthews Dam Review Response

Dear Mr. Helliker:

This letter is in response to HBMWD's letter dated October 6, 2015 transmitting a response to our review of the 2014-15 DSSMR for the Matthews Dam Project, FERC Project No. 3430. Your response adequately addresses our previous comments and we have no further comment on this matter at this time.

We appreciate your cooperation in this aspect of the Commission's dam safety programs. If you have any questions or comments, please contact Mr. Arthur Reis at (415) 369-3362.

Sincerely,



Frank L. Blackett, P.E.
Regional Engineer



December 11, 2015

**Important information
about Bill Protection for
your Peak Day Pricing
rate plan.**

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
PO BOX 95
EUREKA, CA 95502-0095

H.B.M.W.D. DEC 18 2015

Re: Peak Day Pricing - Bill Protection for Your Account

Dear HUMBOLDT BAY MUNICIPAL WATER DISTRICT:

Thank you for participating in Peak Day Pricing this year. Through your actions to conserve energy on Event Days, you not only helped increase grid reliability during high demand periods but you also helped pave the way to a better energy future for the State of California.

Your conservation efforts paid off in bill savings for your business too – your participation in Peak Day Pricing saved you **\$1,364.86** this year, compared to your previous time-of-use electric rate plan.

PG&E provided you with a Bill Protection guarantee, so you could try Peak Day Pricing risk free for the first year. As you continue with Peak Day Pricing, it's important to note **the services listed on the following page will no longer be eligible for Bill Protection.**

Continue to shift and reduce energy use on Event Days, so you can maximize your Peak Day Pricing bill savings.

- Learn more about Event Day strategies and tips at pge.com/pdp

Enhanced Event Season Support may help you save even more on Peak Day Pricing. We can provide feedback throughout the Event Season that helps you prepare for Event Days and lets you know how your conservation efforts are working.

- Include an email address as your Event Day notification preference to be automatically enrolled in Enhanced Event Season Support at pge.com/pdpalerts.

To get more information about Peak Day Pricing and Bill Protection, or to make updates to your rate plan, please speak with one of our Peak Day Pricing Specialists at **1-800-987-4923**.

We appreciate your business and are pleased to be your energy provider.

Sincerely,

Maril Wright
Director, Pricing Products
Pacific Gas and Electric Company

P.S. Remember to stay away from downed power lines and never touch or try to move them. Always assume a downed power line is live and report them immediately by calling **911** and PG&E at **1-800-743-5000**.





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

BOARD OF DIRECTORS

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ALDARON LAIRD, VICE-PRESIDENT
J. BRUCE RUPP, SECRETARY-TREASURER
KAITLIN SOPOCI-BELKNAP, DIRECTOR
SHERI WOO, DIRECTOR

GENERAL MANAGER

PAUL HELLIKER

December 22, 2015

VIA: efile on FERC website

Mr. Frank Blackett, P.E.
Regional Engineer
Federal Energy Regulatory Commission
Division of Dam Safety and Inspections
100 First Street, Suite 2300
San Francisco, CA 94105

Re: Humboldt Bay Municipal Water District R.W. Matthews Dam (Project No. 03430-CA)

- Annual EAP Report of Updates
- Annual EAP Face-to-Face Meetings
- Annual EAP Drill

Dear Mr. Blackett:

The purpose of this letter is to comply with the update requirements related to our Emergency Action Plan (EAP). Under those requirements, each licensee/exemptee must: report any updates to its EAP; hold annual face-to-face meetings with emergency responders on the contact list; and hold an annual EAP Drill by the end of the calendar year.

Annual EAP Report of Updates

During 2015, we updated our EAP Notification Flowcharts and Distribution List in June 2015. The flowcharts were distributed to all EAP plan holders.

We are currently updating both Flowcharts and will mail them to all plan holders this week.

Annual EAP Face-to-Face Meetings

District personnel met with representatives from: Trinity County agencies at Ruth Lake on June 26, 2015; and Humboldt County agencies on October 1, 2015 to discuss the EAP. During the meetings, we verified the accuracy of the notification flowcharts, and the inundation maps showing affected areas in the unlikely event the dam fails.

Annual EAP Drill

The District completed its annual in-house drill of the EAP for R.W. Matthews Dam on November 2, 2015.

The drill was divided into four parts as follows:

- Employee meeting before the exercise to discuss the EAP drill and Notification Flowcharts
- EAP telephone communications to participating agencies
- EAP radio communications to participating agencies
- Employee meeting after the exercise to discuss the outcomes

All of the telephonic and radio notifications to the agencies were successful.

No deficiencies in the EAP or associated Flowcharts were found. All phone numbers in the Flowcharts were up to date. It was recommended that the physical address and the geographic coordinates to the Dam be added to the Flowcharts. These enhancements will be updated in the Flowcharts to be mailed later this week.

If you have any questions, please call me at (707) 443-5018.

Sincerely,



Paul Helliker
General Manager

Cc: Dale Davidsen and Brian Newell, HBMWD

FEDERAL ENERGY REGULATORY COMMISSION
Office of Energy Projects
Division of Dam Safety and Inspections – San Francisco Regional Office
100 First Street, Suite 2300
San Francisco, CA 94105-3084
(415) 369-3300 Office – (415) 369-3322 Facsimile

December 22, 2015

H.B.M.W.D. DEC 28 2015

In reply refer to:
Project No. 3430-CA
NATDAM No. 00833

Mr. Paul Helliker
General Manager
Humboldt Bay Municipal Water District
828 Seventh Street
P.O. Box 95
Eureka, CA 95502-0095

Re: Owner's Dam Safety Program (ODSP)

Dear Mr. Helliker:

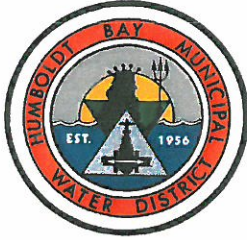
We have completed our review of your Owner's Dam Safety Program (ODSP) for R.W. Matthews Dam, part of FERC Project No. 3430, submitted by the District's letter dated December 31, 2014. Your submittal satisfies the Commission's requirement regarding this important initiative. Please note the continuing responsibility of your Chief Dam Safety Engineer (CDSE), Mr. William Rettberg of GEI Consultants, to provide training to your staff involved with safety, monitoring, and operation of Matthews Dam as well as his responsibility to include a clear statement in the annual Dam Safety Surveillance and Monitoring Report (DSSMR) on the suitability of the dam for continued safe operation. Also, with your recent appointment as the District General Manager, please update your organization chart in the ODSP accordingly.

Your cooperation in this aspect of the Commission's dam safety program is appreciated. If you have any questions or comments, please contact Mr. Arthur Reis at (415) 369-3362.

Sincerely,



Frank L. Blackett, P.E.
Regional Engineer



SECTION F5 PAGE NO. 1
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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

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BOARD OF DIRECTORS

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SHERI WOO, DIRECTOR

GENERAL MANAGER

PAUL HELLIKER

December 22, 2015

News For Immediate Release

Contact: Paul Helliker, General Manager - (707) 443-5018
helliker@hbmwd.com

HBMWD's Ruth Reservoir Fills Early in Water Year 2015-16

No Drought for Water Supplies in the Humboldt Bay Area

Eureka – The Humboldt Bay Municipal Water District (HBMWD) announced today that Ruth Lake, the reservoir that serves municipal and industrial customers in the Humboldt Bay region, has filled for the first time in water year 2015-16. The water year starts on October 1.

Ruth Lake generally fills in either December or January of each year, after initial winter storms saturate the soil and water begins to run off into streams and rivers. Ruth Lake filled four times in water year 2014-15, and filled multiple times in 2013-14 as well, despite that year being one of the driest on record. The graph below shows lake levels for the last three years.

"We are fortunate to have abundant water supplies in the Mad River," said Paul Helliker, General Manager of HBMWD. "Even when the rest of the state is experiencing extreme drought, Ruth Lake is a very reliable and drought-resilient source."

In May of 2015, the State Water Resources Control Board issued water conservation regulations in response to Governor Brown's call for 25% reduction in urban water use. HBMWD and its municipal customers responded with an analysis which shows that, even if rainfall were to continue indefinitely at 1976-77 levels (the lowest on record), there would be more than adequate water supplies to meet ongoing needs, including ecosystem protection requirements.

The National Oceanic and Atmospheric Administration (NOAA) predicts that the El Niño conditions of 2015-16 will result in 40-50% probability of greater than normal precipitation for Humboldt and Trinity Counties during January, February and March. In other parts of the California, the probability of above-normal precipitation exceeds 60% for this window. Already this month, flooding and high streamflow levels have occurred in Humboldt and Del Norte Counties. Precipitation at the Ruth Lake gauging station has

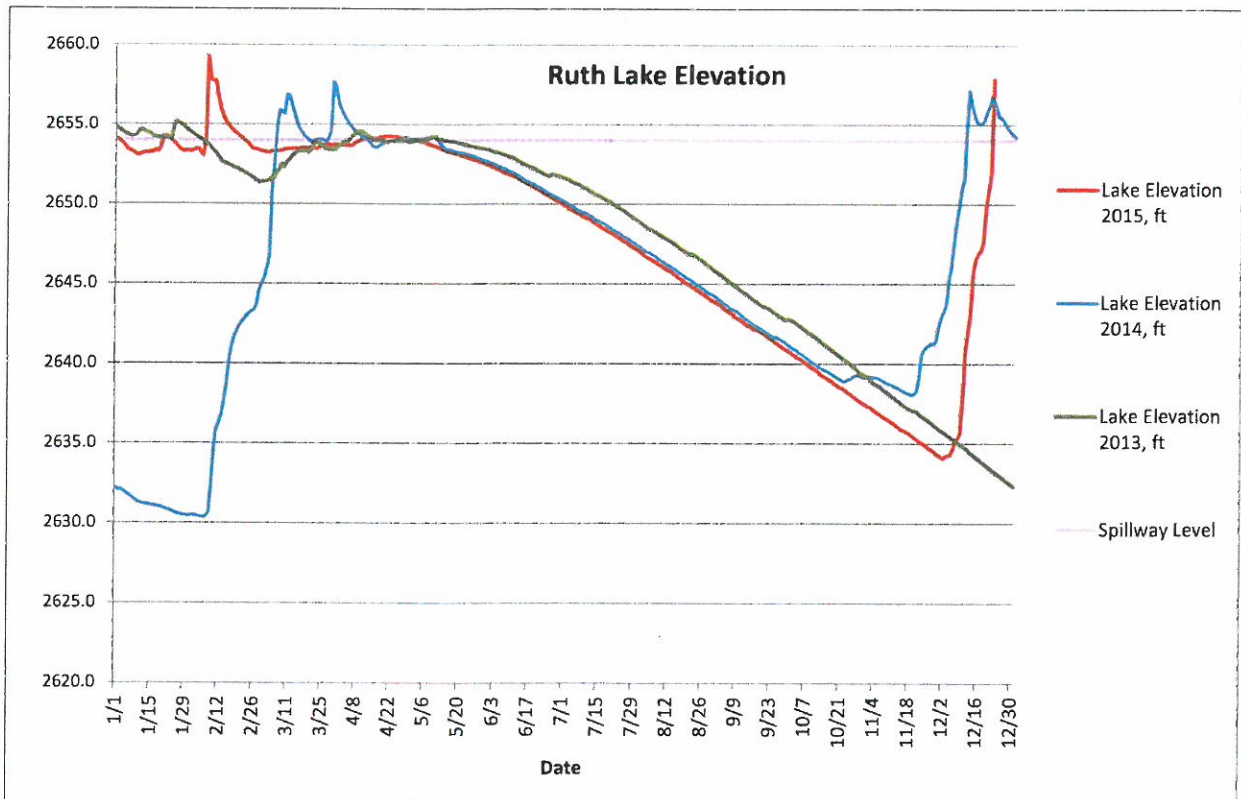
HBMWD News Release
December 22, 2015

been 19.4 inches since October 1, which is 6.5 inches (50%) above the historical average to date of 12.9 inches.

“Ruth Lake storage has risen from a fall low of 60% of capacity on December 3, 2015 to completely full today,” continued Helliker. “We hope reservoirs refill in other parts of the state, as well, given the strong potential for above-normal precipitation.”

In 1978 and 1993, California’s last two major droughts ended with the state’s largest Sacramento Valley reservoirs (Shasta Lake, Oroville Lake and Folsom Lake) filling completely, despite the fact that 1978 was a weak El Niño year, and 1993 was neutral. Conditions in 2015-16 are similar to the strong El Niño years of 1982-83 and 1997-98, when reservoirs throughout the state filled from the heavy rainfall and snow events (which caused flooding in many areas of the state, including in Humboldt County).

HBMWD is the wholesale water supplier to seven municipal water suppliers in the Humboldt Bay region – the Cities of Arcata, Blue Lake and Eureka, and the following Community Services Districts: Fieldbrook-Glendale, Humboldt, Manila, and McKinleyville. Collectively, these agencies serve approximately 90,000 residents in the region.



#####

Ruth Lake is now full of water!

News 20 hours ago

Humboldt Bay Municipal Water District

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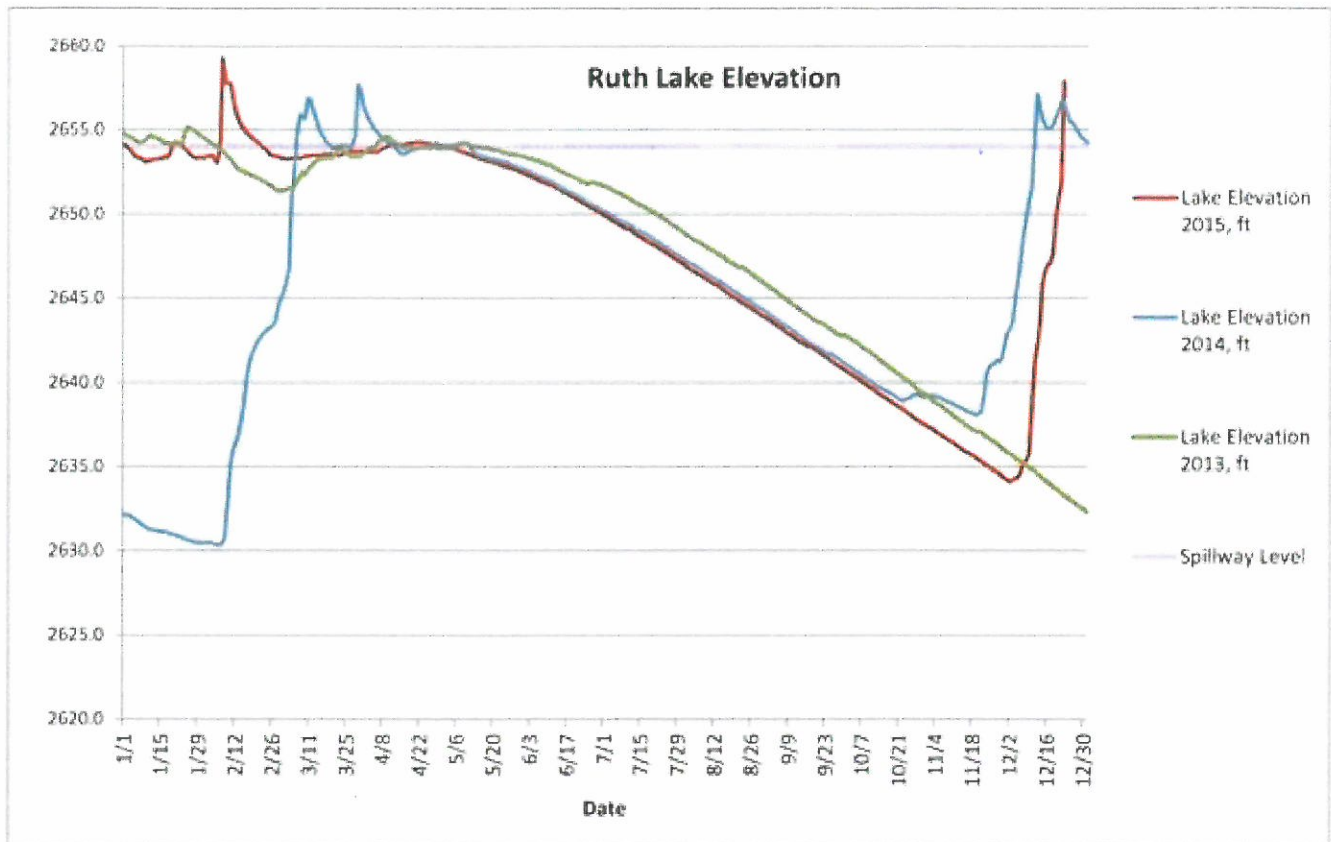
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Share this:

MAD RIVER UNION

DECEMBER 30, 2015

Humboldt's water supply filled to the brim

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

RUTH LAKE – The Humboldt Bay Municipal Water District (HBMWD) announced Dec. 22 that Ruth Lake, the reservoir that serves municipal and industrial customers in the Humboldt Bay region, has filled for the first time in water year 2015-16. The water year starts on Oct. 1.

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In May of 2015, the State Water Resources Control Board issued water conservation regulations in response to Governor Brown's call for a 25 percent reduction in urban water

use statewide.

HBMWD and its municipal customers responded with an analysis which shows that, even if rainfall were to continue indefinitely at 1976-77 levels (the lowest on record), there would be more than adequate water supplies to meet ongoing needs, including ecosystem protection requirements.

The National Oceanic and Atmospheric Administration (NOAA) predicts that the El Niño conditions of 2015-16 will result in a 40 to 50 percent probability of greater-than-normal precipitation for Humboldt and Trinity counties during January, February and March.

In other parts of California, the probability of above-normal precipitation exceeds 60 percent for this window. Already this month, flooding and high streamflow levels have occurred in Humboldt and Del Norte counties. Precipitation at the Ruth Lake gauging station has been 19.4 inches since Oct. 1, which is 6.5 inches (50 percent) above the historical average to date of 12.9 inches.

“Ruth Lake storage has risen from a fall low of 60 percent of capacity on

Dec. 3, 2015 to completely full today [Dec. 22],” continued Helliker. “We hope reservoirs refill in other parts of the state as well, given the strong potential for above-normal precipitation.”

In 1978 and 1993, California's last two major droughts ended with the state's largest Sacramento Valley reservoirs (Shasta Lake, Oroville Lake and Folsom Lake) filling completely, despite the fact that 1978 was a weak El Niño year, and 1993 was neutral.

Conditions in 2015-16 are similar to the strong El Niño years of 1982-83 and 1997-98, when reservoirs throughout the state filled from the heavy rainfall and snow events which caused flooding in many areas of the state, including in Humboldt County.

HBMWD is the wholesale water supplier to seven municipal water suppliers in the Humboldt Bay region – the cities of Arcata, Blue Lake and Eureka and the following community services districts: Fieldbrook-Glen-dale, Humboldt, Manila and McKinleyville. Collectively, these agencies serve approximately 90,000 residents in the region.

Ruth Lake reservoir fills to capacity

By The Times-Standard

SECTION FS, PAGE NO. 6
Times-Standard.com

The following is a press release issued by the Humboldt Bay Municipal Water District:

The Humboldt Bay Municipal Water District (HBMWD) announced today that Ruth Lake, the reservoir that serves municipal and industrial customers in the Humboldt Bay region, has filled for the first time in water year 2015-16. The water year starts on October 1.

Ruth Lake generally fills in either December or January of each year, after initial winter storms saturate the soil and water begins to run off into streams and rivers. Ruth Lake filled four times in water year 2014-15, and filled multiple times in 2013-14 as well, despite that year being one of the driest on record. The graph below shows lake levels for the last three years.

“We are fortunate to have abundant water supplies in the Mad River,” said Paul Helliker, General Manager of HBMWD. “Even when the rest of the state is experiencing extreme drought, Ruth Lake is a very reliable and drought-resilient source.”

In May of 2015, the State Water Resources Control Board issued water conservation regulations in response to Governor Brown’s call for 25 percent reduction in urban water use. HBMWD and its municipal customers responded with an analysis which shows that, even if rainfall were to continue indefinitely at 1976-77 levels (the lowest on record), there would be more than adequate water supplies to meet ongoing needs, including ecosystem protection requirements.

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HBMWD is the wholesale water supplier to seven municipal water suppliers in the Humboldt Bay region – the Cities of Arcata, Blue Lake and Eureka, and the following Community Services Districts: Fieldbrook-Glendale, Humboldt, Manila, and McKinleyville. Collectively, these agencies serve approximately 90,000 residents in the region.

DROUGHT

Water conservation slips for second month

By Will Houston

whouston@times-standard.com
@Will_S_Houston on Twitter

As state water officials predicted would happen during the end months of 2015, water conservation efforts slackened in November with several Humboldt County water suppliers still missing their conservation mandate.

The state itself fell short its 25 percent water savings mandate for the second month in a row in November, with residents reducing by 20.3 percent in November compared to the same month in the baseline year of 2013, according to state data released Tuesday. However, the state is still meeting the more important cumulative conservation mandate, with residents conserving by 26 percent from June through November 2015 compared to the same period in 2013.

November also marked the state's lowest average daily water use — 75 gallons per resident per day — since the mandatory drought regulations took effect in June.

"The fact that per person water use dropped to 75 gallons per person per day on average is proof that Californians are clearly thinking twice before turning on the tap," California Water Resources Control Board Chair-

WATER » PAGE 3

Water

FROM PAGE 1

woman Felicia Marcus said in a statement on Tuesday. "As welcome as recent rain and snow are, we've been in such a deep drought that we won't know until spring whether we can let up on conservation."

Four of the five large water suppliers in Humboldt County that are required to report water savings to the state missed their conservation mandates for November. Arcata ended up using about 4 percent more water in November than it did that month in 2013, granted the city used the least amount of water that month compared to the rest of 2013. Arcata residents also had the lowest daily per capita water use figure of all six local suppliers in November 2015 at about 50 gallons.

Arcata Environmental Services Director Mark Andre wrote in an email to the Times-Standard that his department is currently looking at its data to figure out what happened.

Implemented in June 2015, the state's mandatory drought regulations required agencies to report monthly water savings to the State Water Resources Control Board and to adhere to a water savings tier. Due to the bountiful supply at Ruth Lake reservoir in Trinity County which recently filled to capacity, several of Humboldt County's water suppliers received the lowest monthly conservation mandate of 4 percent.

While several local suppliers have not been meeting both their cumulative or monthly conservation mandates over the past several months, none of them have been issued fines or conservation or-



PHOTO COURTESY OF THE HUMBOLDT BAY MUNICIPAL WATER DISTRICT

Ruth Lake (pictured) recently filled to capacity for the first time this water year, which began in October. While local water suppliers served by the reservoir have low state conservation mandates due to the bountiful supply, some still are not meeting their requirements.

WATER CONSERVATION

Water savings percentages for November 2015 and cumulative savings for June through November 2015. All conservation percentages comparative to the same time period in 2013.

Arcata:

- Mandate: 4 percent
- Cumulative: 2.5 percent
- November: -3.8 percent (used more water)
- November daily per capita use: 49.9 gallons

Eureka:

- Mandate: 4 percent
- Cumulative: 12.6 percent
- November: 9.3 percent
- November daily per capita use: 55.1 gallons

Fortuna:

- Mandate: 24 percent
- Cumulative: 18.1 percent
- November: 9.6 percent
- November daily per capita

use: 64.7 gallons

McKinleyville Community Services District:

- Mandate: 4 percent
- Cumulative: 16.2 percent
- November: 17 percent
- November daily per capita use: 52.5 gallons

Humboldt Community Services District:

- Mandate: 24 percent
- Cumulative: 9.8 percent
- November: 4 percent
- November daily per capita use: 58.9 gallons

Humboldt Bay Municipal Water District:

- Mandate: Not being held to percentage due to large industrial users
- Cumulative: -5.1 percent
- November: -20.3 percent (used more water)
- November daily per capita use: 86 gallons

Source: State Water Resources Control Board

ders. Fortuna and the Humboldt Community Services District near Cuten are currently placed in priority tier that requires them to submit informational orders to the state detailing how they plan to increase conservation efforts.

The drought regulations are currently set to expire at the end of February, but Gov. Jerry Brown

recently issued an executive order in November calling for them to be extended through October 2016 if the ongoing five-year drought continues into January.

The State Water Resources Control Board is set to vote on the extension on Feb. 2.

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

Correspondence



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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

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

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

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SHERI WOO, DIRECTOR

GENERAL MANAGER

PAUL HELLIKER

December 15, 2015

Mr. Jamie Crowell
Chairman, Board of Directors
Fieldbrook-Glendale Community
Services District

Dear Mr. Crowell:

On behalf of the Board of Directors and the staff of the Humboldt Bay Municipal Water District, I would like to extend our heartfelt thanks to you for your decades of exemplary public service. Your 39 years at the Fieldbrook-Glendale Community Services District (FGCSD) have been extremely fruitful, not only for Fieldbrook and Glendale, but also for our District and the partnership that you have helped foster between us.

You have been an effective chair of FGCSD (serving in that role longer than anyone can remember), and your fellow Board members and we will sorely miss your presence. You have ensured that FGCSD is responsive to its customers and that it has planned responsibly for existing and future needs for water supply, wastewater services, firefighting and other community services.

We would also like to thank you for your help on the Water Task Force, particularly during the transition caused by the pulp mills ceasing operations. Your contributions to our deliberations on these subjects were substantial.

Thank you again for your dedication to stellar public service and for your hard work at FGCSD.

Sincerely,

A handwritten signature in black ink, appearing to read "Sheri Woo", with a long horizontal flourish extending to the right.

Sheri Woo
Director, Division 2



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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SHERI WOO, DIRECTOR

GENERAL MANAGER

PAUL HELLIKER

December 21, 2015

The Honorable Jared Huffman
U.S. House of Representatives
317 Third Street, Suite 1
Eureka, CA 95501

Dear Congressman Huffman:

It was a pleasure to see you and chat briefly at the Intertribal Gathering last month. We appreciate your support for that event, as well as for the environmental protection efforts you promote on our behalf.

You may be aware that the Board of Directors of the Humboldt Bay Municipal Water District (HBMWD) has been very focused on the ecosystem of the Mad River and any threats to water quality in that watershed. In recent months, HBMWD Board members and staff have been working with the Boards of Supervisors in both Humboldt and Trinity Counties, and with the environmental regulatory agencies, to identify steps that we can all take to reduce the impacts of cannabis production on the environment. The recent state legislation and the work that the Counties are doing to establish land use regulations for cannabis operations represent a good start for this effort.

We have also been discussing with the U.S. Forest Service their plans for restoration of forest land damaged by this summer's fires – particularly those properties above Ruth Lake in the Mad River watershed. We support the program being proposed in Congress to provide adequate funding for the Forest Service to fight wildfires, so that they can avoid depleting the funding they receive for restoration and fuel reduction activities.

We have been in contact with the Northwest California Mountains and Rivers campaign, to discuss their conceptual proposal that will address these issues, and which will also identify additional locations to designate as wilderness and wild and scenic rivers. This proposal appears to be quite consistent with our interests in reducing fuel loads in forest lands to prevent catastrophic wildfires, restore ecosystems and mitigate cannabis impacts, and improve aquatic habitats in our rivers and streams. We look forward to seeing more details as their proposal progresses, and we urge you to consider introducing legislation based on their proposal, once it is ready.

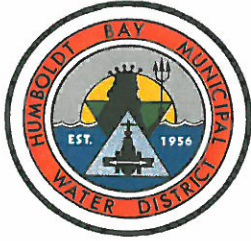
Honorable Jared Huffman
December 21, 2015

Thank you again for your good work in representing us on the north coast. Have a happy holiday season!

Sincerely,

A handwritten signature in cursive script that reads "Paul Helliker".

Paul Helliker
General Manager



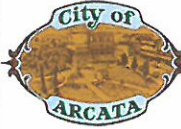
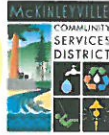
HUMBOLDT BAY MUNICIPAL WATER DISTRICT

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January 6, 2016

Ms. Felicia Marcus
 Chairwoman
 State Water Resources Control Board
 1001 I Street
 Sacramento, CA 95814

Dear Chairwoman Marcus:

The Humboldt Bay Municipal Water District and its water supply partners in the Humboldt Bay area would like to offer the following comments on the Proposed Regulatory Framework for Extended Emergency Regulation for Urban Water Conservation.

We appreciate the opportunities that we and other water agencies have had to provide input to staff and Board members on these regulations, including this current comment period, the December 7, 2015 workshop and the various direct meetings that have taken place. The framework is structured to address the specific proposals that water agencies have made to improve the existing regulatory structure, to make it more fair and equitable, and to reflect actual hydrologic conditions. We appreciate the work that the staff have undertaken to analyze and consider the recommendations from the water agencies and other stakeholders. The proposed framework does accept some of these improvements in part. However, for the reasons listed below, the framework is unnecessarily constrained and fails to allow for changing conditions and sources that are not affected by drought.

Governor Brown's Executive Order B-36-15 specified that if drought conditions persist through January, the State Water Resources Control Board shall continue a regulatory program to promote urban water conservation. The Order did not specify any level of conservation to be achieved, and it authorized the Board to modify its existing regulatory framework to address uses of potable and non-potable water, and to incorporate insights from the existing restrictions.

Timeframe for a Decision

The Executive Order did not specify a timeframe for adopting any continuation of a regulatory program. Given the evolving hydrologic conditions in the state and the projections of significant El Nino-related precipitation in the January-March period, we recommend that the Board continue to refine any proposed regulatory program to

address any drought conditions that may continue to exist and adopt the program in mid-April, after the hydrologic conditions have been fully defined.

Applicability of Regulations

The proposed framework identifies a number of criteria that the regulation is intended to meet. Perhaps one of the most important of these is the criterion that the regulation provide sufficient water savings statewide. Given that the hydrology of 2016 is not yet defined, it is unclear what level of savings is necessary. Indeed, that appears to be one of the reasons that the Governor's recent Executive Order did not specify any level of use reduction. The proposed framework does not define what level of savings is necessary, nor for which sources of water in California those savings might need to be achieved.

Coupled with the mid-April characterization of the hydrologic conditions in various parts of the state, the regulations should only apply to sources of water experiencing a drought emergency. Where water sources are not affected by drought – namely where an average or above-average multi-year supply of water is available, as defined by the applicable Urban Water Management Plan(s) – no conservation regulatory program is necessary.

This situation already exists in the service area of the Humboldt Bay Municipal Water District, where precipitation is currently 150% of seasonal average, the region's water supply reservoir is full, and supply is more than adequate to meet demand for many years into the future, even under significantly worse drought conditions than currently exist. Other areas of the state are approaching this status, as well, with reservoirs close to average levels for this time of year, and supply already exceeding projected normal demand. If these conditions continue and no drought emergency exists in these areas after mid-April, they should be exempted from any Water Board water conservation regulatory requirements (other water conservation requirements specified in statute and regulations will continue to apply.)

Drought-resilient Sources

Consistent with the specification in Executive Order B-36-15 that the regulations address potable and non-potable uses, where those uses are supplied by sources not affected by the drought emergency - including indirect potable recycled water, direct non-potable recycled water, desalinated water and groundwater from basins that are not overdrafted - such uses should be exempted from control by these regulations. As many water agencies have noted in written comments and in testimony at the December 7, 2015 Water Board workshop, they have invested ratepayer funds in these sources precisely to diversify their water supply portfolios and provide water supplies when surface water diversions or groundwater basins have inadequate quantities to meet normal demands.

The draft framework only recommends providing partial credit for these sources, and also specifies a maximum overall reduction in the current agency-specific reduction requirements. However, there is no rationale provided for limiting either the amount of credit provided to these sources not affected by the drought emergency or for limiting the reduction of the total water conservation requirement. Given that the purpose of the

regulations is to address sources affected by a drought emergency, and given that the new Executive Order does not constrain the Board's ability to tailor the regulations to the hydrologic conditions in 2016, we recommend that these drought-resilient sources be exempted completely from the regulations.

In summary, the Humboldt Bay Municipal Water District and its water supply partners listed below, respectfully request that the SWRCB:

- *Adopt a 2016 regulatory program (if necessary) in mid-April rather than in January;*
- *Exempt areas not in drought conditions from regulations;*
- *Exempt drought resilient sources from regulations.*

Thank you again for the opportunity to provide these comments. We look forward to working with your staff, the rest of the Board and you to address any drought conditions in California in 2016.

Sincerely,

Paul Helliker

Paul Helliker, General Manager
Humboldt Bay Municipal Water District



David Hull

David Hull, Manager
Humboldt Community Services District



Greg Orsini

Greg Orsini, Manager
McKinleyville Community Services District



Mark Andre

Mark Andre, Director of Environmental Services
City of Arcata



Brian Gerving

Brian Gerving, Public Works Director
City of Eureka



Richard Hanger

Richard Hanger, Manager
Fieldbrook Glendale Community Services District



Christopher Drop

Christopher Drop, Manager
Manila Community Services District



Continuing Business

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Paul Helliker
Date: January 14, 2016
Subject: Retail Rate Adjustments

.....

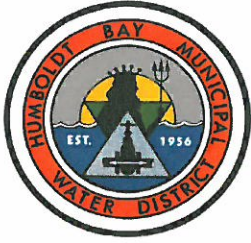
At the December, 2015 Board meeting, we discussed with the Board the need for a rate adjustment, to balance expenses and revenues. At the meeting, the Board adopted alternative 2C, which would phase in a monthly charge in Fairhaven to fund future capital improvements. This alternative did not change the base monthly charge, but increased the consumption charge by 31%. This alternative would generate 38% of its revenues from base charges and 62% from commodity charges.

Since the Board meeting, we have scheduled individual meetings with our largest commercial and industrial customers, to discuss the proposed rate structure and impacts on their water bills. Those meetings will happen after the publication of this Board memo, so we will brief the Board at the January 14 meeting on the results of the discussions.

The next step would be to approve the distribution of the Proposition 218 notice, a copy of which is attached. In order to meet the 45-day advance notice requirement prior to the rate hearing, which is scheduled for the Board meeting on March 10, the notice will need to be mailed to tenants and property owners no later than January 25. The notice provides customers information on the reasons for the rate increase, how to get more information and how to file a protest. If protest letters are received from a majority of property owners, the rate increase cannot go forward.

Staff plan to hold two public meetings during the comment/protest period, to brief participants on the reasons for the rate increase and to answer their questions.

Staff investigated the potential for grant funding to cover some of the capital replacement costs for the community of Fairhaven. A likely program would be the Safe Drinking Water State Revolving Fund (DWSRF) administered through the State Water Resources Control Board (SWRCB). This program currently has a large influx of grant funds through Proposition 1, which is expected to last the next two years or so. The DWSRF can provide up to \$5 million in grants for needed system improvements if the community is deemed severely economically disadvantaged (median household income (MHI) is less than 60% of statewide MHI). Based on American Community Census data, Fairhaven likely qualifies as a severely economically disadvantaged community (SDAC). However, since they are served by HBMWD, which is not a SDAC, the SWRCB has recommended that an application be submitted to obtain a formal determination on grant eligibility.



Proposition 218 Notice
NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING
ON PROPOSED WATER RATES

Hearing Date & Time: March 10, 2016, 9:00 a.m.
Hearing Location: HBMWD Board Room
828 7th Street, Eureka

Why are you receiving this notice?

This notice is being presented to you by the Humboldt Bay Municipal Water District (HBMWD), pursuant to the California Constitution Article XIID (also known as "Proposition 218"). Under the terms of Proposition 218, HBMWD is required to notify property owners of proposed changes to property-related fees such as water and sewer service. This letter serves as notice that HBMWD will hold a Public Hearing on March 10, 2016 at 9 a.m. to consider changes to its current retail customer water rates.

What do water rates fund?

HBMWD provides wholesale water service to seven municipal customers, including the Cities of Arcata, Blue Lake and Eureka, and the following Community Services Districts: Fieldbrook-Glendale, Humboldt, Manila, and McKinleyville. HBMWD also directly serves 182 residential and commercial retail water customers in Arcata, Samoa and Fairhaven. Monthly rates paid by users of the systems are the primary source of revenue. It is appropriate for these revenues to recover costs related to operations, capital needs, debt service, administration, as well as costs related to prudent long-term operational or financial management of the utility, such as maintaining adequate fund reserves and planning for contingencies.

HBMWD prepared a comprehensive rate study and will annually review revenues and expenditures to ensure that sufficient and appropriate revenues are collected to effectively provide for the short and long-term water service needs of the community.

Why are rate increases needed?

A financial rate study conducted by an independent consultant has demonstrated that HBMWD's existing water rates are not fully recovering costs associated with operation, maintenance, and capital projects for its retail sector. HBMWD has been using reserves and revenues from its municipal customers to cover these expenses. In addition, future needs for water system infrastructure improvements will require additional funding from rates. These capital projects will be funded primarily with rate revenues and rate funded debt. Capital costs differ between customers in the Fairhaven/Samoa area and customers in the Arcata area, due to the water distribution network of pipelines and valves that serves customers in the former areas. Customers in the Arcata area are typically served directly from the transmission system, which is covered by the wholesale costs allocated among municipal customers (and HBMWD's retail sector).

HBMWD has been collecting a small fee for capital costs (\$5/month), but this fee was established using the original cost of installation, rather than the replacement cost for equipment as it wears out in the future. The network of water infrastructure that HBMWD maintains in the Samoa/Fairhaven area is not adequately funded by this \$5/month fee, and these 71 customers will see their capital replacement charges rise.

Consistent with Proposition 218, the proposed rates are calculated based on the cost to provide service to users. Required revenue is based on projected expenses for operations, maintenance, and required repairs and/or replacement for capital facilities and equipment. Projected income is based on past volumetric usage, distinguishing income derived from Fixed Charges and Commodity Charges. The fixed monthly service charge recovers fixed costs of providing water service, with costs allocated based on the size of a customer's water meter. The commodity charge recovers variable costs of providing water service, including the direct and indirect costs of purchased water from Humboldt Bay Municipal Water District (HBMWD), and costs associated with the delivery of water.

Please note, in compliance with Government Code 53756, HBMWD will pass through increases or decreases in the wholesale costs for water as calculated and allocated among municipal customers, to ensure appropriate recovery of these costs.

Impact on your bill

Current and projected water bills for commercial accounts have been calculated individually, and are included in the notices sent to those customers. Current and projected water bills for Fairhaven and non-Fairhaven residential customers have been estimated for two levels of consumption – 600 cubic feet (4,488 gallons) and 1,000 cubic feet (7,480 gallons) of water per month. These levels are the average winter and summer consumption for HBMWD residential customers. This table is a comparison of projected and current residential bills (along with comparisons to neighboring jurisdictions):

Water Use per month	600 cubic feet	1000 cubic feet
Non-Fairhaven existing	\$27	\$32
Non-Fairhaven proposed	29	36
Fairhaven existing	30	34
Fairhaven proposed	36	43
City of Arcata (2015)	40	62
City of Eureka (2014)	47	56
Humboldt Community Services District (2014)	30	39
Manila Community Services District (2015)	30	33

New water rates

HBMWD is proposing to phase in a series of annual increases to provide adequate funding for water operations and infrastructure. The rates are displayed in the table on page 4. To reduce the immediate impacts on business and residential customers in HBMWD's retail sector, HBMWD proposes to phase in the capital replacement cost over five years, in yearly increments of 20% of the total.

HBMWD will also continue to adjust rates yearly, to reflect changes in the consumer price index. The index applicable to the Humboldt Bay region is the Consumer Price Index for West Cities – Size B/C, provided by the Bureau of Labor Statistics.

How do you get more information?

HBMWD will be hosting two public meetings prior to the March 10, 2016 Board meeting and hearing. These public meetings will consist of a short presentation by District staff on the District's financial situation and the reasons for the rate increase, followed by a substantial period of time for questions and answers on the proposal. These meetings will be at the following times and locations:

How do you file a protest or participate in the public hearing?

HBMWD will consider the new rate structure and proposed revenue increase at a public hearing on March 10, 2016 at the HBMWD Board Room, 828 7th Street, Eureka.

Under the provisions of Proposition 218, if you are the owner of record, or a tenant, of a parcel(s) subject to the proposed rates, you may submit a written protest against the proposed rate increase, and you will have an opportunity to present testimony at a public hearing if you so choose. If written protests are filed by a majority of the affected properties, the proposed rate increase will not be imposed.

A written protest must contain a description of the parcel or parcels in which the party signing the protest has an interest, sufficient to identify the parcel(s) including Assessor's Parcel Number (APN). If the party signing the protest is not shown on the last equalized assessment roll of Humboldt County as the owner(s) of the parcel(s), the protest must contain, or be accompanied by, written evidence that such party is the owner, or tenant, of the parcel(s).

Written protests regarding the proposed rate increase may be mailed to: HBMWD, Board Secretary, 828 7th Street, Eureka, California 95501-1114. Written protests may also be personally delivered to the Board Secretary at this address. To be valid, a protest must be in writing and received by the Board Secretary at or before the time of the protest hearing.

Humboldt Bay Municipal Water District

Retail Water Rates

Meter Size	Existing Base Rate	Capital Replacement Charge - 2014/5	Monthly Base Charge	New Base Rate	Capital Replacement Charge - 2016	Capital Replacement Charge - 2017	Capital Replacement Charge - 2018	Capital Replacement Charge - 2019	Capital Replacement Charge - 2020
Fairhaven									
5/8 & 3/4"	23.24	5.18	28.42	23.24	11.41	17.64	23.87	30.10	36.33
1"	30.99	5.18	36.17	30.99	11.41	17.64	23.87	30.10	36.33
1.5"	38.74	5.18	43.92	38.74	11.41	17.64	23.87	30.10	36.33
2"	54.23	5.18	59.41	54.23	11.41	17.64	23.87	30.10	36.33
3"	116.2	5.18	121.38	116.20	11.41	17.64	23.87	30.10	36.33
4"	232.4	5.18	237.58	232.40	11.41	17.64	23.87	30.10	36.33
6"	335.7	5.18	340.88	335.70	11.41	17.64	23.87	30.10	36.33
8"	568.12	5.18	573.30	568.12	11.41	17.64	23.87	30.10	36.33
Non-Fairhaven									
5/8 & 3/4"	23.24	2.16	25.40	23.24	4.03	4.03	4.03	4.03	4.03
1"	30.99	2.16	33.15	30.99	4.03	4.03	4.03	4.03	4.03
1.5"	38.74	2.16	40.90	38.74	4.03	4.03	4.03	4.03	4.03
2"	54.23	2.16	56.39	54.23	4.03	4.03	4.03	4.03	4.03
3"	116.2	2.16	118.36	116.20	4.03	4.03	4.03	4.03	4.03
4"	232.4	2.16	234.56	232.40	4.03	4.03	4.03	4.03	4.03
6"	335.7	2.16	337.86	335.70	4.03	4.03	4.03	4.03	4.03
8"	568.12	2.16	570.28	568.12	4.03	4.03	4.03	4.03	4.03

Consumption Charges (per 100 cubic feet)

cubic feet	Current Rate	New Rate
Block 1 0-500	0.00	0.00
Block 2 501-1500	1.30	1.70
Block 3 1501-5000	1.40	1.83
Block 4 5001-100,000	1.52	1.99
Block 5 >100,000	0.60	0.79

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

From: Paul Helliker

Date: January 14, 2016

Subject: ReMAT electricity generation contract

.....

At the October, 2015 Board meeting, we discussed with the Board the opportunity to increase revenues from our hydropower contract. HBMWD currently operates under a contract with PG&E to supply power via a Standard Offer contract. This contract is fairly simple and does not require any level of energy production by HBMWD, but the price paid for power is low (approximately \$0.03/kWh).

As has been discussed with the Board in the past, another contract mechanism is available for HBMWD to sell its power to PG&E, known as the Renewable Energy Market Adjusting Tariff (ReMAT). This contract is available for terms of 10, 15 or 20 years. PG&E offers this contract on a bi-monthly schedule, in 5 MW increments. The current price offered is \$0.0893 per kWh, which represents an increase of 162% above the current price offered to HBMWD, and would equate to additional annual revenue of approximately \$300,000.

At the October meeting, JTN Energy, LLC (JTN) and Henwood Associates, Inc. (HAI), a power marketing and consulting firm and a renewable energy project manager, presented a proposal to assist us in negotiating a favorable ReMAT contract with PG&E. JTN proposed to structure the project with two decision points (off-ramps), should HBMWD decide that a ReMAT contract is not suitable for our operations. The first would be after the JTN team negotiates a Generator Interconnection Agreement with PG&E, which is required for any producer that wants to sell power into the marketplace (except under the provisions of a Standard Offer contract as we have now). The second decision point would be at the time that JTN would have negotiated a ReMAT contract for HBMWD with PG&E. At that point, the guaranteed energy production level would be known, and the risks associated with not meeting that production level better defined.

JTN has proposes three fee scenarios, which depend on the length of contract negotiated. Should HBMWD make a decision not to proceed with the ReMAT process at either off-ramp 1 or off-ramp 2, the maximum cumulative payment for which HBMWD would be obligated to pay the JTN team for their services would be \$5,000 and \$15,000, respectively.

At the October meeting, the Board authorized staff to establish a contract with JTN to negotiate an interconnection agreement with PG&E, for a maximum cost not to exceed \$5,000. As noted in the attached progress report, JTN has made significant progress in securing this agreement. In order to continue to the next off-ramp and potentially beyond, and to succeed in reserving our place in the next cycle of contract negotiation (and pricing scheme), we will need to establish a contract with JTN to assist us. The proposed contract is attached. It is similar to the contract presented in October, with the first task removed (as it was part of the initial project approved in October).

The Redwood Coast Energy Authority (RCEA) is proceeding to secure contract services to develop a community choice aggregation (CCA) program. Responses to their request for proposals are due in mid-January, and a contractor is expected to be selected in late February. The RCEA Executive Director has stated that his preference would be to include the hydropower generated by HBMWD in their energy portfolio, as it is a local, renewable source. He expects to be able to meet the current ReMAT price, but the RCEA has yet to do a business plan and rate study, so the exact price that HBMWD might be offered is uncertain. HBMWD's average annual power production represents less than 0.5% of the average annual total energy use in Humboldt County, and RCEA will not need HBMWD's hydropower in its portfolio for the CCA to be viable.

Given the uncertainty in the timing of the creation of a CCA and the uncertainty in what price it will offer HBMWD for the hydropower we produce, staff recommends that we proceed with the proposed contract with JTN, so that we will have the option to secure the current pricing in the ReMAT program and negotiate a potential ReMAT contract.

CONSULTANT SERVICES AGREEMENT

This Consultant Services Agreement (the "Agreement") is entered into this ____th day of November, 2015 by and between JTN Energy, LLC (JTN), a limited liability company (the "Consultant") and Humboldt Bay Municipal Water District, a California Special Use District ("HBMWD"). The Consultant, JTN, and Client, HBMWD, are collectively referred to herein as the "Parties," or individually as a "Party."

RECITALS

A. HBMWD owns and operates the 2.0 MW Gosselin Hydroelectric project, the "Project", which has FERC designated ID P-3430. The Project was commissioned in 1983 and is located at R.W. Matthews Dam on Ruth Reservoir in Trinity County, California. Since commissioning, HBMWD has sold project output to PG&E under an evergreen Standard Offer #4 contract.

B. To provide HBMWD with expertise and support to secure a new long-term power sales agreement and to undertake a number of other necessary tasks associated with this objective, HBMWD wishes to engage JTN, as an independent contractor, to provide the services hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I**SCOPE OF SERVICES**

1.01. Scope of Services. The scope of services to be provided by Consultant is set forth in **Exhibit "A"** and by this reference incorporated herein (the "Scope of Services").

1.02. Change Orders. In order to complete the Scope of Services detailed in **Exhibit "A"**, Consultant may be required to adjust, change, or expand the Scope of Services in order to achieve the identified milestones. Given the success contingent nature of the Consultant fees, any such adjustments will not result in any new fees or payment obligations by HBMWD to Consultant. However, to the degree that HBMWD and Consultant identify additional work activities which will result in the addition of milestones not included in the original Scope of Services, HBMWD and Consultant may mutually agree to add to the Scope of Services. Any such addition to the Scope of Services ("Change Orders") must be by written instructions issued by either the General Manager of the HBMWD (the "General Manager"), or his or her designee, and the provisions of this Agreement, other than Fees, shall apply to all such Change Orders. Such written authorization shall either be in the form of a written Change Order or written addendum to this Agreement. The cost of such Change Orders, which may increase the work specified hereunder and require an extension of completion time, shall be based on the hourly fees listed in **Exhibit "B"** and must be mutually agreed upon in writing by the General Manager, or his or her designee, and Consultant before commencement of the work called for by such Change Order.

1.03. Permits, Licenses, and Notices. Consultant shall, in accordance with applicable laws and ordinances, secure and ensure that any subconsultants secure all permits and licenses necessary to accomplish the Scope of Services, and shall give all notices necessary and obtain all required inspections. Failure to maintain the required license or permit may result in immediate termination of this Agreement. Professional Engineers and Professional Land Surveyors shall be duly registered in the State of California. Consultant shall keep itself informed of and comply with, all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect during the term of this Agreement.

1.04. Time To Perform Services. Consultant shall perform the services in accordance with the schedule set forth in the Scope of Services. Consultant shall commence work promptly upon full execution of this Agreement. Consultant shall confer with HBMWD representatives as provided in the Scope of Services to review progress of work activities, adhere to work schedule, coordinate with, and schedule review and resolution of problems that may develop.

1.05. Qualifications. Consultant represents and warrants to HBMWD that it has the qualifications, experience and facilities necessary to properly perform the Scope of Services in a competent and professional manner. In each instance, the individual(s) performing the specific tasks contemplated under the Scope of Services shall be appropriately certified and/or qualified under California law. In meeting its obligations under this Agreement, Consultant shall employ, at a minimum, general standards and practices utilized by persons/entities engaged in providing services similar to those required of Consultant under this Agreement. Failure to maintain the proper certification, licenses, or other qualifications for the individual(s) performing the specific tasks contemplated under the Scope of Services will be considered a default under this Agreement.

ARTICLE II

PAYMENT FOR SERVICES RENDERED

2.01. Payment for Services Rendered. HBMWD shall compensate Consultant for the actual services performed pursuant to this Agreement in accordance with the Payment and Milestone Schedule attached hereto as **Exhibit "B"** and by this reference incorporated herein (the "Payment and Milestone Schedule").

2.02. Billing Procedure. See **Exhibit "B"** for detailed billing procedures.

2.03. Payment. See **Exhibit "B"** for payment process and obligations.

2.04. No Acceptance or Waiver Implied By Payment. No payment shall constitute acceptance of any work completed by Consultant, and the making of final payment shall not constitute a waiver of any claims by the HBMWD for any reason whatsoever. Payment by HBMWD under this Agreement shall not be interpreted to imply the HBMWD has inspected, approved, or accepted the work that is been performed by Consultant.

ARTICLE III
WORK PRODUCT AND MAINTENANCE OF RECORDS

3.01. Work Product. All original papers, documents, drawings and other work product of Consultant or produced by Consultant pursuant to this Agreement, except documents which must be filed with public agencies, shall be deemed solely the property of HBMWD and may be used, reused or otherwise disposed of by HBMWD without the permission of Consultant. Consultant will take all steps necessary to perfect or protect the ownership interest of HBMWD in such work product. Upon completion, expiration or termination of this agreement, Consultant shall release to HBMWD all original work products in its possession; provided, however, that Consultant may retain copies of the work product.

3.02. Ownership of Work Product. Any interest (including copyright interests) of Consultant or its subconsultants, and studies, reports, memoranda, computational sheets, drawings, plans or any other documents (including electronic media) prepared by Consultant or its subconsultants at any time in connection with the services under this Agreement, shall be, immediately upon its creation, the property of HBMWD. To the extent permitted by Title 17 of United States Code, work product produced under this Agreement shall be deemed works for hire and all copyrights in such works shall be the property of HBMWD. In the event that it is ever determined that any works and any former works created by Consultant or its subconsultants under this Agreement are not works for hire under the law of the United States, Consultant hereby assigns to HBMWD all copyrights to such works when created. Consultant may retain and use copies of such works for reference and as documentation of experience and capabilities.

3.03. Confidentiality of Work Product. Except as necessary for the performance of services under this Agreement, no work product prepared under this Agreement will be released by Consultant to any other person or entity without the HBMWD's prior written consent. All press releases, including graphic display information to be published, must be approved and distributed solely by the HBMWD, unless otherwise agreed to in writing by HBMWD.

3.04. Maintenance of Records. Consultant shall maintain all documents and records demonstrating or relating to Consultant's performance of services under this Agreement. Consultant shall maintain all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to HBMWD under this Agreement. All such documents and records must be maintained in accordance with generally accepted accounting principles and must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant under this Agreement. All such documents or records must be maintained for three (3) years following the final payment under this Agreement.

3.05. Audit of Records. The Consultant shall maintain full adequate records in accordance with HBMWD requirements to show the actual costs incurred by the Consultant in the performance of this Agreement. Consultant shall, upon request of HBMWD, make such books and records available to HBMWD for inspection. HBMWD further reserves the right to examine and re-examine said books, records and data during the three-year period following termination of this Agreement or completion of all work hereunder, as evidenced in writing by HBMWD, and the Consultant shall in no event dispose of, destroy, alter, or mutilate such books, records, accounts, and data in any manner whatsoever for three (3) years after HBMWD makes the final or last payment or within three years after any pending issues between HBMWD and Consultant with respect to this Agreement are closed, whichever is later.

3.06. Availability of Records. All records or documents required to be maintained by this Article III must be made available for inspection, audit and copying upon three (3) days written request by HBMWD or its designated representative. Copies of such documents or records must be provided directly to HBMWD for inspection, audit and copying, when it is practical to do so; otherwise, unless an alternative is mutually agreed-upon, such documents and records must be made available at Consultant's address indicated for receipt of notices in this Agreement.

3.07. Custody of Records. Where HBMWD has reason to believe that any of the documents or records required by this Article III may be lost or discarded due to dissolution or termination of Consultant's business, HBMWD may, by written request, require that copies of all such documents or records be provided directly to HBMWD or its successors-in-interest and authorized representatives.

3.08. Public Records Act. Both Parties understand and agree the HBMWD must comply with the California Public Records Act (the "PRA"). If Consultant believes that any document or information furnished to HBMWD in connection with Consultant's performance of services is exempt from public disclosure under the PRA, it will advise HBMWD in writing at the time the document or information is furnished.

ARTICLE IV

TERM, SUSPENSION AND TERMINATION OF SERVICES

4.01. Term. This Agreement shall become effective upon execution by all Parties and shall expire on the day 395 days after the Project is commissioned under the anticipated ReMAT Contract (the "Completion Date"), unless earlier terminated as hereinafter set forth.

4.02. Suspension/Termination of Services. HBMWD may direct Consultant to suspend, delay or terminate services under this Agreement, in whole or in part, for such periods of time or permanently as HBMWD may determine in its sole discretion. HBMWD may issue such directives without cause. HBMWD will issue such directives in writing. Suspension of services shall be treated as an excusable delay. In the event of a Suspension of Service extends for more than 30 days, the Suspension of Service will be considered a Termination for Convenience under Article 4.04.

4.03. Termination for Breach. Either Party may terminate performance of the services under this Agreement in whole, or from time-to-time in part, for default (as defined in Section 5.01), should the other Party commit a material breach of this Agreement, or part thereof, and cannot cure such breach within ten (10) calendar days of the date of non-breaching Party's written notice to the breaching Party demanding such cure.

4.04. Termination for Convenience. Either party may terminate performance of the services under this Agreement prior to and including a decision by HBMWD to not execute a ReMAT contract secured pursuant to Consultant's Exhibit B Scope of Work, Task B. If HBMWD terminates pursuant to this provision Consultant shall be entitled to be paid for services satisfactorily performed with a total cumulative fee cap of an amount not to exceed Fifteen Thousand Dollars (\$15,000.00). If HBMWD executes the ReMAT but decides not to proceed with the ReMAT and terminates the agreement, HBMWD will pay Consultant for 75% of actual time spent advancing the scope of work up to the date of the decision not to proceed (with Consultant's rights to fees and costs capped at and not to exceed the estimated costs in **Table 1** in Exhibit A).

4.05. Duties of Consultant Upon Termination by HBMWD. Following any termination under this Article IV, Consultant shall:

- (a) Reimburse HBMWD for any compensation paid in excess of services rendered;
- (b) Stop services under the Agreement on the date and to the extent specified in the notice of termination;
- (c) Assign to HBMWD in the manner, at times, and to the extent directed by HBMWD, all title and interest of work product under orders and subcontracts so terminated;
- (d) Complete performance of any part of the services which were not terminated; and
- (e) Take such action as may be necessary, or as HBMWD may direct, for the protection and preservation of property related to this Agreement which is in Consultant's possession and in which HBMWD has or may acquire an interest.

ARTICLE V

DEFAULT AND REMEDIES

5.01. Default. It shall be considered a default under this Agreement if either Party fails to perform or observe any term, covenant or undertaking in this Agreement that is to be performed or observed and such default continues for 10 days from a written notice sent in a manner provided in Paragraph 4.02 of this Agreement. In the event the defaulting Party does not remedy the default within the 10 day period, the nondefaulting Party may send a written notice of termination to the defaulting Party specifying the date upon which the termination shall become effective.

5.02. Remedies. Upon a default hereunder, the nondefaulting Party shall have such rights and remedies as are provided herein and such additional remedies as now or hereafter exist at law or in equity.

ARTICLE VI
PROJECT MANAGER AND SUBCONTRACTOR

6.01. Project Manager. Consultant hereby names Todd Thorner as Consultant's project manager (the "Project Manager") under the terms of this Agreement. The Project Manager is authorized to act on behalf of Consultant with respect to the Scope of Services, and to make all decisions on behalf of Consultant in connection therewith. Consultant shall not substitute the designated Project Manager without first notifying HBMWD in writing. HBMWD shall have the right to review the qualifications of said substitute. If HBMWD reasonably determines said substitute Project Manager is unacceptable, Consultant shall submit alternate candidates until HBMWD reasonably determines that substitute Project Manager is acceptable.

6.02 Subcontractor. HBMWD acknowledges Consultant's use of Henwood Associates, Inc. (Henwood) as a subcontractor to Consultant performing portions of the services under this Agreement. Consultant and Henwood will determine the scope of Henwood's work.

ARTICLE VII
INSURANCE

7.01. Limits of Insurance. Consultant shall carry and maintain at Consultant's expense, at all times until thirteen months (395 days) after commercial operation under the ReMAT contract, not less than the following coverage and limits of insurance which shall be maintained with insurers and under forms of policies reasonably satisfactory to HBMWD.

(a) Commercial General Liability for Bodily Injury and Property Damage including coverage for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations: \$1,000,000 per person, \$1,000,000 per occurrence.

(b) Automobile Liability for Bodily Injury and Property Damage including coverage for owned, nonowned, leased and hired vehicles: \$1,000,000 per person, \$1,000,000 per occurrence.

(c) Workers' Compensation and Employer's Liability as required by law:

i. State Workers' Compensation coverage; and

ii. Employer's Liability of at least \$1,000,000 per occurrence.

The commercial general liability and automobile liability insurance must be on an "occurrence" basis, not a claims-made basis. The foregoing policies may contain an aggregate limit not less than the occurrence limit. The required limits may be satisfied by a combination of a primary policy and an excess or umbrella policy.

The existence of the required insurance coverage under this Agreement shall not be deemed to satisfy or limit Consultant's indemnity obligations under this Agreement. Consultant acknowledges that the insurance coverage and policy limits set forth in this Agreement constitute the minimum coverage and policy limit required.

7.02. Provisions of Insurance. All insurance required pursuant to the express provision of this Agreement shall:

(a) Provide that coverage shall not be revised, cancelled, or reduced without thirty (30) days prior written notice to HBMWD. In the event any policies of insurance are revised, cancelled or reduced, Consultant shall, prior to the revision, reduction or cancellation date, submit evidence of new insurance to the HBMWD complying with this Article.

(b) Be issued by insurance companies licensed and qualified to do business in the State of California.

(c) Be reasonably satisfactory to HBMWD in all other reasonable respects.

(d) The policies required pursuant to this Agreement or a certificate of the policies shall be provided to HBMWD upon the execution of this Agreement.

(e) The commercial general and automobile liability insurance to be maintained by Consultant pursuant to this section shall name HBMWD, its officers, and employees as additional insureds by endorsement with respect to liabilities arising out of the performance of services hereunder.

iii. All policies above-required are to be primary and non-contributory with any insurance or self-insurance programs carried by or administered by the HBMWD.

iv. In the event Consultant subcontracts any portion of the work in compliance with Paragraph 10.16, the agreement between the Consultant and the subcontractor shall require the subcontractor to carry the same types and amounts of insurance that the Consultant is required to maintain pursuant to this Article.

ARTICLE VIII
INDEMNIFICATION AND LIABILITY

8.01. Consultant's Duty to Indemnify. Consultant shall indemnify and hold harmless, and when requested by HBMWD to do so, defend HBMWD, its directors, employees and independent contractors from and against any and all claims, demands or charges and from any loss or liability including attorney's fees and expenses of litigation arising out of acts, errors or omissions, violations of laws, willful misconduct or fraudulent representations or concealment of Consultant, its employees, subconsultants or subcontractors, or anyone else employed by or acting on behalf of Consultant in the performance of the contract, excepting and excluding liability or damages caused by reason of the sole negligence of HBMWD or the willful misconduct or fraudulent representation or concealment of HBMWD, its directors, volunteers, employees or independent contractors.

ARTICLE IX
CONFLICTS OF INTEREST AND CONFIDENTIALITY

9.01. Conflict of Interest.

(a) Consultant represents that it is familiar with Sections 1090, et seq., and Section, 87100, et seq., of the California Government Code, and that it does not know of any facts that constitute a violation of said sections. If, following execution of this Agreement, Consultant becomes aware of any such facts, whether presently existing or after-arising, Consultant shall promptly inform HBMWD of same, along with a proposal for remedying the violation. HBMWD may determine whether the proposal, or any other proposed resolution, is satisfactory, in its sole discretion.

(b) Consultant represents that it has completely disclosed to HBMWD, and if applicable will disclose in the future, all facts bearing upon any possible interests, direct or indirect, which Consultant believes any member of HBMWD, or other officer, agent or employee of HBMWD or any department presently has, or will have, in this Agreement, or in the performance thereof, or in any portion of the profits thereunder. The failure to make such disclosure, if any, shall constitute grounds for termination of this Agreement by HBMWD for cause.

(c) Consultant covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement. Without limitation, Consultant represents to and agrees with HBMWD that Consultant has no present, and will have no future, conflict of interest between providing HBMWD the services hereunder and any interest Consultant may presently have, or will have in the future, with respect to any other person or entity (including, but not limited to, any federal or state regulatory agency) which has any interest adverse or potentially adverse to HBMWD, as determined in the reasonable

judgment of HBMWD. The provisions of this section shall remain fully effective indefinitely after termination of services to HBMWD hereunder.

ARTICLE X
GENERAL PROVISIONS

10.01. Notices. Any notice to be given by any Party hereunder must be given in writing and delivered in person, or by reputable nationwide overnight courier or forwarded by certified or registered United States mail, postage prepaid, return receipt requested, or through electronic mail with read receipt at the address indicated below, unless the party giving such notice has been notified in writing of a change of address:

Humboldt Bay Municipal Water District
Attn: Paul Helliker, General Manager
828 Seventh Street
Eureka, CA 95501
helliker@hbmwd.com

JTN Energy, LLC
Attn: Todd Thorner
59 Yorkshire Drive
Oakland, CA 94618
tthorner@jtn-energy.com

Any such notices shall be effective on the date such notice is delivered, if notice is given by personal delivery, overnight courier or electronic mail; or if such notice is sent through the United States mail, on the date of actual delivery as shown by the addressee's receipt; or expiration of three (3) days following the date of mailing, whichever first occurs.

10.02. Severability. If any provision of this Agreement shall be ruled invalid, illegal or unenforceable, the Parties shall: (a) promptly negotiate a substitute for the provision which shall, to the greatest extent legally permissible, reflect the intent of the parties in the invalid, illegal or unenforceable provision, and (b) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as maybe necessary in addition to and in conjunction with clause (a) to give effect to the intent of the Parties without the invalid, illegal or unenforceable provision. To the extent the Parties are unable to negotiate such changes, substitutions or additions as set forth in the preceding sentence, and the intent of the Parties with respect to the essential terms of the Agreement may be carried out without the invalid, illegal or unenforceable provision, the balance of this Agreement shall not be affected, and this Agreement shall be construed and enforced as if the invalid, illegal or unenforceable provision does not exist.

10.03. Counterparts. This Agreement may be signed and delivered in any number of counterparts, each of which when signed and delivered shall be an original, but all of which shall together constitute one and the same Agreement.

10.04. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and any agreement or representation with respect to the same.

10.05. Notification. If Consultant becomes aware of a matter that could impact the quality or quantity of work, services, or the level of performance under this Agreement, the Consultant must notify the HBMWD in accordance with Section 10.01.

10.06. Amendment. This Agreement may not be amended except by a subsequent writing signed by the Parties.

10.07. Governing Law. This Agreement shall be governed by the laws of the State of California. The Parties agree that the contract is to be performed in Humboldt and/or Trinity County, California, and that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in Humboldt County Superior Court.

10.08. Attorneys' Fees and Costs. In any judicial or other proceeding arising out of or related to this Agreement or the Services provided hereunder, the prevailing party shall recover all reasonable costs incurred pertaining to such proceeding, including reasonable costs and fees of attorneys or other professionals.

10.09. Compliance. All work, labor and materials shall be done and provided in strict conformity with each of the following: (a) all laws, ordinances, codes, rules, regulations and standard specifications of governmental authorities having jurisdiction over Consultant's work; (b) this Agreement; and (c) the schedule attached hereto. Consultant shall also comply, at Consultant's expense, with all requirements of inspectors of any governmental authority having jurisdiction over Consultant's work.

10.10. Disputes. If any disputes should arise between the Parties concerning the work to be performed under this Agreement, or the manner of accomplishment of the work, Consultant shall nevertheless proceed to perform the work as directed by HBMWD pending settlement of the dispute. If a dispute arises over payment, Consultant reserves the right to stop working until such dispute is settled. Consultant will not suspend working unless such dispute is substantial and will make all reasonable efforts to avoid such a situation.

10.11. No Third-Party Beneficiaries. Except as expressly provided in this Agreement, nothing in this Agreement shall operate to confer rights or benefits on persons or entities not party to this Agreement.

10.12. Statutes of Limitation. As between the Parties to this Agreement, any applicable statute of limitations for any act or failure to act shall commence to run on the date of HBMWD's issuance of the final certificate for payment, or termination of this Agreement, whichever is earlier.

10.13. Cooperation. Consultant and HBMWD shall cooperate in the performance of work with each other and all other agents.

10.14. HBMWD's Approval. Consultant shall not assign or subcontract any portion of the work to be performed under this Agreement or any of the rights or obligations under this Agreement, without the prior written consent of HBMWD, which consent may be withheld in HBMWD's reasonable discretion. Any attempted assignment in violation of the provisions of this paragraph shall be void ab initio. Subject to the foregoing, this Agreement shall be binding upon the heirs, administrators, successors and assigns of HBMWD and Consultant.

10.15. Independent Contractor. Consultant and any subcontractor(s) or subconsultant(s) shall at all times be deemed an independent contractor wholly responsible for the manner in which it performs the Services, and fully liable for the acts and omissions of its employees, subconsultants and agents. Under no circumstances shall this Agreement be construed as creating an employment, agency, joint venture or partnership relationship between HBMWD and Consultant or any subcontractor(s) or subconsultant(s) of Consultant, and no such relationship shall be implied from performance of this Agreement. Terms in this Agreement referring to direction from HBMWD shall be construed as providing for direction as to policy and the result of services only, and not as to means and methods by which such a result is obtained. Consultant shall pay all taxes (including California sales and use taxes) levied upon this Agreement, the transaction, or the Services and/or goods delivered pursuant hereto without additional compensation, for which Consultant is responsible under applicable law and any deficiency, interest or penalty assessed with respect thereto.

10.16. Subconsultants. Consultant shall perform the services using the personnel and subconsultants described in Consultant's Proposal to Provide Consulting Service Related to the Gosselin Hydroelectric Project dated September 23, 2015. Consultant shall hire only qualified persons or firms who are experienced in performing work of like nature and complexity to the services, and who agree to be bound to the terms of the Agreement to the extent of this Scope of Services. Consultant may substitute personnel or subconsultants prior to any such subconsultants commencing work only upon HBMWD's written consent, which may be withheld or delayed in HBMWD's reasonable discretion.

10.17. Non-Discrimination. Consultant shall not discriminate against any employee or applicant for employment, nor against any subconsultant or applicant for a subcontract, because of race, color, religious creed, age, sex, actual or perceived sexual orientation, national origin, disability as defined by the Americans with Disabilities Act or veteran's status. To the extent applicable, Consultant shall comply with all federal, state and local laws (including, without limitation, County ordinances, rules and regulations) regarding nondiscrimination, equal employment opportunity, affirmative action and occupational-safety-health concerns, shall comply with all applicable rules and regulations thereunder,

and shall comply with same as each may be amended from time to time. Consultant shall provide all information reasonably requested by HBMWD to verify compliance with such matters. Consultant stipulates, acknowledges, and agrees that HBMWD has the right to monitor Consultant's compliance with all applicable non-discrimination requirements, and may impose sanctions upon a finding of a willful, knowing or bad faith noncompliance or submission of information known or suspected to be false or misleading.

10.18. Not liable for damages. Notwithstanding any other provision of this Agreement, in no event shall either Party be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Scope of Services performed in connection with this Agreement.

10.19. Level of Efforts. Consultant recognizes the relations of trust and confidence that are established by this Agreement, and covenants with the HBMWD to furnish its reasonable skill and judgment, and to actively cooperate and assist in furthering the best interests of the HBMWD in all matters pertaining to completing the Scope of Services. Consultant agrees to furnish efficient business administration and capable supervision, and to use reasonable efforts to keep upon the work an adequate supply of workmen and materials in order to secure its execution in an expeditious and economical manner consistent with the HBMWD's best interests. Consultant represents and warrants that it has qualifications, experience and facilities necessary to properly perform the services required under this Agreement in a thorough, complete and professional manner. Consultant's employees assigned to the work shall at all times be reasonably satisfactory to the HBMWD.

10.20. Time is of the Essence. Time shall be of the essence as to all dates and times of performance contained in this Agreement.

10.21. Authority to Execute.

(a) Each Party represents and warrants that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind each Party to the performance of its obligations hereunder.

(b) Each individual executing this Agreement hereby represents and warrants that he or she has the full power and authority to execute this Agreement on behalf of the named Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the latest date below.

Humboldt Bay Municipal Water District

By _____

Its _____

Date _____

JTN Energy

By _____

Its _____

Date _____

Exhibit A

Scope of Work

The Following Scope of Work provides detailed description of the specific Work Tasks in each of the three service categories proposed and how Consultant will approach and complete the work. We also identify the result, product, or milestone for each Work Task and identify how we will interface with HBMWD on each Task. Work **Task A** Clarify PG&E Costs has been addressed through a separate predecessor contract so this Scope of Work addresses the subsequent three Work Tasks B, C, and D. Consultant proposes to provide consulting services to HBMWD in the three following service categories:

- **Task B - Secure ReMAT Contract** - Consultant will secure for the Project a new, attractive long-term power sales agreement, a Renewable Market Adjusting Tariff (ReMAT) contract with PG&E. This activity will kick off once there is clarity on PG&E GIA Costs (Scope A). The activity is expected to take 3 - 4 months and will result in an executed ReMAT contract. This activity is further described under **Task B** below.
- **Task C - Transition Activities** - Consultant will manage and assist HBMWD to complete all the transition activities required to deliver power in the post Standard Offer contract environment and begin deliveries under the new ReMAT contract. These activities will kick off once the ReMAT application is submitted in Work Task B and are expected to take approximately 12 months to complete which would result in transition to the ReMAT contract in early 2017. These activities are further described under **Tasks C1 - C7** below.
- **Task D - Contract Management** - for a period of 15 months beginning two months before the Project begins deliveries under the ReMAT contract and running through early- to mid-2018, Consultant will assist HBMWD to manage the new contract obligations and to develop contract management protocols and management tools for HBMWD staff to take over management of the ReMAT contract. These activities are further described under **Task D** below.

Consultant's Project Manager for all the work will be Todd Thorner. The work for all Work Tasks will be conducted by Consultant's principal, Todd Thorner, and by Mark Henwood, principal of Consultant's sub-contractor, Henwood Associates, Inc.

Task B - Secure ReMAT Contract

Consultant will work with HBMWD to produce a Program Participation Request (PPR) and submit it to PG&E's ReMAT program in order to secure an attractive, long term power sales contract.

Scope of Work

1. Collect all contracts, drawings, data, leases, and other information from HBMWD required to compile the PPR, develop workarounds where necessary,
2. Compile and complete a conforming PPR,
3. Submit and advance the PPR through PG&E's competitive ReMAT process serving as HBMWD's agent,
4. Analyze the Project's historical production and negotiate with PG&E to secure a Guaranteed Energy Production value as low as possible,
5. Review and explain the commercial and contract management aspects of the ReMAT contract with HBMWD, support HBMWD to achieve executed contract.

The ReMAT program is a feed-in-tariff renewable procurement program mandated by the California Public Utilities Commission which requires PG&E to offer a set price, pro forma power purchase contract to small renewable generation projects up to 3.0 MW nameplate capacity. At the program's inception in November 2013, PG&E had an adjusted allocation of 40 MW of capacity to offer for Non-Peaking generators (small hydro and wind fall into this Product Type). The ReMAT price for this Product Type is currently set at a starting price of 8.923 c/kWh which adjusted for the Project's time-of-use factor decreases slightly to 8.838 c/kWh. The price is fixed for the contract term of either 10, 15, or 20 years. Consultant understands that HBMWD is interested in a term of 20 years.

The first ReMAT Program Period was initiated on November 1, 2013 and 5.0 megawatts of capacity is offered every 2 months. If a block of capacity is oversubscribed, the offer price 8.923 c/kWh will be reduced. To date, the price has not yet been reduced, but applying sooner rather than later improves the chances of securing participation in the program and in securing the attractive 8.923 c/kWh price. Consultant urges HBMWD to work with Consultant to submit a PPR into the earliest Program Period possible. Given the time required to complete **Task A** Clarify PG&E Costs (work under separate contract), Consultant anticipates targeting submission of PPR in either Program Period 15 which closes on March 1, 2016 or Program Period 16 which closes on May 2, 2016. Consultant estimates it will require a minimum of two weeks to compile a complete PPR and the submission should be submitted one month prior to the Program Period close date to ensure Consultant can cure any deficiencies PG&E may cite.

Consultant will prepare and submit the PPR for the Gosselin project to the PG&E ReMAT program. HBMWD will provide needed documentation, data, drawings, plans, and any other background information about HBMWD and the Project reasonably required to support Consultant in preparing the PPR. Consultant will serve as agent for HBMWD for the purpose of preparing and submitting the PPR to the PG&E ReMAT program and managing the process and negotiations leading to an executable contract. Consultant has already bid and secured eight ReMAT contracts so is quite familiar with the requirements and process. A ReMAT bid fee of \$2/kW nameplate will be required to perfect the bid. Given the Project's capacity of 2000 kW, the bid fee is expected to be \$4,000. This fee will be paid by HBMWD.

It is anticipated that successfully submitting the project PPR by March 1, 2016 will result in a ReMAT contract offer by PG&E by mid to late May 2016. Submission by May 2, 2016 will result in a ReMAT contract offer by PG&E by mid to late July 2016. Within 30 days of HBMWD executing the contract, HBMWD will be required to post with PG&E contract collateral in the amount of \$20/kW, or \$40,000. This collateral is held in escrow and earns interest until it is returned at the end of the contract term. The product or objective of **Task B** is a fully executed ReMAT contract for the Project which meets HBMWD's requirements for a very low Guaranteed Energy Production value.

The commercial operation date (COD) to begin deliveries under the ReMAT contract can be set by HBMWD at any time after all the transition requirements have been completed and up to a maximum of 24 months from the ReMAT contract execution date. Consultant anticipates the new COD be set for January 1, 2017, to allow sufficient time for Consultant to complete all the required transition activities detailed in **Tasks C1 - C7** below. The existing SO1 contract provides HBMWD a termination right upon notice to PG&E. The new ReMAT contract COD can be adjusted forward or back in time per provisions within the ReMAT contract. Consultant will coordinate with HBMWD termination of the existing SO1 contract and COD of the new ReMAT contract so that the project seamlessly transitions from the existing contract to the new ReMAT contract without interruption in project operations or revenue generation. The contract transition activities are extensive and time consuming, but Consultant is confident it can complete these **Task C** activities within 12 months after submitting the ReMAT PPR in time for early 2017 ReMAT COD.

Regarding Guaranteed Energy Production (GEP), as discussed in our Update Memo of April 28, 2015, Consultant expects that it can negotiate a very low GEP value in the ReMAT contract with PG&E. Combining the two lowest non-consecutive years of annual generation over the project's 32 year operating history would result in a GEP value of 38%. Consultant believes this GEP level would represent very low level of risk to HBMWD as this low a level of generation has never occurred in two consecutive years, the current drought notwithstanding. That said, Consultant will propose a GEP at 50% of this level and believes chances are good that PG&E will accept this GEP value of just 19%. Consultant understands that HBMWD must understand, analyze, and assess the potential liability of any non-zero GEP before it can commit to moving forward with a ReMAT contract. This GEP level cannot be known with certainty without submitting a full PPR and perfecting it with payment of the bid fee.

At the point when the final GEP value is known, if HBMWD in its sole discretion determines that it does not choose to move forward with the work, HBMWD can terminate the Agreement for convenience as detailed in Section 4.4 of this Agreement. HBMWD would pay Consultant for actual time spent advancing the **Task A** and **Task B** to this point with a cost cap of \$15,000. If HBMWD chooses to move forward, Consultant will immediately initiate **Task C**.

Task C - Transition Activities

Task C1 - Transition Work Checklist

Consultant will develop a Transition Checklist that lists all the activities, agencies/recipients, and due dates to successfully transition the existing Project to begin production under the ReMAT contract.

Scope of Work

1. Develop checklist, milestone table, timeline, and project tracking system to ensure details are capture and that appropriate agencies and specific tasks are identified and scheduled,
2. Utilize and update the Checklist as a work tracking tool on an ongoing basis, see methodology section below for more details.

The checklist will be driven by the requirements and timelines of the various processes, counterparties, and governing agencies listed in the Tasks below. The checklist will reflect the latest regulatory changes and updates as of the date the work is kicked off. For example, the CAISO has issued an updated version of their New Resource Implementation Guide which makes some important changes to the order of key CAISO transition activities.

The product of **Task C1** will be a Microsoft Project or Excel file that sets out all required transition activities by start date, expected duration, precedent and dependent activities, interim objectives and the project team member lead on specific sub-tasks. A draft will be provided to HBMWD for review and finalization in coordination with Consultant. This work will be completed by Consultant's principals.

Task C2 - Put in place SGIA

Consultant and HBMWD will have already negotiated an execution ready draft Generation Interconnection Agreement (GIA) with PG&E under **Task A** (under a separate contract). With the ReMAT contract now executed (**Task B**), HBMWD will execute the new GIA with PG&E and Consultant will assist with coordinating any PG&E work or upgrades that might be required at the project site. This work will be coordinated along with **Task C3** which may involve CAISO related work or upgrades at the project site.

Scope of Work

1. Facilitate final review and HBMWD execution of the draft GIA with PG&E,
2. Coordinate any required PG&E work at the project site with HBMWD

3. Represent HBMWD's interests by managing and reviewing any PG&E invoices or billings related to GIA work,
4. Ensure GIA is in force and upgrades complete as soon as reasonably possible so that the Project can transition to the new ReMAT agreement.

The product of this task will be an executed SGIA for the Project and completed upgrades, if any, so that the project can deliver power under a new contract. Consultant's principals will conduct the work to secure the SGIA and will depend on HBMWD support to provide technical specifications or drawings as needed.

Task C3 - CAISO Compliance

Consultant will manage and engage with HBMWD and the California Independent System Operator (CAISO) to ensure the Project achieves compliance with CAISO requirements as required by the ReMAT contract. Consultant will manage and perform this with the assistance of a qualified CAISO Meter Installation Company. This work entails numerous activities described below:

Scope of Work

1. Complete and submit appropriate forms and applications for participating generator status, forms to include:
 - a. Initial Contact Information Form
 - b. Project Details Report
 - c. MSA – Meter Service Agreement
 - d. QF PGA – Participating Generator Agreement
 - e. Metering and Telemetry Requirements
 - f. GRDT – Generating Resource Data Template
2. Review appropriate interconnection requirements, make notifications, execute agreements, and gain approvals as required by CAISO tariff and business practice manuals (BPM),
3. Determine CAISO metering and telemetry requirements recommend and manage contractors to be hired to complete new metering/data transfer connection required,
4. Investigate whether the Project can secure Full Capacity Deliverability Service designation with the CAISO, if yes, confirm economics and if positive, pursue and lock in for HBMWD.

To participate as a wholesale generator in the current California power market, a generator must complete the CAISO New Resource Implementation Process to become a 'Participating Generator'. Projects subject to CAISO jurisdiction must complete numerous detailed tasks on a fixed timeline detailed in the CAISO's New Resource Implementation Process, also called the "Bucket Process". This process is a highly complex and labor intensive process and has a published timeline of 210 days. These requirements include installation of new meters and

communication equipment that enable the CAISO to monitor power production and meter payment accounts.

Consultant will manage and complete the CAISO Bucket Process as defined for existing QF projects as detailed in the CAISO's most recently updated New Resource Implementation Guide. Consultant will provide HBMWD the opportunity to review and comment on drawings or filings that require HBMWD input before making submission to the CAISO. For existing QF hydro projects less than 10 MW in size, this is an abbreviated process that generally includes the following buckets with some of the key tasks highlighted. The current CAISO checklist for the Bucket Process can be reviewed at—

<http://www.aiso.com/Documents/NewResourceImplementationChecklist.xls>

- Bucket 1 - Submit executed SGIA and initial drawings
- Bucket 2 - Additional drawing and communication information
- Bucket 3 - Execution of Meter Service Agreement and Participating Generator Agreement
- Bucket 4 - Provision of generating resource characteristics, Scheduling Coordinator information and a final metering package
- Bucket 5 - Final meter and communication testing
- Bucket 6 - Trial Operations - this bucket is not required for existing QF facilities
- Bucket 7 - Closing documentation

CAISO Metering

Given the Project nameplate capacity in excess of 1,000 kW, the Project will be required to install CAISO compliant meters and to have its metering run through the CAISO. In general the CAISO requires dedicated communications to the meters and the use of independent meter configuration and testing companies. At this time hydro projects less than 10 MW selling to PG&E pursuant to a ReMAT contract are not required to install the more expensive Remote Intelligent Gateway (RIG) interface to the CAISO. In the event the CAISO requirements change and require RIG on the Project, Consultant will manage the process of obtaining an appropriate consultant to perform this work.

The Meter Installation Company selected for this work will be experienced in the scope of work and fully insured. Equipment will be fully certified and bench tested. Any on-site work will be conducted with a focus on safety first and a safety briefing and follow carefully prepared installation and commissioning checklists. Copies of the as-built drawings and commissioning checklists will be provided to HBMWD at the conclusion of the physical work on site.

There is physical work typically required to install CAISO compliant metering and communications which will result in out-of-pocket hard costs. The following three categories of hard costs are anticipated and included in **Table 2**: (1) electrical wiring within the power station

to supply power or communications to the metering/communication facilities, (2) wiring of new meter test switches which is normally performed by PG&E, and (3) building or panel modifications required to accommodate the new metering. Selection of this equipment and contractors to install, program, and test these equipment will be performed in consultation with HBMWD.

Metering Communications Options

Consultant has identified two potential options for providing communications with the CAISO. The first potential option is to tie the Project to the CAISO using a dedicated POTS (plain old telephone service) line. This approach will require from CAISO a Dial-Up Modem Exemption for the Project. In the event this option is utilized, Consultant will manage this process. There may be some direct costs from the telephone company and any needed contractors to effectuate this solution. The second potential option is to communicate with the CAISO utilizing wireless broadband. Consultant has confirmed that 101Netlink can provide this service to the toe of the dam.

Consultant's current expectation is the POTS solution will be lower cost for HBMWD if the only consideration were CAISO metering. However, we believe wireless broadband is a better solution since it would likely meet any telemetry requirements of PG&E and could also support telemetering of water data to HBMWD. Accordingly, we have included direct cost estimate for wireless broadband solution in Estimate of Direct Costs **Table 2**.

Task C4 - FERC Compliance

Consultant will ensure HBMWD has complied with the Federal Energy Regulatory Commission (FERC) requirements for the sale of renewable energy per ReMAT PPA Section 4.8. FERC allows projects to self-certify, without a filing fee, for QF status and obtaining a resulting QF docket number. Consultant will assist with preparation of the necessary FERC Form 556, e-filing the form, and help obtain the required docket number.

Task C5 - CEC Compliance

Consultant will manage HBMWD's registration and compliance with the California Energy Commission (CEC) Renewable Portfolio Standard (RPS) registration per ReMAT PPA Section 4.5.

Scope of Work

1. Gather all documentation that has been submitted, if any, for certification to CEC for the Project and review to complete further documentation as needed for compliance with the CEC RPS program,
2. Contact the CEC to determine what outstanding information, if any, is needed for the Project and submit documentation as required for certification,

3. Complete the CEC process, complete forms, and perform a compliance analysis prior to start dates in existing ReMAT feed in tariff requirements,
4. Deliver to HBMWD all required forms and reports filed with CEC and a completed compliance assessment which will ultimately include the RPS Certificate.

The CEC process requires compilation of information required to satisfy the latest edition of the RPS Eligibility Guidebook, preparation of an application, and submittal of the application to the CEC. Resubmittal or provision of additional information is occasionally required. Consultant will perform this process for the Project on behalf of HBMWD. The result of this work task will be a CEC RPS Certification Certificate which must be provided to PG&E to begin delivering under the ReMAT. Pre-certification is not required for operational QF projects like Gosselin.

Task C6 - WREGIS Compliance

Consultant will manage HBMWD's registration and compliance with the Western Renewable Energy Generator Information System (WREGIS) per ReMAT PPA Section 4.3 & 4.4.

Scope of Work

1. Collect and review necessary documentation to register HBMWD and the Project with WREGIS.
2. Review the Qualified Reporting Entity (QRE) requirements with HBMWD for generation reporting to WREGIS. Since the CAISO will be performing the project metering, the CAISO will act as the QRE for the project.
3. Develop tracking and reporting system to ensure that ongoing WREGIS requirements are met by HBMWD.

Participation in the WREGIS system is mandatory under the ReMAT contract and is a two step process. The first step is registration of HBMWD and establishment of an account with WREGIS. The second step is registration of individual generation projects and receipt of WREGIS Generating Unit ID numbers.

Consultant will prepare and file the necessary forms on behalf of HBMWD and work with WREGIS until the registration is deemed complete and the online system is properly configured and operational. Consultant does not anticipate any additional material input required from HBMWD, other than HBMWD paying the required registration fees. The result of this task will be that the Project will be registered with WREGIS. Additional tasks required post COD (**Task D**) include finalizing generating unit registration and setting up Forward Certificate Transfers for the Project so that RECs generated under the ReMAT contracts are delivered timely to PG&E to avoid penalties (per ReMAT Section 4.3.5).

Task C7 - PG&E ReMAT Coordination & Filings

Consultant will work with HBMWD to gather, compile, and submit timely all documentation PG&E requires before HBMWD's Gosselin project can begin to deliver power under the ReMAT contract. This work will involve significant coordination efforts between Consultant and HBMWD and cover the full range of transition activities.

Scope of Work

1. Progress Reporting - file reports with PG&E (required monthly),
2. File with appropriate PG&E party the various certifications and documentation related to Tasks above (CAISO, FERC, CEC, and WREGIS),
3. Demonstrated Contract Capacity - coordinate with HBMWD the schedule for Contract Capacity Tests for the Project, provide notice to PG&E per ReMAT, and coordinate process to ensure the Project meets ReMAT requirements (per ReMAT Section 3 and Appendix M),
4. COD - file notice and updates to notice if and when COD changes,
5. Scheduling - work with PG&E prior to COD to provide CAISO Resource IDs and set up scheduling functions through PG&E's Power Procurement Information Center (PPIC),
6. Billing - file or coordinate filing of tax and bank wiring instructions,
7. Insurance - coordinate with HBMWD and its insurer to provide PG&E or their insurance contractor required insurance certificates,
8. Financing & Consents - as needed assist with any Consent to Assignments required for project financing or structuring,

Consultant will coordinate these activities efficiently and will reduce the work load on HBMWD to maximum extent feasible. The result of this **Task C7** will be that all of these requirements will be completed expeditiously so that HBMWD's Gosselin project can begin delivering power under the ReMAT as soon as reasonably possible.

Task D - Assist & Train HBMWD to Manage ReMAT

The ReMAT contract is significantly more complex than the existing Standard Offer agreement and places many of the obligations performed by PG&E under the SO1 contract on to the generator owner. To assist HBMWD develop management protocols to effectively and efficiently manage contract obligations and minimize any potential commercial liabilities, Consultant will assist and provide training to HBMWD personnel to manage the ReMAT contract and obligations for approximately one year after COD. Consultant proposes providing these services for the 15 month period starting two months prior to deliveries begin in early 2017 and then running for 13 months to early- to mid-2018. This period runs a bit longer than a year from COD so that annual filings post COD will be included in this assistance and training period.

At the end of this period, Consultant will provide HBMWD a Procedures Manual which details the best practices for integrating management of the Project and project contract. This Procedures Manual may be useful for HBMWD training or staff turnover. By the end of the 15

month period, Consultant and HBMWD will have had adequate time to work out any kinks and to provide training to be able to apply the same methods, principals, and templates to manage the Project for the remainder of the ReMAT contract term.

Scheduling

Assistance and training will focus on methods for scheduling project output through PG&E's web interface and backup scheduling methods when PG&E's web system is down. Training will include ensuring that HBMWD's project operational daily logging methodology is reviewed and updated as needed to be compliant with logging and scheduling requirements in the ReMAT contract. In addition, Consultant will work with HBMWD to set appropriate staffing and communication protocols to ensure scheduling is completed timely in conformance with operational staff input. Consultant will seek to minimize HBMWD's work load to the degree feasible while still complying with the ReMAT scheduling requirements.

Settlements

Consultant will assist HBMWD personnel to establish a methodology and basic software tools for downloading and screening meter data from the project for quality assurance/quality control (QA/QC). Consultant will help establish templates for invoices that can utilize CAISO meter data as downloaded and meet the requirements of the ReMAT contract.

Inspections & Reporting

For annual project inspection, Consultant will assist HBMWD select a third party contractor and will assist with coordination and reporting to PG&E as required under the ReMAT.

CAISO Management

Consultant will work with staff to develop a schedule and checklist for all ongoing CAISO management activities. Over the course of the year, Consultant will assist staff to review and complete annual filing of exemption documentation and maintaining any other periodic CAISO reporting requirements. The checklist and activities will be compiled in the Procedures Manual to be provided to HBMWD.

WREGIS Management

Consultant will assist HBMWD in performing the annual certification process for the Project at the end of the first year of operations under the ReMAT contract. Consultant will also work with HBMWD to reconcile any discrepancies in REC formation and transfers to PG&E. These events are not uncommon and under the ReMAT can result in significant penalties if not diligently managed.

CEC/EIA Reporting

We believe that HBMWD is already meeting these requirements and no Consultant involvement is required.

Project Team

Mark Henwood and Todd Thorner comprise the Consultant Project Team. Todd Thorner is the founder and CEO of JTN Energy, LLC (JTN) and Mark Henwood is the CEO of Henwood Associates, Inc. (HAI). For this proposed effort, Todd Thorner will serve as Project Manager and HBMWD's first point-of-contact. Mark Henwood will be integrally involved in leading and managing the work in close coordination with the Todd Thorner, the Project Manager.

The Project Team has over 30 years of experience working with FERC and California's Investor Owned Utilities including Pacific Gas & Electric (PG&E) on topics including hydro project licensing, interconnection, contracting, and project management and operations. Attached as **Appendix B-1 and B-2** are each principal's qualifications. The Project Team also has multiyear experience working with the California Energy Commission (CEC) and Western Regional Energy Generation Information System (WREGIS) regarding Renewable Portfolio Standard (RPS) certification and registration with WREGIS starting in 2007. JTN and HAI are both in good standing and qualified to do business in California.

Table 1 below identifies Consultant resources and approximate time required to complete each of the work tasks described in Section D 'Scope of Work'. Additional resources may be necessary during the course of this work and, if agreed upon, will be vetted with HBMWD prior to placement on the project.

Location & Contact Info

The majority of the work will be completed at respective offices of JTN and sub-consultant HAI, full contact information listed below.

JTN Energy, LLC (JTN)
 Todd Thorner
 CEO
 59 Yorkshire Drive
 Oakland, CA 94618
 Office: (510) 922-9099
 Cell: (415) 652-1627

Henwood Associates, Inc. (HAI)
 Mark Henwood
 CEO
 7311 Greenhaven Drive, Ste. 275
 Sacramento, CA 95831
 Office: (916) 422-2600, ext 101
 Cell: (916) 955-6031

Sub-consultants

Consultant will use HAI as a sub-consultant to manage and complete the work. Consultant will also use sub-consultant to provide CAISO Meter Installation and Meter Testing. A number of companies, such as US-Most and Trimark Associates, are recognized by the CAISO to provide these installation services. Testing service are typically arranged by the installation company and are provided by CAISO certified individuals.

Consultant Representations***Conflicting Projects or Commitments***

Consultant does not have any conflicting projects or commitments.

Facilities and Resources

Consultant has the facilities and resources to perform the required work.

Exhibit B

Consulting Fee

Fee Structure

Consultant will provide the consulting services described in this Agreement on a success contingent, deferred payment basis. Under this structure, HBMWD will not pay Consultant any upfront or progress payments while Consultant is working to secure the ReMAT contract (**Task B**) or to complete the contract transition activities (**Tasks C1 - C7**). Instead, Consultant will defer payment for approximately 12 - 18 months and HBMWD will then pay a small share of revenues HBMWD receives under the ReMAT contract once the Project begins delivering output under that contract, estimated to begin in 2017.

HBMWD has considered two fee options proposed by Consultant and elected Fee Option 1 under which the Consultant will complete the full scope of work and HBMWD will pay for all third party out-of-pocket costs.

For HBMWD's reference, we provide below in **Table 1** an estimate of Consultant's direct costs to complete this scope of work over the estimated 24 - 30 month schedule. These are costs which Consultant is essentially investing in exchange for the deferred share of ReMAT contract revenues so is provided solely for the sake of transparency for HBMWD to understand the level of effort and costs involved to execute on the scope of work.

The table shows time expected to be required of Consultant's principals on each work task and associated costs based on Consultant's fully loaded hourly consulting fee of \$210 per hour. This rate includes the time of Consultant's principals and supporting staff, office, telephone communication, reproduction, shipping, and similar expenses. The Table includes a 10% contingency on these estimates and breaks out travel to Humboldt County as a separate line item. Consultant estimates its total direct soft and hard cost to provide these consulting services is **\$120,453**.

Table 1: Estimate of Consultant Costs

Task #	Task Name	Total Hours	Hourly Rate	Multiplier	Loaded Rate	Total
A	Clarify PG&E GIA Costs	36	140	1.5	210 \$	7,560
B	Secure ReMAT Contract	66	140	1.5	210 \$	13,860
C1	Transition Checklist	6	140	1.5	210 \$	1,260
C2	Implement GIA	24	140	1.5	210 \$	5,040
C3	CAISO	82	140	1.5	210 \$	17,220
C4	FERC	4	140	1.5	210 \$	840
C5	CEC	24	140	1.5	210 \$	5,040
C6	WREGIS	16	140	1.5	210 \$	3,360
C7	PG&E ReMAT Coordination	85	140	1.5	210 \$	17,850
D	ReMAT Contract Support	120	140	1.5	210 \$	25,200
					Sub-Total \$	97,230
					Contingency @ 10% \$	9,723
					Estimated Travel Expenses \$	13,500
					TOTAL \$	120,453

Table 2 below provides Consultant's current best estimates of third party hard costs to complete the scope of work including ReMAT bid fees, ReMAT contract collateral, PG&E interconnection facilities, communication circuits and equipment, switchgear modifications and related construction, meters, metering installation and testing, and third party consultants, WREGIS fees, and CAISO fees. The expenses under **Task D** are hard costs during the first year of project operations under the ReMAT contract. Consultant currently estimates the total cost for these expenses is approximately **\$112,344**. The parties have already entered a separate contract for the Consultant to complete **Task A** - Clarify PG&E Costs which may result in line item cost for Task A below changing significantly.

Table 2: Estimate of Third Party Costs

Task #	Cost Category	Est. Cost	Note
A	PG&E telemetry	\$ 25,000	Communication hardware and associated engineering
B	ReMAT Appl Fee	\$ 4,000	\$2/kW application fee
B	ReMAT Contract Collateral	\$ 40,000	\$20/kW contract security, refunded after contract expiration
B	Project Inspection	\$ 2,000	ReMAT requires project inspection before COD
C5	Third party meter installation	\$ 33,750	Broadband installation, meter intallation contractor, telemetry equip
C5	Meter inspection	\$ 2,500	CAISO certified inspector
D	1st year contract management	\$ 5,094	Inspection, WREGIS fee, telecommunication costs
	Estimated Total	\$ 112,344	

If HBMWD and Consultant enter a contract for consulting services and Consultant succeeds in having a PG&E ReMAT contract offered for the Project but HBMWD elects in its sole discretion not to sign the contract and move forward, HBMWD will pay Consultant for actual time spent advancing **Task A** and **Task B** to this point with a cost cap of an amount not to exceed Fifteen Thousand Dollars (\$15,000.00) for Consultant's Costs and Services. If HBMWD decides at a later stage not to proceed with the ReMAT contract, HBMWD will pay Consultant for 75% of actual

time spent advancing the scope of work up to the date of the decision not to proceed (with Consultant's rights to fees and costs capped at and not to exceed the estimated costs in **Table 1** above). Additional consulting services outside the scope of work detailed in Exhibit A can be contracted upon mutual written agreement of the parties at Consultant's fully loaded billable rate of \$210/hour for principals and \$150/hour for senior engineers.

Fee Level

If Consultant completes the full scope of work proposed in **Exhibit A** HBMWD will pay a Consultant Fee set at 0.56 cents/kWh to be paid on actual project generation over the full term of a 20 year ReMAT contract. If HBMWD elects a 15 year ReMAT term, HBMWD will pay a Consultant Fee of 0.63 cents/kWh, if HBMWD elects a 10 year ReMAT term, HBMWD will pay a Consultant Fee of 0.70 cents/kWh.

Consultant anticipates securing for HBMWD a ReMAT contract at 8.92 cents/kWh fixed pricing. Adjusting for time of use allocation factors reflecting the project's historical seasonal delivery profile, the ReMAT is anticipated to pay an annual average price of 8.86 cents/kWh. At this pricing level, HBMWD will be paid net of Consultant Fee approximately 8.30 cents/kWh with a 20 year ReMAT. For any contract term and associated Consultant Fee level, HBMWD payments net of Consultant Fee will still be well in excess of two times current pricing under the SO1 contract and far higher than medium and even long-term pricing expectations in the marketplace.

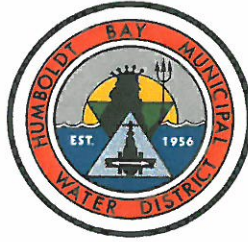
HBMWD will pay the Consultant Fee based on power generated by the Project in a given month, if any. The invoicing will be a simple add on step to monthly settlement and invoicing required by the ReMAT contract. HBMWD will include with each monthly payment to Consultant a copy of the project's meter data for the relevant month and price calculations used to determine the Consultant Fee (electronic documentation is acceptable).

Risks Deferred

Under this fee structure, HBMWD sheds and Consultant absorbs a number of significant risks HBMWD would otherwise face under a conventional fee-for-service consulting arrangement. HBMWD risks mitigated include:

- **Cost Uncertainty** - Consultant deferred fee is a known and set c/kWh, Consultant absorbs soft cost overruns to complete all transition services to achieve ReMAT COD for the Project,
 - Consultant has already navigated these processes and can provide services at low cost compared with other service providers,
 - Success Contingent Fee - aligns interests, significantly limits HBMWD out-of-pocket payments, ensures highly focused work by Consultant,

- Mitigates Potential Lost Revenues - Consultant experience with the specific scope and success contingent fee both incentivize Consultant to transition to higher paying ReMAT contract as quickly as can reasonably be achieved,
- **Payment Deferred** - HBMWD makes no payments for approximately 12 - 18 months. Fees are paid from revenues over time so HBMWD avoids large upfront payments,
- **Shared Water Risk** - HBMWD only pays fees from actual generation revenues, so HBMWD and Consultant share water risk; HBMWD pays significantly reduced fees while drought continues,
- **Unit Contingency** - if the generator breaks down and HBMWD determines in good faith not to fix it, HBMWD no longer pays Consultant fees for the Project. By deferring payment of fees over time, HBMWD avoids the unfortunate possible scenario where it invests significant capital into the contracting and transition work only to have that investment fail to pay out if the Project suffers some catastrophic damage and is no longer economically viable. From Consultant's perspective, providing HBMWD this protection has real risk. With PG&E likely to accept a very low GEP level, there would be small GEP Damage Payments if HBMWD walked away from a damaged project, thus increasing the risk that Consultant fees might be discontinued.



NOTICE OF VACANCY
BOARD OF DIRECTORS – DIVISION 1
HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7TH STREET
EUREKA, CALIFORNIA 95501

The Humboldt Bay Municipal Water District has a vacancy, effective March 10, 2016, for its Division 1 Director. The term expires December 4, 2016, with the election for this position during November 2016. The person appointed to fill this vacancy would serve through December 3, 2016.

Anyone interested in being considered to fill the vacancy must reside within the boundaries of Division 1, which is comprised of a portion of Eureka and the Manila CSD area. A map and legal description are available for inspection at the District's Eureka office. Contact the County's Election Division (445-7481) to confirm residency within HBMWD's Division 1.

If you are interested in applying for this position, please submit a letter of interest and resume to the District no later than the close of business (5 p.m.) on February 5, 2016. You may mail the information to: PO Box 95, Eureka 95502-0095, deliver it directly to 828 7th Street, Eureka, or email to: office@hbmwd.com.

The Board will determine which candidates to interview for the position. If selected as a candidate, you will be notified.

An overview of the District and summary of Director responsibilities are available at the District's office or its website (www.hbmwd.com). For any additional information about the Director position, call 443-5018.

Paul Helliker, General Manager

Posted January 15, 2016

PLEASE KEEP POSTED UNTIL FEBRUARY 5, 2016

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Paul Helliker
Date: January 14, 2016
Subject: Cannabis Activities

.....

Since our last conversation on cannabis activities in the county and the state, a number of items have evolved. The three bills that passed the legislature last year that set up a licensing program for cannabis production and distribution have now gone into effect. One unfortunate consequence is that there was a deadline in the legislation of March 1, 2016 for cities and counties to adopt their own rules, otherwise the state program would govern in toto. Assemblymember Wood has stated that this deadline was an error and that he will work to pass legislation to rescind this portion of the legislation, prior to the deadline becoming effective. Assembly Bill 21 would accomplish this task, and it is currently in the Senate and has been referred to the Committees on Health and Governance and Finance. However, given the timing of city and county ordinances, with requirements for two readings and a typical delay of 30 days between approval by boards or councils and effective dates, as well as the uncertainty of whether or not legislation will be passed and signed prior to March 1, Eureka, Arcata and Humboldt County have all proceeded to adopt local ordinances the regulate cannabis. Humboldt County supervisors are expected to complete their deliberations by January 12 on the county ordinance that would establish a licensing and land use program for cannabis production and distribution. The latest information on this process will be provided at the Board meeting.

The Regional Water Quality Control Board has proceeded to develop a compliance education program consisting of enrollment clinics, to assist cannabis growers with meeting the Regional Board's order that was adopted last year on site management requirements for cannabis growing operations. This order requires that growers be enrolled by February 16, 2016, with penalties for failing to do so and for failing to meet the specifications of the order. The first of these clinics will be on January 12 in Santa Rosa and January 14 in Willits. The Board plans to hold three clinics in each county within their jurisdiction in the first few months of 2016.

Other compliance workshops are being organized by the Mad River Alliance and EPIC, and will consist of presentations by the Regional Board, CDFW, CalFIRE and industry specialists, all of whom will present information about regulatory requirements, compliance mechanisms, best management practices and more. HBMWD is joining with other organizations to provide financial assistance for preparing the informational materials (workbooks), as well as the meeting logistics (room rentals, etc.) Our contribution is expected to be \$5,000.

The compliance workshops are scheduled as follows:

- | | |
|-------------------------|-------------|
| Mad River | February 28 |
| Mateel Community Center | March 13 |
| Willow Creek | March 19 |
| Mattole | April 3 |
| Eureka (Redwood Acres) | April 17 |

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Paul Helliker
Date: January 14, 2016
Subject: Water Resource Planning (WRP) – Status Report

.....

The purpose of this memo is to summarize recent activities and introduce next steps for discussion. At the December Board meeting, the Board expressed an interest in reviewing the timeline graphic that was prepared by David Aladjem. It is attached.

1) Top-Tier Water Use Options**a) Local Sales**

I have nothing new to report with respect to industrial sales on the peninsula.

We are setting up a planning meeting with our partners between Rio Dell and Trinidad to organize a project proposal for State revolving Loan funds to conduct the next level of planning and design for expansion of the transmission system northwards and southwards.

b) Transport

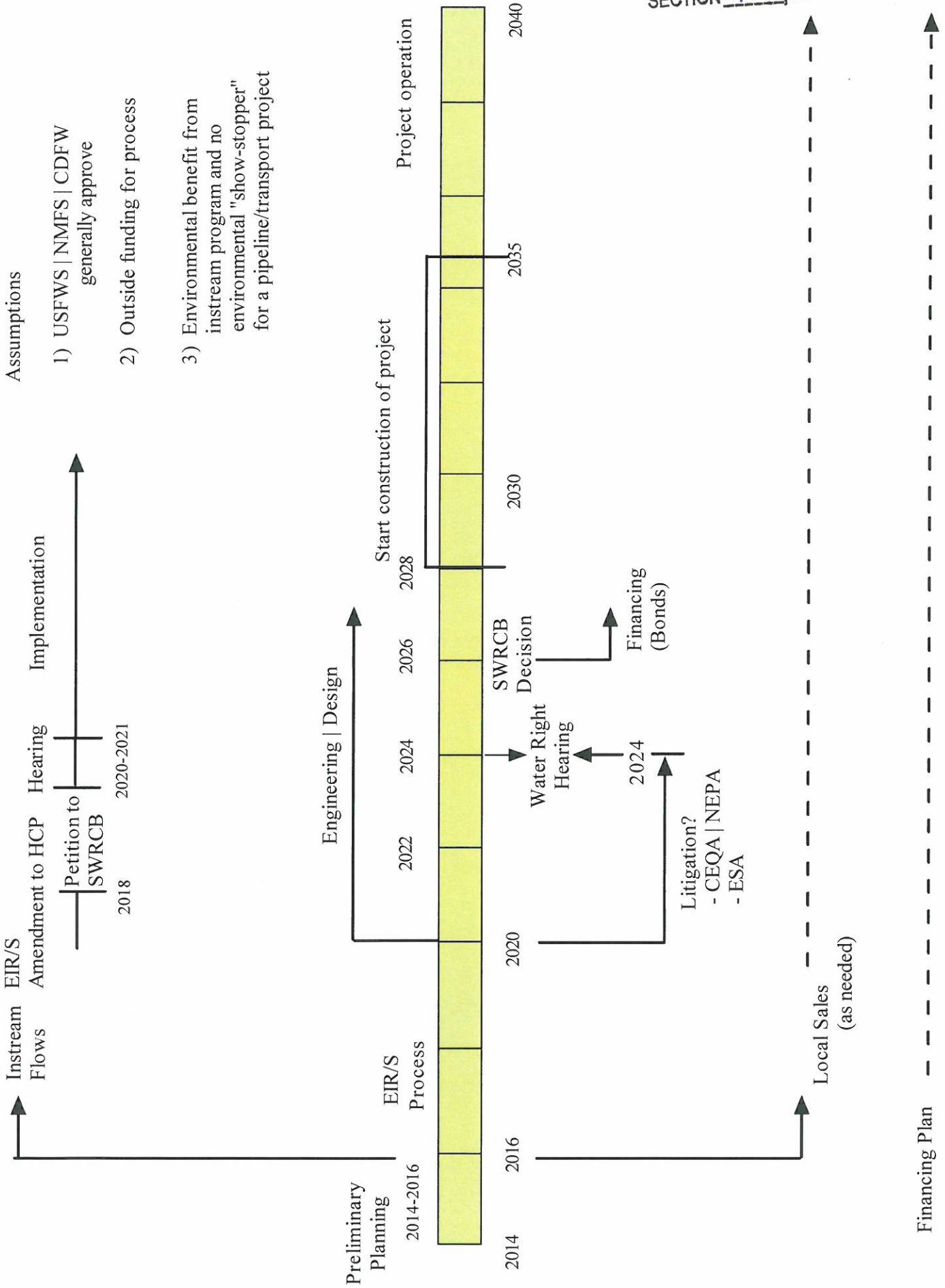
I have nothing new to report on this topic this month.

c) Instream Flow Dedication

The Prop. 1 grant proposal is awaiting review and decision by the Wildlife Conservation Board.

On January 6, Dale Davidsen, Steve Marshall, Pat Kaspari, Patrick Sullivan and I met to discuss a methodology to characterize “natural” flows in the Mad River that uses the equation in the HCP, but adjusts to account for travel time (the current equation assumes that the flows at each location summed together at the same time equal natural flow). GHD had already done a number of analyses on this topic, and had prepared hydrographs from various years with different travel times associated with upstream flows. We will use this information in a meeting we will schedule with CDFW and NMFS in the near future.

At the December meeting, Board members had asked about potential funding sources for streamflow dedications. One strong candidate would be the funding provided to the Wildlife Conservation Board in Proposition 1 for acquisition of water to provide streamflow enhancements (approximately \$200 million). As noted above, we have already applied for funds from this source to do planning to define flow regimes and potential environmental benefits. Similar language about acquisition of water appears in the guidelines for the CDFW Watershed Restoration Grant Program, which has \$285 million available. But because the CDFW funds can be used for many more types of projects than the WCB funds may, the former is expected to be much more difficult to obtain.



Assumptions

- 1) USFWS | NMFS | CDFW generally approve
- 2) Outside funding for process
- 3) Environmental benefit from instream program and no environmental "show-stopper" for a pipeline/transport project

New Business

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors
From: Sherrie Sobol
Date: January 5, 2016
Subject: Appointment of Officers and Committee Members

At the January Board meeting, the election/appointment of officers and committee members occurs. The following is a summary of required and discretionary actions that are on the agenda for your January 14th meeting.

a. Election/Appointment of Officers

Attached for your information is Section 5 of the Board's Governance manual that addresses the internal organization of the District (These requirements were taken from the pertinent sections of the California Water Code).

1. President - The Board must elect from its members a President in January of odd-numbered years. Since this is an even-numbered year, **no** election is required.
2. Vice-President – You may elect a Vice-President at any meeting. If the President is absent or unable to act, the Vice-President would exercise the powers of the President.
3. Appointment of Other Officers – The Board may appoint other officers at any time.

b. Appointment of Committee Members

Attached for your information is Appendix E of your Governance manual that lists the officer and committee assignments as they existed last year, as well as the committee charters. Each is briefly discussed below.

1. Other Appointments:

- ACWA Region 1 –Director Woo is currently on the Board
- ACWA-JPIA Board – Director Hecathorn is currently on the Board and Director Rupp and General Manager Helliker are the alternates.
- JPIA Employee Benefits Committee- Director Rupp is on the Committee.
- JPIA Finance Committee- Director Rupp is on the Committee
- RCEA Board – Director Woo is on the Board and Director Hecathorn is the alternate.
- RREDC Board – Director Rupp is on the Board and Director Hecathorn is the alternate.

2. Appointments by Others:

- LAFCO – Director Rupp was elected to the Commission, and the position is up for re-election.
- ACWA-JPIA Executive Committee- Director Rupp was elected to the committee last year.

- Eureka Oversight Committee – Director Rupp is serving on the Committee. The Committee has or will soon be completing its work and will be dissolved.

3. **HBMWD Committees:**

- Agenda Review – This is a standing committee comprised of the President, Secretary/Treasurer and General Manager. Therefore, no appointment is necessary unless the committee purpose or composition changes.
- Audit Committee – This is a standing committee comprised of the Secretary/Treasurer and one additional Board member. Director Woo is serving as the second Board member.
- Water Task Force – This is an ad-hoc committee comprised of one Board/Council member and one management representative from the District and each of the Municipalities. The Task Force is convened on an as needed basis to address items of significance for the regional water system. The President has served as our Board representative and the General Manager as our staff representative. Director Laird is currently serving as the alternate Board representative.
- Water Resource Planning-Instream Flow Committee – This is an ad-hoc committee to support planning and assessment work to determine the feasibility of an instream flow dedication in the Mad River. The committee is composed of two Board members, appointed by the President (with the consent of the majority of the Board) and the General Manager. Directors Laird and Woo are on the committee.
- Water Resource Planning-Transport Committee – This is an ad-hoc committee to assist with market research, assessment, and identification of potential agencies/districts which may be viable candidates for a water transfer in accordance with the District's Term Sheet for Transfer of Water. The committee is composed of two Board members, appointed by the President (with the consent of the majority of the Board) and the General Manager. Directors Rupp and Sopoci-Belknap are on the committee.
- Board Policy and Evaluations Committee- This is an ad-hoc committee to review the Board Policy Manual; the evaluation process for the General Manager and Legal Counsel; and assist the Board in making any changes to improve the manual and evaluation process. The committee is composed of the Board President and one additional member who is nominated by the President and approved by the Board. Director Rupp is serving as the second Board member.

Section 5 Internal Organization – Officers and Employees

Section 5.1 - Election of president; vice president

At its first meeting in the month of January of each odd-numbered year, the board must elect one of its members president. The board may at any meeting elect one of its members vice president. If the president is absent or unable to act, the vice president shall exercise the powers of the president.

Section 5.2 - Appointment of officers

The board will appoint, by a majority vote, a secretary, treasurer, attorney, general manager, and auditor, and shall define their duties and fix their compensation. The board may at any meeting appoint a deputy secretary and deputy treasurer. Each of these officers shall serve at the pleasure of the board. The board may consolidate the offices of secretary and treasurer.

Section 5.3 - Employment of employees

The board may employ additional employees as it deems necessary to efficiently maintain and operate the district.

Section 5.4 - President and secretary

The president and secretary, in addition to the duties imposed on them by law, will perform such duties as may be imposed on them by the board.

Section 5.5 - Treasurer

The treasurer, or other persons as may be authorized by the board, will draw checks to pay demands when such demands have been audited and approved in the manner prescribed by the board.

Section 5.6 - General Manager

Subject to the approval of the Board of Directors, the General Manager has:

- (a) full charge and control of the construction, maintenance, and operation, of the water system,
- (b) full power and authority to employ and discharge all employees and assistants (other than the officers referred to in Section 5.2 above) and prescribe their duties, and fix their compensation.

The general manager will also perform other duties as prescribed by the board.

Section 5.7 - Legal advisor

The attorney will be the legal adviser of the district and will perform other duties as may be prescribed by the board.

Section 5.8 – Committees

The Board may create committees, either standing or ad-hoc, and prescribe their duties and authority. Prior to appointment of board members to any committee, the President shall initiate a discussion to answer any questions about the purpose of the committee, and to assess board members' interest and availability to serve on that committee. Following such discussion, the President shall nominate board members to serve on the committee, following which the Board shall approve the nomination(s). No more than two board members may serve on the same committee.

Appendix E contains a listing of the District's current officers, other appointments, and the current committee members and charters.

(Water Code Section 71273 and Section 71340 and following)

HUMBOLDT BAY MUNICIPAL WATER DISTRICT Officers and Committee Assignments

Officers of the District	Incumbent/Member	Term
President	Barbara Hecathorn	Through December 2016
Vice President	Aldaron Laird	Until new appointment by Board
Secretary-Treasurer	J. Bruce Rupp	Until new appointment by Board
Assistant Secretary Treasurer	Kaitlin Sopoci-Belknap	Until new appointment by Board
General Manager	Paul Helliker	Until new appointment by Board
Attorney	Paul Brisso and Russ Gans of Mitchell, Brisso, Delaney & Vrieze	Until new appointment by Board
Auditor	Hunter, Hunter and Hunt	Until new appointment by Board
Other Assignments/Appointments		
ACWA Region 1 Board Member	Sheri Woo	2015-2016 ACWA Term
ACWA-JPIA Board Member	Barbara Hecathorn (regular) Paul Helliker (alternate) J. Bruce Rupp (alternate)	Until new appointment by Board
JPIA Employee Benefits Committee	J. Bruce Rupp	Until new appointment
JPIA Executive Committee	J. Bruce Rupp	Until new appointment
RREDC Board Member	J. Bruce Rupp (regular) Barbara Hecathorn (alternate)	Until new appointment by Board
RCEA Board Member	Sheri Woo (regular) Barbara Hecathorn (alternate)	Until new appointment by Board
LAFCO Commissioner	J. Bruce Rupp (County-wide Nomination Process)	Until new appointment
Committee Assignments (Charters Attached)		
Agenda Review Committee	President Secretary/Treasurer General Manager	n/a
Audit Committee	Secretary/Treasurer with Sheri Woo 2013	Secretary/Treasurer is standing member and second Director appointed year-to-year

HUMBOLDT BAY MUNICIPAL WATER DISTRICT Officers and Committee Assignments

Committee Assignments (Con't) (Charters Attached)		
Water Task Force	One Board/Council member and one management representative from District and each Municipality (may also include a representative from wholesale industrial customer) HBMWD Members: President Barbara Hecathorn and GM Alternate: Aldaron Laird	Until new appointment
Committee to Support and Advance Local Water Sales and Advance Consideration of "Transport" Option	Kaitlin Sopoci-Belknap and J. Bruce Rupp	Until new appointment
Committee to Support Consideration of an Instream Flow Dedication in the Mad River	Sheri Woo and Aldaron Laird	Until new appointment
Board Policy & Evaluations Committee	President and J. Bruce Rupp	Until new appointment
District Website Social Media Ad-Hoc Committee	Kaitlin Sopoci-Belknap and Sheri Woo	Until new appointment
Education and Outreach Committee	TBD	Until new appointment

INACTIVE COMMITTEES Charters attached

Committee	Prior Members	Status
Ad Hoc Committee for Negotiating Wholesale Contracts	Barbara Hecathorn Bruce Rupp	Inactive Committee
Water Resource Planning Advisory Committee	Bruce Rupp Kaitlin Sopoci-Belknap	Inactive Committee
Joint Agency Aquatic Invasive Species Committee	Barbara Hecathorn Aldaron Laird	Inactive Committee



HUMBOLDT BAY MUNICIPAL WATER DISTRICT
828 7th Street, Eureka

Agenda Review Committee

The agenda review committee is composed of the Board President, Secretary/Treasurer, and the General Manager. The purpose of this committee is to meet immediately prior to the monthly Board of Directors meeting to conduct a brief review of the agenda. It is intended to allow those responsible for presiding over the Board meeting an opportunity to become fully oriented to the posted agenda.

Humboldt Bay Municipal Water District

Audit Committee Purpose Statement

COMPOSITION

The Audit Committee is a standing committee of the Board composed of the following representatives:

- a. the Secretary/Treasurer
- b. one additional Board member to be appointed by the President. This appointment shall be for a one-year term to commence at the beginning of each fiscal year.

PURPOSE

The purpose of the Audit Committee is to oversee the District's annual audit process, and to assist the Board in its oversight of the following areas:

- a) the integrity of the District's financial statements;
- b) the District's compliance with legal and regulatory requirements;
- c) the qualifications and independence of the District's independent auditor; and
- d) the performance of the District's internal audit function.

The Committee is advisory to the Board of Directors and shall have no decision-making authority.

ACTIVITIES

Typical activities in which the Committee will be involved include:

- A) meeting with the independent auditor and management at the beginning of the audit process to discuss the scope of services to be provided and any particular areas of interest;
- B) receiving reports directly from the independent auditor;
- C) meeting periodically with the independent auditor, separate from management;
- D) overseeing the independent auditor during the audit process; and
- E) preparing recommendations to the Board if improvements to financial reporting or internal controls are warranted.

Humboldt Bay Municipal Water District

Water Task Force Purpose Statement

COMPOSITION

The Water Task Force is an ad hoc advisory group composed of the following representatives:

- a. The Board President and one management representative from the Humboldt Bay Municipal Water District (HBMWD)
- b. one Board/Council representative from each of the District's wholesale Municipal Customers as follows:
 - a. City of Arcata
 - b. City of Blue Lake
 - c. City of Eureka
 - d. Fieldbrook Community Services District
 - e. Humboldt Community Services District
 - f. Manila Community Services District
 - g. McKinleyville Community Services District
- c. One management representative from each of the District's wholesale Industrial Customers (if applicable to matter at hand.)

PURPOSE

The purpose of the Task Force is to work with HBMWD to consider and/or evaluate matters of a regional and significant nature within HBMWD's jurisdiction. Examples of such matters may include:

- A) Consideration of new, larger-scale water marketing or sales opportunities;
- B) Consideration of new safe drinking water regulations or other regulatory requirements which may trigger significant new treatment requirements;
- C) Consideration of Special Facility additions to HBMWD's system which are of regional interest; and
- D) Consideration of important service or pricing provisions during wholesale contract renewals.
- E) Consideration of other matters as deemed necessary.

The Task Force is advisory in nature and shall have no decision-making authority.

Humboldt Bay Municipal Water District

Water Task Force Purpose Statement

ACTIVITIES

Typical activities in which the Task Force may be involved with include:

- A) defining important issues and questions which should be addressed;
- B) evaluating engineering, economic, environmental, legal or general policy considerations (whichever are relevant for the issue under consideration);
- C) preparing reports and recommendations to each of the participating agencies' governing bodies regarding particular decisions/actions prior to HBMWD's final consideration of such decision/action;
- D) preparing recommendations as to the cost and/or revenue sharing mechanisms which should be included in new or modified wholesale water contracts.

OPERATION

The Task Force will be moderated by the HBMWD. General staff support and coordination will also be provided by HBMWD.

Meetings will be scheduled by HBMWD as needed at HBMWD's Eureka office. Meeting agendas will be prepared by HBMWD (with input from any Task Force member), and will be distributed and posted at least three days in advance of the meeting.

Representation of at least one formally appointed task force member by a majority (5) of the task force agencies constitutes a quorum. Each agency participating in the task force has one vote which may be cast by either of its formally appointed members. Actions of the Task Force must be approved on the basis of majority vote, provided a quorum is present.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT**Ad Hoc Committee
To Advance Local Water Sales and Opportunities and Support and Advance
Consideration of the "Transport" Option
Revised January 2013****Background**

A challenge of strategic importance to the District is loss of the entire industrial customer base given closure of the second pulp mill in 2009. This resulted in a significant loss in revenues which shifted substantial costs to the District's municipal customers; non-use of the Industrial Water System which now sits idle; and under-utilization of the District's water rights which will be lost and available to other parties if not put to "beneficial use" once again.

The District completed a comprehensive community-based planning process in 2009 and 2010 to raise awareness of this issue and its implications for the District and community. Significant input was received from stakeholder groups and the public. A 14-member Advisory Committee, comprised of diverse key stakeholders, completed much work. They created a Framework for Evaluating Water-use Options; conducted outreach and education; gathered public and stakeholder input on water-use options; and analyzed the options and developed recommendations. In August 2010, the Advisory Committee unanimously recommended 12 potential water-use options, and the Board of Directors accepted the Advisory Committee's report and recommendations.

The District completed an Implementation Plan (in August 2011) to advance consideration of top-tier options. The District intends to evaluate, and as appropriate, pursue the top-tier options which are:

- 1) Local commercial, industrial or agricultural water sales. This option includes other viable water-use options within the District, such as aquaculture, which is currently under consideration.
- 2) Transfer of water to another public agency outside of the District for an authorized beneficial use (e.g. municipal, industrial, environmental).
- 3) Dedicating a portion of the available water for in-stream flows in the Mad River. Such water would otherwise be in storage at Ruth reservoir for much of the year (i.e. summer and fall). This option is available pursuant to section 1707 of the California Water Code, which is intended to promote water transfers for the benefit of the environment.

Purpose of Committee

The purpose of this Committee is to assist with market research, assessment, and identification of potential agencies/districts which may be viable candidates for a water transfer in accordance with the District's Term Sheet for Transfer of Water (attached).

The committee's work will build upon and advance outcomes of the extensive community planning process the District conducted in 2009 and 2010, the Advisory Committee's recommendations, and the District's Implementation Plan.

The Committee will also assist with research, assessment and identification of potential businesses interested in using the existing industrial system.

The committee is advisory in nature. It has no authority to act on behalf of the Board. The Committee is vested with the limited authority of carrying out activities to meet this purpose and shall not exercise continuing subject matter jurisdiction.

Committee Composition

The committee will be composed of two Board members, appointed by the President with the consent of the majority of the Board, and the General Manager. The committee will receive staff support from Special Counsel for WRP process, the District's Engineer, and consultants who may be retained to support the market research and assessment.

Term

The committee is created for the sole and limited purpose stated above. It will be disbanded when the market research, assessment and identification of possible candidate agencies is completed.

Reporting

The Committee shall provide progress reports to the Board of Directors at its regularly scheduled meetings.

Term Sheet
Transfer of Water
by
Humboldt Bay Municipal Water District

1. *Term*

The District is contemplating a long-term (30-40 years) transfer of water. The District proposes two periods. An initial period (5-10 years) would be spent conducting necessary studies, obtaining all necessary regulatory approvals, performing the needed environmental review under NEPA and CEQA, and constructing required infrastructure. The main term of the agreement (25-30 years) would allow the parties to finance and amortize any infrastructure needed for the proposed transfer. The District is also willing to consider a limited number of subsequent terms (perhaps 5-10 years each), subject to the demand for water within Humboldt County and other factors.

2. *Price and Quantity of Water*

The District is exploring transferring up to 30 to 40 million gallons per day (MGD) (34,000 to 45,000 acre-feet per year) of raw water in 5 MGD increments. External factors may limit the maximum amount of water that may be transferred. The quantity of water could vary with hydrologic conditions and/or demands within the purchasing agency or within the District.

The purchasing agency will need to pay a per unit price that at least covers: (i) the District's fixed and variable costs to provide that water through its Surface Water System, (ii) a contribution to the cost of the District's regional water systems in Trinity and Humboldt Counties which supplies water to and directly supports the Surface Water System, and (iii) an additional increment to compensate the District for use of the water outside Humboldt County. The purchasing agency will also need to pay the costs of transporting water from Eureka to its service area. Finally, the parties will need to negotiate an initial payment to the District and an allocation of the costs of regulatory compliance and permitting.

3. *Other Considerations*

The District will give preference to working with agencies that: (i) do not intend to use the transfer water as "base load" to support new development, and (ii) are in compliance with the provisions of SB 7x7. If multiple proposals are received, the District may also consider and give preference to agencies that seek to use the transferred water, either directly or via an exchange, to address problems of groundwater overdraft or to provide water for instream flows/environmental enhancement.

HUMBOLDT BAY MUNICIPAL WATER DISTRICT**Ad Hoc Committee****To Support Consideration of an Instream Flow Dedication in the Mad River****Background**

A challenge of strategic importance to the District is loss of the entire industrial customer base given closure of the second pulp mill in 2009. This resulted in a significant loss in revenues which shifted substantial costs to the District's municipal customers; non-use of the Industrial Water System which now sits idle; and under-utilization of the District's water rights which will be lost and available to other parties if not put to "beneficial use" once again.

The District completed a comprehensive community-based planning process in 2009 and 2010 to raise awareness of this issue and its implications for the District and community. Significant input was received from stakeholder groups and the public. A 14-member Advisory Committee, comprised of diverse key stakeholders, completed much work. They created a Framework for Evaluating Water-use Options; conducted outreach and education; gathered public and stakeholder input on water-use options; and analyzed the options and developed recommendations. In August 2010, the Advisory Committee unanimously recommended 12 potential water-use options, and the Board of Directors accepted the Advisory Committee's report and recommendations.

The District completed an Implementation Plan (in August 2011) to advance consideration of top-tier options. The District intends to evaluate, and as appropriate, pursue the top-tier options which are:

- 1) Local commercial, industrial or agricultural water sales. This option includes other viable water-use options within the District, such as aquaculture, which is currently under consideration.
- 2) Transfer of water to another public agency outside of the District for an authorized beneficial use (e.g. municipal, industrial, environmental).
- 3) Dedicating a portion of the available water for in-stream flows in the Mad River. Such water would otherwise be in storage at Ruth reservoir for much of the year (i.e. summer and fall). This option is available pursuant to section 1707 of the California Water Code, which is intended to promote water transfers for the benefit of the environment.

Purpose of Committee

The purpose of this Committee is to support planning and assessment work to determine the feasibility of an instream flow dedication in the Mad River. Activities include addressing whether suitable quantities of water can be released from Ruth Lake at certain times to provide an environmental benefit (e.g. to habitat or sensitive species), and 2) addressing whether an instream flow dedication can be achieved from a regulatory and permitting perspective.

The committee's work will build upon and advance outcomes of the extensive community planning process the District conducted in 2009 and 2010, the Advisory Committee's recommendations, and the District's August 2011 Implementation Plan.

The committee is advisory in nature. It has no authority to act on behalf of the Board. The Committee is vested with the limited authority of carrying out activities to meet this purpose and shall not exercise continuing subject matter jurisdiction.

Committee Composition

The committee will be composed of two Board members, appointed by the President with the consent of the majority of the Board, and the General Manager. The committee will receive staff support from Special Counsel for WRP process, the District's Engineer, and consultants who may be retained to support the required environmental and regulatory research and associated feasibility analysis.

Term

The committee is created for the sole and limited purpose stated above. It will be disbanded when the planning and assessment work to determine the feasibility of instream flow dedication in the Mad River has been completed.

Reporting

The Committee shall provide progress reports to the Board of Directors at its regularly scheduled meetings.

Humboldt Bay Municipal Water District

Board Policy and Evaluations Committee

Purpose Statement

COMPOSITION

The Board Policy and Evaluations Committee is an ad hoc advisory committee composed of the following representatives:

- a. The Board President
- b. One additional Board member who is nominated by the President and approved by the Board.

PURPOSE

The purpose of the Board Policy and Evaluations Committee is to review the Board Policy Manual; the Evaluation process for the General Manager and Legal Counsel; and assist the Board in making any changes to improve the manual and evaluation process.

The committee is advisory in nature and shall have no decision-making authority. Any activity or recommendation from the committee requiring policy direction or action shall be presented to the HBMWD Board for consideration and approval at a regularly scheduled Board meeting.

ACTIVITIES

Typical activities in which the Board Policy and Evaluations Committee may be involved with include:

Board Policy Manual

- a) reviewing the current Board Policy Manual ;
- b) recommending changes to the Board for approval

Performance Evaluation

- c) reviewing the evaluation forms for the General Manager and Legal Counsel and providing suggested revisions;
- d) recommending a regular review schedule and process for the General Manager and Legal Counsel;

Humboldt Bay Municipal Water District

District Website and Social Media Ad-Hoc Committee

Purpose Statement

COMPOSITION

The Website Ad-hoc committee will be composed of the following representatives:

- a. Two Board members appointed by the President
- b. The General Manager and the Business Manager

PURPOSE

The purpose of the Website Committee is to provide advice and direction to upgrade the District's website, and on use of social media.

The committee is advisory in nature and shall have no decision-making authority. Any activity or recommendation from the committee requiring policy direction or action shall be presented to the HBMWD Board for consideration and approval at a scheduled Board meeting.

ACTIVITIES

Typical activities in which the Website Committee may be involved with include but are not limited to:

1. Defining important issues and questions to be addressed (i.e, how important is mobile response design for the website);
2. Providing input concerning website and social media functionality and content;
3. Researching and identifying potential web/media designers (preference is local company);
4. Preparing recommendations to the Board.



Date: December 18, 2015

H.B.M.W.D. DEC 22 2015

To: Board of Directors of Independent Special Districts

From: George Williamson, Executive Officer

Subject: CALL FOR NOMINATIONS – Humboldt LAFCo Independent Special District Member

The term of office for one of the special district members on LAFCo, currently held by Bruce Rupp of the Humboldt Bay Municipal Water District, expires on June 30, 2016. The basic process for selecting special district members to LAFCo is set forth in Government Code Section 56332. This provides for a meeting to be convened among representatives from each of the 48 independent special districts in Humboldt County, unless the Executive Officer determines that a meeting is not feasible. Based on Government Code Section 56332, it has been determined that a meeting of this "Independent Special District Selection Committee" for the purpose of selecting a special district member is not feasible due to the likelihood that a quorum would not be achieved. As such, both the nominating process and the election itself will be conducted by mail.

Your district is encouraged to participate in this election process. A schedule is enclosed together with a list of the 48 independent special districts in Humboldt County that are eligible to participate. If your district wishes to nominate a Board member to be a candidate for the LAFCo district member, the nomination procedures are as follows:

1. Each district may nominate one person; Nominees must be board members, not staff.
2. All nominations must be accompanied with a completed nomination form approved by a majority of your Board (enclosed).
3. The nomination form and a candidate's statement or letter of interest and qualifications must be returned to Humboldt LAFCo, 1125 16th Street, Suite 202, Arcata, CA 95521, or faxed 707-825-9181.
4. Upon receipt of nominations, LAFCo will prepare and send a ballot to each district. The ballot will state the return date and how successful candidates will be notified.

The deadline for submitting nominations is Friday, February 19, 2016. Any nomination that is submitted after the deadline will not be considered.

General information about LAFCo is available at the Humboldt LAFCo website at www.humboldtlaoco.org. The Commission is comprised of seven regular and four alternate members representing the county, cities, independent special districts, and general public. All terms are four years and end on June 30. Regular meetings are held at 9:00 a.m. on the third Wednesday of every other month in the Humboldt County Board of Supervisors Chamber, with special meetings held as needed.

If you have any questions, please contact LAFCo staff at 707-445-7508.

Election Schedule

LAFCo call for nominations letter mailed via certified mail	Friday, December 18, 2015
Nominations due to LAFCo	By 5:00 p.m., Friday, February 19, 2016
Ballots mailed from LAFCo via certified mail	No later than Friday, March 4, 2016
Election Day – Ballots due to LAFCo	By 5:00 p.m., Friday, May 6, 2016
Election results mailed from LAFCo via certified mail	No later than Friday, May 20, 2016

Current Special District Terms

Designation	Current Member	Term of Office (ends on June 30)
Regular Member	Bruce Rupp, Humboldt Bay Municipal Water District	2012 - 2016
Regular Member	Troy Nicolini, Samoa Peninsula Fire District	2014 - 2018
Alternate Member	Frank Scolari, Humboldt Community Services District	2014 - 2018

Independent Special Districts

Big Lagoon Community Services District	Arcata Fire Protection District
Briceland Community Services District	Blue Lake Fire Protection District
Carlotta Community Services District	Briceland Fire Protection District
Fieldbrook-Glendale Community Services District	Bridgeville Fire Protection District
Humboldt Community Services District	Ferndale Fire Protection District
Loleta Community Services District	Fruitland Ridge Fire Protection District
Manila Community Services District	Garberville Fire Protection District
McKinleyville Community Services District	Humboldt No. 1 Fire Protection District
Miranda Community Services District	Kneeland Fire Protection District
Orick Community Services District	Myers Flat Fire Protection District
Orleans Community Services District	Petrolia Fire Protection District
Palmer Creek Community Services District	Redway Fire Protection District
Patrick Creek Community Services District	Rio Dell Fire Protection District
Phillipsville Community Services District	Samoa Peninsula Fire District
Redway Community Services District	Telegraph Ridge Fire Protection District
Riverside Community Services District	Willow Creek Fire Protection District
Scotia Community Services District	
Weott Community Services District	Humboldt Bay Harbor, Recreation and Conservation District
Westhaven Community Services District	Humboldt County Resource Conservation District
Willow Creek Community Services District	North Humboldt Recreation and Park District
Alderpoint County Water District	Southern Humboldt Community Healthcare District
Hydesville County Water District	Fortuna Cemetery District
Jacoby Creek County Water District	Petrolia Cemetery District
Humboldt Bay Municipal Water District	
Garberville Sanitary District	
Resort Improvement District No. 1	



HUMBOLDT

Local Agency Formation Commission

Special District Member Nomination Form

Name of District: _____

Address: _____

Telephone: _____

The Board hereby nominates _____ to fill the term beginning on June 30, 2016 and expiring June 30, 2020 as a regular member of the Humboldt Local Agency Formation Commission representing independent special districts of Humboldt County.

Board action taken on the _____ day of _____, 2016, by the following vote:

AYES: _____

NOSE: _____

ABSTAIN: _____

ABSENT: _____

District Representative:

Signature

Printed Name



Special District Member Candidate Information Sheet

Providing this form or a letter of interest and qualifications is voluntary. It will be kept on file at the LAFCo offices and made available on request. It will not be distributed with the ballots.

Candidate Name: _____

Address: _____

Phone: _____

E-mail: _____

District: _____

Title: _____

Length of service with District:

Present Occupation:

Personal and Professional Background:

Summarize your interest in serving on LAFCo:

Summarize your qualifications for serving on LAFCo:

List local government and/or civic organization involvement:

List special interests:

Engineering

HUMBOLDT BAY MUNICIPAL WATER DISTRICT

To: Board of Directors

From: Paul Helliker

Date: January 14, 2016

Subject: Collector 1/1A Project

.....

At the December, 2015 Board meeting, we discussed with the Board the bid that was received for the Collector 1/1A project. The bid that was received from Layne Christensen Company came in at \$2,024,500. The costs of design, permitting, bid assistance and construction management are expected to be \$176,750, so the total combined cost would be \$2,201,250.

The District received funding in the amount of \$666,600 from the Proposition 84 Integrated Regional Water Management program, which was approved to offset a portion of the costs of conducting the Collector 1/1A project. If the District were to revise the scope of the project, it would need to revise the grant contract and secure approval from the Department of Water resources for the new scope, schedule and funding mix.

The District has collected \$850,251 in advance charges for this project. The combination of this funding with the Prop. 84 funding leaves a shortfall of \$684,399. See Table 1.

The District also has \$464,813 in funds in its Drinking Water Filtration Plant reserve, which could be applied to this project.

The District had established priorities for its major capital projects as part of the 2011 Capital Improvement Plan. In addition to ongoing repair and replacement projects for other parts of the water supply system, the Board decided that renovation or replacement of the Ranney collector laterals and the associated pumps, motors and electrical systems were top priority. This decision was due in part to the fact that existing peak summertime demand was approaching water collection capacity in the Ranney collector system.

The District started lateral replacements with Collector 3, in 2013. This project was successful in increasing the yield in that collector from 4-5 MGD to approximately 10 MGD. Collector 3 was the basis for the cost estimates for the Collector 1/1A project.

The next collector planned for lateral replacement was Collector 1/1A. This collector was chosen because of the groundwater modeling results, which showed that water supplies were likely to be robust in this area (and Collector 1 had historically been a good producer, albeit with turbidity problems). Collector 1A currently produces approximately 6 MGD, and the 5 new laterals proposed for Collectors 1 and 1A are expected to increase that production rate to 14-16 MGD. If the project is reduced to doing just the three laterals on Collector 1A, the projected production level would be 8.6 MGD. If the full project of Collector 1 and 1A is completed, it is possible that this one collector combination could satisfy peak usage rates.

The District does have some options to reduce the cost of this project. District staff could conduct part of the work on the project (such as installing plumbing for the dewatering system and doing river sampling). This would reduce the cost by \$124,000. See Table 2. We could do only the three laterals in Collector 1A, which would reduce the Layne cost to \$1,210,300, and the total project cost to \$1,387,050. See Table 3. These figures are included in the attached spreadsheets, entitled "Revised Schedule of Values."

At the Municipal Customers meeting in December, we discussed this project with our partners. They supported doing the full 1/1A project, due to the likely significant increase in water production capacity,

compared to the existing system. They also supported using the DWFP reserve for the project, if necessary. Finally, they were willing to forgo the increment in revenue that is expected with a new hydroelectric power contract, in order to repay the DWFP reserve.

Staff is currently in the process of updating the Capital Improvement Plan. In the 2011 Plan, the projected expenses for the domestic and regional system during the 2016-2021 window were \$14.3 million. This included renovating Collectors 2 and 4, so completion of the full Collector 1/1A project might allow these renovations to be delayed to a future timeframe, reducing the need for \$2-4 million in expenses.

Given the willingness of our Municipal Customers to support doing the full 1/1A project, the potential for increased production from the 1/1A project to an extent that the next collector renovation can be delayed for several year, that this collector represents our last chance at water in the river, and that this is likely the most cost effective time to perform the entire 1/1A project, staff recommends the we issue a Notice of Award to Layne Christensen Company for the performance of the entire 1/1A project and then issue an immediate Change Order to revise the scope to remove the installation of the yellow mine pipe, which District staff will perform, and for the purchase of the five 12-inch gate valves, which the District will purchase. The final awarded contract amount to Layne will be in the amount of \$1,900,000.

Revised Schedules of Values based on Correspondence from Layne
 Rev. 01/05/2016

TABLE 1 - ORIGINAL SCHEDULE OF VALUES IF WORK PERFORMED ON COLLECTORS 1&1A

No.	ITEM Description	Contract Items			
		Quantity	Unit Cost	Price	
1	Mobilization & Demobilization	1	LS	160,000.00	160,000.00
2	Caisson Dewatering	1	LS	216,000.00	216,000.00
3	Site set up, 1A	1		142,000.00	142,000.00
4	Site set up, Well 1	1		172,500.00	172,500.00
5	Installation of ports	5	LS	22,000.00	110,000.00
6	F&I, Develop laterals	750	FT	1,350.00	1,012,500.00
7	F&I SS Gate Valves	5	Ea.	17,500.00	87,500.00
8	Final performance test, Well 1	1	EA	49,000.00	49,000.00
9	Initial & Final performance tests, well 1A	1	LS	75,000.00	75,000.00
	TOTAL				2,024,500.00

GHD Design	52-C1L-2	\$ 61,000
GHD Bid Assistance	52-C1L-1	\$ 10,000
GHD Additional Bid Assistance		\$ 5,000
GHD Construction Management	52-C1L-2	\$ 100,000
Permits (Humb. Co. Grading)		\$ 750

Total Project Costs \$ 2,201,250

Funding

Advance Charges	\$ (850,251)
Prop 84 Grant Round 2	\$ (666,600)

Funding shortfall subtotal \$ 684,399

Additional Sources of Funding

Project Re-Allocations: Advance Charges for Collector 2	\$ (100,000)
DWFP Reserve	\$ (464,813)
*MSRA Reserve or (Ruth Bunk House-defer for one year)	\$ (120,000)
	\$ (415)

*Remaining MSRA Reserve: \$ 295,601 (415,601-120,000)

* Ruth Bunk House Project Budget amount: \$195,000.

TABLE 2 -REVISED SCHEDULE OF VALUES, IF COLLECTOR 1&1A WORK IS PERFORMED AND DISTRICT INSTALLS YELLOW MINE PIPE, BUYS VALVES AND PERFORMS RIVER SAMPLING

No.	ITEM Description	Contract Items			
		Quantity	Unit Cost	Price	
1	Mobilization & Demobilization	1	LS	160,000.00	160,000.00
2	Caisson Dewatering	0	LS	216,000.00	-
3	Site set up, 1A	1		142,000.00	142,000.00
4	Site set up, Well 1	1		172,500.00	172,500.00
5	Installation of ports	5	LS	22,000.00	110,000.00
6	F&I, Develop laterals	750	FT	1,350.00	1,012,500.00
7	Install SS Gate Valves	5	Ea.	9,600.00	48,000.00
8	Final performance test, Well 1	1	EA	49,000.00	49,000.00
9	Initial & Final performance tests, well 1A	1	LS	75,000.00	75,000.00
	SUBTOTAL				1,769,000.00
				If Layne carries earth work:	131,000.00
	TOTAL				1,900,000.00

GHD Design	52-C1L-2	\$	61,000
GHD Bid Assistance	52-C1L-1	\$	10,000
GHD Additional Bid Assistance		\$	5,000
GHD Construction Management	52-C1L-2	\$	100,000
Permits (Humb. Co. Grading)		\$	750

Total Project Costs \$ 2,076,750

Funding

Advance Charges	\$	(850,251)
Prop 84 Grant Round 2	\$	(666,600)

Funding shortfall subtotal \$ 559,899

Additional Sources of Funding

Project Re-Allocations: Advance Charges for Collector 2	\$	(100,000)
DWFP Reserve*	\$	(459,899)

Balance

\$ -

*(Balance remaining in DWFP Reserve: \$4,914=464,813-459,899)

TABLE 3 -REVISED SCHEDULE OF VALUES, IF ONLY WELL 1A WORK IS PERFORMED AND DISTRICT INSTALLS YELLOW MINE PIPE, BUYS VALVES AND PERFORMS RIVER SAMPLING

No.	ITEM Description	Contract Items		
		Quantity	Unit Cost	Price
1	Mobilization & Demobilization	1 LS	160,000.00	160,000.00
2	Caisson Dewatering	0 LS	216,000.00	-
3	Site set up, 1A	1	142,000.00	142,000.00
4	Site set up, Well 1	0	172,500.00	-
5	Installation of ports	3 LS	22,000.00	66,000.00
6	F&I, Develop laterals	450 FT	1,350.00	607,500.00
7	Install SS Gate Valves	3 Ea.	9,600.00	28,800.00
8	Final performance test, Well 1	0 EA	49,000.00	-
9	Initial & Final performance tests, well 1A	1 LS	75,000.00	75,000.00
	SUBTOTAL			1,079,300.00
			If Layne carries earth work:	131,000.00
	TOTAL			1,210,300.00

GHD Design	52-C1L-2	\$ 61,000
GHD Bid Assistance	52-C1L-1	\$ 10,000
GHD Additional Bid Assistance		\$ 5,000
GHD Construction Management	52-C1L-2	\$ 100,000
Permits (Humb. Co. Grading)		\$ 750

Total Project Costs	\$ 1,387,050
Funding	
Advance Charges	\$ (850,251)
Prop 84 Grant Round 2	\$ (666,600)
Funding Excess	<u>\$ (129,801)</u>

(No use of DWFP or MSRA Reserves)

Financial

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
Statement of Fund Balances at December 31, 2015

Account Fund Balance at Month End	AT 12-31-15	AT 12-31-14	Increase/(Decrease)
<u>U.S. BANK ACCOUNTS</u>			
- Commercial Account - Old General Fund Account	\$0.00	\$ 13,158.30	
- Commercial Account - New General Fund Account	253,356.60	0.00	
- Money Market Account (DWR Contract for SRF Loan)	① 159,865.20	433,480.89	
- Certificate of Deposit (DWR Contract for SRF Reserve)	② 547,447.50	547,338.00	
- Municipal Investor Account (Loan for Ranney & Techite Projects)	③ 0.00	50,256.13	
- Prop 50 Project Account (Community Intertie Projects)	⑧ 0.00	443,205.84	
Subtotal	<u>960,669.30</u>	<u>1,487,439.16</u>	(526,769.86)
<u>HUMBOLDT COUNTY:</u>			
- Investment Account	2,560,623.19	1,759,873.58	
- DWFP Reserve (in accordance with Ordinance 16)	④ 465,257.94	576,678.50	
- MSRA Reserve (Municipal Supplemental Reserve Account)	⑤ 416,442.88	413,432.44	
- SRF Loan Payment	⑥ 48,027.50	47,621.07	
- A/B Bond Tax Account	0.00	0.00	
- 1% Tax Account	⑦ 441,133.68	31,196.50	
Subtotal	<u>3,931,485.19</u>	<u>2,828,802.09</u>	1,102,683.10
<u>L.A.I.F.</u>	1,597.05	1,592.60	4.45
Cash on Hand	650.00	650.00	0.00
TOTAL CASH	<u><u>\$ 4,894,401.54</u></u>	<u><u>\$ 4,318,483.85</u></u>	<u><u>\$ 575,917.69</u></u>
Less: Encumbrances & Reserves (Funds Dedicated for Specific Purposes and Projects)			
<u>RESTRICTED</u>			
Municipal Customers PF2 Prior Year Reconciliation	(197,790.50)	(173,217.60)	
1% Tax Account	⑦ (441,133.68)	(31,196.50)	
Municipal Investor Account (Loan for Ranney & Techite Projects)	③ 0.00	(50,256.13)	
Municipal Customer Advanced Charging - Techite Pipeline Replacement Project	0.00	(175,938.01)	
Municipal Customer Advanced Charging - Ranney Collector 1 & 1A Rehabilitation	(850,251.25)	(429,003.79)	
Municipal Customer Advanced Charging - Ranney Collector 2 Rehabilitation	(170,454.14)	0.00	
DWR Reserve Fund for SRF Loan	② (547,447.50)	(547,338.00)	
DWR Contract Payment for SRF Loan for DWFP (Drinking Water Filtration Plant-PF1 Charges from Munis)	① (159,865.20)	(433,480.89)	
- Prop 50 Project Account (Community Intertie Projects)	⑧ 0.00	(443,205.84)	
SUBTOTAL RESTRICTED RESERVES (Net Position)	<u>(2,366,942.27)</u>	<u>(2,283,636.76)</u>	<u>83,305.51</u>
<u>UNRESTRICTED:</u>			
<u>Board Restricted:</u>			
Paik-Nicely Development	(4,158.00)	(4,158.00)	
DWFP Reserve *	④ (465,257.94)	(576,678.50)	
MSRA Reserve (Municipal Supplemental Reserve Account)	⑤ (416,442.88)	(413,432.44)	
<u>Unrestricted Reserves</u>			
SRF Loan Payment	⑥ (48,027.50)	(47,621.07)	
Techite CalEMA Subgrantee Administrative Allowance	(30,004.63)	(31,944.53)	
Municipal Customer Accumulation for Debt Service for US Bank Ranney & Techite Project Loan Payment	7,178.83	7,573.33	
General Fund Reserve	<u>(1,570,747.15)</u>	<u>(968,585.88)</u>	
SUBTOTAL UNRESTRICTED RESERVES (Net Position)	<u>(2,527,459.27)</u>	<u>(2,034,847.09)</u>	<u>492,612.18</u>
Total Net Position	<u><u>(4,894,401.54)</u></u>	<u><u>(4,318,483.85)</u></u>	<u><u>575,917.69</u></u>

* DWFP Reserve designated Source of Funds for Techite Pipeline Replacement Project

	DECEMBER RECEIPTS	YTD TOTAL AT 12-31-15	BUDGET	% OF BUDGET	YTD TOTAL AT 12-31-14
MISCELLANEOUS RECEIPTS (RETURNED TO CUSTOMERS VIA PF2)					
RETAIL WATER SALES	\$ 28,934.76	\$ 166,189.77	\$306,000	54%	\$ 161,714.25
SUBTOTAL RETAIL WATER SALES	\$ 28,934.76	\$ 166,189.77	\$306,000	54%	\$ 161,714.25
GENERAL REVENUES					
INTEREST (1)	3,873.69	6,765.65	\$12,000	56%	7,515.75
FCSD CONTRACT FOR MAINT. & OPERATIONS	0.00	130,736.83	175,000	75%	107,909.59
POWER SALES	5,623.61	34,772.24	175,000	20%	50,676.26
MISCELLANEOUS (SEE NEXT PAGE)	\$4,185.62	\$ 25,658.12	75,000	34%	\$ 23,098.47
SUBTOTAL GENERAL REVENUES	\$ 13,682.92	\$ 197,932.84	\$437,000	45%	\$ 189,200.07
TAX RECEIPTS					
1% TAXES (2)	455,508.66	462,720.91	750,000	62%	89,591.49
TOTAL PF 2 CREDIT	\$ 498,126.34	\$ 826,843.52	\$1,493,000	55%	\$ 440,505.81
WHOLESALE CONTRACT RECEIPTS					
INDUSTRIAL	\$0.00	\$0.00	\$0	0%	\$0.00
TOTAL INDUSTRIAL	\$0.00	\$0.00	\$0	0%	\$0.00
CITY OF ARCATA	\$89,709.54	\$527,168.82	\$1,129,075	47%	\$492,659.63
CITY OF EUREKA	214,570.86	1,476,946.37	2,745,393	54%	1,196,874.12
HUMBOLDT CSD	71,887.30	426,780.35	939,692	45%	405,983.57
MANILA CSD	5,885.04	34,766.06	74,906	46%	32,713.61
MCKINLEYVILLE CSD	71,510.26	425,771.59	929,087	46%	404,522.68
FLDDBROOK CSD	11,673.36	80,020.45	148,575	54%	63,059.48
BLUE LAKE	12,748.11	80,713.70	173,361	47%	94,065.72
TOTAL MUNIS	\$477,984.47	\$3,052,167.34	\$6,140,089	50%	\$ 2,689,878.81
A/B BOND TAXES	\$0.00	\$0.00	\$0	0%	\$0.00
TOTAL RECEIPTS	\$ 976,110.81	\$ 3,879,010.86	\$7,633,089	51%	\$ 3,130,384.62

(1) Interest on County Fund Investment Account July - September 2015

(2) 1% taxes (\$455,471.14) and Interest July - September 2015 1% taxes account (\$37.52)

MISCELLANEOUS RECEIPTS

	DECEMBER	YEAR TO DATE
Administrative		
<i>Parking Lot Rent</i>	\$25.00	\$150.00
<i>Employee Telephone</i>	2.00	51.56
<i>Employee Gas</i>	0.00	461.79
<i>Retirees' Reimbursement of Health Insurance Premium</i>	3,850.64	16,456.35
<i>COBRA Dental Ins & Admin Fee - Retiree</i>	66.50	480.98
<i>COBRA Vision Ins & Admin Fee - Retiree</i>	18.93	132.51
<i>Water Processing Fees</i>	90.00	420.00
<i>Hydrant Rental Deposit</i>	0.00	0.00
<i>Meter Installations</i>	0.00	0.00
<i>Retail Connection Charge</i>	0.00	0.00
<i>Mainline Connection Charge</i>	0.00	0.00
<i>Right of Way Fees</i>	0.00	0.00
<i>Special Event Liability Insurance</i>	0.00	361.50
<i>ACWA/JPIA Retrospective Premium Adjustment</i>	0.00	0.00
<i>ACWA/JPIA Insurance Claim</i>	0.00	0.00
<i>Dividend Check (Principal Life)</i>	0.00	405.84
<i>Bad Debt Recovery</i>	0.00	146.29
<i>Miscellaneous Payments for Copies &/or Postage Costs</i>	21.50	80.38
<i>Diesel Fuel Tax Refund</i>	0.00	0.00
<i>Park Use Fees</i>	50.00	175.00
<i>Overpayment Refund - Reynolds RV</i>	0.00	40.00
<i>State of California - Open Meeting Act Claims 1997-2003</i>	0.00	1,465.00
<i>State of California - Refund of Sales Tax Penalty</i>	0.00	789.30
Ruth Area		
<i>Use of Ruth Cabin</i>	0.00	210.00
<i>RLCSD-Water System Permit Fees</i>	0.00	0.00
<i>Ruth Area Water Use Permit</i>	0.00	0.00
<i>Buffer Strip Right of Way License Fee</i>	0.00	0.00
<i>Ruth Buffer Strip PG&E Right of Way Fees</i>	0.00	0.00
<i>Ruth Sale of Merchantable Timber</i>	0.00	0.00
<i>Ruth Sale of Surplus Gravel</i>	0.00	0.00
<i>Don Bridge Lease</i>	0.00	0.00
Miscellaneous		
<i>Sale of Scrap Transformer</i>	0.00	714.00
<i>Sale of Scrap Metals</i>	61.05	75.65
<i>Sale of Surplus Equipment</i>	0.00	700.00
<i>Humboldt Bay Harbor Recreation & Conservation District</i>	0.00	341.97
<i>GHD - Contribution for Carol Rische's Retirement Event</i>	0.00	2,000.00
<i>Other</i>	0.00	0.00
Total Miscellaneous Receipts	\$4,185.62	\$ 25,658.12

OTHER RECEIPTS or GRANTS

<i>CalEMA Techite Grant Reimbursement (Note 1)</i>	\$0.00	\$279,518.00
<i>CDPH - Prop 50 Intertie Project Grant Reimbursement (Note 1)</i>	0.00	186,812.95
<i>Prop 84 - Ranney Collector 1</i>	0.00	15,962.35
<i>CalEMA Blue Lake/Fieldbrook Pipeline Crossing(Note1)</i>	0.00	10,267.00
<i>Fire Hydrant Installation - Techite Pipeline Replacement</i>	0.00	8,200.00

Notes:

1 - The CalEMA Techite Grant Reimbursement, Prop 50 Intertie Project Grant Reimbursement, CalEMA Blue Lake/Fieldbrook Pipeline Crossing and Fire Hydrant Installation- Techite Pipeline Replacement are not included in PF2 revenue credits because the costs are not included in PF2 project monthly expense totals.

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**HUMBOLDT BAY MUNICIPAL WATER DISTRICT
TOTAL EXPENDITURES
AT DECEMBER 31, 2015 (6 MONTHS - 50%)**

	DECEMBER EXPENSES	TOTAL 12/31/2015	BUDGET	% OF BUDGET	TOTAL 12/31/2014
PAYROLL:					
Regular	\$ 145,432.68	\$ 909,699.01	\$ 1,886,825	48%	\$ 860,825.09
Part-Time	2,574.75	18,360.39	53,600	34%	25,852.01
Overtime	3,469.56	13,174.66	35,000	38%	21,412.45
Standby	6,299.39	37,346.71	74,000	50%	35,975.52
Pay Differential	703.04	4,423.12	11,500	38%	4,354.01
Deferred Compensation	1,175.00	7,350.00	14,400	51%	7,150.00
Employee Assistance Plan	68.14	445.10	1,078	41%	447.83
Director Compensation	2,080.00	11,760.00	26,000	45%	12,000.00
Director - Secretary Fees	262.50	1,575.00	3,200	49%	1,575.00
Taxes/Benefits	88,269.11	699,132.60	1,347,689	52%	603,016.67
TOTAL PAYROLL	\$ 250,334.17	\$ 1,703,266.59	\$ 3,453,292	49%	\$ 1,572,608.58
SERVICE & SUPPLY					
O & M					
Engineering	\$2,883.00	\$40,654.59	\$ 75,000	54%	\$13,053.88
Maint., Repairs, Supplies	12,315.68	48,707.70	115,000	42%	39,183.40
TRF Maint, Repairs, Supplies	6,115.81	16,300.57	55,000	30%	21,607.42
Lab	705.00	4,085.00	13,000	31%	4,987.49
Auto Maintenance	2,409.42	17,078.77	46,000	37%	19,933.10
Radio Maintenance	257.08	1,794.95	10,500	17%	1,568.83
USGS Meter Station	0.00	0.00	7,800	0%	0.00
Ruth Lake License	0.00	1,500.00	1,500	100%	1,500.00
A&G					
Accounting Services	0.00	1,000.00	\$ 33,000	3%	0.00
Legal	178.00	7,633.00	28,000	27%	3,661.08
Professional Services	25.00	2,117.53	20,000	11%	279.27
Insurance	0.00	71,149.00	93,000	77%	67,858.60
Telephone	3,893.73	23,519.41	31,000	76%	19,107.39
Office Building Maintenance	1,107.29	11,946.04	14,000	85%	10,614.36
Office Expense	2,456.22	30,686.38	46,000	67%	29,949.04
Travel & Conference	2,045.19	6,045.60	25,000	24%	8,679.96
Dues & Subscriptions	225.00	13,818.40	14,500	95%	14,199.95
Technical Training	230.00	4,265.90	11,000	39%	1,365.63
County Tax Fee	8,951.00	8,951.00	21,000	43%	0.00
County Property Taxes	945.00	998.60	1,100	91%	998.60
LAFCO	5,847.74	5,847.74	4,500	130%	0.00
Regulatory Agency Fees	1,414.30	65,809.79	71,000	93%	44,999.82
Ruth Lake Programs	0.00	0.00	5,000	0%	4,000.00
Miscellaneous	192.16	13,590.86	10,500	129%	4,355.37
TOTAL SERVICE/SUPPLIES W/OUT POWER	\$52,196.62	\$397,500.83	\$ 752,400	53%	\$311,903.19
POWER					
Essex Pacific Gas & Electric	\$ 38,049.33	\$ 301,308.64			\$ 299,061.32
Fuel For 2 MW Generator	0.00	4,394.36			10,946.30
Subtotal Essex Pumping	\$ 38,049.33	\$ 305,703.00			\$ 310,007.62
All Other Pacific Gas & Electric	7,101.74	35,432.87			38,711.06
POWER EXPENSE SUBTOTAL	\$ 45,151.07	\$ 341,135.87	\$ 687,000	50%	\$ 348,718.68
TOTAL SERVICE/SUPPLIES WITH POWER	\$97,347.69	\$738,636.70	\$ 1,439,400	51%	\$660,621.87
PROJECTS, FIXED ASSETS & CONSULTING SERVICES					
	\$ 159,229.89	\$ 559,781.85	\$ 3,945,710	14%	\$ 3,497,646.77
TOTAL OPERATING	\$ 506,911.75	\$ 3,001,685.14	\$ 8,838,402	34%	\$ 5,730,877.22
DEBT SERVICE - SRF LOAN	\$273,668.48	\$547,336.96	\$ 547,337	100%	\$0.00
TOTAL EXPENDITURES	\$ 780,580.23	\$ 3,549,022.10	\$ 9,385,739	38%	\$ 5,730,877.22
DEBT SERVICE - US Bank	\$0.00	\$81,094.05	\$ 162,200	50%	\$81,094.05

(1) SRF Loan payment was made by U.S. Bank on 7/1/2015. This amount was collected from Municipal Customers monthly per PF1 during FY14/15.
U. S. Bank as Fiscal Agent for District pays State of California semi-annual payments (January and July)

I. CAPITAL PROJECTS	DECEMBER		YTD TOTAL 12/31/2015	BUDGET	% OF BUDGET
	EXPENSES				
A. Projects Charged to All Customers via Price Factor 2 (BWF)					
Ranney Collector 2 Rehabilitation	\$284.42	\$118,669.25	140,500	84%	
Collector 2 - Advanced Charge	9,090.91	54,545.46	100,000	55%	
Industrial/Domestic Intertie Repair	0.00	0.00	70,000	0%	
Upgrade Ethernet Radio Modems/PLC Systems at Samoa Booster Pump Station	0.00	0.00	18,000	0%	
Replace 200HP Variable Frequency Drive at Samoa Booster Pump Station	0.00	12,602.28	14,000	90%	
Replace Essex Septic System	0.00	883.60	60,000	1%	
Repair/Upgrade Park Restrooms	0.00	0.00	5,250	0%	
Upgrade Ruth Hydro Communications	0.00	0.00	5,000	0%	
Repair Ruth HQ Master Bath/Laundry Room	0.00	0.00	6,000	0%	
SUBTOTAL A:	\$9,375.33	\$186,700.59	418,750	45%	
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)					
Upgrade Chlorine Leak Response and De-Con Equipment	\$11,039.35	\$12,405.18	14,750	84%	
Replace/Modify TRF Access Gate	0.00	0.00	5,000	0%	
Replace Three TRF Chlorine Analyzers	0.00	7,293.62	29,500	25%	
Replace Particle Counter	25,844.65	26,401.45	35,000	75%	
Remodel TRF Line Shed 5	0.00	0.00	17,250	0%	
SUBTOTAL B:	\$36,884.00	\$46,100.25	101,500	45%	
C. Projects Funded by Other Sources (BWF)					
Blue Lake/FGCSD River Crossing Funded by Prop 84 & FEMA Grants	\$51,445.54	\$79,882.91	298,000	27%	
Ranney Collector 1 & 1A Laterals Partially funded through Prop 84 Grant & Adv. Charges	2,953.62	25,287.43	1,516,850	2%	
Replace Ruth Bunkhouse Partially funded through Reserves	0.00	2,773.33	395,000	1%	
SUBTOTAL C:	\$54,399.16	\$107,943.67	2,209,850	5%	
TOTAL CAPITAL PROJECTS:	\$100,658.49	\$340,744.51	2,730,100	12%	

Annual Capital Project Limitation (per Section 7.2.5 of Ordinance 16)
Amount that can be charged to wholesale customers in a fiscal year.

FY2013/14 Annual Limit	1,083,300
Total charged to date	-\$232,801
Balance Remaining	850,499

While the total projects expenditures are budgeted at \$3,945,710, the actual wholesale customer charges are \$2,093,060. Capital 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		DECEMBER	YTD TOTAL	% OF
A. Projects Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	12/31/2015	BUDGET
Essex - Replace Administrative Computers		\$0.00	\$4,386.36	103%
Essex - Replace Control System Computer		0.00	0.00	0%
Replace 8 Inch Barnes Pump		0.00	62,250	0%
Hydraulic Lift Gate for Unit 15		0.00	4,800	0%
Replace Unit 13		0.00	27,750	0%
Remote Control for Shop Bridge Crane		0.00	804.25	64%
Purchase Electric Jackhammer		0.00	1,590.47	91%
Replace/Upgrade Portable Work Lighting		0.00	1,714.08	62%
Purchase Portable Scaffolding		0.00	0.00	0%
Install Signal Amplifier at Mt. Pierce		0.00	4,500	0%
Replace Ruth Hydro 125 VDC Power System (Battery Bank)		0.00	20,750	0%
Replace Eureka Office GIS Computer		0.00	3,600	0%
SUBTOTAL A:		\$0.00	\$8,495.16	6%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
Replace Chlorine Safety Shutdown System		\$0.00	23,750	0%
Replace V-Notch Chlorinators at Essex		0.00	13,250	0%
Purchase Back-up TRF Sludge Pump		0.00	5,750	0%
SUBTOTAL B:		\$0.00	42,750	0%
TOTAL FIXED ASSETS PROJECTS:		\$0.00	\$8,495.16	5%

II. MAINTENANCE PROJECTS		DECEMBER	YTD TOTAL	% OF
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	12/31/2015	BUDGET
Pipeline Maintenance		\$223.60	\$4,524.92	37%
12KV Electric System Maintenance		0.00	4,000	0%
12KV Emergency Repair Parts		0.00	2,000	0%
Mainline Meter Flow Calibration		0.00	6,000	0%
Technical Support & Software Updates to Include Control System Generator Service		0.00	5,584.86	27%
Hazard & Diseased Tree Removal		0.00	4,000	0%
Catholic Protection		0.00	5,540	0%
Maintenance Emergency Repair		0.00	153.34	3%
Fleet Paint Repairs		0.00	0.00	0%
Large Business & Fire Service Meter Calibration & Maintenance		838.18	3,440.08	69%
Replace Eyewash/Shower Station and Drain System		0.00	0.00	0%
Replace Samoa Booster Pump Station Roof		0.00	0.00	0%
Paint 2MW Generator Enclosure and Fuel Tank		0.00	3,823.66	57%
Repair/Upgrade 1000 Gallon Fuel Tank		275.14	275.14	3%
Brush Abatement at Ruth Dam		0.00	5,750	0%
Ruth Hydro - Howell Bunger Valve Inspection		0.00	5,540	0%
Ruth Hydro - Replace Howell Bunger Valve Hydraulic Cylinder		7,045.78	7,045.78	101%
SUBTOTAL A:		\$8,382.70	\$24,847.78	15%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
TRF - Generator Service		\$0.00	\$141.96	28%
TRF Limitorque Valve MXA-05 Conversion Kits		0.00	3,153.24	49%
Rebuild TRF Sludge Pump		0.00	2,500	0%
Replace TRF Sludge Wet Well Control Valves		3,079.70	7,091.90	135%
SUBTOTAL B:		\$3,079.70	\$10,387.10	70%
TOTAL MAINTENANCE PROJECTS:		\$11,462.40	\$35,234.88	20%

III. PROFESSIONAL & CONSULTING SERVICES		DECEMBER	YTD TOTAL	% OF
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	12/31/2015	BUDGET
Crane Testing/Certification		\$0.00	\$1,059.19	16%
Crane Operator Training		0.00	7,000	0%
Essex Mad River Cross-Sectional Survey		93.00	8,567.00	86%
Mad River Watershed		0.00	50,000	0%
Urban Water Management Plan Update		0.00	10,000	0%
Focused Engineering Study for Facility Use Master Plan		6,735.00	14,551.50	54%
Essex Control Building Plans & Specifications		0.00	40,000	0%
Focused Engineering Studies		0.00	35,000	0%
Dune Monitoring Program - Component of Coastal Conservancy Climate Ready Grant		0.00	2,000	6%
Planning for SCADA System Upgrade		624.00	6,838.00	53%
GIS/Facilities Information System		0.00	13,000	14%
Backflow Tester Training		0.00	3,000	83%
Control Software Training		11,050.58	12,387.92	0%
Technical Training		0.00	5,750	0%
Ruth Lake Buffer Strip Timber Management		0.00	15,000	0%
Hydro Assessment & Analysis		0.00	15,000	0%
FERC Dam Safety Surveillance & Monitoring Report(DSSMR)/FERC Dam Safety Review (Part 12)		0.00	369.00	1%
FERC Dam Safety Surveillance Monitoring Plan Bi-Annual Surveys		11,341.50	26,500.50	88%
FERC Part 12 Seismic Analysis		0.00	11,488.10	115%
FERC Part 12 Independent Consultant Inspection and Engineering Support		2,398.00	5,533.51	6%
Upgrade District Website		0.00	25.00	0%
Grant Applications		0.00	7,525.00	25%
Water Resources Planning		78.99	9,950.83	13%
SUBTOTAL A:		\$32,321.07	\$105,321.55	18%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
Chlorine System Maintenance		\$1,822.70	\$1,927.69	12%
SUBTOTAL B:		\$1,822.70	\$1,927.69	12%
TOTAL PROFESSIONAL & CONSULTING SERVICES:		\$34,143.77	\$107,249.24	18%
IV. INDUSTRIAL SYSTEM PROJECTS		DECEMBER	YTD TOTAL	% OF
A. Charged to All Customers via Price Factor 2 (BWF)		EXPENSES	12/31/2015	BUDGET
- Maintain Water Supply to Industrial Pump Station (Pump Station 6) During Low-Flow Months		\$0.00	\$340.00	3%
- Surge Tower Replacement Plans		4,545.50	4,545.50	9%
SUBTOTAL A.		\$4,545.50	\$4,885.50	8%
B. Charged to Municipal Customers via PF2 (DWTF)				
SUBTOTAL B.		\$0.00	\$0.00	0%
TOTAL INDUSTRIAL SYSTEM PROJECTS:		\$4,545.50	\$4,885.50	8%

CARRY-OVER PROJECTS FROM 2014/15	DECEMBER EXPENSES	YTD TOTAL 12/31/2015	BUDGET	% OF BUDGET
I. CAPITAL PROJECTS				
A. Charged to All Customers via Price Factor 2 (BWF)				
Engineering & Design for Essex Septic System	\$0.00	\$15,078.86	12,000	126%
Replace Check Valves on Collector Pumps	0.00	2,175.00	2,100	104%
Energy Efficiency Upgrades for Electrical Shop	0.00	1,907.14	2,000	95%
Ruth Hydro - Install Auto Synchronizer System	8,337.32	11,732.32	14,000	84%
Ruth - Build Cover Over Fuel Tank	82.41	2,319.55	2,500	93%
Subtotal Capital Projects	\$8,419.73	\$33,212.87	32,600	102%
I. FIXED ASSETS				
A. Charged to All Customers via Price Factor 2 (BWF)				
SUBTOTAL A.	\$0.00	\$0.00	0	0%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
TRF - Security System Upgrades	\$0.00	\$0.00	20,000	0%
TRF- Install New Cabinets in Lab	0.00	0.00	750	0%
Purchase Slow Speed N-Poly Mixer	0.00	3,986.04	7,500	53%
SUBTOTAL B.	\$0.00	\$3,986.04	28,250	14%
Subtotal Fixed Assets Projects	\$0.00	\$3,986.04	28,250	14%
II. MAINTENANCE PROJECTS				
A. Charged to All Customers via Price Factor 2 (BWF)				
Update Essex & Maintenance Shop Restrooms	\$0.00	\$0.00	1,000	0%
Re-Grade Area Around Collector 4	0.00	2,481.00	5,000	50%
Relocate Radio Equipment at Picketts Peak	0.00	15,368.15	30,000	51%
Ruth Spillway Bridge Painting	0.00	0.00	85,000	0%
SUBTOTAL A.	\$0.00	\$17,849.15	121,000	15%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
SUBTOTAL B.	\$0.00	\$0.00	0	0%
Subtotal Maintenance Projects	\$0.00	\$17,849.15	121,000	15%
III. PROFESSIONAL & CONSULTING SERVICES				
A. Charged to All Customers via Price Factor 2 (BWF)				
Collector 3 Evaluation Report	\$0.00	\$8,124.50	8,000	102%
SUBTOTAL A.	\$0.00	\$8,124.50	8,000	102%
B. Projects Charged to Municipal Customers via Price Factor 2 (DWTF)				
SUBTOTAL B.	\$0.00	\$0.00	0	0%
Subtotal Professional & Consulting Projects	\$0.00	\$8,124.50	8,000	102%
2014/15 CARRYOVER PROJECTS TOTAL	\$8,419.73	\$63,172.56	189,850	33%
PROJECTS GRAND TOTAL:	\$159,229.89	\$559,781.85	3,945,710	14%
Less Projects Funded from Other Sources (Grants/Loans/Advanced Charges/Reserves)	(54,399.16)	(107,943.67)	(2,209,850.00)	5%
PF2 Project Total Charged to Customers excluding Debt Service (US Bank)	\$104,830.73	\$451,838.18	1,735,860.00	26%
Community Interties Funded by Prop 50 Grant	\$0.00	\$	138,571.36	

The Community Interie Project is complete. The costs shown above were fully reimbursed by the Prop 50 Intertie Project Grant.

Humboldt Bay Municipal Water District
Overtime Pay
December 2015

	54TRF		51		52		54		55		58		TOTAL	
	Hours	Dec 15	Hours	Dec 15	Hours	Dec 15	Hours	Dec 15	Hours	Dec 15	Hours	Dec 15	Hours	Dec 15
Employee Wages, Taxes and Adjustments														
Gross Pay	14	766.20	18.5	876.64	6	387.00	14	784.82	1	52.30	11	602.60	64.50	3,469.56
Overtime	14	766.20	18.5	876.64	6	387.00	14	784.82	1	52.30	11	602.60	64.50	3,469.56
Total Gross Pay	14	766.20	18.5	876.64	6	387.00	14	784.82	1	52.30	11	602.60	64.50	3,469.56
Adjusted Gross Pay	14	766.20	18.5	876.64	6	387.00	14	784.82	1	52.30	11	602.60	64.50	3,469.56
Net Pay	14	766.20	18.5	876.64	6	387.00	14	784.82	1	52.30	11	602.60	64.50	3,469.56
Employer Taxes and Contributions		0.00		0.00		0.00		0.00		0.00		0.00		0.00

51 - Ruth
52 - Pumping & Control
53 - Water Treatment
54 - Maintenance & Operation
55 - Customer Service
56 - Administration
58 - Ruth Hydro

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2015

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Memo	Amount
Advanced Security Systems	
Eureka Quarterly Alarm System Monitoring	-318.00
Essex Quarterly Alarm System Monitoring	-73.50
Total Advanced Security Systems	-391.50
Arcata Fire Prot. District	
Fire Assessment 2015/16	-945.00
Total Arcata Fire Prot. District	-945.00
Arcata Garbage	
Essex garbage	-365.78
Total Arcata Garbage	-365.78
Arcata Stationers	
Essex office supplies	-123.74
Total Arcata Stationers	-123.74
Asbury Environmental Services	
Collector 2 Rehabilitation	-215.00
Total Asbury Environmental Services	-215.00
AT & T	
Ruth HQ	
TRF	
Essex office	
Eureka office	-163.72
Ruth Hydro	
Valve Building Samoa	
Ruth HQ	-9.65
TRF	-199.39
Essex office	-56.71
Eureka office	-8.34
Ruth Hydro	-619.81
Valve Building Samoa	-81.35
Total AT & T	-1,138.97
AT&T	
Eureka/Essex Landline	-35.31
Arcata/Essex Landline	-35.31
Samoa/Essex Landline	-236.75
Blue Lake Meter Signal Line	-60.96
Eureka Office	-94.35
Eureka Office Alarm Line	-38.45
Samoa Booster Pump Station	-65.36
Valve Building-Samoa	-94.35
Eureka Office	-270.19
Essex Office	-477.43
TRF	-175.56
Ruth Data Line	-91.30
Total AT&T	-1,675.32
AT&T Advertising Solutions	
white page listing	-21.00
Total AT&T Advertising Solutions	-21.00
AWWA	
Annual Membership Renewal - Dale Davidsen	-105.00
Total AWWA	-105.00
Bay Tank Metal Fabrication	
Unit 8 modification	-162.47
Total Bay Tank Metal Fabrication	-162.47
C & K Johnson Industries, Inc	
Ruth Fire Damage	-4,485.94
Total C & K Johnson Industries, Inc	-4,485.94

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2015

Memo	Amount
Campton Electric Supply	
Control Software training	-7,680.00
TRF Lab Lighting	-167.87
Control System Rockwell Programming Training	-2,560.00
Total Campton Electric Supply	-10,407.87
Carl M. Kjer & Sons	
crane service for Collector 2 motor repair	-750.00
Total Carl M. Kjer & Sons	-750.00
City of Eureka	
Eureka office water/sewer	-50.76
Total City of Eureka	-50.76
Coastal Business Systems Inc.	
Eureka office copy and fax machine	-563.00
Total Coastal Business Systems Inc.	-563.00
Cody Bruffett	
auto mileage reimbursement - replaces lost check #40524	-94.01
Total Cody Bruffett	-94.01
Dilling Machine Works	
machine work for Pump 2.2 repair	-440.00
machine work for Bobcat repair	-320.00
Total Dilling Machine Works	-760.00
Downey Brand Attorneys LLP	
legal assistance with Water Resources Planning	-75.00
Total Downey Brand Attorneys LLP	-75.00
Electrical Reliability Services, Inc	
Install Auto Synchronizer System on Ruth Hydro plant	-8,204.00
Total Electrical Reliability Services, Inc	-8,204.00
Emergency Equipment Management, Inc	
Upgrade Chlorine Leak Response & De-Con Equipment	-9,416.93
Total Emergency Equipment Management, Inc	-9,416.93
Eureka Art & Frame	
Board President Photos	-142.53
Total Eureka Art & Frame	-142.53
Eureka Oxygen	
cylinder rental	-85.40
Total Eureka Oxygen	-85.40
Eureka Readymix	
pipeline maintenance	-223.60
Ruth Fire Damage	-243.00
Ruth Fire Damage	-133.41
Total Eureka Readymix	-600.01
Fastenal Company	
Ruth fire damage	-144.90
Total Fastenal Company	-144.90
FEDEX	
ship equipment for repair	-30.15
return ACWA/JPIA training tape	-7.81
Total FEDEX	-37.96
Found.Cross-Connection	
Backflow prevention Annual Membership	-120.00
Total Found.Cross-Connection	-120.00

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2015

Memo	Amount
GEI Consultants, Inc	
Assistance with FERC Part 12 Inspection	-2,398.00
Total GEI Consultants, Inc	-2,398.00
GHD	
(55891) Collector 1 & 1A Lateral Replacement	-1,101.12
(55757) Blue Lake/Fieldbrook-Glendale Pipeline - River Crossing	-38,786.74
(55738) Facility Use Master Planning	-6,456.00
(55740) Surge Tower Demolition Plan	-2,264.00
(55750) Matthews Dam Crest Survey	-139.50
(55753) Matthews Dam Abutment Survey	-139.50
(55736) Matthews Dam Spillway Survey	-139.50
(55767) Mad River Cross Section Survey	-93.00
(56622) Collector 1 & 1A Lateral Replacement	-1,852.50
(57171) Blue Lake/Fieldbrook-Glendale Pipeline - River Crossing	-12,658.80
(57184) Facility Use Master Planning	-279.00
(57170) Surge Tower Demolition Plan	-2,281.50
(57179) Matthews Dam Crest Survey	-2,973.00
(57172) Matthews Dam Abutment Survey	-3,960.00
(57174) Matthews Dam Spillway Survey	-3,990.00
(57173) General Engineering - Essex	-2,139.00
(57173) General Engineering - Eureka	-744.00
Total GHD	-79,997.16
Harbor Freight Tools	
maintenance supplies	-21.74
Total Harbor Freight Tools	-21.74
Harrington Industrial Plastics LLC	
TRF maintenance	-1,288.76
Total Harrington Industrial Plastics LLC	-1,288.76
Hensel Hardware	
maintenance supplies	-59.78
Total Hensel Hardware	-59.78
Hopkins Technical Products, Inc	
TRF pump repair	-258.09
Total Hopkins Technical Products, Inc	-258.09
Humboldt Redwood Company, LLC	
Mt. Pierce Lease	-257.08
Total Humboldt Redwood Company, LLC	-257.08
Industrial Electric	
Collector 2.2 motor repair	-216.56
Total Industrial Electric	-216.56
J. Bruce Rupp	
expense reimbursement for attending ACWA Conference	-613.65
Total J. Bruce Rupp	-613.65
Johan Hendriks	
auto mileage reimbursement	-46.58
Total Johan Hendriks	-46.58
Keenan Supply	
maintenance supplies	-392.31
meter service	-99.76
Total Keenan Supply	-492.07
Keith Daggs	
expense reimbursement - replaces check # 40251 lost	-24.81
expense reimbursement - replaces check # 40251 lost	-24.82
Total Keith Daggs	-49.63

Humboldt Bay Municipal Water District Expenses by Vendor Detail

SECTION J2a, PAGE NO. 13

December 2015

Memo	Amount
Lighthouse Worldwide Solutions replace particle counter	-25,844.65
Total Lighthouse Worldwide Solutions	-25,844.65
Lubrication Engineers maintenance supplies	-288.08
Total Lubrication Engineers	-288.08
Lui Ahmad expense reimbursement for attending Control Software Training in San Ra...	-810.58
Total Lui Ahmad	-810.58
McJunkin Corporation TRF Limitorque Valve conversion kits	-3,079.70
Total McJunkin Corporation	-3,079.70
McMaster-Carr Supply TRF gauge maintenance	-190.68
Ruth Howell Bungler Valve Hydraulic cylinder maintenance	-32.48
Total McMaster-Carr Supply	-223.16
Mendes Supply Company water quality supplies	-57.83
Total Mendes Supply Company	-57.83
Mission Linen Uniform Rental	-537.69
Total Mission Linen	-537.69
Mitchell, Brisso, Delaney & Vrieze Legal services November 2015	-178.00
Total Mitchell, Brisso, Delaney & Vrieze	-178.00
Morse Media Upgrade website	-25.00
Total Morse Media	-25.00
Napa Auto Parts vehicle maintenance	-83.73
equipment maintenance	-74.36
maintenance supplies	-39.38
replace sander	-85.60
Total Napa Auto Parts	-283.07
National Meter & Automation, Inc replace meters	-1,289.85
Total National Meter & Automation, Inc	-1,289.85
Network Management Services TotalCare Computer Support Service for Eureka office	-493.09
TotalCare Guard-IT Security Service for Eureka office`	-139.99
Total Network Management Services	-633.08
Newark Element 14 Fieldbrook-Glendale CSD Pump Station soft start meter repair	-188.51
Total Newark Element 14	-188.51
North Coast Cleaning Services, Inc Eureka office building maintenance	-495.00
Total North Coast Cleaning Services, Inc	-495.00
North Coast Laboratories lab tests	-705.00
Total North Coast Laboratories	-705.00

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2015

Memo	Amount
Northern California Safety Consortium	
monthly membership	-50.00
Total Northern California Safety Consortium	-50.00
O&M Industries	
Collector 2 Valve replacement	-69.42
Total O&M Industries	-69.42
Pacific Gas & Electric Co.	
Ruth HQ	-79.17
Eureka Office	-660.45
Jackson Ranch Rectifier	-18.34
299 Rectifier	-81.80
West End Road Rectifier	-95.91
TRF	-5,462.64
Ruth Valve Control	-24.43
Ruth Hydro	-91.15
Samoa Booster Pump Station	-569.88
Samoa Dial Station	-17.97
Essex Pumping Nov 1 - 30, 2015	-38,049.33
Total Pacific Gas & Electric Co.	-45,151.07
Paul Helliker	
auto mileage reimbursemet to attend Sacramento and HSU Energy meetings	-508.30
expense reimbursement for Sacramento and HSU Energy meetins	-42.50
expense reimbursement to attend ACWA Fall Conference in Indian Wells, ...	-1,389.04
Total Paul Helliker	-1,939.84
Pierson Building Center	
Build cover over Ruth HQ fuel tank	-82.41
Ruth bunkhouse maintenance	-9.33
Total Pierson Building Center	-91.74
Pitney Bowes	
refill postage meter	-500.00
Total Pitney Bowes	-500.00
Platt Electric Supply	
DC power supply for Collector 1	-114.77
Total Platt Electric Supply	-114.77
Power Industries, Inc	
Replace hydraulic cylinders for Ruth Howell Bunger Valve	-7,045.78
Total Power Industries, Inc	-7,045.78
PPG Architectural Coatings	
Essex fuel tank maintenance	-275.14
Total PPG Architectural Coatings	-275.14
Recology Humboldt County	
Eureka office garbage/recycling service	-75.27
Total Recology Humboldt County	-75.27
Renner Petroleum	
cardlock fuel - pumping & control	-275.51
cardlock fuel - water quality	-275.51
cardlock fuel - maintenance	-275.51
cardlock fuel - customer service	-275.51
Ruth HQ bulk fuel	-206.14
Ruth Hydro bulk fuel	-206.15
Ruth HQ shop heater fuel	-95.93
Total Renner Petroleum	-1,610.26
Rogers Machinery Company, Inc	
Collector 1 air compressor repair	-169.65
TRF sump pump repair	-218.89
Total Rogers Machinery Company, Inc	-388.54

Humboldt Bay Municipal Water District Expenses by Vendor Detail

December 2015

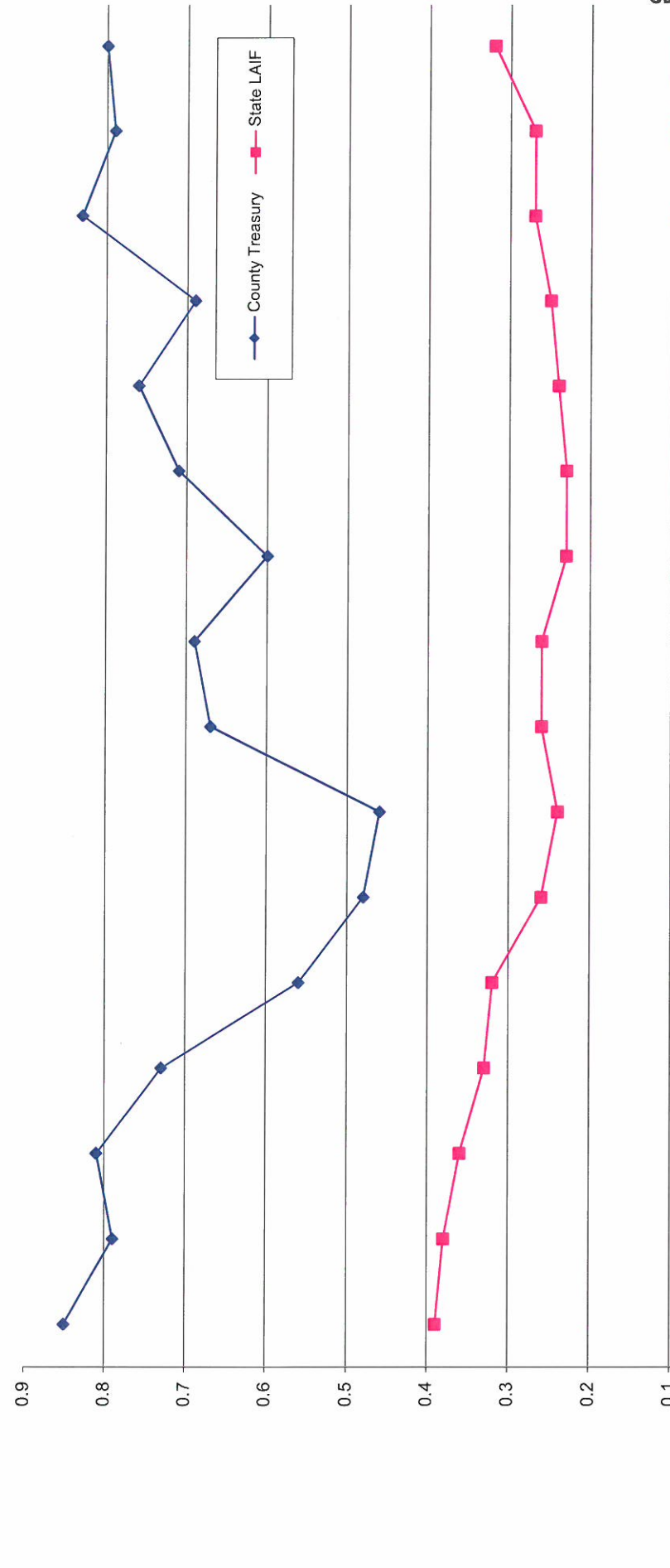
Memo	Amount
Ryan Chairez	
expense reimbursement for work crew for Ruth Hydro auto synchronizing p...	-133.32
Total Ryan Chairez	-133.32
Sierra Chemical Company	
chlorine	-854.02
TRF chemicals	-3,991.52
Total Sierra Chemical Company	-4,845.54
Sitestar Nationwide Internet	
Essex Internet	-52.90
Total Sitestar Nationwide Internet	-52.90
Staples	
Eureka office supplies	-253.06
Total Staples	-253.06
Sudden Link	
Eureka office Internet	-204.95
Essex office Internet	-124.95
Total Sudden Link	-329.90
SWRCB-DWOCP	
Water Distribution Operator Exam D3	-100.00
Water Distribution Operator Exam D4	-130.00
Total SWRCB-DWOCP	-230.00
T.P. Tire Service, Inc	
Unit 3 maintenance	-156.15
Total T.P. Tire Service, Inc	-156.15
Telstar Instruments, Inc	
chlorine system maintenance	-1,822.70
Total Telstar Instruments, Inc	-1,822.70
The Mill Yard	
Ruth Fire Damage	-103.26
Essex building maintenance	-13.85
Essex fuel tank maintenance	-40.20
maintenance supplies	-21.73
Total The Mill Yard	-179.04
Tim Farrell	
expense reimbursement for safety boots	-151.70
Total Tim Farrell	-151.70
Trinity County Solid Waste	
Ruth HQ dump fees	-11.90
Ruth Hydro dump fees	-11.90
Total Trinity County Solid Waste	-23.80
U.S. Bank	
upgrade chlorine leak response and de-con equipment	-1,622.42
conference call - Ruth Hydro (ReMAT)	-21.22
conference call - Water Resource Planning - Transport	-3.99
Ruth Hydro email	-11.95
Total U.S. Bank	-1,659.58
U.S. Postmaster	
Annual PO Box Rental	-98.00
Total U.S. Postmaster	-98.00
United Rentals, Inc	
equipment maintenance	-223.54
Total United Rentals, Inc	-223.54

Humboldt Bay Municipal Water District
Expenses by Vendor Detail

December 2015

Memo	Amount
USDA-Forest Service	
US Forest Service Special Use Permit	-707.15
US Forest Service Special Use Permit	-707.15
Total USDA-Forest Service	-1,414.30
USTI, Inc	
eBill charges Humboldt Bay retail	-11.44
eBill charges Fieldbrook-Glendale CSD	-13.84
bill cards	-123.00
Total USTI, Inc	-148.28
Verizon California	
Ruth HQ	-50.24
Ruth Hydro/dataline	-185.63
Total Verizon California	-235.87
Verizon Wireless	
Operations 1	-4.10
Superintendent	-107.57
Unit 3	-40.17
Alternate Superintendent	-33.76
Unit 12/Electrician	-0.22
Operations 2	-2.85
Unit 11	-48.54
Maintenance Supervisor	-45.15
Electrician	-19.38
Unit 6	-20.26
Unit 6	-20.26
Assistant Water Supervisor	-51.42
spare	-33.70
Alternate Operations	-0.22
Total Verizon Wireless	-427.60
Wonder Bros. Auto Body	
Unit 11 maintenance	-838.18
Total Wonder Bros. Auto Body	-838.18
TOTAL	-231,955.68

Comparison of County Treasury and State LAIF Investment Earning Rates
October 2011 - September 2015



	Oct - Dec 2011	Jan - Mar 2012	Apr - Jun 2012	Jul - Sept 2012	Oct - Dec 2012	Jan - Mar 2013	Apr - June 2013	Jul - Sept 2013	Oct - Dec 2013	Jan - Mar 2014	Apr - Jun 2014	July - Sept 2014	Oct - Dec 2014	Jan - Mar 2015	Apr - Jun 2015	July - Sept 2015
County Treasury	0.85	0.79	0.81	0.73	0.56	0.48	0.46	0.67	0.69	0.60	0.71	0.76	0.69	0.83	0.79	0.80
State LAIF	0.39	0.38	0.36	0.33	0.32	0.26	0.24	0.26	0.26	0.23	0.23	0.24	0.25	0.27	0.27	0.32



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

December 4, 2015

Dear Honorable Board Members,

Your fund balances in the County Treasury from July through September 2015 (Fiscal 15/16 1st Quarter) earned an annualized interest rate of **.80%**. For comparison purposes, the LAIF (Local Agency Investment Fund) rate was **.32%**.

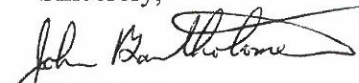
The consensus that Janet Yellen, Fed Chair, will be announcing an increase to interest rates in December has risen to 74 percent, and today the U.S. Department of Labor reported that the economy created 211,000 jobs in November. This is a positive sign for the overall economy, so the Feds should be comfortable announcing a rate increase.

The unemployment rate stayed at 5%, but something interesting to note is that the labor force is made up of the employed and the unemployed who are actively looking for work. Those who have no job and are not looking for one are not included in the "unemployment rate" and are not considered part of the labor force. The labor participation rate rose to 62.5% from 62.4% and refers to the share of working-age people who are employed or looking for work. This is worthy of mention because a few days ago Janet Yellen spoke about the labor participation rate and said "I don't think we should expect to see labor force participation move up a great deal over time" which indicates she does not anticipate the economy continuing to strengthen much more than at present.

Long story short, even though interest rates will probably rise this month it does not mean they will continue to be ratcheted up next year unless the economy continues to improve; then higher rates will follow. The bottom line being that we do not anticipate a big surge in yield from the county portfolio; but instead a gradual increase over the next few months. After that, time will tell.

Let us know how we may be of service.

Sincerely,


John Bartholomew
Treasurer-Tax Collector

Humboldt County Treasury Team:
Amy Christensen
Brandon Durr

FUND BALANCES
Cash Transactions Detail Report
Sorted by Fund - Fund
October 1, 2015 - October 1, 2015

Interest July - September 2015

Investment #	Fund	Issuer	Transaction Date	Receipt Number	Comment	Deposits	Withdrawals	Interest Received	Balance
Phillipsville CSD									
2635	2635	Fund Participant	10/01/2015		Interest Earnings				0.88
									0.88
					Subtotal and Ending Balance	0.00	0.00	0.00	0.88
Fortuna Cemetary District									
2640	2640	Fund Participant	10/01/2015		Interest Earnings			17.69	1,602.90
									1,620.59
					Subtotal and Ending Balance	0.00	0.00	17.69	1,620.59
Fortuna Cemetary Endowmnt Care									
2645	2645	Fund Participant	10/01/2015		Interest Earnings				0.43
									0.52
					Subtotal and Ending Balance	0.00	0.00	0.09	0.52
Petrolia Cemetary District									
2650	2650	Fund Participant	10/01/2015		Interest Earnings			130.24	64,210.61
									64,340.85
					Subtotal and Ending Balance	0.00	0.00	130.24	64,340.85
Alderpoint Community Water Dst									
2700	2700	Fund Participant	10/01/2015		Interest Earnings			47.69	23,600.49
									23,648.18
					Subtotal and Ending Balance	0.00	0.00	47.69	23,648.18
Humboldt Bay Muni water Dist									
2710	2710	Fund Participant	10/01/2015		Interest Earnings			37.52	54,485.60
									54,523.12
					Subtotal and Ending Balance	0.00	0.00	37.52	54,523.12
HBMWD Municipal Supp Reserve									
2711	2711	Fund Participant	10/01/2015		Interest Earnings			841.24	415,601.64
									416,442.88
					Subtotal and Ending Balance	0.00	0.00	841.24	416,442.88

19% Taxes

MSRA Reserve

FUND BALANCES
Cash Transactions Detail Report
Sorted by Fund - Fund

October 1, 2015 - October 1, 2015

Interest July - September 2015

Investment #	Fund	Issuer	Transaction Date	Receipt Number	Comment	Deposits	Withdrawals	Interest Received	Balance
Humb Bay Muni Water Dist Trust									
3873	3873	Fund Participant	10/01/2015		Interest Earnings			3,873.69	2,214,352.86
						0.00	0.00	3,873.69	2,218,226.55
					Subtotal and Ending Balance				2,218,226.55
Water Filtration Plant									
3874	3874	Fund Participant	10/01/2015		Interest Earnings			444.54	185,295.40
						0.00	0.00	444.54	185,739.94
					Subtotal and Ending Balance				185,739.94
Children's Trust Fund									
3875	3875	Fund Participant	10/01/2015		Interest Earnings			75.10	41,469.91
						0.00	0.00	75.10	41,545.01
					Subtotal and Ending Balance				41,545.01
HBMWD Revolving Loan									
3876	3876	Fund Participant	10/01/2015		Interest Earnings			130.19	2,315.88
						0.00	0.00	130.19	2,446.07
					Subtotal and Ending Balance				2,446.07
ADA Bus Stop Program									
3877	3877	Fund Participant	10/01/2015		Interest Earnings			894.98	442,148.91
						0.00	0.00	894.98	443,043.89
					Subtotal and Ending Balance				443,043.89
District Attorney Restitution									
3880	3880	Fund Participant	10/01/2015		Interest Earnings			260.44	136,756.00
			10/01/2015		Interest Earnings: Transfer to 3105		260.44		137,016.44
						0.00	260.44		136,756.00
					Subtotal and Ending Balance				136,756.00
County Farm Fund									
3882	3882	Fund Participant	10/01/2015		Interest Earnings			8.05	4,423.07
						0.00	0.00	8.05	4,431.12
					Subtotal and Ending Balance				4,431.12

Investment Account

DWFP Reserve

SRF Payment Account

Humboldt Bay Municipal Water District

To: Board of Directors

From: John Friedenbach

Date: January 6, 2016

Re: IRS Section 125 POP for Consumer Driven Health Plan (CDHP)
Pre – Tax Contributions to HSA

Background

As you may recall, last July, the Board adopted an incentive plan to encourage District employees to utilize CDHP's. The incentive is: "For the first two calendar years that an employee selects the District offered CDHP, in addition to the current benefit, the District will contribute \$1,000 per year to the employee's Health Savings Account (HSA). This will be paid in two \$500 increments. The first would be paid on January 1st and the second on April 1st." This amount is the difference between the deductible and the maximum out of pocket under the CDH plans.

Our District currently provides the following benefit to employees who select the CDH plan as their medical plan. Our Employee Handbook Section 4011 provides in part:

"...The District will pay the annual deductible for the Health Fund Plan via deposit to the employee's HSA, as long as the total cost of the premium plus deductible is less than the maximum benefit level. ..."

The current deductible and maximum out of pocket amounts are:

	<u>Deductible</u>	<u>Maximum out of Pocket</u>
Single	\$1,500	\$2,500
Family	\$3,000	\$4,000

We currently have one employee who through the open enrollment period has chosen the CDH medical plan beginning January 1, 2016.

Attached Exhibits B, C, and D are additional information on CDHP and HSA's.

Discussion

In addition to the employer (District) contribution to an employee's HSA as outlined in the above **Background**, the employee can make voluntary contributions to their HSA up to the annual IRS limits. The 2016 IRS limits for HSA contributions are: 1) Individual - \$3,350; 2) Family - \$6,750. These voluntary employee contributions can be made on a Federal "Pre-Tax" basis from the employee's earnings on their paycheck, provided the employer has an IRS Section 125 benefits plan in place. Consequently, on a Pre-Tax basis, an employee could save the Federal payroll taxes (Income tax – varies 10% to 28%, Social Security – 6.2% and Medicare – 1.45%)

normally applied to the voluntary contribution amount. The employer would also save the Federal employer taxes on these pre-tax contributions. (Social Security & Medicare). For example, on a \$100 pre-tax HSA contribution, the employee could save \$17.65 in federal taxes. $[100 \times .1765 (.10 + .0675 + .0145)]$. The State of California does not currently recognize HSA contributions as non-taxable under a Section 125 Plan.

In addition to a voluntary employee HSA contribution, employee medical premium co-pays also qualify for the Pre-Tax features of a Section 125 Plan. Therefore, if the Board approves adopting a Section 125 Premium Only Plan (POP), these tax savings will become available to employees who currently make a health plan premium co-pay to the District. There are currently eleven District staff members who would benefit from this provision.

HealthEquity is the preferred HSA account provider for JPIA members. They will prepare the necessary Section 125 POP plan documentation for a one-time fee of \$250. The JPIA's attorney, Mike Fowler, can also do this; however, the charge is \$500 and it can take up to six months for the necessary paperwork. In addition, the JPIA has negotiated a reduced individual account fee with HealthEquity of \$2.95 per month (reduced from \$3.95) for JPIA members. The JPIA also automatically reports enrollment to HealthEquity, so the District does not need to open accounts for our participant employees. An additional advantage of HealthEquity is that there is information sharing between Anthem, Castlight, and HealthEquity. Therefore, when an employee is logged into Castlight, they can see their HealthEquity account information as well as Anthem claim information.

There will be a small amount of staff administration time involved with this program, but it will be incorporated into the normal payroll processing and will be negligible. There are no Form 5500 reporting requirements for the Section 125 Plan for governmental plans who have less than 100 employees. Therefore, the District would not have any reporting under this plan.

Recommendation and Action

Staff recommends the Board approve implementation of an IRS Section 125 Premium Only Plan for HSA contributions and employee medical premium co-pays for the District. The Section 125 POP will be established using the JPIA's preferred service provider: HealthEquity. See attached draft Employer Application, Exhibit A.

Premium Only Plan (POP) Employer Application

DRAFT

HealthEquity®

Building Health Savings™

SECTION J2B PAGE NO. 3

Mail completed form to:

Address: HealthEquity, Attn: Client Services
15 W Scenic Pointe Dr, Ste 100, Draper, UT 84020

Please complete this form and submit to HealthEquity with a check* for the plan set up fee of \$250.

Note: Amendments to plans created by HealthEquity and that are already in effect are \$75. Please allow 30 days to process and return plan documents to the employer. An employer signature on the POP application is required before the plan can take effect.

Part 1: Company Information			
Company Name Humboldt Bay Municipal Water	Federal Tax Identification Number 94-6050067	State of Incorporation California	ERISA Plan Number (if applicable)
Street Address 828 7th Street	City Eureka	State CA	ZIP 95501-1114
Nature of Business Water District			
Employer Entity (check one) <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Limited Liability <input checked="" type="checkbox"/> Government or Church <input type="checkbox"/> Other _____			
Business Principals			
CEO Name Paul Helliker, General Manager		CFO Name John Friedenbach, Business Manager	
Primary Contact Information			
Plan Administrator Name John Friedenbach		Title Business Manager	
Phone 707-443-5018		Fax 707-443-5731	
E-mail friedenbach@hbmwd.com			
Affiliates			
If you have affiliates that should be included in your plan documents, please complete an Affiliates Questionnaire as well.			

Part 2: Plan Effective Dates		
Plan Name HBMWD 125 POP	Plan Number (501 - 530) 501	
Plan Year Start Date: <u>01</u> / <u>01</u> / <u>2016</u>	Plan Year End Date: <u>12</u> / <u>31</u> / <u>2016</u>	Fiscal Year End Date: <u>06</u> / <u>30</u> / <u>2016</u>
Is this a short plan year? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, please specify Plan Start Date: <u>01</u> / <u>15</u> / <u>2016</u> and End Date: ___ / ___ / ___		
Is this a restatement of a previously adopted plan? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, effective date of plan restatement ___ / ___ / ___		

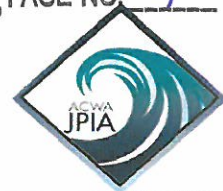
Part 3: Plan Design (Please check benefits to be offered under the plan)		
<input checked="" type="checkbox"/> Medical Coverage premiums	<input type="checkbox"/> Disability Coverage premiums	<input checked="" type="checkbox"/> Health Savings Account (HSA) contributions
<input type="checkbox"/> Dental Coverage premiums	<input type="checkbox"/> Term Life Coverage premiums	<input type="checkbox"/> Other Coverage Premiums: _____

Part 4: Employee Elections
<input type="checkbox"/> Election Required First Year Only - Only a first year POP election is required to be made by employee, evergreen thereafter.
<input type="checkbox"/> Election Required Each Plan Year - Employee is required to re-enroll in POP every plan year in order to continue pre-tax deductions.
<input checked="" type="checkbox"/> No Election Required, May Opt-Out - Employee is automatically enrolled in POP, but may elect to "opt-out" and pay taxes on cost of insurance.
<input type="checkbox"/> No Election Required, May Not Opt-Out - Employee is automatically enrolled in POP and may NOT elect to pay taxes on cost of insurance.

Authorized Signature		
I hereby authorize HealthEquity to provide plan administration services based on the information in this Employer Application.		
Name (please print) Paul Helliker, General Manager	Signature DRAFT	Date

*When you provide a check as payment, you authorize HealthEquity to either use the information from your check to make a one-time, Back Office Conversion (BOC), electronic fund transfer from your account if eligible, or to process the payment as a check transaction. Funds processed via BOC may be withdrawn from your account as soon as the same day your payment is received.

Consumer Driven Health Plan with a HSA



What is an Consumer Driven Health Plan (CDHP)?

Account Based Health Plan (CDHP) is a health plan product that combines a Health Savings Account (HSA) with a High Deductible medical plan. It provides insurance coverage and a tax-advantage way to help save for future medical expenses.

What are the general features of a CDHP?

- For 2016, a CDHP has an annual deductible of \$1,500 for Self only coverage and \$3,000 for Self and Family coverage.*
- The annual out-of-pocket limits for 2016 are \$1,500 for Self Coverage and \$3,000 for Self and Family coverage under Kaiser. Anthem's annual out-of-pocket limit for 2016 are \$2,500 for Self Coverage and \$4,000 for Self and Family coverage.*
- Deductibles are included in the out-of-pocket maximum.
- In-network preventive care services are provided at no cost.

HSA \$\$

Coinsurance or Co-pays until
Out-of-Pocket Maximum
Is reached

HSA \$\$

Deductible

Free!

Preventive Care

What are the covered Preventive Care Benefits?

Preventive care includes, but is not limited to the following:

- Periodic health evaluations, including test and diagnostics procedures ordered in connection with routine examinations, such as annual physicals
- Routine prenatal and well-child care
- Child and adult immunizations
- Tobacco cessation programs
- Screening services (cancer, heart, mental health, pediatric, vision, etc.)

What will I have to pay?

After you meet your deductible, you still have to pay co-pays and/or co-insurance for covered medical services and prescriptions drugs up until you meet the out-of-pocket maximum cost.*

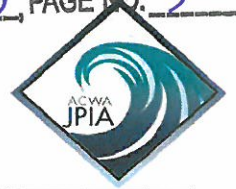
How does the payment process work when I am in a CDHP plan?

After your healthcare provider submits the claims to the insurance carrier for your visit, you will receive an Explanation of Benefits (EOB) in the mail. If there is an amount due, it will appear on your EOB and you will receive a bill from your healthcare provider for that amount.

How will I know when I meet my Deductible?

The Explanation of Benefits (EOB) that you receive after a service will show whether you have met your deductible or not.

*Remember that your plan may have different deductibles for single and family coverage. Also, your plan may have separate deductibles for different types of services, like in-network and out-of-network care. Before you visit the doctor, read through your plan documents, call the insurance company or talk to your HR department so that you know exactly what is covered and what you will need to pay before and after you meet your deductible.



HSA Frequently Asked Questions

What is a Health Savings Account (HSA)?

A Health Savings Account is a special tax-advantaged savings account available to people who are enrolled in a Consumer Driven Health Plan (CDHP). You must be actively enrolled in a CDHP in order to contribute to your HSA. Once you are no longer enrolled in a CDHP, you can maintain your HSA and continue to use the money on medical expenses, but you can no longer make contributions to the account.

What does tax-advantaged mean in reference to HSAs?

Tax-advantaged means any contributions made to the HSA are tax free at the federal level. However they are taxed under California income tax rules. Any withdraws from a HSA are tax free at the federal and California level as long as they are withdraws for eligible medical expenses. Withdraws for non-medical expenses are taxed at an individual's normal tax rate. There is an additional 20 percent tax penalty for withdraws made prior to age 65.

How can I spend my HSA money without being taxed?

- Your insurance deductible, copayment, and coinsurance until you reach your health plan's out-of-pocket maximum.
- Qualified health care expenses and some medical expenses excluded from your health plan. This includes dental, vision, and some over-the-counter products. Please refer to IRS Publication 502 for a detailed list.
- Post-tax premiums owed after employment ends such as COBRA or Medicare premiums.

How will an HSA plan save me money?

A HSA plan may save you money through lower premiums, tax savings, and money deposited in your account which can be used to pay your deductible and other out-of-pocket medical expenses in the current year or in the future.

How does a HSA differ from a Flexible Spending Arrangement (FSA)?

You will not lose your HSA funds at the end of the year. You are allowed to roll your HSA balance over each year and take the money with you if your employment ends. You determine if a withdrawal is an eligible expense, so no third party substantiation of claims.

What is required of me to be eligible to contribute to a Health Savings Account?

The IRS has strict guidelines to determine who is eligible to contribute to a HSA. The following requirements must be met in order to receive or make contributions:

- You must be enrolled in an CDHP or High Deductible Health Plan.
- You cannot have other medical coverage. A spouse and/or dependents may have other coverage.
- You cannot have Medicare. A spouse and/or dependents may have Medicare.
- You cannot be claimed as a tax dependent.

Can I have a Flexible Spending Arrangement (FSA) or Health Reimbursement Arrangement (HRA) along with HSA?

No, you may not have access to a traditional Medical FSA or HRA along with a HSA, which includes having access to a spouse's FSA. This type of plan is considered other medical coverage. The only exception to this would be if the plan is specifically a Limited Purpose FSA or HRA that can only be used for eligible dental and vision expenses. Post-Deductible FSA or HRA that only provides medical reimbursements, once the annual deductible has been met, are allowed. The IRS limit of \$2,500 for FSA still applies to the Limited Purpose FSA and Post-Deductible FSA.

(continued)



HSA Frequently Asked Questions

What is the IRS 2016 HSA Contribution Limits?

- An employee with employee only medical coverage can contribute up to \$3,350.
- An employee with employee plus dependent medical coverage can contribute up to \$6,750.
- HSA holders that are age 55 and older may make an additional \$1,000 contribution.

What are the catch-up contributions?

Catch-up contributions are only available to persons over the age of 55 and without Medicare. If you are covered by your HSA for the entire year, you may deposit the entire catch-up amount starting with the year you turn 55. For 2016, the catch-up contribution limit is \$1,000.

Who can contribute to my HSA?

Anyone can contribute to your HSA, however, only your employer and you will receive a tax benefit from the contributions.

How can contributions be made to my HSA?

- Your employer and you can make tax-advantaged contributions through payroll.
- Contributions can be mailed into your HSA or directly transferred to your HSA from a bank. These contributions would be considered post-tax, so you wouldn't get the tax-advantaged savings until you filed your tax return the following year.
- You can make a one time rollover from an IRA to your HSA. These contributions would count towards your annual maximum limit for that year. Please see IRS Publication 969 for more details on the requirements for this type of rollover.

When do expenses have to be incurred?

Only expenses incurred after you established your HSA are considered eligible expenses. Expense incurred before you establish your HSA are not qualified medical expenses. An account is deemed established once the account holder has opened the account and funds have been deposited into the account for the first time.

Whom can the money in my account be spent on?

Yourself, spouse, and anyone that can be claimed as a tax dependent on your tax return. The dependent does not have to actually be claimed on your tax return but only needs to be eligible.

How do I access HSA funds?

- You can request a HSA Debit Card from the HSA provider to swipe at provider facilities which withdraws the money directly from the HSA.
- You can request a HSA Check Book from the HSA provider which will allow you to pay bills and providers directly from your HSA.
- You can call the HSA provider and request a reimbursement check or direct deposit to reimburse out-of-pocket health expenses.

Will the HSA provider ask me for proof of my medical expenses when I take a distribution?

No, you will be required to hold on to receipts and Explanation of Benefits (EOBs) as supporting documentation for the distributions. The only time you will be asked to provide that documentation is by the IRS during an audit.

Three ways to contribute to employees' HSAs

HealthEquity offers three hassle-free ways to make contributions easy-for both employee payroll deductions and employer contributions to HSAs.

1 // Contribution defaults

In your HealthEquity employer portal, set your contribution amounts to the employee accounts as contribution defaults. The next time you fund employees' accounts, simply use your contribution defaults. Defaults can be edited or cleared if you need to make changes. You can change the employee listing to see current employees or expand to include inactive employees. See the two payments options below.

2 // Contribution files

In your HealthEquity employer portal, upload a file that includes your employer and/or employee HSA contribution amounts. The Resources section in the portal includes a simple Excel template to use to create your own file. See the two payments options below.

3 // Pre-paid deposits (PPD)

The free PPD funding option allows you to run a report in your HealthEquity employer portal that shows routing and account numbers for each participating employee. Simply give this information to your bank or payroll partner to make recurring employee payroll and/or employer HSA contributions. Contact HealthEquity Employer Services by phone or email to set up this feature.

Note: All contributions will be posted as "Employee" when this option is used.

The contribution wizard gives helpful warnings to alert you about potential over contributions, employees who may not have passed the required identity verification, and employees that might have been inadvertently skipped.

Two hassle-free payment options

- ① Set up a verified electronic funds transfer (EFT) account in your employer portal. Schedule automatic payments using EFT, allowing payments as early as the following business day or as late as April 15th of the following year. You can add multiple accounts—for example, one account for employer contributions and another for employee payroll deductions.
- ② Send a check payable to HealthEquity:

HealthEquity, Inc.,
15 W Scenic Pointe Dr, Ste 100
Draper, UT 84020

Important Note: Prior to sending a check, ensure you have allocated the contributions to employee accounts in the employer portal.

Payroll deduction made easy

You can upload your payroll deduction form and instructions on the employer portal. This custom information will be pushed to display on your employees' member portal for convenient access. If you need a payroll deduction form, download our standard form that you can customize at http://resources.healthequity.com/Forms/Employee_HSA_Payroll_Deduction_Form_20130710.pdf.

The complete employer portal guide

Your HealthEquity employer portal is your anytime, one-stop resource for easily managing participating employees, contributions, and more. The HealthEquity Employer Portal Guide is available at: http://resources.healthequity.com/Forms/Employer_Guide_2013.pdf.

Contact HealthEquity Employer Services, 8 a.m. - 7 p.m. CST, Monday through Friday.

Email: employerservices@healthequity.com
 Phone: 866.382.3510
 Fax: 520.844.7090

www.HealthEquity.com 866.382.3510

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Operations

Memo to: HBMWD Board of Directors
From: Dale Davidsen, Superintendent
Date: January 7, 2015
Subject: Essex/Ruth December Operational Report

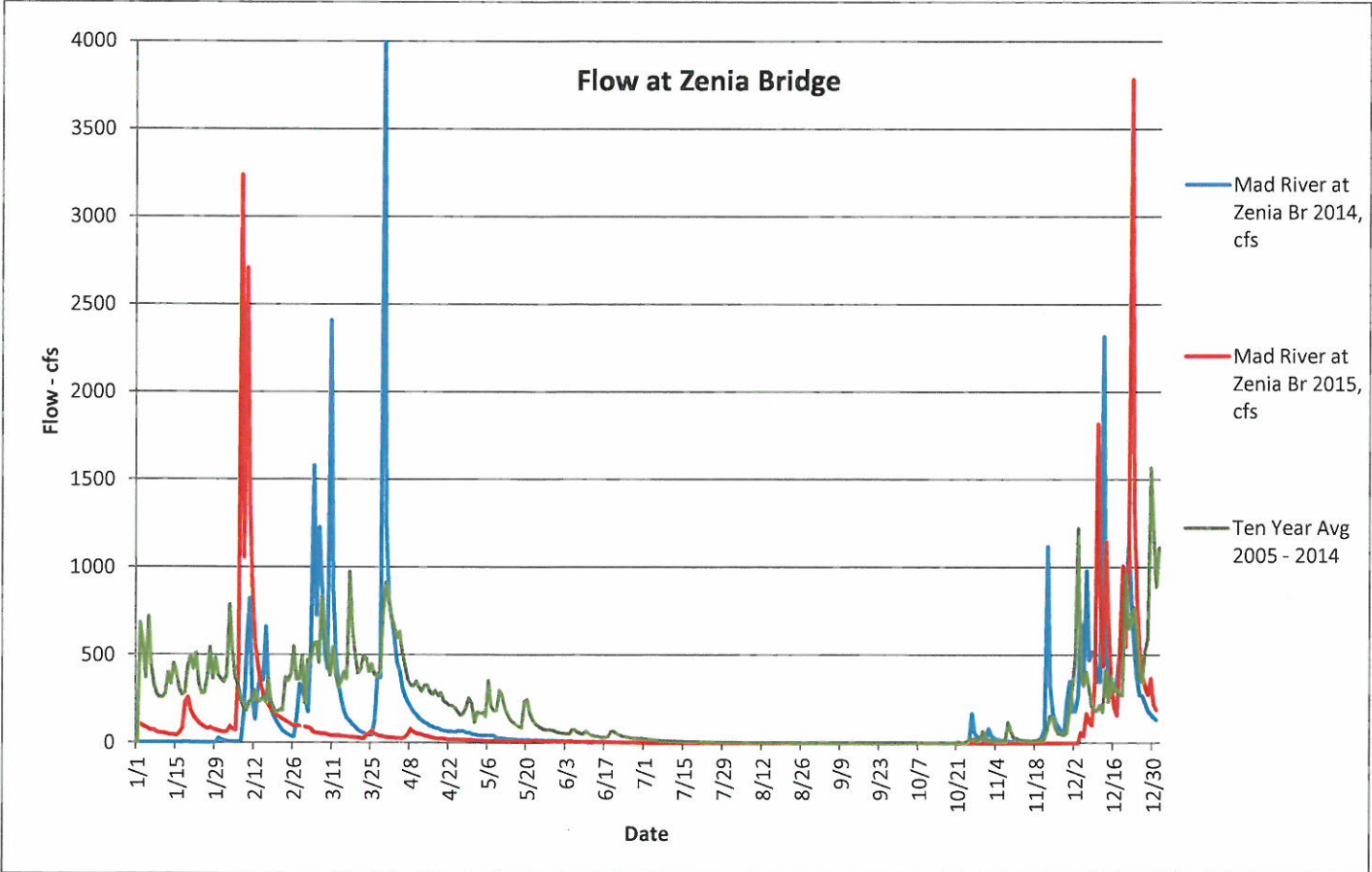
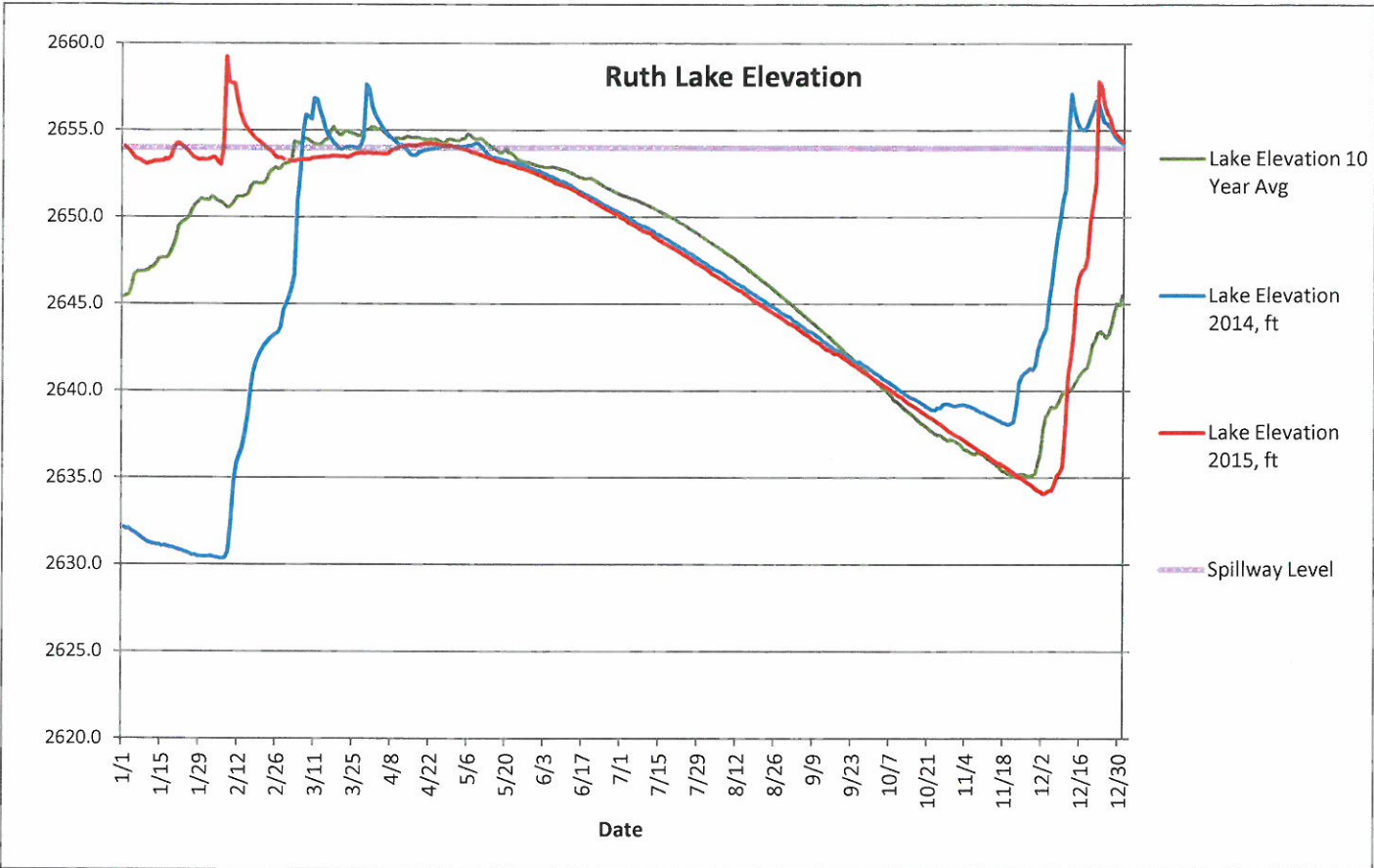
Ruth Lake, Upper Mad River and Hydro Plant

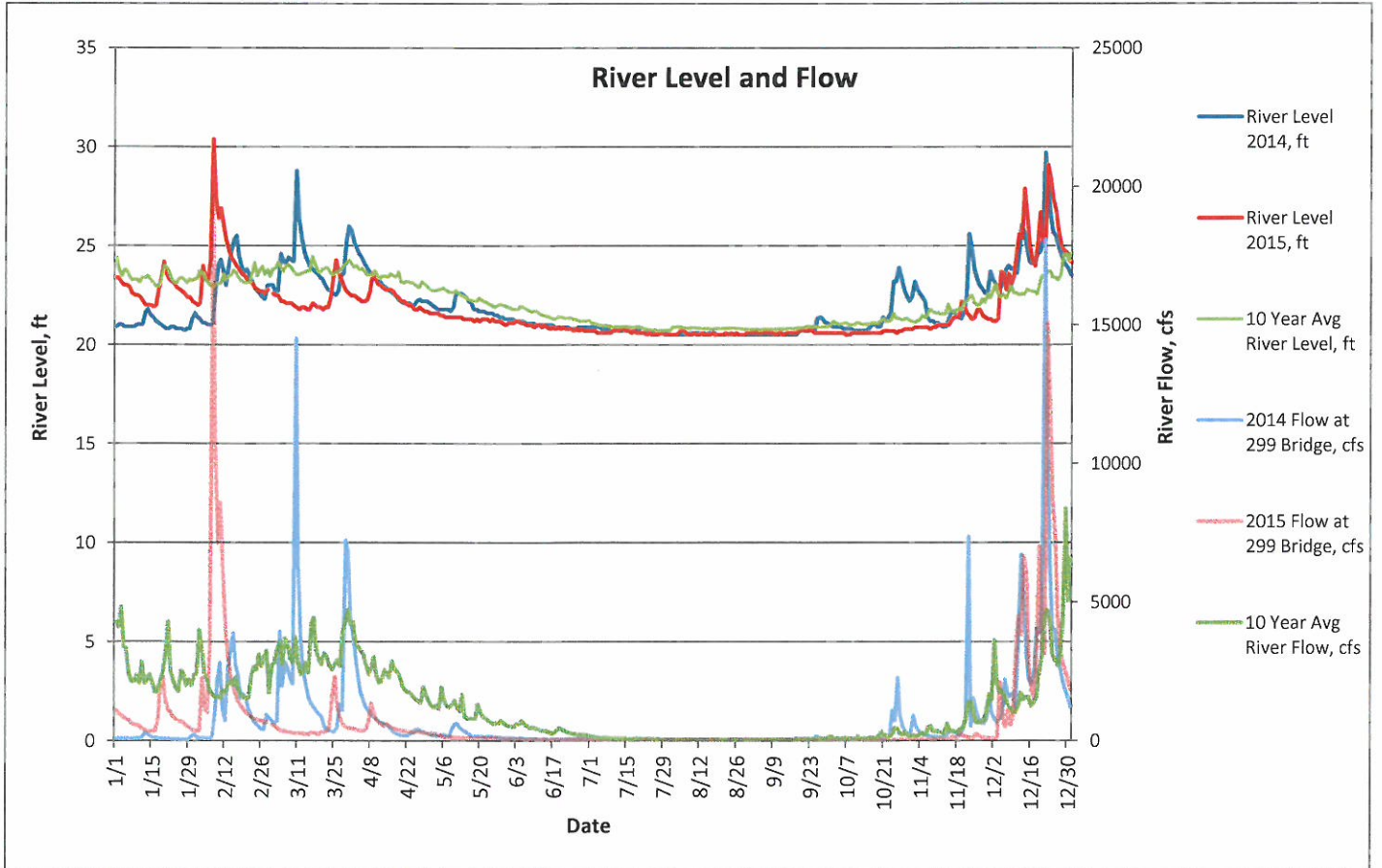
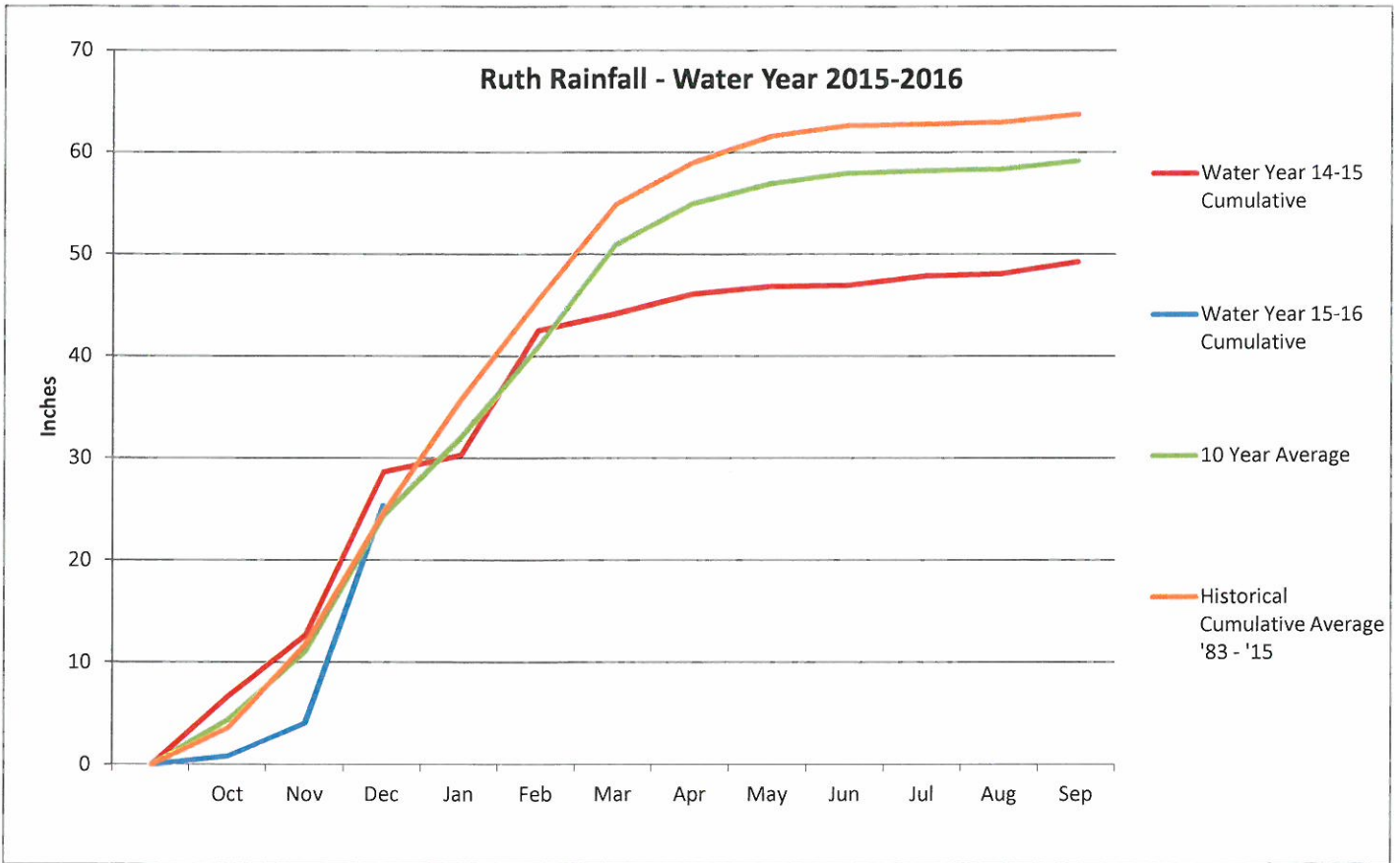
1. The high flow at Mad River above Ruth Reservoir (Zenia Bridge) during the month was measured on December 22 at 3,785 cfs and the low flow was measured on December 1 at 0 cfs.
2. The conditions at Ruth Lake in December were as follows:
 - a. The lake level on December 31, 2015 was 2654.38 feet which is:
 1. 20.09 feet higher than November 30, 2015
 2. 0.15 feet higher than December 31, 2014
 3. 7.40 feet above the ten year average
 4. 0.38 feet above the spillway
3. We measured 21.35 inches of rain at Ruth Headquarters during the month with a high reading of 2.42 inches measured on December 10.
4. Ruth hydro power production was 496,800 kWh during the month with 2 shutdowns and 69,964 kW lost production.
5. The high discharge flow from the lake this month was 2892 cfs on December 12 and the low release flow from the lake was 29 cfs on December 1.

Winzler Control, TRF and Lower Mad River

6. The river at Winzler Control Center reached a high recorded flow of 15,100 cfs and a level of 29.1 feet on December 22. The low river flow was on December 1, with a flow of 95 cfs and a level of 21.2 feet.
7. The domestic water conditions for 31 days in December were as follows:
 - a. The monthly turbidity average was 0.05 NTU, which meets Public Health Secondary Standards.
 - b. We pumped 246.200 million gallons at an average of 7.942 MGD.
 - c. The maximum metered daily municipal customer use was 8.735 MGD on December 9.
8. The Turbidity Reduction Facility ran 31 days in December. The conditions were as follows:
 - a. Filtered water production was 250.365 million gallons.
 - b. Average monthly source water turbidity was 1.08 NTU.
 - c. Average monthly filtered water turbidity was 0.07 NTU.

9. December 1st - Emerson Electrical Reliability on site at Ruth to do pre-start up testing for commissioning new synchronizer.
10. December 2nd - PG&E and Emerson Electrical Reliability were on site at Ruth to do final testing and commissioning of synchronizer.
11. December 3rd – Maintenance crew to Ruth to start installation of culvert to prevent erosion from runoff from burnt slide above the Hydro plant access road.
12. December 7th & 8th – Telstar was on site to do chlorine system maintenance.
13. December 14th – Ian Ivey's first day. Ian is our newest Operations and Maintenance Technician. He is doing very well.
14. December 16th – Safety meetings
 - a. Training on new Chlorine leak repair devices.
 - b. Practice and review donning and doffing procedures for ISI self-contained breathing apparatus (SCBA).
 - c. 2 MW generator operation refresher.
15. December 23rd – North Coast Labs informed us we had a positive Bac-T sample from a test station in Fairhaven. We immediately contacted Craig Bunas of SWRCB and agreed on a resampling regimen and then went out to take more samples.
16. December 24th – Delivered new Bac-T samples to North Coast Labs.
17. December 25th – North Coast Labs called to inform us the new Bac-T samples tested absent. The positive sample was possibly contaminated due to being taken during stormy weather and a drop of water from a dirty surface may have gotten in the sample.
18. December 29th – Eric Bruckner of AQMD was on site to do an unannounced inspection of all of our diesel generators. He inspected our 35 kW and 2 MW Essex generators and the 80 kW TRF generator. He said everything look good, a written report is forthcoming. At a later date he will inspect the 35 kW generator at Ruth Hydro.





**PACIFIC GAS AND ELECTRIC COMPANY
STATEMENT OF CAPACITY AND ELECTRIC ENERGY PURCHASED**

19H051

HUMBOLDT BAY MWD

CONFIDENTIAL Documents Submitted Under Pub. Util. Code Section 589 and G.O. No. 66 C Sec. 2.8
--

REMIT CHECK TO:

HUMBOLDT BAY MUNICIPAL WATER DISTRICT
GENERAL MANAGER
MS. CAROL RISCHE
P.O. BOX 95
EUREKA, CA 95501

MAILING ADDRESS:

HUMBOLDT BAY MWD
GENERAL MANAGER
MS. CAROL RISCHE
P.O. BOX 95
EUREKA, CA 95501

STATEMENT DATE: 11/30/15	DUE DATE: 12/30/15
CUST. ACCOUNT NO.: 2335114781	INVOICE: 19H051 11305
LOG NO.: 19H051	CHANNEL: LJ600B
	VENDOR NO.: 1024538
	CONTRACT NO.: 19H051
SUMMARY OF PAYMENT CALCULATION	
Payment Period:	11/1/15 - 11/30/15
Total Energy Payments:	\$3,868.01
Total Curtailment Payments:	\$0.00
Total Capacity Payments:	\$323.78
Total Adjustments:	\$0.00
GRAND TOTAL:	\$4,191.79
GROSS GENERATION (KWH):	145,496

Payment computations are in accordance with the Power Purchase Agreement between PG&E and:

HUMBOLDT BAY MWD**Dated: 7/26/85**

Please call 1-800-756-PAID if you have 1) not received your check for said amount shown on the statement four (4) days from the "DUE DATE" or 2) any general questions regarding the check.

Please direct any questions regarding the computations relating to this statement or PG&E's application of the provisions set forth in the Power Purchase Agreement to:

Contact: Kimberly Song
Dept: ELECTRIC SETTLEMENTS
Phone: (415)973-5815 ext.
Fax: (415)973-9505 ext.



Humboldt Bay Municipal Water District Ruth Hydro Production Report - Since June 1983

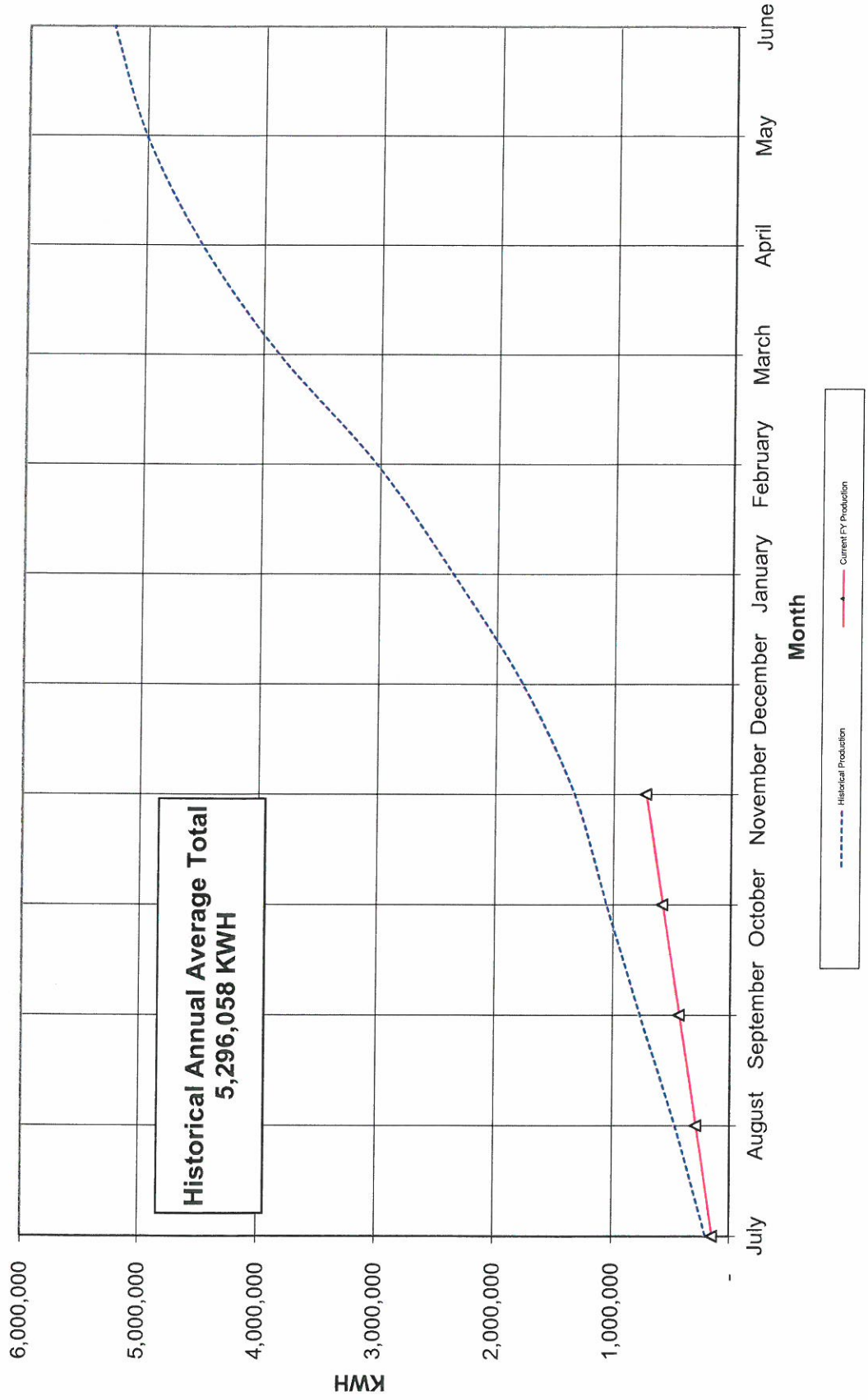
	Total Kwh Production	Production for Period Ending 11/30/2015	Average Monthly Kwh Production
On Peak	11,313,641		29,084
Part Peak	54,772,791	495,210	140,804
Off Peak	78,786,197	71,360	202,535
Super Off Peak	25,028,762	24,615	64,341
Grand Total	169,901,391	591,185	436,765

Grand Total Revenues \$8,427,361.22

No. of Months of Operation 389

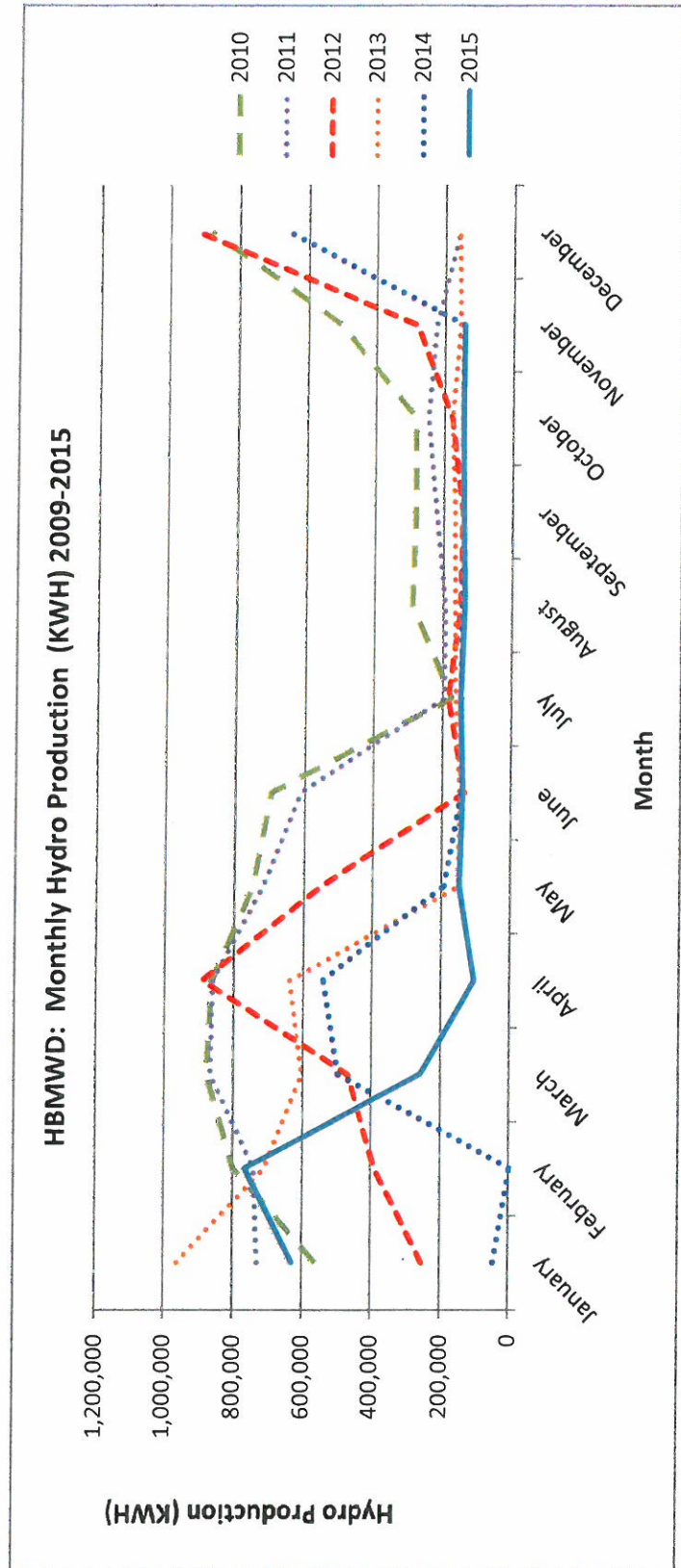
Average \$/Kwh \$0.0496

**Historical vs. Actual Cumulative Production
Gosselin Hydroelectric Plant @ Ruth Lake
All Data In Kilowatt Hours**



**Humboldt Bay Municipal Water District
Monthly Hydro Electric Production (KWH) for CY2010 - 2015**

Month	2010	2011	2012	2013	2014	2015
January	563,022	731,895	255,300	962,724	47,002	632,611
February	800,763	743,385	390,898	713,055	0	769,170
March	878,080	868,396	470,351	605,327	501,812	261,555
April	862,910	862,182	892,452	642,402	545,893	106,258
May	749,115	720,776	553,888	152,795	196,968	151,803
June	698,152	613,500	138,181	152,044	147,630	143,055
July	175,606	197,448	186,027	164,775	149,503	150,599
August	290,545	196,872	151,424	168,428	148,220	140,977
September	281,991	224,463	147,850	169,768	145,020	145,468
October	282,249	249,000	179,706	178,812	148,715	147,574
November	504,448	226,807	282,768	157,195	148,816	145,196
December	883,273	159,636	923,766	160,936	665,823	
Total Annual	6,970,154	5,794,360	4,572,611	4,228,261	2,845,402	2,794,266



ACWA



H.B.M.W.D. DEC - 7 2015

JOINT POWERS
INSURANCE AUTHORITY

P. O. Box 619082
Roseville, CA 95661-9082

phone
916.786.5742
800.231.5742

direct line
916.774.7050
800.535.7899

general fax
916.774.7040

claims fax
916.786.0209

www.acwajpia.com

President
E.G. "Jerry" Gladbach

Vice President
Tom Cuquet

Chief Executive Officer
Walter "Andy" Sells

Executive Committee
Tom Cuquet
David Drake
E.G. "Jerry" Gladbach
David T. Hodgkin
W.D. "Bill" Knutson
Melody A. McDonald
Charles W. Muse
J. Bruce Rupp
Kathleen J. Tiegs

December 4, 2015

Paul Heliker
Humboldt Bay Municipal Water District
P.O. Box 95
Eureka, CA 95502-0095

Dear Paul:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Humboldt Bay Municipal Water District with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2016.

Sincerely,

Walter "Andy" Sells
Chief Executive Officer

Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

*The President of the
ACWA Joint Powers Insurance Authority
hereby gives Special Recognition to*

Humboldt Bay Municipal Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/2011 – 03/31/2014
announced at the Board of Directors' Meeting in Indian Wells.*



November 30, 2015

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President

President's Special Recognition Award

*The President of the
ACWA Joint Powers Insurance Authority
hereby gives Special Recognition to*

Humboldt Bay Municipal Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Workers' Compensation Program for the period 07/01/2011 – 06/30/2014
announced at the Board of Directors' Meeting in Indian Wells.*

E. G. "Jerry" Gladbach
E. G. "Jerry" Gladbach, President



November 30, 2015

SECTION 12, PAGE NO. 3

Certificate of Appreciation

presented to:

Barbara Hecathorn

For your time and commitment spent while serving on the
ACWA Region 1 Board
during the 2014-2015 term

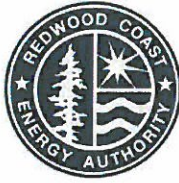


Association of
California Water Agencies
Since 1910
Leadership • Advocacy • Information • Service

Timothy H. Quinn
ACWA Executive Director

John Coleman
ACWA President 2014 - 2015

RCEA, RREDC, LAFCO



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

MEETING AGENDA

Redwood Coast Energy Resource Center
633 3rd Street, Eureka, CA 95501

December 14, 2015
Monday, 3:15 p.m.

Redwood Coast Energy Authority will accommodate those with special needs. Arrangements for people with disabilities who attend RCEA meetings can be made in advance by contacting Katey Schmidt at 269-1700 by noon the day of the meeting.

I. ROLL CALL

II. REPORTS FROM MEMBER ENTITIES

III. ORAL COMMUNICATIONS

This time is provided for people to address the Board or submit written communications on matters not on the agenda. At the conclusion of all oral & written communications, the Board may respond to statements. Any request that requires Board action will be set by the Board for a future agenda or referred to staff.

IV. CONSENT CALENDAR

All matters on the Consent Calendar are considered to be routine by the Board and are enacted on one motion. There is no separate discussion of any of these items. If discussion is required, that item is removed from the Consent Calendar and considered separately. At the end of the reading of the Consent Calendar, Board members or members of the public can request that an item be removed for separate discussion.

- A. Approve Minutes of November 30, 2015 Board Meeting.
- B. Approve attached Warrants.

V. REMOVED FROM CONSENT CALENDAR ITEMS

Items removed from the Consent Calendar will be heard under this section.

VI. NEW BUSINESS

- A. 2016 RCEA Board Meeting Schedule

Approve the proposed RCEA Board 2016 Regular Meeting Schedule.

- B. Community Choice Aggregation

Receive update report and discuss/consider possible action:

Direct staff to draft and send a letter to the CA Public Utilities Commission opposing PG&E proposed 2016 increase to the Power Cost Indifference Adjustment fees charged to CCA customers.

C. 2016-18 PG&E Energy Watch Contract

Approve PG&E master service agreement specific conditions, general conditions, and contract work authorization for Redwood Coast Energy Watch 2016-18 program cycle.

VII. STAFF REPORT

A. Executive Director

- Strategic Planning update
- CA Energy Commission electric vehicle infrastructure workshop
- Executive Director 2016 Work Plan
- 2015 Year in Review

VIII. ADJOURNMENT

The next RCEA Board of Directors Business Meeting is proposed to be scheduled for Monday, January 11th, 2016 at 3:15p.m.

Sherrie Sobol

From: Gregg Foster [gregg@rredc.com]
Sent: Tuesday, December 08, 2015 4:42 PM
To:

Cc:
Subject: December 28th Board Meeting

Hello all,

Shirley's polling of the board indicates that we will not have a quorum available for the meeting of December 28th. Therefore, we'll cancel that meeting and will see you next year.

No December meeting

Have a great holiday.

Gregg

Gregg Foster
Executive Director
Redwood Region Economic Development Commission
520 E Street
Eureka, CA 95501
707-445-9651 ext 201
gregg@rredc.com



Redwood Region
Economic Development
Commission

Fly Humboldt!
More Flights/More Destinations